

AN ORDINANCE 86465

AUTHORIZING AND APPROVING THE CREATION OF THE SAN ANTONIO HOUSING TRUST FINANCE CORPORATION PURSUANT TO THE TEXAS HOUSING FINANCE CORPORATIONS ACT; APPROVING THE ARTICLES OF INCORPORATION; APPOINTING THE INITIAL DIRECTORS THEREOF; APPROVING THE BYLAWS; APPROVING AND AUTHORIZING THE FILING OF AN APPLICATION FOR PRIVATE ACTIVITY BONDS IN CALENDAR YEARS 1997 AND 1998; REPEALING PRIOR ORDINANCES IN CONFLICT HEREWITH; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE UPON EIGHT (8) AFFIRMATIVE VOTES.

* * * * *

WHEREAS, the Texas Housing Finance Corporations Act, Chapter 394, Texas Local Government Code, as amended (the "Act"), authorizes the City Council, upon receipt of a proper application requesting such action, to authorize and approve the creation and organization of a housing finance corporation to act on behalf of the City of San Antonio, Texas (the "City"), for the purposes of the Act; and

WHEREAS, the Act authorizes any such non-profit corporation thus created to issue obligations on behalf of the City; and

WHEREAS, pursuant to the Act, not fewer than three natural persons, each of whom is at least 18 years of age, a resident of the City, and a citizen of the State of Texas, have filed with the City Council their written application (the "Application") requesting that the City authorize and approve the creation of the San Antonio Housing Trust Finance Corporation under the Act to act on behalf of City; and

WHEREAS, the City Council has found and determined that all prerequisites of law have been satisfied and that the application has been signed by not fewer than three properly qualified natural persons; and

WHEREAS, the City Council by this Ordinance intends to take all steps necessary and prerequisite to the creation of the San Antonio Housing Trust Finance Corporation (the "Corporation"); and

WHEREAS, in accordance with Article 5190.9a, V.A.T.C.S., as amended and section 141(d)(1)(B) of the Internal Revenue Code of 1986, as amended, the Corporation is required to file an Application for Allocation of Private Activity Bonds with the Texas Bond Review Board in order to issue bonds to finance the purchase of qualifying home mortgage loans for single family homes located within the jurisdiction of the Corporation; and

WHEREAS, it is hereby determined that it is in the best interests of the citizens of the City of San Antonio to authorize and approve the execution and submission of an Application for Allocation of Private Activity Bonds to the Texas Bond Review Board for calendar years 1997 and 1998; and

WHEREAS, this meeting is open to the public as required by law, and public notice of the time, place, and purpose of this meeting was given as required by Chapter 551, Texas Government Code; and

WHEREAS, the Corporation must be created on or about August 22, 1997 in order to meet the deadline for filing the 1997 Application for Allocation of Private Activity Bonds, which is prior to the passage of ten (10) days, and for this reason the Council deems it necessary that this ordinance, upon passage with at least eight (8) affirmative votes, become effective at once; **NOW THEREFORE**:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The findings and declarations contained in the preambles of this Ordinance are incorporated herein as part of this Ordinance.

SECTION 2. This City Council hereby finds and determines that it is advisable and in the public interest and benefit that a corporation, to be named the "San Antonio Housing Trust Finance Corporation" (the "Corporation"), be authorized and created with the powers granted in the Act to act on behalf of the City as its duly constituted authority and instrumentality for the public purposes defined in the Act.

SECTION 3. The Articles of Incorporation (the "Articles") and the Bylaws for the Corporation are hereby approved in substantially the form attached hereto as Exhibit "A" and Exhibit "B," respectively, and the incorporators thereof are hereby authorized to file the Articles with the Secretary of State in accordance with the Act.

SECTION 4. Those persons named in the Articles, each of whom on the date of his appointment is duly qualified in accordance with the Act, are hereby appointed to serve as the initial members of the Board of Directors of the Issuer, such service to be at all times subject to the powers of the City under the Act and the Articles.

SECTION 5. Any and all bonds, notes, or other similar obligations issued by the Corporation shall contain a provision, condition, or recital substantially to the effect that they shall never be deemed to be or create an indebtedness or liability or a special, general or moral obligation payable out of any funds of the City and that they shall be payable solely out of funds and properties of the Corporation pledged thereto.

SECTION 6. It is intended that the Corporation be a duly constituted authority and instrumentality of the City within the meaning of regulations and revenue rulings of the Treasury Department of the Internal Revenue Service of the United States promulgated under sections 103 and 115 of the Internal Revenue Code of 1986, as amended.

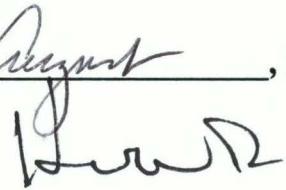
SECTION 7. The City Council hereby authorizes and approves the execution and submission by the Corporation of an Application for Allocation of Private Activity Bonds to the Texas Bond Review Board for calendar years 1997 and 1998.

SECTION 8. All resolutions and ordinances, or parts thereof, in conflict with this Ordinance are hereby repealed to the extent of such conflict.

SECTION 9. Pursuant to and solely for the purpose of complying with Article II, Section 15 of the City's Charter, this ordinance is hereby passed as an emergency measure, to be effective immediately upon enactment, such emergency being that the corporation must be formed prior to the passage of ten (10) days from the date this Ordinance becomes effective in order to meet the filing deadline for Application of Allocation of Private Activity Bonds for the preservation of public peace, property, health, or safety.

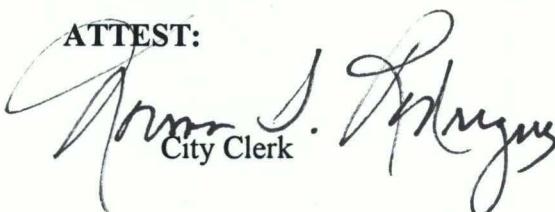
SECTION 10. This Ordinance shall be effective immediately if at least eight (8) members of the City Council vote in the affirmative for its passage; otherwise, this ordinance shall be effective on ten (10) days following its passage.

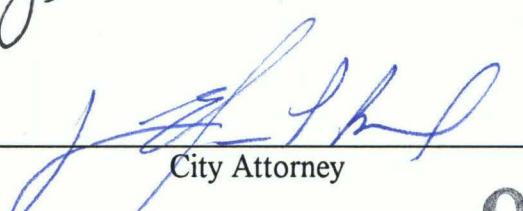
PASSED AND APPROVED this 21st day of August, 1997.


M A Y O R

Howard W. Peak

ATTEST:


Anna S. Rodriguez
City Clerk

APPROVED AS TO FORM: 

John L. Shad
City Attorney

97-33

1	ALAMODOME
	ARTS & CULTURAL AFFAIRS
	ASSET MANAGEMENT
	AVIATION
1	BUDGET & MANAGEMENT ANALYSIS
	BUILDING INSPECTIONS
	HOUSE NUMBERING
	CITY ATTORNEY
	MUNICIPAL COURT
	REAL ESTATE (FASSNIDGE)
	REAL ESTATE (WOOD)
1	RISK MANAGEMENT
	CITY MANAGER
	SPECIAL PROJECTS - FRANCES GONZALES
	CITY PUBLIC SERVICE - GENERAL MANAGER
	CITY PUBLIC SERVICE - MAPS AND RECORDS
	CODE COMPLIANCE
	COMMERCIAL RECORDER
	COMMUNITY INITIATIVES
	COMMUNITY RELATIONS
	PUBLIC INFORMATION
	CONVENTION AND VISITORS BUREAU
	CONVENTION CENTER EXPANSION OFFICE
	CONVENTION FACILITIES
	ECONOMIC DEVELOPMENT
	FINANCE - DIRECTOR
1	FINANCE - ASSESSOR
	FINANCE - CONTROLLER
	FINANCE - GRANTS
	FINANCE - TREASURY
	FIRE DEPARTMENT
1	HOUSING AND COMMUNITY DEVELOPMENT
	HUMAN RESOURCES (PERSONNEL)
	INFORMATION SERVICES
	INTERGOVERNMENTAL RELATIONS
	INTERNAL REVIEW
	INTERNATIONAL AFFAIRS
	LIBRARY
	METROPOLITAN HEALTH
	MUNICIPAL CODE CORPO
	MUNICIPAL COURT
	PARKS AND RECREATION
	MARKET SQUARE
	PLANNING DEPARTMENT
	DISABILITY ACCESS OFFICE
	LAND DEVELOPMENT SERVICES
	POLICE DEPARTMENT
	GROUND TRANSPORTATION
	PUBLIC WORKS DIRECTOR
	CAPITAL PROJECTS
	CENTRAL MAPPING
	ENGINEERING
	PARKING DIVISION
	REAL ESTATE DIVISION
	SOLID WASTE
	TRAFFIC ENGINEERING
	PURCHASING AND GENERAL SERVICES
	SAN ANTONIO WATER SYSTEMS (SAWS)
	VIA
	YOUTH INITIATIVES
	Go Laredo Laredo

MEETING OF THE CITY COUNCIL

AGENDA ITEM NUMBER:

37

DATE:

AUG 21 1997

MOTION: SiLAs

6 unen
86465

ORDINANCE NUMBER:

RESOLUTION NUMBER:

ZONING CASE NUMBER:

TRAVEL AUTHORIZATION:

NAME	ROLL	AYE	NAY
ROGER FLORES, II District 1		✓	
MARIO SALAS District 2		✓	
DEBRA GUERRERO District 3		✓	
RAUL PRADO District 4		✓	
RICK VASQUEZ District 5		✓	
JOSE MENENDEZ District 6		✓	
ED GARZA District 7		✓	
ROBERT MARBUT District 8		✓	
TIM BANNWOLF District 9		✓	
JEFF S. WEBSTER District 10		✓	
HOWARD W. PEAK Mayor		✓	

EMERGENCY
8 VOTES NEEDED

(NEW)
FILE "SAN ANTONIO HOUSING
TRUST FINANCE CORP."

ALAMODOME
ARTS & CULTURAL AFFAIRS
ASSET MANAGEMENT
AVIATION
BUDGET & MANAGEMENT ANALYSIS
BUILDING INSPECTIONS
HOUSE NUMBERING
CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASSNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
CITY MANAGER
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LIBRARY
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MUNICIPAL CODE CORPORATION
MUNICIPAL COURT
PARKS AND RECREATION
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PLANNING DEPARTMENT
DISABILITY ACCESS OFFICE
LAND DEVELOPMENT SERVICES
POLICE DEPARTMENT
GROUND TRANSPORTATION
PUBLIC WORKS DIRECTOR
CAPITAL PROJECTS
CENTRAL MAPPING
ENGINEERING
PARKING DIVISION
REAL ESTATE DIVISION
SOLID WASTE
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA
YOUTH INITIATIVES

MEETING OF THE CITY COUNCIL

37

8-21-97

AGENDA ITEM NUMBER:

DATE:

MOTION: 1/25/97

ORDINANCE NUMBER:

RESOLUTION NUMBER:

ZONING CASE NUMBER:

TRAVEL AUTHORIZATION:

NAME	ROLL	AYE	NAY
ROGER FLORES, II District 1			
MARIO SALAS District 2			
DEBRA GUERRERO District 3			
RAUL PRADO District 4			
RICK VASQUEZ District 5			
JOSE MENENDEZ District 6			
ED GARZA District 7			
ROBERT MARBUT District 8			
TIM BANNWOLF District 9			
JEFF S. WEBSTER District 10			
HOWARD W. PEAK Mayor			

absent

*From Finance Director: Have
OVERVIEW of Bonding Process*

97-33

ALAMODOME
ARTS & CULTURAL AFFAIRS
ASSET MANAGEMENT
AVIATION
BUDGET & MANAGEMENT ANALYSIS
BUILDING INSPECTIONS
HOUSE NUMBERING
CITY ATTORNEY
MUNICIPAL COURT
REAL ESTATE (FASSNIDGE)
REAL ESTATE (WOOD)
RISK MANAGEMENT
CITY MANAGER
SPECIAL PROJECTS - FRANCES GONZALES
CITY PUBLIC SERVICE - GENERAL MANAGER
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MUNICIPAL CODE CORPORATION
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REAL ESTATE DIVISION
SOLID WASTE
TRAFFIC ENGINEERING
PURCHASING AND GENERAL SERVICES
SAN ANTONIO WATER SYSTEMS (SAWS)
VIA
YOUTH INITIATIVES

MEETING OF THE CITY COUNCIL

*Director
go
CITY COUNCIL*

AGENDA ITEM NUMBER:

DATE:

31
8-21-97

MOTION: *Vasquez*

ORDINANCE NUMBER:

RESOLUTION NUMBER:

ZONING CASE NUMBER:

TRAVEL AUTHORIZATION:

NAME	ROLL	AYE	NAY
ROGER FLORES, II District 1			
MARIO SALAS District 2			
DEBRA GUERRERO District 3			
RAUL PRADO District 4			
RICK VASQUEZ District 5			
JOSE MENENDEZ District 6			
ED GARZA District 7			
ROBERT MARBUT District 8			
TIM BANNWOLF District 9			
JEFF S. WEBSTER District 10			
HOWARD W. PEAK Mayor			

Direct Street Hole Finance Director

Re-evaluate Bonding Process of

CBS, SACS, & OTHER SIGN ENTITIES

97-33

ALAMODOME
ARTS & CULTURAL AFFAIRS
ASSET MANAGEMENT
AVIATION
BUDGET & MANAGEMENT ANALYSIS
BUILDING INSPECTIONS
HOUSE NUMBERING
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SAN ANTONIO WATER SYSTEMS (SAWS)
VIA
YOUTH INITIATIVES

MEETING OF THE CITY COUNCIL

Amendment

37

AGENDA ITEM NUMBER:

DATE:

MOTION: *Garza*

ORDINANCE NUMBER:

RESOLUTION NUMBER:

ZONING CASE NUMBER:

TRAVEL AUTHORIZATION:

NAME	ROLL	AYE	NAY
ROGER FLORES, II District 1		✓	
MARIO SALAS District 2		<i>absent</i>	
DEBRA GUERRERO District 3		✓	
RAUL PRADO District 4		✓	
RICK VASQUEZ District 5		✓	
JOSE MENENDEZ District 6		✓	
ED GARZA District 7		✓	
ROBERT MARBUT District 8		✓	
TIM BANNWOLF District 9		✓	
JEFF S. WEBSTER District 10		✓	
HOWARD W. PEAK Mayor		✓	

*make-up of Board in the
interim be the City Council*

*but not time as
Council longer the
Board membership*

97-33

CITY OF SAN ANTONIO
DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

Interdepartmental Correspondence

TO: Mayor and City Council through the City Manager *AM*

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

COPIES TO: Nora Chavez; Frances Gonzalez; Tim Hathaway; Frank Garza

SUBJECT: Creation of the San Antonio Housing Trust Finance Corporation

DATE: August 18, 1997

Summary and Recommendation

This Ordinance authorizes the creation of the San Antonio Housing Trust Finance Corporation (SAHTFC). The purpose of the non-profit SAHTFC is to apply to the Texas Bond Review Board for a \$25 million allocation for AAA-rated tax-exempt single-family mortgage revenue bonds, coordinate the development of a program with the appropriate City agencies and oversee the implementation of the San Antonio Single-Family Mortgage Revenue Bond Program. Low-interest single-family mortgage loans will be made available to families within San Antonio up to 160% of San Antonio's median income in HUD-defined target areas and 140% of the City's median income outside the HUD-defined target areas. The program will be developed with direction from the City and can include a variety of initiatives, such as mortgages for new or existing homes, combined acquisition and rehabilitation, and down payment assistance. City Council approval is necessary to provide the authorization for the submission of an application.

The City Council Housing Task Force (HTF) reviewed this item and recommends approval. Additionally, the HTF recommends that the SAHTFC operate in close cooperation with the Bexar County Housing Finance Corporation (BCHFC) and that the City authorize BCHFC to also make mortgage loans within the city limits of the City of San Antonio.

Because of the deadline imposed for the submission of applications to be received by the Texas Bond Review Board, this action must be effective immediately, requiring 8 affirmative votes.

Staff recommends approval of this ordinance.

Background

The Bexar County Housing Finance Corporation received a \$30 million allocation in 1994 and received commitments from mortgage lenders for an \$18 million program (and \$13.7 million in home loans were originated; the remaining \$4.3 million was not used to fund mortgages, and instead was returned to the bondholder). The origination period for loans under that program expired in February, 1997. The program structure provided for 20% of the bonds sold to be set aside for exclusive use in the targeted areas during the first twelve months of the program period (Target Area Map attached). After the twelve months had expired, the unused portion of the restricted funds were made available for loans throughout the city and county. Based on data received from the Program Administrator, since 1994, during the life of the 1994 Bexar County Program (May, 1994 - February, 1997) three loans were made in the targeted areas with a total value of \$100,000. One hundred ninety-three (193) loans were made within the city limits of the City of San Antonio with a total value of \$11,927,534, and 26 loans were made outside the San Antonio city limits with a total value of \$1,770,178. This means that 87.1% of these loans were originated within San Antonio, and 12.9% of the loans were made outside San Antonio but within Bexar County.

The creation of the San Antonio Housing Trust Finance Corporation will bring significant new resources to the entire area. Instead of receiving a maximum possible allocation of \$25 million, the City of San Antonio and the County of Bexar will now be eligible to receive a total allocation of \$43.7 million. In addition, the San Antonio Housing Trust Finance Corporation will have the ability to concentrate its efforts on marketing within the City of San Antonio as well as working with City and County staff to develop initiatives to address the needs of the San Antonio and Bexar County community. For example, specific strategies could target the creation of mixed-income neighborhoods in the inner city and support the construction of new subdivisions in growing areas. Also, a "reset" mechanism will be in place to guarantee that this program remains competitive with commercial interest rates in the event of an interest rate drop.

Policy Analysis

Currently, the Bexar County Housing Finance Corporation has sole authority to issue single-family bonds within all of Bexar County, including the City of San Antonio. In the past, the City has authorized the BCHFC to use the population within the city limits of San Antonio to secure Housing Revenue Bonds to serve both the City and the County. If this ordinance is approved, the City and County programs will be eligible to receive a combined allocation of \$43.7 million. The City of San Antonio population qualifies for the maximum allocation of \$25 million. The balance of the population outside the city limits but within Bexar County will qualify the Bexar County Housing Finance Corporation for an \$18.7 million allocation. The total amount available within the entire County area, therefore, would increase from \$25 million to \$43.7 million, with \$25 million

targeted within the City of San Antonio and \$18.7 million available to the balance of the County.

In the City's efforts to coordinate activities with the County and in response to questions from the Bexar County Housing Finance Corporation Board, City staff presented the concept of a new SAHTFC to the Bexar County Housing Finance Corporation at its August 13, 1997 board meeting. At that time, it was agreed by the Board that there should be coordination of marketing efforts and the creation of a new Housing Finance Corporation. In addition, the Bexar County Housing Finance Corporation suggested that its existing Board of Directors be the same Board to serve the newly-created Housing Finance Corporation. This recommendation would offer another opportunity for the City and the County to cooperate on the administration of this program. However, this differs with the Housing Task Force's direction to staff regarding its recommendation that the Housing Trust Board be the administrative body for this new program.

In determining the most effective administration of the new Housing Finance Corporation, City staff recommends that the Board of Directors of the San Antonio Housing Trust Foundation would best serve as the Board of the new HFC. In serving in this capacity, the San Antonio Housing Trust Foundation Board:

- Is composed of an eleven-member board appointed by City Council District;
- Is committed to develop programs with City staff that are consistent with the City's Master Plan policies;
- Will submit its 1998 Single-Family Mortgage Revenue Bond Program to City Council for its approval;
- Is subject to the Open Meetings Act;
- Will require an RFP process for professional services for each bond issuance, to be conducted by City staff;
- Is entirely composed of residents of the City of San Antonio;
- Will submit quarterly reports to the City's Housing Task Force and the City Council on all activities; and
- Will build on the Trust's experience/expertise in partnering with the City and other nonprofit entities to develop targeted single family housing programs.

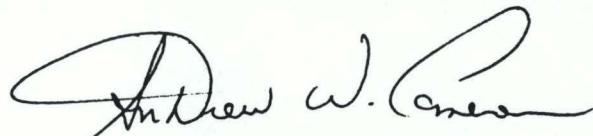
The San Antonio Housing Trust Foundation is recommended to administer this newly-created Housing Finance Corporation as the San Antonio Housing Trust Finance Corporation. In order to be considered by the Texas Bond Review Board for a 1997 funding, an application must be submitted by August 26, 1997. It is expected that the SAHTFC will be unsuccessful in its bid for a 1997 allocation from this funding cycle, but that it will receive top funding priority for the 1998 funding cycle. The 1998 application is due by October 20, 1997, and on October 29, 1997, the State will announce the successful applicants for the 1998 allocation. If selected, the SAHTFC will coordinate with the City to develop its initiatives for making below market rate loans beginning in 1998. The interest rate will not be determined until the program is put in place (Spring, 1998); however, currently, bonds are being sold to finance mortgage loans at 6.5%.

Fiscal Impact

This newly-created entity is autonomous and all bonds are secured by FNMA and GNMA certificates. Its activities will not affect the City of San Antonio's credit, nor will the City of San Antonio be liable for any of the activities of the SAHTFC. All costs of issuance and program administrative costs will be funded by fees generated by the program. The City of San Antonio, on the other hand, will have the ability to exercise control over the SAHTFC through City Council's appointment of the SAHTFC Board of Directors as well as through the ability of City Council to review and approve the new entity's program design.

Coordination

This item has been coordinated with the Department of Finance, City Attorney's Office, Office of Special Projects, the Housing Task Force and the San Antonio Housing Trust Foundation, Inc. It was also been reviewed and approved by the Housing and Neighborhood Action Team (HNAT).

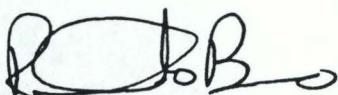


Andrew W. Cameron, Director
Department of Housing and
Community Development

APPROVED:



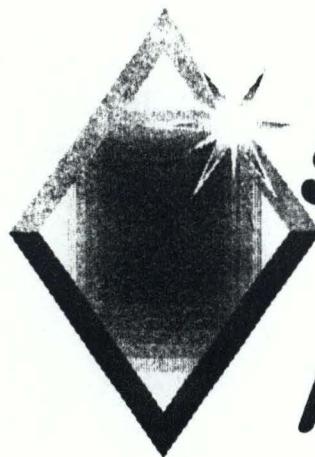
Rebecca Waldman
Assistant to City Manager



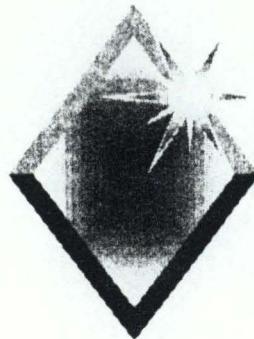
Alexander Briseño
City Manager

CREATION OF

THE

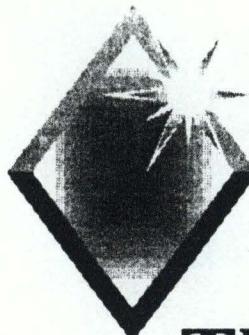


SAN ANTONIO HOUSING TRUST
FINANCE CORPORATION



Background

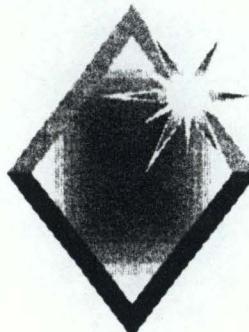
- ◆ In the past, the City authorized the Bexar County Housing Finance Corporation (BCHFC) to use San Antonio's population to issue single family mortgage revenue bonds



Background (cont'd)

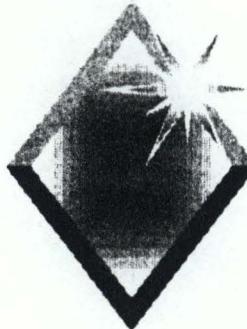
The last program was approved in 1994

- ◆ \$30.0 million available
- ◆ \$12.0 million Mortgage Credit Certificates
- ◆ \$18.0 million committed by Lenders
- ◆ \$13.7 million used
- ◆ \$ 4.3 million unused - returned to Bond Holder
- ◆ 219 Families assisted throughout the city and Bexar County



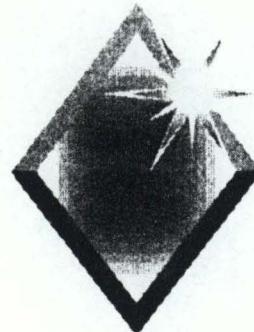
Background (cont'd)

- ◆ City has the opportunity to co-venture with the County by creating a separate Housing Finance Corporation to work in conjunction with the existing BCHFC
- ◆ The new HFC would have the capacity to issue \$25 million of Single Family Mortgage Revenue Bonds



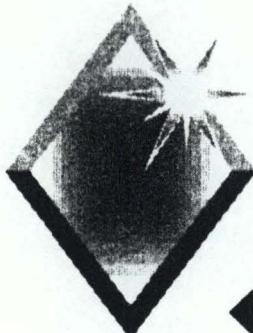
Background (cont'd)

- ◆ The County, without the City of San Antonio's population, will have authority to issue up to \$18.7 million of single family housing Mortgage Revenue Bonds.
- ◆ The combined result would be to have a total of \$43.7 million of single family housing Mortgage Revenue Bonds available in San Antonio and Bexar County.



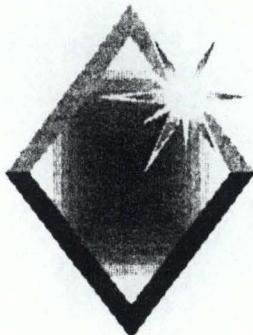
Recommendations

- ◆ The creation of a San Antonio Housing Trust Finance Corporation.
- ◆ Authorize the Housing Trust Board of Directors to administer program.



Justification

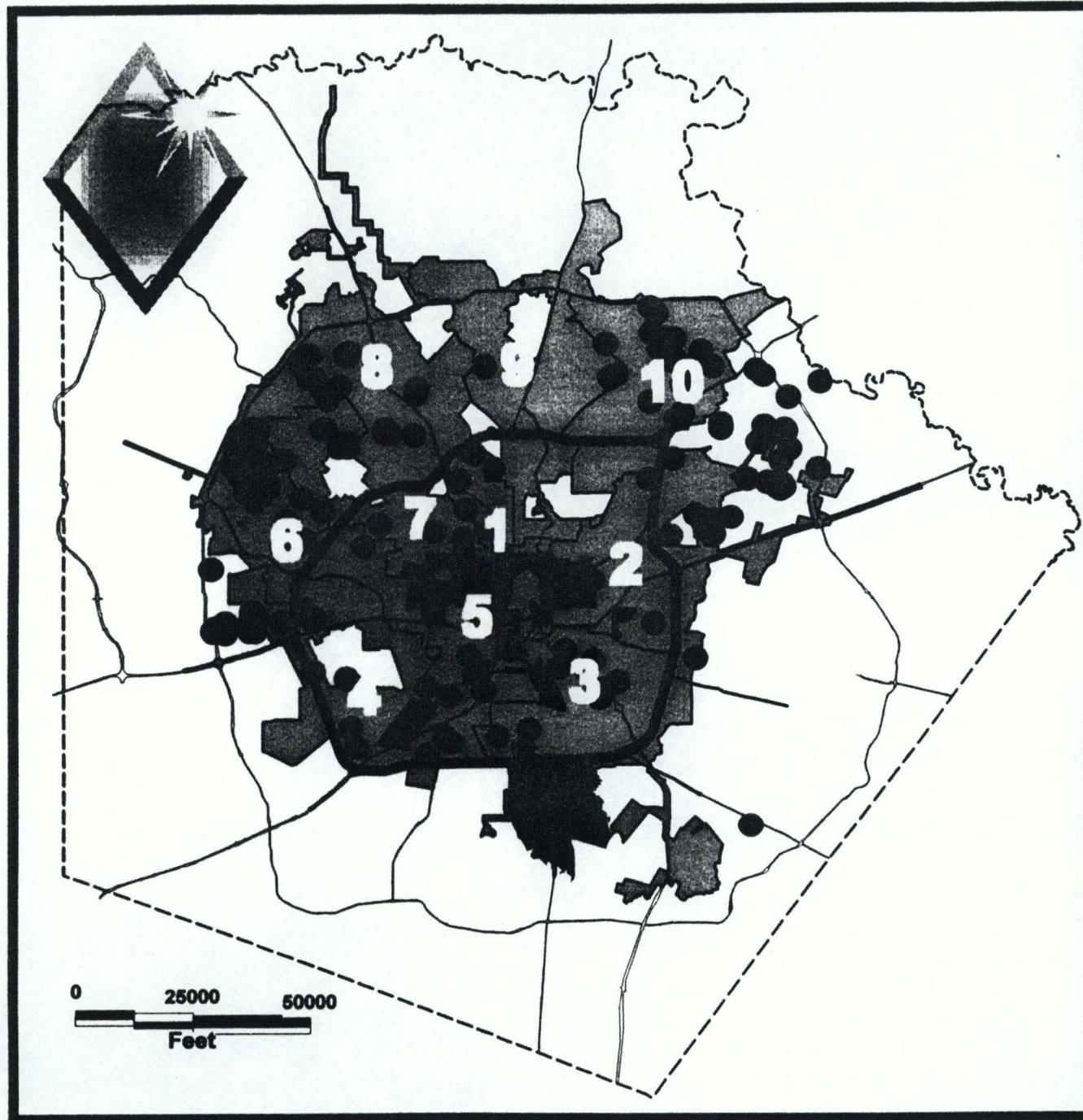
- ◆ Total of \$43.7 million of low-interest single family mortgage loan money will be made available in San Antonio and Bexar County.
- ◆ Through cooperative marketing, and administrative efforts between the City and County Programs, approximately 700 loans, compared to 219 loans from the 1994 program, will be made available to first-time homebuyers in San Antonio and Bexar County.



ISSUES

- ◆ The creation of a SAHTFC will not affect the City of San Antonio credit:
 - AAA Rated Bonds
 - Secured by GNMA/FNMA Certificates
- ◆ There is a market for mortgage loans within San Antonio and Bexar County-
 - Coliseum Oaks
 - Villa de Esperanza
- ◆ Attempt to expand the Target Area to include more of the CDBG- eligible areas that have greater capacity for development

HUD Selected Target Areas



Qualified Census Tracts

- Qualified within City of San Antonio
- Qualified within Bexar County

● Loans Generated
Within San Antonio and Bexar County

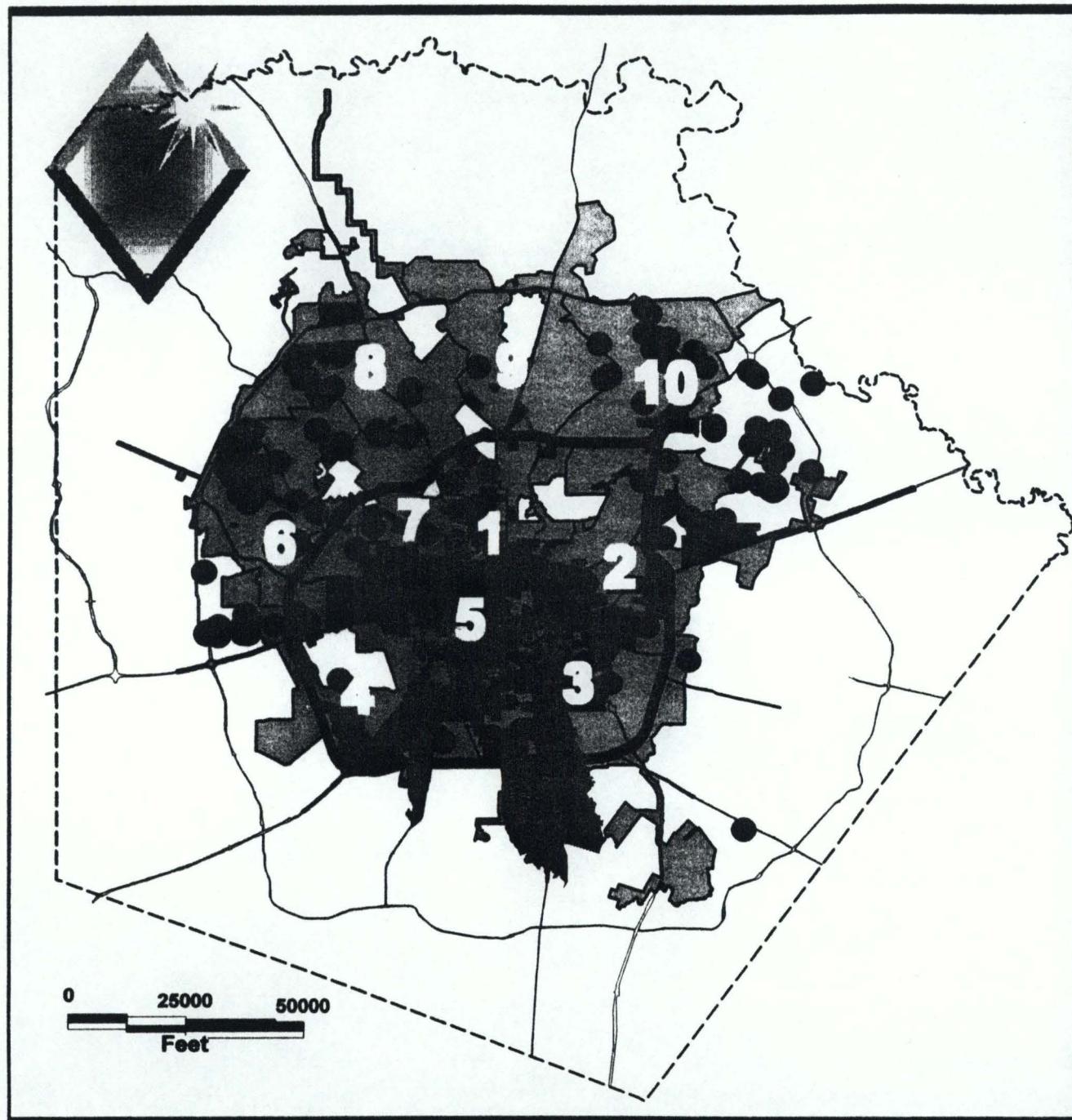
/// Bexar County Limits

■ 1997 City of San Antonio

~ Loop 410



Prepared by the City of San Antonio
Planning Department
Department of Housing and Community Development
Funding Source: Bond Funds 1994 to 1997
Date August 4, 1997



HUD Selected Target Areas

Qualified Census Tracts

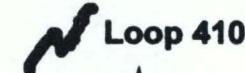
- Qualified within City of San Antonio
- Qualified within Bexar County

- Loans Generated Within San Antonio and Bexar County

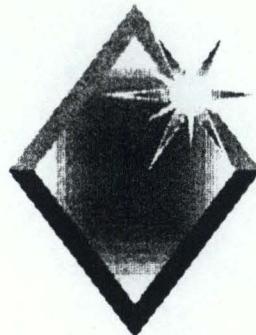
- City of San Antonio 1997 Community Development Block Grant Eligible Areas

- Bexar County Limits

- 1997 City of San Antonio

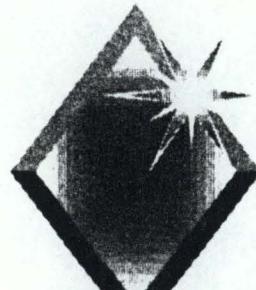


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Issues (cont'd)

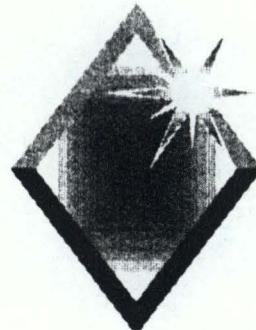
- ◆ Develop programs with Housing Trust and County Bond proceeds to leverage City and County Housing Finance Corporation funds.
- ◆ Develop and implement **joint** marketing strategy implemented by the Trust or in conjunction with the County



Issues (cont'd)

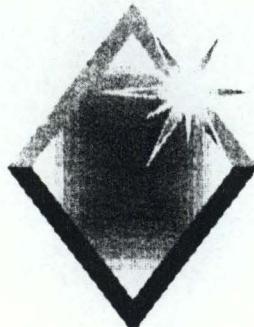
The San Antonio Housing Trust is the recommended entity to administer the Housing Finance Corporation because....

- Existing Board is appointed by City Council and 11 members are approved by City Council Districts
- Trust has a proven track record of working with city, and non-profits to develop and implement single family housing programs.
 - Coliseum Oaks
 - Villa de Esperanza
- Trust has an established relationship with mortgage lenders in San Antonio
- Trust has a relationship with Fannie Mae and a headstart on program development



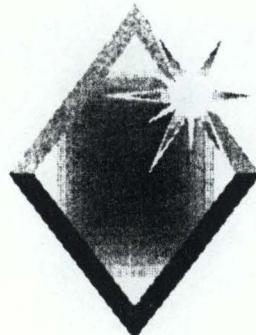
Issues (cont'd)

- ◆ Bond Counsel and Financial Advisors will be selected following an RFP process conducted by the City and final approval by the City Council.
- ◆ The creation of a San Antonio Housing Trust Finance Corporation, to issue single family mortgage revenue bonds, will not affect the San Antonio Housing Finance Corporation, which is administered by the San Antonio Housing Authority, and approved to issue Multi-Family Bonds.
- ◆ Cost of Program Administration funded by fees charged to Mortgage Companies participating in the City and County Programs.



Proposed Program

- ◆ San Antonio Housing Trust Finance Corporation
- ◆ Issue \$25 million of Single Family Housing Mortgage Revenue Bonds
- ◆ Low interest loans made available to first-time homebuyers with income up to \$47,840 in non-target areas and \$58,240 in Target Areas
- ◆ Develop Down Payment and Closing Cost Assistance for City and County Program
- ◆ Set aside 20% of total Bond funds for first 12-months for exclusive use in the target areas
- ◆ Develop an Acquisition/Rehabilitation Program
- ◆ Loans subject to income and home purchase price

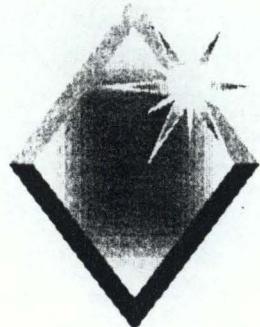


Income/Home Price Limits (1998 Proposed Bond Program)

	Non-Targeted Area		Targeted Area	
Maximum Income				
Family of 2 or fewer	\$41,600		\$49,920	
Family of 3 or more	\$47,840*		\$58,240**	
	New Residence	Existing Residence	New Residence	Existing Residence
Maximum Single Family Home Acquisition Cost	\$106,667	\$88,730	\$130,370	\$108,447

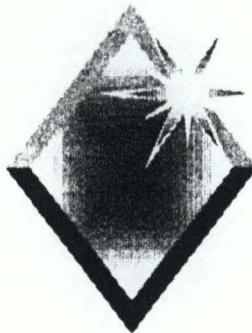
* Up to 140% of area median income within Non-targeted Areas.

**Up to 160% of area median income within Targeted Areas.



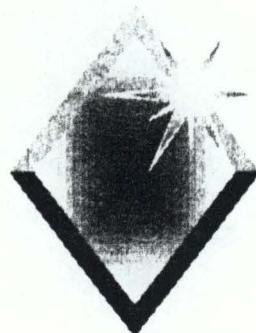
BENEFITS

- ◆ Combined City and County Programs add an additional \$18.7 million to San Antonio and Bexar County
- ◆ No Cost to City General Fund or Housing Trust administrative budget



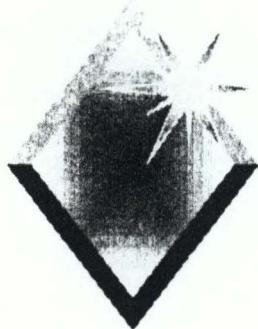
Benefits (cont'd)

- ◆ No default risk because bonds are secured by GNMA/FNMA Certificates
- ◆ Better coordination of City and County Programs
- ◆ Consistent with several goals of the Master Plan...
 - Preserve, protect, and share the integrity, economic viability and livability of San Antonio neighborhoods
 - Provide safe, attractive, well-maintained neighborhoods for all adults and children
 - Promote the provision of sound affordable housing to all San Antonians



TIME LINE

- ◆ Aug 12 Received HTF Approval
- ◆ Aug 21 Adopt Ordinance
- ◆ Aug 25 Create corporation
- ◆ Aug 26 File 1997 application with Texas Bond Review Board
- ◆ Sep 15 Anticipated “rejection date” for 1997 application
- ◆ Oct 10 File 1998 application
- ◆ Oct 29 Receive allocation notification
- ◆ Jan 1998 City Authorizes bond issue
(funds available)
- ◆ Spring 1998 Initiate program



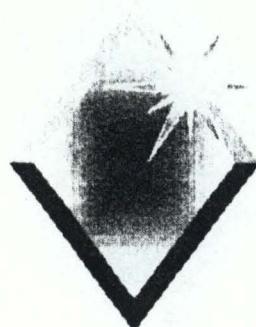
OTHER ISSUES

Bexar County Housing Finance Corporation
Meeting - August 13, 1997

Recommendations:

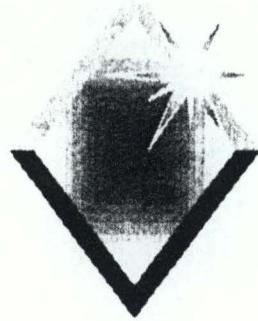
--Create Separate SAHFC

**--Use Existing BCHFC Board for
administration**

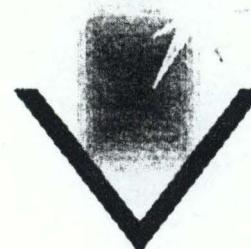


HOUSING TASK FORCE MEETING - August 12, 1997

- ◆ Create separate SAHTFC
- ◆ Use current San Antonio Housing Trust Board for administration
- ◆ Authorize BCHFC to make loans within San Antonio
- ◆ Work closely with, and coordinate activities with Bexar County's staff to develop a complementary program.



**STAFF RECOMMENDATION FOR
APPROVAL OF THE CREATION OF
A SAHTFC IS CONSISTENT WITH
THE HTF RECOMMENDATION.**



CITY STAFF REVIEW

- ◆ Department of Housing and Community Development
- ◆ Office of Special Projects
- ◆ Department of Finance
- ◆ City Attorney's Office
- ◆ Housing and Neighborhood Action Team