



City of San Antonio

Agenda Memorandum

File Number: 21-2583

Agenda Item Number: 22.

Agenda Date: 4/15/2021

In Control: City Council A Session

DEPARTMENT: Neighborhood & Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, FAICP, Director

COUNCIL DISTRICTS IMPACTED: Extra Territorial Jurisdiction

SUBJECT:

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

SUMMARY:

Cohen-Esrey Development Group 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 Loma Vista Lofts, a 196-unit affordable multi-family rental housing development located at 363 North General McMullen Drive 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. 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:

Cohen-Esrey Development 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 construction of Loma Vista Lofts, a 196-unit multi-family rental housing development located at 363 North General McMullen Drive in Council District 5. The site is currently vacant.

The applicant met with the Council District 5 office to provide all pertinent information regarding the proposed HTC project. The applicant met via phone with Councilwoman Gonzalez on July 29, 2021 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, and 66 points in total and is eligible to receive a Resolution of No Objection.

The applicant was awarded no for public engagement points.

The value of the TDHCA tax credit award to Loma Vista Lofts would be approximately \$17.8 million over a ten-year period. The total cost for this project will be approximately \$37.8 million. Of the 196-units, all will be rent restricted to 60% 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 \$43,200).

The 4% application is anticipated to be considered by the TDHCA Governing Board in July 2021. If approved, the estimated start date will be in February 2022 and the estimated project construction completion is July 2023.

The project is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent	AMI Served
One Bedroom	93	\$746	60% and below
Two Bedroom	95	\$886	60% and below
Three Bedroom	8	\$1,015	60% 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 Cohen-Esrey Development Group application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program for the construction of Loma Vista Lofts, a 196 unit affordable multi-family rental housing development, located at 363 North General McMullen Drive in Council District 5. 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 Loma Vista Lofts, a 196-unit multi-family rental housing development located at 363 North General McMullen Drive in Council District 5.