City of San Antonio

Legislation Details (With Text)

File #:	19-5503
Type:	Staff Briefing - Without Ordinance
In control:	Planning and Community Development Committee
On agenda:	8/12/2019
Title:	Resolution of No Objection for the St. John's Square Apartment, LP application to the Texas Department of Housing and Community Affairs Non-Competitive 4% Housing Tax Credits program for the construction of St. John's Square Apartments, a 251 unit affordable multi-family rental housing development, located at 422 E. Nueva Street in City Council District 1. [Lori Houston, Assistant City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]
Sponsors:	
Indexes:	
Code sections:	
Attachments:	

Date	Ver.	Action By	Action	Result

DEPARTMENT: Neighborhood & Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: Council District 1

SUBJECT:

Consideration of a Resolution of No Objection for St. John's Square Apartments, LP's application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program.

SUMMARY:

St. John's Square Apartments, LP 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 St. John's Square Apartments, LP's 251-unit affordable multi-family rental housing development located at 422 E. Nueva Street in Council District 1.

BACKGROUND INFORMATION:

The Texas Department of Housing and Community Affairs' (TDHCA) Housing Tax Credit (HTC) program is

powered by Legistar™

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%. St. John's Square Apartments 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:

St. John's Square Apartments, LP 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 the St. John's Square Apartments, a 251-unit multi-family rental housing development located at 422 E. Nueva Street in Council District 1. TDHCA requires a Resolution of No Objection from the local governing body for a 4% HTC project.

The property is located in Council District 1. The applicant met with the Council District 1 office to provide all pertinent information regarding the proposed St. John's Square Apartments 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. This application received 13 experience points and 81 points in total making it eligible to receive a Resolution of No Objection.

The value of the TDHCA tax credit award to St. John's Square Apartments would be approximately $4.4 million over a ten year period. The total construction cost for this project will be approximately $65 million. Of the 251-units, 50 will have rent restricted to 50% 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 $35,500). The 4% application is anticipated to be considered by the TDHCA Governing Board in the September 2019. If approved, the estimated construction start date will be in November 2019 and the estimated project completion is August 2021.

St. John's Square Apartments is anticipated to be a mixed use development meaning it will have both multifamily rental units and retail space. The retail space is likely to have at least one restaurant. San Antonio Housing Authority (SAHA) is the non-profit partner for this project and the land will be leased from St. John's Lutheran Church. The developer is Weal Development, LLC. The project is anticipated to receive approximately $3.2 million in City incentives.

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

powered by Legistar™

Unit Mix	Number of Units	Monthly Rent	AMI Served
Studio	14	$621	50% and below
One Bedroom	29	$665	50% and below
Two Bedroom	7	$798	50% and below

ALTERNATIVES:

Planning and Community Development Committee may elect not to forward this item to City Council which would adversely impact the ability of the developer to proceed with the project.

FISCAL IMPACT:

This authorizes Resolution for multifamily rental housing development projects by applicants seeking Non-Competitive 4% Housing Tax Credits with the Texas Department of Housing and Community Affairs for the 2019 program. There is no fiscal impact to the FY 2019 General Fund.

RECOMMENDATION:

Staff recommends the Planning and Community Development Committee forward this item to City Council with a recommendation of approval of a Resolution of No Objection for the development of St. John's Square Apartments, a 251-unit multi-family rental housing development located at 422 E Nueva Street in Council District 1.

powered by Legistar™