



City of San Antonio

Agenda Memorandum

File Number:16-2168

Agenda Item Number: 22.

Agenda Date: 4/14/2016

In Control: City Council A Session

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. As opposed to the Competitive (9%) Housing Tax Credits, which assign points based on the type of resolution provided by a municipality (Resolution of Support versus a Resolution of No Objection), the Non-Competitive (4%) Housing Tax Credits require that a Resolution of No Objection be submitted to satisfy requirements of §10.204(4)(C) of the TDHCA's Uniform Multifamily Rules.

This item was presented to the Housing Committee on March 23, 2016. The Housing Committee

recommended forwarding this item to the full City Council. In addition, the City has previously awarded this project \$1.25 million in HOME Investment Partnerships Program 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.