



City of San Antonio

Agenda Memorandum

File Number:21-2519

Agenda Item Number: 21.

Agenda Date: 4/15/2021

In Control: City Council A Session

DEPARTMENT: Neighborhood & Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, FAICP, Director

COUNCIL DISTRICTS IMPACTED: Council District 1

SUBJECT:

A Resolution of No Objection for LIV Granada, L.P.'s application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program.

SUMMARY:

LIV Granada 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 Granada Homes, a 265-unit affordable multi-family rental housing development located at 311 South St. Mary's Street 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:

LIV Granada 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 Granada Homes, a 265-unit multi-family rental housing development located at 311 South St. Mary’s Street 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 met via phone with Councilman Trevino and his chief of staff and provided all pertinent information regarding the proposed HTC project 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 85 points in total and is eligible to receive a Resolution of No Objection.

The applicant did not seek points for public engagement.

The value of the TDHCA tax credit award to Granada Homes would be approximately \$21.8 million over a ten-year period. The total cost for this project will be approximately \$61.2 million. All of the 265-units will be 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% HTC application is anticipated to be considered by the TDHCA Governing Board in June 2021. If approved, the estimated start date will be in July 2021 and the estimated project completion is February 2023.

Granada Homes is a senior housing development comprised on studio and one-bedroom apartments. There are currently 249 units with rents ranging from \$132 to \$755. As part of the rehabilitation, 23,000 square feet of commercial space in the building will be converted into an additional 16 units. Residents will be temporarily moved off-site and into another senior development called Ensemble for approximately three months. Residents will have an opportunity to return to their apartments when their units are complete.

The project currently has 78 subsidized units: 58 units receive rental assistance from a current Housing Assistance Payments Contract; 18 units receiving Housing Choice Vouchers. The property will continue to accept Housing Choice Vouchers and Enhanced Vouchers.

The project is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent	AMI Served
Studio	69	-	0 units at 30% and below
		\$756	44 units at 60% and below
		\$1,008	25 units at 80% and below
One Bedroom	196	\$775	84 units at 40% and below
		\$810	55 units at 60% and below
		\$1,080	57 units at 70% and below

ALTERNATIVES:

City Council may elect not to approve a Resolution of No Objection which would adversely impact the ability of the developer to proceed with the project.

FISCAL IMPACT:

This approves a Resolution of No Objection for LIV Granada, L.P.'s application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program for the rehabilitation of Granada Homes, a 265-unit affordable multi-family rental housing development located at 311 South St. Mary's Street in Council District 1. There is no fiscal impact to the City's budget.

RECOMMENDATION:

Staff recommends City Council issue a Resolution of No Objection for the rehabilitation of Granada Homes, a 265-unit multi-family rental housing development located at 311 South St. Mary's Street in Council District 1 in San Antonio, Texas.