

**CITY OF SAN ANTONIO  
HOUSING & COMMUNITY DEVELOPMENT DEPARTMENT  
CITY COUNCIL AGENDA MEMORANDUM**

**TO:** Mayor and City Council

**FROM:** Andrew W. Cameron

**SUBJECT:** San Antonio Housing Finance Corporation Requesting Authorization To Issue Tax Exempt Multi-Family Housing Revenue Bonds To Support Construction Of Three Projects

**DATE:** December 1, 2005

**SUMMARY AND RECOMMENDATIONS**

The San Antonio Housing Finance Corporation, which is governed by the San Antonio Housing Authority, is requesting authorization to issue Tax Exempt Multi-Family Housing Revenue Bonds to support the construction of the following three projects at a cost:

- A. Not to exceed \$10 Million for a project proposed at Midcrown Drive, one block south of Eisenhower Road in City Council District 2.
- B. Not to exceed \$13.5 Million for a project proposed at the 6000 block of New Braunfels in City Council District 3.
- C. Not to exceed \$12.2 Million for a project proposed at Old Highway 90 and Rodriguez Road in City Council District 6.

Staff recommends approval of the issuance of Tax Exempt Multi-Family Housing Revenue Bonds for Projects A, B, and C above.

**BACKGROUND INFORMATION**

The San Antonio Housing Finance Corporation is authorized, with City Council approval, to issue Tax Exempt Multi-Family Housing Revenue Bonds for projects located in the San Antonio City Limits. These bonds are insured by a third party, usually FHA, or sold directly to institutional investors and the debt is incurred by a developer. The City is not obligated to provide security for the bonds and the debt will in no way impact the City's credit. The three proposed projects combined, if approved, will add a total of 678 new affordable apartment units, available to families at or below 60% of the area median, to the San Antonio affordable housing inventory. The addition of these affordable units is consistent with the HUD Consolidated Plan approved by the City Council on September 15, 2005. The plan identifies the need for decent affordable one, two and three bedroom rental units throughout San Antonio. The profile of the three proposed projects is as follows:

**PROJECT A**  
*MidCrown Senior Pavilion*

Project Name: MidCrown Senior Pavilion

Location: Midcrown Drive, a block south of Eisenhower Road, City Council District 2

Developer: American Affordable Homes L.P.

Non-profit Partner: An affiliate of the San Antonio Housing Authority

Income mix: 100% Affordable to seniors at 60% or below area median family income

Unit mix:

<b>Bedroom size</b>	<b>Amount</b>	<b>Rent</b>
One bedroom	100	\$579
<u>Two bedroom</u>	<u>96</u>	<u>\$696</u>
Total Units	196 units	
Public Housing Tenants	37 units	

Revenues

Housing Revenue Bonds	\$ 9,890,000
Federal Tax Credits	\$ 5,355,670
Deferred Developer Fee	\$ 1,296,130
To Developer	\$ 1,036,904
To SAHA	\$ 259,226
<u>GIC Earnings</u>	<u>\$ 100,000</u>
<b>Total Project Cost</b>	<b>\$16,641,800</b>

Total Developer Fee	\$ 1,758,676
<u>Less Deferred Fee</u>	<u>\$ 1,296,130</u>
<b>Amount Paid During Construction</b>	<b>\$ 462,546</b>
To Developer	\$370,037
To SAHA	\$ 92,509

The project has the support of the following:

- City Council Representative
- The School District - no objection
- Neighborhood Associations

**PROJECT B**  
*New Braunfels Gardens*

Project Name: New Braunfels Gardens

Location: 6000 block of New Braunfels Avenue, City Council District 3

Developer: Southwest Housing Development

Non-profit Partner: An affiliate of the San Antonio Housing Authority

Income mix: 100% Affordable to seniors at or below 60% area median family income

Unit mix:

<b>Bedroom size</b>	<b>Amount</b>	<b>Rent</b>
One bedroom	84	\$519
<u>Two bedroom</u>	<u>168</u>	<u>\$622</u>
Total Units	252 units	
Public Housing Tenants	50 units	

**Revenues**

Housing Revenue Bonds	\$12,610,000
Federal Tax Credits	\$ 9,133,090
Deferred Developer Fee	\$ 1,370,736
To Developer	\$1,096,589
To SAHA	\$ 274,147

GIC Earnings \$ 335,256

**Total Project Cost** **\$23,449,082**

Total Developer Fee \$ 2,756,256

Less Deferred Fee \$ 1,370,736

**Amount Paid During Construction \$ 1,385,520**

    To Developer \$1,108,416

    To SAHA \$ 277,104

The project has the support of the following:

- City Council Representative
- The School District - no objection
- Neighborhood Associations

**PROJECT C**  
*Costa Valencia*

Project Name: Costa Valencia

Location: Old Highway 90 at Rodriguez Road, City Council District 6

Developer: NRP Properties

Non-profit Partner: An affiliate of the San Antonio Housing Authority

Income mix: 100% Affordable to families at or below 60% area median family income

Unit mix:

<b>Bedroom size</b>	<b>Amount</b>	<b>Rent</b>
One bedroom	48	\$579
Two bedroom	102	\$696
Three bedroom	80	\$803
Total Units	230 units	
Public Housing Tenants	46 units	

**Revenues**

Housing Revenue Bonds	\$11,162,000
Federal Tax Credits	\$ 7,925,437
Deferred Developer Fee	\$ 1,851,076

To Developer \$1,480,861

To SAHA \$ 370,215

GIC Earnings	\$ 100,000
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<b>Total Project Cost</b>	<b>\$21,038,513</b>
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Total Developer Fee	\$ 2,439,291
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Less Deferred Fee	\$ 1,851,076
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<b>Amount Paid During Construction \$</b>	<b>588,215</b>
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To Developer \$470,572

To SAHA \$117,643

The project has the support of the following:

- City Council Representative
- The School District - no objection
- Neighborhood Associations

### **POLICY ANALYSIS**

If approved, an additional 678 affordable rental units will be constructed in San Antonio and 135 of these units will be occupied by public housing tenants. The additional units will be developed and maintained at no cost to the City.

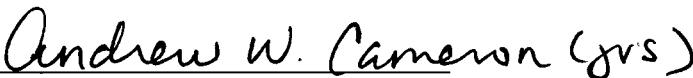
### **FISCAL IMPACT**

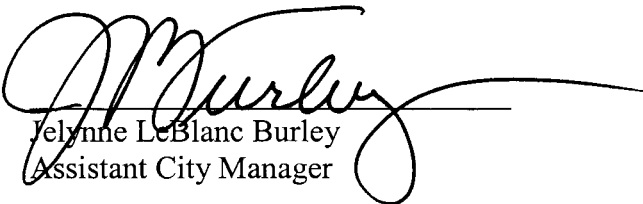
If approved, bonds will be issued in an amount not to exceed \$10 Million for Project A, not to exceed \$13.5 Million for Project B, and not to exceed \$12.2 Million for Project C for a total amount not to exceed \$35.7 Million to construct 678 units of affordable housing in three different properties.


The bonds are insured or privately placed with institutional investors and will not impact the City's credit. Also, the projects are not requesting HOME funds and therefore, approval of this item is not a forward commitment of the HUD Entitlement Award.

### **COORDINATION**

This item was coordinated with the Finance Department and the City's Financial Advisors. On November 14, 2005, the City Council Urban Affairs Committee directed staff to present all three items to the City Council with a favorable recommendation.

  
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