



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 6

Agenda Date: February 27, 2024

In Control: Planning and Community Development Committee

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: District 3

SUBJECT:

Consideration of a Resolution of No Objection for Union Pines Apartments, LP's application for 2024 Non-Competitive 4% Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA) for the rehabilitation of a multi-family rental housing development named Union Pines Apartments.

SUMMARY:

Union Pines Apartments, LP is seeking a Resolution of No Objection for its application to the Texas Department of Housing and Community Affairs (TDHCA) for the 2024 Non-Competitive 4% Housing Tax Credits (HTC) program for the rehabilitation of a 152-unit affordable multi-family rental housing development named Union Pine Apartments, located at 1707 Pleasanton Street 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. HTC 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 a 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.

On November 18, 2021, City Council updated the Housing Tax Credit (HTC) Policy for the issuance of Resolutions of Support and Resolutions of No Objection. The policy included an increased focus on deeper affordability, proximity to transit, inclusion of sustainable or green features, and working with local businesses. Under the City's application process, developers submit applications for Resolutions of Support or Resolutions of No Objection to the City on behalf of their affiliated entity that will apply to TDHCA for HTCs.

ISSUE:

Union Pines Apartments, LP is applying for 2024 Non-Competitive 4% Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA).

The applicant has provided the Council Office with all pertinent information per the current HTC Policy.

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 4 of 7 experience points under the ownership/management experience category. The application received 7 experience points, and 72 points in total and is eligible to receive a Resolution of No Objection.

The applicant received no public engagement points on their application.

The value of the TDHCA tax credit award to the Union Pines Apartments would be approximately \$12.7 million over a ten-year period. The total cost for this rehabilitation will be approximately \$34.6 million. The deal will have units for families at 50% and 60% of the area median income. Of the 152 units, all 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 \$47,460). This project will have project-based vouchers allowing for families at lower income levels to live in the 50% and 60% units at a rent affordable to their individual situation.

The 4% HTC application is anticipated to be considered by the TDHCA Governing Board in March 2024. If approved, the estimated start date will be in June 2024 and the estimated completion is December 2025.

This development would help achieve the Strategic Housing Implementation Plan (SHIP)'s rehabilitation goals for families with incomes at and below 60% area median income (AMI). The project-based vouchers attached to the project will allow families to remain in their homes while continuing to pay rents affordable to them. Union Pines Apartments is being rehabilitated in partnership with the Opportunity Home San Antonio.

The development is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent*	AMI Served
One Bedroom	28	\$823	14 units at 50% and below
		\$988	14 units at 60% and below
Two Bedroom	64	\$988	32 units at 50% and below
		\$1,186	32 units at 60% and below
Three Bedroom	60	\$1,141	30 units at 50% and below
		\$1,370	30 units at 60% and below

*Actual rents will depend on the income of the individual families living in the units.

FISCAL IMPACT:

There is no fiscal impact to the FY 2024 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 for Union Pines Apartments, LP's application for 2024 Non-Competitive 4% Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA) for the rehabilitation of a 152-unit affordable multi-family rental housing development named Union Pine Apartments located at 1707 Pleasanton Street in Council District 3.

