



9% Housing Tax Credits

February 7, 2023

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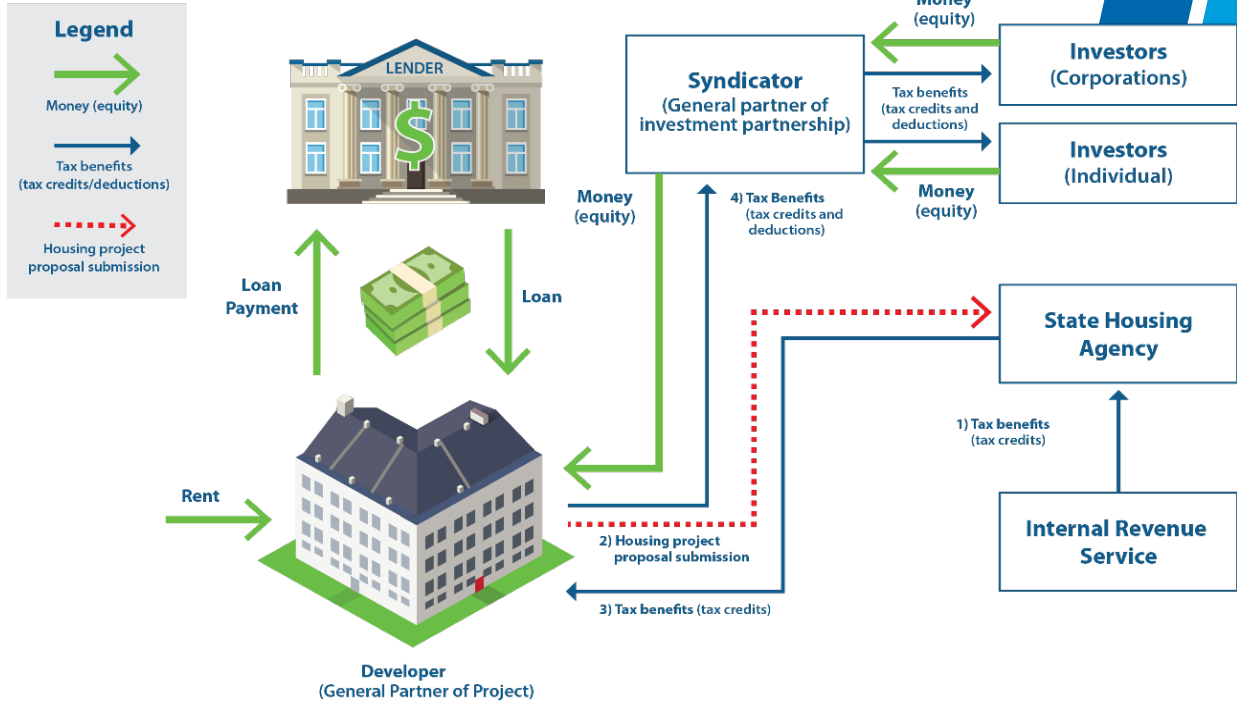


What Are Tax Credits?



- Not funded by the City
- An important resource for building affordable housing
- Created through the Tax Reform Act of 1986
- Administered by Texas Department of Housing and Community Affairs (TDHCA)
- Private equity for construction of affordable housing
- 9% tax credits allocated through a competitive process
- Credits can be sold on the open market
- Market determines price

Mechanics of Tax Credit Allocation



Types of Housing Tax Credits

9%	4%
<ul style="list-style-type: none">• Typically 70% of the financing source• Competitive allocation process administered by the TDHCA	<ul style="list-style-type: none">• Typically 30% - 50% of the financing source• Credits are provided as an “of right” through an allocation of private activity bonds• Private activity bonds are issued by the Texas Bond Review Board• Due to high demand for bonds, a 2023 allocation of private activity bonds are provided in a lottery process to issuers and applicants



TDHCA 9% Allocation

Scoring

- Highly competitive scoring system
- Applicants in the ETJ
 - ½ their points from City;
 - ½ from County;
 - Resolutions required from both

TDHCA Points for Resolution

17
points

TDHCA 9% Allocation

TDHCA Application Contingent Items

Points	Action
17	Local Government Support
4	Community Participation
8	Support from State Representative
4	Input from Community Organizations
7	Community Revitalization Plan



Schedule for Tax Credit Resolutions

9% Tax Credit Resolution Process

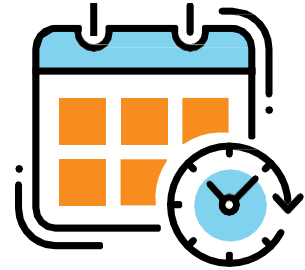
<u>Date</u>	<u>Action</u>
December 6, 2022	Application for resolutions posted by HCDD
January 6, 2023	Pre-applications due to TDHCA
January 6, 2023	Applications due to HCDD
February 7, 2023	Presentation to Housing Committee
February 15, 2023	Preferred City Council date
February 22, 2023	Alternative City Council date
March 1, 2023	TDHCA Full Application Delivery Date



TDHCA 9% Allocation

Timing

- Very tight timeline
- Applications (**with Resolutions**) due to TDHCA – 3/1/2023
- Credit awards announced in July 2023



March 1

Applications Due



Priority Items

HCDD Supports tax credit developments that meet Minimum Standards and HCD Priorities to include:

- Rehabilitation and reconstruction
- Complete Communities and TIRZ
- Areas of low poverty and high performing schools
- Areas experiencing high rental costs
- Transit Oriented Developments
- Areas underserved with affordable housing
- Permanent supportive housing and/or housing serving special needs populations

2023 Housing Tax Credit Guidelines

HCD Scoring Criteria

Applications Must Meet a Minimum of Ten (10) Points to Qualify for a Resolution of Support (27 max points)	Points
Located in a Complete Community or TIRZ	2
Availability of affordable housing in the area	1 - 2
Proximity to mass transportation	1 - 2
Low poverty concentration	1
Mixed income composition	1 - 2
School performance	2 - 6
Onsite quality education programming	1 - 2
Documentation of community support	1
Building resiliency features	1 - 5
Offsite neighborhood improvements	1
Onsite material recycling	1
Renovation or reconstruction of existing housing	2



Equitable Distribution Policy

HCDD aims to reflect a policy to equitably disperse assisted multifamily developments throughout Houston as it strives to create greater housing choice.

The policy will establish a procedure for the approval and endorsement of affordable housing projects.

Equitable Distribution Policy

- Council Districts A, B, D, H, and K limited to 2 recommendations each
- Council Districts C, E, F, G, I, & J will be eligible for a maximum of 3 recommendations each
- Exceptions – repair or rehabilitation of existing affordable housing

Equitable Distribution Policy

Competitive factors:

1. Tenant Population – HCD will prioritize the following transactions in order
 - Permanent Supportive Housing
 - General Population
 - Age Restricted Population
2. HCD Score
3. Poverty rate of site compared to other applications in the district

Appeals Process

Please submit written appeals to:

HCDDComplaintsAppeal@houstontx.gov

**[https://houstontx.gov/housing/forms/
online/appeals-request-form.html](https://houstontx.gov/housing/forms/online/appeals-request-form.html)**

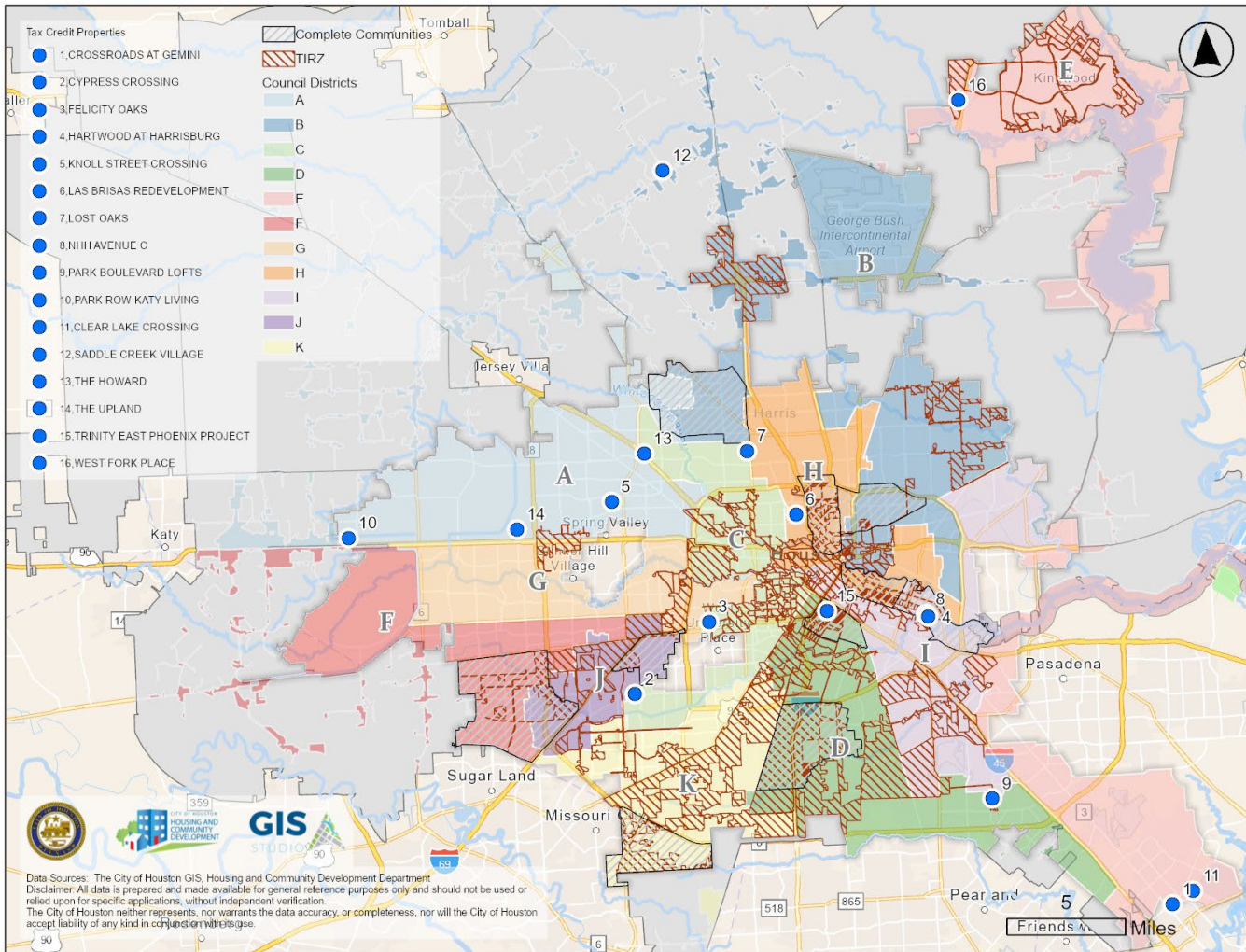
**All appeal requests must be received by
Friday, February 3, at 3:00 pm**



Applicants for Resolutions

Council District	Total Applications	Limit	Total Resolutions
District A	2	2	2
District B	0	2	0
District C	3	3	3
District D	9	2	2
District E	6	3	3
District F	0	3	0
District G	1	3	1
District H	2	2	1
District I	3	3	2
District J	0	3	0
District K	1	2	0
ETJ	6	N/A	2
Total	33	28	16





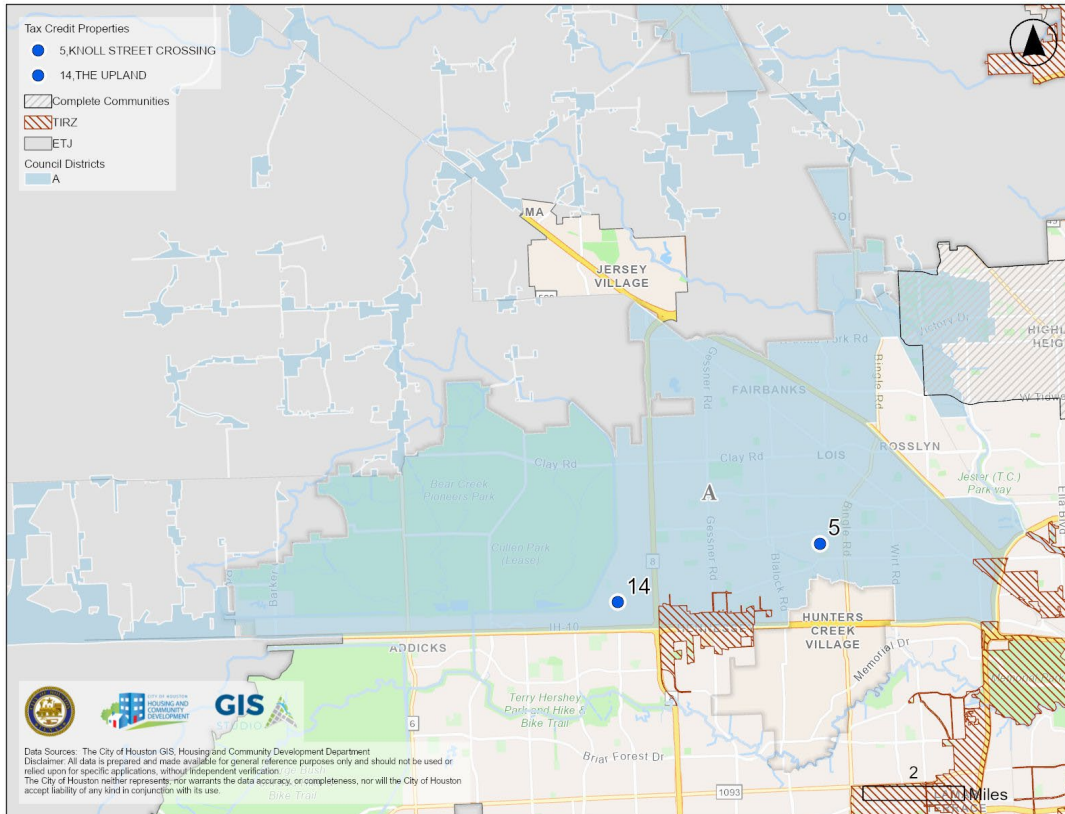
III.b. Applicants for Resolutions

District A

Application Number	Development Name	Development Address	Total Units	Target Population
23149	The Upland	1430 Upland Drive	165	Family
23068	Knoll Street Crossing	1938 Knoll Street	80	Senior



III.b. Applicants for Resolutions



III.b. Applicants for Resolutions

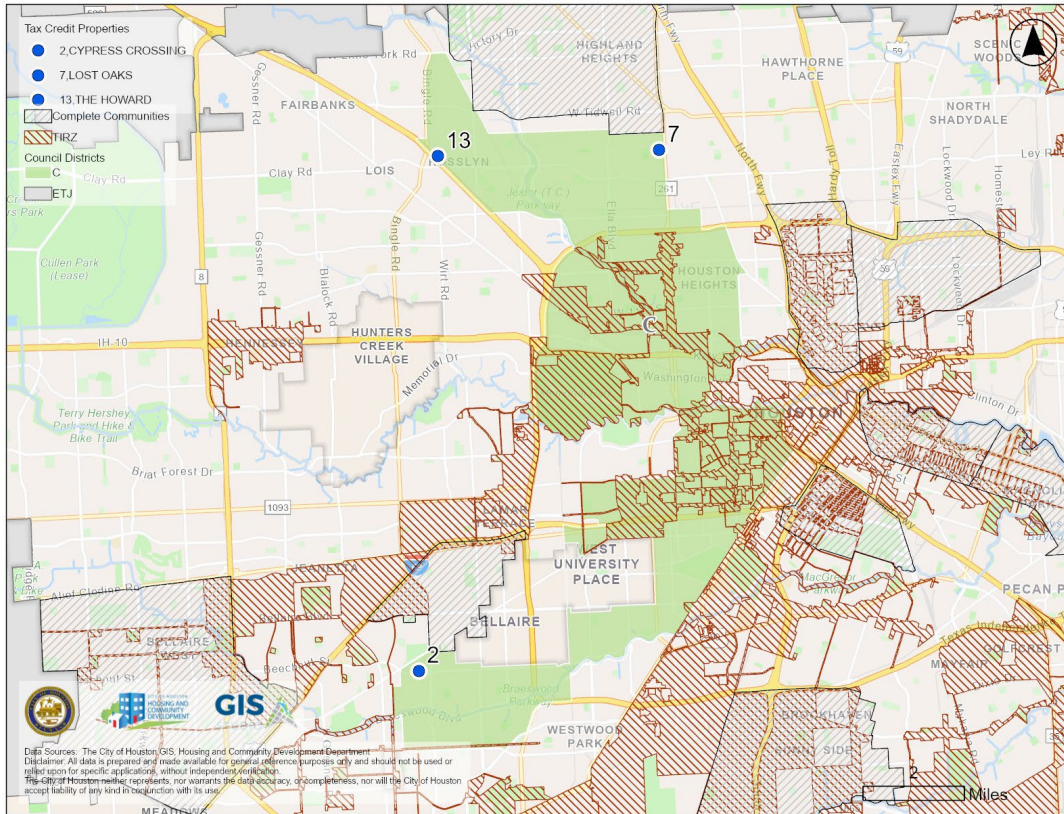
District C

Application Number	Development Name	Development Address	Total Units	Target Population
23209	Lost Oaks	810 Oak Street	90	Family
23125	The Howard	US 290 & Retton Road	80	Family
23063	Cypress Crossing	5902 & 5909 Cypress Street	80	Senior



III.b. Applicants for Resolutions

District C



III.b. Applicants for Resolutions

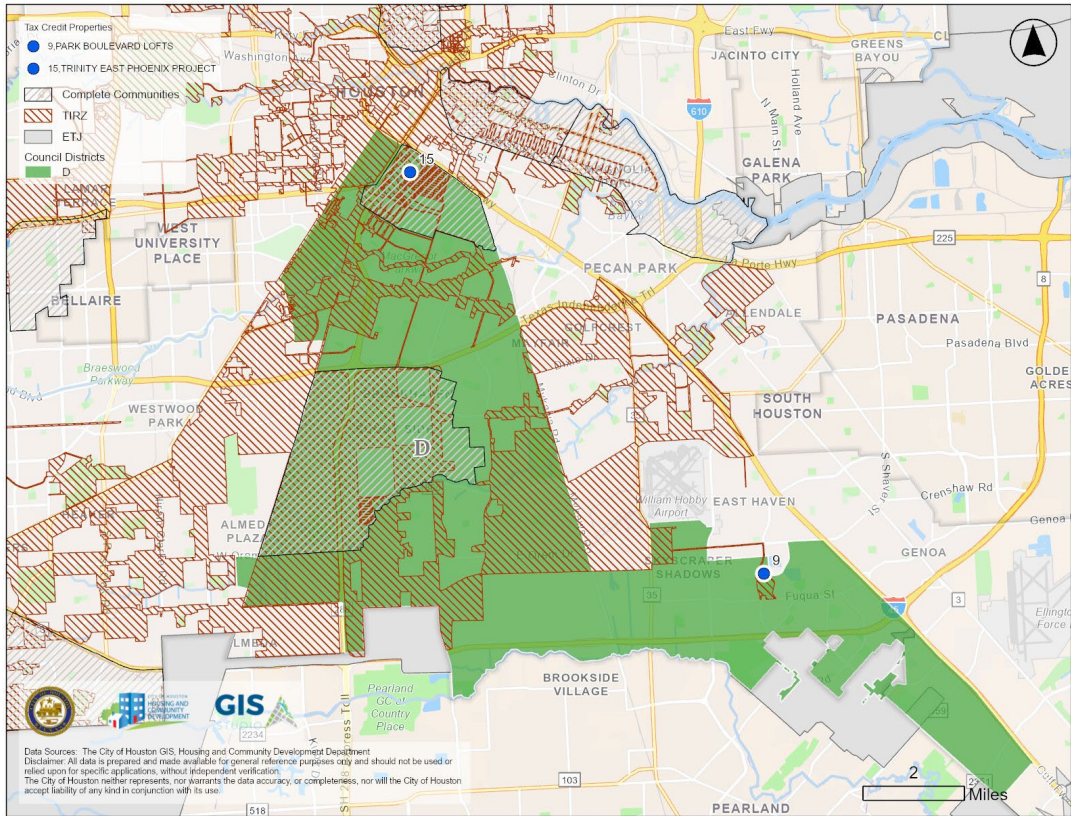
District D

Application Number	Development Name	Development Address	Total Units	Target Population
23183	Trinity East Phoenix Project	2750 Live Oak	100	PSH
23061	Park Boulevard Lofts	Blackhawk Blvd & TX Sage Dr	90	Family



III.b. Applicants for Resolutions

District D



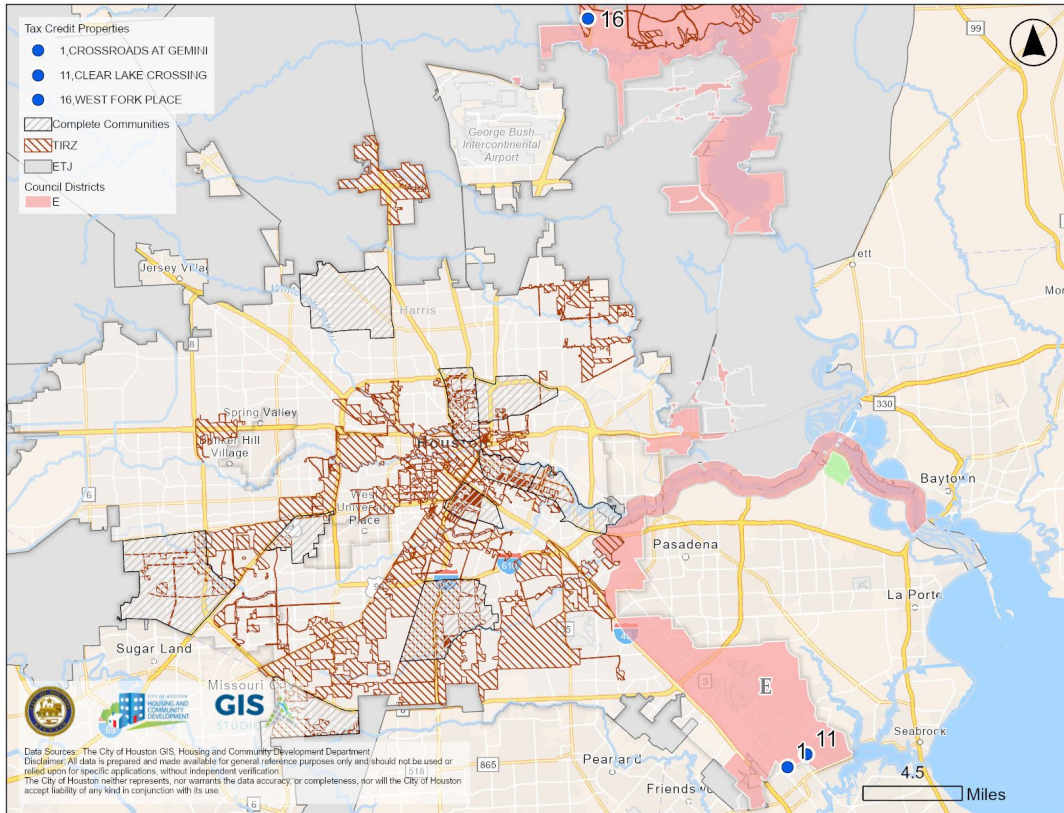
III.b. Applicants for Resolutions

District E

Application Number	Development Name	Development Address	Total Units	Target Population
23059	Clear Lake Crossing	17300 Saturn Lane	80	Senior
23186	West Fork Place	Kingwood Place Dr & Kingwood Medical Dr	118	Senior
232244	Crossroads at Gemini	Bay Area Blvd & Gemini Ave	80	Family



III.b. Applicants for Resolutions



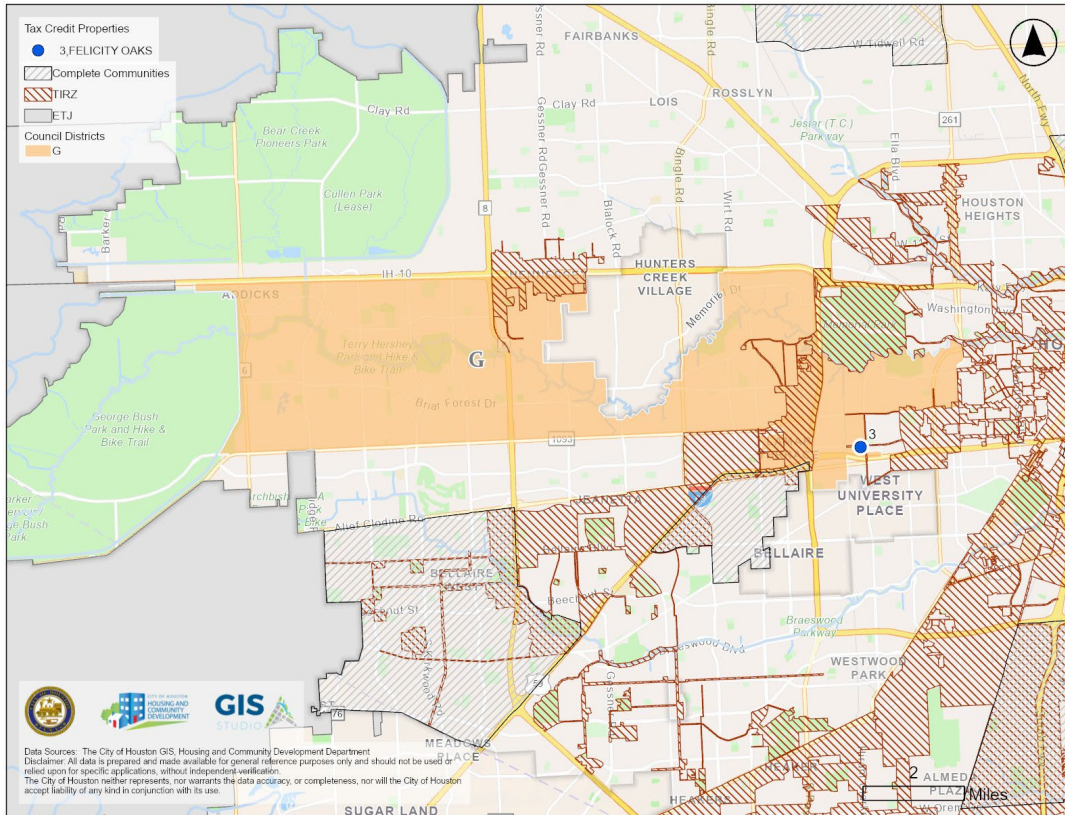
III.b. Applicants for Resolutions

District G

Application Number	Development Name	Development Address	Total Units	Target Population
23205	Felicity Oaks	4041 Richmond Ave	120	Family



III.b. Applicants for Resolutions



Data Sources: The City of Houston GIS, Housing and Community Development Department
 Disclaimer: All data is prepared and made available for general reference purposes only and should not be used or relied upon for specific applications, without independent verification.
 The City of Houston neither represents, nor warrants the data accuracy, or completeness, nor will the City of Houston accept liability of any kind in conjunction with its use.



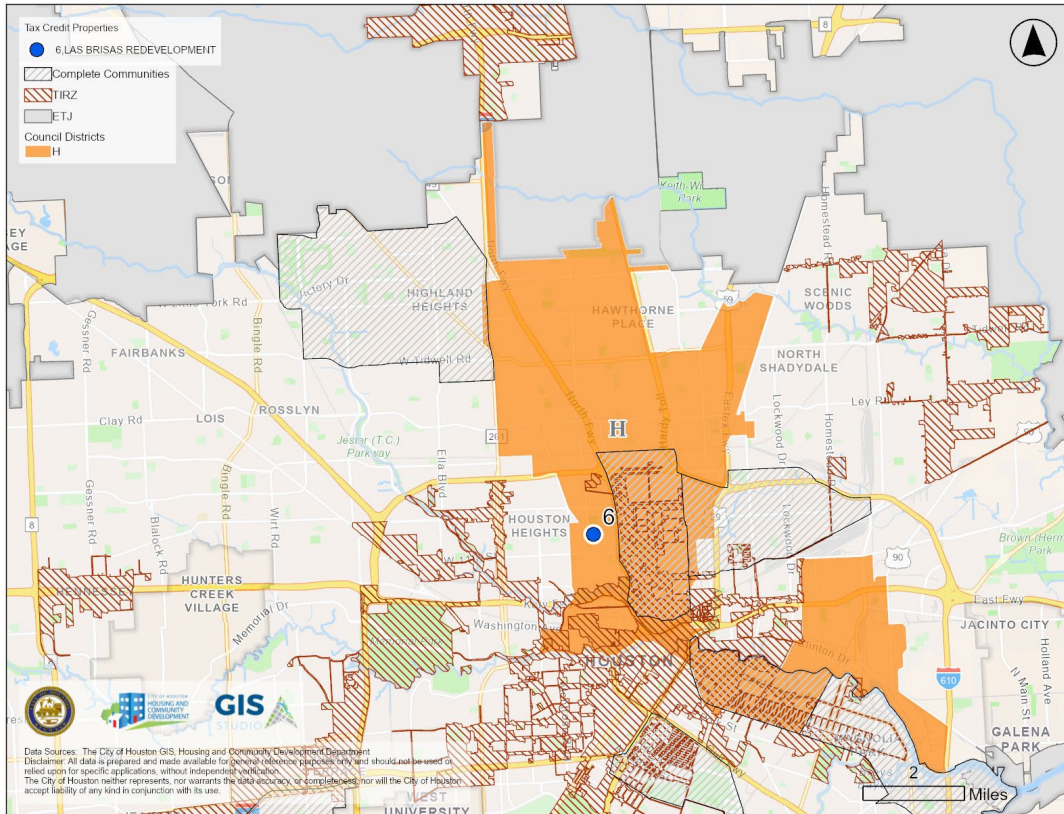
III.b. Applicants for Resolutions

District H

Application Number	Development Name	Development Address	Total Units	Target Population
23121	Las Brisas Redevelopment (rehab)	4500/4428 N.Main St	195	Family



III.b. Applicants for Resolutions



III.b. Applicants for Resolutions

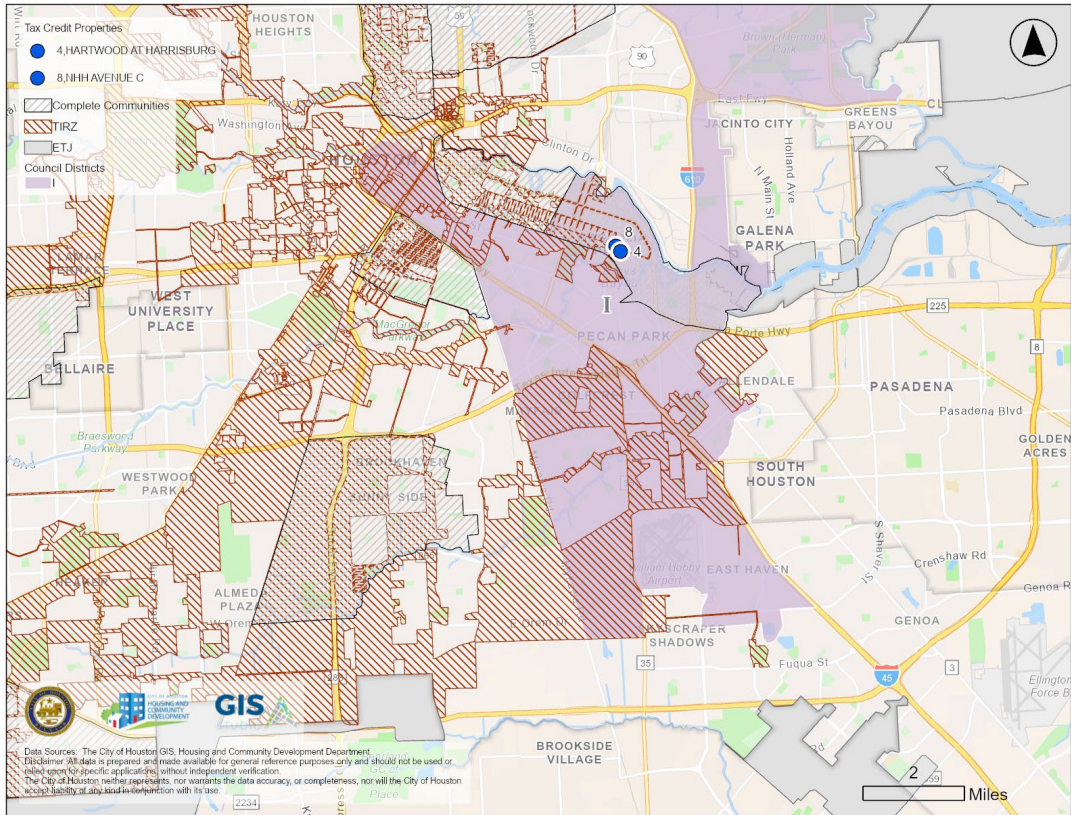
District I

Application Number	Development Name	Development Address	Total Units	Target Population
23156	New Hope Housing Avenue C	7501 Harrisburg Blvd	110	Senior
23108	Hartwood at Harrisburg	7634 Harrisburg Blvd	80	Family



III.b. Applicants for Resolutions

District I



III.c. Applicants for Resolutions

ETJ

Approval of a Resolution of Support for competitive 9% Housing Tax Credits (HTCs) allocated by TDHCA, for each of the applications in the attached table, located in Houston's ETJ.

Applications will be submitted to TDHCA from across the state, and the number of available 9% HTCs is limited.

TDHCA will announce awards in July of 2023.



III.c. Applicants for Resolutions

ETJ

HCD has not underwritten these projects for financial viability.

HCD reviewed the applications to determine if they meet the City's community development policy objectives and minimum standards.

Based on established criteria, the projects listed in the attached table have achieved the 10-point threshold and qualify for a Resolution of Support.

III.c. Applicants for Resolutions

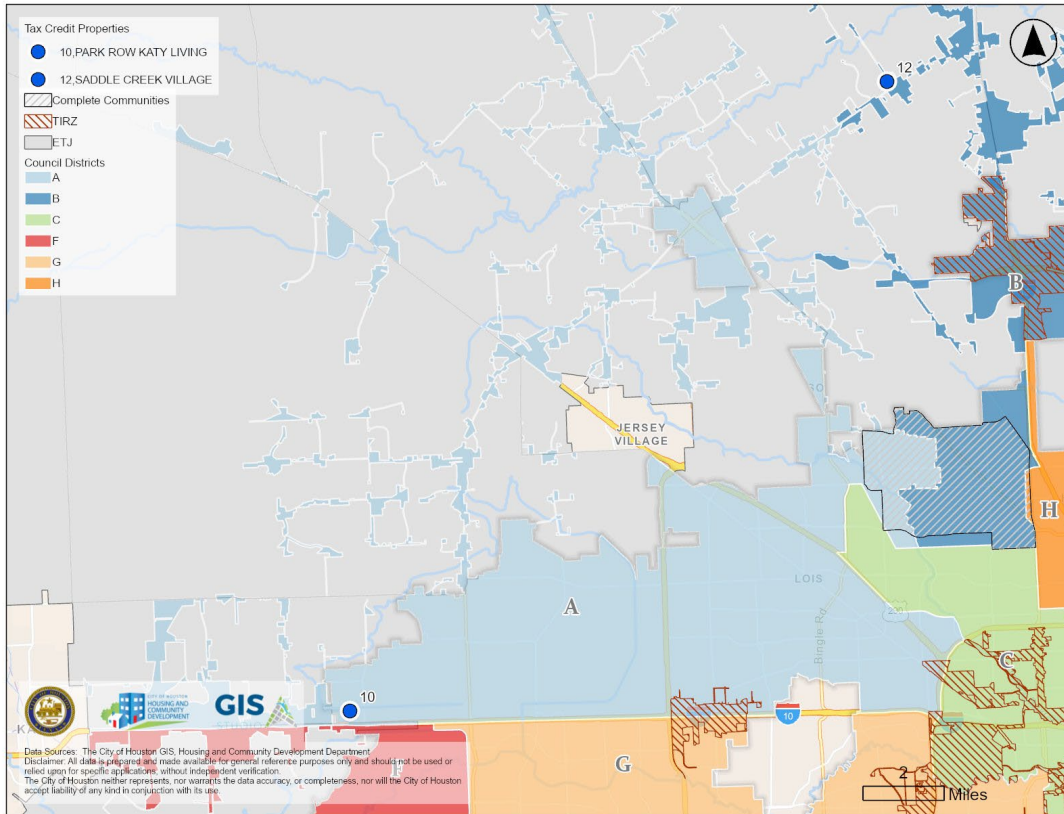
ETJ

Application Number	Development Name	Development Address	Total Units	Target Population
23049	Saddle Creek Village	~16000 Kuykendahl	80	Family
23008	Park Row Katy Living	NW Quadrant of Park Row Dr & Greenhouse Rd	85	Family



III.c. Applicants for Resolutions

ETJ



III.e. Applicants Eligible for Two-Mile, Same-Year Waiver

Based on Houston's urgent need for affordable homes for families, seniors, and permanent supportive housing, HCD recommends Council approval of:

A Resolution allowing exceptions to the Texas Department of Housing and Community Affairs' (TDHCA) Two-Mile Same-Year rule for the attached proposed developments.

To avoid unjustified concentrations of competitive 9% HTC properties, TDHCA requires:



III.e. Applicants Eligible for Two-Mile, Same-Year Waiver

- IF a competitive HTC application proposes a development located less than two linear miles from the proposed site of another HTC application within the same calendar year
- The applicant receives a Resolution from the governing body of the municipality where the development is to be located

Approval of this resolution does not guarantee the property(ies) will receive HTCs.

III.d. Applicants Eligible for Two-Mile, Same-Year Waiver

Application Number	Development Name	Development Address	District	Target Population
23183	Trinity East Phoenix Project*	2750 Live Oak	D	PSH
23156	New Hope Housing Avenue C	NE corner of Harrisburg & 75 th	I	Senior
23108	Hartwood at Harrisburg	7634 Harrisburg Blvd	I	Family

*Within two miles of a transaction funded with 2021 HTC's receiving 2023 supplemental credits



Comments & Questions





2100 Travis Street, 9th floor, Houston, TX 77002

832-394-6200 | www.houstontx.gov/housing



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