



City of San Antonio

Agenda Memorandum

File Number:19-9050

Agenda Item Number: 6.

Agenda Date: 2/10/2020

In Control: Planning and Land Development Committee

DEPARTMENT: Neighborhood & Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: Council District 8

SUBJECT:

Consideration of a Resolution of No Objection for Pedcor Investments Housing Corporation's application to the Texas Department of Housing and Community Affairs for the non-competitive 4% Housing Tax Credits program.

SUMMARY:

Pedcor Investments 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 Westview Apartments, 192-unit affordable multi-family rental housing development located at approximately 6460 Babcock Road in Council District 8.

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%. Westview Apartments is applying for the Non-Competitive 4% HTC program which is available year round unlike the Competitive 9% HTC program which has a single annual application period. The Competitive 9% HTC program assigns points based on the type of resolution provided by a municipality (Resolution of Support versus a Resolution of No Objection), but the Non-Competitive 4% Housing Tax Credit 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 Council December 14, 2017.

ISSUE:

Pedcor 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 Westview Apartments, a 192-unit multi-family rental housing development located at approximately 6460 Babcock Road in Council District 8. TDHCA requires a Resolution of No Objection from the local governing body for a 4% HTC project.

The property is located in Council District 8. The applicant met with the Council District 8 office to provide all pertinent information regarding the proposed Westview 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. The application received 15 experience points, and 51 points in total and is eligible to receive a Resolution of No Objection.

The applicant did not seek points for public engagement. However, the applicant met with neighborhood groups and held a public meeting at 6 p.m. on December 12, 2019. About 20 people attended the meeting to talk about the plans for the site and proposed zoning change from C2-NA to MF-25. A second public meeting was held on January 16, 2020. About 40 people attended the meeting. At both meetings concerns were raised about traffic, drainage, and overcrowding.

The necessary plan change associated with re-zoning the land was discussed at Planning Commission on January 8, 2020. The commission voted to deny the plan amendment. The zoning change was considered at Zoning Commission on December 17, 2019 and continued to January 21, 2020 where it received a default denial. City Council will vote on the zoning change February 20, 2020. If the zoning change is approved by City Council, the Resolution of No Objection will be brought on March 5, 2020.

The value of the TDHCA tax credit award to Westview Apartments would be approximately \$14.5 million over a ten year period. The total construction cost for this project will be approximately \$40.1 million. Of the 192-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 \$42,600). The 4% application is anticipated to be considered by the TDHCA Governing Board in September 2020. If approved, the estimated construction start date will be in January 2021 and the estimated project completion is July 2022.

The project is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent	AMI Served
One Bedroom	72	\$741	60% and below
Two Bedroom	96	\$894	60% and below
Three Bedroom	24	\$1,032	60% and below

ALTERNATIVES:

Planning and Community Development Committee may elect not to forward this item to City Council which would adversely impact the ability of the developer to proceed with the project.

FISCAL IMPACT:

There is no fiscal impact to the FY 2020 general fund.

RECOMMENDATION:

Staff recommends forwarding this item to the full City Council for consideration of a Resolution of No Objection for the development of Westview Apartments, a 192-unit multi-family rental housing development located at approximately 6460 Babcock Road in San Antonio, Texas.