



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 49

Agenda Date: June 20, 2024

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: District 4

SUBJECT:

Resolution of No Objection for Pearsall Park, LP's application for 2024 Non-Competitive 4% Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA) for the rehabilitation of a 237-unit affordable multi-family rental housing development named Residences at Pearsall Park.

SUMMARY:

Pearsall Park, LP is seeking a revised Resolution of No Objection for its application to the TDHCA for the 2024 Non-Competitive 4% HTC program for the construction of a 237-unit affordable multi-family rental housing development named Residences at Pearsall Park, located at Ray Ellison and Old Pearsall Road in City Council District 4, and acknowledgment that more than 20% of the total housing in the Census Tract is supported by HTC.

BACKGROUND INFORMATION:

The TDHCA's 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 new 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:

Pearsall Park, LP is applying for 2024 Non-Competitive 4% HTC from the TDHCA.

The applicant has provided the City Council District 4 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 70 points in total and is eligible to receive a Resolution of No Objection.

The applicant received no public engagement points on their application.

The value of the TDHCA tax credit award to the Residences at Pearsall Park would be approximately \$25.8 million over a ten-year period. The total cost for this development will be approximately \$53.6 million. The project will include units for families with at least one member who is 55 years or older and between 30% and 60% of the area median income. All 237 units will be rent restricted to 60% and below of area median income (AMI) 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).

The 4% HTC application is anticipated to be considered by the TDHCA Governing Board in August 2024. If approved, the estimated start date will be in August 2024 and the estimated completion is June 2026.

On November 30, 2023 City Council adopted a Resolution of No Objection for this Project. However, the original resolution did not contain the language reflecting that the Project will be located in a census tract with more than 20% of the total housing in the tract supported by HTCs which is required by state law. Currently 25% of the total housing in the census tract is supported by HTC across 3 developments: Homestead Apartments, Champion Homes at Port Royal, and Leon Creek Flats. After this project, 31% of the housing would be supported by HTCs.

Additionally, the number of units originally planned for project has been reduced from 240 to 237 due to some bedrooms having been converted to washrooms. This action will approve a revised resolution containing the required language regarding the census tract as well as the reduction in number of units for the Project.

This development would help achieve the Strategic Housing Implementation Plan (SHIP)'s production goals for families with incomes at 30% AMI and 60% AMI. Residences at Pearsall Park is being developed in partnership with the San Antonio Housing Trust.

The development is projected to contain the following unit mix:

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Unit Mix	Number of Units	Monthly Rent	AMI Served
One Bedroom	115	\$426	12 units at 30% and below
		988	103 units at 60% and below
Two Bedroom	122	\$499	12 units at 30% and below
		\$1,092	110 units at 60% and below

*Actual rents will

depend on the income of the individual families living in the units.

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 Pearsall Park, LP's application to the TDHCA HTC program. There is no fiscal impact to the City's General Fund.

RECOMMENDATION:

Staff recommends approval.