



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 25

Agenda Date: February 13, 2025

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Resolution of Support for NHH Roosevelt, LLC, a multifamily rental housing developer, seeking 2025 Competitive 9% Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA) for the New Hope Housing Roosevelt project.

SUMMARY:

Consideration of an application for a Resolution of Support for NHH Roosevelt, LLC's request for 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. The resolutions are recommended based on the Council-approved policy. A total of twenty-three applications were submitted.

BACKGROUND INFORMATION:

The TDHCA Housing Tax Credit (HTC) Program allocates federal tax credits to promote affordable multifamily housing construction and rehabilitation, also known as the Low-Income Housing Tax Credit Program (LIHTC). There are two types of Tax Credits: Competitive (9%) and

Non-Competitive (4%). The 9% credits are awarded through a competitive process based on TDHCA's criteria, with points given for Resolutions of Support or No Objection from the local City Council.

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 November 18, 2021, the City Council updated its Housing Tax Credit (HTC) Policy, emphasizing deeper affordability, transit proximity, sustainable features, and local business collaboration. For 2025 Competitive 9% HTC applications to TDHCA, developers need at least 75 points for a Resolution of Support and 60 points (including four from ownership/management experience) for a Resolution of No Objection. Applications are due by February 28, 2025, with final awards expected in July 2025.

TDHCA will not award HTCs to developments under certain conditions unless the municipality waives the requirement in the Resolution of Support. Conditions include being within one mile of a similarly awarded development in the last three years, HTCs supporting more than 20% of housing in the census tract or being in a tract with a poverty rate over 40%. These factors are part of the City Council-approved evaluation criteria, with four developments requiring waiver language in their resolutions.

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.

The City received 23 applications for a Resolution of Support or No Objection for TDHCA's 2025 Competitive 9% HTC round. Applications scoring at least 75 points are eligible for a Resolution of Support, while those with 60 to 74 points may receive a Resolution of No Objection. 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.

The proposed developments aim to meet the Strategic Housing Implementation Plan (SHIP) rental housing goals for households earning 30%, 50%, and 60% of the area median income (AMI).

One development is a rehabilitation project, Sutton Square Duplexes. This development will 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 HTC 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 impacts three applications: 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 Housing Tax Credits (HTCs) to developments in areas with over 20% HTC-supported housing without City Council approval. This impacts Judy at Vida, but staff recommends proceeding with the application since it meets the Council's HTC goals and supports affordable housing.

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

NHH Roosevelt, LLC's application for New Hope Housing Roosevelt, an 85-unit affordable housing development at 3331 Roosevelt Avenue in Council District 3, meets the City Council's criteria for a Resolution of Support.

ALTERNATIVES:

City Council may elect not to provide the Resolution of Support which would adversely impact the ability of the developer to proceed.

FISCAL IMPACT:

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

RECOMMENDATION:

Staff recommends approval.