



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 28.

Agenda Date: 12/8/2016

In Control: City Council A Session

DEPARTMENT: Department of Planning and Community Development

DEPARTMENT HEAD: Bridgett White

COUNCIL DISTRICTS IMPACTED: Council District 2

SUBJECT:

A Resolution in Support of the San Antonio Housing Authority's application to the Texas Department of Housing and Community Affairs for competitive 9% housing tax credits and identifying East Meadows Phase II Multi-Family Project as contributing "most significantly to the concerted revitalization efforts" of the City of San Antonio (the City).

SUMMARY:

The San Antonio Housing Authority (SAHA) is seeking a resolution from the City Council supporting its 9% competitive tax credit application and identifying its East Meadows Phase II Multi-Family Project as contributing "most significantly to the concerted revitalization efforts" in order to obtain additional points in its application before the Texas Department of Housing and Community Affairs' (TDHCA) governing board. East Meadows Phase II Multi-Family Project is 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 June 21, 2012, the City approved Resolution 2012-06-21-0028R in support of SAHA's Eastside Choice Neighborhood Implementation Grant Proposal submitted to the U.S. Housing and Urban Development (HUD), which included the redevelopment of Wheatley Courts, an obsolete and inefficient public housing site.

On December 12, 2012, in response to its grant proposal, SAHA received a \$29.75 million award from HUD for the Wheatley Choice Transformation Plan. On June 20, 2013, the City executed Ordinance 2013-06-20-0480 amending the Arena District Community Plan, Government Hill Neighborhood Plan, and components of the Comprehensive Master Plan of the City, by adding the Eastside Choice Neighborhood Transformation Plan as a supplement.

SAHA submitted an application during the 2016 Housing Tax Credit (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.

On September 21, 2016, the Housing Committee approved and forwarded to City Council a Resolution of Support for the development of East Meadows Phase II Multi-Family Project. In addition to the Resolution of Support for East Meadows Phase II Multi-Family Project, SAHA is requesting that the City identify East Meadows Phase II Multi-Family Project as the development in the 2017 competitive tax credit application round that contributes "most significantly to the concerted revitalization efforts" of the City.

The TDHCA HTC competitive 9% applicants may also receive two points if the development is explicitly identified by the City as contributing most significantly to the concerted revitalization efforts of the City. The City may only identify one single development during each application round for the additional points. A resolution from the governing body that approved the plan is required to be submitted in the application. The competitive 9% application will be considered by the TDHCA Governing Board on July 1, 2017.

In Ordinance 2016-02-18-0012R, the City identified East Meadows (Wheatley Family Apartments Phase II), TDHCA #16009, as the development in the 2016 competitive tax credit application round that contributes "most significantly to the concerted revitalization efforts" of the City.

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 SAHA's East Meadows Phase II Multi-Family Project application to the Texas Department of Housing and Community Affairs for competitive 9% housing tax credits and identifying East Meadows Phase II Multi-Family Project as contributing "most significantly to the concerted revitalization efforts" of the City of San Antonio (the City).

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 identifying East Meadows Phase II Multi-Family Project as contributing "most significantly to the concerted revitalization efforts" of the City would provide critical points necessary for the application.

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 \$23 million. 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 SAHA.

ALTERNATIVES:

If City Council does not elect to provide a resolution in support of SAHA's TDHCA application for competitive 9% housing tax credits and identifying East Meadows Phase II Multi-Family Project as contributing "most significantly to the concerted revitalization efforts" of the City, the developer would be adversely impacted in its ability 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 City Council approve a Resolution in Support of SAHA's TDHCA application for competitive 9% housing tax credits and identifying East Meadows Phase II Multi-Family Project as contributing "most significantly to the concerted revitalization efforts" of the City.