

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

TO: Mayor and City Council

FROM: Andrew W. Cameron, Director, Housing & Community Development

SUBJECT: Waiver of One Mile Rule by Allowing Construction of Artisan at Salado Heights, Phase II

DATE: February 2, 2006

SUMMARY AND RECOMMENDATIONS

A request has been made by the District 2 City Council representative to waive the State mandated "One Mile Rule" for the Artisan at Salado Heights Phase II Multi-family Housing Construction Project which is within one linear mile from a similar project pursuant to Section 2306.6703(b)(4) of the Texas Government Code. This item was reviewed and approved by the City Council Urban Affairs Council Committee on January 9, 2006. This item is presented to City Council with a favorable recommendation from the Urban Affairs Council Committee.

Staff recommends approval.

BACKGROUND INFORMATION

The State mandated "One Mile Rule" gives local governments the opportunity to review and approve or reject an application for Tax Credit supported multi-family development within one mile of a similar project. This requirement was imposed by the State to prevent clustering of Tax supported low income multi-family housing developments. The Texas Department of Housing and Community Affairs will not consider an application for Tax Credits within one mile of a similar project unless the local government has by vote specifically allowed the construction of such a project, thus waiving the "One Mile Rule". Approval of this item will authorize the State to review this application.

The proposed project profile is as follows:

Project Name: Artisan at Salado Apartments

Location: 3644 Binz Engleman, City Council District 2

Developer: Franklin Development Corp.

Non-profit Partner: San Antonio Housing Authority through San Antonio Housing Finance Corporation

Income Mix: 80% at 60% and below of Area Median Income and 20% at market rate

Unit Mix:	<u>SIZE</u>	<u>NUMBER</u>	<u>RENT</u>
	One Bedroom, 60%	39	\$579
	One Bedroom, Market	13	\$700
	Two Bedroom 60%	90	\$695
	Two Bedroom Market	30	\$750
	Three Bedroom 60%	60	\$802
	Three Bedroom Market	20	\$900

Total Units: 252

The following financial information has been submitted for the project:

Anticipated Revenues:

Housing Revenue Bonds:	\$15,000,000
Tax Credit Syndication:	7,000,000
Deferred Developer Fee:	1,100,000
<u>GIC Earnings:</u>	<u>150,000</u>
TOTAL PROJECT COST:	\$23,250,000
 TOTAL DEVELOPER FEE:	 \$1,800,000

The project has the support of the District 2 City Council Representative. There are no neighborhood associations in the area. The Judson Independent School District has been notified but has not yet replied. The JISD had no comment during Phase I which was completed in April of 2005. If the project is selected for Tax Exempt Bond funding, it will be required to return to City Council for approval. Staff will provide the school district's comments at that time.

POLICY ANALYSIS

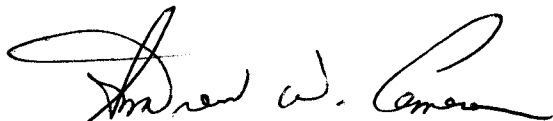
The City Council, as the elected representatives of the local government of the City of San Antonio, are authorized to allow construction of such a project, thus waiving the State mandated "One Mile Rule". Council's action to approve the allowance is consistent with the State's policies governing the award of Tax Credits, pursuant to Section 2306.6703(b)(4) of the Texas Government Code.

FISCAL IMPACT

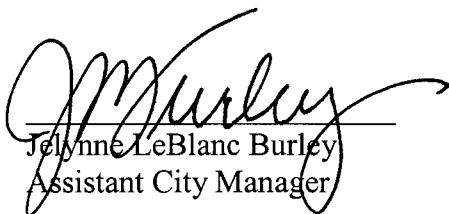
Approval of the waiver will not constitute a forward commitment of City funding for the project. The developer has not requested City funding for the project. Approval of this waiver by the City Council is required by the State prior to consideration for the upcoming Tax Credit allocation.

COORDINATION

This item was coordinated with the District 2 Council Representative and the City Council Urban Affairs Committee.



Andrew W. Cameron
Director
Housing & Community Development Department



Jelynn LeBlanc Burley
Assistant City Manager



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