



City of San Antonio

Agenda Memorandum

File Number:18-4411

Agenda Item Number: 2.

Agenda Date: 8/15/2018

In Control: Comprehensive Plan Committee

DEPARTMENT: Neighborhood and Housing Services

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 Mesa West Apartments, a 284 unit multi-family rental housing development located approximately at 10300 Ingram Road in Council District 6.

SUMMARY:

Pedcor Investments, LLC's 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 Mesa West Apartments, a 284 unit multi-family rental housing development located approximately at 10300 Ingram Road 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 Lord Road Apartments, a 284 unit multi-family rental housing development located approximately at 10300 Ingram Road 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 was provided all pertinent information regarding the proposed Mesa West Apartments Housing Tax Credit project.

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. Mesa West Apartments received 8 experience points, and 56 points in total. Public engagement points were not sought in the application, however the developer did meet with the Sendero Neighborhood organization's executive committee.

Pedcor Investments does not yet have a formal executed proposal from a civil engineer and did not request points for the market feasibility report. Pedcor Investments has performed a significant amount of due diligence and have engaged the civil engineer on an hourly basis while Pedcor Investments negotiates the formal proposal.

The value of the TDHCA tax credit award to Mesa West Apartments will be approximately \$18,200,000. The total development cost for this project will be approximately \$55,128,875. All two hundred and eighty-four units will be restricted to 60% of area median income (e.g. a family of four will have a maximum income of \$40,080). The 4% application is anticipated to be considered by the TDHCA Governing Board Spring 2019. If approved, the project will commence in June 2019 and be completed by December 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 the Comprehensive Plan Committee forward to the full City Council for approval of a

Resolution of No Objection for the development of Mesa West Apartments, a 284 unit multi-family rental housing development located approximately at 10300 Ingram Road in Council District 6.