



City of San Antonio

Agenda Memorandum

File Number:15-3443

Agenda Item Number: 7.

Agenda Date: 6/16/2015

In Control: Quality of Life Committee

DEPARTMENT: Department of Planning & Community Development

DEPARTMENT HEAD: John M. Dugan, Director

COUNCIL DISTRICTS IMPACTED: Council District 5

SUBJECT:

Resolution of Support for Cheyenne Village Apartments

SUMMARY:

A Resolution of Support for the Cheyenne Village Apartments project application to the State of Texas 4% Tax Credit Program for the acquisition and rehabilitation of an existing multi-family rental housing development, located at 147 Cheyenne Avenue in San Antonio, Texas 78207, located in Council District 5.

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 Housing Tax Credits: Competitive (9%) and Non-Competitive (4%). The Chisolm Trace Apartments project is a non-competitive (4%) Housing Tax Credit project. The 4% Housing Tax Credit program is available year round unlike the 9% Housing Tax Credit program which has a single annual application period.

ISSUE:

Cheyenne Village Apartments has submitted an application to the Texas Department of Housing and Community Affairs (TDHCA) for 4% Housing Tax Credits. Typically, TDHCA only requires a Resolution of No Objection from the local governing body for a 4% Housing Tax Credit project. However, due to the high poverty rate (64%) present in the census tract associated with Cheyenne Village Apartments (CT 1605.01),

TDHCA has recommended that the developer request a Resolution of Support from the City for their application. In applying the City Council adopted Multifamily Evaluation Criteria and Scoring Policy for 2015 competitive (9%) Housing Tax Credit projects, staff found that the Cheyenne Village Apartments scored sufficient points to warrant a staff recommendation for a Resolution of Support.

The value of the TDHCA tax credit award to Cheyenne Village Apartments will be \$2.3 million. All sixty (60) units will be restricted to 60% of area median income (AMI). The 4% application will be considered at the September 3, 2015 TDHCA Governing Board. If approved, the project is set to close by October 15, 2015 and rehabilitation work is tentatively scheduled to begin in late October of 2015, to be completed by May 2016.

ALTERNATIVES:

City Council may elect not to provide a Resolution of Support which would adversely impact the ability of the developer to acquire the property and proceed with project rehabilitation.

FISCAL IMPACT:

There is no fiscal impact to the City's Budget.

RECOMMENDATION:

Staff recommends the Quality of Life Council Committee forwards to full City Council a Resolution of Support as recommended by the Texas Department of Housing and Community Affairs 2015 Housing Tax Credit Application for the Cheyenne Village Apartments, located 147 Cheyenne Avenue, in San Antonio, Texas 78207.