



City of San Antonio

Agenda Memorandum

File Number:20-2581

Agenda Item Number: 9.

Agenda Date: 3/16/2020

In Control: Planning and Land Development Committee

DEPARTMENT: Neighborhood & Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: Council District 3

SUBJECT:

A Resolution of No Objection for THF Oaks on Clark, LP's application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program.

SUMMARY:

THF Oaks on Clark, 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 rehabilitation of the Oaks on Clark (aka Whitefield Place) apartments, an 80 unit affordable multi-family rental housing development, located at 4622 Clark Avenue Avenue in Council District 3.

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:

THF Oaks on Clark, 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 rehabilitation of the Oaks on Clark (aka Whitefield Place) apartments, an 80 unit affordable multi-family rental housing development, located at 4622 Clark Avenue Avenue in Council District 3. TDHCA requires a Resolution of No Objection from the local governing body for a 4% HTC project.

The property is located in Council District 3. The applicant has contacted the Council District 3 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, 0 public engagement points, and 68 points total and is eligible to receive a Resolution of No Objection.

The value of the TDHCA tax credit award to the Oaks on Clark would be approximately \$5 million over a ten year period. The total cost for this project will be approximately \$15 million.

The 4% application is anticipated to be considered by the TDHCA Governing Board in April 2020. If approved, the estimated start date will be in July 2020 and the estimated project completion is June 2021.

The project is projected to contain the following unit mix and rent:

Unit Mix	Number of Units	Monthly Rent*	AMI Served
One Bedroom	20	\$737	60%
Two Bedroom	32	\$881	60%
Three Bedroom	20	\$1,013	60%
Four Bedroom	8	\$1,118	60%

* U.S. Department of Housing and Urban Development (HUD) Section 8 Housing Assistance Payments (HAP) contracts covers all 80 units

The proposed rehabilitation plan states that the project will be phased and in no case will tenants be relocated out of their units for more than a year. At the time the project is initiated, personal interviews with the affected tenant households will be conducted and income certifications completed. The planned rehabilitation will require that tenants be moved into another unit onsite for a period of five to ten business days while their unit is being renovated.

All relocation-related expenses will be paid by the owner, should relocation expenses go over budget, the difference will be funded out of the deferred development fee. Moving services will be provided by the owner along with additional assistance for any tenants that may require it. Upon completion of rehabilitation, the tenants would be returned to their original unit. In the event a tenant incurs any out-of-pocket costs related to relocation, they will be reimbursed for eligible costs such as hotel/motel costs, a per diem for food, pet boarding, and transportation to and from the temporary unit, etc. Assistance will also be

available to identify and secure temporary housing or accommodations should it be necessary. Any moving costs associated with moving to and from temporary housing will also be paid by the owner.

The proposed project partnership with the Texas Housing Foundation would require the Foundation to operate outside of their existing jurisdiction. In order to operate in San Antonio they will need a cooperative agreement approved by both the City of San Antonio and the San Antonio Housing Authority. This cooperative agreement is currently being negotiated and will include a revenue sharing component with the San Antonio Housing Authority or San Antonio Housing Trust. When negotiated, the cooperative agreement will return to the Planning and Land Development Committee for consideration prior to proceeding to SAHA and City Council for approval.

ALTERNATIVES:

Planning and Land 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:

There is no fiscal impact to the FY 2020 general fund.

RECOMMENDATION:

Staff recommends forwarding this item to the full City Council for consideration of a Resolution of No Objection for the rehabilitation of the Oaks on Clark (aka Whitefield Place) apartments, an 80 unit affordable multi-family rental housing development, located at 4622 Clark Avenue Avenue.

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