



City of San Antonio

Agenda Memorandum

File Number:19-9052

Agenda Item Number: 3.

Agenda Date: 1/13/2020

In Control: Planning and Community Development Committee

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Verónica R. Soto, AICP

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Resolutions of Support for multifamily rental housing development projects seeking 2020 Competitive 9% Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA).

SUMMARY:

Consideration of twenty-three Resolutions of Support for multifamily rental housing development projects by respondents seeking 2020 Competitive 9% Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA).

BACKGROUND INFORMATION:

The Texas Department of Housing and Community Affairs (TDHCA)'s Housing Tax Credit (HTC) Program allocates federal tax credits to developers to encourage the construction and rehabilitation of affordable multifamily housing. There are two types of tax credits: 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. The 9% Program is allocated through an annual competitive process in which projects are evaluated and scored according to the TDHCA's established criteria. An application must include a Resolution of Support or a Resolution of No Objection from the governing body of the municipality where the project is located.

On October 31, 2019, City Council adopted an updated Housing Tax Credit (HTC) Policy for the issuance of Resolutions of Support and Resolutions of No Objection. The new policy added a focus on deeper affordability and developments in targeted areas including Regional Centers. Developers submitting 2020 Competitive 9% HTC applications to TDHCA must score 75 points on their city application to be recommended for a Resolution of Support by staff. Developers must score 60 points have ownership/ management experience to be

recommended for a Resolution of No Objection. Applications for the 2020 Competitive 9% HTC are due to TDHCA no later than February 28, 2020.

On December 2, 2019, Neighborhood & Housing Services Department (NHSD) issued a call for applications to those developers that would be pursuing the 9% tax credit for their project. Applications were due on January 3, 2020. NHSD received 24 applications for Resolutions from City Council to include in their Texas Department of Housing and Community Affairs (TDHCA) 2020 Competitive 9% HTC application.

All 24 applications scored more than 75 points. However, one application has withdrawn and therefore staff is only recommending that 23 applications receive a Resolution of Support.

ISSUE:

The City received 24 applications for a Resolution of Support or No Objection from City Council to include in their TDHCA 2020 Competitive 9% HTC application. Applications with a score of at least 75 points are eligible to be recommended for a Resolution of Support and those earning between 60 and 74 points may be recommended to receive a Resolution of No Objection. The final scores ranged from 77 to 100 points and 1 of the 24 applicants withdrew their application. Staff is recommending that the following 23 projects are awarded a Resolution of Support:

| Project Name | Developer/Applicant | Council District |
|-------------------------------------|--|------------------|
| Avanti Ridgeview | Madhouse Development | 1 |
| Gault Lane Apartments | GrayStreet Partners | 1 |
| Vista at Everest | Vista at Everest (Atlantic Pacific Companies) | 1 |
| Village at Boyer | ALT Affordable Housing Services, Inc.- Arbor (Prospera) | 2 |
| Hays Street Lofts | Hays Street Lofts (Wilhoit Properties) | 2 |
| Valiente Apartments | Versa Development | 3 |
| Cattleman Square Lofts | ACG Cattleman Square Lofts (Alamo Community Group & Betco Housing) | 5 |
| Fish Pond at Prospect Hill | GVA Pro (Betco Housing) | 5 |
| Culebra Place Apartments | Culebra Affordable Housing (Chavez Foundation) | 6 |
| Avanti Legacy Med West | Madhouse | 7 |
| Cinnamon Creek Flats | NRP Group | 8 |
| Hamilton Wolfe Lofts | NRP Group | 8 |
| Fiesta Trails | NRP Group | 8 |
| Camelia Place | JES Dev Co, Inc. | 8 |
| Avanti Legacy at Fredericksburg | Madhouse Development | 8 |
| Woodstone Reserve | HTG Woodstone | 8 |
| Abbingdon Greenway | Rea Ventures | 8 |
| Ramsey Road Residences | NRP Group | 9 |
| Avanti North Loop | Madhouse Properties | 9 |
| Vista at Interpark | Vista at Interpark (Atlantic Pacific Companies) | 9 |
| Village at Perrin Beitel Apartments | ALT Affordable Housing Services, Inc.- Arbor (Prospera) | 10 |
| Salado Cliffs | NRP | 10 |
| Trailside Creek | JES Dev Co, Inc. | 10 |

TDHCA will not award HTCs to a project if certain conditions exist unless the municipality specifically waives or the requirement or acknowledges the condition in the Resolution of Support. Example conditions include if a project is located within one mile of a development awarded within the last three years, if the project is in a

census tract that would result in more than 20% of the total housing units being supported by HTC's, and if the project is in a census tract with a poverty rate that exceeds 40%. Additionally, a project will receive an additional two points if it is located within a revitalization zone designated by a municipalities governing body. These conditions are taken into consideration in the City Council approved evaluation criteria.

Five of the 23 applications are for projects located within one mile of a development awarded HTC's within the last three years: Village at Boyer, Cattleman Square Lofts, Hays Street Lofts, Culebra Place Apartments, and Valiente Apartments. Staff recommends Resolutions that waive the one mile requirement for the 5 projects because they have met the HTC policy goals adopted by Council and would contribute to meeting the affordable housing needs of our city.

Two of the 23 applications are for projects in census tracts with more than 20% of the total housing units supported by HTC's: Cattleman Square Lofts and Valiente Apartments. Staff recommends Resolutions stating the development is consistent with the jurisdiction's obligation to further fair housing and the body does not object to the development's application for the 2 projects because they have met the HTC policy goals adopted by Council and would contribute to meeting the affordable housing needs of our city.

Two of the 23 applications are for projects in census tracts with a poverty rate that exceeds 40%: Cattleman Square Lofts and Fish Pond at Prospect Hill. Staff recommends Resolutions acknowledging the high poverty rate and authorizing the development to move forward with its application for all of the projects because they have met the HTC policy goals adopted by Council and would contribute to meeting the affordable housing needs of our city.

Additionally, 10 applications are for projects that are in designated revitalization areas and the Resolution must acknowledge that they are within the designated area. Staff recommends issuing these Resolutions in alignment of the policy after preliminary scores are released by TDHCA in mid-January.

Below is a table with each of the projects along with a revitalization plan in which their proposed project is located and staff scores:

| Council District | Project Name | Revitalization Plan | Preliminary Score |
|------------------|----------------------------|---|-------------------|
| 2 | Hays Street | TIRZ #11- Inner City | 98 |
| | Village at Boyer | Urban Renewal Plan AND Arena District/Eastside Community Plan | 93 |
| 3 | Valiente Apartments | TIRZ #32- Mission Drive-In | 82 |
| 5 | Cattleman Square Lofts | TIRZ #30- Westside | 92 |
| | Fish Pond at Prospect Hill | TIRZ #30- Westside | 83 |
| 8 | Cinnamon Creek Flats | SA Tomorrow Medical Center Regional Center Plan | 100 |
| | Hamilton Wolfe Lofts | SA Tomorrow Medical Center Regional Center Plan | 95 |
| 9 | Ramsey Road Residences | SA Airport Vicinity Community Plan | 100 |
| 10 | Village at Perrin Beitel | TIRZ #33- Northeast Corridor | 90 |
| | Salado Cliffs | SA Airport Vicinity Community Plan | 100 |

ALTERNATIVES:

The Planning and Community Development Committee may elect to not forward the item to City Council for consideration or may recommend some or none of the Resolutions be made which would adversely impact the developers' applications with TDHCA's Housing Tax Credit program and deem the affordable housing

developments financially infeasible.

FISCAL IMPACT:

This authorizes Resolutions for multifamily rental housing development projects by applicants seeking competitive 9% Housing Tax Credits with the Texas Department of Housing and Community Affairs for the 2020 program. There is no fiscal impact to the FY 2020 Adopted Budget with this action.

RECOMMENDATION:

City Staff is recommending the following Resolutions:

| Development | CD | Resolution of Support | 1 Mile, 3 YR Waiver | Contributing Most to CRP | 20% Units Supported by HTC | CT 40% or More Poverty |
|-------------------------------------|----|-----------------------|---------------------|--------------------------|----------------------------|------------------------|
| Avanti Ridgeview | 1 | ✓ | | | | |
| Gault Lane Apartments | 1 | ✓ | | | | |
| Vista at Everest | 1 | ✓ | | | | |
| Village at Boyer | 2 | ✓ | ✓ | ✓ | | |
| Hays Street Lofts | 2 | ✓ | ✓ | ✓ | | |
| Valiente Apartments | 3 | ✓ | ✓ | ✓ | ✓ | |
| Cattleman Square Lofts | 5 | ✓ | ✓ | ✓ * | ✓ | ✓ |
| Fish Pond at Prospect Hill | 5 | ✓ | | ✓ * | | ✓ |
| Culebra Place Apartments | 6 | ✓ | ✓ | | | |
| Avanti Legacy Med West | 7 | ✓ | | | | |
| Cinnamon Creek Flats | 8 | ✓ | | ✓ - | | |
| Hamilton Wolfe Lofts | 8 | ✓ | | ✓ - | | |
| Fiesta Trails | 8 | ✓ | | | | |
| Camelia Place | 8 | ✓ | | | | |
| Avanti Legacy at Fredericksburg | 8 | ✓ | | | | |
| Woodstone Reserve | 8 | ✓ | | | | |
| Abbingdon Greenway | 8 | ✓ | | | | |
| Ramsey Road Residences | 9 | ✓ | | ✓ + | | |
| Avanti North Loop | 9 | ✓ | | | | |
| Vista at Interpark | 9 | ✓ | | | | |
| Village at Perrin Beitel Apartments | 10 | ✓ | | ✓ | | |
| Salado Cliffs | 10 | ✓ | | ✓ + | | |
| Trailside Creek | 10 | ✓ | | | | |

*Provide this Resolution to the highest scoring remaining after pre-application posted by TDHCA
 - Provide this Resolution to the highest scoring remaining after pre-application posted by TDHCA
 + Provide this Resolution to the highest scoring remaining after pre-application posted by TDHCA