



City of San Antonio

Agenda Memorandum

File Number:19-2628

Agenda Item Number: 22.

Agenda Date: 5/16/2019

In Control: City Council A Session

DEPARTMENT: Neighborhood & Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: Council District 9

SUBJECT:

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 for Canyon Pass Apartments.

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 Canyon Pass Apartments, a 264-unit affordable multi-family rental housing development located at approximately 25601 Overlook Parkway 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%.

Canyon Pass Apartments is applying for the Non-Competitive 4% HTC program which is available year round. The Non-Competitive 4% Housing Tax Credit applications only require that a Resolution of No Objection be submitted to satisfy requirements of §11.204(4)(C) of the TDHCA's Uniform Multifamily Rules.

In order to qualify to receive a Resolution of No Objection, the application must earn at least 50 out of 100 points from the City's scoring criteria outlined in the Low Income Housing Tax Credit Policy adopted by City

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 development of the Canyon Pass Apartments, a 264-unit multi-family rental housing development located at approximately 25601 Overlook Parkway in Council District 9. TDHCA requires a Resolution of No Objection from the local governing body for a 4% HTC project.

The property is located in Council District 9. The applicants met with the Council District 9 office to provide all pertinent information regarding the proposed Canyon Pass Apartments HTC project.

Any application earning between 50 and 100 points shall be eligible to receive a staff recommendation for a Resolution of No Objection, provided the application receives at least seven experience points under the Owner/General Partner/Property Management Experience category. Canyon Pass Apartments received 15 experience points, and 51 points in total and is eligible to receive a Resolution of No Objection.

The value of the TDHCA tax credit award to Canyon Pass Apartments would be approximately \$18 million over a ten year period. The total construction cost for this project will be approximately \$55.2 million. Of the 264-units, all will have 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 four will have a maximum income of \$40,080). The 4% application is anticipated to be considered by the TDHCA Governing Board in December 2019. If approved, the estimated construction start date will be in February 2020 and the estimated project completion is October 2022.

The housing development is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent	AMI Served
One Bedroom	108	\$695	60% and below
Two Bedroom	132	\$895	60% and below
Three Bedroom	24	\$967	60% and below

This item was considered by the Comprehensive Plan Committee (CPC) on March 20, 2019. Several citizens expressed their concern about not receiving notification about the proposed development beyond the posted CPC agenda. Public notification is not required as part of the application for a Resolution of Support or No Objection due to Fair Housing laws. CPC voted to move the item to City Council and recommended it receive a Resolution of No Objection. Councilman Courage requested delaying the item until May 16 to give the developer time to meet with concerned citizens. The developer met with nearly 200 citizens on April 10, 2019.

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:

This authorizes 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 for the development of Canyon Pass Apartments, a 264-unit affordable multi-family rental housing development

located at approximately 25601 Overlook Parkway in Council District 9. There is no fiscal impact to the City's budget.

RECOMMENDATION:

Staff and Comprehensive Plan Committee recommend City Council approval of a Resolution of No Objection for the development of Canyon Pass Apartments, a 264-unit multi-family rental housing development located at approximately 25601 Overlook Parkway in Council District 9.