



City of San Antonio

Agenda Memorandum

File Number:
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Agenda Item Number: 7

Agenda Date: June 27, 2024

In Control: Tax Increment Reinvestment Zone No. 33 - Northeast Corridor Meeting

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: District 10

SUBJECT:

Agreement with the Village at Perrin Beitel Project for the new completion date extension.

SUMMARY:

This item authorizes staff to negotiate and execute an amendment to the Village at Perrin Beitel Project Development Agreement relating to the completion of the Project. This is a project previously approved by the Northeast Corridor TIRZ Board.

BACKGROUND INFORMATION:

In September 2021, Developer ALT Affordable Housing Services, Inc. – Arbor Place applied for funding from the City’s Tax Increment Financing Program (“TIF”) to construct a 92 unit multifamily affordable residential development located at 2611 NE Loop 410, San Antonio, Texas located in City Council District 10 and within the boundary of the Northeast Corridor TIRZ. On March 3, 2022, this TIRZ Board, through Resolution T33 2022-03-03-02R, authorized a Development Agreement with Developer to provide reimbursement for eligible expenses in an

amount not to exceed \$950,000.00 for public improvements, public infrastructure and fees charged by San Antonio Water Systems (SAWS) necessary to complete the Project. The Project was expected to be completed by August 31, 2023.

In May 2023, the Developer requested an extension of the project completion date to December 31, 2025 citing disruptions to the multifamily construction industry due to the COVID pandemic, supply chain and labor market disruptions and an increase of the cost of construction. City staff reviewed the request and, pursuant to the terms of the Development Agreement, administratively approved an extension of the project completion date to August 31, 2024. This 12-month extension allowed City staff to ensure construction of the project was progressing.

The extension included the following terms and conditions:

- 1.) Any subsequent extension will require the approval of the Tax Increment Reinvestment Zone Number Thirty-Three, City of San Antonio, Texas TIRZ Board and the City Council; and
- 2.) The Developer shall provide the City and TIRZ Board with a 30-day written notice of any attempts to market and/or sell any or all of the property on which the Project is located during the construction phase.

The Developer is now requesting an extension of the project completion date to December 31, 2025 to align this Development Agreement with the revised Place in Service date from the Texas Department of Housing and Community Development to projects awarded 9% Low Income Housing Tax Credits (LIHTC) in 2021. City staff has confirmed most of the costs eligible for TIRZ reimbursement have been completed. The Developer expects the TIRZ funding will be exhausted by December 31, 2024 but construction of the project is expected to continue until December 2025. Extending the project completion date to December 31, 2025 allows City staff to continue to monitor the project for completion.

ISSUE:

Board consideration to approve the first amendment of the Village at Perrin Beitel Project completion date extension.

FISCAL IMPACT:

There is no additional funding requested in this item. Funding for this project continues to be available through increment generated by the Northeast Corridor TIRZ.

ALTERNATIVES:

If the Northeast Corridor TIRZ Board of Directors does not approve the First Amendment of the agreement of the Village at Perrin Beitel Project completion date extension, this may cause a delay or cancelation of the project.

RECOMMENDATION:

Staff recommends the Northeast Corridor TIRZ Board authorize the First Amendment of the Village at Perrin Beitel Project completion date extension until December 31, 2025.