



City of San Antonio

Agenda Memorandum

File Number:15-1188

Agenda Item Number: 30.

Agenda Date: 2/12/2015

In Control: City Council A Session

DEPARTMENT: Department of Planning & Community Development

DEPARTMENT HEAD: John M. Dugan, Director

COUNCIL DISTRICTS IMPACTED: Council District 4

SUBJECT:

Resolution of No Objection for Palo Alto Apartments

SUMMARY:

A Resolution of No Objection for the Palo Alto Apartments project's application to the State of Texas 4% Tax Credit Program for an approximately \$39.3 million multi-family rental housing development, located on the southwest corner of Loop 410 and Highway 16.

BACKGROUND INFORMATION:

The 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. Tax credits 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. There are two types of Tax Credits: Competitive (9%) and Non-Competitive (4%).

The Resolution Evaluation Criteria and Scoring Policy recently adopted by City Council only apply to the Competitive (9) Housing Tax Credit program. The Palo Alto Apartments project is a Non-Competitive (4%) Housing Tax Credit project and does not fall under the Resolution Evaluation Criteria and Scoring Policy. The 4% Housing Tax Credit program is available year round unlike the 9% Housing Tax Credit program which has a definitive application period.

On October 16, 2014, City Council approved the allocation of \$1,087,322.86 in FY 2015 HOME Investment Partnership Program (HOME) funds to the NRP Group for an approximately \$39.3 million multi-family rental

housing development, named Palo Alto Apartments. This 322 unit development is located on the southwest corner of Loop 410 and Highway 16, in Council District Four.

ISSUE:

Palo Alto Apartments submitted an application to the Texas Department of Housing and Community Affairs for 4% Housing Tax Credits. This application process requires a Resolution of No Objection from the local municipality. The value of the tax credit award is \$15.5 million. Three hundred eighteen (318) of the units will be restricted at 60% of area median income (AMI) and four (4) units will be further restricted at 50% of AMI. The 4% application will be considered at the April 16, 2015 TDHCA Governing Board. If approved, the project is set to close by July 1, 2015 and construction is scheduled to begin in August of 2015, to be completed by August 2016.

ALTERNATIVES:

City Council may elect not to provide a Resolution of No Objection.

FISCAL IMPACT:

There is no fiscal impact to the City's Budget. The City Council previously approved \$1,087,322.86 in federal FY 2015 HOME Investment Partnerships Program (HOME) funding for this project on October 16, 2014. This action does not impact the HOME award.

RECOMMENDATION:

Staff recommends approval of a Resolution of No Objection as required by the Texas Department of Housing and Community Affairs 2014 Housing Tax Credit Application for the Palo Alto Apartments, located on the southwest corner of Loop 410 and Highway 16.