



City of San Antonio

Legislation Details (With Text)

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Type: Resolution

In control: City Council A Session

On agenda: 11/14/2019

Title: Resolution of No Objection for The NRP Group LLC's application to the Texas Department of Housing and Community Affairs Non-Competitive 4% Housing Tax Credits program for the construction of Trader Flats, a 324 unit affordable multi-family rental housing development, located at 8671 SW Loop 410 in Council District 4. [Lori Houston, Assistant City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]

Sponsors:

Indexes:

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Attachments: 1. Draft Resolution, 2. Resoluion 2019-11-14-0067R

Date	Ver.	Action By	Action	Result
11/14/2019	1	City Council A Session	approved	Pass

DEPARTMENT: Neighborhood & Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: Council District 4

SUBJECT:

Consideration of a Resolution of No Objection for The NRP Group, LLC's application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program.

SUMMARY:

The NRP Group, LLC 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 Trader Flats, a 324-unit affordable multi-family rental housing development located at 8671 SW Loop 410 in Council District 4.

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. HTCs 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%. The NRP Group is applying 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 50 out of 100 points from the City's scoring criteria outlined in the Low Income Housing Tax Credit Policy adopted by City Council December 14, 2017.

ISSUE:

The NRP Group 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 development of Trader Flats, a 324-unit multi-family rental housing development located at 8671 SW Loop 410 in Council District 4. The applicant met with the Council District 4 office to provide all pertinent information regarding the proposed HTC project.

Any application earning between 50 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 NRP Group received 15 experience points, and 56 points in total and is eligible to receive a Resolution of No Objection. No public engagement points were sought.

The 4% application is anticipated to be considered by the TDHCA Governing Board in January 2020. If approved, the estimated construction start date will be in July 2020 and is estimated to be completed in July 2022.

The value of the TDHCA tax credit award for Trader Flats would be approximately \$15.7 million over a ten year period. The total construction cost for this project will be approximately \$50.5 million. Of the 324-units, all will have 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 \$49,700).

This is the third Non-Competitive 4% HTC project being considered by the City of San Antonio that has opted to income average. Income averaging is a way to expand the HTC program to serve more families. Traditionally, most 4% HTC projects have served families at 60% AMI. Income averaging allows developments to accept families with incomes up to 80% AMI and as low as 20% AMI as long as the average income of the residents in the development does not exceed 60% AMI. This tool makes it more financially feasible for development to target lower AMIs-to serve lower-income families-since the higher rents that households at the upper range pay are offset by the lower rents households at lower AMIs pay.

The affordable units are projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent	AMI Served
One Bedroom	12	\$310	1 units at 30% and below
		\$710	9 units at 60% and below
		\$843	2 units at 70% and below
Two Bedroom	132	\$375	13 units at 30% and below
		\$854	92 units at 60% and below
		\$1,014	27 units at 70% and below
Three Bedroom	144	\$436	15 units at 30% and below
		\$990	100 units at 60% and below
		\$1,174	29 units at 70% and below
Four Bedroom	36	\$485	4 units at 30% and below
		\$1,103	24 units at 60% and below
		\$1,309	8 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 is a Resolution of No Objection for The NRP Group LLC’s application to the Texas Department of Housing and Community Affairs Non-Competitive 4% Housing Tax Credits program for the construction of Trader Flats, a 324 unit affordable multi-family rental housing development, located at 8671 SW Loop 410 in Council District 4. There is no fiscal impact to the City’s budget.

RECOMMENDATION:

Staff recommends City Council approval of a Resolution of No Objection for the development of Trader Flats, a 324-unit multi-family rental housing development located at 8671 SW Loop 410 in Council District 4.