



# City of San Antonio

## Agenda Memorandum

**File Number:**15-3474

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**Agenda Item Number:** 56.

**Agenda Date:** 6/18/2015

**In Control:** City Council A Session

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**DEPARTMENT:** Department of Planning & Community Development

**DEPARTMENT HEAD:** John M. Dugan, Director

**COUNCIL DISTRICTS IMPACTED:** Council District 4

### **SUBJECT:**

Issuance of San Antonio Housing Trust Finance Corporation Multi-Family Housing Revenue Bonds for Palo Alto Apartments.

### **SUMMARY:**

An Ordinance authorizing the San Antonio Housing Trust Finance Corporation ("SAHTFC") to issue an amount up to \$20,000,000.00 in Multifamily Housing Revenue Bonds, for the Palo Alto Multi-Family Housing Project located in City Council District 3.

### **BACKGROUND INFORMATION:**

Palo Alto Multi-Family Housing Project is an approximately \$39.3 million multi-family rental housing development, located at 12305 S.W. Loop 410, in Council District 4. This 322 unit low-income housing tax credit development will be restricted to households who earn at or below 60% of area median income (AMI). The City Council has awarded \$1,587,322.86 in HOME Investment Partnership Program (HOME) and \$600,000.00 Community Development Block Grant (CDBG) funds to the project. In addition, the City Council has approved a Resolution of No Objection for this development's Texas Department of Housing and Community Affairs 4% Housing Tax Credit Application.

### **ISSUE:**

The SAHTFC proposes to issue its Multi-family Housing Revenue Bonds to construct the Palo Alto Apartments, a 322 unit low income housing tax credit project located at 12305 S.W. Loop 410 in Council District 4. All of the 322 units will be occupied by families who earn 60% or less of the median family income. The bonds will only be payable from the revenues of the project and will not be an obligation or debt of the City.

San Antonio Housing Trust Public Facility Corporation ("SAHTPFC") has agreed to serve as the sole member

of the General Partner of the Partnership in connection with the financing of the Project, acquire the Land and lease it to the Partnership pursuant to a Ground Lease, and serve as the general contractor for the Project. NRP is the project developer.

In connection with the Bond Financing, the Partnership, the General Partner, and/or SAHTPFC will be required to enter into certain agreements, including but not limited to an Indenture of Trust, Loan Agreement, a Promissory Note, a Regulatory Agreement and Declaration of Restrictive Covenants, a Deed of Trust, Assignment of Rents, Security Agreement, and Fixture Filing together with Ground Lessor Subordination and Joinder, and a Ground Lease. The Partnership also will contribute approximately \$14,588,269 of equity to the construction of the Project, which will be raised from the sale of tax credits.

**ALTERNATIVES:**

City Council may elect not to issue the multi-family revenue bonds which would not allow the development to proceed.

**FISCAL IMPACT:**

There is no impact to the General Fund. The SAHTPFC is a self-supporting entity through program income.

**RECOMMENDATION:**

Staff recommends approval of the Ordinance authorizing the issuance of the San Antonio Housing Trust Finance Corporation Multi-family Housing Revenue Bonds to develop the Palo Alto Multi-Family Housing Project, a 322 unit low income housing tax credit project located at 12305 S.W. Loop 410 in Council District 4.

This item will be considered by the Quality of Life Council Committee at its June 16, 2015 meeting.