



City of San Antonio

Agenda Memorandum

File Number:21-4176

Agenda Item Number: 23.

Agenda Date: 6/10/2021

In Control: City Council A Session

DEPARTMENT: Neighborhood & Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, FAICP, Director

COUNCIL DISTRICTS IMPACTED: 3

SUBJECT:

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

SUMMARY:

Mission Development 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 Aspire at Vida, a 288-unit affordable multi-family rental housing development located at approximately 1129 Jaguar Parkway in Council District 3.

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:

Mission Development Group 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 Aspire at Vida, a 288-unit multi-family rental housing development located at approximately 1129 Jaguar Parkway in Council District 3. The site is currently vacant.

The applicant has met with the Council District 3 office to provide all pertinent information regarding the proposed project. The applicant met via phone with Councilwoman Viagran on September 28, 2020 to talk about the project. The applicant has also promised to provide the new District 3 Councilmember with the project information following the runoff election on June 5.

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 13 experience points, and 83 points in total and is eligible to receive a Resolution of No Objection.

The applicant was awarded no points on the public engagement points.

The value of the TDHCA tax credit award to Aspire at Vida would be approximately \$21.2 million over a ten-year period. The total cost for this project will be approximately \$47 million. Of the 288-units, all 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 \$59,280).

The 4% application is anticipated to be considered by the TDHCA Governing Board in December 2021. If approved, the estimated start date will be in March 2022 and the estimated project construction completion is September 2023.

The project is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent	AMI Served
One Bedroom	14	\$417	30% and below
	12	\$556	40% and below
	12	\$695	50% and below
	104	\$834	60% and below
	14	\$1,112	80% and below
Two Bedroom	8	\$500	30% and below
	6	\$667	40% and below
	6	\$833	50% and below
	44	\$1,000	60% and below
	8	\$1,334	80% and below
Three Bedroom	8	\$578	30% and below
	0	\$771	40% and below
	0	\$963	50% and below
	44	\$1,156	60% and below

	8	\$1,542	80% and below
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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 Mission Development Group's application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program for the construction of Aspire at Vida, a 288-unit affordable multi-family rental housing development, located at approximately 1129 Jaguar Parkway in Council District 3. There is no fiscal impact to the City's budget.

RECOMMENDATION:

Staff recommends City Council issue a Resolution of No Objection for the construction of Aspire at Vida, a 288-unit multi-family rental housing development located at approximately 1129 Jaguar Parkway in Council District 3.