



City of San Antonio

Agenda Memorandum

File Number:
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Agenda Item Number: 5

Agenda Date: March 25, 2022

In Control: Planning and Community Development Committee

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Verónica R. Soto

COUNCIL DISTRICTS IMPACTED: District 4

SUBJECT:

Consideration of a Resolution of No Objection for Patriot's Pointe, LP's application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program.

SUMMARY:

Patriot's Pointe, LP is seeking a Resolution of No Objection for its application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program for the development of Patriot's Pointe, a 320-unit affordable multi-family rental housing development located at the intersection of Jaguar Parkway & S. Zarzamora Street in Council District 4 and acknowledging the development will result in more than 20% of total housing units in the proposed census tract being supported by housing tax credits 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.

To qualify for 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:

Patriot's Pointe, LP 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 construction of the Patriot's Pointe, a 320-unit multi-family rental housing development located at the intersection of Jaguar Parkway & S. Zarzamora Street in Council District 4.

The property is in Council District 4. The applicant met in person with Councilwoman Rocha-Garcia on February 25, 2022 and provided all pertinent information regarding the proposed HTC development.

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 Owner/General Partner/Property Management Experience category. The application received 7 experience points, and 78 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 Patriot's Pointe would be approximately \$23.6 million over a ten-year period. The total cost for this development will be approximately \$61.6 million. All 320 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 August 2022 and the estimated completion is March 2024.

The census tract the Patriot's Pointe is proposed to be constructed in will have more than 20% of the total housing units being supported by Housing Tax Credits. TDHCA requires developments

in census tracts with more than 20% of its total housing units being supported by HTC's to have a Resolution of No Objection from the local governing body that acknowledges the concentration of HTC units in the census tract. There is one development in the census tract with HTC supported housing units which make up nearly 49% of the total housing units in the census tract. Patriot's Pointe will result in the census tract having about 69% of the housing units being tax credit units.

The development is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent	AMI Served
One Bedroom	160	\$330	29 units at 30% and below
		\$699	131 units at 60% and below
Two Bedroom	128	\$339	15 units at 30% and below
		\$744	113 units at 60% and below
Three Bedroom	32	\$456	4 units at 30% and below
		\$885	28 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 and acknowledgement that the development will result in more than 20% of total housing units in the proposed census tract being supported by housing tax credits.