# City of San Antonio

## Agenda Memorandum

**File Number:** 19-1437

**Agenda Item Number:** 3.

**Agenda Date:** 1/16/2019

**In Control:** Comprehensive Plan Committee

**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Verónica R. Soto, AICP

**COUNCIL DISTRICTS IMPACTED:** City Wide

**SUBJECT:**

Consideration of Resolutions of Support or No Objection for multifamily rental housing development projects by applicants seeking competitive 9% Housing Tax Credits from the Texas Department of Housing and Community Affairs for 2019 program.

**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. Applicants for the following 20 projects applied to receive a Resolution of Support:

- Belknap Flats, located at 307 W Mistletoe Ave. in Council District 1
- Luna Flats, located at 4415 San Pedro Ave. in Council District 1
- Village at San Francisco, located at 1246 San Francisco St. in Council District 1
- Carolina Flats, located at 519 Carolina St. in Council District 2
- Artisan at Spring View, located at Grimes and Hedges in Council District 2
- Our Lady of Charity, located at Montana and Grimes in Council District 2
- Village at Boyer, located at 1510 Hoefgen Ave. in Council District 2
- Legacy at Piedmont, located at 826 E Highland Blvd. in Council District 3
- 1120 Lofts, located at 1120 W Loop 1604 North in Council District 4
- Alazan Lofts, located on several parcels on Torreon, El Paso and 803 Colorado in Council District 5
- McMullen Lofts, located at 363 N General McMullen Dr in Council District 5
- Vista at Marian, located at the Marian St. and Cumberland Blvd. in Council District 5
- Village at Nogalitos, located at 3727 Nogalitos in Council District 5

- Pinewood Crossing, located at the 8403 Reed Rd. in Council District 6
- Culebra Place Apartments, located at 7796 Culebra Rd. in Council District 6
- Hamilton Wolfe Lofts, located at the Hamilton Wolfe and Princeton Place in Council District 8
- Blanco Senior Estates, located at 19480 Blanco Rd. in Council District 9
- Nacogdoches Lofts, located at Nacogdoches at Spring Farm in Council District 10
- Residences at Thousand Oaks, located at 4500 Thousand Oaks Dr. in Council District 10
- Blue Oaks, located at 45001 Thousand Oaks Dr. St in Council District 10

**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 2019 competitive application period, TDHCA requires applicants to submit completed applications, along with supporting documents, no later than March 1, 2019.

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 2019 Qualified Allocation Plan (QAP), staff developed an application process and schedule. The City issued a Request for Applications (RFA) on December 3, 2018 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 14, 2019 and were required to score at least 70 points in the City's 100-point scoring system to be recommended for a Resolution of Support. Applicants earning between 50 and 69 points may receive a Resolution of No Objection, provided the applicant received at least 7 experience points in the "Owner/General Partner/Property Management Experience" section of the application.

Of the 20 applications, 12 proposed developments are within Loop 410, seven are between Loops 410 and 1604, and one is outside Loop 1604. Council Districts 2 and 5 received the highest number of applications (four each), followed by Districts 1 and 10 with three each. No applications were received within Council District 7.

Per TDHCA regulations, no two applicants may be awarded tax credits in the same year if they are located less

than two miles apart. This rule impacts 15 of the 20 applications. Additionally, TDHCA does not permit a development to be awarded Competitive HTC if it is within one mile of another Competitive HTC project awarded within the last three years without a resolution from the governing body specifically allowing the development. This impacts two applicants: Artisan at Springview and Our Lady of Charity.

The scoring matrix used by City Staff allows applicants to earn a total of 100 points. Points can be earned for Experience (up to 15), Non-profit or SBEDA/HUD Participation (5), Targeted Reinvestment Area (10), Project Amenities & Services (Up to 20), Area Income Criteria (10), Project Site Characteristics (10), Project Feasibly & Readiness (20), and Public Engagement (up to 10).

The chart below summarizes the score and affordability of the projects:

| | **Project Name** | **Council District** | **Applicant** | **Affordable Units/ Total Units** | **Score (out of 100)** |
|---|---|---|---|---|---|
| 1. | Belknap Flats | 1 | NRP Lone Star Development LLC | 74/74 | 66 |
| 2. | Luna Flats | 1 | NRP Lone Star Development LLC | 74/74 | 72 |
| 3. | Village at San Francisco | 1 | Prospera Housing Community Services | 78/78 | 70 |
| 4. | Carolina Flats | 2 | NRP Lone Star Development LLC | 74/74 | 73 |
| 5. | Artisan at Springview | 2 | Franklin Development Properties, Ltd | 116/116 | 81 |
| 6. | Our Lady of Charity | 2 | Franklin Development Properties, Ltd | 93/93 | 75 |
| 7. | Village at Boyer | 2 | Prospera Housing Community Services | 86/86 | 79 |
| 8. | The Legacy at Piedmont | 3 | The Legacy at Piedmont, L.P. | 56/56 | 79 |
| 9. | 1120 Lofts | 4 | NRP Lone Star Development LLC | 94/113 | 75 |
| 10. | Alazan Lofts | 5 | San Antonio Housing Authority | 79/88 | 93 |
| 11. | McMullen Lofts | 5 | NRP Lone Star Development LLC | 76/80 | 79 |
| 12. | Vista at Marian | 5 | Vista at Marian, L.P. | NA/80 | 73 |
| 13. | Village at Nogalitos | 5 | Prospera Housing Community Services | 78/78 | 70 |
| 14. | Pinewood Crossing | 6 | Pinewood Crossing Apartments, LP | 60/60 | 74 |
| 15. | Culebra Place Apartments | 6 | Culebra Affordable Housing, LP | 154/155 | 70 |

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|---|---|---|---|---|---|
| 16. | Hamilton Wolfe Lofts | 8 | NRP Lone Star Development LLC | 79/88 | 72 |
| 17. | Blanco Senior Estates | 9 | Franklin Development Properties, Ltd | 91/136 | 73 |
| 18. | Nacogdoches Lofts | 10 | NRP Lone Star Development LLC | 84/102 | 78 |
| 19. | Residences at Thousand Oaks | 10 | Brownstone Affordable Housing, Ltd | 109/132 | 81 |
| 20. | Blue Oaks | 10 | BCS Texas LLC | 68/80 | 77 |

**FISCAL IMPACT:**

None.

**RECOMMENDATION:**

Staff recommends taking the 19 City Council Letters of Support and the one recommended City Council Letter of No Objection for the State's 9% Housing Tax Credit Program to the full City Council for approval during "A" Session on February 14, 2019.