



9% Housing Tax Credits January 25, 2022

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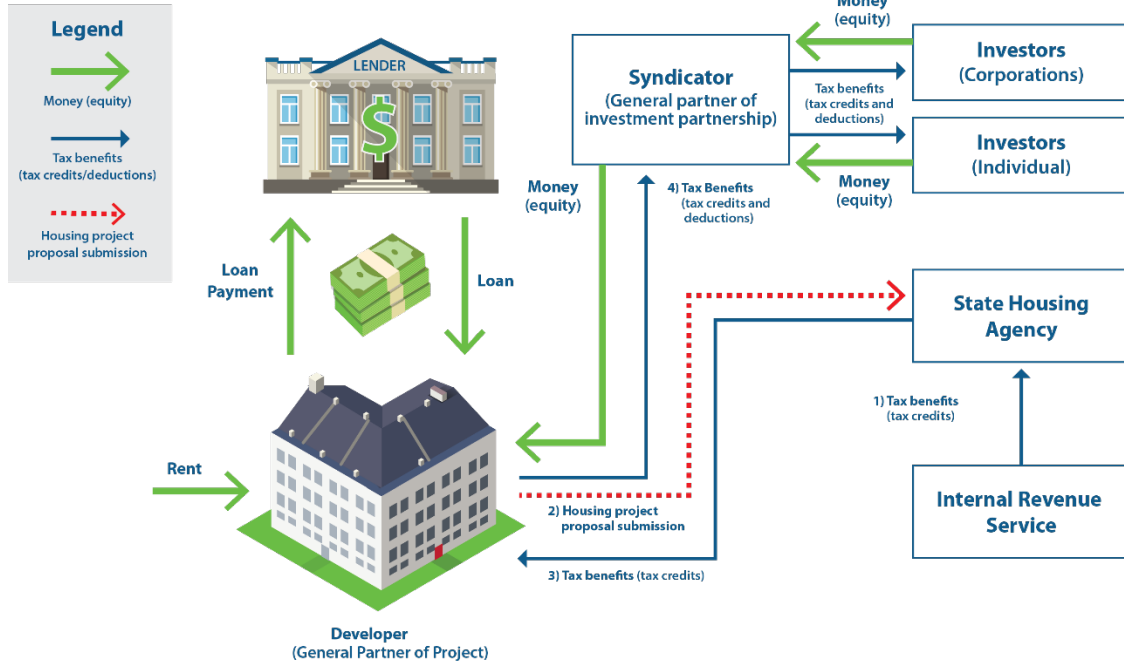
CITY OF HOUSTON * HOUSING AND COMMUNITY DEVELOPMENT DEPARTMENT

What Are Tax Credits?



- Not funded by the City
- An important resource for building affordable homes
- Created through the Tax Reform Act of 1986
- Administered by Texas Department of Housing and Community Affairs (TDHCA)
- Private equity for construction of affordable homes
- 9% tax credits allocated through a competitive process
- Credits can be sold on the open market
- Market determines price

Mechanics of Tax Credit Allocation



Types of Housing Tax Credits

9%	4%
<ul style="list-style-type: none">• Typically 70% of the financing source• Competitive allocation process administered by the TDHCA	<ul style="list-style-type: none">• Typically 30% - 50% of the financing source• Credits are provided as an “of right” through an allocation of private activity bonds• Private activity bonds are issued by the Texas Bond Review Board• Due to high demand for bonds, a 2022 allocation of private activity bonds are provided in a lottery process to issuers and applicants

TDHCA 9% Allocation

2021 pre-applications:

- 51 proposals
- \$92M in annual credits requested
- 8 awards for Region 6 anticipated

Region 6:

- \$14.4M allocation



Applications to Available Credits

TDHCA 9% Allocation

Scoring

- Highly competitive scoring system
- Applicants in the ETJ
 - ½ their points from City;
 - ½ from County;
 - Resolutions required from both

Support

17
points

TDHCA 9% Allocation

TDHCA Application Contingent Items

<u>Points</u>	<u>Action</u>
17	Local Government Support
9	Community Participation
8	Support from State Representative
9	Input from Community Organizations
7	Community Revitalization Plan

2022 QAP - Jobs Component

A development may qualify for points if the site is within a 2-mile proximity of the following:

- 16,500 jobs. (6 points)
- 13,500 jobs. (5 points)
- 10,500 jobs. (4 points)
- 7,500 jobs. (3 points)
- 4,500 jobs. (2 points)
- 2,000 jobs. (1 point)

Schedule for Tax Credit Resolutions

9% Tax Credit Resolution Process

<u>Date</u>	<u>Action</u>
December 7, 2021	Application for resolutions posted by HCDD
January 7, 2022	Pre-applications due to TDHCA
January 7, 2022	Applications due to HCDD
January 25, 2022	Presentation to Housing Committee
February 9, 2022	Preferred City Council date
February 16, 2022	Alternative City Council date
March 1, 2022	TDHCA Full Application Delivery Date



TDHCA 9% Allocation

Timing

- Very tight timeline
- Applications (**with Resolutions**) due to TDHCA – 3/1/2022
- Credit awards announced in July 2022



March 1

Applications Due



2021 MULTIFAMILY Updates to 2020 Housing Tax Credit Guidelines

Applications Must Meet a Minimum of Ten (10) Points to Qualify for a Resolution of Support (24 max points)	Points
Located in a Complete Community or TIRZ	2
Availability of affordable housing in the area	1 - 2
Proximity to mass transportation	1 – 2
Low poverty concentration	1 – 2
Mixed income composition	1 – 2
Documentation of community support	1
Building resiliency and sustainability features	1 – 5
Offsite neighborhood improvements	1
Onsite material recycling	1
Onsite quality education programming	1 - 3
Renovation or reconstruction of existing housing	3



Equitable Distribution Policy

HCDD aims to reflect a policy to equitably disperse assisted multifamily developments throughout Houston as it aims to create greater housing choice.

The policy will establish a procedure for the approval and endorsement of affordable housing projects.

Equitable Distribution Policy

- Council Districts A, B, D, H, and K limited to 2 recommendations each
- Council Districts C, E, F, G, I, & J will be eligible for a maximum of 3 recommendations each
- Exceptions – Specialized Housing (e.g. PSH, disabled, women, veterans, etc.) and rehabilitations

Equitable Distribution Policy

Competitive factors:

1. Population Type – Family prioritized over Senior
2. HCDD Score
3. Poverty rate of site compared to other applications in the district

Appeals Process

Please submit written appeals to:

HCDDComplaintsAppeal@houstontx.gov

<https://houstontx.gov/housing/forms/online/appeals-request-form.html>

**All appeal requests must be received by
Friday, January 28th at 3:00 pm**



Applicants for Resolutions

Council District	Total Applications	Limit	Total Resolutions
District A	5	2	2
District B	4	2	2
District C	3	3	3
District D	2	2	2
District E	4	3	3
District F	3	3	3
District G	2	3	2
District H	3	2	3
District I	3	3	3
District J	2	3	1
District K	2	2	2
ETJ	9	N/A	6
Total	42		32



9% Tax Credit Properties 2022

Tax Credit Properties

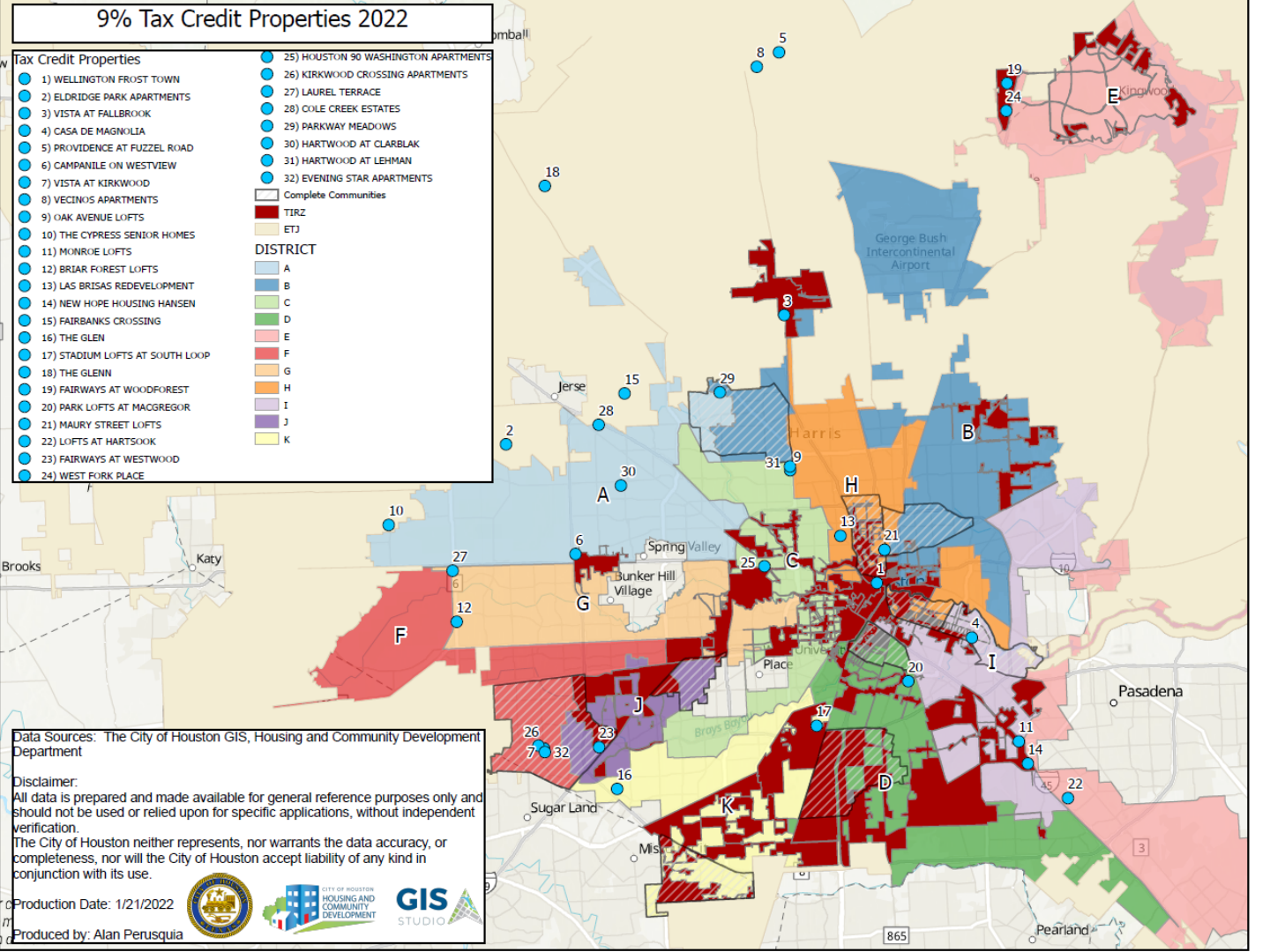
- 1) WELLINGTON FROST TOWN
- 2) ELDRIDGE PARK APARTMENTS
- 3) VISTA AT FALLBROOK
- 4) CASA DE MAGNOLIA
- 5) PROVIDENCE AT FUZZEL ROAD
- 6) CAMPANILE ON WESTVIEW
- 7) VISTA AT KIRKWOOD
- 8) VECINOS APARTMENTS
- 9) OAK AVENUE LOFTS
- 10) THE CYPRESS SENIOR HOMES
- 11) MONROE LOFTS
- 12) BRIAR FOREST LOFTS
- 13) LAS BRISAS REDEVELOPMENT
- 14) NEW HOPE HOUSING HANSEN
- 15) FAIRBANKS CROSSING
- 16) THE GLEN
- 17) STADIUM LOFTS AT SOUTH LOOP
- 18) THE GLENN
- 19) FAIRWAYS AT WOODFOREST
- 20) PARK LOFTS AT MACGREGOR
- 21) MAURY STREET LOFTS
- 22) LOFTS AT HARTSOOK
- 23) FAIRWAYS AT WESTWOOD
- 24) WEST FORK PLACE
- 25) HOUSTON 90 WASHINGTON APARTMENTS
- 26) KIRKWOOD CROSSING APARTMENTS
- 27) LAUREL TERRACE
- 28) COLE CREEK ESTATES
- 29) PARKWAY MEADOWS
- 30) HARTWOOD AT CLARBLAK
- 31) HARTWOOD AT LEHMAN
- 32) EVENING STAR APARTMENTS

Complete Communities

- TIRZ
- ETJ

DISTRICT

- A
- B
- C
- D
- E
- F
- G
- H
- I
- J
- K



Data Sources: The City of Houston GIS, Housing and Community Development Department

Disclaimer:
 All data is prepared and made available for general reference purposes only and should not be used or relied upon for specific applications, without independent verification.
 The City of Houston neither represents, nor warrants the data accuracy, or completeness, nor will the City of Houston accept liability of any kind in conjunction with its use.

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Produced by: Alan Perusquia

II.b. Applicants for Resolutions

District A

Application Number	Development Name	Development Address	Total Units	Target Population
22213	Campanile at Westview	1212 W Sam Houston Pkwy N	120	Elderly
22139	Hartwood at Clarblak	4014 - 4015 Clarblak Lane	125	Family



II.b. Applicants for Resolutions

District B

Application Number	Development Name	Development Address	Total Units	Target Population
22068	Vista at Fallbrook	SWQ of Fallbrook Dr and N Fwy Service Rd	86	Family
22132	Parkway Meadows	~3300 block of W Gulf Bank	82	Family



II.b. Applicants for Resolutions

District C

Application Number	Development Name	Development Address	Total Units	Target Population
22193	Oak Avenue Lofts	810 Oak Avenue	120	Family
22020	Houston 90 Washington Apartments	7701 Washington Avenue	90	Family
22145	Hartwood at Lehman	711 Lehman Street	90	Family



II.b. Applicants for Resolutions

District D

Application Number	Development Name	Development Address	Total Units	Target Population
22083	Park Lofts at MacGregor	SEC of Old Spanish Trail and MLK	95	Family
22189	Trinity East Village	2750 Live Oak Street	70	Family



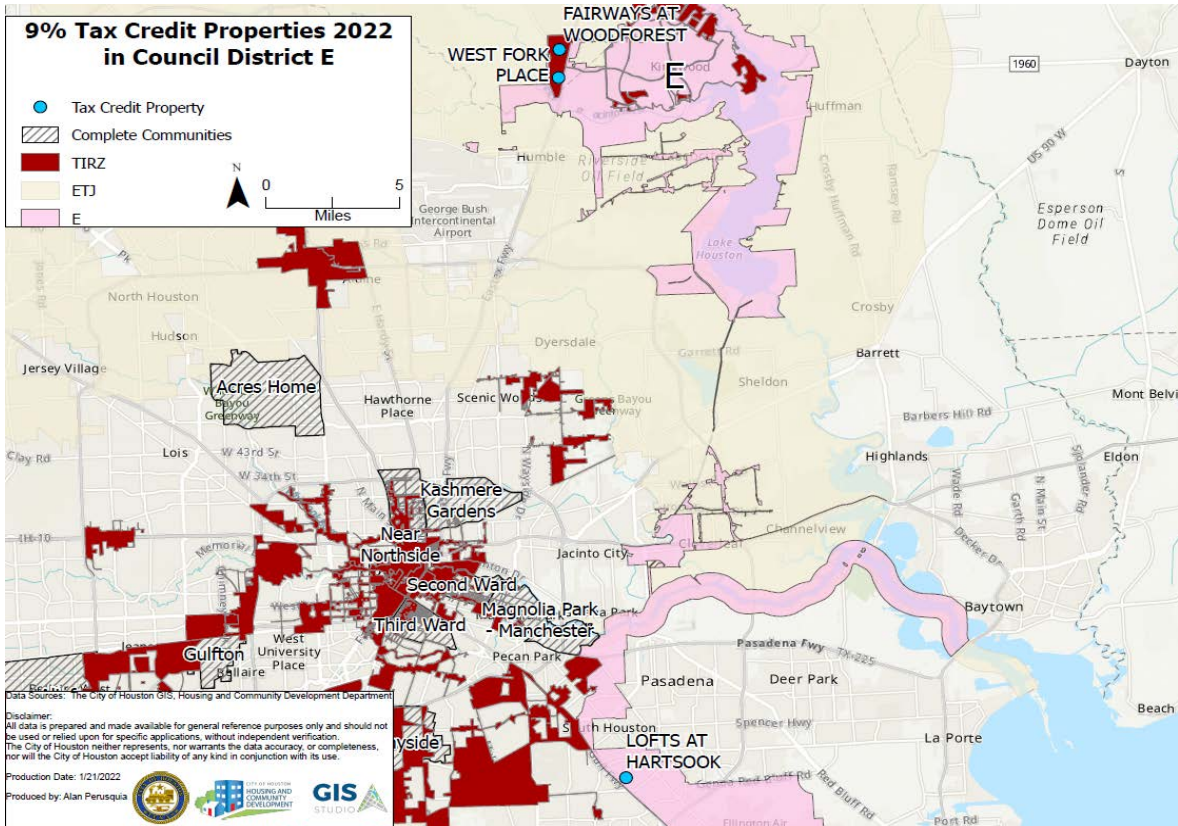
II.b. Applicants for Resolutions

District E

Application Number	Development Name	Development Address	Total Units	Target Population
22245	Fairways at Woodforest	0 Kingwood Place Dr	110	Family
22290	Lofts at Hartsook	10426 Hartsook St	104	Family
22221	West Fork Place	Kingwood Place Dr & Kingwood Medical DR	120	Senior



II.b. Applicants for Resolutions



II.b. Applicants for Resolutions

District F

Application Number	Development Name	Development Address	Total Units	Target Population
22060	Evening Star Apartments	11800 S Glen Dr	62	Senior
22023	Kirkwood Crossing Apartments	12000 Bissonnet St	140	Family
22071	Vista at Kirkwood	S Kirkwood Rd & Bissonnet St	96	Family



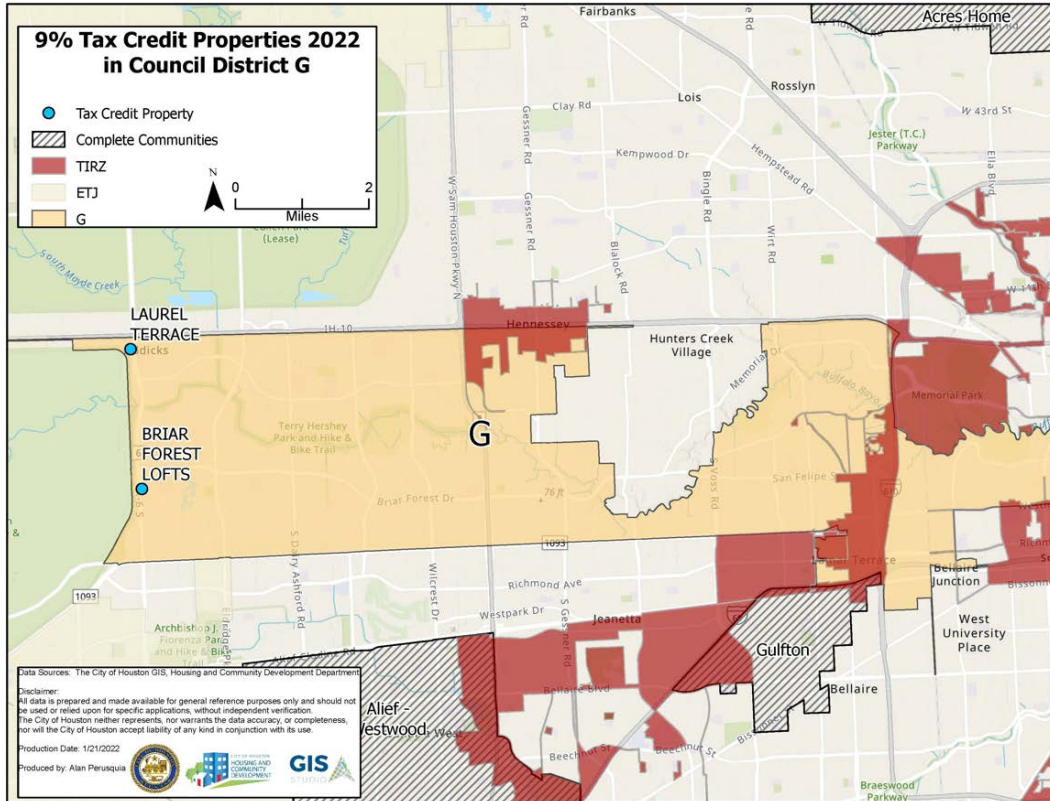
II.b. Applicants for Resolutions

District G

Application Number	Development Name	Development Address	Total Units	Target Population
22197	Briar Forest Lofts	HWY 6 S adjacent to and south of 1725 S TX 6	84	Family
22097	Laurel Terrace	NEC State Hwy 6 and Barkers Point Ln	110	Elderly



II.b. Applicants for Resolutions



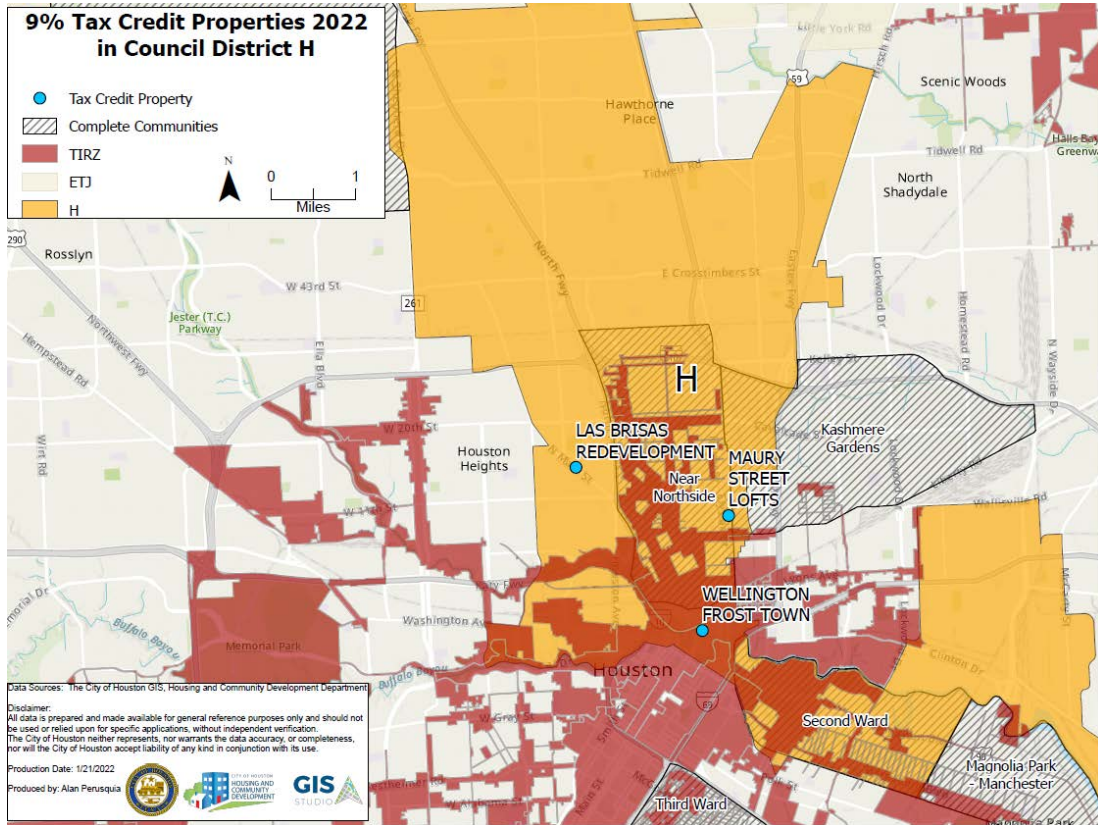
II.b. Applicants for Resolutions

District H

Application Number	Development Name	Development Address	Total Units	Target Population
22114	Las Brisas Redevelopment (rehab)	4500 and 4428 N. Main Street	200	Family
22080	Maury Street Lofts	2918 Elysian Street	86	Family
22295	Wellington Frost Town	707-717 Walnut Street	100	Family



II.b. Applicants for Resolutions



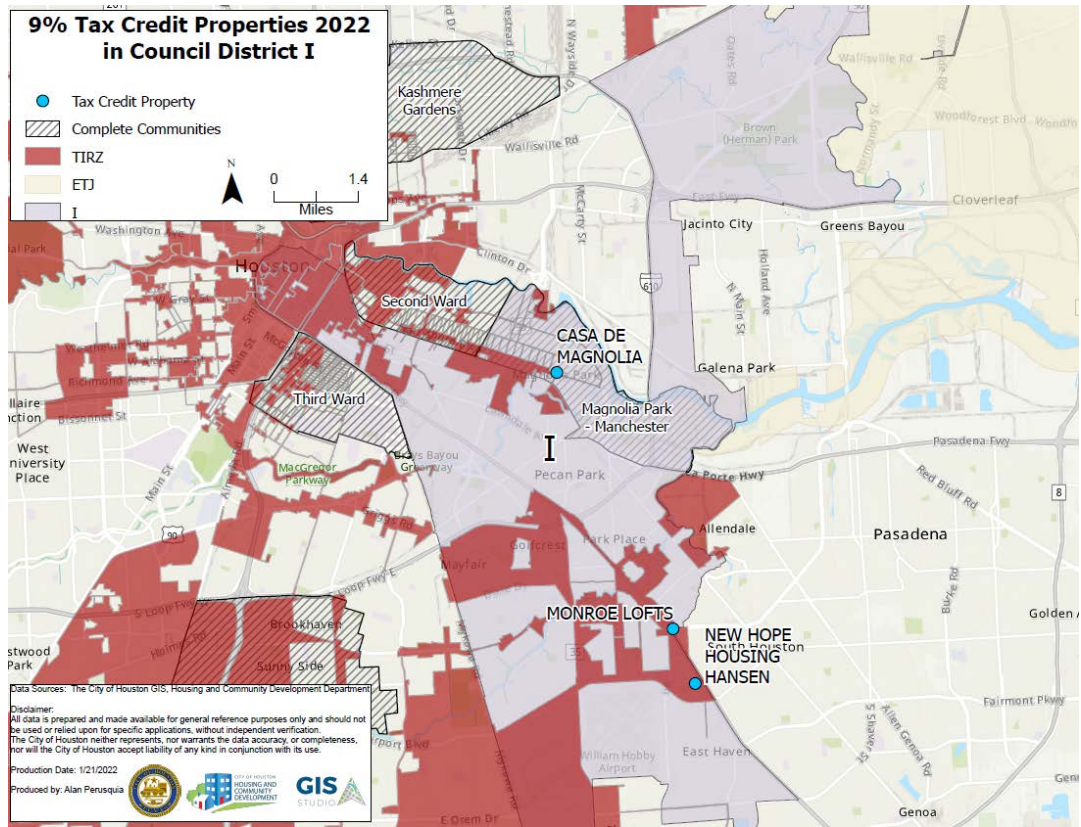
II.b. Applicants for Resolutions

District I

Application Number	Development Name	Development Address	Total Units	Target Population
22185	Casa De Magnolia	7501 Harrisburg Blvd	126	Family
22196	Monroe Lofts	Monroe Rd. and the Gulf Frwy	84	Family
22056	New Hope Housing Hansen	9150 Gulf Frwy	160	Family



II.b. Applicants for Resolutions



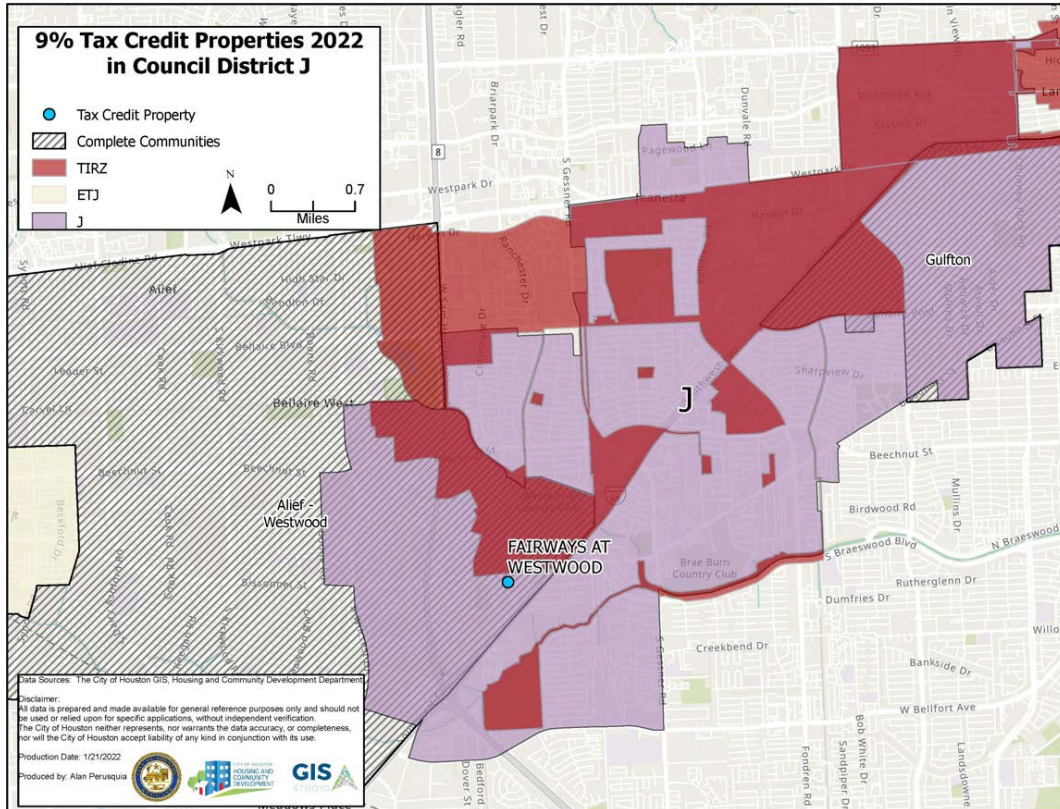
II.b. Applicants for Resolutions

District J

Application Number	Development Name	Development Address	Total Units	Target Population
22244	Fairways at Westwood	9745 Bissonnet	120	Family



II.b. Applicants for Resolutions



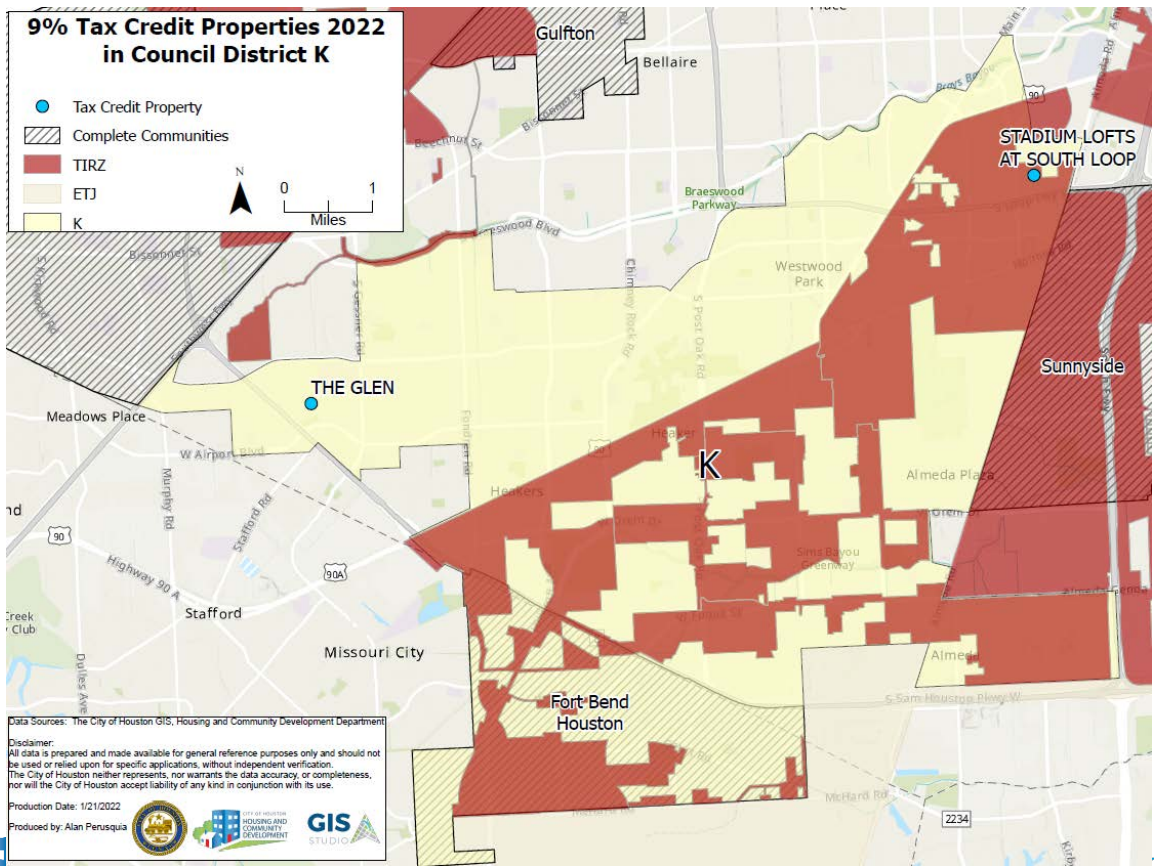
II.b. Applicants for Resolutions

District K

Application Number	Development Name	Development Address	Total Units	Target Population
22149	The Glen	11826 Riceville School Rd	84	Family
22084	Stadium Lofts at South Loop	8411 Knight Road	97	Family



II.b. Applicants for Resolutions



Data Sources: The City of Houston GIS, Housing and Community Development Department
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II.c. Applicants for Resolutions

ETJ

Approval of a Resolution of Support for competitive 9% Housing Tax Credits (HTCs) allocated by the TDHCA, for each of the applications in the attached table, located in Houston's ETJ.

Applications will be submitted to the TDHCA from across the state, and the number of available 9% HTCs is limited.

The TDHCA will announce awards in July of 2022.



II.c. Applicants for Resolutions

ETJ

HCDD has not underwritten these projects for financial viability.

HCDD reviewed the applications to determine if they meet the City's community development policy objectives and other minimum standards.

Based on established criteria, the projects listed in the attached table have achieved the minimum 10-point threshold and qualify for a Resolution of Support.



II.c. Applicants for Resolutions

ETJ

Application Number	Development Name	Development Address	Total Units	Target Population
22018	Cole Creek Estates	6850 block of Gessner	108	Family
22012	The Cypress Senior Homes	2823 Barker Cypress Rd	112	Elderly
22101	Fairbanks Crossing	Warren Road and Fairbanks North Houston Road	90	Family
22225	The Glenn	10105 Cossey Road	84	Family
22176	Providence at Fuzzel Road	550 Riley Fuzzel Road	120	Elderly
22237	Vecino Apartments	SWC of Spring Cypress Rd and Lexington Rd	160	Family
22264	Eldridge Park Apartments	Eldridge and Little York	90	Family



II.d. Applicants Eligible for One-Mile, Three- Year Waiver

Based on Houston's urgent need for affordable homes for families, seniors, and permanent supportive housing, HCDD recommends Council approval of:

A Resolution allowing exceptions to the Texas Department of Housing and Community Affairs' (TDHCA) One-Mile Three-Year rule for the attached proposed developments.

To avoid unjustified concentrations of competitive 9% HTC properties, TDHCA requires:



II.d. Applicants Eligible for One Mile Three Year Waiver

- IF a competitive HTC application proposes the new construction or adaptive reuse of a development located one linear mile or less from the proposed site of another HTC development that serves the same target population and has received an allocation of housing tax credits for any new construction at any time during the three-year period preceding the date the application round begins.

II.d. Applicants Eligible for One Mile Three Year Waiver

- The applicant receives a Resolution from the governing body of the municipality where the development is to be located.

Approval of this resolution does not guarantee the property(ies) will receive HTC's.

Application Number	Development Name	Development Address	District	Target Population
22068	Vista at Fallbrook	SWQ of Fallbrook Dr and N Fwy Service Rd	B	Family
22083	Park Lofts at McGregor	SEC of Old Spanish Trail and MLK	D	Family



II.e. Applicants Eligible for Two-Mile, Same Year Waiver

Based on Houston's urgent need for affordable homes for families, seniors, and permanent supportive housing, HCDD recommends Council approval of:

A Resolution allowing exceptions to the Texas Department of Housing and Community Affairs' (TDHCA) Two-Mile Same-Year rule for the attached proposed developments.

To avoid unjustified concentrations of competitive 9% HTC properties, TDHCA requires:



II.e. Applicants Eligible for Two-Mile, Same Year Waiver

- IF a competitive HTC application proposes a development located less than two linear miles from the proposed site of another HTC application within the same calendar year,
- The applicant receives a Resolution from the governing body of the municipality where the development is to be located.

Approval of this resolution does not guarantee the property(ies) will receive HTCs.



II.e. Applicants Eligible for Two-Mile, Same Year Waiver

Application Number	Development Name	Development Address	District	Target Population
22245	Fairways at Woodforest	0 Kingwood Place Dr	E	Family
22221	West Fork Place	West of Kingwood Place Dr	E	Elderly
22060	Evening Star Apartments	11800 S. Glen Dr	F	Elderly
22114	Las Brisas	4500 and 4428 N. Main St	H	Family
22080	Maury Street Lofts	2918 Elysian Street	H	Family
22295	Wellington Frost Town	707-717 Walnut St	H	Family
22244	Fairways at Westwood	9745 Bissonnet	J	Family
22149	The Glen	11826 Riceville School Rd	K	Family
22196	Monroe Lofts*	Monroe Rd. and the Gulf Frwy	I	Family
22020	Houston 90 Washington*	7701 Washington Avenue	C	Family
22185	Casa de Magnolia*	7501 Harrisburg Blvd	I	Senior

*Within two miles of a transaction funded with 2019 – 2020 HTC's receiving 2022 supplemental credits



II.f. Applicants Eligible for 40% Poverty Rate Waiver

A Resolution allowing construction of two properties applying for competitive 9% housing tax credits (HTCs) allocated by the Texas Department of Housing and Community Affairs (TDHCA) to be located in a census tract that has a poverty rate above 40% for individuals.

Applicants for 9% HTCs that propose a development site that is located within a census tract that has a poverty rate above 40% for individuals must disclose such.



II.f. Applicants Eligible for 40% Poverty Rate Waiver

Mitigation must be in the form of a resolution from the Governing Body of the appropriate municipality or county containing the development, referencing this rule, acknowledging the high poverty rate and authorizing the development to move forward.

Two properties in this year's round of applications for 9% HTC fit this criteria:



II.f. Applicants Eligible for 40% Poverty Rate Waiver

- **Maury Street Lofts** located at 2918 Elysian Street in District H is a proposed 86-unit development for families. The applicant is CSH Maury Street Lofts, Ltd.
- **Vista at Fall Brook** located at SWC of Fallbrook and N Fwy Service Rd in District B is a proposed 96-unit development for families. The applicant is Vista at Fallbrook, L.P.

II.f. Applicants Eligible for 40% Poverty Rate Waiver

Based on the initiatives being taken within the Near Northside Complete Community and TIRZ #11 Greenspoint, HCDD recommends that Council approve the Resolution allowing construction of these properties.



Comments & Questions





2100 Travis Street, 9th floor, Houston, TX 77002
832-394-6200 | www.houstontx.gov/housing



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