



City of San Antonio

Agenda Memorandum

File Number: 17-1011

Agenda Item Number: 26.

Agenda Date: 1/19/2017

In Control: City Council A Session

DEPARTMENT: Department of Planning & Community Development

DEPARTMENT HEAD: Bridgett White, Director

COUNCIL DISTRICTS IMPACTED: Council District 3

SUBJECT:

A Resolution of No Objection for Mission DG/Mitchell 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 St. John's Apartments, a 229-unit multi-family rental housing development located at 222 E. Mitchell Street in Council District 3

SUMMARY:

Mission DG/Mitchell Redevelopment, LP is seeking a Resolution of No Objection for its application to the Texas Department of Housing and Community Affairs for non-competitive 4% Housing Tax Credits program for the development of St. John's Apartments, a 229-unit multi-family rental housing development located at 222 E. Mitchell Street in Council District 3.

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 DG/Mitchell 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. Designs for this property will be subject to review by the Historic & Design Review Commission. In the 2005 South Central Community Plan, this site was identified for low density residential and parks/open space. The current zoning of this site is MF-33 H RIO-4 (Multifamily, Historic, RIO-4 Overlay). Surrounding properties include Mission Concepcion, the Frank Tejada Juvenile Justice Center, City of San Antonio Construction Center, San Antonio Missions Historical Park, St. Peters/St. Joseph's Children's Home, and a number of single-family homes. There are no known multifamily properties within 1,000 feet of the proposed development. The site is located within the Roosevelt Park Neighborhood Association. The applicant began its formal coordination with the Neighborhood Association on February 11, 2015 and has indicated that they received a letter of support from one of the Board members of the Neighborhood Association.

ISSUE:

Mission DG/Mitchell 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 St. John's Apartments, a 229-unit multi-family rental housing development located at 222 E. Mitchell Street in Council District 3. 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 St. John's Apartments will be approximately \$10,958,491.00. The total development cost for this project will be approximately \$34,095,443.00. Of the 229 total units, 173 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 the winter of 2017. If approved, the project will commence in March 2017 and be completed by November 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:

The City has committed \$2,066,176 in incentives to this project, including a Tax Reimbursement Grant of \$1,387,821, City fee waivers up to \$78,355, and SAWS impact fee waivers up to \$600,000. Approval of the Resolution of No Objection does not further impact the City budget.

RECOMMENDATION:

Staff recommends approval of a Resolution of No Objection for the development of St. John's Apartments, a 229-unit multi-family rental housing development located at 222 E. Mitchell Street in Council District 3.