



City of San Antonio

Agenda Memorandum

File Number:21-3835

Agenda Item Number: 2.

Agenda Date: 5/25/2021

In Control: Planning and Land Development Committee

DEPARTMENT: Neighborhood & Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, FAICP, Director

COUNCIL DISTRICTS IMPACTED: 4

SUBJECT:

Consideration of a Resolution of No Objection for Streamline Advisory Partners and Mission DG's application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program.

SUMMARY:

Streamline Advisory Partners and Mission DG are 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 SoSA at Palo Alto, a 336-unit affordable multi-family rental housing development located at the SE Corner of Hwy 16 and Loop 410 in Council District 4.

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:

Streamline Advisory Partners and Mission DG are applying to the Texas Department of Housing and Community Affairs (TDHCA) for the Non-Competitive 4% Housing Tax Credits (HTC) program for the construction of SoSA at Palo Alto, a 336-unit multi-family rental housing development located at the SE Corner of Hwy 16 and Loop 410 in Council District 4. The site is currently vacant.

The applicant has met with the Council District 4 office to provide all pertinent information regarding the proposed project. The applicant met via phone with Raul Olveda on March 23, 2021 to talk about the project and the site's need to be re-zoned from commercial to multifamily.

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

The applicant was awarded no public engagement points.

The value of the TDHCA tax credit award to SoSA at Palo Alto would be approximately \$25 million over a ten-year period. The total cost for this project will be approximately \$65.9 million. Of the 336-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 September 2021. If approved, the estimated start date will be in November 2021 and the estimated project construction completion is May 2023.

The project is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent	AMI Served
One Bedroom	2	\$362	30% and below
	3	\$501	40% and below
	1	\$640	50% and below
	73	\$779	60% and below
	5	\$918	70% and below
Two Bedroom	2	\$429	30% and below
	3	\$596	40% and below
	1	\$762	50% and below
	133	\$929	60% and below
	5	1,096	70% and below
Three Bedroom	2	\$490	30% and below
	2	\$683	40% and below
	2	\$875	50% and below
	61	\$1,068	60% and below
	5	\$1,261	70% and below
Four Bedroom	2	\$541	30% and below
	2	\$756	40% and below
	2	\$971	50% and below
	28	\$1,186	60% and below
	2	\$1,401	70% 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 construction of SoSA at Palo Alto, a 336-unit multi-family rental housing development located at the SE Corner of Hwy 16 and Loop 410 in Council District 4.