

2023 Housing Tax Credit Policy

Council Worksession

November 1, 2022

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Neighborhood Services Department

Low Income Housing Tax Credits (LIHTC)



Each year, the IRS takes the amount of available LIHTCs & allocates them among the states based on population

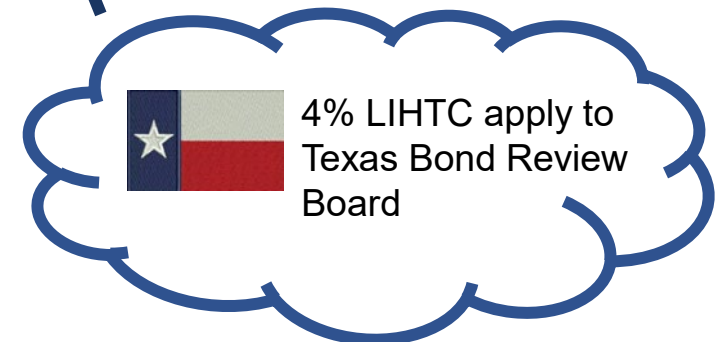
TDHCA adopts annual Qualified Allocation Plan (QAP) to reflect the criteria it will use in awarding LIHTC, including points for (A) a Resolution of (1) Support or (2) No Objection from local government and (B) any special priorities

Developer identifies a project for which it commits to meeting the income and gross rent tests for the compliance period in order to qualify for tax credits and submits application to City to seek a Resolution (and other support)

Based on its adopted LIHTC Policy, City decides whether to issue a Resolution

TDHCA reviews applications, including resolutions and other matters and awards LIHTC in specific dollar amount

Developer's syndicator sells the LIHTC at a discount, and Developer uses funds for project



2023 Recommended Policy & Program Changes


- Remove City required set-asides for one year, except for:
 - 9% HTC requires 0-30% AMI set-aside of a minimum of 10% of the total units
- Require developments requesting property tax exemption to provide fiscal impact
- Waive certain development fees for HTC developments regardless of location inside or outside a NEZ
- Streamline notification and application deadlines
- Improve neighborhood communications with new system

State of Texas Affordability Criteria for LIHTC

Requirements	9% Competitive	4% Priority 1a	4% Priority 1b	4% Priority 1c	4% Priority 2	4% Priority 3
20% at 0-50% AMI <u>or</u> 40% at 0-60% AMI	X					
Income Averaging Allowed	X					
50% of Units Capped at 50% AMI and 50% of Units Capped at 60% AMI		X				
15% of Units Capped at 30% AMI and 85% of Units Capped at 60% AMI			X			
100% of Units Capped at 60% AMI				X		
At least 80% of Units Capped at 60% AMI					X	
Any Other Qualified Residential Rental Project						X


9% LIHTC City Criteria *(Layer on Top of State Criteria)*

Requirements to Get a City Resolution for a 9% Competitive LIHTC Project	2022		Proposed for 2023	
	Support	No Objection	Support	No Objection
Minimum 10% of total units are 0-30% AMI	X	X	X	X
Minimum 10% of total units are ≥70% AMI	X	X		
Located in TDHCA-defined high opportunity area, mixed-use growth center, city revitalization area, or CNI Neighborhood	X		X	
Written notifications to sent to Councilmember, City Staff, ISD, and Registered NA/HOA	X	X	X	X
Neighborhood/HOA information session held prior to application deadline	X	X	X	X
Applicants required to declare intent to seek City or FWHFC funds in the resolution application	X	X	X	X
Fiscal Tax Impact Required for Projects with Full/Partial Tax Exemption			X	X

 = Proposed Change

4% LIHTC City Criteria *(Layer on Top of State Criteria)*

Requirements to Get a City Resolution for a 4% LIHTC Project	2022	Proposed for 2023
	No Objection	No Objection
Minimum 10% of total units are 0-30% AMI	X	
Written notifications to sent to Councilmember, City Staff, ISD, and Registered NA/HOA	X	X
Neighborhood/HOA information session held prior to application deadline	X	X
Applicants required to declare intent to seek City or FWHFC funds in the resolution application	X	X
Fiscal Tax Impact Required for Projects with Full/Partial Tax Exemption		X

 = Proposed Change

Submission of Property Tax Information

For developments that are completely or partially tax-exempt, developer must provide the City:

- The source of the tax exemption
- Fiscal impact of tax exemption
- All other information requested in the City's application

Recommended Fees Eligible for Waiver

- All building permit related fees
- Plat application fee
- Board of Adjustment application fee
- Demolition fee
- Structural moving fee
- Community Facility Agreement (CFA) application fee
- Zoning application fee
- Street and utility easement vacation application fee
- Ordinance inspection fee
- Consent/Encroachment agreement application fee
- Urban forestry application fee
- Sign permit fees
- **Possibly new Floodplain development fee

- Transportation impact fee
- Water and wastewater impact fees

Fees Eligible for Waiver

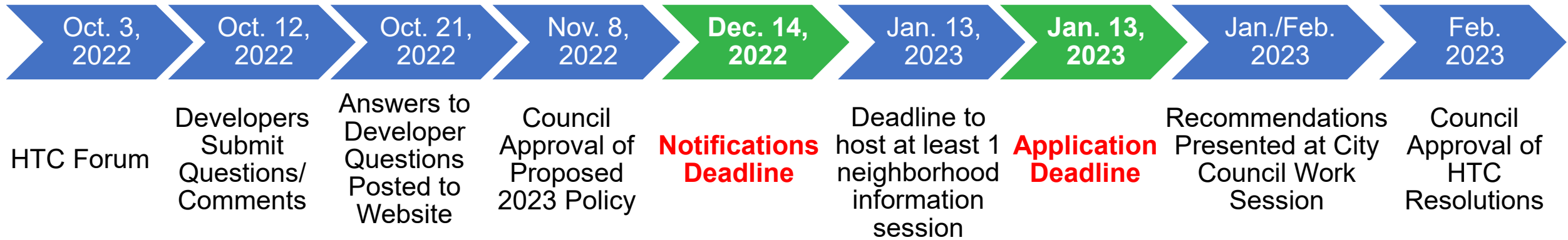
MAY BE Eligible for Waiver, Subject to Consultation with Departments

Prior Policy

City Council will commit to waiving development fees for a value of no more than \$2,500.00

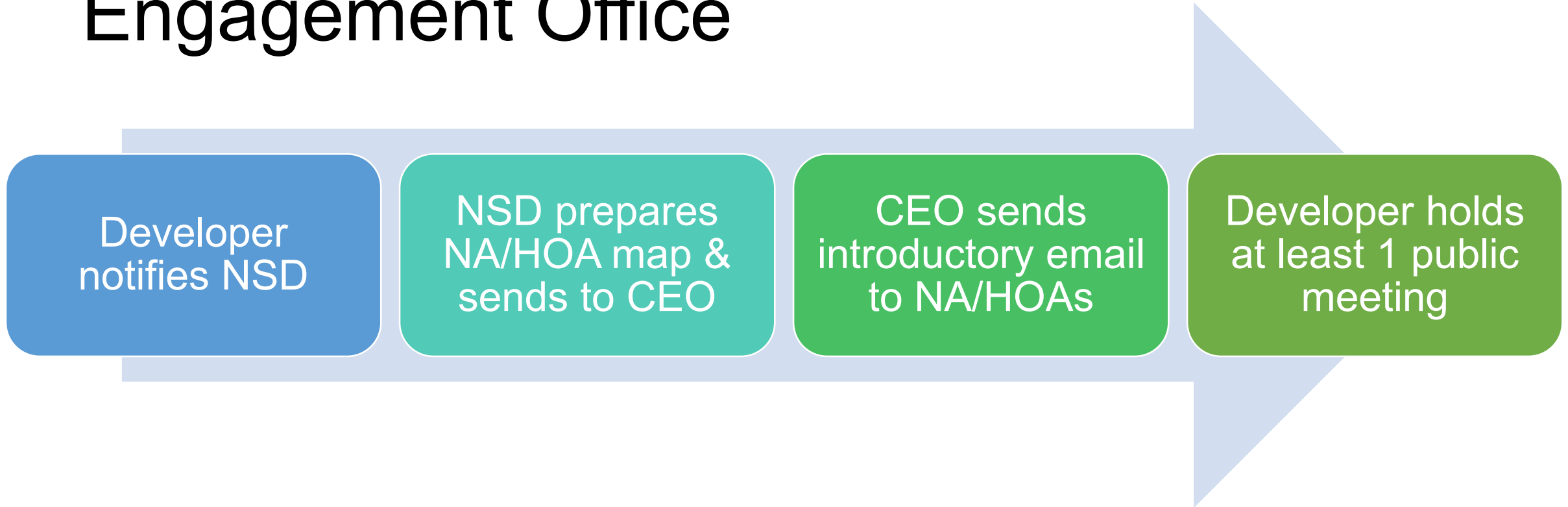
Streamlined Process

Notification & Applications Deadlines Pushed Back



Note: Notification deadline reduced from 45 to 30 days

City Assistance with Community Engagement Office



2023 Proposed HTC Timeline

DATE	ACTIVITY
October 3, 2022	HTC Developer Forum
October 7-21, 2022	Developer question-and-answer period
October 11, 2022	Presentation to Neighborhood Quality and Revitalization Committee
November 1, 2022	Presentation at City Council Work Session
November 8, 2022	Council action & approval of Proposed 2023 Policy
December 14, 2022	Deadline to submit notifications (30 days ahead of submittal)
January 13, 2023	Deadline to host at least 1 neighborhood information session
January 13, 2023	Deadline for developers to submit application to Neighborhood Services
January/February 2023	Staff recommendations presented at City Council Work Session
February 14, 2023	City Council consideration & approval of resolutions
March 1, 2023	Deadline to submit application to TDHCA
July 2023	Final TDHCA award of tax credits

Questions/Comments?



Year	4%	9%
2022	Marine Park (\$15,800,000) Palladium East Berry (\$26,100,000) Tobias Place (\$30,000,000) Worthington Point (\$1,971,770) Palladium Oak Grove (\$25,600,000)	Park Tower Supplemental (\$204,796) Gala at Ridgemar (\$1,597,000)*** <i>Possible Force Majeure</i>
2021	Cowan Place (\$1,650,000)	Magnolia Lofts (\$1,500,000) Clifton Riverside (\$1,500,000) Hughes House (\$2,000,000) Park Tower (\$1,462,830)*** <i>Force Majeure</i>
2020	Shady Oaks Manor (\$654,862) – Elderly Housing	Palladium Fain Street, Ltd. (\$1,377,102)
2019	Stallion Ridge (\$1,292,387)	Mistletoe Station (\$1,500,000) The Vineyard on Lancaster (\$1,330,273) – Supportive Housing Everly Plaza (\$1,439,065) – Elderly Housing Cielo Place (\$1,447,760) Sunset at Fash Place (\$1,198,485) – Elderly Housing Churchill at Golden Triangle (\$1,500,000)
2018	Patriot Point (\$1,270,859) Prince Hall Gardens Apartments (\$347,353) Sphinx at Sierra Vista Senior Village – Elderly (\$1,625,337) Sabine Place Apartments (\$341,364)	Columbia Renaissance Square II (\$1,500,000) – Elderly Housing
2017	Casa Inc (\$993,773) Alton Park (\$1,226,649) Campus Apartments (\$1,254,609)	Palladium Fort Worth (\$1,500,000)
2016	Mercantile Apartments (\$1,522,255) Broadmoor apartments (\$1,522,365) Stallion Point (\$1,181,410)	Avondale Farms Senior (\$1,500,000) – Elderly Housing Harmon Senior Villas (\$1,470,360) – Elderly Housing The Standard at Boswell Marketplace (\$1,500,000)