



City of San Antonio

Agenda Memorandum

File Number:19-3874

Agenda Item Number: 20.

Agenda Date: 5/16/2019

In Control: City Council A Session

DEPARTMENT: Neighborhood & Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: Council District 2

SUBJECT:

Authorizing the issuance of San Antonio Housing Trust Finance Corporation Multifamily Housing Revenue Bonds for the development of Alsbury Apartments.

SUMMARY:

Ordinance authorizing the San Antonio Housing Trust Finance Corporation to issue Multifamily Housing Revenue Bonds for the development of Alsbury Apartments in an amount not to exceed \$20,000,000.00 with final terms and documents to be approved hereafter by the San Antonio Housing Trust Public Facility Corporation.

BACKGROUND INFORMATION:

The San Antonio Housing Trust Finance Corporation (SAHTFC) was created by the City Council in 1997 by Ordinance No. 86465 under Chapter 394 of the Texas Housing Finance Act to be a financial pass-through entity 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.

Alsbury Apartments is a proposed 240-unit rental housing development to be located at 231 Noblewood Drive (approximately the southeast corner of IH-10 and Houston Street) in Council District 2. One Hundred percent (100%) of the units will be restricted to 60% of area median income (e.g. a family of four will have a maximum income of \$40,080). The value of the Texas Department of Housing and Community Affairs (TDHCA) tax credit award to Alsbury is approximately \$12,318,000, with total development costs for the project at approximately \$34,800,000. On December 06, 2018 the City approved \$1,250,000 of HOME Loans and

\$1,100,000 of CDBG loans for the project. Versa Development, LLC is the Developer. The San Antonio Housing Trust Public Facility Corporation will own the real estate. 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 31, 2019 City Council previously approved a Resolution of No Objection for this development's application to the TDHCA for non-competitive (4%) housing tax credits and the HOME and CDBG Loans.

ISSUE:

The San Antonio Housing Trust Finance Corporation proposes to issue up to \$20 million in Multifamily Housing Revenue Bonds to help finance the construction of the Alsbury Apartments, a 240-unit low income housing tax credit project. The bonds will only be payable from the revenues of the project and will not be an obligation or debt of the City.

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City Council previously approved a Resolution of No Objection for this development's application to the TDHCA for non-competitive (4%) housing tax credits and the HOME and CDBG Loans.

ALTERNATIVES:

City Council may elect not to authorize the San Antonio Housing Trust Finance Corporation to issue the Multifamily Housing Revenue Bonds which would jeopardize the developer's other funding sources, preventing the project from proceeding.

FISCAL IMPACT:

The San Antonio Housing Trust Finance Corporation Multifamily Housing Revenue Bonds issued in an amount not to exceed \$20 million to develop the Alsbury Apartments will only be payable from the revenues of the project and will not be an obligation or debt of the City. There is no fiscal impact to 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 \$20 million to develop the Alsbury Apartments.