



# City of San Antonio

## Agenda Memorandum

**File Number:**  
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**Agenda Item Number:** 5

**Agenda Date:** January 23, 2025

**In Control:** Planning and Community Development Committee

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Veronica Garcia, Director

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Resolutions of Support for multifamily rental housing developments seeking 2025 Competitive 9% Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA).

**SUMMARY:**

Consideration of twenty-two applications for Resolutions of Support or Resolutions of No Objection for applicants seeking 2025 Competitive 9% Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA).

On December 2, 2024, the City issued a Request for Applications to developers seeking a Resolution of Support or a Resolution of No Objection for applications to TDHCA for the Competitive 9% Housing Tax Credit (HTC) Program. Resolutions are awarded in accordance with the Council approved policy. Twenty-two applications were submitted.

## **BACKGROUND INFORMATION:**

The TDHCA Housing Tax Credit (HTC) Program allocates federal tax credits to encourage the construction and rehabilitation of affordable multifamily housing. This program is known federally as the Low-Income Housing Tax Credit Program (LIHTC). There are two types of Tax Credits: Competitive (9%) and Non-Competitive (4%). The 9% Program is allocated through an annual competitive process in which developments are evaluated and scored according to the TDHCA's established criteria. An application will receive points if it receives a Resolution of Support or a Resolution of No Objection from the City Council of the municipality where the project is located.

On November 18, 2021, City Council adopted an updated Housing Tax Credit (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. Developers submitting 2025 Competitive 9% HTC applications to TDHCA must score at least 75 points on their City application to be recommended for a Resolution of Support by staff. Developers must score at least 60 points for a Resolution of No Objection, including four from the ownership/management experience category. Applications for the 2025 Competitive 9% HTC are due to TDHCA no later than February 28, 2025. Final awards are expected to be made by TDHCA in July 2025.

On December 2, 2024, Neighborhood & Housing Services Department (NHSD) issued a call for applications to applicants that intend to pursue the 9% tax credit for their development. Applications were due on January 13, 2025. NHSD received 23 applications for a Resolution of Support from City Council to include in their TDHCA 2025 Competitive 9% HTC application. One applicant has withdrawn their request.

TDHCA will not award HTCs to a development if certain conditions exist unless the municipality specifically waives the requirement in the Resolution of Support. Example conditions include if a development is located within one mile of another awarded within the last three years, if more than 20% of the total housing in the census tract is supported by HTCs, and if the development is in a census tract with a poverty rate that exceeds 40% of the population. These conditions are taken into consideration in the City Council approved evaluation criteria. Four developments required waiver language in their resolutions.

All applicants are anticipated to receive 75 points or more. However, final scores for two applicants are dependent on confirmation of the time, date, and location of their developer-initiated public meeting. Confirmation must be received by January 24th in order to receive final recommendation for a Resolution of Support. If confirmation is not received by the deadline, the applicant will lose the points needed for a Resolution of Support but will be eligible for a Resolution of No Objection. Resolutions of No Objection are not as valuable when seeking tax credits.

## **ISSUE:**

The City received 23 applications for a Resolution of Support or Resolution of No Objection from City Council to include in applications to TDHCA's 2025 Competitive 9% HTC round. Applications with a score of at least 75 points are eligible to be recommended for a Resolution of

Support and those earning between 60 and 74 points may be recommended to receive a Resolution of No Objection. The final scores ranged from 75 to 98 points.

All of the proposed developments would help achieve the Strategic Housing Implementation Plan (SHIP)'s rental housing production goals for households with incomes at or below 30% area median income (AMI), 50% AMI, and 60% AMI.

One development is a rehabilitation project, Sutton Square Duplexes. This development would help meet the SHIP preservation goal if it receives an award from TDHCA.

Eight developments propose housing for older adults. At most, one of these developments will receive an award from TDHCA, per the state's rule.

TDHCA will not award HTCs to a proposed development if it is located within one mile of a development awarded within the last three years unless the governing body of the City votes to waive the One-Mile, Three-Year Rule. This impact four applications: Mission at City Base, Sutton Square Duplexes, Village at Pearsall, and Vista Palms. Staff recommends these applicants receive Resolutions that waive the one-mile requirement because the applications have met the HTC policy goals adopted by Council and would contribute to meeting the affordable housing needs of our city.

TDHCA will not award HTCs to a proposed development if it is located in a census tract with more than 20% of the total housing supported by HTCs unless the governing body of the City votes to allow the development to move forward with its application. This impacts two applications: Mission at City Base and The Judy at Vida. Staff recommends these applicants receive Resolutions acknowledging the concentration of HTC-supported housing and authorizing them to move forward with applications because they have met the HTC policy goals adopted by Council and would contribute to meeting the affordable housing needs of our city.

One pre-application was submitted to TDHCA that is outside city limits but within our region.

Staff is recommending that the following developments are awarded a Resolution of Support:

<b>Project Name</b>	<b>Applicant</b>	<b>District</b>	<b>Population Served</b>	<b>Proposed # of Units</b>	<b>Proposed # of Affordable Units</b>	<b>% 30% Units</b>	<b>% Affordable</b>
Culebra Apartments	RISE Residential	6	Family	84	71	20%	85%
Encino Rio Lofts	Gyani Capital	9	Older Adult	78	78	10%	100%
Heritage Estates at Medina	Generation Housing	5	Older Adult	86	86	8%	100%
6802 Marbach Lofts	NRP	6	Family	78	78	15%	100%

Mission at City Base*	Elizabeth Property Group	3	Family	78	78	10%	100%
New Hope Housing Roosevelt	New Hope Housing Inc.	3	Older Adult	85	85	16%	100%
New Hope Housing Tezel	New Hope Housing Inc.	7	Family	78	78	17%	100%
Oak Valley Villa Senior Apartments	Chavez Foundation	4	Older Adult	78	78	10%	100%
Sutton Square Duplexes	Prospera	7	Family	30	30	13%	100%
Tezel Road Apartments	NRP	6	Family	78	78	15%	100%
The Judy at Vida	San Antonio Housing Trust	4	Older Adult	90	90	21%	100%
The Legacy at Lackland	Atlantic Pacific	4	Older Adult	78	78	10%	100%
Village at Bresnahan	Prospera	7	Family	78	78	12%	100%
Village at Ellison	Prospera	4	Family	78	78	12%	100%
Village at Hunt	Prospera	4	Family	78	78	12%	100%
Village at Pearsall	Prospera	4	Family	78	78	12%	100%
Village at Sun Valley	Prospera	4	Older Adult	78	78	10%	100%
Village at the Oaks	Prospera	10	Family	78	78	12%	100%
Villages Blanco*	Elizabeth Property Group	9	Older Adult	78	78	10%	100%
Vista at Sky Harbor	Atlantic Pacific	4	Family	78	78	10%	100%
Vista at Sunrise	Atlantic Pacific	2	Family	78	78	10%	100%
Vista Palms	Atlantic Pacific	4	Family	78	78	10%	100%

\*Recommendation for a Resolution of Support is contingent on staff receiving developer initiated meeting information by January 24th.

#### **FISCAL IMPACT:**

There is no fiscal impact to the FY 2025 Adopted Budget.

### **ALTERNATIVES:**

The Planning and Community Development Committee may elect not to forward the item to City Council for consideration or may recommend some or none of the Resolutions be made. Awarding only some applications or none would adversely impact the developers' applications with TDHCA's Housing Tax Credit program and deem the affordable housing developments financially infeasible.

### **RECOMMENDATION:**

City Staff is recommending the following Resolutions for City Council consideration:

<b>Project Name</b>	<b>District</b>	<b>Resolution of Support</b>	<b>Additional Waiver Language</b>
Culebra Apartments	6	X	
Encino Rio Lofts	9	X	
Heritage Estates at Medina	5	X	
6802 Marbach Lofts	6	X	
Mission at City Base	3	X	X
New Hope Housing Roosevelt	3	X	
New Hope Housing Tezel	7	X	
Oak Valley Villa Senior Apartments	4	X	
Sutton Square Duplexes	7	X	X
Tezel Road Apartments	6	X	
The Judy at Vida	4	X	X
The Legacy at Lackland	4	X	
Village at Bresnahan	7	X	
Village at Ellison	4	X	
Village at Hunt	4	X	
Village at Pearsall	4	X	X
Village at Sun Valley	4	X	
Village at the Oaks	10	X	
Villages at Blanco	9	X	
Vista at Sky Harbor	4	X	
Vista at Sunrise	2	X	
Vista Palms	4	X	X

