



City of San Antonio

Agenda Memorandum

File Number: 19-6825

Agenda Item Number: 18.

Agenda Date: 11/14/2019

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: Districts 3 and 6

SUBJECT:

Additional Affordable Housing Units for St. John's Seminary and Brookwood Senior Apartments.

SUMMARY:

An Ordinance approving two forgivable loans to the San Antonio Housing Public Facilities Corporation (SAHTPFC) to facilitate 18 housing units that will be leased to individuals or families making 30% AMI or below at the St. John's Seminary and Brookwood Senior Apartments projects.

BACKGROUND INFORMATION:

The City of San Antonio has a Center City Housing Incentive Policy agreement with 210 Development Group, LLC (210 DG) for the Vitre Project. As a result of the sale of the property at 700 W Houston, 210 DG cannot develop the project site in accordance with the CCHIP Agreement and therefore is in default and the agreement is terminated. Per the agreement, the project received an Inner City Incentive Loan in the amount of \$968,000. The funding was used for site improvements and the outstanding loan amount with interest is \$1,024,933.

In an effort to facilitate the production of more units that target individuals earning below 30% of the Area Median Income (AMI), staff is recommending that the outstanding loan balance for the Vitre be converted to a forgivable loan that would subsidize 18 affordable housing units in two housing projects that are part of 210 DG's portfolio. The two housing projects are Brookwood (District 6) and St. John's Seminary (District 3) and both projects are utilizing the San Antonio Housing Trust Public Facilities Corporation (SAHTPFC) and the Texas Department of Housing and Community Affairs (TDHCA) 4% Tax Credit to assist in project financing. 210 DG will repay the City \$75,000 by December 31, 2019 and the remaining amount shall be converted into two separate forgivable loans to SAHTPFC that will be forgiven over a 10 year period so long as 9 units in each

of St. John's Seminary and Brookwood are leased to families at or below 30% of median income.

The St. John's Seminary project is currently under construction and will open in March 2020. The project includes 228 housing units in District 3 of which 176 will be leased to families/individuals at or below 60% AMI. City staff will recommend to City Council a forgivable loan in the amount of \$475,000 provided 9 of the 176 units are leased to individuals or families at or below 30% of the AMI at tax credit rents. The loan is due in 10 years but will be forgiven by \$47,500 annually provided all 9 units are leased to families or individuals at or below 30% of the AMI throughout the term of the Loan.

The Brookwood Senior Apartments will open in May 2020 and will provide 197 senior housing units in District 6 of which 158 will be leased to families/individuals at or below 60% AMI. City staff will recommend to City Council a forgivable loan in the amount of \$475,000 provided 9 of the 158 units are leased to individuals or families at or below 30% of the AMI at tax credit rents. The loan is due in 10 years but will be forgiven by \$47,500 annually provided all 9 units are leased to families or individuals at or below 30% of the AMI throughout the term of the Loan.

ISSUE:

Approval of two forgivable loans in the amount of \$475,000 each to the SAHTPFC will facilitate deeper affordability in 2 housing projects: Brookwood and St. John's Seminary.

ALTERNATIVES:

The City could choose not to convert the loan into a forgivable loan and 210 DG would remit payment to the City. However, the City would not benefit from the 18 units for individuals/families earning less than 30% AMI.

FISCAL IMPACT:

The \$968,000 as disbursed to the Vitre project was committed from the Inner City Incentive Fund (ICIF) in FY 2015. No additional funds will be committed as a result of this action. The \$75,000 payment from 210 DG will be accepted into the ICIF by December 31, 2019.

RECOMMENDATION:

Staff recommends approval of a forgivable loan to the SAHTPFC that will facilitate 18 additional housing units that will be leased to individuals or families making 30% AMI or below.