



City of San Antonio

Legislation Details (With Text)

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On agenda: 12/17/2020

Title: Resolution of No Objection for LDG Development's application to the Texas Department of Housing and Community Affairs Non-Competitive 4% Housing Tax Credits program for the construction of the Agave, a 315 unit affordable multi-family rental housing development, located at Binz-Engleman Road and FM 1516 in the City of San Antonio's Extra Territorial Jurisdiction near Council District 2. [Lori Houston, Assistant City Manager; Verónica R. Soto, FAICP, Director, Neighborhood and Housing Services]

Sponsors:

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Date	Ver.	Action By	Action	Result
12/17/2020	1	City Council A Session		

DEPARTMENT: Neighborhood & Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, FAICP, Director

COUNCIL DISTRICTS IMPACTED: Extra Territorial Jurisdiction

SUBJECT:

A Resolution of No Objection for LDG Development's application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program.

SUMMARY:

LDG Development is seeking a Resolution of No Objection for its application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program for the development of Agave, a 315-unit affordable multi-family rental housing development located at Binz-Engleman Road and FM 1516 in the City of San Antonio's Extra Territorial Jurisdiction.

BACKGROUND INFORMATION:

The Texas Department of Housing and Community Affairs' (TDHCA) Housing Tax Credit (HTC) program is one of the primary means of directing private capital toward the development and preservation of affordable rental housing for low-income households in the state of Texas. Housing Tax Credits are awarded to eligible participants to offset a portion of their federal tax liability in exchange for the production or preservation of affordable rental housing.

The TDHCA administers two HTC programs: a Competitive 9% and Non-Competitive 4%. This application is for the Non-Competitive 4% HTC program which is available year round unlike the Competitive 9% HTC program which has a single annual application period. The Competitive 9% HTC program assigns points based on the type of resolution provided by a municipality (Resolution of Support versus a Resolution of No Objection), but the Non-Competitive 4% Housing Tax Credit only require that a Resolution of No Objection be submitted to satisfy requirements of §11.204(4)(C) of the TDHCA's Uniform Multifamily Rules.

In order to qualify to receive a Resolution of No Objection, the application must earn at least 60 out of 100 points from the City's scoring criteria outlined in the Housing Tax Credit Policy adopted by City Council October 31, 2019.

ISSUE:

LDG Development is submitting an application to the Texas Department of Housing and Community Affairs (TDHCA) for the Non-Competitive 4% Housing Tax Credits (HTC) program for the construction of Agave, a 315-unit multi-family rental housing development located at Binz-Engleman Road and FM 1516 in the City of San Antonio's Extra Territorial Jurisdiction (ETJ). The site is currently vacant.

For applicants located within the ETJ of a municipality, a Resolution of No Objection from the municipality and a Resolution of No Objection from the county is required. Therefore, the LDG Development is seeking a Resolution of No Objection from the City of San Antonio as well as a Resolution of No Objection from Bexar County.

LDG Development will be seeking a Resolution of No Objection from Bexar County in January. They have been in communication with Commissioner Calvert about the project and believe the Resolution will be issued by the County.

The closest Council District to the property is Council District 2. The applicant met with the Council District 2 office to provide all pertinent information regarding the proposed HTC project. The applicant met via phone with Councilwoman Andrews-Sullivan on November 9, 2020 to talk about the project.

Any 4% HTC application earning between 60 and 100 points shall be eligible to receive a staff recommendation for a Resolution of No Objection, provided the application receives at least seven experience points under the Owner/General Partner/Property Management Experience category. The application received 15 experience points; 81 points in total and is eligible to receive a Resolution of No Objection.

The applicant was awarded no public engagement points.

The value of the TDHCA tax credit award to Agave would be approximately \$18.7 million over a ten-year period. The total cost for this project will be approximately \$55 million. Of the 315-units, all will be rent restricted to 70% and below of area median income as defined by TDHCA's Rent and Income Limit tool using HUD data (e.g. a family of four will have a maximum income of \$50,400).

The 4% application is anticipated to be considered by the TDHCA Governing Board in April 2021. If approved, the estimated start date will be in June 2021 and the estimated project construction completion is June 2023.

The project is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent	AMI Served
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One Bedroom	84	\$616	43 units at 50% and below
		\$886	41 units at 70% and below
Two Bedroom	126	\$745	63 units at 50% and below
		\$1,069	63 units at 70% and below
Three Bedroom	84	\$864	42 units at 50% and below
		\$1,238	42 units at 70% and below
Four Bedroom	21	\$964	10 units at 50% and below
		\$1,382	11 units at 70% and below

ALTERNATIVES:

City Council may elect not to approve a Resolution of No Objection which would adversely impact the ability of the developer to proceed with the project.

FISCAL IMPACT:

This approves a Resolution of No Objection for LDG Development's application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program for the construction of Agave, a 315 unit affordable multi-family rental housing development, located at Binz-Engleman Road and FM 1516 in the City of San Antonio's Extra Territorial Jurisdiction. There is no fiscal impact to the City's budget.

RECOMMENDATION:

Staff recommends City Council issue a Resolution of No Objection for the construction of Agave, a 315-unit multi-family rental housing development located at Binz-Engleman Road and FM 1516 in the City of San Antonio's Extra Territorial Jurisdiction.