



# City of San Antonio

## Agenda Memorandum

**File Number:**16-4892

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**Agenda Item Number:** 2.

**Agenda Date:** 9/21/2016

**In Control:** Housing Committee

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

**DEPARTMENT HEAD:** Bridgett White

**COUNCIL DISTRICTS IMPACTED:** Council District 6

### **SUBJECT:**

Approval of San Antonio Housing Trust Finance Corporation Multi-Family Housing Revenue Bonds for Acme Road Apartments

### **SUMMARY:**

The San Antonio Housing Trust Finance Corporation is seeking approval for the issuance of Multi-Family Housing Revenue Bonds for the development of Acme Road Apartments in an amount not to exceed \$22 million.

### **BACKGROUND INFORMATION:**

The San Antonio Housing Trust Finance Corporation (SAHTFC) was formed by the San Antonio Housing Trust (SAHT) in 1997 under Chapter 394 of the Texas Housing Finance Act to be a financial pass-through facility to issue bonds for affordable single and multi-family housing. The board of the SAHTFC consists of five members of the San Antonio City Council. Additionally, the SAHTFC is administered by the SAHT. On August 24, 2016, the SAHTFC meet and unanimously approved the resolution for the Series 2016 revenue bonds.

Acme Road Apartments is a 324 unit rental housing development on 18 acres west of South Acme Road near Prosperity Drive in Council District 6. Eight units will be restricted to 50% of area median income (e.g. a family of four will have a maximum income of \$31,050) and 316 units will be restricted to 60% of area median income (e.g. a family of four will have a maximum income of \$37,260). The value of the Texas Department of Housing and Community Affairs (TDHCA) tax credit award to Acme Road Apartments is an amount not to exceed \$22M with total development costs for the project at \$44.1M. Construction is set to begin in October

2016 with construction completion in August 2018 with the SAHTFC as the general partner and the NRP Group as the developer.

City Council has awarded \$1.25 million in HOME Investment Partnership Program funds for this project through Ordinance 2015-08-06-0651 and 2016-01-14-0011. Additionally, City Council has previously approved a Resolution of No Objection for this development's application to the TDHCA for non-competitive (4%) housing tax credits through Ordinance 2016-04-14-0018R.

### **ISSUE:**

The SAHTFC proposes to issue its Multi-Family Housing Revenue Bonds to construct Acme Road Apartments, a 324 unit low income housing tax credit project located on 18 acres west of South Acme Road near Prosperity Drive in Council District 6. Of the 324 units, 8 units will be restricted to 50% of area median income (e.g. a family of four will have a maximum income of \$31,050) and 316 units will be restricted to 60% of area median income (e.g. a family of four will have a maximum income of \$37,260). The bonds will only be payable from the revenues of the project and will not be an obligation or debt of the City. The value of the TDHCA tax credit award to Acme Road Apartments is an amount not to exceed \$22M with total development costs for the project at \$44.1M. In addition, \$1.25M in HOME Investment Partnership Program funds was awarded to the project in 2016.

### **ALTERNATIVES:**

City Council may elect not to issue the multi-family revenue bonds which would not allow the development to proceed.

### **FISCAL IMPACT:**

There is no fiscal impact associated with this item.

### **RECOMMENDATION:**

The SAHTFC recommends the Housing Committee forward to the full City Council an Ordinance authorizing the issuance of SAHTFC Multi-family Housing Revenue Bonds in an amount not to exceed \$22 million to develop Acme Road Apartments.