

Date: November 8, 2021

To: Mark Israelson, City Manager

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

Subject: 2022 Housing Tax Credit Process: CRC Recommendations

Requested Action:

Receive presentation and provide direction to Neighborhood Services staff regarding changes to the 2022 Housing Tax Credit selection process, as recommended by the Community Relations Commission (CRC), including:

- Review/confirm the Threshold Questions
- Review/confirm the information requested for Housing De-concentration Factors
- Provide a list of information for Council to evaluate applications regarding the Texas Department of Housing and Community Affairs (TDHCA) Housing De-concentration Factors
- Provide a list of information for Council to determine which applicant/project best meets the goals of the Concerted Revitalization Plan (CRP) and will receive the associated points.

Background:

In November 2020, Neighborhood Services staff discussed with the City Council the 2021 Housing Tax Credit (HTC) process. The outcome of that meeting was summarized in a memorandum, dated November 2020 (copy attached). Specific Council direction from that presentation is noted as follows:

- Consider a requirement for applicants to submit a community support element for review by the evaluation committee and/or City Council in determining type of resolution to recommend, especially in situations where only one application may be chosen either by TDHCA or City Council (i.e. de-concentration factor/one project per census tract).
- Evaluate the needs for a process change where if more than one development is proposed within the same census tract, Council will approve only one resolution of support (and the other applications may receive resolutions of no objection/objection).
- 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), but does not provide a recommendation regarding the CRP evaluation.

TDHCA Qualified Allocation Plan (QAP) Draft for FY2021-22

Neighborhood Services staff have continued to monitor the TDHCA 9% HTC website for: 1) updates to the 2022 Qualified Allocation Plan (QAP) Draft, and 2) updates to the process for review of applications. As of November 1, 2021, the QAP, which specifies information that must be submitted for a HTC application in 2022, has not been published. However, TDHCA has placed the [2022 Draft Site Demographics Report](#) online which state the demographics that the TDHCA will be considering when reviewing 2022 HTC application.

Per the Draft Site Demographic Report's "2x units per capita" tab, the population that will be used for Collin County during the 2022 HTC process is 973,977. Therefore, those Housing De-concentration Factors that pertain to counties with a population under a million will apply to any application under consideration. The Housing De-concentration factors that pertain to the City of Plano for the 2022 TDHCA HTC process include the following:

Rule	9% Competitive	4% Non-Competitive
Proximity of Development > 1,000 feet County population <1M; Same Target Population within 1000 feet Lower Scoring application will be ineligible per TDHCA	Applies Due to County Collin County population being considered under 1M for 2022	Does Not Apply
One Award per Census Tract Not affected by County population Lower Scoring application will be ineligible per TDHCA	Applies	Does Not Apply
Census Tracts with More than 20% HTC Units per Total Households: Not affected by County population Currently, only Census Tract 319, which contains a large portion of the CRP area. Additional developments may be allowed with specific approval by City Council.	Applies	Applies

Community Relations Commission Actions:

On June 1, 2021 the CRC established an HTC subcommittee to focus on providing suggestions for improving the 2021 HTC process. The HTC subcommittee met once in-person and five times virtually and presented their suggestions at the October 28, 2021, CRC meeting. The subcommittee made edits to the HTC PowerPoint slides used by staff to teach commissioners about the HTC process, as well as edits to the HTC Resolution Application.

October 28, 2021 Community Relations Commission Meeting Recommendations:

Below are the suggestions approved by the Commission for recommendation to City Council for approval.

The five (5) Threshold Questions that were included in the 2021 City of Plano Housing Tax Credit application process were reviewed and discussed by the CRC. The Commission voted, 6 - 0 in favor, to keep the same Threshold Questions utilized for the 2021 HTC application for the 2022 process. There were no members of the public present.

The Threshold Questions recommended by the CRC are as follows:

- 1) Do the units address a housing need or problem identified in the Needs Assessment or Market Analysis sections of the City of Plano's current Consolidated Plan for HUD programs?
- 2) Is the proposed development located within a half-mile (0.50) walking distance of DART transportation (current or developing public transportation route); **or** is the proposed development located in a high opportunity area?

High opportunity area is defined as an area with area median income (AMI) greater than 80%; or an area with poverty rate of 10% or less.

- 3) Does the proposed development have at least 20% market rate units?
- 4) Does this development redevelop a multifamily complex or under-performing commercial development?
- 5) Does the development include at least 4 of the below energy efficient or sustainable/green build components?
 - a) The use of better than R-3 insulation on exposed hot water pipes;
 - b) Energy Star certified windows with Low E glass;
 - c) Energy Star certified HVAC;
 - d) Energy Star certified water heaters;
 - e) Low or no VOC paint;
 - f) One of the following types of insulation used:
 - i. Radiant barrier per ASTM standards in attic and/or roof sheathing; and/or exterior wall sheathing (may not be combined with spray foam insulation); or
 - ii. Spray foam insulation exceeding code requirements.

The Commission recommends changing the language used when stating the Threshold Criteria for a specific resolution type. Below is the 2021 language and the recommended language for the 2022 process.

- 2021 Threshold Criteria Language: To be eligible for a Resolution of Support, all applications must meet Threshold Question # 1 and at least three (3) of the remaining threshold questions.
 - 2022 Recommended Threshold Criteria Language: To be eligible for **consideration for a** CRC recommendation of a Resolution of Support, all applications must meet Threshold Question # 1 and at least three (3) of the remaining threshold questions.
- 2021 Threshold Criteria Language: To receive a recommendation for a Resolution of No Objection, applications must meet Threshold Question # 1 and at least two (2) of the remaining threshold questions.

- 2022 Recommended Threshold Criteria Language: To be eligible for **consideration for** a CRC recommendation of a Resolution of No Objection, Threshold Question #1 and at least two (2) of the remaining threshold questions.

October 28, 2021 Community Relations Commission Meeting Recommendations:

Below are the suggestions approved by the Commission for recommendation to City Council for approval.

All questions and information requested in the application 2021 Housing Tax Credit Resolution Application were reviewed and discussed by the CRC. The Commission voted, 6 - 0 in favor, to keep the question in the 2021 HTC application and add the below additional questions. There were no members of the public present.

- Will you (the applicant/developer) serve as the property manager after project completion? (see page 9 of the attached HTC Resolution application)
- Is the development located a) more than 1,000 feet of any TDHCA approved property, regardless of target population and b) more than $\frac{3}{4}$ of a mile (3,960 feet) of a TDHCA approved property for the same target population? (see page 9 of the attached HTC Resolution application)
- Is there anything else that you would like the City to know about your proposed project? (see page 12 of the attached HTC Resolution application)
- Under the “Additional Development Information” section of the application (see page 12 of the attached HTC Resolution application):
 - Does the applicant or developer serve as the property manager for the property?
 - State the Average Occupancy Rate over the last 12 months.
 - Was the project completed as proposed regarding a) built environment and b) financing
 - Did the property have any property standards/code violations within the first five years of being built? (City may verify)

October 28, 2021 Community Relations Commission Meeting Recommendations:

The CRC discussed the applicable Housing De-concentration Factors to determine information that would be requested from HTC applicants in considering recommendations in Census Tracts where only one application would be considered eligible by TDHCA.

The CRC voted unanimously to recommend keeping the required information from the 2021 Application and adding the additional information for consideration to be submitted by all applicants.

- A Housing Market Study completed within the last year and includes:
 - Executive Summary that is no more than approximately two pages that includes:
 - i. The unit mix and number of accessible units at the proposed, and
 - ii. Average rental rates by number of bedroom for all multifamily complexes (with 50 units or more) within a 2 mile radius.

- Submit the following as Attachments to the Market Analysis:
 - i. Comps within 15 miles of the proposed site that include the following for each comp:
 - 1. The exact distance between the comp and proposed development site;
 - 2. Age of the property; and
 - 3. Rents by bedroom size at the property.
 - For every multifamily rental property (with 50 units or more) within a two mile radius
 - i. The exact distance between the comp and proposed development site;
 - ii. Age of the property; and
 - iii. Rents by bedroom size at the property.
- Community Support Letter(s) will be required by all applicants unless the applicant states that there is not a registered neighborhood near the proposed site, per the City of Plano Resources Map. A neighborhood providing a letter of support will need to answer the following:
 - Has the neighborhood, community organization, letter author, or anyone that has a familial relationship with the said letter author benefited from donations or compensation from the applicant?
 - Is the person writing the letter or living within the neighborhood a board member for the nonprofit developer applying for a resolution?
 - What is the distance between the neighborhood, community organization or letter author and the proposed site?

Next Steps:

Once City Council has confirmed the 2022 City of Plano Housing Tax Credit process at the November 8, 2021 meeting, staff will develop an application for posting on the City's website. Neighborhood Services staff will also schedule virtual training for all potential HTC applicants for the week of November 15, 2021.

Other dates related to the Housing Tax Credit timeline:

- January 10, 2022: 9% HTC applications are due.
- January 20, 2022: CRC will meet to discuss HTC recommendations.
- February 14, 2022: CRC HTC Resolution Recommendations are presented to City Council.

Attachments:

A: 2022 Community Relations Commission (CRC) HTC Presentation

B: 2022 CRC Recommended City of Plano Housing Tax Credit Resolution Application

C: November 12, 2020 City Council Memorandum and CRC-HTC Next Steps Presentation

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



Texas Department of Housing and
Community Affairs
Housing Tax Credit Program (HTC)

HTC Program Creation

- Created by Congress in 1986 to incentivize and leverage private-sector investment capital for the creation of rental units for households earning 60% or less of Area Median Income (AMI);
- Funded by the U.S. Department of Treasury and overseen by the Internal Revenue Service; and
- Credit administered on regional basis by each state using Qualified Allocation Plan (QAP) to determine how all tax credits will be distributed, as required by the IRS.



Program Purpose

- Provide a source of equity financing (tax credits) for the development of affordable housing for households earning at or below 60% AMI;
- Ensure that the state's affordable housing supply is well maintained and operated, and
- Prevent losses in the state's supply of affordable housing.



General Project Eligibility

- Be a residential rental property
- Commit to 1 of 3 possible low-income occupancy threshold requirements per Federal guidelines
 1. 40/60 Test: 40% of units are reserved for 60% AMI;
 2. 20/50 Test: 20% of units are reserved for 50% AMI; or
 3. Average income of tenants: 40% of units are reserved for tenants with an average income of $\leq 60\%$ AMI, no tenant as an income exceeding 80% AMI
- Tenant Rent Restrictions: $\leq 30\%$ of HUD Area Median Income (AMI)
 1. The rent is calculated using HUD's AMI, such that the maximum permissible gross rent, including an allowance for utilities, must be less than 30 percent of imputed income based on HUD's area median income.
- Operate under the rent and income restrictions for 30 years or longer



Rent Limits

- The rent limit is the maximum rent the landlord may charge for the program units.
- The rent limit is a percentage of the income limit.
- Rent limits vary by the number of bedrooms in an apartment.
- Rent limits for **TDHCA rental programs** are not based on individual household income.
- HTC units are rent restricted, but are not subsidized by the HTC program.



Income Limits

- The income limit is the maximum income a tenant can earn to live in a program unit.
- Income limits vary by the number of household members.
- HUD releases income limits every year.
- Income limits are based on AMI
- If a tenant's income goes up, a tenant may continue to live in the unit and pay the fair market rent.



TDHCA's Rent and Income Limits (as of 6/1/2021)

PLEASE COMPLETE ALL FIELDS.

(1) County: Collin

(2) Place:² Plano

(3) Financing: 9% Housing Tax Credits

(4) Project PIS Date: On or After 5/17/2021

(5) Carryover / Determination Notice / Subaward Agreement Date:

On or After 5/17/2021

INCOME LIMITS

2021 Area Median Income: \$89,000

AMFI %	Number of Household Members							
	1	2	3	4	5	6	7	8
20	\$ 12,460	\$ 14,240	\$ 16,020	\$ 17,800	\$ 19,240	\$ 20,660	\$ 22,080	\$ 23,500
30	\$ 18,690	\$ 21,360	\$ 24,030	\$ 26,700	\$ 28,860	\$ 30,990	\$ 33,120	\$ 35,250
40	\$ 24,920	\$ 28,480	\$ 32,040	\$ 35,600	\$ 38,480	\$ 41,320	\$ 44,160	\$ 47,000
50	\$ 31,150	\$ 35,600	\$ 40,050	\$ 44,500	\$ 48,100	\$ 51,650	\$ 55,200	\$ 58,750
60	\$ 37,380	\$ 42,720	\$ 48,060	\$ 53,400	\$ 57,720	\$ 61,980	\$ 66,240	\$ 70,500
70	\$ 43,610	\$ 49,840	\$ 56,070	\$ 62,300	\$ 67,340	\$ 72,310	\$ 77,280	\$ 82,250
80	\$ 49,840	\$ 56,960	\$ 64,080	\$ 71,200	\$ 76,960	\$ 82,640	\$ 88,320	\$ 94,000
120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

RENT LIMITS

AMFI %	Number of Bedrooms						
	0	1	2	3	4	5	
20	\$311	\$333	\$400	\$463	\$516	\$569	
30	\$467	\$500	\$600	\$694	\$774	\$854	
40	\$623	\$667	\$801	\$926	\$1,033	\$1,139	
50	\$778	\$834	\$1,001	\$1,157	\$1,291	\$1,424	
60	\$934	\$1,001	\$1,201	\$1,389	\$1,549	\$1,709	
65							
70	\$1,090	\$1,168	\$1,401	\$1,620	\$1,807	\$1,994	
80	\$1,246	\$1,335	\$1,602	\$1,852	\$2,066	\$2,279	

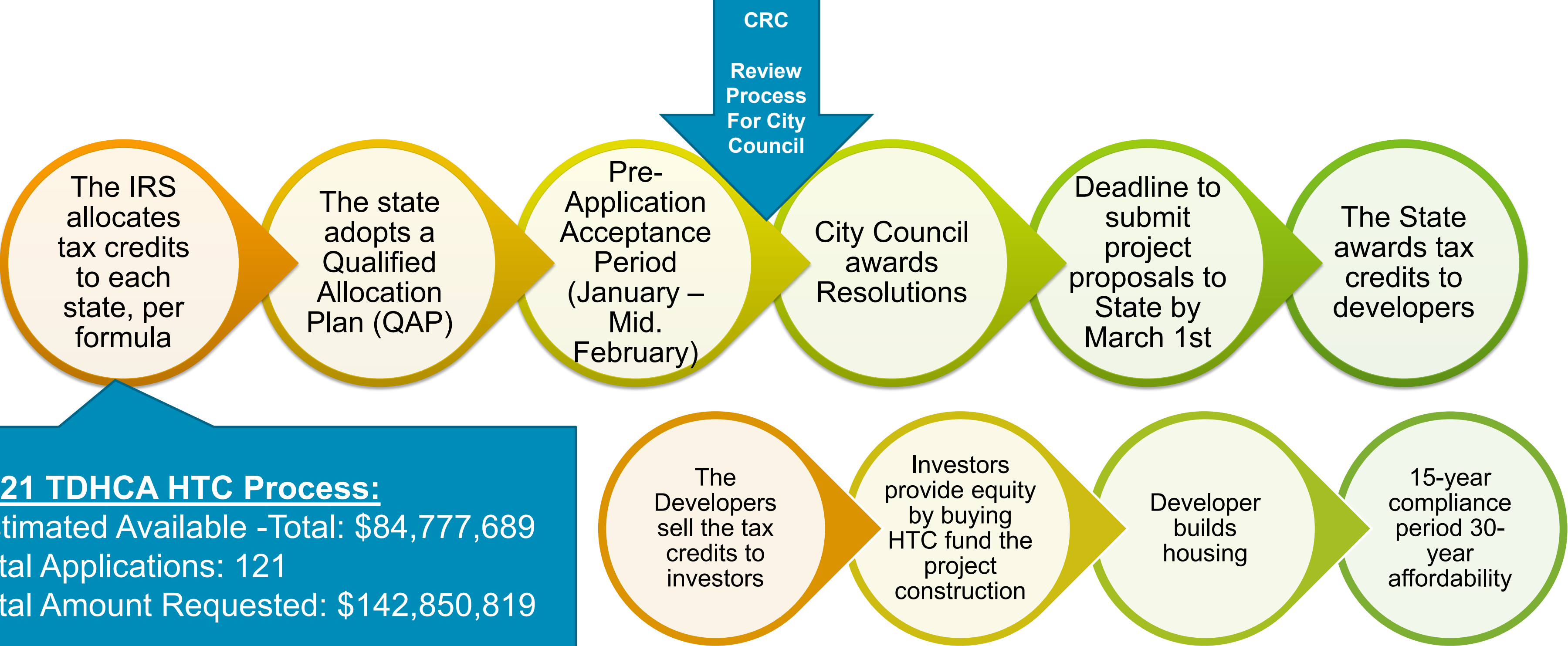


Tenant Selection

- Property units will be offered based on a set rent amount and tenants are accepted to the property based on meeting the property's independent screening criteria and income limits.
- All properties are allowed to screen for credit and criminal history.
- There is no rent subsidy. Tenants must be able to afford the rents and pay their rents in full.



HTC Distribution Timeline



2021 TDHCA HTC Process:
Estimated Available -Total: \$84,777,689
Total Applications: 121
Total Amount Requested: \$142,850,819



Tax Credit Example

9% HTC Program:	
A new apartment- <u>Qualified</u> project cost	\$1,000,000
Credit Rate	9%
Annual Tax Credits ($\$1,000,000 \times 0.09$)	\$90,000
Total Credits Awarded (10 Years)	\$900,000
Price per Credit when the credits are sold on the market	\$0.85
Sell Price (in exchange for tax credits): The amount the developer receives	\$765,000



Types of HTC

- 4% Applications are non-competitive and accepted year-round
- 9% Applications are competitive and accepted once a year

A Public Hearing is required for all housing tax credit (HTC) applications



4% HTC (Non-Competitive)

- 4% HTCs are awarded to developments that use tax-exempt bonds as a component of their financing.
- Applications are accepted throughout the year.
- 4% HTCs are available statewide; they are not subject to regional allocation.



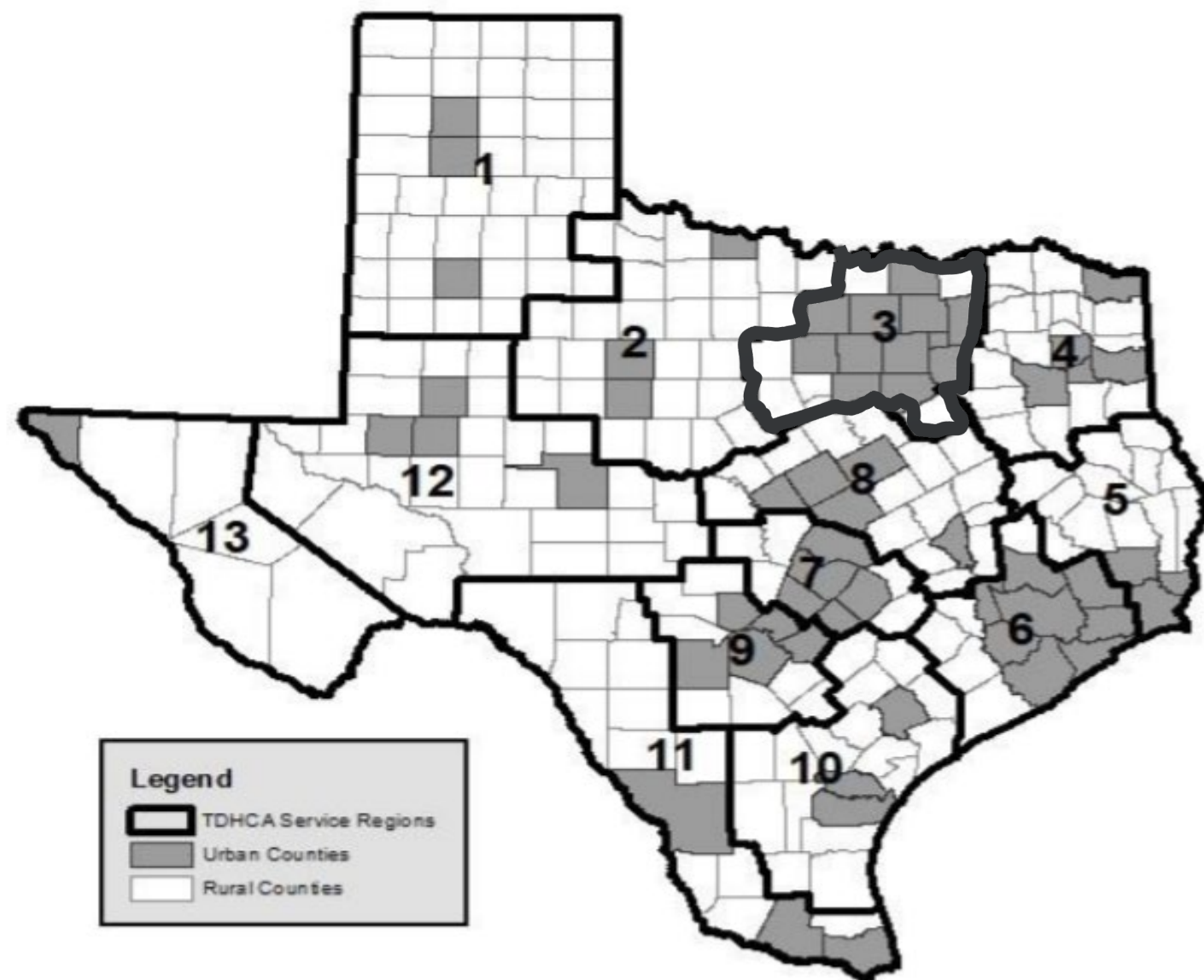
9% HTC (Competitive)

- The 9% HTC program is highly competitive
- Applications are scored and ranked within their region or set-aside.
- Scoring reflects requirements found in state law and program rules (Qualified Action Plan or QAP).



	9% HTC	4% HTC
Subsidy Levels	<ul style="list-style-type: none"> Generally delivery up to a 70% subsidy with federal tax credits allocated by TDHCA 	<ul style="list-style-type: none"> Designed to deliver up to a 30% subsidy with federal tax credits allocated by TDHCA
Other funding restrictions	<ul style="list-style-type: none"> <u>No</u> tax-exempt bonds 	<ul style="list-style-type: none"> Tax-exempt bonds OK
Competitive allocation based on State regulations	<ul style="list-style-type: none"> Highly Competitive 	<ul style="list-style-type: none"> <u>Not</u> Competitive
Application Process	<ul style="list-style-type: none"> Once per year 	<ul style="list-style-type: none"> Rolling
Allocated from fixed pool	<ul style="list-style-type: none"> Yes 	<ul style="list-style-type: none"> No
Local Government Resolution	<ul style="list-style-type: none"> Not required, but desired to be competitive 	<ul style="list-style-type: none"> Required a resolution showing “no objection”

TDHCA



- Each year, TDHCA develops a Qualified Allocation Plan (QAP) that sets forth how the State's tax credit allocation will be awarded.
- TDHCA Administers 13 Regions.
- Allocation for each Regions is split between Urban and Rural, referred to as sub-region.
- An Applicant cannot apply for more than 150% of the amount available in the sub-region or \$1,500,000, whichever is less.
- There are 19 Counties in Region 3
- In 2021 TDHCA estimated to allocate tax credits totaling \$16,898,499 to Region 3/Urban.
- Plano is in Region 3/Urban

TDHCA- 4% Credit

- Application accepted year round; generally the 5th day of the month. The application submission dates are tied to the TDHCA Board Meeting dates for the calendar year and provide the TDHCA with a 90-day review period.
- TDHCA issues tax-exempt and taxable multifamily Mortgage Revenue Bonds to fund loans to for-profit and qualifying nonprofit 501(c)(3) organizations for acquisition and rehabilitation, and new construction of affordable rental units.



TDHCA- 4% Credit, continued

- Applications will be reviewed according to the Threshold Requirements and Scoring Criteria as outlined in §12.5 and §12.6 of the Multifamily Housing Revenue Bond Rules.
- The Application will be ranked against other applications submitted in the same month based on final scores.
- Multiple site Applications will each be scored based on their own merits and the final score will be determined based on an average of all the individual scores



TDHCA 4% Credit, continue

Bond Issuer

- Local issuers represent the 13 state service regions and have volume cap specifically set-aside for their use.
- Local issuers only have the authority to issue bonds to Developments that are within their jurisdiction
- TSAHC and TDHCA have the authority to issue bonds statewide, regardless of location, and can even pool Developments located in multiple cities into one transaction.
- **For the 2021 program year,** local issuers will have approximately \$593 million in volume cap to issue; TSAHC will have approximately \$84 million and TDHCA will have approximately \$169 million.



TDHCA 9% Credit

Timeline:

Estimate Timeline	Action
January 4 th	Application Acceptance Period Begins
Mid-February	Deadline for submission of Application
March 1 st	End of Application Acceptance Period
April 1 st	Market Analysis Delivery Date
June	Application scores released
July	Final awards



TDHCA 9% Credit

Qualified Allocation Plan Scoring System

- A. Criteria promoting development of high quality housing
- B. Criteria to serve and support Texans most in need
- C. Criteria promoting community support and engagement, and
- D. Criteria promoting the efficient use of limited resources and applicant accountability.



C. Criteria promoting community support and engagement

1. **Local Government Support. (17 Points) - CRC**
2. **Commitment of Development Funding by Local Political Subdivision. (1 Point) – City provides to Resolutions of Support**
3. Declared Disaster Area (10 Points)
4. Quantifiable Community Participation (9 Points)
5. Community Support from State Representative (8 Points)
6. Input from Community Organizations (4 Points)
7. **Concerted Revitalization Plan (7 Points) – City Council**





Texas Department of Housing & Community Affairs
2021 Competitive (9%) Housing Tax Credit (HTC) Program
Application Submission Log

Application Number	Development Name	Development Address	City	Low-Income Units	Market Rate Units	Total Units	Target Population (Supp. Hsg. = SH)	HTC Request	Self Score Total	\$11.9(d)(1)	\$11.9(d)(4)	\$11.9(d)(5)(A)	\$11.9(d)(5)(B)	\$11.9(d)(6)	\$11.9(d)(7)	Best Possible Score	Review Status	Underwriting Status	Notes
Region 3/Urban																			
21081	Kiva East	SWQ East Side Ave	Dallas	71	16	87	General	\$1,500,000	132	17	4	0	8	4	7	172	UR	UR	
21145	Mariposa Apartment	4.5 Acres Near the I	Plano	108	72	180	Elderly	\$1,500,000	139	17	4	0	8	4	0	172	UR	UR	
21087	The Versia	NWC Grove St and S	Irving	78	0	78	Elderly	\$1,500,000	139	17	4	8	0	4	0	172	UR	UR	
21136	Oaklawn Place	5717-5725 Sadler Ci	Dallas	84	0	84	Elderly	\$1,448,770	131	17	4	8	0	4	7	171	N	N	Terminated pending appeal
21015	Embree Eastside	1010 State Hwy 66	Garland	80	27	107	General	\$1,500,000	138	17	4	0	8	4	0	171	UR	UR	
21109	The Residence at Syca	701 Dairy Rd	Garland	60	0	60	Elderly	\$1,158,455	138	17	4	0	8	4	0	171	N	N	2 mi same yr (see 21015)
21208	Parmore Jupiter Road	SWQ of E Parker Rd	Plano	80	20	100	Elderly	\$1,411,815	138	17	4	0	8	4	0	171	UR	UR	
21093	Parkside on Carrier	1217 S. Carrier Park	Grand Prairie	38	0	38	Elderly	\$782,000	138	17	4	8	0	4	0	171	UR	UR	
21286	Blue Sky at Hawks Cre	6660 Hawks Creek /	Westworth Village	102	18	120	Elderly	\$1,500,000	138	17	4	0	8	4	0	171	UR		
21004	Skyline at Cedar Crest	2720 East Kiest Blv	Dallas	85	22	107	General	\$1,500,000	131	17	4	8	0	4	7	171	N	N	
21007	Retta Street Lofts	2904 East Belknap	Fort Worth	63	7	70	Elderly	\$1,095,000	131	17	4	8	0	4	7	171	N	N	elderly max
21053	Reserve at Shiloh	1102 N Shiloh Road	Garland	74	32	106	General	\$1,260,000	131	17	4	0	8	4	7	171	UR	UR	
21061	Magnolia Lofts	300 E Magnolia Ave	Fort Worth	60	7	67	General	\$1,500,000	131	17	4	0	8	4	7	171	UR	UR	
21181	The Heights at MacArt	400 S. MacArthur Bl	Irving	76	0	76	General	\$1,500,000	131	17	4	8	0	4	7	171	N	N	2 mi same yr (see 21087)
21215	Torrington Silver Creel	NWQ Silver Creek a	White Settlement	85	11	96	General	\$1,500,000	130	17	4	0	8	4	7	170	UR	UR	
21263	Crossroads Apartment	Approx. 1105 E. Lan	Fort Worth	61	7	68	SH	\$928,630	130	17	4	8	0	4	7	170	N	N	2 mi same yr (see 21061)
21078	Clifton Riverside	2400 Block of E Bell	Fort Worth	79	15	94	General	\$1,500,000	131	17	4	0	0	4	7	163	UR		
21149	Residences at Alpha	5353 Alpha Road	Dallas	80	20	100	Elderly	\$1,500,000	130	17	4	8	0	4	0	163	N	N	elderly max
21144	Mariposa Apartment	1 Near the NWC of W	Plano	108	72	180	Elderly	\$1,500,000	139	17	4	-8	0	4	0	156	N	N	elderly max
21139	Cypress Creek Apartm	11520 North Central	Dallas	103	86	189	General	\$1,500,000	138	17	4	-8	0	4	0	155	UR		
21291	The Legacy in Denton	4298 E McKinney Str	Denton	189	43	232	General	\$0	133								N	N	Terminated/Withdrawn
21243	Metro Lofts	2133-2137 & 2221 Er	Dallas	75	14	89	General	\$0	138								N	N	Terminated
21202	Residences at Butler	2411 Butler St & 241	Dallas	82	20	102	General	\$0	132								N	N	Withdrawn
Estimated Amount Available		\$16,894,134	Elderly Max	\$6,962,073			Total Requested	\$27,584,670											



City Resolution Points

Concerted Revitalization Points

9% HTC Municipality Points:

- 1. Local Government Support via resolution (17 Points max) – CRC Recommendation**
 - A. Resolution of Support – 17 points
 - B. Resolution of No Objection – 14 points
- 2. Commitment of Development Funding by the City (1 point)**

Minimum \$500 commitment from the City in a form of a loan, grant, reduced fees or contribution of other value that equals to \$500 or more.
- 3. Concerted Revitalization Plan (7 Points)- City Council Only**



Role of the CRC: **Recommending Resolutions to City Council**

Per the 2021 City of Plano HTC Process:

- To be eligible for a Resolution of Support, all applications must meet Threshold Question # 1 and at least three (3) of the remaining threshold questions.
- To receive a recommendation for a Resolution of No Objection, applications must meet Threshold Question # 1 and at least two (2) of the remaining threshold questions.



§11.3 Housing De-Concentration Factors (6)

A Resolution of support from the City is required in order to “overrule” the following:

1. Twice the State Average Per Capita (9% and Tax-Exempt Bond Only).

If a proposed Development has more than twice the state average of units per capita supported by HTC or private activity bonds at the time of the Application Acceptance Periods Begins, the Applicant must obtain prior approval with an adopted resolution supporting the development and specifically citing Tex. Gov't Code §2306.6703(a)(4) from the Governing Body of the municipality.

2. One Mile Three Year Rule (9% and Tax-Exempt Bond Only)

A proposed New Construction or Adaptive Reuse Development will be ineligible if it is located one linear mile or less from another development that (A) serves the same Target Population, (B) any new construction has received an allocation of HTC at any time in the past 3 year. Many exemptions are available.

3. Limitations on Developments in Certain Census Tracts

A proposed Development will be ineligible if located in a census tract that has more than 20% HTC units per total households unless the City has adopted a resolution stating the proposed development is consistent with the jurisdiction's obligation to affirmatively further fair housing and that the City has no objection to the Application



§11.3 Housing De-Concentration Factors

4. Two Mile Same Year Rule (9% Only)

If a proposed Development site is located less than 2 linear miles from the proposed Development Site of another Application that is awarded in the same calendar year are submitted, the lower scoring Application will not be reviewed unless the higher scoring Application is terminated or withdrawn.

5. Proximity of Development Sites. (9%Only)

If 2 or more HTC Applications are proposing Development serving the same Target Population on sites separated by 1,000 feet or less, the lower scoring Application(s) will be considered ineligible.

6. One Award per Census Tract Limitation (9%Only)

If two or more Applications are proposing Developments in the same census tract, the lower scoring Application(s), will be considered ineligible and will not be reviewed ***unless*** the higher scoring Application is terminated or withdrawn.



§11.3 Housing De-Concentration Factors

	9%	4%
<p>Proximity of Development > 1,000 feet County population <1M; Same Target Population within 1000 feet Council has requested only one application be recommended Lower Scoring application will be ineligible per TDHCA</p>	Applies	Does Not Apply
<p>One Award per Census Tract Not affected by County population Council has requested only one application be recommended Lower Scoring application will be ineligible per TDHCA</p>	Applies	Does Not Apply
<p>Census Tracts with More than 20% HTC Units per Total Households: Not affected by County population Currently, only Census Tract 319, which contains a large portion of the CRP area. Council has requested only one application be recommended Additional developments may be allowed with specific approval by City Council.</p>	Applies	Applies

§11.3 Housing De-Concentration Factors

	9%	4%
Twice the State Average Per Capita	Applies If determined by TDHCA	Applies If determined by TDHCA
County Population > 1 M		
Two Mile Same Year Rule	Applies	Does Not Apply
One Mile Three Year Rule Apply when a proposed development is located one linear mile or less from another development that serves the same target population that has received the HTC funds in the past 3 years.	Applies	Applies



Current Threshold Questions to Determine Resolution Type

1. Do the units address a housing need or problem identified in the Needs Assessment or Market Analysis sections of the City of Plano's current Consolidated Plan for HUD programs?
2. Is the proposed development located within a half-mile (0.50) walking distance of DART transportation (current or developing public transportation route); or is the proposed development located in a high opportunity area?
 - **High opportunity area** is defined as an area with area median income (AMI) greater than 80%; or an area with poverty rate of 10% or less.
3. Does the proposed development have at least 20% market rate units?



Current Threshold Questions continued

4. Does this development redevelop a multifamily complex or under-performing commercial development?

5. Does the development include at least 4 of the below energy efficient or sustainable/green build components?

- a) The use of better than R-3 insulation on exposed hot water pipes;
- b) Energy Star certified windows with Low E glass;
- c) Energy Star certified HVAC;
- d) Energy Star certified water heaters;
- e) Low or no VOC paint;
- f) One of the following types of insulation used:
 - i. Radiant barrier per ASTM standards in attic and/or roof sheathing; and/or exterior wall sheathing (may not be combined with spray foam insulation); or
 - ii. Spray foam insulation exceeding code requirements.



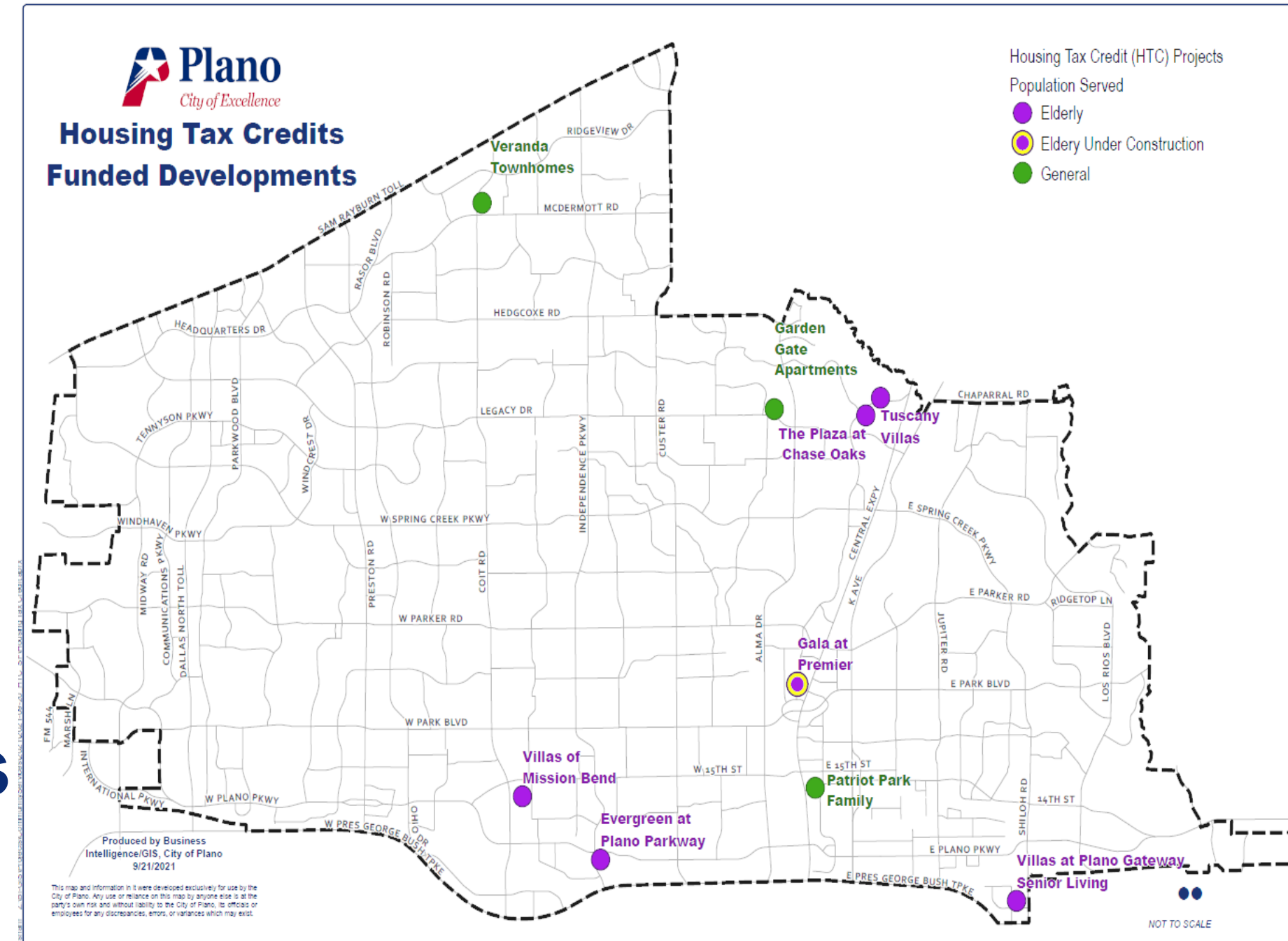
2021 Awarded Developments

Development	Low-Income Units	Market Rate Units
Mariposa Apartment Homes at Communications Parkway (Elderly)	108	72
Parmore Jupiter Road (Elderly)	80	20



Existing HTC Units

- **914 Elderly Units**
- **77 Elderly Units (Under Construction-Gala at Premier)**
- **371 General Units**
- **1,362 Total HTC Funded Units**



Questions?



ATTACHMENT B



City of Plano

2022 Housing Tax Credit Resolution of Support Application

Four Percent (4%) Housing Tax Credit Resolution Application

Four Percent (4%) housing tax credit applications are accepted year round. Use one application per resolution request. The applications will be subject to the same evaluation for the threshold criteria as the Nine Percent (9%) applications, with the exception that the four percent (4%) applications are not eligible for the consideration to receive Concerted Revitalization points.

Nine Percent (9%) Housing Tax Credit Resolution Application

Nine Percent (9%) housing tax credit applications must be submitted by 3:00 PM on Monday, January 10, 2022. Use one application per resolution request. Any documents submitted after the deadline will not be considered as part of your application and will not be reviewed.

Required Documents

To be considered for the resolution, you must submit the required documents listed below with your application. Incomplete applications and/or applications missing substantial information will be deemed ineligible.

Please submit **ONLY** the required items below.

All Applications

- Location map showing the site of the proposed development
- Up to 2 informational pages (photos and text allowed) providing additional narrative about the proposed development. Narrative should be written in font no smaller than Arial 11 point on an 8 1/2 x 11 size page.
- **Housing Market Study/Proposed Target Population Mix within the area (attach document)**
Housing market study must have been completed within the last year and includes the following:
 - a. **Executive Summary that is no more than approximately two pages that includes**
 - i. **The unit mix and number of accessible units**
 - ii. **Average rental rates by number of bedrooms for all multifamily complexes (with 50 units or more) within a 2 mile radius**
- **Submit the following as Attachments to the Market Analysis:**
 - a. **Comps within 15 miles of the proposed site that include the following for each comp**
 - i. **The exact distance between the comp and proposed development site**
 - ii. **Age of the property**
 - iii. **Rents by bedroom size at the property**

Required Documents Continued

- b. Every multifamily rental property (with 50 units or more) within a 2 mile radius
 - i. Age of Property
 - ii. Rents by bedroom size at the property
- **Community Support Letter(s), if not submitted through the online portal**

All applications are required to submit letter(s) unless the applicant states that there is not a registered neighborhood near the proposed site, per the City of Plano Neighborhood Resources Map. A neighborhood providing a letter of support will need to answer the following:

 - a. Has the neighborhood, community organization, letter author, or anyone that has a familial relationship with the said letter author benefited from donations or compensation from the applicant?
 - b. Is the person writing the letter or living within the neighborhood a board member for the applicant or developer applying for a resolution?
 - c. What is the distance between the neighborhood, community organization or letter author and the proposed site?

For those applicants seeking Concerted Revitalization Plan Points (CRP) Points:

- Experience building and leasing HTC developments
- Site amenities unique to the development, including any landscaping and open space
- Density of site (i.e. dwelling units per acre)
- Percentage of green space/landscape area compared to overall land area, excludes site amenities such as pavilions, trails, playgrounds or other impervious areas
- Square feet of green space per unit

Completing the Application

Applicant(s) should complete the application form and respond to the application questions in the boxes/spaces provided for each question. Responses should be concise and address only the items requested.

Application Submission

Applications and required documents must be submitted by email to nopawna@plano.gov. Documents must be readable using Adobe PDF Reader software. Scanned documents must be legible and printable on standard 8.5" by 11" paper.

For 9% HTC applicants wishing to address City Council using a PowerPoint presentation, the presentation should be submitted by email to nopawna@plano.gov by no later than **Wednesday, February 7, 2022**.

Successful application submissions will receive a confirmation email by staff within one (1) business day. Applications submitted without submission receipt email confirming successful receipt of your application(s) will not be considered. Applications delivered by individuals to the City or by mail will not be accepted.

For questions, contact Nopawn Austin (nopawna@plano.gov) in the Neighborhood Services Department at 972-208-8150.

City of Plano Timeline

Deadline	Action
November 15, 2021	Applicant Informational Session (Virtual)
November 16, 2021	Applicant Informational Session (Virtual)
January 10, 2022	9% HTC Resolution Applications are due
January 20, 2022	Community Relations Commission HTC Resolution Meeting
February 14, 2022	City Council Review of HTC Resolution Applications

TDHCA Timeline

Deadline	Required Documentation
TBD	Application acceptance period begins
TBD	Local resolutions and state representative letters due
June 2022	Application scores released
July 2022	Final awards

All applicants receiving a Resolution of Support will be provided:

- **Commitment of Development Funding:** A minimum of a \$500 commitment of development funding in the form of a fee waiver; and



City of Plano HTC Resolution Application Threshold Questions

Threshold Evaluation Criteria

The Community Relations Commission (CRC) will use the below threshold questions and information submitted by the developer with the application to determine whether a Resolution of Support or a Resolution of No Objection will be recommended to City Council.

Resolutions of Support

Applications must meet threshold question # 1 and at least 3 of the remaining threshold questions below to receive **consideration** for a CRC recommendation **of** a Resolution of Support.

Resolutions of No Objection

Applications must meet threshold question # 1 and at least 2 of the remaining threshold questions below to receive **consideration** for a recommendation **of** a Resolution of No Objection.

Threshold Questions – as defined further within the application.

- 1) Do the units address a housing need or problem identified in the Needs Assessment or Market Analysis sections of the City of Plano's current Consolidated Plan for HUD programs?
- 2) Is the proposed development located within a half-mile (0.50) walking distance of DART transportation (current or developing public transportation route); **or** is the proposed development located in a high opportunity area?

High opportunity area is defined as an area with area median income (AMI) greater than 80%; or an area with poverty rate of 10% or less.

- 3) Does the proposed development have at least 20% market rate units?
- 4) Does this development redevelop a multifamily complex or under-performing commercial development?
- 5) Does the development include at least 4 of the below energy efficient or sustainable/ green build components?
 - a) The use of better than R-3 insulation on exposed hot water pipes;
 - b) Energy Star certified windows with Low E glass;
 - c) Energy Star certified HVAC;
 - d) Energy Star certified water heaters;
 - e) Low or no VOC paint;
 - f) One of the following types of insulation used:
 - i. Radiant barrier per ASTM standards in attic and/or roof sheathing; and/or exterior wall sheathing (may not be combined with spray foam insulation); or
 - ii. Spray foam insulation exceeding code requirements.

Secondary Consideration Factors for Resolution Recommendations

If a proposed HTC development meets the minimum threshold questions to be considered for a resolution recommendation, then the commission will continue evaluating the proposal under the following secondary factors.

- In order to receive a **recommendation for a Resolution of No Objection**, the proposed development must receive an **average score between 65 and 74.99**; and
 - In order to receive a **recommendation of Resolution of Support**, the proposed development must receive an **average score of at least 75 or higher**:
1. Is the development located, a) more than 1,000 feet of any TDHCA approved property, regardless of target population, and b) more than 3/4 of a mile (3,960 feet) of a TDHCA approved property for the same target population? (If yes to “a” and “b”, the proposed development will receive 40 points)
 - If no to either “a”, “b”, or both “a” and “b” above, how many combined total HTC units will there be when adding the proposed complex’s units and the existing units within the applicable target range listed above?
 - If less than 200 units, the proposed development will receive 40 points;
 - If between 200 and 400 units, the proposed development will receive 20 points;
 - If more than 400 units, the proposed development may not receive any points under this factor.)
 2. Are the proposed rents notably below nearby market rate rental housing of similar size and quality (reference Market Analysis and local vacancy rate provided)? (up to 20 points)
 3. Will at least five percent (5%) of the total proposed development’s units be handicapped accessible? (5 points)
 4. Will the proposed development fit into the community in the proposed location? (up to 15 points)
 5. Will the proposed complex be an asset to the community (reference the application answers, community support)? (up to 20 points)

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City of Plano
2021 Housing Tax Credit Resolution of Support Application

Select type of Housing Tax Credit Resolution you are requesting:

4% Housing Tax Credit OR 9% Housing Tax Credit

Developer / Applicant Information

Applicant Name:

Address:

City/State/Zip code:

DUNS Number:

Main Contact Person:

Title:

Phone Number:

Email:

Do you have site control or owner's consent to apply for HTC funding on this site?

Yes OR No

Development Partner(s)

List all partners involved in the proposed development including names and roles of each entity (if applicable):

Organization Name	Role in this Project	Main Contact Person

Property Owner & Development Information

Property Owner Information

Owner Name(s):

Address:

City/State/Zip:

Email:

Phone Number:

Development Information

Development Name as it will appear on the TDHCA application:

Ownership Entity as it will appear on the TDHCA application:

Development Address:

Legal Description:

Development Type:

New Construction

Reconstruction

Adaptive Reuse

Rehabilitation

Site Acreage:

Number of Buildings:

Target Population Mix:

Elderly Preference

Individual/Family

Transitional Only

Development Information Continued

Unit Type	Market Rate Units	Affordable Units	Total Number of Units
Number of Units Proposed			
Percentage of Total Units			

How many units are available to each income bracket listed below (i.e., rent level of tenants)?

0-30% AMI

31-50% AMI

51-60% AMI

61-80% AMI

Market Rate

Total Units

Unit mix/types available:

Efficiency

1 Bedroom

2 Bedrooms

3 Bedrooms

4 Bedrooms

Total Units

How many accessible units are included?

Will the development be tax exempt upon completion?

Yes

OR

No

If yes, explain:

Will you serve as the property manager after project completion?

Yes

No

If no, please explain:

Is the development located:

a) more than 1,000 feet of any TDHCA approved property, regardless of target population

Yes

No

AND

b) more than 3/4 of a mile (3,960 feet) of a TDHCA approved property for the same target population?

Yes

No

Addressing Threshold Questions

Only respond to the application questions in the boxes/spaces provided for each question. Responses should be concise and address only the items requested. Do not respond to questions by referring to supplemental information.

- 1) Explain how the development addresses a housing need or problem identified in the Needs Assessment or Market Analysis sections of the City of Plano's current Consolidated Plan.

Substandard Housing

Age of the Housing Stock

Overcrowded Housing

Housing Cost Burden

Zero/Negative Income

Housing Assistance for Disabled or Victims of Violence

You must provide explanations supporting each item checked above:

- 2) Is the project located within a half mile (0.5) walking distance of DART transportation (current or developing public transportation route) and/or is the project located in a high opportunity area?

Yes OR No

If yes, specify

Within 0.5 mile

High Opportunity

- 3) Does the development have at least 20% of market rate units?

Yes OR No

- 4) Is the proposed project a redevelopment of under-performing commercial development or multifamily complex? Under-performing commercial development includes underused commercial structures (office building, shopping mall/center, and retail), aging commercial centers, and commercial structures that are incompatible with surrounding uses.

Yes OR No

4-A) What is the current use of the proposed site?

- 5) Will the development include any of the below energy efficient components or sustainable/green build components? (Minimum of four components is necessary to meet this threshold requirement.)

The use of better than R-3 insulation on exposed hot water pipes

Energy Star certified windows with Low E Glass

Energy Star certified HVAC

Energy Star certified water heaters

Low or no VOC Paint

Choose one of the following types of insulation used:

Radiant barrier per ASTM standards in attic and/or roof sheathing; and/or exterior wall sheathing (may not be combined with spray foam insulation), or

Spray foam insulation exceeding code requirements

Are you seeking consideration for Concerted Revitalization Plan area points with this application?

Yes OR No

Additional Development Information

Density of Site, specifically dwelling units per acre:

If necessary, explain:

Percentage of green space/landscape area compared to overall land area, excludes site amenities such as pavilions, trails, playgrounds or other impervious areas:

If necessary, explain:

State the square feet of green space per unit:

If necessary, explain:

Is there anything else that you would like the City to know about your proposed project?

Has the applicant completed Housing Tax Credit Project(s), within the past 5 years?

Yes OR No

Additional Development Information continued

Please list current or previous HTC properties developed by applicant or developer.

Project Name:				City:	
Name of the Main Responsible Entity:					
Does the applicant or developer serve as property manager for the property?		<div>Yes</div> <div>No</div>			
Number of Unit	Target Population	Project Budget	Year completed	Average Occupancy rate over the last 12 months.	
Was the project completed as proposed? a) Built environment Yes No b) Financing Yes No		Did the property have any property standards/code violations within the first five years of being built? (City may verify) <div>Yes</div> <div>No</div>			
Please list social services provided to tenants:					

Project Name:				City:	
Name of the Main Responsible Entity:					
Does the applicant or developer serve as property manager for the property?		<div>Yes</div> <div>No</div>			
Number of Unit	Target Population	Project Budget	Year completed	Average Occupancy rate over the last 12 months.	
Was the project completed as proposed? a) Built environment Yes No b) Financing Yes No		Did the property have any property standards/code violations within the first five years of being built? (City may verify) <div>Yes</div> <div>No</div>			
Please list social services provided to tenants:					

Additional Development Information continued

Please list current or previous HTC properties developed by applicant or developer.

Project Name:				City:	
Name of the Main Responsible Entity:					
Does the applicant or developer serve as property manager for the property?		<div>Yes</div> <div>No</div>			
Number of Unit	Target Population	Project Budget	Year completed	Average Occupancy rate over the last 12 months.	
Was the project completed as proposed? a) Built environment Yes No b) Financing Yes No		Did the property have any property standards/code violations within the first five years of being built? (City may verify) <div>Yes</div> <div>No</div>			
Please list social services provided to tenants:					

Project Name:				City:	
Name of the Main Responsible Entity:					
Does the applicant or developer serve as property manager for the property?		<div>Yes</div> <div>No</div>			
Number of Unit	Target Population	Project Budget	Year completed	Average Occupancy rate over the last 12 months.	
Was the project completed as proposed? a) Built environment Yes No b) Financing Yes No		Did the property have any property standards/code violations within the first five years of being built? (City may verify) <div>Yes</div> <div>No</div>			
Please list social services provided to tenants:					

Application Submittal Signature

By signing this form, the Applicant authorizes the City of Plano to begin proceeding in accordance with the process for this request. The applicant further acknowledges that submission of an application does not in any way obligate the City of Plano to approve the application and that although the Community Relations Commission (CRC) may make certain recommendations regarding this application, the decision making authority may not follow that recommendation and may make a final decision that does not conform to the CRC's recommendation.

This application cannot be supplemented or amended after submission.

Applicant Signature: _____ Date: _____

Printed Name:

USEFUL LINKS FOR COMPLETING THE CITY OF PLANO HOUSING TAX CREDIT RESOLUTION APPLICATION

[2020-2024 Consolidated Plan](#)

[City of Plano Concerted Revitalization Plan](#)

[Online Community Support Letter Submittal](#)



ATTACHMENT C

Memorandum

Date: November 16, 2020

To: Mark Israelson, City Manager

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

Subject: 2021 Housing Tax Credit Process: CRC Recommendations

Requested Action:

Receive presentation and provide direction to Neighborhood Services staff regarding changes to the 2021 Housing Tax Credit selection process, as recommended by the Community Relations Commission (CRC), including:

- Review/confirm the Threshold Questions
- Review/confirm the information requested for Housing De-concentration Factors
- Provide a list of information for Council to evaluate applications regarding the Texas Department of Housing and Community Affairs (TDHCA) Housing De-concentration Factors
- Provide a list of information for Council to determine which applicant/project best meets the goals of the Concerted Revitalization Plan (CRP) and will receive the associated points.

Background:

In April 2020, Neighborhood Services staff discussed with the City Council the 2021 Housing Tax Credit (HTC) process. The outcome of that meeting was summarized in a memorandum, dated April 2020 (copy attached). Specific Council direction from that presentation is noted as follows:

- Consider a requirement for applicants to submit a community support element for review by the evaluation committee and/or City Council in determining type of resolution to recommend, especially in situations where only one application may be chosen either by TDHCA or City Council (i.e. de-concentration factor/one project per census tract).
- Evaluate the needs for a process change where if more than one development is proposed within the same census tract, Council will approve only one resolution of support (and the other applications may receive resolutions of no objection/objection).
- 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), but does not provide a recommendation regarding the CRP evaluation.

In October 2020, the City Council received a follow-up presentation regarding the HTC evaluation committee and provided direction to utilize the Community Relations Commission (CRC) as the advisory board to evaluate Housing Tax Credit applications. The Council also added a CRC position with specific direction to address member representation from the Concerted Revitalization Plan (CRP) area. This

direction was then formalized by an ordinance update, followed by selection of a new CRC member at the October 26, 2020 City Council meeting.

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

Neighborhood Services staff have continued to monitor the TDHCA 9% HTC website for: 1) updates to the FY2020-21 Qualified Allocation Plan Draft, and 2) updates to the process for review of applications. There have been minor proposed changes to the 2021 TDHCA HTC process, specifically relating to removal of a Housing De-concentration Factor related to phased developments. Additionally, staff has been in communication with TDHCA regarding the Collin County population that will be used in the upcoming 2021 HTC process and applied during Housing De-concentration Factors consideration.

The Competitive (9%) Housing Tax Credit Administrator has confirmed, for the 2021 TDHCA HTC process, the Collin County population being utilized is 944,350; therefore, those Housing De-concentration Factors that pertain to counties with a population under a million will apply to any application under consideration. The Housing De-concentration factors that pertain to the City of Plano for the 2021 TDHCA HTC process include the following:

Rule	9% Competitive	4% Non-Competitive
Proximity of Development > 1,000 feet County population <1M; Same Target Population within 1000 feet Lower Scoring application will be ineligible per TDHCA	Applies Due to County Collin County population being considered under 1M for 2021	Does Not Apply
One Award per Census Tract Not affected by County population Lower Scoring application will be ineligible per TDHCA	Applies	Does Not Apply
Census Tracts with More than 20% HTC Units per Total Households: Not affected by County population Currently, only Census Tract 319, which contains a large portion of the CRP area. Additional developments may be allowed with specific approval by City Council.	Applies	Applies

Community Relations Commission Actions:

Staff provided background information regarding the Texas Department of Housing and Community Affairs (TDHCA) Housing Tax Credit process as well as previous City of Plano Housing Tax Credit local actions to the CRC in preparation for their discussion at their meeting on November 5, 2020. The primary discussion topics the CRC reviewed were the process for consideration of resolutions, including the previously used Threshold Questions, as well as Housing De-concentration Factors.

November 5, 2020 Community Relations Commission Meeting Recommendations:

The CRC received a presentation from the City Attorney's office in Executive Session regarding the Fair Housing Act and other laws relating to Low-Income Housing Tax Credits. Staff also reviewed the ordinance changes approved by City Council relating to their membership and additional Housing Tax Credit responsibilities as well as the direction provided by Council in April 2020 for the 2021 HTC process.

The five (5) Threshold Questions that were included in the 2020 City of Plano Housing Tax Credit application process were reviewed and discussed by the CRC. The Commission voted, 7 in favor, 2 in opposition, to keep the same Threshold Questions for the 2021 City of Plano Housing Tax Credit process. There was one (1) member of the public participating virtually.

The Threshold Questions recommended by the CRC are as follows:

- 1) Do the units address a housing need or problem identified in the Needs Assessment or Market Analysis sections of the City of Plano's current Consolidated Plan for HUD programs?
- 2) Is the proposed development located within a half-mile (0.50) walking distance of DART transportation (current or developing public transportation route); **or** is the proposed development located in a high opportunity area?

High opportunity area is defined as an area with area median income (AMI) greater than 80%; or an area with poverty rate of 10% or less.

- 3) Does the proposed development have at least 20% market rate units?
- 4) Does this development redevelop a multifamily complex or under-performing commercial development?
- 5) Does the development include at least 4 of the below energy efficient or sustainable/green build components?
 - a) The use of better than R-3 insulation on exposed hot water pipes;
 - b) Energy Star certified windows with Low E glass;
 - c) Energy Star certified HVAC;
 - d) Energy Star certified water heaters;
 - e) Low or no VOC paint;
 - f) One of the following types of insulation used:
 - i. Radiant barrier per ASTM standards in attic and/or roof sheathing; and/or exterior wall sheathing (may not be combined with spray foam insulation); or
 - ii. Spray foam insulation exceeding code requirements.

Per the 2020 City of Plano HTC Process:

- To be eligible for a Resolution of Support, all applications must meet Threshold Question # 1 and at least three (3) of the remaining threshold questions.
- To receive a recommendation for a Resolution of No Objection, applications must meet Threshold Question # 1 and at least two (2) of the remaining threshold questions.

The CRC voted to table further discussion of the Housing De-Concentration Factors until their meeting of November 12, 2020.

November 12, 2020 Community Relations Commission Meeting Recommendations:

There were five (5) members of the public participating virtually at the November 12, 2020 CRC meeting during the Housing Tax Credit process discussion. One participant spoke and requested that the CRC reconsider the Threshold Questions, specifically to modify the requirement of 20% market rate units. Two other participants spoke in response to this request – one was neutral and the other was not in favor of making that change. All three participants identified themselves as housing tax credit developers. The CRC chose not to re-open discussion of the Threshold Questions.

The CRC discussed the applicable Housing De-concentration Factors to determine information that would be requested from HTC applicants in considering recommendations in Census Tracts where only one application would be considered eligible by TDHCA. Per Council's direction in April 2020, only one Resolution of Support will be provided in these instances, while the other applications may receive a Resolutions of No Objection or a Resolution of Objection.

The CRC voted unanimously to recommend requiring the following information in considering applications where Housing De-concentration Factors will apply:

- 1) A Housing Market Study,
- 2) The Target Population Mix within the area,
- 3) Community Support Letter(s); and,
- 4) Location within the City of Plano's Concerted Revitalization Plan.

Next Steps:

Once City Council has confirmed the 2021 City of Plano Housing Tax Credit process at the November 23, 2020 meeting, staff will develop an application for posting on the City's website. Neighborhood Services staff will also schedule virtual training for all potential HTC applicants for the week of November 30, 2020.

Other dates related to the Housing Tax Credit timeline:

- January 11, 2021: 9% HTC applications are due.
- January 25, 2021: CRC will meet to discuss HTC recommendations.
- February 8, 2021: CRC HTC Resolution Recommendations are presented to City Council.

Attachments:

April 2020 City Council Memorandum
November 5, 2020 CRC-HTC Process Presentation
November 5, 2020 CRC-HTC Next Steps Presentation
November 12, 2020 CRC-HTC Next Steps Presentation

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

Date: April 14, 2020

To: Mark Israelson, City Manager

From: Lori Schwarz, Director of Neighborhood Services

Subject: **2021 City of Plano Housing Tax Credit Process**

During the April 13, 2020 Preliminary Open Meeting, staff presented an overview of the City of Plano Housing Tax Credit (HTC) process and discussed potential changes for the 2021 HTC Program.

This memorandum summarizes the information discussed and the suggestions provided by Council during the meeting. Later this year, after the Texas Department of Housing and Community Affairs (TDHCA) finalizes the 2021 HTC program, the TDHCA updates and the Plano changes will be consolidated into a draft City of Plano 2021 HTC Program and submitted to Council for consideration and approval.

Council discussed the following suggestions for changes to the application process:

- Offer training for potential applicants in an effort to improve the quality of the information submitted by the applicants
- Contact TDHCA to confirm the Collin County population that will be used during the evaluation of the applications for the 2021 HTC program
- Modify the application to explicitly ask the applicant to consider and, if necessary, request a waiver of the one mile three year rule. (The one mile three year rule considers proximity and timing of past and proposed projects, looking at the project types, distance between developments and the time period between developments) and, if necessary, request additional information (e.g. housing market study) to evaluate the request for the waiver.
- Consider a requirement for applicants to submit a community support element for review by the evaluation committee and/or City Council in determining type of resolution to recommend, especially in situations where only one application may be chosen either by TDHCA or City Council (i.e. de-concentration factor for one per census tract or Concerted Revitalization Plan points).
- Evaluate a process change where if more than one development is proposed within the same census tract, Council will approve only one resolution of support (and the other applications may receive resolutions of no objection/objection).

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).

Council discussed the following suggestions for the Concerted Revitalization Plan (CRP) points:

- The Evaluation Committee will neither review nor offer recommendations to Council regarding the selection of the development project that contributes the most to the revitalization of the CRP.
- The applications for projects that appear to be eligible for the CRP Points are to be submitted to the Council for their consideration.
- This revised process would allow applicants to present their information during the Council meeting. After the Council has received necessary information, they will vote for the applicant to receive the CRP points.

City Council questions:

- During the discussion related to letters of support from the community, Council asked for a definition of “community”. The [Qualified Allocation Plan](#) (QAP) establishes the procedures and requirements relating the award and allocation of Housing Tax Credits. Section 11.9(d)(6) of the QAP says an application may receive up to four points for letters of support. These are allocated as two points for each letter of support submitted from: a qualified community or civic organization that serves the community in which the Development Site is located; a property owners association created for a master planned community whose boundaries include the Development Site; and/or, a Special Management District whose boundaries include the Development Site.
- Council asked for information related to the population of the county that is used during the evaluation of the applications. Specifically, Council wanted to know how to advocate for a particular data source for the county population used by the TDHCA. The following is from the TDHCA website providing the process for public comment during the 9% HTC process and Board meetings:

Every TDHCA program follows the citizen participation and public hearing requirements as outlined in the Texas Government Code and applicable federal laws. Participation and comments are encouraged and can be submitted either at a public hearing or in writing via letters, faxes, email (info@tdhca.state.tx.us), and in some cases directly on the TDHCA web site.

<https://www.tdhca.state.tx.us/public-comment.htm>

SCHEDULE FOR 2021 HTC PROGRAM

October	Council selects citizens for the evaluation committee (if they will be involved with the revisions to the HTC process)
November	TDHCA publishes proposed modifications to the QAP

Late November	POM presentation recommending the 2021 Plano HTC Program
Early January	Pre-application period begins/submitted to City
January	Evaluation Committee meets to develop recommendation for Council consideration
February	Council considers resolutions/CRP points
March	Full applications are due at TDHCA
June	TDHCA's deadline for public comment
Late June	TDHCA release of eligible applications for consideration for award
Mid-August	TDHCA issues HTC commitments

Attachment:

Housing Tax Credit Funded Developments Map

xc: Jack Carr, Deputy City Manager



TDHCA Housing Tax Credit Evaluation –Next Steps

November 12, 2020

Community Relations Commission Meeting

Lori Feild Schwarz, Director of Neighborhood Services

Shanette Eaden, Housing and Community Services Manager

City Council Direction: Application Changes

- Consider a requirement for applicants to submit a community support element for review by the evaluation committee and/or City Council in determining type of resolution to recommend, especially in situations where only one application may be chosen either by TDHCA or City Council (i.e. de-concentration factor for one per census tract).
- Evaluate a process change where if more than one development is proposed within the same census tract, Council will approve only one resolution of support (and the other applications may receive resolutions of no objection/objection).



2



City Council Concerted Revitalization Plan Area (CRP) Direction

- The Evaluation Committee will neither review nor offer recommendations to Council regarding the selection of the development project that contributes the most to the revitalization of the CRP.
- The applications for projects that appear to be eligible for the CRP Points are to be submitted to the Council for their consideration.
- This revised process would allow applicants to present their information during the Council meeting. After the Council has received necessary information, they will vote for the applicant to receive the CRP points.



3

Housing De-Concentration Factors for 9% Program

TDHCA Rule	9% Competitive	4% Non-Competitive
Two Mile Same Year**: <i>County Population >1M</i>	Applies depending upon Collin County Population	
Twice Per State Average Per Capita	Applies but not in Plano at this time	
One mile Three Year**: <i>County Population >1M; May be allowed with specific approval by City Council</i>	Applies depending upon Collin County Population	

**Per TDHCA DRAFT Site Demographic Characteristics Report is Collin County population is 944,350.



4

CRC Recommendations To Make: De-Concentration Factors

One Year Three Mile Rule and Two Mile Same Year

- These rules do not apply to City of Plano for the 2021 HTC Process due to the TDHCA recorded County population being 944,350
- These rules should be revisited prior the 2022 HTC Process.



5

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One Award per Census Tract: <i>Lower scoring application will be ineligible per TDHCA</i>	Applies	



6

CRC Recommendations To Make: De-Concentration Factors

Proximity of Development

- TDHCA will deem the lower scoring application ineligible.
- Per Council direction, only one application will receive a Resolution of Support in these instances.
- What additional information would be needed from the applicant to determine recommendation of a single application? For Example:
 - Housing Market Study?
 - Target population mix within the area?
 - Community Support Letters?
 - Is it located within the CRP?



7

CRC Recommendations To Make: De-Concentration Factors

One Award per Census Tract

- What additional information would be needed from the applicant to determine recommendation of a single application? For Example:
 - Housing Market Study?
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 - Is it located within the CRP?



8

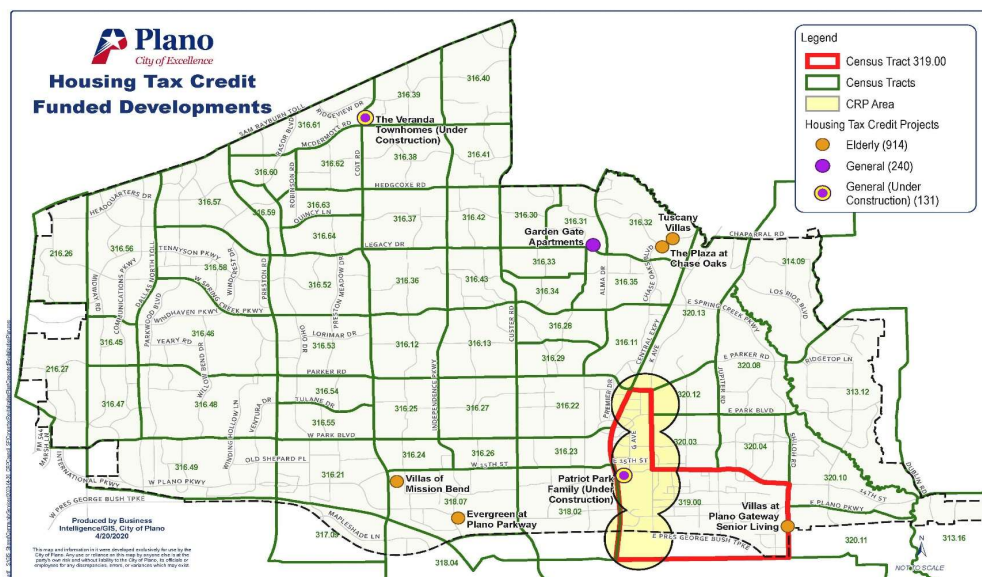
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Census Tracts with More than 20% HTC Units per Total Households: <i>Currently only Census Tract 319; May be allowed with specific approval by City Council</i>	Applies	Applies



9

Census Tract 319



10



CRC Recommendations To Make: De-Concentration Factors

Census Tracts with More than 20% HTC Units per Total Households

- Applicant may request a waiver in the application.
- Council waiver language would be required.
- What additional information would be needed from the applicant to determine approval? For Example:
 - Housing Market Study?
 - Target population mix within the area?
 - Community Support Letters?
 - Is it located within the CRP?



11

City of Plano HTC Timeline

- November 23, 2020: Staff provides CRC HTC Recommendation to City Council.
- December 2020: City staff will provide training to all potential HTC applicants and application is made available.
- January 11, 2021: 9% HTC applications are due.
- January 25, 2021: CRC will meet to discuss HTC recommendations.
- February 8, 2021: CRC HTC Resolution Recommendations are presented to City Council.



12



Questions?





TDHCA Housing Tax Credit Evaluation –Next Steps

**November 5, 2020
Community Relations Commission Meeting**

Lori Feild Schwarz, Director of Neighborhood Services
Shanette Eaden, Housing and Community Services Manager

City Council Direction: Application Changes

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City Council Concerted Revitalization Plan Area (CRP) Direction

- The Evaluation Committee will neither review nor offer recommendations to Council regarding the selection of the development project that contributes the most to the revitalization of the CRP.
- The applications for projects that appear to be eligible for the CRP Points are to be submitted to the Council for their consideration.
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3

CRC Recommendations To Make: Resolution Options

Current Threshold Questions:

1) Do the units address a housing need or problem identified in the Needs Assessment or Market Analysis sections of the City of Plano's current Consolidated Plan for HUD programs?

2) Is the proposed development located within a half-mile (0.50) walking distance of DART transportation (current or developing public transportation route); **or** is the proposed development located in a high opportunity area?

High opportunity area is defined as an area with area median income (AMI) greater than 80%; or an area with poverty rate of 10% or less.



4

CRC Recommendations To Make: Resolution Options

Current Threshold Questions:

- 3) Does the proposed development have at least 20% market rate units?
- 4) Does this development redevelop a multifamily complex or under-performing commercial development?



5

CRC Recommendations To Make: Resolution Options

Current Threshold Questions:

- 5) Does the development include at least 4 of the below energy efficient or sustainable/green build components?
 - a) The use of better than R-3 insulation on exposed hot water pipes;
 - b) Energy Star certified windows with Low E glass;
 - c) Energy Star certified HVAC;
 - d) Energy Star certified water heaters;
 - e) Low or no VOC paint;
 - f) One of the following types of insulation used:
 - » i. Radiant barrier per ASTM standards in attic and/or roof sheathing; and/or exterior wall sheathing (may not be combined with spray foam insulation); or
 - » ii. Spray foam insulation exceeding code requirements.



6



CRC Recommendations To Make: Resolution Options

- Keep the minimum Threshold Questions;
- Edit the Threshold Questions; or
- Change the number of Threshold Questions to allow greater flexibility for receiving a specific resolution



7

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CRC Recommendations To Make: De-Concentration Factors

One Award per Census Tract (no provision for exceptions)

- What additional information would be needed from the applicant to determine that information? For Example:
 - Housing Market Study?
 - Target population mix within the area?
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11

CRC Recommendations To Make: De-Concentration Factors

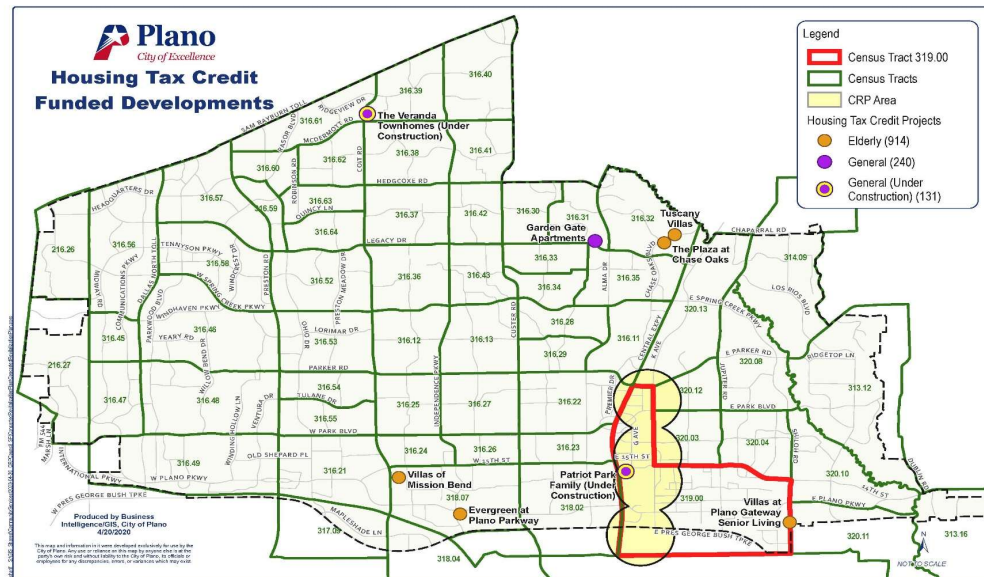
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Census Tract 319



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TDHCA Housing Tax Credit Process

**November 5, 2020
Community Relations Commission Meeting**

Lori Feild Schwarz, Director of Neighborhood Services
Shanette Eaden, Housing and Community Services Manager

Program Purpose

- Incentivize and leverage private-sector investment capital for the creation of rental units for households earning 60% or less of Area Median Income (AMI)
- Supplement federal appropriations devoted to housing assistance administered by the U.S. Department of Housing and Urban Development
- Ensure each state has affordable rental housing supply that is well maintained and operated



2



Housing Tax Credit (HTC) Background

Funding Source and Allocation

- Funded by the U.S. Department of Treasury and overseen by the Internal Revenue Service (Tax Reform Act of 1986)
- Credit administered on regional basis by each state

Texas Specifics:

- Texas Department of Housing and Community Affairs (TDHCA) administers across 13 Regions
 - Plano is within Urban Region 3



3

TDHCA Process Highlights

- 4% Applications accepted year-round
- 9% Applications are competitive and accepted once a year
- A Public Hearing is required for all housing tax credit (HTC) applications



4

History of the TDHCA HTC Process

- Commitment of development funding by a political subdivision.
- 2001 – State Legislature support added to the Community Support and Engagement section of the scoring process.
- 2011 – TDHCA required a resolution from the governing body if the HTC applicant was requesting TDHCA HOME funds to assist in the development.



5

History of the TDHCA HTC Process

- 2014 – TDHCA added “ Local Government Support” via a resolution to the Community Support and Engagement section of the scoring process.
- August 2014 – City Council held a public hearing and passed a Resolution of Support for a 4% elderly HTC development.
- November 2015 – City of Plano Official Housing Tax Credit Process.
- Changes are brought back based on process improvements and/or changes by TDHCA.



6

TDHCA 9% Housing Tax Credit Competition

Last Year 2020 9% Competitive Applications

- 282 pre-applications submitted to TDHCA
- 138 full applications submitted to TDHCA
- 71 (51%) awards made statewide


Last Year City of Plano Application Submittals

- 4 HTC resolution applications submitted
- 3 Resolutions of Support and 1 Resolution of No Objection



7

TDHCA Application Point Allocation


 2020 Final Qualified Allocation Plan Scoring Criteria			
	Scoring Rank	Scoring Item	Maximum Points
Top 10 "Above the Line" Scoring Items <i>(Texas Government Code Section 2306.6710)</i>	1	Financial Feasibility	26
	2	Local Government Support	17
	3	Income Levels of Residents	16
	4	Size and Quality of Units	15
	5	Rent Levels of Residents	13
	6	Cost of Development Per Sq. Ft.	12
	7	Resident Services	11
	8	Declared Disaster Area	10
	9	Quantifiable Community Participation evaluated based on input from neighborhood organizations	9
	10	Community Support by State Representative ★	+8 / +4/ 0 / -4/ -8

← City of Plano

**Top 10 "Above the Line Scoring Items"
Maximum Points: 137**




8

			
2020 Final Qualified Allocation Plan Scoring Criteria			
	Scoring Rank	Scoring Item	Maximum Points
"Below the Line" Scoring Items	11	Opportunity Index	7
	11	Concerted Revitalization Plan	7
	13	Proximity to Job Areas	6
	13	Pre-application Participation	6
	15	Historic Preservation	5
	15	Underserved Area	5
	15	Readiness to Proceed in Disaster Impacted Counties	5
	18	Extended Affordability	4
	18	Input from Community Organizations	4
	20	Leveraging of Private, State, and Federal resources	3
	20	Resident Populations with Special Housing Needs	3
	22	Sponsor Characteristics	2
	23	Funding Request Amount	1
	23	Commitment of Development Funding by Local Political Subdivision	1
	23	Right of First Refusal	1

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**"Below the Line Scoring Items"
Maximum Points: 60**

← City of Plano

 9

Local Government Points Allocation: City Council Impact



10

Criteria for Promoting Community Support & Engagement: Local Government Input Areas

Type of Activity	Point Allocation
City resolution	
Resolution of Support	17
<u>Or</u> Resolution of No Objection	14
City commitment of at least \$500 funding	1



11

Criteria for Promoting Community Support & Engagement: Local Government Input Areas

Type of Activity	Point(s) Allocation
Concerted Revitalization Plan	
<i>A letter from a municipality documenting CRP: 1) measurable improvements; 2) targeted efforts; and, 3) how improvements lead to an appropriate area for housing</i>	4
<i>Municipal designation as the development most supporting the CRP</i>	2
<i>Development is located in a location that would score at least 5 points using the Opportunity Index: TDHCA makes this determination</i>	1



12

State Representative Points Allocation



13

Criteria for Promoting Community Support & Engagement: Community Support from State Representative

Type of Activity	Point(s) Allocation
Letter from a State Representative	
<i>Support Statement</i>	8
<i>Neutral Statement</i>	0
<i>Opposition Statement</i>	-8
If no letter, the default points based on the municipal resolution	
<i>Support</i>	8
<i>No Objection</i>	0
<i>Objection</i>	-8



14



Community At Large Points Allocation: Neighborhood Organizations and Civic Organizations



15

Criteria for Promoting Community Support & Engagement: Quantifiable Community Participation

Type of Activity	Point(s) Allocation
Qualifying Neighborhood Organization Written Statement: <i>TDHCA requires that the development site is located within the boundaries of an officially designated neighborhood organization as defined by TDHCA and 80% of its current membership live within the boundaries of the organization</i>	
<i>Explicit Support</i>	9
<i>Explicit support from a non-qualifying Neighborhood Organization</i>	8
<i>Explicit neutrality from a Neighborhood Organization that qualified as a Quantifiable Community Participation</i>	6
<i>Statement of neutrality from a Neighborhood Organization</i>	4
<i>Areas where no Neighborhood Organization is in existence</i>	4
<i>Statements of Opposition</i>	0



Criteria for Promoting Community Support & Engagement: Input from Community Organizations

Type of Activity	Point(s) Allocation
If the development site does not fall within the boundaries of a qualifying Neighborhood Organization	
<i>Letter from a community or civic organization or property owners organization</i>	4 maximum <i>2 per letter received</i>



17

Housing De-Concentration Factors: City of Plano Implications



18

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21

Council Presentation Link

April 13, 2020 Preliminary Open Meeting

<https://planotx.swagit.com/play/04132020-1271>



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Questions?

