



# City of San Antonio

## Agenda Memorandum

**File Number:**20-7417

---

**Agenda Item Number:** 2.

**Agenda Date:** 1/11/2021

**In Control:** Planning and Land Development Committee

---

**DEPARTMENT:** Neighborhood & Housing Services Department

**DEPARTMENT HEAD:** Verónica R. Soto, FAICP, Director

**COUNCIL DISTRICTS IMPACTED:** Council District 1

**SUBJECT:**

Adopting a Resolution of No Objection for Prospera and the San Antonio Housing Trust PFC's application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program.

**SUMMARY:**

Prospera, in partnership with the San Antonio Housing Trust, 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 West Avenue Apartments and the demolition and reconstruction of Arbor Place to form a new community, The Arbors at West Avenue, a 234 unit affordable multi-family rental housing development, located at 3747 & 3815 West Avenue in Council District 1.

**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:

Prospera 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 West Avenue Apartments and the demolition and reconstruction of Arbor Place to form a new community, The Arbors at West Avenue, a 234-unit multi-family rental housing development located at 3747 & 3815 West Avenue in Council District 1. TDHCA requires a Resolution of No Objection from the local governing body for a 4% HTC project.

The property is located in Council District 1. The applicant has provided the Council District 1 office with all pertinent information regarding the proposed HTC project. The Councilmember has indicated support for the project via letter.

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 76 points in total and is eligible to receive a Resolution of No Objection.

The applicant received no public engagement points. However, Prospera has informed the adjoining property owners and area organizations about the proposed project. Informational notices about the project were sent to current residents at both Arbor Place and the West Avenue Apartments in September 2020. The notices informed residents any relocation will follow the federal Uniform Relocation Assistance and Real Property Acquisition Act. Residents qualifying for relocation assistance will receive 1) Reasonable relocation advisory services, including referrals to replacement properties, help in filing payment claims, and other necessary assistance to help successfully relocate a household; 2) At least 90 days advanced written notice of the move out date; 3) Payment for moving expenses; and 4) Replacement housing payments for comparable replacement home. The notice informed residents "Your monthly rent will remain the same or, if increased, your new monthly rent and estimated average utility costs will not exceed: 1) If you are low income, the total tenant payment as defined by HUD (*under 24 CFR 5.628*), or (2) 30% of the monthly gross household income, if you are not low income." The notice further promised individual and group meetings to discuss the project.

The value of the TDHCA tax credit award to The Arbors at West Avenue would be approximately \$13.5 million over a ten-year period. The total cost for this project will be approximately \$45.6 million. Of the 234-units, all will have rent restricted to 80% 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 \$57,600).

The 4% application is anticipated to be considered by the TDHCA Governing Board in June 2021. If approved, the estimated start date will be in August 2021 and the estimated project completion is December 2022.

The project is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent	AMI Served
One Bedroom	56	\$627	29 units at 50% and below
		\$762	4 units at 60% and below
		\$830	23 units at 80% and below

Two Bedroom	110	\$747	66 units at 50% and below
		\$909	10 units at 60% and below
		\$980	34 units at 80% and below
Three Bedroom	64	\$856	44 units at 50% and below
		\$1,043	8 units at 60% and below
		\$1,120	12 units at 80% and below
Four Bedroom	4	\$925	2 units at 50% and below
		\$1,134	2 units at 60% and below
		-	0 units at 80% and below

#### **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 2021 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 West Avenue Apartments and the demolition and reconstruction of Arbor Place to form a new community, The Arbors at West Avenue, a 234 unit affordable multi-family rental housing development, located at 3747 & 3815 West Avenue in San Antonio, Texas.