



City of San Antonio

Agenda Memorandum

File Number:19-1577

Agenda Item Number: 19.

Agenda Date: 1/31/2019

In Control: City Council A Session

DEPARTMENT: Neighborhood & Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: Council District 2

SUBJECT:

Resolution of No Objection for VDC SA-Alsbury application to the Texas Department of Housing and Community Affairs for the non-competitive 4% Housing Tax Credits program.

SUMMARY:

VDC SA-Alsbury 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 Alsbury Apartments, a 240-unit affordable multi-family rental housing development located at 231 Noblewood Drive in Council District 2.

BACKGROUND INFORMATION:

The Texas Department of Housing and Community Affairs' (TDHCA) Housing Tax Credit 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. Housing Tax Credits 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 two types of Housing Tax Credits include a competitive 9% and non-competitive 4%. Alsbury Apartment is applying for non-competitive 4% Housing Tax Credit which is available year round unlike the competitive 9% Housing Tax Credit program which has a single annual application period. The competitive 9% Housing Tax Credit 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 §10.204(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.

On January 16, 2019, the Comprehensive Plan Committee approved to move this item forward for a full City Council review.

ISSUE:

VDC SA-Alsbury is submitting an application to the Texas Department of Housing and Community Affairs (TDHCA) for non-competitive 4% Housing Tax Credits program for the development of Alsbury Apartments, a 240 unit multi-family rental housing development located at 231 Noblewood Drive in Council District 2. TDHCA requires a Resolution of No Objection from the local governing body for a 4% Housing Tax Credit project.

The property is located in Council District 2. The applicants met with the Council District 2 office to provide all pertinent information regarding the proposed Alsbury Apartment Housing Tax Credit project.

Any application earning between 50 and 69 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. Alsbury Apartment received 15 experience points, and 53 points in total. Public engagement points were not sought in this application.

The value of the TDHCA tax credit award to Alsbury Apartment would be approximately \$11.5 million. The total construction cost for this project will be approximately \$34.8 million. All 240 units will have rent restricted to 60% 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 \$40,080) and one will be staff occupied. The 4% application is anticipated to be considered by the TDHCA Governing Board in February 2019. If approved, the project will commence in April 2019 and be completed by September 2020.

The project is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent	AMI Served
Studio	12	\$646	60% and below
One Bedroom	68	\$682	60% and below
Two Bedroom	120	\$814	60% and below
Three Bedroom	32	\$937	60% and below
Four Bedroom	8	\$1,036	60% and below

ALTERNATIVES:

City Council may elect not to approve a Resolution of No Objection which would adversely impact the ability of the developer to proceed with the project.

FISCAL IMPACT:

There is no fiscal impact to the City's FY 2019 Adopted Budget.

RECOMMENDATION:

Staff recommends City Council approval of a Resolution of No Objection for the development of Alsbury Apartments, a 240-unit affordable multi-family rental housing development located approximately at 231 Noblewood Drive in Council District 2.