



City of San Antonio

Agenda Memorandum

File Number:20-3038

Agenda Item Number: 14.

Agenda Date: 5/7/2020

In Control: City Council A Session

DEPARTMENT: Neighborhood & Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: Council District 3 and Council District 7

SUBJECT:

A Resolution declaring a need for the Texas Housing foundation to exercise its powers in the city of San Antonio, Texas; and authorizing a cooperation agreement for the purposes of rehabilitating the Oaks on Clark Apartments (aka Whitefield Place), the San Jose Apartments, and Ingram Square Apartments.

SUMMARY:

The Texas Housing Foundation is a Regional Housing Authority operating pursuant to Chapter 392 of the Texas Local Government Code. The Foundation is seeking a Resolution authorizing it to operate within San Antonio's territorial limits 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 in Council District 3; San Jose Apartments, a 220 unit affordable multi-family rental housing development, located at 2914 Roosevelt Avenue in Council District 3; and, Ingram Square Apartments, a 120 unit affordable multi-family rental housing development, located at 5901 Flynn Drive in Council District 7.

BACKGROUND INFORMATION:

Per Texas Local Government Code, Section 392.017 (d) the governing body of a municipality must adopt a Resolution declaring a need for a regional housing authority to exercise its powers in the municipality in which the project(s) will be developed and authorizing a cooperation agreement with the municipality under Section 392.059 of the Local Government Code.

The Texas Housing Foundation was created in 1995 as a regional housing authority to create, develop, acquire, administer, manage, and provide services to affordable housing projects across the state. The Foundation utilizes housing tax credits administered by the Texas Department of Housing and Community Development. Through 2019, Texas Housing Foundation has developed/acquired over 5,100 units of affordable workforce and senior housing across the state of Texas. The Texas Housing Foundation is governed by a 6-member board of directors appointed by the County Commissioners of participating counties; as well as an appointed Resident

Commissioner. Currently Bastrop, Blanco, Burnet, Williamson and Llano Counties participate within the organizational structure of the Texas Housing Foundation.

ISSUE:

The Texas Housing Foundation is seeking authorization from City Council to develop affordable housing projects within City of San Antonio for the purposes of rehabilitating three affordable housing complexes utilizing housing tax credits.

1. The Oaks on Clark (aka Whitefield Place) apartments, an 80 unit affordable multi-family rental housing development, located at 4622 Clark Avenue in Council District 3;
2. The San Jose Apartments a 220 unit affordable multi-family rental housing development, located at 2914 Roosevelt Avenue in Council District 3; and,
3. The Ingram Square Apartments, a 120 unit affordable multi-family rental housing development, located at 5901 Flynn Drive in Council District 7.

All three apartments have Section 8 contracts and the contracts will continue after rehabilitation. The proposed rehabilitations 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.

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 the Texas Housing Foundation will need a cooperative agreement approved by both the City of San Antonio and the San Antonio Housing Authority (SAHA). The San Antonio Housing Authority will consider their agreement, with the Texas Housing Foundation at their May 7, 2020 board meeting. If the agreement is not approved by SAHA, the projects will not move forward with the Texas Housing Foundation as a partner. The key benefit to the City in authorizing the Foundation to exercise its affordable housing powers in the City is that the current and future residents in the apartment complexes will have improved safe and sanitary housing as a result of the rehabilitation. This project also furthers the City's goal to preserve affordable housing for San Antonio residents.

In addition to the allowing the Texas Housing Foundation to operate within San Antonio, the agreement includes several additional provisions including:

1. Texas Housing Foundation agrees only to operate in San Antonio for the purpose of rehabilitating these three properties.
2. The San Antonio Housing Authority will receive an amount equivalent to 20% of earned Developer

Fees for all three deals. The Developer Fees for Ingram Square Apartments and San Jose Apartments will be paid out to SAHA over a 10-year period. SAHA's Developer Fee for Whitefield Place is projected to be \$1,800,000 and \$250,000 will be disbursed to SAHA at closing (mid-May), another \$100,000 before December 31, 2020, and the balance of the projected paid Developer Fees will be paid to SAHA over a 10-year period. The \$350,000 upfront Developer Fee that SAHA receives for Whitefield Place will be dedicated to rental and utility assistance for its tenants.

3. The San Antonio Housing Authority will issue bonds for San Jose and Ingram Square.

The San Antonio Housing Trust and SAHA have coordinated on this effort with the Texas Housing Foundation. Both SAHA and SAHT will develop a policy that will provide guidance on how to address future opportunities that may result from an outside agency wanting to operate in SAHA's jurisdiction. The policy will be presented to regulatory bodies of SAHA, SAHT, and the City for consideration.

ALTERNATIVES:

City Council may elect not to issue the Resolution, which would prevent the Texas Housing Foundation from completing these rehabilitation projects.

FISCAL IMPACT:

There is no fiscal impact.

RECOMMENDATION:

Staff recommends City Council approval of a Resolution authorizing the Texas Housing Foundation to exercise its powers within the City of San Antonio for the purposes of rehabilitating the Oaks on Clark Apartments (aka Whitefield Place), the San Jose Apartments, and Ingram Square Apartments.