



City of San Antonio

Agenda Memorandum

File Number:
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Agenda Item Number: 8

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 6

SUBJECT:

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

SUMMARY:

Fairfield Bethel Place 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 Rosemont at Bethel Place, a 250-unit affordable multi-family rental housing development located at 535 South Acme Road in Council District 6 and acknowledgement that the Rosemont at Bethel Place 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 available year-round which only require that a Resolution of No Objection from the local governing body be submitted 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:

Fairfield Bethel Place 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 Rosemont at Bethel Place, 250-unit multi-family rental housing development located at approximately 535 South Acme Road in Council District 6.

The property is located in Council District 6. The applicant met virtually with the Councilwoman's 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 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 Rosemont at Bethel Place would be approximately \$20.2 million over a ten-year period. The total cost for this project will be approximately \$55.8 million. All of the 250-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 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 July 2022 and the estimated project completion is July 2024.

The Rosemont at Bethel Place is located in a census tract with a more than 40% poverty rate. TDHCA will not award HTCs 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. Rosemont at Bethel Place is in a census tract with a poverty rate of 49%.

The rehabilitation will include new kitchen cabinets and countertops, energy efficient appliances, windows, patio doors, and heating and air conditioning units. Water conserving toilets and faucets will be installed. Thirteen apartments will be reconfigured to comply with the Americans with Disabilities regulations. There will be landscaping, re-paving of parking lots, and a new sign as well.

Residents will receive a 120 day general notice of intent to renovate along with a 30 day notice of when work will be done on their apartment. The intent is for renovations to be complete without moving residents from their home. Work on units will be between 8:00 am and 5:00 pm and apartments being livable and safe between work days. If temporary relocation is necessary, the developer will pay for the temporary stay at the hotel and moving expenses.

The project is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent	AMI Served
One Bedroom	52	\$344	8 units at 30% and below
		\$761	44 units at 60% and below
Two Bedroom	112	\$403	17 units at 30% and below
		\$903	95 units at 60% and below
Three Bedroom	86	\$458	13 unit at 30% and below
		\$1,036	73 units at 60% and below

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.