

**SAN ANTONIO HOUSING
TRUST FINANCE
CORPORATION**

AND

**THE SAN ANTONIO
HOUSING TRUST PUBLIC
FACILITY CORPORATION**

PURPOSE

- Both Corporations are used to bridge financing gaps for affordable apartment projects.
- Finance Corporation:
 - Issues tax-exempt bonds
 - Lower tax-exempt interest rates
 - 30 or 40 year term with fixed rate
 - Enables project to obtain 4% tax credits
 - Public Facility Corporation:
 - Owns affordable apartment projects
 - Can be general partner in tax credit projects
 - Can own project outright
 - Brings 100% property tax exemption to the project
 - Property tax exemption increases cash flow enabling more debt or equity

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION

Expands the City's ability to provide additional incentives for public/private partnerships to facilitate and finance workforce housing developments by providing 100% property tax exemption

Low Income Tax Credit

Income limited to 60% of median income for tax credit portion of Project

1 person	\$24,720
2 people	\$28,260
3 people	\$31,800
4 people	\$35,280

Rents restricted to 30% of 60% of median income

1 bedroom	\$662
2 bedroom	\$795

Market Rate Affordable

50% of units restricted to 80% of median income, 50% are market rate

1 person	\$32,960
2 people	\$37,680
3 people	\$42,400
4 people	\$47,040

No rent restrictions



PUBLIC/PRIVATE PARTNERSHIPS

PFC's Perspective

- Property gets a property tax exemption which increases cash flow and/or increases the amount of debt or decreases equity.
- Generates more mixed income and workforce housing
- Generates revenue for the Housing Trust
- Private Partner assumes all the risk for a share of revenue
- PFC will not make an investment

Developer's Perspective

- Developers come to us only if there is a gap in the financing for their Project
- They give up ownership and significant revenues

HOW DOES PFC CHOOSE PROJECTS

Tax Credit Projects

- Done to revitalize neighborhoods, provide workforce housing, and generate revenues.
- Developers propose projects with the Councilperson's consent
- SAHT does the diligence and negotiates fee schedule
- Cevallos was done to generate housing and revitalize Southtown
- Woodlawn was done as part of St. Mary's neighborhood development

Market Rate Affordable

- Certain council districts want more mixed income projects
- In projects with unusually high costs or markets without established rental rates for new projects there will be a gap
 - *Heritage/Dwyer* – high redevelopment costs because of existing building costs
 - *Merchants Ice* – high redevelopment costs because of historic building and no established market rents
 - Same for *Crockett Street*
 - *Longhorn Quarry* – no established rental rates for modern apartments
 - *Red Berry* – no established rental rates for modern apartments
 - *Copper Pointe* – no established rental rates for modern apartments

SAHT PUBLIC FACILITY CORPORATION PORTFOLIO

- Cevallos Lofts
 - Tax Credit Project
 - \$38 million
 - 252 units



SAHT PUBLIC FACILITY CORPORATION PORTFOLIO

- Woodlawn Ranch
 - Tax Credit Project
 - \$30 million
 - 252 units



PROPOSED MARKET RATE AFFORDABLE STRUCTURE

- PFC creates LLC to own property
- All of developers rights and obligations are by contract
- Developer still assumes all risk
- Percentage of cash flow depends on financing structure and contribution by City

MERCHANT'S ICE

- Herman & Kittle Properties Developer
- 262-unit redevelopment of Merchant's Ice plant with structural parking at 1305 E. Houston St.
- Working through HUD environmental and historic issues
- \$33,000,000 project
- HKP investing \$2,000,000 and receiving 11% preferred return
- Cash flow after preferred return split 50/50
- City investing \$1.2 million Home Funds and \$700,000 from TIRZ, Inner City Incentive fund loan \$1,048,000

HERITAGE / DWYER

- Landbridge Partners, LLC Developers
- 272-unit redevelopment with structured parking
- Developer putting together financing
- \$50,000,000 project
- Landbridge investing \$2,000,000 and receiving preferred return
- PFC gets 25% of cash flow
- City contributing Dwyer Building

CROCKETT STREET

- NRP Developer
- 256-unit redevelopment in St. Paul's Square with structured parking
- \$43,000,000 total project costs

COPPER POINTE

- LDG Developer
- Proposed 252-unit new construction at South New Braunfels
- \$28,000,000 total project costs