



City of San Antonio

Legislation Details (With Text)

File #: 20-4465
Type: Misc - Financial Services
In control: City Council A Session
On agenda: 8/13/2020
Title: Ordinance approving the issuance by the San Antonio Housing Trust Finance Corporation of its Multifamily Housing Governmental Note (Greenline North Apartments) Series 2020 (the "Bonds") for purposes of Section 147(f) of the Internal Revenue Code and in order to comply with the San Antonio Housing Trust Finance Corporation's organizational documents. [Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer]
Sponsors:
Indexes:
Code sections:
Attachments: 1. Ordinance 2020-08-13-0525

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

Approval of tax-exempt bonds for purposes of the Internal Revenue Code and to comply with the San Antonio Housing Trust Finance Corporation's organizational documents.

SUMMARY:

Ordinance approving the issuance by the San Antonio Housing Trust Finance Corporation of its Multifamily Housing Governmental Note (Greenline North Apartments), Series 2020 (the "Bonds") for purposes of Section 147 (f) of the Internal Revenue Code and to comply with the San Antonio Housing Trust Finance Corporation's organizational documents.

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 created the San Antonio Housing Trust Finance Corporation (the “Corporation”) and the organizational documents require that all bonds issued by the Corporation be approved by the City prior to their issuance. The attached ordinance approves the bonds for purposes of complying with this requirement.

The Bonds will be used to finance the costs of acquisition, construction, and equipping of a proposed 292-unit affordable multifamily housing facility located at 7402 South New Braunfels Avenue in San Antonio (the “Project”). The Project is also being financed in part pursuant to the City’s 2017 Bond Program allocation for Neighborhood Improvements. In January 2019, City Council approved the sale of the land to Franklin Development and authorized a reimbursable contribution from the City, by and through Our SA to pay eligible expenses through the Urban Renewal Plan in an amount not to exceed \$4,200,000.

ISSUE:

To meet the organizational requirements of the Corporation and to meet the requirements of the Code, City Council is requested to adopt an Ordinance confirming public approval of the financing plan and issuance of one or more series of Bonds by the Corporation up to a maximum aggregate amount of \$33,000,000, 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 approving bonds to be issued by the Corporation prior to their issuance and 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 an Ordinance approving bonds to be issued by the Corporation prior to their issuance and confirming public approval of the bond issuance by the Issuer, this financing cannot be effectuated.

FISCAL IMPACT:

The 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.

RECOMMENDATION:

Staff recommends approval of the Ordinance approving the issuance by the San Antonio Housing Trust Finance Corporation of its Multifamily Housing Governmental Note (Greenline North Apartments), Series 2020.