



City of San Antonio

Agenda Memorandum

File Number: 16-5111

Agenda Item Number: 26.

Agenda Date: 10/13/2016

In Control: City Council A Session

DEPARTMENT: Department of Planning & Community Development

DEPARTMENT HEAD: Bridgett White, Director

COUNCIL DISTRICTS IMPACTED: Council District 5

SUBJECT:

Resolution of No Objection for Chateau de Vitre Development

SUMMARY:

A Resolution of No Objection for Mission Vitre Redevelopment, LP's application to the Texas Department of Housing and Community Affairs for non-competitive 4% Housing Tax Credits program for the development of Chateau de Vitre, a 242 unit multi-family rental housing development located at 700 West Commerce Street in Council District 5.

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. HTC 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. There are two types of HTC: competitive 9% and non-competitive 4%. Mission Vitre Redevelopment, LP is applying for non-competitive 4% HTC. The non-competitive 4% HTC program is available year round unlike the competitive 9% HTC program which has a single annual application period. As opposed to the competitive 9% HTC, which assign points based on the type of resolution provided by a municipality (Resolution of Support versus a Resolution of No Objection), the non-competitive 4% HTC require that a Resolution of No Objection be submitted to satisfy requirements of §10.204(4)(C) of the TDHCA's Uniform Multifamily Rules.

ISSUE:

Mission Vitre Redevelopment, LP is submitting an application to the Texas Department of Housing and Community Affairs (TDHCA) for non-competitive 4% Housing Tax Credits (HTC) for the development of Chateau de Vitre, a 242 unit multi-family rental housing development located at 700 West Commerce Street in Council District 5. TDHCA requires a Resolution of No Objection from the local governing body for a 4% HTC project.

The value of the TDHCA tax credit award to Chateau de Vitre Development will be approximately \$12.1 million. The total development cost for this project will be approximately \$45.2 million. One hundred and fifty-eight units will be restricted to 60% of area median income (e.g. a family of four will have a maximum income of \$37,260). The 4% application is anticipated to be considered by the TDHCA Governing Board in October of 2016. If approved, the project will commence in December 2016 and be completed by February 2018.

ALTERNATIVES:

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

FISCAL IMPACT:

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 Chateau de Vitre, a 242 unit multi-family rental housing development, located at 700 West Commerce Street in Council District 5.