

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM**

HOUSING & COMMUNITY DEVELOPMENT

TO: Mayor and City Council

THROUGH: Terry M. Brechtel, City Manager

FROM: Andrew W. Cameron, Director, Housing & Community Development

COPIES: Jelynn LeBlanc Burley; Milo Nitschke; File

SUBJECT: Sale of Housing Revenue Bonds to support the construction of the Stonehouse Valley Apartments

DATE: May 27, 2004

Summary and Recommendation:

This ordinance authorizes the San Antonio Housing Finance Corporation to issue Multi-Family Revenue Bonds in an amount not to exceed \$13 Million to support the construction of the Stonehouse Valley Apartments Project.

Staff recommends approval.

Background:

The Stonehouse Valley Apartments Project is a 248-unit new construction development located on Woodstone near the intersection of Vance Jackson in Council District #8. The project profile is as follows:

Developer: Mexican American Unity Council

Unit Mix:	<u>No. of Units</u>	<u>Square Feet</u>	<u>Rent</u>
One Bedroom (a)	60	648 sq.ft.	\$522.00
One Bedroom (b)	60	733 sq.ft.	\$522.00
Two Bedroom (a)	72	892 sq.ft.	\$627.00
Two Bedroom (b)	24	990 sq.ft.	\$627.00
Three Bedroom	32	1,261 sq.ft.	\$715.00
<i>Total Units:</i>	<u>248</u>		

Source of Funds:

Bond Proceeds	\$13,000,000
Tax Credit Proceeds	\$ 4,000,000
Total:	\$17,000,000

Use of Funds:

Land	\$ 609,622
Construction	\$11,216,706
Capitalized Interest And Soft Costs	\$ 4,223,672
Reserves	\$ 450,000
Total:	\$16,500,000

Bonds are authorized in an amount higher than the total project cost (\$17 Million Bonds versus \$16.5 Million Costs) to address any unanticipated costs at closing (the most common being increased interest). However, bonds will not be issued for any amount above actual costs plus approved reserves (\$450,000).

- The loan will be a 43-year note with interest only payments during construction and lease up (approximately 24 months) and the balance of principal and interest will be amortized over the rest of the 43-year term.
- 100% of the units will be available to households with an income of 60% or below the median income for San Antonio.
- The Developer has agreed that the management company's policy for this property will be consistent with their other market and affordable developments. They will have a zero tolerance policy for tenant behavior that is inconsistent with the integrity of a quality development.

Policy Consideration:

The San Antonio Housing Finance Corporation is authorized to issue multi-family revenue bonds to support housing construction and acquisition/rehabilitation projects. Since that authority was approved by the City Council, all requests for the issuance of bonds by the San Antonio Housing Finance Corporation must be reviewed and approved by the San Antonio City Council. This action is consistent with that policy.