

Mayor and Council Communication

DATE: 06/23/20

M&C FILE NUMBER: M&C 20-0446

LOG NAME: 19SHADYOAKSRESOLUTION

SUBJECT

Conduct a Public Hearing on the Application by LRC Shady Oaks Manor, LLC to the Texas Department of Housing and Community Affairs for Non-Competitive Housing Tax Credits for the Acquisition and Rehabilitation of Shady Oaks Manor Located at 6148 San Villa Drive, and Adopt a Resolution of No Objection to the Application (COUNCIL DISTRICT 7)

(PUBLIC HEARING - a. Report of City Staff: Chad LaRoque; b. Citizen Presentations; c. Council Action: Close Public Hearing and Act on M&C)

RECOMMENDATION:

It is recommended that the City Council:

1. Conduct a public hearing to allow citizen comment on the application of LRC Shady Oaks Manor, LLC to the Texas Department of Housing and Community Affairs for 2020 Non-Competitive (4%) Housing Tax Credits for the acquisition and rehabilitation of Shady Oaks Manor, an existing affordable senior multifamily rental housing development located at 6148 San Villa Drive; and
 2. Adopt the attached Resolution of No Objection to the application by LRC Shady Oaks Manor, LLC to the Texas Department of Housing and Community Affairs for 2020 Non-Competitive (4%) Housing Tax Credits for the acquisition and rehabilitation of Shady Oaks Manor, an existing affordable housing development.
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DISCUSSION:

LRC Shady Oaks Manor, LLC is applying to the Texas Department of Housing and Community Affairs (TDHCA) for 2020 Non-Competitive (4%) Housing Tax Credits for the acquisition and rehabilitation of Shady Oaks Manor, an existing affordable senior multifamily development and has requested a Resolution of No Objection from City Council. TDHCA requires Housing Tax Credit (HTC) applicants to provide a Resolution of No Objection from the governing body of the jurisdiction in which the development is located. As part of these TDHCA requirements, the governing body must also conduct a public hearing for citizens to provide comment on the proposed development.

Shady Oaks Manor is an existing property nearing the end of its original 15-year tax credit period. LRC Shady Oaks Manor, LLC proposes to purchase and rehabilitate the property using a new HTC allocation and tax-exempt bonds which will preserve the affordable housing. The property consists of 138 one- and two-bedroom units for seniors 62 and older. It has limited access gates and includes a community room, laundry facility, picnic area, and horseshoe pit. Shady Oaks Manor is located in close proximity to a grocery store, pharmacy and healthcare facilities, banking, retail shopping, and Marion Sansom Park.

The City's Policy for Council Resolutions for Tax Credit Applications requires developers to hold information sessions with the applicable neighborhood/homeowner associations. Due to the Governor's restrictions on public meetings because of the Coronavirus, the developer was unable to have the required meetings. However, leaders of the East Lake Worth Neighborhood Association, within which boundaries Shady Oaks Manor is located, have indicated their support for the rehabilitation of the development.

The City's Policy also requires that a developer commit a certain percentage of the project's total units for market rate units, and a certain percentage of the total units as either permanent supportive housing units or 30 percent AMI units. However, Shady Oaks Manor has an existing Land Use Restrictive Agreement (LURA) from the original tax credit award that requires all of the units to be leased to senior households earning at or below 50 percent of AMI. The developer has requested that City Council consider granting an exception to the Policy's unit mix requirements due to the existing LURA which TDHCA will not allow to be removed.

LRC Shady Oaks Manor, LLC is an affiliate of Envolve Communities, LLC, which for over 20 years has developed and rehabilitated affordable housing communities throughout the Southern and Southeastern United States. It operates 10 properties in the Austin, Houston and San Antonio areas.

Following the close of the public hearing, staff recommends that City Council consider granting an exception to the unit mix requirement of its Policy for Council Resolutions for Tax Credit Applications due to the existing LURA and consider the adoption of a Resolution of No Objection to support the application for 2020 Non-Competitive (4%) Housing Tax Credits for the proposed acquisition and rehabilitation of Shady Oaks Manor. The rehabilitation will continue to assist the City in fulfilling its goals under its Consolidated Plan and Comprehensive Plan by preserving quality, affordable housing for low- to moderate-income residents and supporting economic development and revitalization.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of these recommendations will have no material effect on City funds.

Submitted for City Manager's Office by: Fernando Costa 6122

Originating Business Unit Head: Victor Turner 8187

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