



City of San Antonio

Agenda Memorandum

File Number:
{{item.tracking_number}}

Agenda Item Number: 5

Agenda Date: April 27, 2023

In Control: Planning and Community Development Committee

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: District 5

SUBJECT:

Consideration of a Resolution of No Objection for Culebra Road Apartments, 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 Culebra Road Apartments.

SUMMARY:

Culebra Road Apartments, 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 Culebra Road Apartments, a 199-unit affordable multi-family rental housing development, located at 4740 Culebra Road in Council District 5 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:

Culebra Road Apartments, 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 199-unit affordable multi-family rental housing development named Culebra Road Apartments located at 4740 Culebra Road in Council District 5.

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 ownership/management experience category. The application received 5 experience points, and 74 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 Culebra Road Apartments would be approximately \$18.3 million over a ten-year period. The total cost for this development will be approximately \$42.2 million. All 199 units will be rent restricted to 30% and 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 April 2023. If approved, the estimated start date will be in July 2023 and the estimated completion is April 2025.

Culebra Road Apartments will be located in a census tract with more than 20% of the total housing in the tract supported by HTCs. Currently 22% of the total housing in the census tract is supported by HTC across one development: Mira Vista Ranch Apartments. After this project, 33% of the housing would be supported by HTCs.

This development would help achieve the Strategic Housing Implementation Plan (SHIP)'s rental housing production goals for families with incomes at 30% area median income (AMI) and 60% AMI.

The development is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent	AMI Served
One Bedroom	88	\$419	9 units at 30% and below
		\$886	79 units at 60% and below
Two Bedroom	88	\$499	9 units at 30% and below
		\$1,059	79 units at 60% and below
Three Bedroom	23	\$572	3 units at 30% and below
		\$1,219	20 units at 60% and below

FISCAL IMPACT:

This application is for a Resolution of No Objection for Culebra Road Apartments, 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 199-unit affordable multi-family rental housing development named Culebra Road Apartments, located at 4740 Culebra Road in Council District 5 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.

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 Culebra Road Apartments, 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 199-unit affordable multi-family rental housing development named Culebra Road Apartments, located at 4740 Culebra Road in Council District 5 and acknowledgment that more than 20% of the total housing in the Census Tract is supported by HTC.

