



# City of San Antonio

## Agenda Memorandum

**File Number:**19-6405

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**Agenda Item Number:** 2.

**Agenda Date:** 9/9/2019

**In Control:** Planning and Community Development Committee

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**DEPARTMENT:** Neighborhood & Housing Services Department

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

**COUNCIL DISTRICTS IMPACTED:** Council District 9

### **SUBJECT:**

Consideration of a Resolution of No Objection for Village Capital Corporation and Pedcor Housing Corporation's application to the Texas Department of Housing and Community Affairs for the non-competitive 4% Housing Tax Credits program.

### **SUMMARY:**

Village Capital Corporation and Pedcor Housing Corporation are seeking a Resolution of No Objection for their application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program for the development of Northview Apartments, 164-unit affordable multi-family rental housing development located at 23132 US-281 North in Council District 9.

### **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. 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 TDHCA administers two HTC programs: a Competitive 9% and Non-Competitive 4%. Northview Apartments is applying for the Non-Competitive 4% HTC program which is available year round unlike the Competitive 9% HTC program which has a single annual application period. The Competitive 9% HTC program 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 §11.204(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.

### ISSUE:

Village Capital Corporation and Pedcor Housing Corporation are submitting an application to the Texas Department of Housing and Community Affairs (TDHCA) for the Non-Competitive 4% Housing Tax Credits (HTC) program for the development of the Northview Apartments, a 164-unit multi-family rental housing development located at 23132 US-281 North in Council District 9. TDHCA requires a Resolution of No Objection from the local governing body for a 4% HTC project.

The property is located in Council District 9. The applicants met with the Council District 9 office to provide all pertinent information regarding the proposed Northview Apartments HTC project.

Any application earning between 50 and 100 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. The application received 15 experience points, and 67 points in total and is eligible to receive a Resolution of No Objection.

The value of the TDHCA tax credit award to Northview Apartments would be approximately \$11 million over a ten year period. The total construction cost for this project will be approximately \$33.2 million. Of the 164-units, all 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 \$42,600). The 4% application is anticipated to be considered by the TDHCA Governing Board in the July 2020. If approved, the estimated construction start date will be in September 2020 and the estimated project completion is March 2022.

The project is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent	AMI Served
One Bedroom	58	\$741	60% and below
Two Bedroom	82	\$894	60% and below
Three Bedroom	24	\$1,032	60% and below

### ALTERNATIVES:

Planning and Community Development Committee may elect not to forward this item to City Council which would adversely impact the ability of the developer to proceed with the project.

### FISCAL IMPACT:

This authorizes Resolution for multifamily rental housing development projects by applicants seeking Non-Competitive 4% Housing Tax Credits with the Texas Department of Housing and Community Affairs for the 2019 or 2020 program. There is no fiscal impact to the FY 2019 general fund.

**RECOMMENDATION:**

Staff recommends forwarding this item to the full City Council for consideration of a Resolution of No Objection for the development of Northview Apartments, a 164-unit multi-family rental housing development located at 23132 US-281 North in San Antonio, Texas.