



City of San Antonio

Agenda Memorandum

File Number:15-6027

Agenda Item Number: 25.

Agenda Date: 12/3/2015

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 Freedom Hills Ranch Apartments

SUMMARY:

A Resolution of No Objection for the Freedom Hills Ranch Apartments project application to the State of Texas 2015 Private Activity Bond and 4% Tax Credit Program for the new construction of a 252 unit multi-family rental housing development, located at 6010 Ray Ellison Drive in San Antonio, Texas 78242, in Council District 4.

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 Freedom SA Apartments, LP project is applying for non-competitive (4%) Housing Tax Credits. The 4% Housing Tax Credit program is available year round unlike the 9% Housing Tax Credit program which has a single annual application period.

On November 17, 2015, the City Council Housing Committee reviewed and voted to recommend approval of the Resolution of No Objection.

ISSUE:

Freedom SA Apartments, LP has submitted an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2015 Private Activity Bonds and 4% Housing Tax Credits for the development of Freedom Hills Ranch Apartments, a 252 unit rental housing development located at 6010 Ray Ellison Drive in San Antonio, Texas 78242, in Council District 4. TDHCA requires a Resolution of No Objection from the local governing body for a 4% Housing Tax Credit project.

The value of the TDHCA tax credit award to Freedom Hills Ranch Apartments will be approximately \$12.2 million. All 252 units will be restricted to 60% of area median income (AMI). The 4% application will be considered by the TDHCA Governing Board in December 2015. If approved, the project will commence in May 2016 and be completed by July 2017.

ALTERNATIVES:

City Council may elect not to provide a Resolution of No Objection which would adversely impact the ability of the developer to proceed with the project.

FISCAL IMPACT:

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

RECOMMENDATION:

Staff recommends approval of a Resolution of No Objection for the development of Freedom Hills Ranch Apartments, a 252 unit rental housing development located at 6010 Ray Ellison Drive in San Antonio, Texas 78242, in Council District 4.