



# City of San Antonio

## Agenda Memorandum

**File Number:**21-2022

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**Agenda Item Number:** 15.

**Agenda Date:** 3/18/2021

**In Control:** City Council A Session

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**DEPARTMENT:** Finance

**DEPARTMENT HEAD:** Troy Elliott

**COUNCIL DISTRICTS IMPACTED:** City-wide

### **SUBJECT:**

Approval of tax-exempt bonds for purposes of the Internal Revenue Code and to comply with the San Antonio Housing Trust Finance Corporation's organizational documents.

### **SUMMARY:**

This Ordinance approves the issuance by the San Antonio Housing Trust Finance Corporation of its "Multifamily Housing Revenue Bonds (Echo East Apartments) Series 2021" (the "Bonds") for purposes of Section 147 (f) of the Internal Revenue Code and in order to comply with the 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 is located after a public hearing following reasonable public notice.

When the City created the San Antonio Housing Trust Finance Corporation (the "Issuer") it required in the Issuer's organizational documents that all bonds issued by the Issuer be approved by the City prior to their issuance. The attached ordinance approves the Bonds for purposes of complying with this requirement.

The City was contacted regarding the financing of the 192-unit affordable multifamily housing facility (the "Project") to be located at approximately 301 Spriggsdale Boulevard, San Antonio, Texas 78220 for the benefit of Villas at Echo East, LP (the "Borrower"). All units in the project will be made available to families whose

income is 60% or less than the median income. In addition, the rents will be restricted to 30% of the tenant's income. A public hearing with respect to the Project and issuance of the Bonds was held in the City of San Antonio on March 1, 2021 in compliance with Section 147(f) of the Code.

#### **ISSUE:**

To meet the requirements of the Code, the Borrower has requested that City Council adopt a Resolution 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 \$20,000,000 all of 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 qualified institutions 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 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. The Borrower will pay the City an administrative fee of \$2,500 upon the adoption of the requested Ordinance.

#### **RECOMMENDATION:**

Staff recommends approval of the Ordinance approving the issuance by the San Antonio Housing Trust Finance Corporation of its Multifamily Housing Revenue Bonds (Echo East Apartments) Series 2021.