



City of San Antonio

Agenda Memorandum

File Number:
{{item.tracking_number}}

Agenda Item Number: 4

Agenda Date: August 21, 2023

In Control: Planning and Community Development Committee

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Briefing on administrative changes to the City's Housing Tax Credit Policy

SUMMARY:

This item is a briefing on recommended administrative updates to the City's current Housing Tax Credit Policy. The Housing Tax Credit Policy governs the issuance of Resolutions of Support and Resolutions of No Objection for applicants seeking Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA).

BACKGROUND INFORMATION:

Housing Tax Credits (HTC), also known as Low Income Housing Tax Credits or LIHTC, are federal tax subsidies for the construction, rehabilitation, reconstruction, and adaptive reuse of rental properties for vulnerable populations including families, elderly residents, and other special populations with low income. The HTC program is one of the primary means of directing private capital toward the development and preservation of affordable rental housing in Texas. The HTCs

offset a portion of the developer's federal tax liability. The Texas Department of Housing and Community Affairs (TDHCA) distribute the HTCs allotted to the state by the federal government.

TDHCA administers two HTC programs, a Competitive 9% HTC program, and a Non-Competitive 4% HTC program. To successfully apply for HTCs, a developer needs a Resolution of Support or Resolution of No Objection from City Council. The City's Housing Tax Credit Policy outlines scoring categories to be used for considering applications as well as the minimum requirements for developers seeking a Resolution of Support or a Resolution of No Objection. The criteria are designed to ensure fairness in evaluating applications, as well as alignment with state rules and city priorities.

ISSUE:

The current policy was developed in alignment with the Strategic Housing Implementation Plan and adopted by City Council on November 18, 2021. NHSD reviews the City's HTC Policy every two years to ensure the policy continues to align with the City's affordable housing priorities and the state's rules.

As part of the review of the current HTC policy, staff identified administrative changes to the application and policy:

- Adding a certification to the application that the developer will comply with the City's Resolution on Tenants' Rights and Responsibilities.
- Differentiate on the application between development in the City's Extra Territorial Jurisdiction (ETJ) and developments in City Limits.
- Remove Concerted Revitalization Plan language from the policy that is no longer relevant due to state rule changes.

The proposed administrative changes do not change scoring categories and continue to prioritize:

- Deeply affordable units,
- Development near public transportation, and
- Requiring sustainability or green features.

NHSD continues to monitor updates at the state level that would require changes to the application for Resolutions. No changes have been identified that make the current application out of alignment with state priorities.

The proposed administrative changes will be implemented by November 2023 to align with the 2024 Competitive 9% HTC round. NHSD plans to open the Competitive 9% HTC Request for Application on November 29, 2023.

FISCAL IMPACT:

There is no fiscal impact.

ALTERNATIVES:

This item is for briefing purposes only.

RECOMMENDATION:

This item is for briefing purposes only.