



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 21

Agenda Date: February 9, 2023

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, LLC's application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program.

SUMMARY:

Pedcor Investments, LLC is seeking a Resolution of No Objection for its application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program for the development of Creek Bend Apartment Homes, a 288-unit affordable multi-family rental housing development located at the Northwest Quadrant of Highway 281 & Borgfeld Drive 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. Housing Tax Credits 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 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.

To qualify for a Resolution of No Objection, the application must earn at least 60 out of 100 points from the City's scoring criteria outlined in the Housing Tax Credit Policy adopted by City Council November 18, 2021.

ISSUE:

Pedcor Investments, LLC is submitting an application to the Texas Department of Housing and Community Affairs (TDHCA) for the Non-Competitive 4% Housing Tax Credits (HTC) program for the construction of Creek Bend Apartment Homes, a 288-unit affordable multi-family rental housing development located at the Northwest Quadrant of Highway 281 & Borgfeld Drive in Council District 9.

The applicant has provided the Council Office with all pertinent information per the Housing Tax Credit 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 Owner/General Partner/Property 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 no public engagement points on their application.

The value of the TDHCA tax credit award to the Creek Bend Apartment Homes would be approximately \$35.8 million over a ten-year period. The total cost for this development will be approximately \$78.1 million. All 288 units 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 \$44,820).

The 4% HTC application is anticipated to be considered by the TDHCA Governing Board in December 2023. If approved, the estimated start date will be in March 2024 and the estimated completion is March 2026.

This development would help achieve the Strategic Housing Implementation Plan (SHIP)'s rental housing production goals for families with incomes at 30% area median income (AMI), 50% AMI, and 60% AMI.

The development is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent	AMI Served
One Bedroom	84	\$407	3 units at 30% and below
		\$719	9 units at 50% and below

		\$874	72 units at 60% and below
Two Bedroom	168	\$491	9 units at 30% and below
		\$864	18 units at 50% and below
		\$1,051	141 units at 60% and below
Three Bedroom	36	\$564	3 units at 30% and below
		\$996	3 units at 50% and below
		\$1,211	28 units at 60% and below

ALTERNATIVES:

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

FISCAL IMPACT:

This is for a Resolution of No Objection for the Pedcor Investments, LCC's application to the Texas Department of Housing and Community Affairs Non-Competitive 4% Housing Tax Credits program for the construction of Creek Bend Apartment Homes, a 288-unit affordable multi-family rental housing development, located at the Northwest Quadrant of Highway 281 & Borgfeld Road in Council District 9. There is no fiscal impact to the FY 2023 general fund.

RECOMMENDATION:

Staff recommends City Council approval of a Resolution of No Objection for Creek Bend Apartment Homes, a 288-unit affordable multi-family rental housing development, located at the Northwest Quadrant of Highway 281 & Borgfeld Road in Council District 9.