



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 27R.

Agenda Date: 2/13/2020

In Control: City Council A Session

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 nineteen 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 and 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, five applications have withdrawn and therefore staff is only recommending that 19 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 5 of the 24 applicants withdrew their application. Staff is recommending that the following 19 projects are awarded a Resolution of Support:

| Project Name | Developer/Applicant | Address | Council District |
|-------------------------------------|--|----------------------------------|------------------|
| Gault Lane Apartments | GrayStreet Partners | Gault Lane | 1 |
| Vista at Everest | Vista at Everest (Atlantic Pacific Companies) | 538 Everest St. | 1 |
| Village at Boyer | ALT Affordable Housing Services, Inc. - Arbor (Prospera) | 1510 Hoefgen Ave. | 2 |
| Hays Street Lofts | Hays Street Lofts (Wilhoit Properties) | 715 Chestnut St. | 2 |
| Valiente Apartments | Versa Development | 647 Steves Ave. | 3 |
| Cattleman Square Lofts | ACG Cattleman Square Lofts (Alamo Community Group & Betco Housing) | 811 W. Houston St. | 5 |
| Fish Pond at Prospect Hill | GVA Pro (Betco Housing) | 1601 & 1615 Buena Vista St. | 5 |
| Culebra Place Apartments | Culebra Affordable Housing (Chavez Foundation) | 7796 Culebra Rd. | 6 |
| Avanti Legacy Med West | Madhouse | 7202 Snowden Rd. | 7 |
| Hamilton Wolfe Lofts | NRP Group | Hamilton Wolfe & Princeton Place | 8 |
| Fiesta Trails | NRP Group | 12477 IH 10 West | 8 |
| Camelia Place | JES Dev Co, Inc. | 4932 Research Dr. | 8 |
| Avanti Legacy at Fredericksburg | Madhouse Development | 9727 Fredericksburg | 8 |
| Woodstone Reserve | HTG Woodstone | 4927 Woodstone Dr. | 8 |
| Avanti North Loop | Madhouse Properties | 515 E. North Loop Rd. | 9 |
| Vista at Interpark | Vista at Interpark (Atlantic Pacific Companies) | 12615 San Pedro Ave. | 9 |
| Village at Perrin Beitel Apartments | ALT Affordable Housing Services, Inc. - Arbor (Prospera) | 2611 NE Loop 410 | 10 |
| Salado Cliffs | NRP | 3330 Nacogdoches Rd. | 10 |
| Trailside Creek | JES Dev Co, Inc. | 592 Ira Lee Rd. | 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.

Four of the 19 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, and Valiente Apartments. Staff recommends Resolutions that waive the one mile requirement for the 4 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 19 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 19 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, 8 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 | 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 | 83 |
| 5 | Cattleman Square Lofts | TIRZ #30- Westside | 92 |
| | Fish Pond at Prospect Hill | TIRZ #30- Westside | 83 |
| 8 | Hamilton Wolfe Lofts | SA Tomorrow Medical Center Regional Center Plan | 95 |
| 10 | Village at Perrin Beitel | TIRZ #33- Northeast Corridor | 90 |
| | Salado Cliffs | SA Airport Vicinity Community Plan | 100 |

ALTERNATIVES:

City Council may elect to not issue some or all of the Resolutions recommended by staff 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 |
|-------------------------------------|----|-----------------------|---------------------|--------------------------|----------------------------|------------------------|
| 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 | ✓ | | | | |
| Hamilton Wolfe Lofts | 8 | ✓ | | ✓ | | |
| Fiesta Trails | 8 | ✓ | | | | |
| Camelia Place | 8 | ✓ | | | | |
| Avanti Legacy at Fredericksburg | 8 | ✓ | | | | |
| Woodstone Reserve | 8 | ✓ | | | | |
| Avanti North Loop | 9 | ✓ | | | | |
| Vista at Interpark | 9 | ✓ | | | | |
| Village at Perrin Beitel Apartments | 10 | ✓ | | ✓ | | |
| Salado Cliffs | 10 | ✓ | | ✓ | | |
| Trailside Creek | 10 | ✓ | | | | |