



City of San Antonio

Agenda Memorandum

File Number:20-2814

Agenda Item Number: 12.

Agenda Date: 4/30/2020

In Control: City Council A Session

DEPARTMENT: Finance

DEPARTMENT HEAD: Troy Elliott

COUNCIL DISTRICTS IMPACTED: City-wide

SUBJECT:

Approval of financing for purposes of compliance with federal tax law under the Internal Revenue Code and the San Antonio Housing Trust Finance Corporation's organizational documents (Artisan at Parkdale Apartments)

SUMMARY:

This Ordinance approves the issuance by the San Antonio Housing Trust Finance Corporation (the "Issuer") of its Multifamily Housing Revenue Bonds (Artisan at Parkdale Apartments), Series 2020 for purposes of compliance with Section 147 (f) of the Internal Revenue Code and San Antonio Housing Trust Finance Corporation's organizational documents.

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 (defined below) is located after a public hearing following reasonable public notice.

When the City created the Issuer it required that all bonds issued by the Issuer be approved by the City prior to their issuance.

The issuance serves to acquire, construct, and equip an approximately 196-unit multifamily housing facility known as Artisan at Parkdale Apartments (the "Project"). This Project will be financed in part pursuant to the City's Neighborhood Improvement Bond Program. The Council approved the sale of the land to Franklin

Development and authorized a contribution from the City, by and through Our SA to pay eligible expenses through the Urban Renewal Plan in an amount not to exceed \$4,400,000 in January of 2019. A public hearing with respect to the Project and issuance of the Bonds was held in the City of San Antonio on April 27, 2020 in compliance with Section 147(f) of the Code.

ISSUE:

To meet the requirements of the Code, ARDC Parkdale, Ltd (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 \$25,000,000, 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 San Antonio Housing Trust Finance Corporation will pay the City an administrative fee of \$2,500.00, which will be deposited in accordance with the FY 2020 Adopted General Fund Budget.

RECOMMENDATION:

Staff recommends approval of the Ordinance approving the issuance by the San Antonio Housing Trust Finance Corporation of its Multifamily Housing Revenue Bonds (Artisan at Parkdale Apartments), Series 2020.