



City of San Antonio

Legislation Details (With Text)

File #: 21-2118
Type: Misc - Financial Services
In control: City Council A Session
On agenda: 4/1/2021
Title: Ordinance approving the issuance by the Las Varas Public Facility Corporation of its Multifamily Housing Revenue Bonds (Copernicus Apartments) Series 2021 (the "Bonds") for purposes of Section 147(f) of the Internal Revenue Code [Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer].
Sponsors:
Indexes:
Code sections:
Attachments: 1. Draft Ordinance, 2. Ordinance 2021-04-01-0213

Date	Ver.	Action By	Action	Result
4/1/2021	1	City Council A Session		

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

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

SUMMARY:

This Ordinance approves the issuance by the Las Varas Public Facility Corporation of its Multifamily Housing Revenue Bonds (Copernicus Apartments) Series 2021 (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 the Las Varas Public Facility Corporation (the “Issuer”) financing the costs of acquiring, constructing, and equipping a 318-unit affordable multifamily housing facility (the “Project”) to be located at approximately 707 SE Loop 410, San Antonio, Texas 78220, for the benefit of Copernicus Apartments Ltd. (the “Borrower”). The project will consist of 318 units, with 17 units at 40% of the median income and below, 17 units at 50% of the median income, 267 units at 60% of the median income and 17 units at 70% of 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. A public hearing with respect to the Project and issuance of the Bonds was held in the City of San Antonio on March 3, 2021 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 an Ordinance 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 \$38,000,000, 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 an Ordinance 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. 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 2021 Adopted General Fund Budget.

RECOMMENDATION:

Staff recommends approval of the Resolution approving the issuance by the Las Varas Public Facility Corporation of its Multifamily Housing Revenue Bonds (Copernicus Apartments) Series 2021 for purposes of Section 147(f) of the Internal Revenue Code.