

**CITY OF SAN ANTONIO
NEIGHBORHOOD ACTION DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council
FROM: David D. Garza, Director, Neighborhood Action Department
SUBJECT: San Antonio Housing Trust Finance Corporation Election of Officers
DATE: June 23, 2005

SUMMARY AND RECOMMENDATIONS

This item is a consideration for the election of Officers to the San Antonio Housing Trust Finance Corporation.

Staff recommends approval of this item.

BACKGROUND INFORMATION

The City Council by Ordinance 86465 dated August 21, 1997, approved the creation and organization of the San Antonio Housing Trust Finance Corporation (the "Corporation") to act on behalf of the City for the purposes authorized under the Texas Housing Finance Corporations Act, Texas Local Government Code. All powers of the Corporation are vested in its Board of Directors (the "Board"), comprised of the members of the San Antonio City Council. Council members who are no longer in office are automatically removed from the Board. Officers are elected by the Board and serve for one year or until a successor is elected.

The administrator of the Corporation is the San Antonio Housing Trust Foundation, Inc. Coastal Securities serves as the Corporation's Financial Advisor, and Fulbright & Jaworski is the Corporation's Bond Counsel. John Kenny, with the San Antonio Housing Trust Foundation, serves as the Corporation's executive director and non-director Assistant Secretary.

In July 2003, the Corporation issued \$15,480,000 in bonds (the "2003 Bonds") in a cooperative program with the Bexar County Housing Finance Corporation (which also issued \$15,480,000 of bonds) to finance single-family mortgages for first-time homebuyers in Bexar County and the City of San Antonio. The Program has been quite successful, with 396 mortgage loans closed as of June 3, 2005.

The 2003 Bonds were sold by the Corporation to Fannie Mae. There is a periodic agreed repricing of the 2003 Bonds under the program. To date, there have been nine such repricings. The final two repricing closings will occur on July 1, 2005 and August 1, 2005. The repricing

process was approved by the Corporation's Board in connection with issuance of the 2003 Bonds in July 2003. Each repricing requires certain certificates to be signed by a Corporation officer, but no further Board action is required.

As noted above, the members of the San Antonio City Council are the directors of the Corporation, and four of those directors serve as the President, Vice President, Secretary, and Treasurer of the Corporation. All previously appointed officers of the Corporation have completed their terms on the City Council, so they are no longer directors or officers of the Corporation.

The Board should appoint four of its members to serve as the Corporation's officers. The Board may also wish to continue to have a non-director staff member serve as Assistant Secretary.

POLICY ANALYSIS

This action is consistent with City Council direction regarding the development of an affordable housing program, which incorporates the utilization of Single-Family Mortgage Revenue Bonds (MRB), and Mortgage Credit Certificates (MCC). It is also in full compliance with Federal and State Law, which requires the approval of the program by the Board of the San Antonio Housing Finance Corporation and the City Council.

FISCAL IMPACT

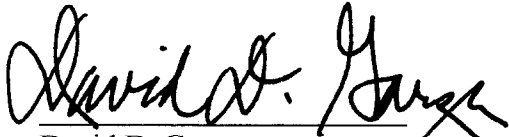
Any costs incurred related to the MRB and/or MCC program are paid from bond proceeds or the San Antonio Housing Trust Finance Corporation which will be reimbursed through revenues produced from the programs. There is no impact on the City's Operating Budget.

COORDINATION

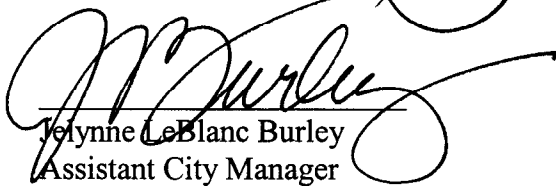
This item has been coordinated with the Neighborhood Action, Finance, Housing & Community Development Departments, San Antonio Housing Trust Foundation, Inc., City Attorney's Office and with the City's Financial Advisors and Bond Counsel.

SUPPLEMENTARY COMMENTS

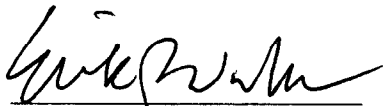
The requirements of the City's Ethics Ordinance are not applicable.



David D. Garza
Director, Neighborhood Action



Jelynn LeBlanc Burley
Assistant City Manager



J. Rolando Bono
Interim City Manager