Plano
City of Excellence

Texas Department of Housing and Community Affairs
Housing Tax Credit Program

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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

Housing Tax Credit 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

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.

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.

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
- Local Government support is necessary for application points (17 points)
- No restriction on number of applications supported by Municipality, except only one can be chosen for the Concerted Revitalization points (2 points)

2020 TDHCA Process Highlights

9% HTC Municipality Points

- 17pts. – Resolution of Support
- 1 pt. – Commitment of Development Funding ($500)
- 7pts. – Concerted Revitalization Plan

2020 TDHCA Process:

9% HTC Community Support Points

Applications may receive up to eight (8) points with the express support from the State Representative.

8 pts --- for Express Support

0 pts --- for Neutrality Statements

-8 pts --- for Express Opposition

2020 TDHCA Process:

9% HTC Community Support Points

TDHCA Proposed Change:

Application without a State Representative written input --- eight (8) possible points from this criteria ***will be transferred to municipality points*** *based on resolution provided.*

8 pts --- Resolution of Support

0 pts --- Resolution of No Objection

-8 pts --- Resolution of Objection

2020 City of Plano
HTC Process Amendment Highlights

- No change made to Threshold Questions.
- Substantial changes made to the Consideration to Receive Concerted Revitalization Points (CRP) criteria.
- Added point system to each CRP question with maximum of 100 points.
- Several questions required more information to allow the review committee and the City Council to make a more informed decision.

2020 City of Plano
HTC Process Amendment Highlights

Application Edits – Continued

- Added tiebreakers:

  a) First tie breaker – Priority will be given to the development receiving the highest points under CRP Question # 7 (*HTC Experience*)

  b) Second tie breaker – Priority will be given to the development receiving highest points under CRP Question # 5 (*Meeting the City's CRP goals*)

  c) Third tie breaker – Priority will be given to the development without age restriction.

Consideration to Receive Concerted Revitalization Points (CRP):

CRP Edits

- Removed the CRP criteria:

  a) “The project is located within, Tax Increment Financing (TIF) and/or Neighborhood Empowerment Zone (NEZ) area(s).”

  b) “The project is located within the Opportunity Zone.”

Consideration to Receive Concerted Revitalization Points (CRP):

CRP Edits - Continued

- Combined CRP criteria:

  2019 -- "The applicant has been certified as a the Community Housing Development Organization (CHDO) within the last 12 months" and "The applicant is a nonprofit organization", **to:**

  2020 -- "The applicant or property owner is a nonprofit organization and/or has been certified as a Community Housing Development Organization (CHDO) within the last 12 months." (5 points)

Consideration to Receive Concerted Revitalization Points (CRP):

CRP Edits - Continued

- Specified Low-Income Families as “Low-income families without age restriction” and/or the proposed development has “a minimum of 40% of total project units be rented for occupancy by more than one individual as demonstrated by the number of two (2) bedroom units or more”.
  (20 points)

Consideration to Receive Concerted Revitalization Points (CRP):

CRP Edits – Continued

- Revised the CRP criteria:

  2019 --"The applicant has current funding contracts or has completed Housing Tax Credit project(s) within the past 5 years", **to:**

  2020 --"The applicant has built and leased Housing Tax Credit Project(s) within the past 5 years." (25 points)

- Added to the CRP # 7, "Project(s) listed without the information pages will not be considered for point(s). Maximum two (2) pages of the informational pages per each project are allowed. A project submitted with more than two (2) informational pages will be deemed ineligible". Applicant may list up to 5 completed HTC projects.

2020 City of Plano
HTC Process Amendment Highlights

CRP Edits- Continued

- Added Bonus Points to two CRP criteria:

  - ❑ CRP criteria # 3- Market rate units, “the application with the highest percentage of market rate units among each application will be awarded five (5) extra points”.

  - ❑ CRP criteria # 7-Completed HTC projects, “the developer/applicant with an award winning housing development project(s) from an accredited organization such as the Urban Land Institute (ULI), The American Institute of Architects (AIA), may receive additional two (2) bonus points per project awarded.”

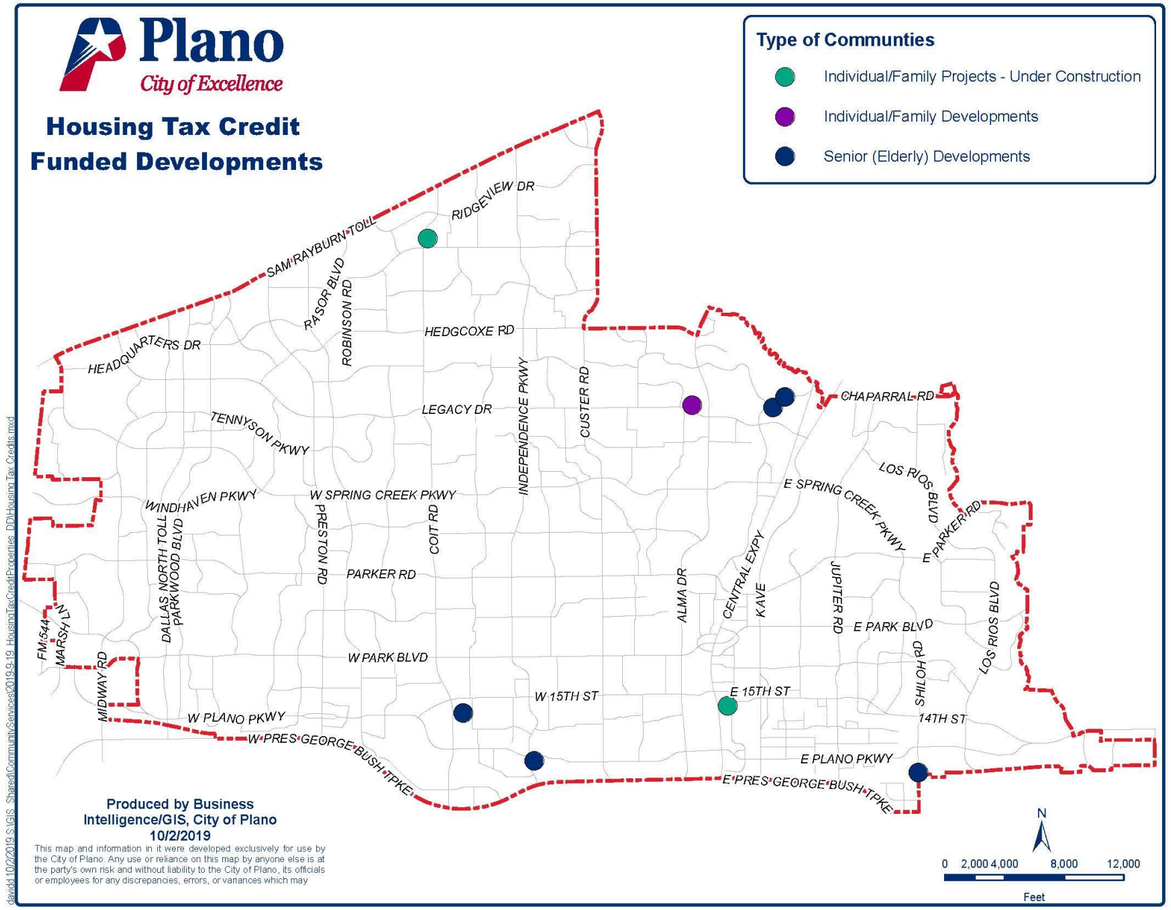
2020 City of Plano
HTC Process Amendment Highlights

- **Assigned points to each CRP criteria**

CRP Criteria	Maximum Points
1. The applicant or property owner is a nonprofit organization and/or has been certified as a CHDO within the last 12 months.	5 Points
2. The applicant has an equity partner.	5 Points
3. At least 20% of the units in the development are market rate units. (includes 5 bonus points)	15 Points
4. The target population for the development are low income families.	20 Points
5. The applicant/developer advances the goals of the City's Concerted Revitalization Plan.	20 Points
6. The applicant/developer has experience(s) incorporating innovative solutions for housing development(s) within the past 5 years.	10 Points
7. The applicant has built and leased HTC project(s) within the past 5 years (includes 10 bonus points).	25 Points
Total	100 Points

Existing HTC Units

- 914 Elderly Units
- 240 General Units
- 131 General Units (Under Construction)
- 1,285 Total HTC Funded Units



Questions?