



# City of San Antonio

## Agenda Memorandum

### File Number:

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**Agenda Item Number:** 47

**Agenda Date:** October 31, 2024

**In Control:** City Council A Session

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Veronica Garcia, Director

**COUNCIL DISTRICTS IMPACTED:** District 3

**SUBJECT:**

Resolution of No Objection for The Commons at Acequia Trails, LP's application for 2024 Non-Competitive 4% Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA) for the construction of a 201-unit multi-family rental housing development named The Commons at Acequia Trails and acknowledgment that more than 20% of the total housing in the Census Tract is supported by HTC.

**SUMMARY:**

The Commons at Acequia Trails, LP is seeking a Resolution of No Objection for its application to the Texas Department of Housing and Community Affairs (TDHCA) for the 2024 Non-Competitive 4% Housing Tax Credits (HTC) program for the construction of a 201-unit affordable multi-family rental housing development named The Commons at Acequia Trails, located at the Northwest Corner of South Presa Street and Old Corpus Christi Road in City Council District 3 and acknowledgment that more than 20% of the total housing in the Census Tract is supported by HTC.

**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. HTCs 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.

The TDHCA administers two HTC programs: a Competitive 9% and a Non-Competitive 4%. This application is for the Non-Competitive 4% HTC program, which is available year-round and requires a Resolution of No Objection from the local governing body to satisfy requirements of the TDHCA's Uniform Multi-family Rules.

On November 18, 2021, City Council updated the HTC Policy for the issuance of Resolutions of Support and Resolutions of No Objection. The policy included an increased focus on deeper affordability, proximity to transit, inclusion of sustainable or green features, and working with local businesses. Under the City's application process, developers submit applications for Resolutions of Support or Resolutions of No Objection to the City on behalf of their affiliated entity that will apply to TDHCA for HTCs.

#### **ISSUE:**

The Commons at Acequia Trails, LP is applying for 2024 Non-Competitive 4% Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA).

The applicant has provided the Council Office with all pertinent information per the current HTC Policy.

Any 4% HTC application earning between 60 and 100 points shall be eligible to receive a staff recommendation for a Resolution of No Objection, provided the application receives at least 4 of 7 experience points under the ownership/management experience category. The application received 7 experience points, and 88 points in total and is eligible to receive a Resolution of No Objection.

The applicant received no public engagement points on their application.

The project is zoned appropriately for this use.

The value of the TDHCA tax credit award to The Commons at Acequia Trails would be approximately \$20 million over a ten-year period. The total cost for this development will be approximately \$49.4 million. The deal will have units for families at 30% and 60% of the area median income. Of the 201 units, all are anticipated be rent restricted to 60% and below of area median income as defined by TDHCA's Rent and Income Limit tool using HUD data (e.g., a family of three will have a maximum income of \$47,820). However, all units will be Permanent Supportive Housing.

The 4% HTC application is anticipated to be considered by the TDHCA Governing Board in December 2024. If approved, the estimated start date will be in February 2025 and the estimated completion is February 2027.

The Commons at Acequia Trails will be located in a census tract with more than 20% of the total housing in the tract supported by HTCs. Currently 48% of the total housing in the census tract is supported by HTC the Villas of Costa Dorada (186 HTC units), New Braunfels Gardens (252 HTC units), and Greenline North (292 HTC units).

This development would help achieve the Strategic Housing Implementation Plan (SHIP)'s production goals for Permanent Supportive Housing units. The Commons at Acequia Trails is being developed in partnership with the San Antonio Housing Trust.

The development is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent*	AMI Served
Efficiency	132	\$466	67 units at 30% and below
		\$930	65 units at 60% and below
One Bedroom	69	\$498	54 units at 30% and below
		\$997	15 units at 60% and below

\*All units are Permanent Supportive Housing

#### **ALTERNATIVES:**

City Council may elect not to provide the Resolution of No Objection which would adversely impact the ability of the developer to proceed.

#### **FISCAL IMPACT:**

This is a Resolution of No Objection for The Commons at Acequia Trails LP's application to the TDHCA HTC program. There is no fiscal impact to the City's General Fund.

#### **RECOMMENDATION:**

Staff recommends approval.