



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 47

Agenda Date: August 8, 2024

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: District 10

SUBJECT:

First Amendment to the Development Agreement for the Village at Perrin Beitel Project

SUMMARY:

This ordinance authorizes the First Amendment to the Development Agreement for the Village at Perrin Beitel Project, a multi-family affordable residential development located at 2611 NE Loop 410, San Antonio, Texas, in City Council District 10, and within the boundary of the Northeast Corridor TIRZ.

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 multi-family affordable residential development located at 2611 NE Loop 410, San Antonio, Texas, in City Council District 10, and within the boundary of the Northeast Corridor Tax Increment Reinvestment Zone (“Northeast Corridor TIRZ”). On March 3, 2022, the Northeast Corridor TIRZ Board, through Resolution T33 2022-03-03-02R, authorized a Development Agreement 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. City Council, through Ordinance Number 2022-03-24-0222, subsequently approved the Development Agreement.

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 multi-family 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 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.

The Northeast Corridor TIRZ Board, through Resolution No. T33 2024-06-27-2024, approved an extension of the development agreement to December 31, 2024.

ISSUE:

City Council consideration is being requested to approve the first amendment of the Village at Perrin Beitel Project completion date.

ALTERNATIVES:

If City Council chooses not to approve this amendment to the Development Agreement extending the project completion date, it would put the project in non-compliance of the existing Development Agreement, which could lead to the project being ineligible to receive TIRZ reimbursement.

FISCAL IMPACT:

There is no fiscal impact related to this item.

RECOMMENDATION:

Staff recommends approval.