



City of San Antonio

Agenda Memorandum

File Number:
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Agenda Item Number: 6

Agenda Date: February 24, 2022

In Control: Planning and Community Development Committee

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Verónica R. Soto

COUNCIL DISTRICTS IMPACTED: District 7

SUBJECT:

Consideration of a Resolution of No Objection for PV Country Club Village, L.P.'s application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program.

SUMMARY:

Prospera and Versa Development are seeking a Resolution of No Objection for an application to the Texas Department of Housing and Community Affairs' Non-Competitive 4% Housing Tax Credits Program for the rehabilitation and construction of Country Club Village, a 270-unit affordable multi-family rental housing development located at 3500 Magic Drive in Council District 7.

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 and requires a Resolution of No Objection from the local governing body to satisfy requirements of the TDHCA's Uniform Multifamily Rules.

In order to qualify to receive a Resolution of No Objection from the City, 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 November 18, 2021.

ISSUE:

Prospera and Versa Development are 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 Country Club Village, 270-unit multi-family rental housing development located at approximately 3500 Magic Drive in Council District 7.

The project will combine the existing 82 units currently making up Country Club Village, which was built in 1972 with 188 new units on the adjacent vacant lot. The project is for older adults.

The property is located in Council District 7. The applicant provided all pertinent information regarding the proposed HTC project to the council office.

Any 4% HTC application earning between 60 and 100 points is eligible to receive a staff recommendation for a Resolution of No Objection, provided the application receive at least 4 of 7 experience points under the Owner/General Partner/Property Management Experience category. The application received 7 experience points and 87 points total and is eligible to receive a Resolution of No Objection.

The applicant did not seek points for public engagement points. However, the development team began conversations with residents in July 2020. They will continue to have group and individual meetings. The individual meetings will address the specific needs of families.

The value of the TDHCA tax credit award to Country Club Village would be approximately \$24 million over a ten-year period. The total cost for this project will be approximately \$61 million. All of the 270-units will be rent restricted to 60% and below of area median income as defined by TDHCA's Rent and Income Limit tool using HUD data (e.g. a family of three will have a maximum income of \$40,020). The existing 82 units have a Housing Assistance Payments (HAP) contract through HUD which will be extended for 20 years. The residents living in 82 of the units will pay no more than 30% of their eligible income in rent.

The 4% HTC application is anticipated to be considered by the TDHCA Governing Board in April 2022. If approved, the estimated start date will be in July 2022 and the estimated project completion is July 2024.

The 188 new units will be constructed first. Residents will be temporarily moved into the newly constructed units while their units are rehabilitated. Residents will be given an option to remain in the new unit or return to their original.

The rehabilitation will include 5 ADA units and 2 Hearing & Sight units. The asbestos will be removed from all units. The units will have new energy efficient appliances and lighting, heating and air conditioning units, and washer/dryer hookups. Water conserving toilets and faucets will be installed. Additional bathrooms will be added to the existing 2-bedroom units and walk in showers with seats will be added to most units.

Property improvements will include new fencing, upgraded security cameras, new property signs, along with parking lot and drainage improvements.

The project is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent*	AMI Served
One Bedroom	152	\$353	36 units at 30% and below
		\$773	116 units at 60% and below
Two Bedroom	118	\$428	5 units at 30% and below
		\$928	113 units at 60% and below

*82 units are under a HAP contract. Residents will pay no more than 30% of their qualified income.

FISCAL IMPACT:

There is no fiscal impact to the FY 2022 general fund.

ALTERNATIVES:

The Planning and Community Development Committee may elect not to forward this item to City Council which would adversely impact the ability of the developer to proceed.

RECOMMENDATION:

Staff recommends forwarding this item to the full City Council for approval of a Resolution of No Objection.