2020 Proposed Affordable Housing Tax Credit Policy

Presented to the Council Worksession
Tuesday, November 12, 2019

Amy Connolly, Assistant Director
Neighborhood Services Department
Policy Requirements for Tax Credit Applications

Permanent Supportive Housing (PSH)
- Designed to help end chronic homelessness; housing residents on the CoC list

0-30% Units
- Units set aside for household earning at or below 30% Area Median Income
  - 1 person 30% AMI is $16,000 annual household income
  - 4 person 30% AMI is $22,800 annual household income

Mix of affordable and market rate units
- Create mixed income communities for better quality of life
## Last Year’s Effort

<table>
<thead>
<tr>
<th>Resolutions of Support, Local Development Funding, Concerted Revitalization Plan</th>
<th>Resolution of Support &amp; Local Development Funding</th>
<th>Resolution of No Objection</th>
</tr>
</thead>
<tbody>
<tr>
<td>Palladium Fain Street</td>
<td><strong>Churchill at Golden Triangle Community</strong></td>
<td>Residences at Fairmount</td>
</tr>
<tr>
<td>Cielo Place</td>
<td><strong>Everly Place</strong></td>
<td>Columbia Renaissance Square III</td>
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<tr>
<td>Sunset at Fash Place</td>
<td>Reserve at Risinger</td>
<td>Southside at Broadway</td>
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<tr>
<td>Avenue at Sycamore Park</td>
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Project awarded tax credits through TDHCA
Proposed 2020 9% and 4% Tax Credit Policy

The development may be given a Resolution of Support/No Objection if a minimum of 10% of the total units are dedicated as market rate units and it has one of the following:

(a) 5% of the total units dedicated for Permanent Supportive Housing units; or
(b) 10% of the total units dedicated for households earning at or below 30% Area Median Income (AMI)
Compare Proposed 2020 Policy to 2019 Policy

**2020 – Letters of Support/No Objection 9%**
- 10% Market Rate Required
- AND
- 5% PSH*
- OR
- 10% 0-30% Area Median Income (AMI)

**2019 – Letter of Support/No Objection 9%**
- 10% Market Rate Required
- AND
- 5% PSH

**2020 – Letters of No Objection 4%**
- 10% Market Rate Required
- AND
- 5% PSH*
- OR
- 10% 0-30% Area Median Income (AMI)

**2019 – Letter of No Objection 4%**
- 10% Market Rate required
- AND
- 5% PSH

*PSH units unlikely in 2020 due to unavailability of Project Based Vouchers*
Additional Considerations (9% Only)

Commitment of Development Funding (1 point @ TDHCA)

City Council, at its discretion, may also choose to offer developments that qualify for a Resolution of Support a commitment of development funding in the form of a tax abatement and/or a partial or full waiver of development fees.

Resolutions of No Objection

If a Resolution of Support is not granted, City Council may consider granting a Resolution of No Objection for the development.
Proposed Changes for “Additional Requirements”

Preference shall be given to developments that were not previously recommended for an award due to TDHCA’s Two-Mile Same-Year Rule (e.g., Palladium at Fain Street)

Service/Target Population may also be considered (Family, Homeless, etc.)

Council Member, City Staff, School, and Neighborhood Notification - only acceptable proof of written notification will be one of the following: Return receipt from certified mail, Written response from recipient, Electronic delivery receipt

Conduct at least **two (2) information sessions** at least **30 days** prior to final City Council action

- Information sessions do not have to be held at a scheduled Neighborhood/Homeowner Association Meeting
- Applicable Associations can be combined into **1** information session
- Additional information sessions may be required if staff deems necessary
<table>
<thead>
<tr>
<th>DATE</th>
<th>ACTIVITY</th>
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<tbody>
<tr>
<td>November 19</td>
<td>Council consideration &amp; approval of Proposed 2020 Policy</td>
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<tr>
<td>January 22, 2020</td>
<td>Deadline for developers to submit application to Neighborhood Services</td>
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<tr>
<td>February 4, 2020</td>
<td>Staff reports and recommendations for developments to City Council Worksession</td>
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<tr>
<td>February 18, 2020</td>
<td>City Council consideration &amp; approval of resolutions</td>
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<tr>
<td>February 28, 2020</td>
<td>TDHCA deadline for developer applications</td>
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<td>June, 2020</td>
<td>TDHCA releases list of projects eligible for tax credit award</td>
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<tr>
<td>Late July, 2020</td>
<td>TDHCA makes final award decisions</td>
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Thank You!