



City of San Antonio

Agenda Memorandum

File Number:16-4042

Agenda Item Number: 28.

Agenda Date: 8/4/2016

In Control: City Council A Session

DEPARTMENT: Department of Planning & Community Development

DEPARTMENT HEAD: Bridgett White, Interim Director

COUNCIL DISTRICTS IMPACTED: Council District 1

SUBJECT:

Resolution of No Objection for 111 W. Travis

SUMMARY:

A Resolution of No Objection for RELEE Preservation Associates, L.P.'s application to the Texas Department of Housing and Community Affairs for 4% Housing Tax Credits programs for the acquisition, rehabilitation and refinancing of a 72 unit multi-family rental housing development, located at 111 W. Travis Street in Council District 1.

BACKGROUND INFORMATION:

The Texas Department of Housing and Community Affairs (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%). RELEE Preservation Associates, L.P. 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.

ISSUE:

RELEE Preservation Associates, L.P. is submitting an application to the Texas Department of Housing and Community Affairs (TDHCA) for 4% Housing Tax Credits for the acquisition, rehabilitation and refinancing of a 72 unit rental housing development located at 111 W. Travis in Council District 1. 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 will be approximately \$2.5 million. All 72 units will be restricted to 60% of area median income (AMI). The 4% application is anticipated to be considered by the TDHCA Governing Board in December of 2016. If approved, the project will commence the March of 2017 and be completed by March of 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 acquisition, rehabilitation and refinancing of a 72 unit rental housing development located at 111 W. Travis in Council District 1.