



City of San Antonio

Legislation Details (With Text)

File #: 20-3013

Type: Misc - Financial Services

In control: City Council A Session

On agenda: 5/14/2020

Title: Ordinance approving the issuance by the Las Varas Public Facility Corporation of its Multifamily Housing Revenue Bonds (Mira Vista Apartments) Series 2020 for purposes of Section 147(f) of the Internal Revenue Code. An administrative fee of \$2,500.00, payable by the Las Varas Public Facility Corporation, will be deposited into the General Fund in accordance with the FY 2020 Adopted Budget. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]

Sponsors:

Indexes:

Code sections:

Attachments: 1. Draft Ordinance, 2. Ordinance 2020-05-14-0327

Date	Ver.	Action By	Action	Result
5/14/2020	1	City Council A Session	adopted	Pass

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

Approval of financing for purposes of the Internal Revenue Code (Mira Vista Apartments)

SUMMARY:

This Ordinance approves the issuance by the Las Varas Public Facility Corporation of its Multifamily Housing Revenue Bonds (Mira Vista Apartments) Series 2020 (the “Bonds”) for purposes of Section 147 (f) of the Internal Revenue Code.

BACKGROUND INFORMATION:

Section 147(f) of the Internal Revenue Code (the “Code”) requires that the issuance of any private activity bond obligations be approved by the applicable elected representative of the governmental unit in which the project is located after a public hearing following reasonable public notice.

The City was contacted regarding Las Varas Public Facility Corporation (the “Issuer”) financing the costs of acquiring, constructing, and equipping a 300-unit affordable multifamily housing facility (the “Project”) to be located at 1226 Mira Vista, San Antonio, Bexar County, Texas, for the benefit of Mira Vista SA Apartments LP (the “Borrower”). All units in the project will be made available to families whose income averages 60% or less than the median income. In addition, the rents will be restricted to the Texas Department of Housing Tax Credit rents for the tenant income adjusted for family size. These restrictions will remain in place for 35 years. A public hearing with respect to the Project and issuance of the Bonds was held in the City of San Antonio on April 27, 2020 in compliance with Section 147(f) of the Code.

ISSUE:

To meet the requirements of the Code, the Borrower has requested that City Council adopt a Resolution confirming public approval of the financing plan and issuance of the one or more series of Bonds by the Issuer up to a maximum aggregate amount of \$28,000,000, all of which will be used to finance the costs of acquisition, construction and equipping of the Project. The consideration and approval of this action is consistent with the City’s practice of providing consent for projects located in San Antonio that involve qualified institutions obtaining tax-exempt financing for capital improvement projects through conduit issuers.

ALTERNATIVES:

If the City does not adopt a Resolution confirming public approval of the bond issuance by the Issuer, this financing cannot be effectuated.

FISCAL IMPACT:

This ordinance does not obligate the City to pay the debt or Bonds, and does not obligate or create any expectations of, or liabilities for, the City. The Borrower is solely responsible for paying all debt service and other costs associated with the Bonds. Upon the adoption of this ordinance, the Las Varas Public Facility Corporation will pay the City an administrative fee of \$2,500.00, which will be deposited into the General Fund in accordance with the FY 2020 Adopted Budget.

RECOMMENDATION:

Staff recommends approval of the Resolution approving the issuance by the Las Varas Public Facility Corporation of its Multifamily Housing Revenue Bonds (Mira Vista Apartments) Series 2020 for purposes of Section 147(f) of the Internal Revenue Code.