



City of San Antonio

Agenda Memorandum

File Number:16-4905

Agenda Item Number: 3.

Agenda Date: 9/21/2016

In Control: Housing Committee

DEPARTMENT: Department of Planning and Community Development

DEPARTMENT HEAD: Bridgett White

COUNCIL DISTRICTS IMPACTED: Council District 2

SUBJECT:

Resolution of Support for the San Antonio Housing Authority's East Meadows Phase II Multi-Family Project

SUMMARY:

A Resolution of Support for the San Antonio Housing Authority application to the Texas Department of Housing and Community Affairs for competitive (9%) housing tax credits for the development of East Meadows Phase II Multi-Family Project, a 117 unit rental housing development located at 1411 N. Walters in Council District 2.

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%). The San Antonio Housing Authority (SAHA) is applying for the 9% HTC. The 9% HTC program has a single annual application period unlike the 4% HTC program which is available year round. In addition, the 9% HTC assigns points based on the type of resolution provided by a municipality (Resolution of Support versus a Resolution of No Objection), as opposed to the 4% HTC which require that a Resolution of No Objection be submitted to satisfy requirements of §10.204(4)(C) of the TDHCA's Uniform Multifamily Rules. The 9% application will be considered by the TDHCA Governing Board on July 1, 2017.

On December 12, 2012, SAHA received \$29.75 million award from the U.S. Department of Housing and Urban Development (HUD) for the Wheatley Choice Transformation Plan. City Council approved Ordinance 2012-06-21-0028R on June 21, 2012 in support of the Eastside Choice Neighborhood Implementation grant. In addition, City Council approved Ordinance 2013-06-20-0480 on June 20, 2013 amending the Arena District Community Plan, Government Hill Neighborhood Plan, and the components of the Comprehensive Master Plan of the City by adding the Eastside Choice Neighborhood Transformation Plan as a supplement to the Plan. SAHA submitted an application during the 2016 HTC application round for East Meadows Phase II Multi-Family Project and City Council provided a Resolution of Support (2016-02-18-0012R) on February 18, 2016. However, the project was unsuccessful in scoring sufficient points to be competitive. Consequently, SAHA will be submitting an application for the 2017 HTC round for East Meadows Phase II Multi-Family Project.

The Wheatley Choice Neighborhood Transformation re-development will now be known as East Meadows, except for Wheatley Park Senior Living which will retain the Wheatley name.

ISSUE:

A Resolution of Support for San Antonio Housing Authority's application to the Texas Department of Housing and Community Affairs for 9% Housing Tax Credits for the development of East Meadows Phase II Multi-Family Project, a 117-unit multi-family rental housing development located at 1411 N. Walters in Council District 2.

SAHA is submitting an application to TDHCA for the 9% HTC for the development of East Meadows Phase II Multi-Family Project. In order to improve SAHA's chances of obtaining a 9% HTC, a Resolution of Support from the local governing body would provide critical points necessary for the application, which will be available at the start of the calendar year.

The value of the TDHCA tax credit award to the East Meadows Phase II Multi-Family Project will be approximately \$14.4 million. The total development cost for this project will be \$23M. Ninety-four 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 9% application will be considered by the TDHCA Governing Board on July 1, 2017. If approved, the project will commence in May 2018 and be completed in December 2019. This project is being developed by McCormack Baron Salazar, Inc. and San Antonio Housing Authority.

ALTERNATIVES:

City Council may elect not to provide a Resolution of Support which would adversely impact the ability of the developer to proceed with the completion of the Wheatley Choice Neighborhood revitalization project.

FISCAL IMPACT:

There is no fiscal impact to the City's Budget.

RECOMMENDATION:

Staff recommends forwarding to the full City Council a Resolution of Support for the development of East Meadows Phase II Multi-Family Project.

