



City of San Antonio

Agenda Memorandum

File Number:19-1891

Agenda Item Number: 21.

Agenda Date: 2/21/2019

In Control: 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

SUMMARY:

This Resolution approves the issuance by the Las Varas Public Facility Corporation of its Multifamily Housing Revenue Bonds (Wurzbach Manor Apartments) Series 2019 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") for the benefit of LIH Wurzbach Manor, LP (the "Borrower"), a Texas limited partnership that is financing in part through the Issuer the costs of acquiring, rehabilitating, improving, and equipping a low-income multifamily housing development of the Borrower to be located at approximately 8730 Wurzbach Road, San Antonio, Texas 78240 (the "Project"). A public hearing with respect to the Project and the issuance of the Bonds was held in the City of San Antonio on January 24, 2019 in compliance with Section 147(f) of the Code.

The Issuer is an affiliate of the San Antonio Housing Authority, and the Issuer is undertaking this issuance in the furtherance of its mission of facilitating the provision of affordable housing.

ISSUE:

To meet the requirements of the Code, the Borrower has requested that City Council adopt a Resolution confirming public approval of the issuance of the one or more series of Bonds by the Issuer up to a maximum aggregate amount of \$20,000,000, which will be used to finance 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 affordable housing developments 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:

The Resolution does not obligate the City to pay the 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 and the project. Upon the adoption of this requested Resolution, The Borrower will pay the City an administrative fee of \$2,500.00, which will be deposited in accordance with the FY 2019 Adopted General Fund Budget.

RECOMMENDATION:

Staff recommends approval of the Resolution which approves the issuance by the Las Varas Public Facility Corporation of is Multifamily Housing Revenue Bonds (Wurzbach Manor Apartments) Series 2019 for purposes of Section 147(f) of the Internal Revenue Code.