



City of San Antonio

Agenda Memorandum

File Number:20-2830

Agenda Item Number: 30.

Agenda Date: 6/4/2020

In Control: City Council A Session

DEPARTMENT: Center City Development & Operations

DEPARTMENT HEAD: John Jacks

COUNCIL DISTRICTS IMPACTED: 5

SUBJECT:

SAWS Impact Fee Waivers for the Tampico Apartments Development

SUMMARY:

An Ordinance approving \$334,464 in SAWS impact fee waivers to the San Antonio Housing Authority for Tampico Apartments, an affordable multifamily development located at 200 Tampico Street in Council District 5.

BACKGROUND INFORMATION:

The San Antonio Housing Authority has partnered with Mission DG to develop Tampico Apartments, a mixed-income multifamily development that will be located on 3.76 acres at 200 Tampico Street, between IH-35 and Alazan Creek in Council District 5. On January 16, 2020, the City Council approved a Resolution of No Objection for the project, which was submitted as part of the developer's application for non-competitive 4% Housing Tax Credits from the Texas Department of Housing & Community Affairs.

Tampico Apartments includes 200 units, of which 136 will be affordable. The income mix is planned as follows:

- 9 units will be set aside for households earning up to 30% of Area Median Income (AMI);
- 10 units will be reserved for households earning up to 40% of AMI;
- 18 units will be reserved for households earning up to 50% of AMI;
- 70 units will be reserved for households earning up to 60% of AMI;

- 20 units will be reserved for households earning up to 70% of AMI;
- 9 units will be reserved for households earning up to 80% of AMI; and
- 64 units will be unrestricted (market rate).

The total project cost is estimated at \$32.9 million. Closing is scheduled for June 2020 and construction will commence shortly thereafter. The project is expected to be completed by July 2022. To meet the affordability mix proposed, the developer may also seek funding through the Westside Tax Increment Reinvestment Zone which would require City Council approval at a later date.

ISSUE:

The Tampico Apartments development qualifies for incentives under the Center City Housing Incentive Policy, including both City fee waivers and SAWS impact fee waivers. The project is located in the Level 3 CCHIP area, which caps SAWS impact fees at \$250,000.00. Due to the suspension of the FY 2020 City fee waiver program that was presented to City Council on April 2, 2020, staff proposes increasing the SAWS impact fee award by the amount of City fee waivers estimated for the project. This action would increase the SAWS award by \$84,464 for a total of \$334,464.00. Funds are available in the FY2020 SAWS impact fee budget, and these funds can only be used for the purpose of waiving water and sewer impact fees at SAWS.

ALTERNATIVES:

The City Council may elect not to increase the SAWS impact fee waiver award to Tampico Apartments, thereby capping SAWS waivers at \$250,000 per the CCHIP policy. This reduced impact fee award could jeopardize the viability of this affordable housing development.

FISCAL IMPACT:

Funds in the amount of \$334,464.00 are available in the FY 2020 SAWS impact fee budget as approved under Ordinance 2014-05-29-0363. There is no fiscal impact to the City of San Antonio as a result of this action.

RECOMMENDATION:

Staff recommends approval of an Ordinance approving SAWS impact fee waivers in the amount of \$334,464.00 to the San Antonio Housing Authority for development of Tampico Apartments in Council District 5.