



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 18

**Agenda Date:** January 16, 2025

**In Control:** City Council A Session

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Veronica Garcia, Director

**COUNCIL DISTRICTS IMPACTED:** District 2

**SUBJECT:**

Consideration of a Resolution of No Objection for Lakeside Lofts, Ltd's application for 2025 or 2026 Non-Competitive 4% Housing Tax Credits from the Texas Department of Housing and Community Affairs (TDHCA) for the construction of a multi-family rental housing development named Lakeside Lofts.

**SUMMARY:**

Lakeside Lofts, Ltd. is seeking a Resolution of No Objection for its application to the Texas Department of Housing and Community Affairs (TDHCA) for the 2025 or 2026 Non-Competitive 4% Housing Tax Credits (HTC) program for the construction of a 336-unit affordable multi-family rental housing development named Lakeside Lofts, located at 5606 Highway 87 in City Council District 2.

**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 Multifamily Rules.

On November 18, 2021, City Council updated the 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. 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:**

Lakeside Lofts, Ltd is applying for 2025 or 2026 Non-Competitive 4% Housing Tax Credits (HTCs) from the Texas Department of Housing and Community Affairs (TDHCA).

The proposed development is in Council District 2. 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 73 points in total and is eligible to receive a Resolution of No Objection.

The applicant received 2 public engagement points on their application.

The value of the TDHCA tax credit award to the Lakeside Lofts would be approximately \$37.4 million over a ten-year period. The total cost for this development will be approximately \$91.6 million. The deal will have units for families at 30%, 60%, and 70% of the area median income. Of the 336 units, 241 will be rent restricted to 60% and below of area median income as defined by TDHCA’s Rent and Income Limit tool (e.g., a family of three will have a maximum income of \$47,820).

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

This development would help achieve the Strategic Housing Implementation Plan (SHIP)’s production goals for families with incomes at 30% and 60% area median income (AMI). Lakeside Lofts is being developed in partnership with Opportunity Home San Antonio.

The development is projected to contain the following unit mix:

| Unit Mix | Number of Units | Monthly Rent | AMI Served |
|----------|-----------------|--------------|------------|
|----------|-----------------|--------------|------------|

|               |     |         |                           |
|---------------|-----|---------|---------------------------|
| One Bedroom   | 12  | \$450   | 1 unit at 30% and below   |
|               |     | \$974   | 8 units at 60% and below  |
|               |     | \$1,151 | 3 units at 70% and below  |
| Two Bedroom   | 144 | \$537   | 15 units at 30% and below |
|               |     | \$1,165 | 88 units at 60% and below |
|               |     | \$1,378 | 41 units at 70% and below |
| Three Bedroom | 132 | \$622   | 13 units at 30% and below |
|               |     | \$1,359 | 82 units at 60% and below |
|               |     | \$1,595 | 37 units at 70% and below |
| Four Bedroom  | 48  | \$684   | 5 units at 30% and below  |
|               |     | \$1,494 | 29 units at 60% and below |
|               |     | \$1,769 | 14 units at 70% and below |

**ALTERNATIVES:**

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

**FISCAL IMPACT:**

There is no fiscal impact to the City's General Fund.

**RECOMMENDATION:**

Staff recommends approval.