



# City of San Antonio

## Agenda Memorandum

**File Number:**15-3490

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**Agenda Item Number:** 8.

**Agenda Date:** 6/16/2015

**In Control:** Quality of Life Committee

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### **SUMMARY:**

A Resolution of No Objection for the Chisolm Trace Apartments project application to the State of Texas 4% Tax Credit Program for the acquisition and rehabilitation of an existing multi-family rental housing development, located at 10503 Huebner Road, in San Antonio, Texas 78240, located in District 8.

### **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 Chisolm Trace Apartments project is a Non-Competitive (4%) Housing Tax Credit project. The 4% Housing Tax Credit program is available year round unlike the 9% Housing Tax Credit program which has a single annual application period.

### **ISSUE:**

Chisolm Trace Apartments has submitted an application to the Texas Department of Housing and Community Affairs for 4% Housing Tax Credits. This application process requires a Resolution of No Objection from the local municipality. In applying the City Council adopted Multifamily Housing Evaluation Criteria and Scoring Policy for 2015 9% Housing Tax Credit projects, staff found that the Chisolm Trace Apartments exceeded the scoring threshold for a Resolution of No Objection. However, the applicant requested that a Resolution of No Objection be granted by the City.

The value of the tax credit award to Chisolm Trace will be \$5 million. One hundred twenty-five (125) of the one hundred twenty six (126) units will be restricted to 60% of area median income (AMI). The 4% application will be considered at the November 12, 2015 TDHCA Governing Board. If approved, the project is set to close by December, 2015 and rehabilitation work is scheduled to begin in January of 2016, to be completed by August 2016.

### **ALTERNATIVES:**

City Council may elect not to provide a Resolution of No Objection which would adversely impact the ability of the developer to acquire and rehabilitate these existing apartments.

**FISCAL IMPACT:**

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

**RECOMMENDATION:**

Staff recommends the Quality of Life Council Committee forward to full City Council a Resolution of No Objection as required by the Texas Department of Housing and Community Affairs 2015 Housing Tax Credit Application for the Chisolm Trace Apartments, located 10503 Huebner Road, in San Antonio, Texas 78240.