

## *Low-Income Housing Tax Credit Resolution Policy*

This policy outlines the City of San Antonio's process for issuing Resolutions to proposed developments seeking Low-Income Housing Tax Credit (LIHTC or HTC) awards from the state. This policy helps ensure developments in city limits or extraterritorial jurisdiction are ultimately awarded tax credits from Texas Department of Housing and Community Affairs (TDHCA) meet citywide goals.

Staff will only recommend the City provide necessary Resolution(s) upon confirmation the proposed development aligns with the City's housing goals and priorities as outlined in this policy. This policy supports the City's commitment to housing affordability for all community members including individuals and families of all races/ethnicities, colors, religions, ages, abilities, gender and sexual identities, familial statuses, national origins, veteran status, and income levels. The policy also prohibits direct displacement of community members.

City Council may establish additional goals and priorities each fiscal year. When feasible, any additional goals and priorities will be released publicly prior to the City's Request for Applications (RFA) for Competitive 9% HTC projects.

The Neighborhood and Housing Services Department (NHSD) oversees this policy. NHSD may review the policy every two years to ensure continued alignment with City and state priorities. Staff may need to adjust administratively to remain in alignment with the current year QAP as well as state and federal laws.

### **City Actions**

The City can impact an application to TDHCA's eligibility and score in the following ways:

- A Resolution from City Council expressly stating:
  - o The municipality supports the application or development (Competitive 9% HTC applicants only).
  - o The municipality has no objection to the application or development.
  - o The municipality objects to the application or development.
  - o The municipality is allowing the proposed development to apply for tax credits, while it is within one linear mile of another HTC development awarded in the last three years that serves the same population.
  - o The municipality acknowledges and is allowing the development to be built in a census tract with 20% or more of its total housing units supported by HTCs.
  - o The municipality acknowledges and is allowing the development to be built in a census tract with a poverty rate of 40% or more.One Resolution will be issued per applicant whenever possible. TDHCA will accept a single Resolution addressing several of the provisions and waivers listed above.
- For Competitive 9% HTC applicants, a letter from an appropriate City official:
  - o Confirming the development is in and contributes to a concerted revitalization plan. The letter will meet the requirements of the current QAP.
  - o Confirming the City's contribution of \$500 to the development in the form of a loan, grant, or fee waiver.

### **City Timelines**

For Competitive 9% HTC applicants, the City will issue a Request for Applications (RFA) for Resolutions and supporting documents in late November or early December. The RFA will close in January. NHSD staff will score complete applications and bring recommendations to a Council

Subcommittee (as appropriate) and City Council by mid-February. This schedule aligns with the TDHCA program calendar.

For Non-Competitive 4% HTC applications, the City will accept applications on a rolling basis. Non-Competitive applications are subject to the same evaluation criteria as competitive applications. Staff recommendations will be brought to a Council Subcommittee (as appropriate) and City Council after staff have reviewed all application materials and determined requirements have been met. Applicants should anticipate requests for a Resolution being presented to City Council approximately 55 business days after a complete application is received. Applicants should submit their application as close as feasible to when they submit for their bond allocation to allow adequate processing time.

Applicants should be aware that City Council does not meet the 4<sup>th</sup> Thursday each month and generally does not meet in July or mid-late December. Processing may take longer during these times.

Applicants should also be aware it may take up to three weeks for the signed Resolution to become available and plan their submission accordingly.

### **Criteria for Resolutions of Support and No Objection**

The City has developed a self-scoring application in order to conduct a comprehensive, fair, and impartial evaluation of all applications received. Staff will analyze each application to determine overall responsiveness and qualifications under this policy. The general eligibility and evaluation criteria used by staff for recommending Resolutions are outlined below:

#### *Eligibility for Resolution of Support:*

- Application received is complete and includes all required supporting documentation;
- Application received by the deadline announced by staff; and,
- Application is for a 9% Competitive HTC project and scores at least 80 points.

#### *Eligibility for Resolution of No Objection:*

- Application received is complete and includes all required supporting documentation;
- Applicant earns at least 4 of the 7 points available in the *Owner/General Partner/Property Management Experience* section; and,
- Application is for a 4% Non-Competitive HTC project and scores at least 60 points.

#### *Up to 100 Total Points May be Awarded for the Following:*

The exact specifications of how points will be awarded are detailed in the applications issued by the City each year. Small changes to scoring items within the categories below and their definitions may vary slightly from year to year. Applicants should use the most recent applications published on the Neighborhood and Housing Department [webpage](#) for scoring details.

When completing the application, Applicants are expected to self-score based on their current understanding of what is feasible for their project and to provide the most complete and accurate information possible.

- **Owner/General Partner/Property Management Experience (up to 7 points)** – Points are awarded to applicants demonstrating experience owning, developing, and/or managing affordable multifamily housing developments for a minimum of three years. See current application for details and current scoring.

- **Nonprofit Organization or SBEDA/HUB Participation (5 points)** – Points are awarded to applications demonstrating participation in the project by a qualified nonprofit organization, City of San Antonio certified Small Business Economic Development Advocacy (SBEDA) Program business, or state-certified Historically Underutilized Business (HUB), including either ownership of the development or other controlling interest. See current application for details and current scoring.
- **Targeted Areas (up to 10 points)** – Points are awarded to developments located in City-designated reinvestment areas. Examples include but are not limited to, SA Tomorrow Regional Centers, Tax Increment Reinvestment Zones, and access to Advanced Rapid Transit. Target area points may be assigned for Permanent Supportive Housing/ Supportive Housing Developments as defined by the current QAP or rehabilitation projects. Eligible areas may change annually based on City goals and priorities. See current application for details and current scoring.
- **Access to Transportation (up to 10 points)** – Points are awarded to developments within ½ mile of VIA bus stops based on the frequency of service or to a development in a VIA Link zone. VIA will help update the scoring areas annually to ensure accurate and current route information. See current application for details and current scoring.
- **Proximity to Jobs (up to 5 points)** – Points are awarded based on the number of primary jobs within a specific radius of the proposed development. The data referenced is available through [US Census OnTheMap tool](#). See current application for details and current scoring.
- **Project Feasibility & Readiness (up to 6 points)** – Points are awarded to applications demonstrating that the project will meet the TDHCA requirements for the HTC program such as site control and appropriate zoning for the proposed development type and density. See current application for details and current scoring.
- **Project Amenities (up to 11 points)** – Points are awarded based on the planned amenities for the development and the development’s proximity to desired amenities. Amenities will be selected from a menu of qualifying amenities. See current application for details and current scoring.
- **Resident Services (up to 11 points)** - Points are awarded based on the developer’s planned on-site and free resident services. Resident services will be selected from a menu of resident services. See current application for details and current scoring.
- **Deeper Affordability (up to 25 points)** – Points are awarded to applications based on the percent of total units reserved for households at or below 50% of area median income with priority given to developments that reserve at least 20% of their units for households with less than or equal to 30% area median income. Additional points are available to developments who have a current or confirmed project wide affordability contract allowing for more than 20% of the units at 30% AMI.
- **Public Engagement (up to 10 points)** – Points are awarded to applications demonstrating evidence that the applicant took steps to inform the surrounding community about the proposed development. Examples include:
  - A project information package sent in accordance with the current application to the designated neighbors and appropriate organizations,

- A developer-initiated public meeting in accordance with the requirements outlined in the current application as it relates to appropriate timing, location, and notification,
- A resident initiated public meeting attended by the developer and meeting the requirements outlined in the current application,
- Submission of letters of support from appropriate neighborhood, community organizations, or Independent School District (the closest ISD school is allowable) as detailed in the current application,
- Evidence of two-way communication with neighbors, Neighborhood association, or Independent School District (the closest ISD school is allowable) as detailed in the current application.

For exact supporting documentation requirements see current application.

### *Application Instructions*

This policy is not intended to provide the exact instructions and program details for applicants, as they may change slightly from year to year. The exact criteria and instructions are found on the corresponding Competitive 9% HTC and Non-Competitive 4% HTC applications.

The applicant is expected to examine the applications carefully, understand the terms and conditions for providing the information, and respond completely. Failure to complete and provide application requirements may result in the respondent's application being delayed or deemed non-responsive and disqualified.

### **Criteria for Additional Resolution Provisions**

An applicant can have the provisions in this section added to their Resolution of Support or Resolution of No Objection as long as the following conditions are met:

- The applicant met the requirements for a Resolution of Support or Resolution of No Objection.
- The applicant requested the provision(s) be included in their Resolution at the time of submission.
- Provides information/evidence specified below on their application.
- The provision is relevant under the current year's QAP.

### *One Mile Three Year Rule Waiver*

The TDHCA prohibits New Construction or Adaptive Reuse developments being one linear mile or less from another development that:

- Serves the same target population (families, older adults, etc.).
- Received HTCs or federal private activity bonds within the previous three years.
- Has not been withdrawn or terminated from the HTC program.

The applicant will provide an explanation describing how the proposed development will address the unmet housing needs of the surrounding neighborhoods.

This waiver's inclusion in a Resolution of Support or No Objection is subject to Council approval.

## *20% of Housing Units Supported by Housing Tax Credits Waiver*

TDHCA requires an applicant proposing a New Construction or Adaptive Reuse development in a census tract with more than 20% of its total housing units supported by HTC's to submit a Resolution specifically allowing the development and stating the proposed development is consistent with the jurisdiction's obligation to affirmatively further fair housing.

The applicant will provide an explanation describing how the proposed development will address the unmet housing needs of the census tract. In the description the applicant should include information about the number and types of housing units in the census tract along with what percent of housing units are currently supported by HTC's and what percent would be supported by HTC's upon completion of the project.

This waiver's inclusion in a Resolution of Support or No Objection is subject to council approval.

## *High Poverty Census Tract Waiver*

If the development is in a census tract with a poverty rate of 40% or more, TDHCA allows the City Council to issue a Resolution acknowledging the high poverty rate and authorizing the development to move forward.

The applicant will provide an explanation describing the mitigation underway to address the high poverty rate.

This waiver's inclusion in a Resolution of Support or No Objection is subject to Council approval.

## **Additional Information**

Decisions by the City will comply with federal Fair Housing laws that prohibit discrimination which could result in different or unequal treatment in housing programs because of race, color, sex, religion, national origin, familial status, or disability. The City also prohibits discrimination based on an individual's veteran status, sexual orientation, or gender identity.

By submitting an application for a Resolution of Support or No Objection, the applicant agrees to accept, when practicable, Persons with Special Housing Needs. Persons with Special Housing Needs include households where one or more individuals have alcohol and/or drug additions, is a Colonia resident, a person with a disability, has Violence Against Women Act protections (domestic violence, dating violence, sexual assault, and stalking), HIV/AIDS, is experiencing homeless, is a veteran, or farmworker.

Resolutions and other documentation assisting in the application of either Competitive 9% HTC's or Non-Competitive 4% HTC's to TDHCA will be issued only to developers certifying they will not directly permanently displace community members without adequate relocation assistance, such as a housing choice voucher, and that they have read, understood, and agree to the provisions in:

- the City's Non-Discrimination Ordinance;
- the City's Notice of Tenants' Rights Ordinance;
- the City's Resolution Supporting the Rights of Tenants;
- the Housing Choice Voucher Policy; and
- the Low-Income Housing Tax Credit Resolution Policy.

Developers will also certify that they will:

- Abide by the above policies, including by accepting housing vouchers in alignment with their tenant selection policies and;
- Work with local businesses and contractors.

A rehabilitation project that temporarily displaces community members may receive a Resolution from the City only if a satisfactory plan is provided at the time of application. A satisfactory plan will include, at minimum:

- Certification that impacted community members will be informed of the temporary displacement and anticipated timeline for relocation at least 90 days before it begins.
- A budget including any necessary storage, moving, and boarding costs.
- The timeline for relocation.
- Certification that no affordable units will be lost because of the rehabilitation.

### *Restrictions on Communication*

Respondents to the Competitive 9% HTC Request for Application (RFA) agree to observe the following restrictions on communication with 1) elected City officials and their staff and 2) City employees from the time the RFA is released until the agenda for the City Council meeting in which Resolutions will be issued is posted.

1. This restriction on communications does not apply to the project notification requirement under this Policy or to communications with City staff regarding zoning or re-zoning of property in connection with the project.
2. Respondents are permitted to answer questions about their project asked by elected City officials and their staff or City staff so long as Respondent's responses do not constitute or include advocacy or lobbying in support of the project.
3. Respondents may not discuss applications for projects submitted by other applicants with elected City officials and their staff or City staff or ask City officials and their staff or City staff to oppose another applicant's project.
4. Restrictions on communications prohibited by this Policy include "thank you" letters, phone calls, emails, or additional discussion about the project beyond the permissible communications set forth in this section.

Respondents may submit questions concerning this RFA to the Staff Contact Person listed on the application until 2:00pm, Central Standard Time, the specified date found on the current year's application.

Staff reserves the right to contact any Respondent to obtain additional information. Such contact initiated by staff, shall not be considered a violation by Respondent of this section.

Violation of this provision by the Respondent may lead to disqualification of the application from consideration.

### *Irregularities*

City staff will evaluate all the items submitted with the signed application to formalize its recommendation to the City Council regarding the issuance of Resolutions. Regardless of points scored using the evaluation criteria herein, the City Council reserves the right to issue a Resolution of Support, a Resolution of No Objection, a Resolution of Objection, other Resolutions associated HTCs, or to not issue any Resolutions.

Staff may waive informalities and irregularities in the applications received. Staff also reserve the right to terminate an RFA and reissue a subsequent solicitation, and/or remedy technical errors in the RFA process.