



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 18

Agenda Date: February 9, 2023

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: District 5

SUBJECT:

Resolution of Support for a multifamily rental housing development, FishPond at Buena Vista, seeking 2023 Competitive 9% Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA).

SUMMARY:

Consideration of a Resolution of Support for a multifamily rental housing development, FishPond at Buena Vista, seeking 2023 Competitive 9% Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA).

On November 30, 2022, the City issued a Request for Applications to developers seeking a Resolutions of Support or Resolutions 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, last amended in November 2021. Fourteen applications were submitted by developers seeking a Resolution of Support.

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 new policy included an increased focus on deeper affordability, proximity to transit, inclusion of sustainable or green features, and working with local businesses. Developers submitting 2023 Competitive 9% HTC applications to TDHCA must score 75 points on their City application to be recommended for a Resolution of Support by staff. Developers must score 60 points for a Resolution of No Objection, including four from the ownership/management experience category. Applications for the 2023 Competitive 9% HTC are due to TDHCA no later than March 1, 2023.

On November 30, 2022, 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 9, 2023. NHSD received 14 applications for a Resolution of Support from City Council to include in their TDHCA 2023 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. These conditions are taken into consideration in the City Council approved evaluation criteria.

Thirteen of the 14 applications have scored 75 points or more. One applicant scored 67 points and qualifies for a Resolution of No Objection.

ISSUE:

The City received 14 applications for a Resolution of Support from City Council to include in their TDHCA 2023 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 67 to 92 points.

Thirteen of the 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.

Three developments propose housing for older adults. These developments are FishPond at Buena Vista, Avanti North Creek, and The Nave. At most, one of these developments will receive an award from TDHCA, per the state's rule.

One development, Four25 San Pedro, would help achieve the SHIP's Permanent Supportive Housing goal if it receives an award from TDHCA.

This development, FishPond at Buena Vista, scored 78 and qualifies for a Resolution of Support. Below is the project's affordability information.

Project Name	Applicant	District	Proposed # of units	30% Units	50% Units	60% Units	% 30% Units	% Affordable
FishPond at Buena Vista	FishPond Development	5	55	6	22	27	11%	100%

ALTERNATIVES:

City Council may elect not to provide a Resolution of Support which would adversely impact the ability of the developer to proceed.

FISCAL IMPACT:

This is a Resolution of Support for FishPond Development's application to the Texas Department of Housing and Community Affairs' Competitive 9% Housing Tax Credits program for the rehabilitation of FishPond at Buena Vista, a 55-unit affordable multi-family rental housing development, located at 1601 & 1615 Buena Vista Street in Council District 5. There is no fiscal impact to the City.

RECOMMENDATION:

Staff recommends City Council approval of a Resolution of Support for FishPond at Buena Vista, a 55-unit affordable multi-family rental housing development, located at 1601 & 1615 Buena Vista Street in Council District 5.