



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 3.

Agenda Date: 11/28/2017

In Control: Housing Commission to Protect and Preserve Dynamic and Diverse Neighborhoods

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Verónica R. Soto, AICP

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Briefing and discussion of draft program policies for federal affordable housing activities and Low Income Housing Tax Credit development applications

SUMMARY:

This item includes a staff briefing and Housing Commission discussion on the draft program policies for HUD-funded affordable housing activities as well as the issuance of Resolutions of Support or No Objection for applicants seeking Low Income Housing Tax Credits (LIHTC) from the Texas Department of Housing and Community Affairs (TDHCA).

These two documents outline the program policies to receive HUD-funded housing activities for the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Neighborhood Stabilization Program (NSP) as well as the policies to issue Resolutions of Support or No Objection for developments seeking LIHTC from the TDHCA.

BACKGROUND INFORMATION:

The U.S. Department of Housing & Urban Development (HUD) requires that jurisdictions receiving federal funds maintain policies that guide the use and/or disbursement of HOME Investment Partnerships Program (HOME), Community Development Block Grant (CDBG), and Neighborhood Stabilization Program (NSP) funds. The policies must be updated periodically to ensure consistency with the current five-year HUD Consolidated Plan and compliance with the HUD HOME Final Rule.

Additionally, the City maintains a written policy by which Resolutions of Support or No Objection are awarded to applicants seeking Low Income Housing Tax Credits (LIHTC) from the Texas Department of Housing & Community Affairs (TDHCA).

The current version of the policy document, which incorporates the policies for HUD housing activities as well as policies for the issuance of Resolutions related to LIHTC projects, was last approved by the City Council on December 10, 2015 (Ordinance #2015-12-10-1048).

ISSUE:

Upon approval by the City Council, the program policies for federally-regulated affordable housing activities will outline the general procedures for each of the following programs offered through the City of San Antonio:

- Owner-Occupied Rehabilitation/Reconstruction & Minor Repair Programs;
- Homebuyer Activities (Acquisition Only, Acquisition/Rehabilitation, or New Construction);
- Rental Housing Activities (New Construction or Rehabilitation);
- Community Housing Development Organization (CHDO) Activities;
- CHDO Operating Expense Funding;
- Tenant Based Rental Assistance; and,
- CDBG Funding in Support of Affordable Housing Development.

Each chapter related to the use of HUD funds provides, where applicable: program overview, eligibility requirements, maximum assistance/subsidy limits, terms of assistance, income limits, property standards, affordability period, application procedures, and other federal requirements.

The document that outlines the policies related to the issuance of Resolutions of Support or No Objection for LIHTC applications includes a brief background, evaluation criteria, and a checklist of required application materials. The revised policy is designed to ensure equitable housing opportunities are created for all residents, including individuals and families of color, low/moderate income households, special populations, and households seeking either to rent or own a home. This policy is also designed to ensure improved coordination with community stakeholders and residents, thereby improving the quality of the built environment in support of the goals, policies, and actions detailed within the adopted SA Tomorrow Comprehensive Plan.

The revised draft policy includes the following substantive changes from the previous policy, which was last adopted on December 10, 2015:

- The point scale has changed from a maximum score of 165 to a maximum score of 100; previously, a score of 85 would deem an application eligible for a Resolution of Support, earning 52% of the total possible points. Using the revised criteria, an applicant must score at least 70 points (70% of the total possible points) to be recommended for a Resolution of Support. Under the revised criteria, applicants earning fewer than 50 points (50% of the total possible points) would not be recommended for a Resolution of Support or No Objection.
- Applicants would now be required to hold a developer-initiated public meeting to inform the public about the proposed development; this public meeting would be required prior to staff consideration of the developer's application.
- A form would be added to the City's application, requiring a signature by the Council member (or designated staff) in which the proposed development is located, certifying that the Council office has been made aware of the proposal. The form is intended to confirm notice of the application only; it is not for the purpose of determining a Council member's support or opposition to a proposed project.

In addition to the proposed requirements of the applicant, Staff will seek to identify the site's proximity to any existing properties that have previously been awarded Low Income Housing Tax Credits. Per the Qualified Allocation Plan (QAP), adopted by TDHCA and signed by the governor each year, existing rules prohibit tax credits from being awarded to more than one eligible applicant in the same year if the project sites are located within two miles of each other. Additionally, tax credits cannot be awarded to projects located within one mile of another project which has been awarded in the past three years.

Except in the case of proposals for senior housing, staff also proposes to coordinate with the local school district to determine the capacity of any assigned schools to accommodate additional students that may result from the new development.

For competitive (9%) tax credit applications, the City plans to issue a Request for Applications for Resolutions of Support or No Objection on December 11, 2017 and bring forth recommendations to the Council Subcommittee (as appropriate) and City Council for consideration no later than February 2018. This schedule ensures that applicants can submit their materials, including signed Resolutions, to TDHCA by their deadline of March 1, 2018. A proposed schedule is shown in the table below:

December 7, 2017	Council consideration of policy guiding the issuance of Resolutions of Support or No Objection
December 11, 2017	Request for Applications released
January 5, 2018	Applications due to the City with all supporting materials
January 17, 2018	Comprehensive Plan Committee consideration of 2018 competitive applications for Resolutions of Support or No Objection
February 8, 2018	City Council consideration of 2018 competitive applications for Resolutions of Support or No Objection
March 1, 2018	Developer applications due to TDHCA with all supporting materials
July 2018	Final awards for Housing Tax Credits determined by TDHCA

ALTERNATIVES:

This item is for briefing purposes only.

FISCAL IMPACT:

This item is for briefing purposes only and has no impact to the City budget.

RECOMMENDATION:

This item includes a staff briefing and Housing Commission discussion on the draft program policies for federal affordable housing activities. No formal action is required by the Housing Commission.