



CITY OF SAN ANTONIO
**NEIGHBORHOOD & HOUSING
SERVICES DEPARTMENT**

November 18, 2021 | Item #35

City Council: Housing Tax Credits Policy

Verónica R. Soto, FAICP, Director

What are Housing Tax Credits (HTCs)?



Museum Reach Lofts- 9% HTC in District 1

- Also known as Low Income Housing Tax Credits (LIHTC)
- Common funding source for affordable housing
- IRS program started in the 1980s
- Administered by the states
 - In Texas, the Texas Department of Housing and Community Affairs (TDHCA) administers the program
 - TDHCA writes the rules and oversees compliance
 - High development standards
 - Annual inspections
 - TDHCA calls them Housing Tax Credits
- Rehab & New Construction
- Two kinds: Competitive 9% & Non-Competitive 4%

Overlap with SHIP



☐ Support new construction & rehabilitation of affordable units:

- A typical 4% project includes 100-350 DUs. A typical 9% project includes 40-100 DUs.
- All $\leq 80\%$ AMI.

☐ Prioritizes deeper affordability:

- Encourages deeper affordability by income averaging with $\leq 30\%$ AMI, $\leq 40\%$ AMI, & $\leq 50\%$ AMI units.
- All 9% projects reserve at least 10% of their units for households at 30% AMI and below.

☐ Support Resident Services:

- More points are given to developments offering meaningful on-site services.

☐ Preventing Displacement & Tenant Protections:

- Agree they will not directly, permanently displacement without adequate relocation assistance.
- Accept HCVs.
- Certify they will follow the Non-Discrimination Ordinance and the Notice of Tenants Rights Ordinance.

☐ Location:

- Points for being along key transportation routes
- Points for being in job centers and Regional Centers

HTC Application Process



NHSD Application

- Collects project information
- Basis for resolution recommendation

December-January



City Council

- Provide Resolution of Support or No Objection
- No guarantee of success for HTC

February



TDHCA

- Reviews full applications
- Awards Housing Tax Credits

March-July



City & TDHCA 9% Timeline



City Council updates
Policy (11/18/21)

Staff finalizes
application
(11/19/21-11/29/21)

City application
opens (12/1/21)

**Pre-Applications
due to TDHCA
(1/7/22)**

City application
closes (1/10/22)

NHSD staff score
applications
(1/10/22-1/19/22)

Recommendation to
PCDC (1/27/22)

City Council
Resolutions
(2/10/22)

Final documents to
applicants
(2/23/22)

**Full Applications
due to TDHCA
(3/1/22)**

Policy Input Plan



July	August	September	October	November
<ul style="list-style-type: none">✓ Practitioner Survey	<ul style="list-style-type: none">✓ Practitioner Meeting #1✓ Housing Commission Briefing✓ PCDC Briefing	<ul style="list-style-type: none">✓ SA Speak Up survey✓ Practitioner Meetings #2 & #3✓ Housing Commission Briefing✓ PCDC Briefing✓ Public meeting✓ Councilmember Briefings	<ul style="list-style-type: none">✓ CHDO briefing✓ DPTF briefing✓ Housing Commission Briefing✓ Councilmember Briefings✓ Public comment on draft policy✓ PCDC Briefing	<ul style="list-style-type: none">✓ PCDC• City Council

Practitioner Survey Feedback

Open: July 5-August 4
15 Responses

Key Feedback:

- Process is on par or better than other Texas cities.
- The process is largely clear and easy to complete. Staff are responsive.
- The 100-point scoring system is a good measurement tool.
- The process is largely fair and transparent.
- The City's timeline for issuing Resolution is adequate.



Practitioner Meeting Feedback

Generally supportive of Transportation Point changes

For ETJ developments, have the same notification requirements as for Council

Supportive of update to public engagement points

Prioritizing 9% bond projects may push development outside city limits

Supportive of coordination with SAHA and SAHT

Push 9% application due date until after pre-applications are due to TDHCA

Make sure rehabilitation projects can meet thresholds

SA Speak Up Survey Feedback



Open: September 1- 20

95 Responses (94 English/1 Spanish)

- Clear preference for projects with mixed incomes & including $\leq 30\%$ AMI units.
- Want to know about projects' impact on traffic, construction timelines, alignment with neighborhood plans, and number of units
- Important to be near public transportation & grocery stores
- Important amenities:
 - Community: Community laundry room, security cameras, and learning/business center
 - In-Unit: Energy efficient appliances, high speed internet connections
 - Resident services: On-site after school programs & monthly skill training classes



Public Meeting Feedback



September 30

Key Feedback:

- Encourage partnerships with local non-profits who can provide quality resident services.
- Highlight or incentivize innovation or novelty.
- Prioritize proximity to healthcare services.
- Keep the menu of options for amenities and resident services.

Council Feedback

- Encourage more $\leq 30\%$ AMI.
- Encourage green buildings/ sustainability; reserve points for sustainable amenities; encourage green space within properties
- Encourage developments to be compatible with existing neighborhood.
- Ask about additional infrastructure needs beyond footprint; points for including infrastructure for electric vehicles.
- Encourage meaningful public participation; add option for developers who respond to questions without Council involvement; keep at 10 points.
- Ask if they will voluntarily follow SAHT or SAHA tenant protections.
- Transportation points should be 10 points not 12 points.
- Add scoring for working with local businesses.
- Explore Public Improvement Districts as Target Areas.
- Show overlap with SHIP and HTC Policy.
- The timeline for 9% projects is too short.

Staff Recommendation: Scoring Changes



Category	2020 Points	Recommendation
Owner/General Partner/Property Management Experience	15	7
Nonprofit Organization Participation, HUB, SBEDA	5	5
Use local businesses and contractors	-	2
Targeted Areas	10	10
Transportation	-	10
Proximity to Jobs	5	5
Project Feasibility & Readiness	15	11
Project Amenities & Resident Services	20	20
Deeper Affordability	20	20
Public Engagement	10	10
Total	100	100

Staff Recommendation: Deeper Affordability Category



Affordability Level	Points
20% Units at $\leq 30\%$ AMI	20 points
15% Units at $\leq 30\%$ AMI	18 points
10% Units at $\leq 30\%$ AMI or	15 points
15% Units at 40% AMI or	
40% Units at 50% AMI	
5% Units at $\leq 30\%$ AMI or	10 points
10% Units at 40% AMI or	
30% Units at 50% AMI	
5% Units at 40% AMI or	5 points
20% Units at 50% AMI	



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