



Low-income Housing Tax Credits Briefing



City Council
February 9, 2021



Low-income Housing Tax Credits



- Low-income Housing Tax Credits (LIHTC) are the most common financing tool for multi-family affordable rental housing units
- LIHTCs are governed by the Internal Revenue Code
- Tax credits are allocated to each state's housing finance agency
- In Texas, the Texas Department of Housing and Community Affairs (TDHCA) awards credits



Low-income Housing Tax Credits



- There are two types of LIHTCs – 9% and 4%
 - The 9% LIHTC process is highly competitive
 - The 4% LIHTCs are noncompetitive and are used in deals with tax-exempt bonds
 - Tax credits are sold through syndicators to private investors who apply the credits against their federal tax liability. Investors benefit from operational losses as well
 - The credit amount is applied over 10 years and leveraged for permanent financing
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Low-income Housing Tax Credits



- Hard costs are eligible for LIHTC
- Non-depreciable costs, such as land, are not eligible
- Units must be affordable to households at or below 60% AMI

Household Size	60% Area Median Income
1-person	\$28,020
4-person	\$39,960



TDHCA Timeline



Date	Milestone
03/01/2021	Applications Due Including Resolutions of Support
06/2021	List of Eligible Applications Published
07/2021	Final Awards
11-12/2021	Carryover Awards



TDHCA Application Scoring



Measure	Available Points
Promoting Development of High Quality	
Size and Quality of the Units	15
Sponsor Characteristics	2
Subtotal	17
Serve and Support Texans Most in Need	
Income Levels of Residents	16
Rent Levels of Tenants	13
Resident Services	11
Opportunity Index (can't get points in OI and CRP)	7
Underserved Area	5
Residents with Special Housing Needs	3
Proximity to Job Areas or Urban Core	6
Readiness to Proceed in Disaster Impacted Counties	0
Subtotal	61
Community Support and Engagement	
Local Government Support	17
Commitment of Development Funding by Local Political Subdivision	1
Declared Disaster Area	10
Quantifiable Community Participation (if no Neighborhood Association 4 points available)	9
Community Support from State Representative	8
Input from Community Organizations (only if no Neighborhood Association)	4
Concerted Revitalization Plan (can't get points in CRP and OI)	7
Subtotal	52
Efficient Use of Limited Resources and Applicant Accountability	
Financial Feasibility	26
Cost of Development per Square Foot	12
Pre-application Participation	6
Leveraging of Private, State and Federal Resources	3
Extended Affordability	4
Historic Preservation	5
Right of First Refusal	1
Funding Request Amount	1
Subtotal	58
Total Points Available	181



TDHCA Application



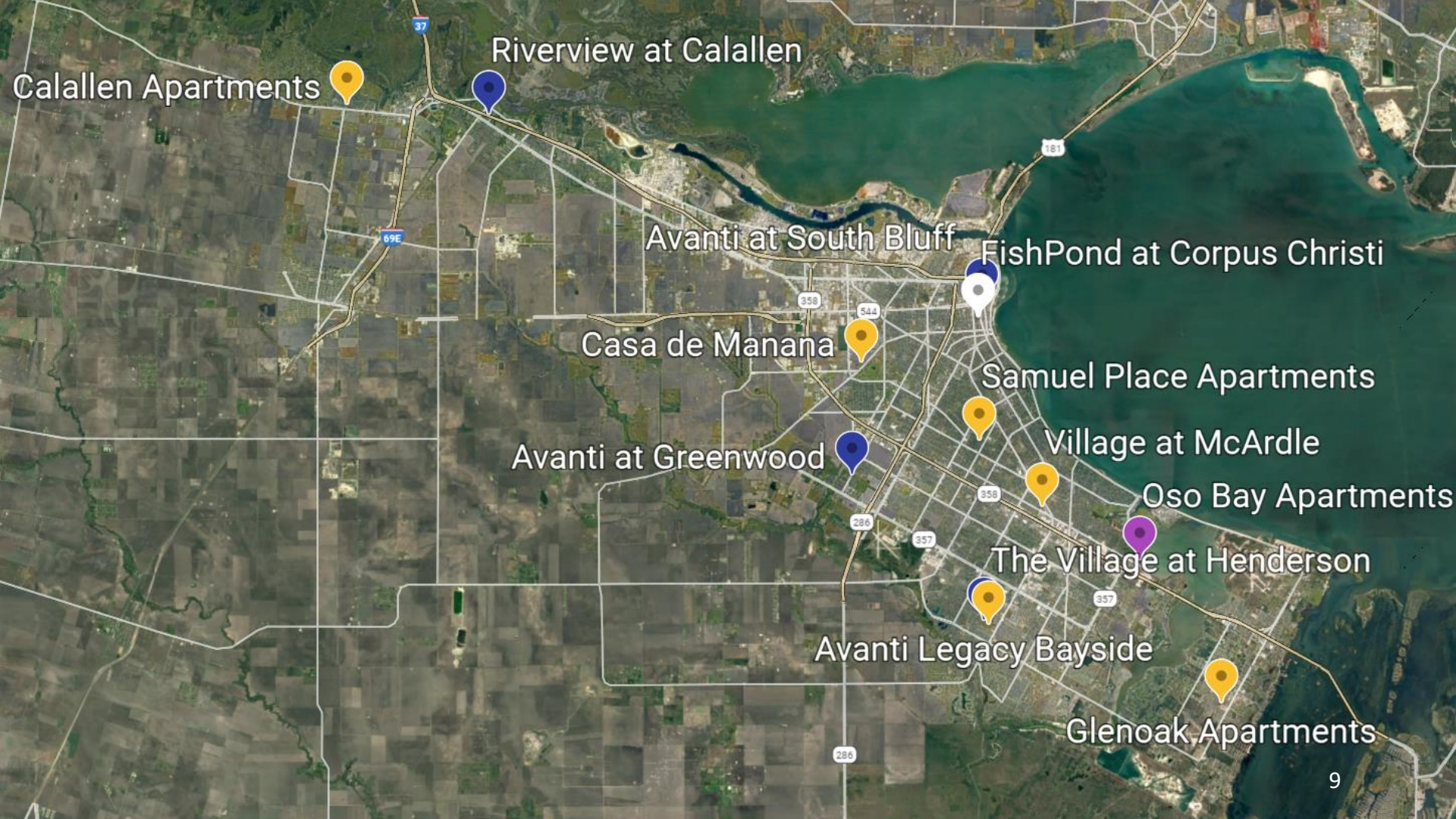
- There are three types of Resolutions that can be approved to impact the success of applications
- A Resolution of Support earns 17 points on the TDHCA application
- OR
- A Resolution of No Objection earns 14 points on the TDHCA application
- In specific circumstances, if more than one application is received in the same area, a Resolution stating that one of the applications has the greatest impact can earn 2 points on the TDHCA application
- The City will also need to commit at least \$500 to the projects. This can be accomplished through fee waivers



LIHTC Projects in Corpus Christi



- Corpus Christi has 3,701 LIHTC units in 33 properties
 - Among those properties are 93 market-rate units
- Corpus Christi is in Region 10/Urban which includes Nueces, Aransas, San Patricio, and Victoria counties. The region generally receives 1 award each year from the competitive process
- The following map reflects projects awarded 9% and 4% LIHTCs from 2015 to 2020



Riverview at Calallen

Calallen Apartments

Avanti at South Bluff

FishPond at Corpus Christi

Casa de Manana

Samuel Place Apartments

Avanti at Greenwood

Village at McArdle

Oso Bay Apartments

The Village at Henderson

Avanti Legacy Bayside

Glenoak Apartments



Pre-applications for Corpus Christi



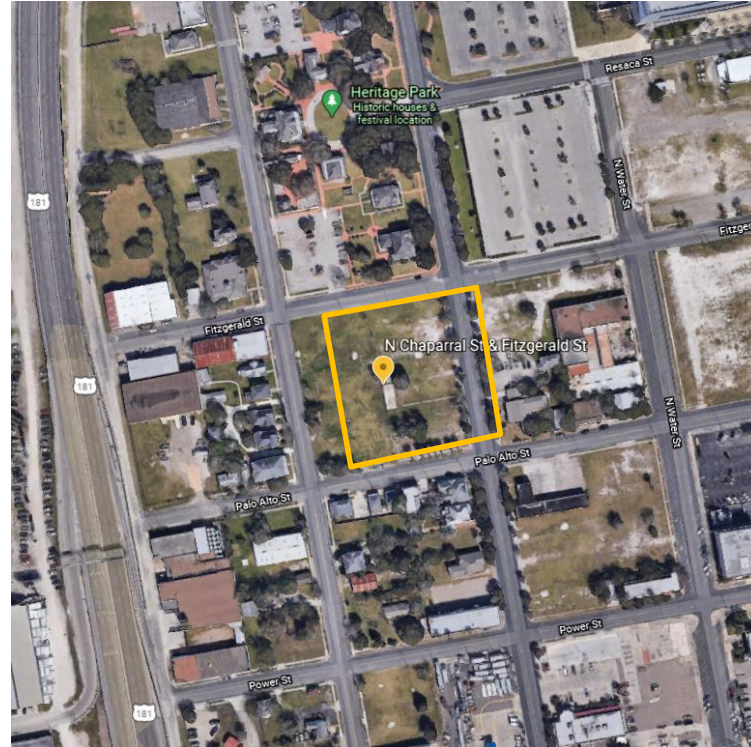
- Two 2021 pre-applications were submitted for projects in Corpus Christi:
 - Avanti at Heritage Park
 - Palms at Blucher Park
- As in all past years, both projects will be presented to City Council on February 16th for Resolutions of Support



Avanti at Heritage Park



- ✓ Madhouse Development
 - 68-72 Units
 - 10-15% Market-rate
 - \$1,383,899 LIHTC Requested





Palms at Blucher Park



✓ TG 110

- 72 Affordable Units
- \$1,383,899 LIHTC Requested

