



9% Housing Tax Credits

February 4, 2025

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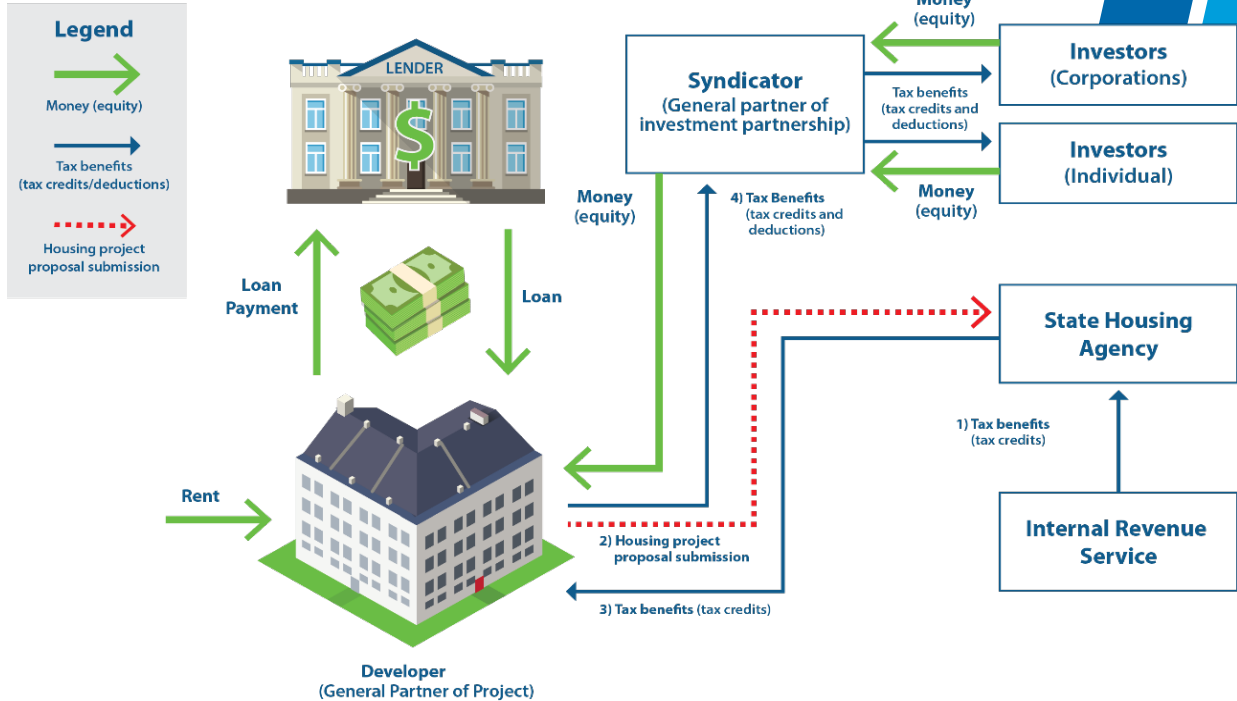


What Are Tax Credits?



- Not funded by the City
- An important resource for building affordable housing
- Created through the Tax Reform Act of 1986
- Administered by Texas Department of Housing and Community Affairs (TDHCA)
- Private equity for construction of affordable housing
- 9% tax credits allocated through a competitive process

Mechanics of Tax Credit Allocation



TDHCA 9% Allocation

Scoring

- Highly competitive scoring system
- Applicants in the ETJ
 - 1/2 their points from City;
 - 1/2 from County;
 - Resolutions required from both

TDHCA Points for Resolution

17
points

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 2025 allocation of private activity bonds are provided in a lottery process to issuers and applicants |

TDHCA 9% Allocation

TDHCA Application Contingent Items

| Points | Action |
|--------|------------------------------------|
| 1 | Readiness to Proceed |
| 17 | Local Government Support |
| 4 | Community Participation |
| 8 | Support from State Representative |
| 4 | Input from Community Organizations |
| 7 | Community Revitalization Plan |

Schedule for Tax Credit Resolutions

9% Tax Credit Resolution Process

| <u>Date</u> | <u>Action</u> |
|-------------------|--|
| December 1, 2024 | Governor approved 2025 Qualified Allocation Plan |
| December 13, 2024 | Application for resolutions posted by HCD |
| January 9, 2025 | Pre-applications due to TDHCA |
| January 10, 2025 | Applications due to HCD |
| February 4, 2024 | Presentation to Housing Committee |
| February 12, 2024 | City Council date |
| February 28, 2025 | TDHCA Full Application Delivery Date |
| July 24, 2025 | TDHCA Award of 9% tax credits |

HCD Housing Tax Credit Resolution Guidelines - 2025



Priority Items

HCD Supports tax credit developments that meet Minimum Standards and HCD Priorities to include:

- Rehabilitation and reconstruction
- Complete Communities and TIRZ
- Areas of low poverty and high performing schools
- Areas experiencing high rental costs
- Transit Oriented Developments
- Areas underserved with affordable housing
- Permanent supportive housing and/or housing serving special needs populations
- Onsite quality educational programming

2025 Housing Tax Credit Guidelines

HCD Scoring Criteria

| Applications Must Meet a Minimum of Ten (10) Points to Qualify for a Resolution of Support (23 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 |
| Mixed income composition | 1 - 2 |
| Onsite quality education programming | 1 - 2 |
| Documentation of community support | 1 |
| Building resiliency features | 1 - 7 |
| Offsite neighborhood improvements | 1 |
| Onsite material recycling | 1 |
| Renovation or reconstruction of existing housing | 2 |



Equitable Distribution Policy

HCD aims to reflect a policy to equitably disperse assisted multifamily developments throughout Houston as it strives 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, I, J, and K limited to 2 recommendations each
- Council Districts C, E, F, and G will be eligible for a maximum of 3 recommendations each
- Exceptions – repair or rehabilitation of existing affordable housing and permanent supportive housing

Equitable Distribution Policy

Competitive factors:

1. The highest scoring application located in greater Third Ward that will receive an award from the Houston Housing Authority for the HUD Choice Neighborhood Implementation grant will be prioritized.
2. HCD total score
3. Developments that implement emergency power management strategies
4. Poverty rate of site compared to other applications in the district
5. Quality onsite educational program



Applicants for Resolutions

| Council District | Total Applications | Limit | Total Resolutions |
|------------------|--------------------|-----------|-------------------|
| District A | 1 | 2 | 1 |
| District B | 3 | 2 | 2 |
| District C | 0 | 3 | 0 |
| District D | 1 | 2 | 1 |
| District E | 0 | 3 | 0 |
| District F | 3 | 3 | 3 |
| District G | 0 | 3 | 0 |
| District H | 0 | 2 | 0 |
| District I | 1 | 2 | 1 |
| District J | 1 | 2 | 1 |
| District K | 6 | 2 | 2 |
| ETJ | 6 | N/A | 3 |
| Total | 22 | 26 | 14 |



2025 Resolutions for 9% Housing Tax Credit Applications



Applicants for Resolutions

| Application Number | Development Name | Development Address | District | Target Population |
|--------------------|----------------------------|---|----------|-------------------|
| 25150 | Kingfield Trails | 15606 Kingfield Dr | A | Family |
| 25247 | Senior Homes at Ella | 867 Rushcreek Dr | B | Senior |
| 25125 | Lofts at Little York | SEC of E Little York and Castleton | B | Senior |
| 25090 | Trinity East Senior | 2620 Live Oak St | D | Senior |
| 25073 | The Ashbourne | 9677 S Kirkwood Rd | F | Family |
| 25203 | Westmond Flats | NEQ of Westheimer Rd and Richmond Ave | F | Family |
| 25250 | New Hope Housing Bissonnet | Bissonnet and Hwy 6 at Castlemont | F | Family |
| 25126 | Silverleaf Senior Living | SEC of Blackhawk Blvd and Texas Sage Dr | I | Senior |
| 25178 | Connect Hillcroft | 6420 Hillcroft Ave | J | Senior |
| 25091 | Fairways at Fuqua | 14600 Blk of Ambrose St | K | Family |



Applicants for Resolutions












| Application Number | Development Name | Development Address | District | Target Population |
|--------------------|-------------------------|--|----------|-------------------|
| 25149 | Labrador Trails | 14201 Labrador Dr | K | Family |
| 25003 | Lafayette Village | 4822 E Sam Houston Pkwy N | ETJ | Family |
| 25031 | Hartwood at Windstone | 19735 Clay Rd | ETJ | Family |
| 25128 | Riverside Garden Villas | SWC of Riverside Grove Dr and Addicks Clodine Rd | ETJ | Senior |



2025 9% HTC Resolutions

- ★ Applications
-  Complete Communities
-  COH TIRZ

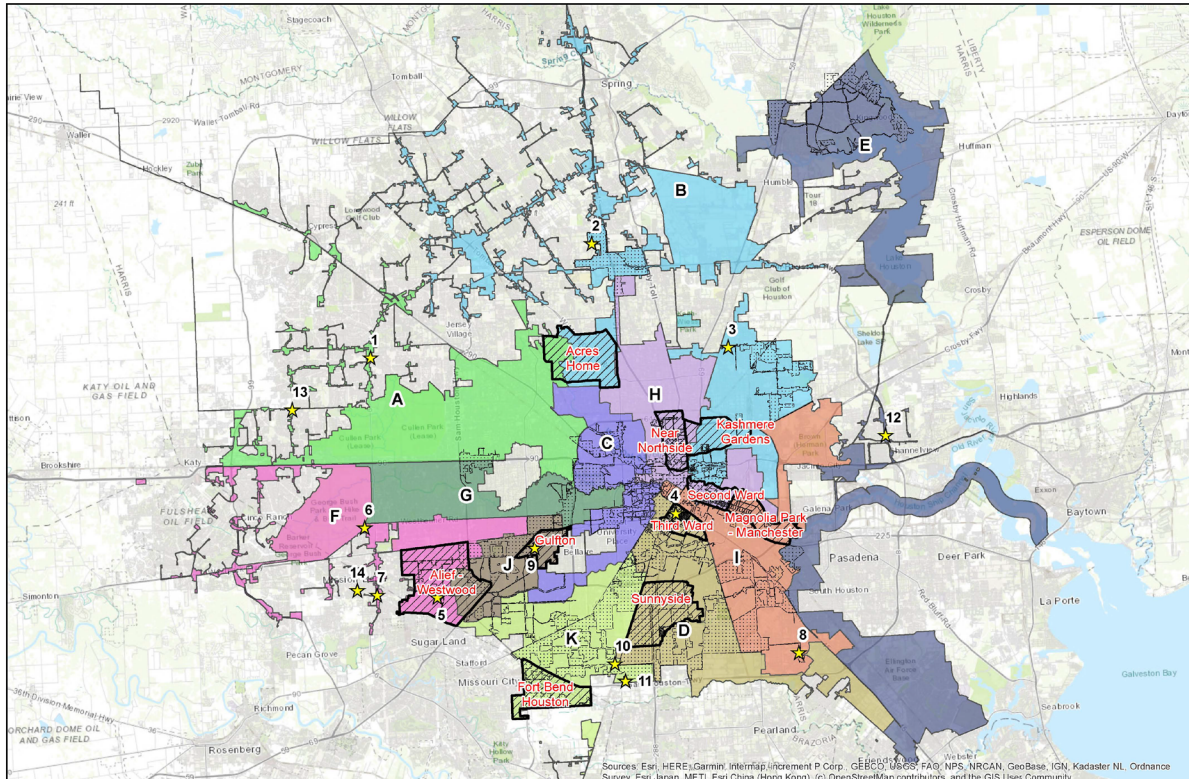
Council District

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

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

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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GeoDesign & Planning Solutions



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri, Japan, METI, Esri China (Hong Kong), (c) OpenStreetMap contributors, and the GIS User Community

- | | | | | |
|---------------------------|--------------------------|---------------------------------|-------------------------|-------------------------------|
| ★ 1. Kingfield Trails | ★ 4. Trinity East Senior | ★ 7. New Hope Housing Bissonnet | ★ 10. Fairways at Fuqua | ★ 13. Hartwood at Windstone |
| ★ 2. Senior Homes at Ella | ★ 5. The Ashbourne | ★ 8. Silverleaf Senior Living | ★ 11. Labrador Trail | ★ 14. Riverside Garden Villas |
| ★ 3. Lofts at Little York | ★ 6. Westmond Flats | ★ 9. Connect Hillcroft | ★ 12. Lafayette Village | |



Applicants Eligible for Two-Mile, Same-Year Waiver

Based on Houston's urgent need for affordable homes for families, and seniors, HCD 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:



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.



Applicants Eligible for Two-Mile, Same-Year Waiver

| Application Number | Development Name | Development Address | District | Target Population |
|--------------------|----------------------|---------------------------------------|----------|-------------------|
| 25125 | Lofts at Little York | SEC of E Little York and Castleton St | B | Senior |
| 25191 | Fairways at Fuqua | 14600 Block of Ambrose | K | Family |
| 25149 | Labrador Trails | 14201 Labrador Dr | K | Family |



Applicants Eligible for One-Mile, Three-Year Waiver

- IF a competitive HTC application proposed 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 anytime during the three-year period preceding the date of the application round begins.



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 HTCs.

| Application Number | Development Name | Development Address | District | Target Population |
|--------------------|----------------------|---------------------|----------|-------------------|
| 25247 | Senior Homes at Ella | 867 Rushcreek Dr | B | Senior |
| 25090 | Trinity East Senior | 2620 Live Oak St | D | Senior |

Applicants Eligible for Greater Than 40% Poverty Resolutions

Applicants are required to disclose a development site located within a census tract with a poverty rate above 40% for individuals.

Mitigation may be in the form of a Resolution from the governing body of the municipality containing the development, acknowledging the high poverty rate and authorizing the development to move forward. The two properties listed in the attached table are located in a census tract that has a poverty rate for 40% for individuals.

Based on initiatives being taken within the Alief-Westwood and Gulfton Complete Communities, HCD recommends that Council approve the resolution allowing construction of these properties.

Applicants Eligible for Greater Than 40% Poverty Resolution

| Application Number | Development Name | Development Address | District |
|--------------------|-------------------|---------------------|----------|
| 25073 | The Ashbourne | 9677 S Kirkwood Rd | F |
| 25178 | Connect Hillcroft | 6420 Hillcroft Ave | J |



Comments & Questions





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