



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 14

**Agenda Date:** March 9, 2023

**In Control:** City Council A Session

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Veronica Garcia, Director

**COUNCIL DISTRICTS IMPACTED:** District 3

**SUBJECT:**

Consideration of a Resolution of No Objection for Legacy-San An New Braunfels, LP's application for 2023 Non-Competitive 4% Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA) for the development of a multifamily rental housing development named Legacy Senior Residences.

**SUMMARY:**

Legacy-San An New Braunfels, LP is seeking a Resolution of No Objection for its application to the Texas Department of Housing and Community Affairs (TDHCA) for the 2023 Non-Competitive 4% Housing Tax Credits (HTC) program for the development named Legacy Senior Residences, a 180-unit affordable multi-family rental housing development, located at 6219 S. New Braunfels Avenue in Council District 3 and acknowledgment that more than 20% of the total housing in the Census Tract is supported by HTC.

**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 new 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 HTC's. Applications for 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. Applications must score 60 out of 100 points for a Resolution of No Objection, including four from the ownership/management experience category.

#### **ISSUE:**

Legacy-San An New Braunfels, LP is applying for 2023 Non-Competitive 4% Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA) for the development of a 180-unit affordable multi-family rental housing development named Legacy Senior Residences located at 6219 S. New Braunfels Avenue in Council District 3.

The applicant has provided the Council Office with all pertinent information per the 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 Owner/General Partner/Property Management Experience category. The application received 7 experience points, and 84 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 Legacy Senior Residences would be approximately \$17.1 million over a ten-year period. The total cost for this development will be approximately \$43.6 million. All 180 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 \$44,820).

The 4% HTC application is anticipated to be considered by the TDHCA Governing Board in May 2023. If approved, the estimated start date will be in August 2023 and the estimated completion is July 2025.

Legacy Senior Residences will be located in a census tract with more than 20% of the total housing

in the tract supported by HTC. Currently 48% of the total housing in the census tract is supported by HTC across three developments: Costa Dora, The Ravello, and Greenline North. After this project, 53% of the housing would be supported by HTC. Approximately 25% of the total housing would be both HTC supported and age restricted.

This development would help achieve the Strategic Housing Implementation Plan (SHIP)'s rental housing production goals for older adults with incomes at 30% area median income (AMI) and 60% AMI. The apartments would be for individuals 55 years or older.

The development is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent	AMI Served
One Bedroom	56	\$466	6 units at 30% and below
		\$933	50 units at 60% and below
Two Bedroom	124	\$560	12 units at 30% and below
		\$1,120	112 units at 60% and below

#### **ALTERNATIVES:**

City Council may elect not to issue a Resolution of No Objection which would adversely impact the ability of the developer to proceed.

#### **FISCAL IMPACT:**

This application is for a Resolution of No Objection for Legacy-San An New Braunfels, LP's application to the TDHCA for HTC for the development of a 180-unit affordable multi-family rental housing development named Legacy Senior Residences, located at 6219 S. New Braunfels Avenue in Council District 3 and acknowledgment that more than 20% of the total housing in the Census Tract is supported by HTC. There is no fiscal impact to the FY 2023 general fund.

#### **RECOMMENDATION:**

Staff recommends forwarding this item to the full City Council for approval of a Resolution of No Objection for Legacy-San An New Braunfels, LP's application to the TDHCA for HTC for the development of a 180-unit affordable multi-family rental housing development named Legacy Senior Residences, located at 6219 S. New Braunfels Avenue in Council District 3 and acknowledgment that more than 20% of the total housing in the Census Tract is supported by HTC.