

**CITY OF SAN ANTONIO
DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

FROM: Andrew W. Cameron, Director

SUBJECT: Authorization to waive the One Mile Rule for the Vista Verde North I & II Housing Rehabilitation Project

DATE: March 24, 2005

SUMMARY AND RECOMMENDATIONS

This ordinance will authorize the State to consider funding for the Vista Verde North I and Vista Verde North II Housing Rehabilitation project. If approved, the ordinance will result in waiving the one-mile rule established by the State of Texas to prevent clustering of Tax Credit Projects.

Staff Recommends Approval.

BACKGROUND INFORMATION

Housing and Community Services, Inc. (a local non-profit organization) has made an application to the State of Texas for Low-Income Housing Tax Credits to renovate the Vista Verde North I and Vista Verde North II Apartments (located at 810 and 910 North Frio Street respectively), in City Council District 5. The two apartments are combined into one Tax Credit application for the renovation of the total 190 units.

The proposed project is located within one mile of two existing projects that have received Tax Credits from the State (Palacio Del Sol Apartments located at 400 North Frio Street, and Robert E. Lee Apartments located at 111 Travis Street.) In order to prevent clustering of similar projects, the State of Texas has a policy against funding low-income developments within one (1) linear mile or less of an existing development unless authorized by vote of the local government. If approved, this ordinance will authorize the State Department of Housing and Community Affairs to consider this application for an allocation of Low-Income Housing Tax Credits.

Although this project is located within one linear mile of two other similar developments, there is merit to this project because it is for the rehabilitation of existing units. The alternative would not address the maintenance needs of the property.

POLICY ANALYSIS

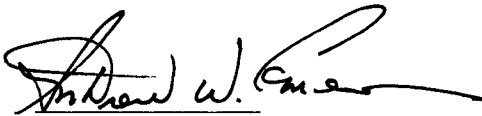
This action is consistent with State policy requiring local government authorization to approve the waiver of the one-mile rule.

FISCAL IMPACT


Housing and Community Services, Inc. has applied for \$9,238,598 in Housing Tax Credits to help renovate the 190 unit project. They will acquire a bank mortgage loan in the amount of \$4,850,000 and the San Antonio Housing Trust has awarded \$85,000 to support the \$15,778,074 project. In order to fully fund the project the developer is investing its developers fee (\$1,304,476) in the project and has made an application to the City of San Antonio for \$300,000 of HOME funds. The City Council will consider this request in May of 2005. Approval of this ordinance is not a commitment by the City Council to approve the developer's application for HOME funds.

COORDINATION

This item was coordinated with the San Antonio Housing Trust and the District 5 Council Office.



Andrew W. Cameron
Housing & Community Development Department



Jelynn LeBlanc Burley
Assistant City Manager



J. Rolando Bono
Interim City Manager

CITY OF SAN ANTONIO
OFFICE OF THE CITY COUNCIL

AGENDA ITEM NO.

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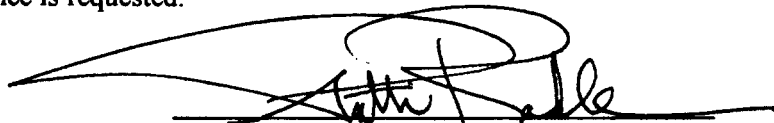
COUNCIL CONSIDERATION REQUEST

TO: Mayor and Council Members
FROM: Councilwoman Patti Radle, District 5
COPIES: J. Rolando Bono, *Interim City Manager*; Andy Martin, *City Attorney*; Leticia M. Vacek, *City Clerk*; Gayle McDaniel, *Assistant to City Council*; File
SUBJECT: Vista Verde North I and II Apartments (One-Mile Rule)

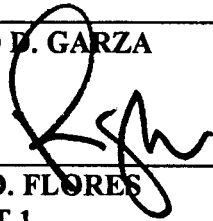
DATE: March 3, 2005

Through this memorandum, I am requesting that an item be placed on the March 24, 2005 City Council agenda to consider an ordinance waiving the One-Mile Rule for the Vista Verde North I and II Apartments Rehabilitation Project. The One-Mile Rule was established by the State to prevent clustering of Tax Credit Projects. The Texas Department Of Housing And Community Affairs requires City Council authorization of Tax Credit funding for projects within one linear mile or less of an existing development that serves the same type of household. In this case, the application is for the renovation of an existing property. If approved, there is a good chance that this existing property will receive State Tax Credits to finance a major renovation.

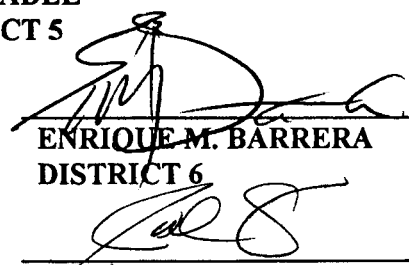
Your concurrence is requested.


PATTI RADLE
DISTRICT 5

EDWARD D. GARZA
MAYOR



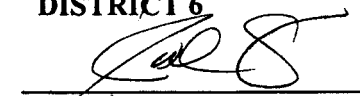
ENRIQUE M. BARRERA
DISTRICT 6



ROGER O. FLORES
DISTRICT 1



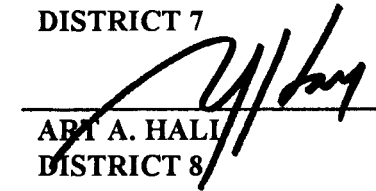
JULIAN CASTRO
DISTRICT 7



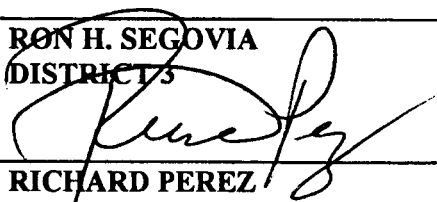
JOEL WILLIAMS
DISTRICT 2



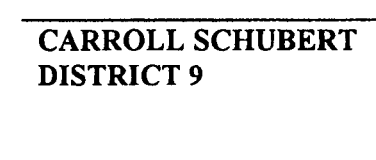
ART A. HALL
DISTRICT 8



RON H. SEGOVIA
DISTRICT 3



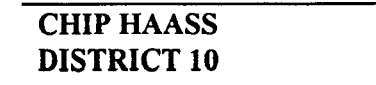
CARROLL SCHUBERT
DISTRICT 9



RICHARD PEREZ
DISTRICT 4



CHIP HAASS
DISTRICT 10



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