



City of San Antonio

Agenda Memorandum

File Number: 17-4327

Agenda Item Number: 16.

Agenda Date: 8/3/2017

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services Department

DEPARTMENT HEAD: Veronica R. Soto

COUNCIL DISTRICTS IMPACTED: Council District 7

SUBJECT:

Approval of San Antonio Housing Trust Finance Corporation Multifamily Housing Revenue Bonds for Trails at Leon Creek Apartments

SUMMARY:

The San Antonio Housing Trust Finance Corporation is seeking approval for the issuance of Multifamily Housing Revenue Bonds for the development of Trails at Leon Creek Apartments in an amount not to exceed \$35 million with final terms and documents to be approved hereafter by the San Antonio Housing Trust Public Facility Corporation (SAHTPFC).

BACKGROUND INFORMATION:

The San Antonio Housing Trust Finance Corporation (SAHTFC) was formed by the San Antonio Housing Trust (SAHT) in 1997 under Chapter 394 of the Texas Housing Finance Act to be a financial pass-through facility to issue bonds for affordable single and multi-family housing. The board of the SAHTFC consists of five members of the San Antonio City Council: City Council Members from Districts 1, 2, 3, 4 and 5. Additionally, the SAHTFC is administered by the SAHT.

The San Antonio Housing Trust Public Facility Corporation owns the real estate and controls the general partner in the partnership.

Trails at Leon Creek Apartments is a proposed 296-unit rental housing development at 7615 East Bandera Road in Council District 7. All units would be restricted to 60% of area median income (e.g. a family of four will have a maximum income of \$38,100). The value of the Texas Department of Housing and Community Affairs

(TDHCA) tax credit award to Trails at Leon Creek is \$19.6 million with total development costs for the project at \$58.5 million. Pedcor is the Developer. A limited liability company created by the SAHTPFC will control the general partner of the Owner, and the SAHTPFC will serve as the general contractor.

On January 19, 2017, City Council previously approved a Resolution of No Objection for this development's application to the TDHCA for non-competitive (4%) housing tax credits through Resolution 2017-01-19-0003R.

This item was approved by the San Antonio Housing Trust Public Facility Corporation on Tuesday, June 27.

The San Antonio Housing Trust and developer Pedcor coordinated with City staff and Councilwoman Sandoval to identify additional features that address the needs of future residents and the surrounding neighborhoods. This coordination led to amended features including a reduction in the number of housing units from 344 to 296, added fencing around the development, and a reduction in impervious cover. Additional concessions have been negotiated and are listed in the attached document. The developer will be required to abide by the concessions that have been agreed upon and an enforceable mechanism will be included in the financial documents.

Traffic along Bandera Road is an issue and was considered during the analysis of this project. It is important to note that TxDOT currently is conducting a congestion mitigation study of Bandera Road between Loop 410 and Loop 1604. The City has been and will continue to work with TxDOT in their Bandera Road study and in developing a robust public input process. It is expected that early recommendations will be complete in the fall of 2017. Cost estimates range up to \$100,000,000, and it is anticipated that state funding may be available in the summer of 2022.

ISSUE:

The San Antonio Housing Trust Finance Corporation proposes to issue up to \$35 million in Multifamily Housing Revenue Bonds to help finance the construction of Trails at Leon Creek Apartments, a 296-unit affordable housing tax credit project located at 7615 Bandera Road in Council District 7. All units will be restricted to 60% of area median income (e.g. a family of four will have a maximum income of \$38,100). The bonds will only be payable from the revenues of the project and will not be an obligation or debt of the City.

The value of the Texas Department of Housing and Community Affairs (TDHCA) tax credit award to Trails at Leon Creek is \$19.6 million with total development costs for the project at \$58.5 million.

Final terms and documents for this project need to be approved hereafter by the San Antonio Housing Trust Public Facility Corporation (SAHTPFC).

ALTERNATIVES:

City Council may elect not to support the issuance of multifamily revenue bonds which would not allow the development to proceed.

FISCAL IMPACT:

The San Antonio Housing Trust Finance Corporation Multifamily Housing Revenue Bonds issued in an amount not to exceed \$35 million to develop Trails at Leon Creek Apartments will only be payable from the revenues of the project and will not be an obligation or debt of the City.

RECOMMENDATION:

Staff recommends approval of an Ordinance authorizing the issuance of San Antonio Housing Trust Finance Corporation Multifamily Housing Revenue Bonds in an amount not to exceed \$35 million to be used toward the development of the Trails at Leon Creek Apartments.