



City of San Antonio

Agenda Memorandum

File Number:
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Agenda Item Number: 7

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 3

SUBJECT:

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

SUMMARY:

River Trails Apartments, L.P. is 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 of River Trails Apartments, a 220-unit affordable multi-family rental housing development located at 2914 Roosevelt Avenue in Council District 3 and acknowledgement that the River Trails Apartments is in a census tract that has a poverty rate of more than 40% as required by the 2022 Qualified Allocation Plan.

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, 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:

River Trails Apartments, L.P. 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 the River Trails Apartments, 220-unit multi-family rental housing development located at 2914 Roosevelt Avenue in Council District 3.

The property is located in Council District 3. The applicant met with the Councilwoman on February 14th and provided all pertinent information regarding the proposed HTC project.

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

The applicant did not seek points for public engagement points.

The value of the TDHCA tax credit award to River Trails Apartments would be approximately \$23.2 million over a ten-year period. The total cost for this project will be approximately \$57.5 million. All of the 220-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).

There is a Housing Assistance Payments (HAP) contract through HUD on the property. The contract covers 215 of the units. Residents in those units will not pay more than 30% of their income toward rent. The 5 units (three 1-bedroom units; one 2-bedroom unit; and one 1-bedroom unit) not covered by the contract will be reserved for families at or below 60% AMI.

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

completion is December 2023.

The River Trails Apartments is located in a census tract with a more than 40% poverty rate. TDHCA will not award HTC's to a project if it is located within a census tract with a poverty rate above 40% unless the governing body of the City votes to acknowledge the high poverty rate in the census tract the project is located in and authorizing the project to move forward. River Trails Apartments is in a census tract with a poverty rate of about 58%.

The rehabilitation will include new energy efficient and safety related upgrades to the kitchen and bathrooms. New lighting, paint, flooring, heating & cooling systems, windows, and doors will be included. Eleven apartments will be reconfigured to comply with the Americans with Disabilities regulations. An additional 5 units will be upgraded for residents with hearing and/or visual impairments. Community improvements include roof, landscaping, fencing, and lighting upgrades.

The development team has begun weekly meetings with residents. These meetings will continue throughout the redevelopment process. Residents will receive a 30-day notice of when work will be done on their apartment. It is anticipated that residents will be temporarily displaced for 3-4 weeks. The developer will provide movers and will pay for residents' temporary lodging. The hotel room will have kitchens and breakfast provided each morning.

The project is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent*	AMI Served
One Bedroom	80	\$990	39 units at 50% AMI
		\$900	41 units at 60% AMI
Two Bedroom	90	\$1,130	46 units at 50% AMI
		\$1,130	44 units at 50% AMI
Three Bedroom	50	\$1,355	25 units at 50% AMI
		\$1,355	25 units at 50% AMI

*Project Based Section 8 covers 215 of the units. The five not included will have the following 60% rents. Residents are responsible to pay 30% of their income toward rent.

- Three 1-bedrooms at \$834
- One 2-bedroom at \$1,000
- One 3-bedroom at \$1,156

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 that acknowledges the high poverty rate in the census tract the project is located in and authorizing the rehabilitation project to proceed.