



City of San Antonio

Agenda Memorandum

File Number:20-4372

Agenda Item Number: 21.

Agenda Date: 9/3/2020

In Control: City Council A Session

DEPARTMENT: Neighborhood & Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, FAICP, Director

COUNCIL DISTRICTS IMPACTED: Council District 10

SUBJECT:

A Resolution of No Objection for Pedcor's application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program.

SUMMARY:

Pedcor 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 The Crosswinds formally known as The Crosswinds at Bulverde, a 312-unit affordable multi-family rental housing development located at approximately 4000 N Loop 1604 East in Council District 10.

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 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 60 out of 100 points from the City's scoring criteria outlined in the Housing Tax Credit Policy adopted by City Council October 31, 2019.

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 construction of The Crosswinds formally known as The Crosswinds at Bulverde, a 312-unit multi-family rental housing development located at approximately 4000 N Loop 1604 East in Council District 10. TDHCA requires a Resolution of No Objection from the local governing body for a 4% HTC project.

The property is located in Council District 10. The applicant met in person with Councilman Perry on March 16, 2020 to talk about two projects. Councilman Perry indicated his preference for this project over the other one. All pertinent information regarding the proposed HTC project was provided to the council office.

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 seven experience points under the Owner/General Partner/Property Management Experience category. The application received 15 experience points, and 64 points in total and is eligible to receive a Resolution of No Objection.

The applicant was awarded no for public engagement points. Pedcor met with Long's Creek HOA several times via phone and Zoom meetings. The applicant is not requesting or receiving public engagement points because the meetings did not meet the requirements outlined in the HTC policy.

The value of the TDHCA tax credit award to The Crosswinds would be approximately \$22.2 million over a ten year period. The total cost for this project will be approximately \$64.4 million. Of the 312-units, all will be rent restricted to 70% 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 \$50,400).

The 4% application is anticipated to be considered by the TDHCA Governing Board in March 2021. If approved, the estimated start date will be in June 2021 and the estimated project construction completion is September 2023.

The project is projected to contain the following unit mix:

Unit Mix	Number of Units	Monthly Rent	AMI Served
One Bedroom	132	\$348	7 units at 30% and below
		\$483	2 units at 40% and below
		\$618	2 units at 50% and below
		\$753	85 units at 60% and below
		\$821	36 units at 70% and below
Two Bedroom	132	\$421	9 units at 30% and below
		\$583	2 units at 40% and below
		\$745	2 units at 50% and below
		\$907	86 units at 60% and below
		\$988	33 units at 70% and below
Three Bedroom	48	\$486	7 units at 30% and below
		\$674	2 units at 40% and below
		\$861	2 units at 50% and below

		\$1,048	26 units at 60% and below
		\$1,142	11 units at 70% and below

ALTERNATIVES:

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

FISCAL IMPACT:

This approves a Resolution of No Objection for Pedcor's application to the Texas Department of Housing and Community Affairs for the Non-Competitive 4% Housing Tax Credits program for the construction of The Crosswinds formerly known as The Crosswinds at Bulverde, a 312 unit affordable multi-family rental housing development, located at approximately 4000 N Loop 1604 East in Council District 10. There is no fiscal impact to the City's budget.

RECOMMENDATION:

Staff recommends City Council issue a Resolution of No Objection for The Crosswinds, a 312-unit multi-family rental housing development located at approximately 4000 N Loop 1604 East in Council District 10 in San Antonio, Texas.