



City of San Antonio

Legislation Details (With Text)

File #: 15-1040

Type: Resolution

In control: City Council A Session

On agenda: 1/29/2015

Title: A Resolution approving the financing by the New Hope Cultural Education Facilities Finance Corporation of health facilities located within the City of San Antonio, Texas for Glen Hope Harbor, Inc. for purposes of Section 147(f) of the Internal Revenue Code. [Ben Gorzell, Jr., Chief Financial Officer; Troy Elliott, Director of Finance]

Sponsors:

Indexes:

Code sections:

Attachments: 1. Attachment I, 2. Resolution 2015.01.29.0006R

Date	Ver.	Action By	Action	Result
1/29/2015	1	City Council A Session	approved	Pass

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

Approval of financing for purposes of the Internal Revenue Code

SUMMARY:

This Resolution approves a financing by the New Hope Cultural Education Facilities Finance Corporation of health facilities located within the City of San Antonio, Texas for Glen Hope Harbor, Inc. 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 qualified 501(c)(3) 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 Glen Hope Harbor, Inc. (the “Borrower”), a Texas nonprofit corporation and 501(c)(3) organization that is financing through the New Hope Cultural Education Facilities Finance Corporation (the “Issuer”), the acquisition of nine assisted living facilities, each of which contains approximately 6,300 to 7,500 square feet and includes 16 units, congregate living and dining areas, a central kitchen and related common areas, with two facilities being located at 1418 Walkers Way, San Antonio, Texas 78216 and 20718 Stone Parkway, San Antonio, Texas 78258 (collectively, the “Project”).

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 the issuance of one or more series of bonds or notes (the “Bonds”) by the Issuer up to a maximum principal amount of \$45 million for 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 non-profit 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 financing by the Issuer, this financing cannot be effectuated.

FISCAL IMPACT:

The Resolution does not obligate the City to pay to pay the Bonds or the interest thereon, 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. The Borrower will pay the City an administrative fee of \$2,500 upon the adoption of the requested Resolution.

RECOMMENDATION:

Staff recommends approval of the Resolution which approves financing by the New Hope Cultural Education Facilities Finance Corporation of health facilities located within the City of San Antonio, Texas for Glen Hope Harbor, Inc. for purposes of Section 147(f) of the Internal Revenue Code.