



AGENDA MEMORANDUM
Briefing for City Council Meeting of January 11, 2021

DATE: December 17, 2021

TO: Peter Zaroni, City Manager

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Briefing on 2022 9% Low-income Housing Tax Credit Resolution of Support Process

STAFF PRESENTER(S):

<u>Name</u>	<u>Title/Position</u>	<u>Department</u>
1. Jennifer Buxton	Assistant Director	Neighborhood Services

ISSUE:

To be competitive, applications to the Texas Department of Housing and Community Affairs (TDHCA) for 9% Low-income Housing Tax Credits (LIHTC) request a Resolution of Support from the City.

BACKGROUND:

Applications from developers for 9% LIHTC are due to TDHCA on March 1, 2022. LIHTCs are administered by the Internal Revenue Service and allocated to states. They are a critical funding tool for multi-family low-income housing projects. Region 10/Urban, which includes Nueces, Aransas, San Patricio, and Victoria counties, is generally awarded one LIHTC project annually.

The 9% LIHTC application process is highly competitive. Winning applications often do so by one- or two-point margins. For the 2022 process, there will be a noncompetitive process for projects to receive a recommendation for a Resolution of Support from the City. All applications that are complete and where the project site meets current zoning requirements, or the project meets the land use identified in the applicable adopted Area Development Plan will be recommended. The application is simple and the required information is documentation that the applicants should have readily available.

TDHCA will award 17 points to applications that have a Resolution of Support from the local

governing body and 14 points for a Resolution of No Objection. A Resolution of Objection or Opposition results in zero points. Also, the City can help a project earn one point if the City contributes at least \$500.00 to the project. The City will provide the \$500.00 contribution to projects that receive a Resolution of Support. The \$500.00 contribution can be through fee waivers.

One change in TDHCA's application rules for 2022 is that if the project is in a Qualified Census Tract, the project can earn seven points in the Concerted Revitalization Plan category. To get these points if the project is not in a Qualified Census Tract, a letter from the City needs to accompany the LIHTC application saying that the project contributes to a community's Concerted Revitalization Plan(s). Concerted Revitalization Plans include plans adopted for Tax Increment Reinvest Zones, Tax Increment Financing, Area Development Plans or other adopted plans. In 2021, the requirement was that the project contribute to the community's Concerted Revitalization Plan(s) more than any other project. This year, the City will address this in a letter whereas last year a Resolution was required. The City did not assist any applicant with these points in 2021. This change provides the opportunity for all projects to receive the points. The 2022 application includes a noncompetitive and easy process for the applicant to request assistance earning the seven points associated with this item.

The application timeline is as follows:

Date	Milestone
December 1, 2021	TDHCA published the final allocation plan
January 7, 2022	TDHCA pre-applications are due
January 11, 2022	Brief City Council on process
January 28, 2022	City applications for Resolutions are due from applicants
February 15, 2022	Recommendations for Resolutions of Support presented to City Council
March 1, 2022	TDHCA applications are due including Resolutions
July 2022	TDHCA makes awards

LIST OF SUPPORTING DOCUMENTS:

Application
Presentation