



City of San Antonio

Agenda Memorandum

File Number:20-4626

Agenda Item Number: 5.

Agenda Date: 8/17/2020

In Control: Culture and Neighborhood Services Committee

DEPARTMENT: Neighborhood & Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, FAICP, Director

COUNCIL DISTRICTS IMPACTED: Council District 2

A Resolution of No Objection for Integrated Realty Group's application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program.

SUMMARY:

Integrated Realty Group 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 Horizon Pointe Apartments, a 312-unit affordable multi-family rental housing development located at the Northwest Corner of Woodlake Parkway and IH-10 Frontage Road in Council District 2.

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:

Integrated Realty Group 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 Horizon Pointe Apartments, a 312-unit multi-family rental housing development located at the Northwest Corner of Woodlake Parkway and IH-10 Frontage Road in Council District 2. TDHCA requires a Resolution of No Objection from the local governing body for a 4% HTC project.

The property is located in Council District 2. The applicant met via phone with Councilwoman Andrews-Sullivan on July 23, 2020 to talk about the project. All pertinent information regarding the proposed HTC project was provided to the council office.

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 11 experience points, and 71 points in total and is eligible to receive a Resolution of No Objection.

The applicant was awarded no points for public engagement.

Integrated Realty Group is working on this project with the San Antonio Housing Authority. The value of the TDHCA tax credit award to the Horizon Pointe Apartments would be approximately \$18 million over a ten year period. The total cost for this project will be approximately \$58.8 million. Of the 312-units, all will be rent restricted to 70% 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 \$50,400).

The 4% application is anticipated to be considered by the TDHCA Governing Board in November 2020. If approved, the estimated start date will be in December 2020 and the estimated project construction completion is June 2022.

The project is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent	AMI Served
One Bedroom	96	\$340	5 units at 30% and below
		\$475	10 units at 40% and below
		\$610	26 units at 50% and below
		\$880	55 units at 70% and below
Two Bedroom	96	\$411	5 units at 30% and below
		\$563	10 units at 40% and below
		\$725	36 units at 50% and below
		\$1,049	45 units at 70% and below
Three Bedroom	84	\$461	5 units at 30% and below
		\$649	10 units at 40% and below
		\$836	34 units at 50% and below
		\$1,210	35 units at 70% and below
Four Bedroom	36	\$502	5 units at 30% and below
		\$711	5 units at 40% and below
		\$920	10 units at 50% and below

		\$1,236	16 units at 70% and below
--	--	---------	---------------------------

ALTERNATIVES:

Culture and Neighborhood Services 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 construction of the Horizon Pointe Apartments, a 312-unit multi-family rental housing development located at the Northwest Corner of Woodlake Parkway and IH-10 Frontage Road in Council District 2 in San Antonio, Texas.