



City of San Antonio

Agenda Memorandum

File Number:19-4419

Agenda Item Number: 32.

Agenda Date: 6/20/2019

In Control: City Council A Session

DEPARTMENT: Neighborhood & Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: Council District 6

SUBJECT:

Authorizing the issuance of San Antonio Housing Trust Finance Corporation Multifamily Housing Revenue Bonds not to exceed \$35,000,000.00 for the development of Mesa West Apartments, a proposed 280-unit rental housing development to be located at the 10300 block of Ingram Road in Council District 6.

SUMMARY:

Ordinance authorizing the San Antonio Housing Trust Finance Corporation to issue Multifamily Housing Revenue Bonds for the development of Mesa West Apartments in an amount not to exceed \$35,000,000.00 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 City Council in 1997 by Ordinance No. 86465 under Chapter 394 of the Texas Housing Finance Corporations 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.

Mesa West Apartments is a proposed 280-unit rental housing development to be located at the 10300 block of Ingram Road in Council District 6. 100% of the units would be restricted to 60% of area median income (e.g. a family of four will have a maximum income of \$42,600). The value of the Texas Department of Housing and Community Affairs (TDHCA) tax credit award to Mesa West is approximately \$17 million, with total

development costs for the project at approximately \$55 million. Pedcor is the Developer. The San Antonio Housing Trust Public Facility Corporation will own the real estate. A limited liability company created by the San Antonio Housing Trust Public Facility Corporation will control the general partner of the Owner.

On September 13, 2018, City Council approved a Resolution of No Objection for this development's application to the TDHCA for non-competitive (4%) housing tax credits.

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 the Mesa West Apartments, a 280-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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The project is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent	AMI Served
One Bedroom	100	\$739	60% and below
Two Bedroom	156	\$891	60% and below
Three Bedroom	24	\$1,029	60% and below

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 \$35 million to develop the Mesa West 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 \$35 million to develop the Mesa

West Apartments.