

**CITY OF SAN ANTONIO
NEIGHBORHOOD ACTION DEPARTMENT**

TO: San Antonio Housing Trust Finance Corporation Board

FROM: David D. Garza, Director, Neighborhood Action Department
John Kenny, Executive Director, San Antonio Housing Trust Finance Corporation

SUBJECT: PROPOSED INDUCEMENT RESOLUTION REGARDING THE LANDING APARTMENTS

DATE: February 23, 2006

SUMMARY AND RECOMMENDATIONS

This item is a resolution concerning the issuance of Housing Revenue Bonds to finance a project for the benefit of The Landing Apartments, a project being developed by an affiliate of the San Antonio Alternative Housing Corporation (SAAHC) located at 3400 Northeast Parkway in San Antonio, Texas 78218 in City Council District 2. The Resolution is an inducement resolution for the issuance of Housing Revenue Bonds for the benefit of SAAHC Landing Apartments, LP, a to-be-formed entity, its designee, an affiliate, a related person, or an entity of which any of the above will be a General Partner or member; authorizing the calling of a public hearing and the filing of an application for reservation with the Texas Bond Review Board for such financing; seeking the approval of the Texas Attorney General; authorizing the reimbursement of funds expended by SAAHC Landing Apartments, LP, a to-be-formed entity, its designee, an affiliate, a related person, or an entity of which any of the above will be a General Partner or member; and other matters in connection therewith. Final approval of the issuance of the Bonds will be considered at a future date.

Staff recommends the approval of this resolution.

BACKGROUND INFORMATION

While the San Antonio Housing Trust Finance Corporation has the authority to provide financing options for multifamily projects, it has not done so. The rules being considered by the SAHTFC will provide opportunities for non-profit and for profit developers to utilize the bonding capacity available through the SAHTFC to develop additional affordable housing for the residents of San Antonio.

This "inducement" resolution will initiate the process for this financing and authorize the applicant to submit an application to the Texas Bond Review Board for consideration. If approved, the project would come back to the Board for approval to issue the bonds in connection with the project. All approvals by the SAHTFC Board will also be required to be approved by the City Council.

POLICY ANALYSIS

The SAHTFC has received a Letter of Application for a multifamily project, The Landing Apartments, LP. The Landing Apartments were constructed in 1985 and are located at 3400 Northeast Parkway near the intersection of Harry Wurzbach and Austin Highway in City Council District 2. The project sits on 7.867 acres and includes 216 one and two bedroom units with average of 750 square feet per unit. There are nineteen two story buildings that house the different size units. Amenities in the complex include a clubhouse/leasing building, laundry room, swimming pool and proposed construction of a community learning center available for the residents.

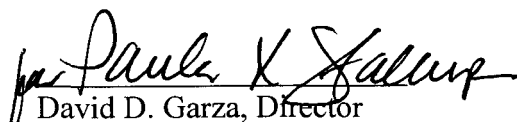
The project is being developed by an affiliate of the San Antonio Alternative Housing Corporation (SAAHC), a local non-profit which acquires and rehabilitates multifamily residential properties. SAAHC is proposing to redevelop this project in conjunction with 4% Low Income Housing Tax Credits and Private Placement Volume Cap Private Activity Bonds available through the Texas Department of Housing and Community Affairs.


FISCAL IMPACT


The proposed project totals \$12.7 million which includes an estimated \$7.5 million in bonds payable by the owner of the project and \$3.6 million in housing tax credits. Since this is a conduit housing revenue bond resolution, there is no fiscal impact on either the Corporation or the City. If the project is approved through the Texas Bond Review Board allocation process, the SAHTFC will conduct a public hearing prior to the sale of the bonds.

COORDINATION

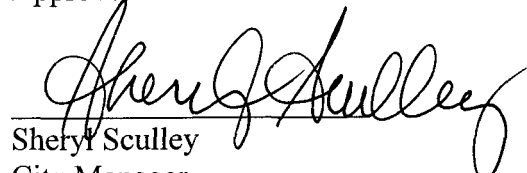
This item has been coordinated with the Housing and Community Development Department, Finance Department and the City Attorney's Office.


David D. Garza, Director
Neighborhood Action


John Kenny, Executive Director
San Antonio Housing Trust Finance
Corporation


Jelynn LeBlanc Burley
Deputy City Manager

Approved for Council Consideration:


Sheryl Sculley
City Manager