



# City of San Antonio

## Agenda Memorandum

**File Number:**  
**{{item.tracking\_number}}**

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**Agenda Item Number:** 5

**Agenda Date:** January 23, 2024

**In Control:** Planning and Community Development Committee

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Veronica Garcia, Director

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Resolutions of Support for multifamily rental housing developments seeking 2024 Competitive 9% Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA).

**SUMMARY:**

Consideration of sixteen applications for Resolutions of Support and Resolutions of No Objection for multifamily rental housing developments by respondents seeking 2024 Competitive 9% Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA).

On November 29, 2023, the City issued a Request for Applications to developers seeking a Resolution of Support or Resolution of No Objection for applications to the Texas Department of Housing and Community Affairs for the Competitive 9% Housing Tax Credit (HTC) Program. Resolutions are awarded in accordance with the Council approved policy. Sixteen applications were submitted.

## **BACKGROUND INFORMATION:**

The TDHCA Housing Tax Credit (HTC) Program allocates federal tax credits to developers to encourage the construction and rehabilitation of affordable multifamily housing. This program is known federally as the Low-Income Housing Tax Credit Program (LIHTC). There are two types of Tax Credits: Competitive (9%) and Non-Competitive (4%). The Non-Competitive 4% HTC program is available year-round whereas the Competitive 9% HTC program has a single annual application period. The 9% Program is allocated through an annual competitive process in which developments are evaluated and scored according to the TDHCA's established criteria. An application will receive points if it receives a Resolution of Support or a Resolution of No Objection from the City Council of the municipality where the project is located.

On November 18, 2021, City Council adopted an updated 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. Developers submitting 2024 Competitive 9% HTC applications to TDHCA must score at least 75 points on their City application to be recommended for a Resolution of Support by staff. Developers must score at least 60 points for a Resolution of No Objection, including four from the ownership/management experience category. Applications for the 2024 Competitive 9% HTC are due to TDHCA no later than March 1, 2024.

On November 29, 2023, Neighborhood & Housing Services Department (NHSD) issued a call for applications to applicants that intend to pursue the 9% tax credit for their development. Applications were due on January 8, 2024. NHSD received 16 applications for a Resolution of Support from City Council to include in their TDHCA 2024 Competitive 9% HTC application.

TDHCA will not award HTCs to a development if certain conditions exist unless the municipality specifically waives the requirement in the Resolution of Support. Example conditions include if a development is located within one mile of another awarded within the last three years, if more than 20% of the total housing in the census tract is supported by HTCs, and if the development is in a census tract with a poverty rate that exceeds 40% of the population. These conditions are taken into consideration in the City Council approved evaluation criteria.

Fifteen of the 16 applications have scored 75 points or more. One applicant scored 65 points and qualifies for a Resolution of No Objection. Four developments requested waiver language in their resolutions.

## **ISSUE:**

The City received 16 applications for a Resolution of Support from City Council to include in their TDHCA 2024 Competitive 9% HTC application. Applications with a score of at least 75 points are eligible to be recommended for a Resolution of Support and those earning between 60 and 74 points may be recommended to receive a Resolution of No Objection. The final scores ranged from 65 to 87 points.

Eleven developments propose housing for older adults. At most, one of these developments will receive an award from TDHCA, per the state's rule.

All of the proposed developments would help achieve the Strategic Housing Implementation Plan (SHIP)'s rental housing production goals for families with incomes at 30% area median income (AMI), 50% AMI, and 60% AMI.

One development is a rehabilitation project, FishPond at Buena Vista. This development would help meet the SHIP preservation goal if it receives an award from TDHCA.

One development, Artisan at Yarrow, would help achieve the SHIP's Permanent Supportive Housing goal of 1,000 Permanent Supportive Housing units if it receives an award from TDHCA.

TDHCA will not award HTCs to a proposed development if it is located within one mile of a development awarded within the last three years unless the governing body of the City votes to waive the One-Mile, Three-Year Rule. This impact two applications: National Grocer Building and Reverb Apartments. Staff recommends these applicants receive Resolutions that waive the one-mile requirement for these developments because they have met the HTC policy goals adopted by Council and would contribute to meeting the affordable housing needs of our city.

TDHCA will not award HTCs to a proposed development if it is located in a census tract with more than 20% of the total housing supported by HTCs unless the governing body of the City votes to allow the development to move forward with its application. This impacts three applications: National Grocer Building, Reverb Apartments, and Vista at Southcross. Staff recommends these applicants receive Resolutions acknowledging the concentration of HTC supported housing and authorizing these developments to move forward with applications because they have met the HTC policy goals adopted by Council and would contribute to meeting the affordable housing needs of our city.

TDHCA will not permit developments in census tracts with a poverty rate that exceeds 40% without a Resolution from the governing body of a municipality acknowledging the high poverty rate and authorizing the development to move forward with its application. This impacts four applications: Mission Apartments, National Grocer Building, Reverb Apartments, and Vista at Southcross. In alignment with TDHCA guidelines, staff recommends these applicants receive Resolutions acknowledging the high poverty rate and authorizing these developments to move forward with applications because they have met the HTC policy goals adopted by Council and would contribute to meeting the affordable housing needs of our city.

One pre-application was submitted to TDHCA that is outside city limits.

Staff is recommending that the following developments are awarded a Resolution of Support:

<b>Project Name</b>	<b>Applicant</b>	<b>CD</b>	<b>Population Served</b>	<b># of Units</b>	<b># of Affordable Units per SHIP</b>	<b>% 30% Units</b>	<b>% Affordable Units</b>
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The Claudette	American Agape Foundation & Partners In Community Development	1	Family	119	119	11%	100%
East Houston Apartments	NRP	2	Elderly	85	85	11%	100%
Reverb Apartments	NRP	2	Family	54	44	13%	80%
Mission Apartments	RISE Residential	3	Elderly	88	74	20%	84%
Village at Logwood	Prospera	3	Elderly	57	57	21%	100%
Vista at Southcross	Atlantic Pacific	3	Elderly	85	85	11%	100%
Artisan at Yarrow	Franklin	4	PSH	85	85	20%	100%
FishPond at Buena Vista	Fish Pond Development	5	Elderly	55	55	11%	100%
National Grocer Building	American Agape Foundation & Partners In Community Development	5	Elderly	48	48	13%	100%
Culebra Apartments	RISE Residential	6	Elderly	88	74	20%	84%
Grissom Road Apartments	NRP	6	Elderly	85	85	11%	100%
Vista at Tezel	Atlantic Pacific	6	Elderly	85	85	11%	100%
Cairn Point Wurzbach	The Vecino Group	7	Elderly	90	90	16%	100%

Rainbow Lofts	NRP	9	Family	59	59	10%	100%
Vista Park	Atlantic Pacific	10	Family	85	85	11%	100%

Staff is recommending that the following developments are awarded a Resolution of No Objection:

<b>Project Name</b>	<b>Applicant</b>	<b>CD</b>	<b>Population Served</b>	<b># of Units</b>	<b># of Affordable Units per SHIP</b>	<b>% 30% Units</b>	<b>% Affordable Units</b>
DDC Merritt Cresta Bella	Denison Development	8	Elderly	160	96	6%	60%

### **FISCAL IMPACT:**

There is no fiscal impact to the FY 2024 Adopted Budget with this action.

### **ALTERNATIVES:**

The Planning and Community Development Committee may elect to not forward the item to City Council for consideration or may recommend some or none of the Resolutions be made which would adversely impact the developers' applications with TDHCA's Housing Tax Credit program and deem the affordable housing developments financially infeasible.

### **RECOMMENDATION:**

City Staff is recommending the following Resolutions for City Council consideration:

<b>Project Name</b>	<b>Council District</b>	<b>Resolution of Support</b>	<b>Resolution of No Objection</b>	<b>Additional Waiver Language</b>
The Claudette	1	X		
East Houston Apartments	2	X		
Reverb Apartments	2	X		X
Mission Apartments	3	X		X
Village at Logwood	3	X		
Vista at Southcross	3	X		X
Artisan at Yarrow	4	X		

FishPond at Buena Vista	5	X		
National Grocer Building	5	X		X
Culebra Apartments	6	X		
Grissom Road Apartments	6	X		
Vista at Tezel	6	X		
Cairn Point Wurzbach	7	X		
DDC Merritt Cresta Bella	8		X	
Rainbow Lofts	9	X		
Vista Park	10	X		