

**Date:** September 30, 2020

**To:** Mark Israelson, City Manager

**From:** Lori F. Schwarz, AICP  
Director of Neighborhood Services

**Subject:** 2021 Housing Tax Credit Process: Evaluation Committee

Requested Action:

Receive presentation and provide direction to Neighborhood Services staff regarding changes to the Housing Tax Credit selection process.

Background:

In April 2020, Neighborhood Services staff discussed with City Council the 2021 Housing Tax Credit (HTC) process, which is summarized in the attached memorandum. As noted in the memo, Council discussed the following suggestions for changes to the Evaluation Committee:

- The evaluation committee to consist of eight members as follows:
  - Two members from the Planning Department
  - One member from Special Projects
  - Two members from the Neighborhood Services Department
  - Three citizen members as follows:
    - One citizen from the Community Relations Commission (CRC)
    - One citizen from the Concerted Revitalization Plan (CRP) area
    - One at-large citizen
- Legal staff to be present during the deliberation of the committee to ensure discussion during evaluation is focused on appropriate elements
- The evaluation committee offers recommendations to Council regarding resolutions (support, no objection and objection).

Staff Review and Analysis:

In preparation for Council discussion of citizen appointees, the existing staff evaluation committee members met with the assigned Deputy City Attorney to discuss the procedural needs of the committee for appointments and review of applications. Items discussed included:

- Mechanism for appointing the review committee, i.e. resolution or other process
- Voting process within the staff/citizen review committee
- Potential timeframe to:
  - Review previous HTC cycles with citizen appointees

- Evaluate any changes to Texas Department of Health and Community Affairs (TDHCA) 9% HTC process
- Evaluate and modify the 2020-21 City of Plano HTC process and application

During these discussions, concerns were raised regarding the unique nature of a combination staff/citizen committee and identifying community members for consideration of City Council appointment. Further, Staff discussed the potential conflict of interest if a citizen appointee was also a representative of a community organization that was eligible to provide comment to the TDHCA process. Ultimately, there needs to be a fair and objective review process that establishes procedures for the committee, including resolution of any potential ties in voting.

#### Potential Committee Consideration:

An alternate suggestion was discussed that would resolve several of these concerns. Rather than appointing a combination staff/citizen committee, or potentially a new citizen only committee, the staff members discussed utilizing the existing Community Relations Committee (CRC) as a recommending body to City Council on HTC applications. The existing staff members of the HTC review committee could provide information to the CRC from their respective areas of expertise in the form of a staff report, in addition to the application provided for the proposed development.

Review by the Deputy City Attorney of the enabling language for the CRC confirmed that a review of this type is within the committee's area of responsibility. In addition, the timing of the review of HTC applications would not conflict with the CRC's Consolidated Grant Process in the Spring. A recommendation from the CRC could then be forwarded to City Council for their consideration of a Resolution of Support, No Objection, or Objection.

#### TDHCA Qualified Allocation Plan (QAP) for FY2020-21

Neighborhood Services staff have continued to monitor the TDHCA 9% HTC website for any updates to the FY2020-21 Qualified Allocation Plan or process for review of applications. The TDHCA Board did not discuss any changes at the September 2020 meeting and at the date of this memorandum, the October agenda had not yet been posted. The TDHCA Board is expected to meet on October 8, 2020. Staff will be able to update the City Council on the results of that meeting at the October 12, 2020 Preliminary Open Meeting.

#### Next Steps:

Once the citizen review committee members are selected, Neighborhood Services staff would like to begin meeting with the committee to provide background on the HTC process to date. We will also continue monitoring the TDHCA process to determine any changes that may be incorporated for the 2021 State of Texas HTC process. As previously mentioned, we will bring any proposed changes for the 2021 HTC process to City Council in November for discussion.

#### Attachments:

April 2020 Memorandum

xc: Jack Carr, Deputy City Manager  
 Christina Day, Director of Planning  
 Peter Braster, Director of Special Projects  
 Michelle D'Andrea, Deputy City Attorney – Development Services  
 Eric Hill, Planning Manager, Senior  
 Shanette Eaden, Housing and Community Services Manager

