



# City of San Antonio

## Agenda Memorandum

**File Number:** 16-2160

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**Agenda Item Number:** 2.

**Agenda Date:** 3/23/2016

**In Control:** Housing Committee

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**DEPARTMENT:** Department of Planning & Community Development

**DEPARTMENT HEAD:** John M. Dugan, Director

**COUNCIL DISTRICTS IMPACTED:** Council District 6

### **SUBJECT:**

Resolution of No Objection for Acme Road Apartments

### **SUMMARY:**

A Resolution of No Objection for the Acme Road Apartments Ltd. application to the State of Texas 2016 Private Activity Bond and 4% Tax Credit Program for the new construction of a 324 unit multi-family rental housing development, located on 18 acres west of South Acme Road near Prosperity Drive in San Antonio, Texas, 78227 in Council District 6.

### **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%). Acme Road Apartments Ltd. 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.

The City has previously awarded this project \$1.25M in HOME Investment Partnership Funding through Ordinance 2015-09-17-0816 and 2016-01-14-0011.

### **ISSUE:**

Acme Road Apartments Ltd. has submitted an application to the Texas Department of Housing and Community Affairs (TDHCA) for 2016 Private Activity Bonds and 4% Housing Tax Credits for the development of Acme Road Apartments, a 324 unit rental housing development located west of South Acme Road near Prosperity Drive San Antonio, Texas, 78227 in Council District 6. 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 Acme Road Apartments will be approximately \$16 million. Eight units will be restricted to 50% of area median income and 316 units will be restricted to 60% of area median income (AMI). The 4% application will be considered by the TDHCA Governing Board on April 28, 2016. If approved, the project will commence in September 2016 and be completed by late summer 2018.

**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 Acme Road Apartments, a 324 unit rental housing development located 18 acres west of South Acme Road near Prosperity Drive in San Antonio, Texas, 78227 in Council District 6