



City of San Antonio

Agenda Memorandum

File Number:18-2273

Agenda Item Number: 5.

Agenda Date: 3/21/2018

In Control: Comprehensive Plan Committee

DEPARTMENT: Neighborhood and Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: Council District 6

SUBJECT:

A Resolution of No Objection for Pedcor Investments, LLC's application to the Texas Department of Housing and Community Affairs for non-competitive 4% Housing Tax Credits program for the development of Culebra Creek Apartments, a 308-unit multi-family rental housing development located at the NW corner of FM 1560 (Steubing Rd) and FM 471 (Culebra Rd) in Council District 6

SUMMARY:

Pedcor Investments, LLC is seeking a Resolution of No Objection for its application to the Texas Department of Housing and Community Affairs for non-competitive 4% Housing Tax Credits program for the development of Culebra Creek Apartments, a 308-unit multi-family rental housing development located at the NW corner of FM 1560 (Steubing Rd) and FM 471 (Culebra Rd) in Council District 6.

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. There are two types of HTC: competitive 9% and non-competitive 4%. Pedcor Investments, LLC is applying for non-competitive 4% HTC. The non-competitive 4% HTC program is available year round unlike the competitive 9% HTC program which has a single annual application period. As opposed to the competitive 9% HTC, which assign points based on the type of resolution provided by a municipality (Resolution of Support versus a Resolution of No Objection), the non-competitive 4% HTC require that a Resolution of No

Objection be submitted to satisfy requirements of §10.204(4)(C) of the TDHCA's Uniform Multifamily Rules.

ISSUE:

Pedcor Investments, LLC is submitting an application to the Texas Department of Housing and Community Affairs (TDHCA) for non-competitive 4% Housing Tax Credits (HTC) for the development of Culebra Creek Apartments, a 308-unit multi-family rental housing development located at the NW corner of FM 1560 (Steubing Rd) and FM 471 (Culebra Rd) in Council District 6. TDHCA requires a Resolution of No Objection from the local governing body for a 4% HTC project.

The property is located in Council District 6. Councilman Greg Brockhouse has expressed support for the project, citing satisfactory traffic conditions and ample separation between the subject property and the nearby residential subdivision. Surrounding land uses include a single-family residential subdivision to the north, commercial pad sites and apartments to the east, commercial pad sites and single-family residential subdivision to the south, and vacant land to the west.

The property is the subject of zoning case #Z2018090, scheduled for Zoning Commission on March 20th. Staff will recommend approval of the zoning change from "C-2" Commercial District and "OCL" Outside City Limits to "MF-33" Multi-Family District, as the property is buffered from two Primary Arterial roads (FM 1560 and FM 471) with C-2 zoning. A portion of the property which is currently outside city limits will be simultaneously annexed and zoned.

Any application earning between 50 and 69 points shall be eligible to receive a staff recommendation for a Resolution of No Objection, provided the application receives at least 7 experience points under the Owner/General Partner/Property Management Experience category of the above scoring methodology. Culebra Creek Apartments received 8 experience points, and 51 points in total. Public engagement points were not sought in the application, and surrounding property owners have not been provided with a public meeting or a project information package.

The value of the TDHCA tax credit award to Culebra Creek Apartments will be approximately \$21,727,660.00. The total development cost for this project will be approximately \$58,220,198.00. All 308 units will be restricted to 60% of area median income (e.g. a family of four will have a maximum income of \$38,100). The 4% application is anticipated to be considered by the TDHCA Governing Board in the fall of 2018. If approved, the project will commence in December 2018 and be completed by April 2021.

ALTERNATIVES:

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

FISCAL IMPACT:

There is no fiscal impact to the City's Budget.

RECOMMENDATION:

Staff recommends forwarding to the full City Council for consideration of a Resolution of No Objection for the development of Culebra Creek Apartments, a 308-unit multi-family rental housing development located at the NW corner of FM 1560 (Steubing Rd) and FM 471 (Culebra Rd) in Council District 6.