



# City of San Antonio

## Agenda Memorandum

**File Number:** 17-1768

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**Agenda Item Number:** 2.

**Agenda Date:** 2/21/2017

**In Control:** Housing Committee

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**DEPARTMENT:** Planning Department

**DEPARTMENT HEAD:** Bridgett White, Director

**COUNCIL DISTRICTS IMPACTED:** 4 and 6

### **SUBJECT:**

Consideration of Resolutions of Support for Artisan at Old Tezel and Artisan at Potranco, multifamily rental housing developments by Franklin Development seeking competitive 9% Housing Tax Credits with the Texas Department of Housing and Community Affairs.

### **SUMMARY:**

The City issued a Request for Applications to developers seeking a Resolution of Support or No Objection for applications to the Texas Department of Housing and Community Affairs for the competitive 9% Housing Tax Credit program. The projects below are eligible to receive Resolutions of Support based on their application scoring:

- Artisan at Old Tezel, a 120-unit development at the northwest corner of Tezel Road and Old Tezel Road, located in District 6
- Artisan at Potranco, a 180-unit development on N. Loop 1604 between Military and Potranco Road, located in District 4

### **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. 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. There are two types of HTCs: competitive 9% and non-competitive 4%. The non-competitive 4%

HTC program is available year round whereas the competitive 9% HTC program has a single annual application period. For the 2017 competitive application period, TDHCA requires applicants to submit completed applications, along with supporting documents, no later than March 1, 2017.

The HTC program awards competitive application points for a resolution(s) from a Governing Body of a municipality showing local government support on the following basis:

Within a municipality, the application will receive:

- Seventeen (17) points for a resolution from the Governing Body of that municipality expressly setting forth that the municipality supports the Application or Development; or
- Fourteen (14) points for a resolution from the Governing Body of that municipality expressly setting forth that the municipality has no objection to the Application or Development.

**ISSUE:**

Using the City Council adopted evaluation criteria and TDHCA’s 2017 Qualified Allocation Plan (QAP), staff developed an application process and schedule. The City issued a Request for Applications (RFA) on December 12, 2016 for multifamily rental housing development projects seeking a San Antonio City Council Resolution of Support or No Objection in connection with the Texas Department of Housing and Community Affairs (TDHCA) Housing Tax Credit program. Applications were due on January 4, 2017 and were required to score at least 85 points in the City’s 165-point scoring system to be recommended for a Resolution of Support. Applicants earning less than 85 points may receive a Resolution of No Objection, provided the applicant received at least six experience points in the “General Partner and Property Manager Experience” section of the application.

Franklin Development submitted four applications on January 24, 2017, twenty days following the close of the RFA. They have withdrawn two of the four applications and have requested that Council provide Resolutions of Support for the projects listed below:

	Project Name	Council District	Applicant	Affordable Units/Total Units	Score (out of 165)
A.	Artisan at Old Tezel Tezel at Old Tezel Rd.	D6	Franklin Development	96/120	107
B.	Artisan at Potranco	D4	Franklin Development	180/180	99

**ALTERNATIVES:**

City Council may elect not to approve the Resolutions of Support, which would adversely impact the developers’ applications with TDHCA’s Housing Tax Credit program and may deem the affordable housing developments financially infeasible.

**FISCAL IMPACT:**

There is no fiscal impact to the City's Budget with this staff recommendation.

**RECOMMENDATION:**

Although the applicant responded to the Request for Applications 20 days after the January 4 deadline, staff recommends forwarding to City Council for consideration of the issuance of Resolutions of Support for Artisan at Old Tezel and Artisan at Potranco, multifamily rental housing development projects seeking housing tax credits from the Texas Department of Housing and Community Affairs.