



# City of San Antonio

## Agenda Memorandum

**File Number:**17-6727

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**Agenda Item Number:** 2.

**Agenda Date:** 12/12/2017

**In Control:** Governance Committee

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Verónica R. Soto, AICP

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

A policy for the issuance of Resolutions of Support or No Objection for applicants seeking Low Income Housing Tax Credits from the Texas Department of Housing and Community Affairs

### **SUMMARY:**

This item includes a staff briefing on a policy which governs 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).

This policy outlines the scoring criteria to be used for considering applications as well as the minimum requirements in order to be granted a Resolution of Support or No Objection. The recommended criteria are designed to ensure fairness in evaluating applications while also ensuring adequate resident notification of proposed LIHTC developments.

On December 7, 2017, City Council voted to direct this item to the Governance Committee for further review.

### **BACKGROUND INFORMATION:**

On December 7, 2017, City Council members considered the draft Resolutions of Support or No Objection for applicants seeking Low Income Housing Tax Credits (LIHTC) policy and provided a series of comments to staff. Councilman Pelaez recommended revising the public meeting criteria to also allow for developers to hold the public informational meetings on weekends. Staff has incorporated this change into the revised draft policy.

The Texas Department of Housing and Community Affairs' (TDHCA) Housing Tax Credit (HTC) program is one of the primary means of directing private capital toward the development and preservation of affordable rental housing for low-income households in the state of Texas. HTCs are awarded to eligible participants to offset a portion of their federal tax liability in exchange for the production or preservation of affordable rental housing.

There are two types of HTCs: competitive 9% and non-competitive 4%. The non-competitive 4% HTC program is available year round whereas the competitive 9% HTC program has a single annual application period. For the 2018 competitive application period, TDHCA requires applicants to submit completed applications, along with supporting documents, no later than March 1, 2018. Pre-applications are accepted in January 2018.

The HTC program awards competitive application points for a resolution(s) from a Governing Body of a municipality showing local government support on the following basis:

Within a municipality, the application will receive:

- Seventeen (17) points for a resolution from the Governing Body of that municipality expressly setting forth that the municipality supports the Application or Development; or
- Fourteen (14) points for a resolution from the Governing Body of that municipality expressly setting forth that the municipality has no objection to the Application or Development.

The current policy that addresses the issuance of Resolutions of Support or No Objection are included in the City's Affordable Housing Policy, which was last approved by the City Council on December 10, 2015.

## **ISSUE:**

Each year, the TDHCA is required to develop the Qualified Allocation Plan (QAP) to establish the procedures and requirements relating to the allocation of Housing Tax Credits. Once the QAP is submitted and approved by the Office of Governor, which occurs no later than December of each year, the adopted QAP will be published in the Texas Register. Significant proposed changes to the 2018 QAP necessitate updating the City's policy for issuing Resolutions of Support or No Objection related to the allocation of the Housing Tax Credits.

The City's recommended revised policy is designed to ensure equitable housing opportunities are created for all residents, including individuals and families of all races/ethnicities, low/moderate income households, special populations, and households seeking either to rent or own a home. This policy also is 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 policy includes the following 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 may earn points toward the City's application for holding a developer-initiated public meeting to inform the public about the proposed development. To earn the applicable points, the public

meeting would be required prior to staff consideration of the developer's application. Staff will verify that the public meeting meets all the required criteria set forth in the policy and the Request for Applications (RFA).

- 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.
- Applications in the ETJ would be considered while they were not in the 2015 policy.
- City staff, the respective City Council member's office, Neighborhood Associations or Community Organizations within one-half mile of the project site (as registered with the City), plan team members, and property owners within 200 linear feet of the project site must receive written notice of the meeting at least seven calendar days in advance of the scheduled meeting date

Staff has incorporated these changes into the revised draft policy. In addition to the proposed requirements of the applicant, City 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 QAP, existing TDHCA 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.

#### **ALTERNATIVES:**

The Governance Committee may recommend modifications to the proposed policy within the guidelines of the TDHCA program and subject to Federal and local Fair Housing laws. Alternatively, the Committee may elect not to forward the revised policy to City Council for consideration, which would adversely impact the City's ability to release the Request for Applications and thereby issue Resolutions of Support or No Objection.

#### **FISCAL IMPACT:**

This item has no impact to the City budget.

#### **RECOMMENDATION:**

Staff recommends that the Governance Committee forward to City Council the policy for the issuance of Resolutions of Support or No Objection for applicants seeking Low Income Housing Tax Credits from the Texas Department of Housing and Community Affairs.