

# Memorandum



CITY OF DALLAS

DATE February 3, 2012

TO Housing Committee Members: Carolyn R. Davis, Chair, Scott Griggs, Vice-Chair, Dwaine Caraway, Linda Koop, and Pauline Medrano

SUBJECT 2012 Low Income Housing Tax Credit Program

On Monday, February 6, 2012, you will be briefed on 2012 Low Income Housing Tax Credit Program. A copy of the briefing is attached.

Please let me know if you have any questions.

A handwritten signature in black ink, appearing to read 'Ryan S. Evans'.

Ryan S. Evans  
Assistant City Manager

c: The Honorable Mayor and Members of the City Council  
Mary K. Suhm, City Manager  
Rosa A. Rios, Acting City Secretary  
Tom P. Perkins, Jr., City Attorney  
Craig Kinton, City Auditor  
C. Victor Lander, Administrative Judge, Municipal Court  
A.C. Gonzalez, First Assistant City Manager  
Forest Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Jerry Killingsworth, Housing/Community Services Director  
Stephanie Pegues-Cooper, Assistant to the City Manager

# 2012 Low Income Housing Tax Credit Program

A Briefing to the  
Housing Committee

Housing/Community Services Department  
February 6, 2012



# Key Focus Area: Economic Vibrancy

---

## Purpose

- Update Housing Committee on 2011 Low Income Housing Tax Credit (LIHTC) awards
- Provide information regarding the Texas Department of Housing & Community Affairs LIHTC Program for 2012
- Provide information on 2012 applications

# Texas Department of Housing & Community Affairs (TDHCA) Low Income Housing Tax Credit (LIHTC) Program

---

- The Housing Tax Credit (HTC) Program was created by the Tax Reform Act of 1986. Section 42 of the Internal Revenue Code of 1986, as amended (the Code), is the federal law that governs the HTC program.
- For 2011, the estimated tax credit availability was approximately \$9.1 million for the region.
- For 2012, the estimated tax credit availability is approximately \$7.6 million for the region.
- The Region includes Dallas, Denton, Collin, Tarrant, and Grayson Counties
- The Texas Department of Housing and Community Affairs (TDHCA) is the only entity in the state of Texas with the authority to allocate tax credits under this program.

# LIHTC Program

---

- The tax credit program is one of the primary means of directing private capital toward the creation of affordable rental housing.
- The tax credits provide investors of affordable rental housing with a benefit that is used to offset a portion of their federal tax liability in exchange for the production of affordable rental housing.
- The Tax Credit Program allows qualified families to lease the developed units at below market rate rents.

# 2011 LIHTC Results for Dallas

Project Name	Address	Council District	# of Units	Unit Types	Result
Park Creek Manor	2520 Coombs Creek St.	1	322	Families-Rehab	Withdrew application
Tyler Street Manor	922 W. 9 <sup>th</sup> St.	1	180	Seniors-Rehab	Withdrew application
1400 Belleview	1401 Browder St.	2	164	Families-New	Did not receive award
Champion Homes at Copperridge	5542 Maple Ave.	2	200	Families-New	Did not receive award
Deaf Action Center	3115 Crestview Dr.	2	36	Families-Rehab	Withdrew application
Greenhaus at East Side	4611 East Side Ave.	2	24	Families-New	<b>Received Tax Credit Forward Commitment</b>
St. Paul Apartments	1801 Young St	2	149	Families-New	Did not receive award
Peoples El Shaddai	2836 E. Overton Rd.	4	100	Families-Rehab	Did not receive award
Veteran's Place	4623 S. Lancaster Rd	5	147	Families-New	Did not receive award
Hatcher Square	4600 Scyene Rd.	7	136	Families-New	Did not receive award
Sphinx at Lawnview	4120 Lawnview	7	120	Senior-New	Withdrew application
Kleberg Commons	12700 Kleberg Rd.	8	200	Senior-New	Withdrew application
Brook Village Apts.	6852 Shady Brook Ln.	13	262	Families-Rehab	Withdrew application
E-2 Flats	211 N. Ervay	14	187	Families-Reuse	Did not receive award

# Previous Tax Credit Projects in the City of Dallas

---

- From 1990 to 2011, there have been a total of 120 projects awarded tax credits with a total of 19,618 affordable housing units
- Three projects which received forward commitments will be under construction this year:
  - Hillside West Seniors
  - Wynnewood Village
  - Greenhaus at East Side

# LIHTC Qualified Allocation Plan for 2012

---

- TDHCA develops an annual plan for the selection of eligible developments known as the Qualified Allocation Plan (QAP)
  
- The 2012 QAP includes a point based scoring system with the following criteria:
  - Financial Feasibility
  - Quantifiable Community Participation
  - Income Levels of Tenants of the Development
  - Size & Quality of the Units
  - Commitment of Development Funding by a Unit of General Local Government or Government Instrumentality
  - Community Support from State Representative or State Senator
  - Rent Levels of the Units
  - Cost of the Development by Square Foot
  - Tenant Services



# LIHTC QAP (continued)

---

- QAP Criteria (continued)
  - Declared Disaster Area
  - Community Input other than Quantifiable Community Participation
  - Community Revitalization or Historic Preservation
  - Pre-app Participation
  - Development Location
  - Economic Development Initiatives
  - Developments in Census Tracts with Limited Existing HTC Developments
  - Tenant Populations with Special Housing Needs
  - Length of Affordability Period
  - Site Characteristics
  - Sponsor Characteristics
  - Qualified Census Tracts with Revitalization
  - Development Intended for Eventual Tenant Ownership
  - Leveraging of Private, State, and Federal Resources
  - Additional Evidence of Preparation to Proceed
  - Repositioning of Existing Developments

# Significant Changes in QAP from 2011 to 2012

---

- No forward commitments will be allowed this year
- Development awards within the same year must be a minimum of two miles apart
- Rehabilitation of a building more than 40 years old is ineligible unless it is a historic project or an adaptive reuse (excluding reconstruction)
- Priority to Supportive Housing, Downtown Developments, High Opportunity Area Developments, and non-Qualified Elderly Developments that receive local funding
  - High Opportunity Areas (new term)-census tracts with median income above that of the County and with 15% or less poverty rate
- Greater emphasis on leveraging of funds and project being “shovel ready”

# City of Dallas Participation in LIHTC Program

---

- TDHCA asks for the Governing Body to provide the following approvals for any proposed project located within the boundaries of the jurisdiction:
  - When the number of tax credit units previously approved exceeds two times the state average
  - When projects involving new construction or adaptive reuse are located less than a mile from another project funded within the prior 3 years and served the same type of household
  - When a proposed project is to be located in a census tract that has more than 30% Housing Tax Credit Units per total households in the census tract
  
- Additional support
  - Formal resolution of support from the City Council
  - Provide gap funding for certain projects that meet the City Council goals & objectives
  - Letters confirming zoning, location, and inclusion in revitalization areas

# LIHTC Process

---

- All LIHTC applicants must submit:
  - a proposal to the City of Dallas which:
    - Describes the project
    - Details the sources & uses for the project
    - Discloses the principal parties
  - A \$1,000 fee for processing
    - May be waived by the Housing/Community Services Director for nonprofit organizations

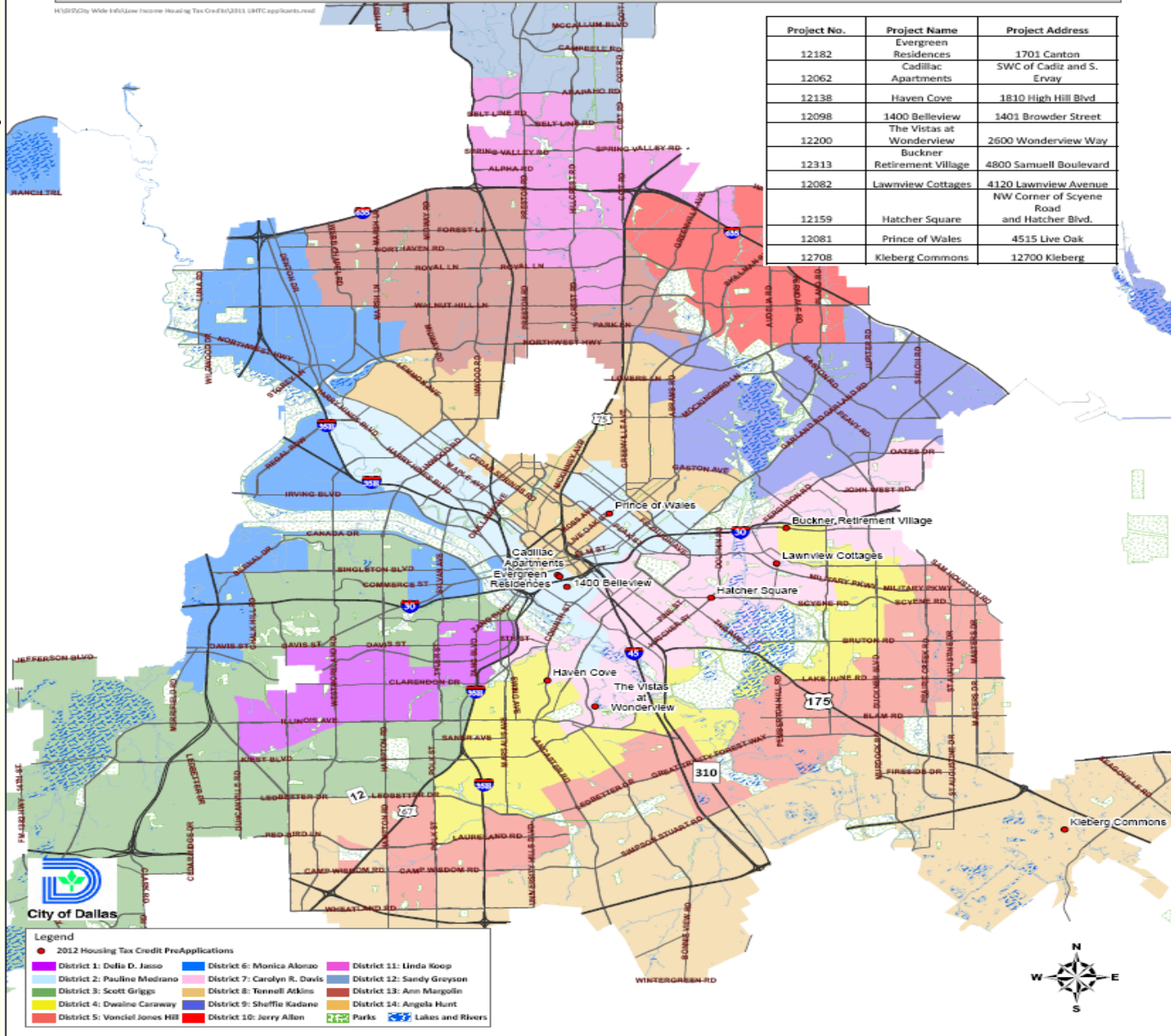
# LIHTC Applications Submitted to City of Dallas for 2012

<b>Project Name</b>	<b>Address</b>	<b>Council District</b>	<b># of Units</b>	<b>Unit Types</b>	<b>Developer/ Owner</b>
1400 Belleview	1401 Browder St.	2	164	Families-New	Matthews CCH Partners
Cadillac Apartment	Cadiz & South Ervay	2	164	Supportive Housing	Ted Hamilton
Evergreen Residences	1701 Canton	2	130	Supportive Housing for Families	Graham Greene
Prince of Wales	4515 Live Oak	2	63	Supportive Housing	LifeNet
Buckner Retirement Village	4800 Samuell Blvd.	4	202	Elderly	Charlie Wilson
Hatcher Square	4600 Scyene Rd.	7	136	Families-New	Frazier HS, LP
Haven Cove	1810 High Hill Blvd.	7	250	Families-New	Rene Sierra
Lawnview Cottages	4120 Lawnview Ave.	7	120	Elderly	Jay Oji
The Vistas at Wonderview	2600 Wonderview Way	7	120	Elderly	Donald Paxton
Kleberg Commons	12700 Kleberg Rd.	8	200	Families-New	Neil Toller

# Low Income Housing Tax Credit Applications Submitted to City of Dallas for 2012

H:\GIS\City Wide Info\Low Income Housing Tax Credit\2011 LHTC applications.mxd

Project No.	Project Name	Project Address
12182	Evergreen Residences	1701 Canton
12062	Cadillac Apartments	SWC of Cadiz and S. Ervay
12138	Haven Cove	1810 High Hill Blvd
12098	1400 Bellevue	1401 Browder Street
12200	The Vistas at Wonderview	2600 Wonderview Way
12313	Retirement Village	4800 Samuell Boulevard
12082	Lawview Cottages	4120 Lawnview Avenue
12159	Hatcher Square	NW Corner of Scyene Road and Hatcher Blvd.
12081	Prince of Wales	4515 Live Oak
12708	Kleberg Commons	12700 Kleberg



- Legend**
- 2012 Housing Tax Credit PreApplications
  - District 1: Della D. Jasso
  - District 2: Pauline Medrano
  - District 3: Scott Griggs
  - District 4: Dawaine Caraway
  - District 5: Vonciel Jones Hill
  - District 6: Monica Alonzo
  - District 7: Carolyn R. Davis
  - District 8: Tennell Atkins
  - District 9: Sheffield Kadane
  - District 10: Jerry Allen
  - District 11: Linda Koop
  - District 12: Sandy Greyson
  - District 13: Ann Margollin
  - District 14: Angela Hunt
  - 🌳 Parks
  - 🌊 Lakes and Rivers



# Staff Recommendations

---

- In past years, staff has recommended projects without ranking the projects
- In 2012, staff will provide rankings for the projects to the Housing Committee on February 21, 2012
- Based on the available tax credits and the number of application in the Region, only one or two projects for Dallas will be successful
  - There were 63 pre-applications totaling \$102M in requests for tax credits for the Regional allocation

# Next Steps

---

- ❑ February 21, 2012 - Briefing to the Housing Committee on the LIHTC projects submitted to the City of Dallas for support and funding with staff recommendations
- ❑ February 22, 2012 - City Council approval for the support of the LIHTC applications
- ❑ March thru September 2012 – City funding or zoning approvals for specific applications as needed
- ❑ July 26, 2012- TDHCA Board provides LIHTC awards