

9% Housing Tax Credits February 7, 2024

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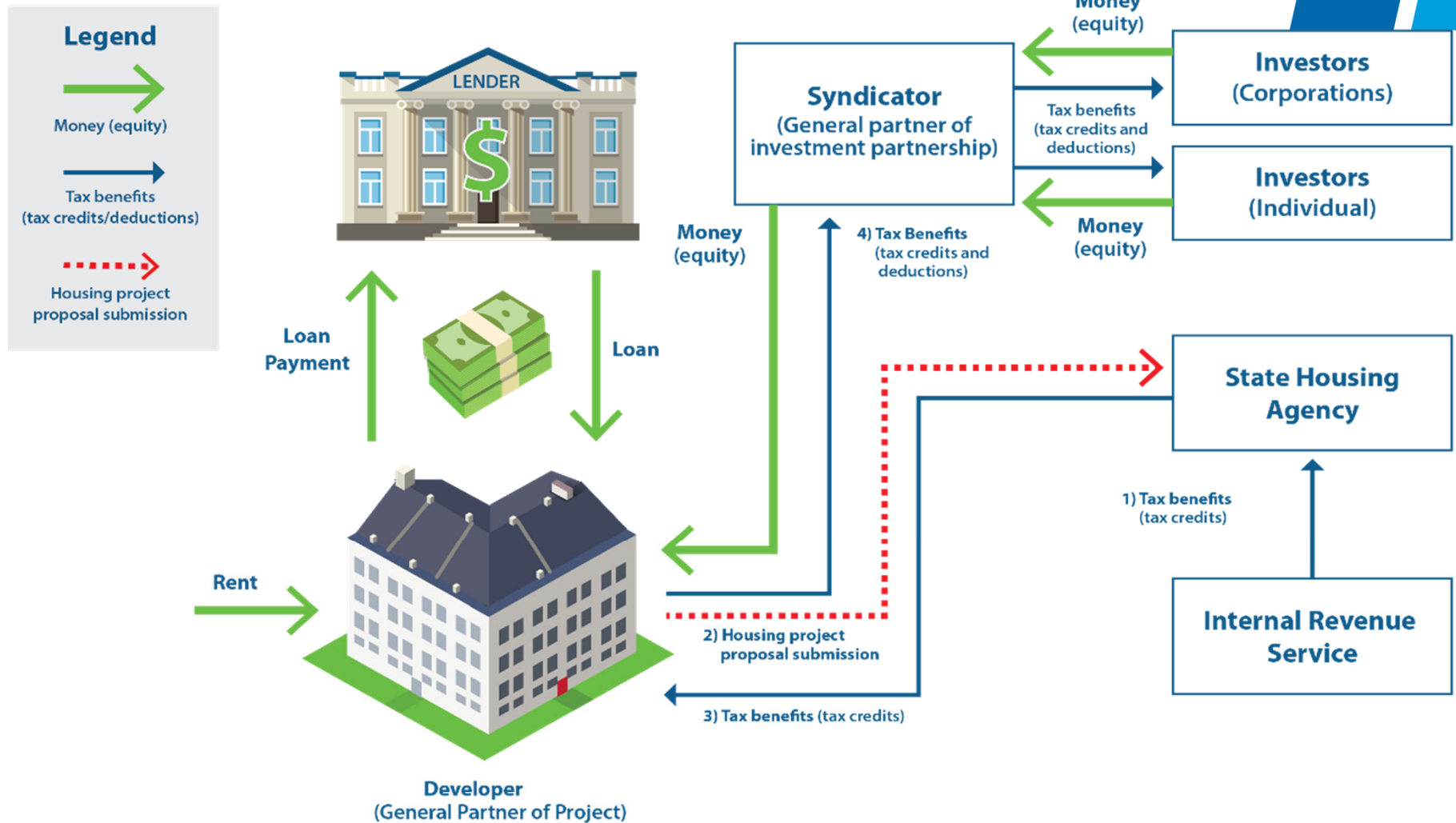


What Are Tax Credits?



- 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

Mechanics of Tax Credit Allocation



TDHCA 9% Allocation

Scoring

- Highly competitive scoring system
- Applicants in the ETJ
 - 1/2 their points from City;
 - 1/2 from County;
 - Resolutions required from both

TDHCA Points for Resolution

17
points

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 2024 allocation of private activity bonds are provided in a lottery process to issuers and applicants



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 1, 2023	Governor approved 2024 Qualified Allocation Plan
December 5, 2023	Application for resolutions posted by HCD
January 5, 2024	Pre-applications due to TDHCA
January 5, 2024	Applications due to HCD
February 7, 2024	Public Hearing
February 14, 2024	Preferred City Council date
February 21, 2024	Alternative City Council date
March 1, 2024	TDHCA Full Application Delivery Date





HCD Housing Tax Credit Resolution Guidelines - 2024



Priority Items

HCD 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
- Onsite quality educational programming

2024 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

HCD 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 and permanent supportive housing

Equitable Distribution Policy

Competitive factors:

1. Tenant Population – HCD will prioritize the following transactions in order
 - General Population
 - Age Restricted Population
2. HCD Score
3. Poverty rate of site compared to other applications in the district
4. Quality onsite educational program

Applicants for Resolutions

Council District	Total Applications	Limit	Total Resolutions
District A	1	2	1
District B	4	2	3
District C	0	3	0
District D	5	2	2
District E	5	3	3
District F	4	3	3
District G	0	3	0
District H	1	2	1
District I	2	3	1
District J	3	3	3
District K	6	2	1
ETJ	3	N/A	1
Total	34	28	19



2024 Resolutions for 9% Housing Tax Credit Applications



Applicants for Resolutions

Application Number	Development Name	Development Address	District	Target Population
24204	Greens at Retton	NWC of Retton Dr & NW Freeway	A	Family
24119	Retreat at Esther	SW Quadrant of Wheatley St & Esther Dr	B	Senior
24248	New Hope Housing Wheatley	1131 Bland St and 1117 Bland St	B	Supportive Housing
24110	Northpark Garden Villas	20654 Imperial Valley Dr	B	Family
24172	WALIPP Senior Residence Expansion	5220 Scott St and 5134 & 5141 Grantwood St	D	Senior
24118	Lofts at South Loop	0 Hycohen Rd	D	Family
24011	The Laurel on Kingwood	23915 Highway 59 N	E	Senior
24083	West Fork Place	West Side of Kingwood Place Dr, South of Kingwood Medical Dr	E	Senior
24117	Forest Pines	NWC of Forest Center Dr at Eastex Frwy	E	Family
24221	Dashwood Trails	N of Intersection of Dashwood Dr and Jetty Ln	F	Family



Applicants for Resolutions

Application Number	Development Name	Development Address	District	Target Population
24102	Oleander Commons	12805 Bissonnet St	F	Senior
24032	Bissonnet Village	12865 Bissonnet St	F	Family
24001	Parkside at Buffalo Bayou	733 N Drennan St	H	Senior
24084	Nunn Village	6901 Bellfort Ave	I	Family
24042	10112 Bissonnet Living	NEQ of Bissonnet St & W Sam Houston Pkwy	J	Family
24069	Forum Park Family Villas	10403 Forum Park Dr	J	Family
24202	Arrowood Apartments	8304 Course Dr	J	Family
24076	New Faith Senior Village Apartments	4315 W Fuqua Street	K	Senior
24021	Veterans Memorial Village	11415 Veterans Memorial Drive	ETJ	Family



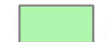




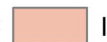



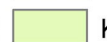

2024 Resolutions for 9% Housing

★ Applications

 Complete Communities

 COH TIRZ

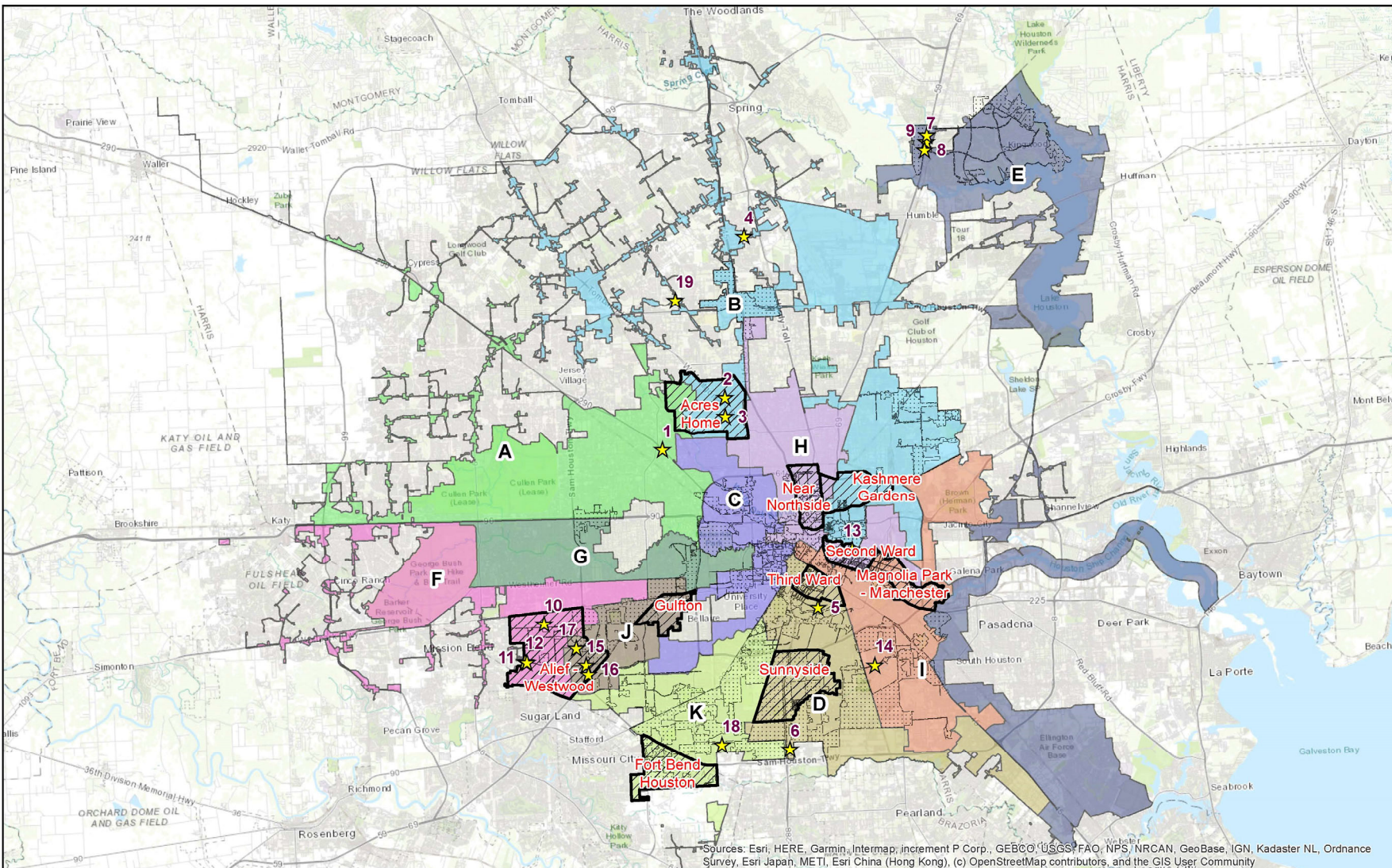
Council District

 A	 G
 B	 H
 C	 I
 D	 J
 E	 K
 F	

Data Sources: City of Houston Housing and Community Development Department, and the City of Houston GIS.

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.

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GeoDesign & Planning Solutions



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|--|-----------------------------|---------------------------------|---------------------------------|
| ★ 1. GREENS AT RETTON | ★ 6. LOFTS AT SOUTH LOOP | ★ 11. OLEANDER COMMONS | ★ 16. FORUM PARK FAMILY VILLAS |
| ★ 2. RETREAT AT ESTHER | ★ 7. THE LAUREL AT KINGWOOD | ★ 12. BISSONNET VILLAGE | ★ 17. ARROWOOD APARTMENTS |
| ★ 3. NEW HOPE HOUSING WHEATLEY | ★ 8. WEST FORK PLACE | ★ 13. PARKSIDE AT BUFFALO BAYOU | ★ 18. NEW FAITH SENIOR VILLAGE |
| ★ 4. NORTHPARK GARDEN VILLAS | ★ 9. FOREST PINES | ★ 14. NUNN VILLAGE APARTMENTS | ★ 19. VETERANS MEMORIAL VILLAGE |
| ★ 5. WALIPP SENIOR RESIDENCE EXPANSION | ★ 10. DASHWOOD TRAILS | ★ 15. 10112 BISSONNET LIVING | |



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:



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.



Applicants Eligible for Two-Mile, Same-Year Waiver

Application Number	Development Name	Development Address	District	Target Population
24248	New Hope Housing Wheatley	1131 & 1117 Bland Street	B	Supportive Housing
24119	Retreat at Esther	SWQ of Wheatley St & Esther St	B	Senior
24042	10112 Bissonnet Living	NEQ of Bissonnet St & W Sam Houston Pkwy	J	Family
24069	Forum Park Family Villas	10403 Forum Park Dr	J	Family



Applicants Eligible for Greater Than 40% Poverty Resolutions

Applicants are required to disclose a development site that is located within a census tract that has a poverty rate above 40% for individuals. Mitigation may be in the form of a resolution from the governing body of the municipality containing the development, acknowledging the high poverty rate and authorizing the development to move forward.

The two properties listed in the attached table are located in a census tract that has a poverty rate for 40% for individuals. Based on initiatives being taken within the Acres Homes Complete Community and TIRZ #7 OST/Almeda, HCD recommends that Council approve the resolution allowing construction of these properties.



Applicants Eligible for Greater Than 40% Poverty Resolution

Application Number	Development Name	Development Address	District	
24248	New Hope Housing Wheatley	1131 & 1117 Bland Street	B	
24172	WALIPP Senior Residence Expansion	5220 Scott St and 5134 & 5141 Grantwood St	D	



Comments & Questions





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