



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 24

Agenda Date: January 11, 2024

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: District 9

SUBJECT:

Consideration of a Resolution of No Objection for Pedcor Investments, LP's application for 2024 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 Stones Crossing Apartment Homes

SUMMARY:

Pedcor Investments-2023-CXCV, 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 336-unit affordable multi-family rental housing development named Stones Crossing Apartment Homes, located at 23211 US-281 in Council District 9.

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. HTC 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:

Pedcor Investments-2023-CXCV, 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. The 4% HTC application was approved by the City of San Antonio Planning and Community Development Committee on December 11, 2023.

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 60 points in total and is eligible to receive a Resolution of No Objection.

The applicant received 6 public engagement points on their application.

The value of the TDHCA tax credit award to the Stones Crossing Apartment Homes would be approximately \$36.6 million over a ten-year period. The total cost for this development will be approximately \$101.6 million. The deal will have units for families at 60% of the area median income. Of the 336 units, all will 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 \$47,460).

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

This development would help achieve the Strategic Housing Implementation Plan (SHIP)'s production goals for families with incomes at 60% area median income (AMI). Stones Crossing Apartment Homes 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
One Bedroom	96	\$979	60% and below
Two Bedroom	180	\$1,176	60% and below
Three Bedroom	60	\$1,356	60% 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:

This application is for a Resolution of No Objection for Pedcor Investments-2023-CXCV, 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 336-unit affordable multi-family rental housing development named Stones Crossing Apartment Homes, located at 23211 US-281 in Council District 9. There is no fiscal impact to the FY 2024 general fund.

RECOMMENDATION:

Staff recommends City Council approval of a Resolution of No Objection for Pedcor Investments-2023-CXCV, LP, 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 336-unit affordable multi-family rental housing development named Stones Crossing Apartment Homes located at 23211 US-281 in Council District 9.