



City of San Antonio

Agenda Memorandum

File Number:20-2215

Agenda Item Number: 21.

Agenda Date: 4/16/2020

In Control: City Council A Session

DEPARTMENT: Neighborhood & Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: Council District 7

SUBJECT:

Adopting a Resolution of No Objection for Mira Vista SA Apartments, LP's application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program.

SUMMARY:

Mira Vista SA Apartments, LP 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 the Mira Vista Apartments, a 312-unit affordable multi-family rental housing development located at 1226 Mira Vista in Council District 7.

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%. This application is 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 60 out of 100 points from the City's scoring criteria outlined in the Housing Tax Credit Policy adopted by City Council October 31, 2019.

ISSUE:

Mira Vista SA Apartments, LP is 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 construction of the Mira Vista Apartments, a 312-unit multi-family rental housing development located at 1226 Mira Vista in Council District 7. TDHCA requires a Resolution of No Objection from the local governing body for a 4% HTC project.

The property is located in Council District 7. The applicant met with the Council District 7 office to provide all pertinent information regarding the proposed HTC project.

Any 4% HTC application earning between 60 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 70 points in total and is eligible to receive a Resolution of No Objection.

The applicant was not awarded points for public engagement because they did not hold a public meeting nor did they send an information packet per the rules outlined the policy and application. However, the Council District 7 and developer have worked together to make sure the Neighborhood Association received information about the project. The developer is also working to set up tours of their other developments so the neighborhood association can see their finished product.

The value of the TDHCA tax credit award to Mira Vista Apartments would be approximately \$17.8 million over a ten year period. The total cost for this project will be approximately \$45.3 million. Of the 312-units, all will be 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 June 2020. If approved, the estimated start date will be in July 2020 and the estimated project completion is February 2022.

The project is projected to contain the following unit mix:

| Unit Mix | Number of Units | Monthly Rent | AMI Served |
|---------------|-----------------|--------------|---------------|
| One Bedroom | 124 | \$758 | 60% and below |
| Two Bedroom | 164 | \$908 | 60% and below |
| Three Bedroom | 24 | \$1,052 | 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:

This approves a Resolution of No Objection for Mira Vista SA Apartments, LP's application to the Texas Department of Housing and Community Affairs Non-Competitive 4% Housing Tax Credits program for the

construction of the Mira Vista Apartments, a 312 unit affordable multi-family rental housing development, located at 1226 Mira Vista in Council District 7. There is no fiscal impact to the City's Budget.

RECOMMENDATION:

Staff recommends City Council approval of a Resolution of No Objection for the construction of the Mira Vista Apartments, a 312-unit multi-family rental housing development located at 1226 Mira Vista in San Antonio, Texas.