



# KILLEEN HOUSING TAX CREDIT PROPOSALS - 2019

TMP-027-19

February 5, 2019

# Housing Tax Credit Program-Background

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- What is it?
  - ▣ Created by the Tax Reform Act of 1986 under § 42 of Internal Revenue Code
  - ▣ #1 financing program to build workforce housing in communities by directing private capital towards the development

# Housing Tax Credit Program-Background

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- An incentive of federal tax credits in exchange for equity in the housing development
- Tax credits are sold to investors/corporations to reduce their federal tax liability
- The private capital allows the developer to reduce the mortgage and pass on savings in form of more affordable rents

# Housing Tax Credit Program - Background

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- ❑ Texas Department of Housing & Community Affairs administers the housing tax credit program – highly competitive
- ❑ Qualified Allocation Plan – point based system
- ❑ Texas is divided into several regions, Killeen competes in Region 8
  - ▣ Bryan, College Station, Killeen, Temple, Waco, Harker Heights, Copperas Cove
  - ▣ Two categories – urban and at risk set aside
  - ▣ Only one (1) project in Region 8 may receive funding in urban category, however if leftover credits from other regions, Killeen may get two.

# Who Benefits from the Program?

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- ❑ Households earning at or below 60% of the Area Median Income (family of 4 = \$35,820 annual income)—households earning \$18 per hour
- ❑ Proposed rents are set by the federal & state agency.
- ❑ Rents must remain restricted for 20 years
- ❑ Development must be maintained to high standards to please investors and community
- ❑ Additional development amenities include health screenings, after school programs, and social activities
- ❑ City with property taxes, creation of jobs, creation of affordable housing units

# Existing Tax Credit Housing In Killeen

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- Seven tax credit developments in Killeen:

Development Name	# of Units	Year Tax Credits Awarded	Population Served
Village at Fox Creek	128	1997	General Population
The Veranda at Twin Creek	88	1999	Elderly
Stone Ranch Apartments	129	2003	Elderly
Killeen Ridge Point	172	2005	General Population
Tremont Apartments	112	2009	Elderly
Hyde Estates	76	2016	General Population
Westwind Apartments	110	2017	General Population

- ▣ No decline in surrounding property values since development.

**Fort Hood**

## Existing Housing Locations



1 inch = 4,897 feet

# Proposed Developments in Killeen

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Development Name	Number of Units	Population Served	Reduction of Fees Requested	Total Development Cost
Avanti Legacy West Elm	59 units of 1 & 2 BR	Elderly	\$500 in reduced development fees	\$12,583,717
Edgewood Villas	90 units of 1 & 2 BR	Elderly	\$500 in reduced development fees	\$14,264,531
Killeen Springs	120 units of 1 & 2 BR	Elderly	\$500 in reduced development fees	\$16,408,075
Reserve at Bunny Trail	120 units of 1,2 & 3 BR	General Population	\$1,000 in reduced development fees	\$17,797,743
Villas at Robinett	104 units of 1 & 2 BR	Elderly	\$500 in reduced development fees	\$15,676,174



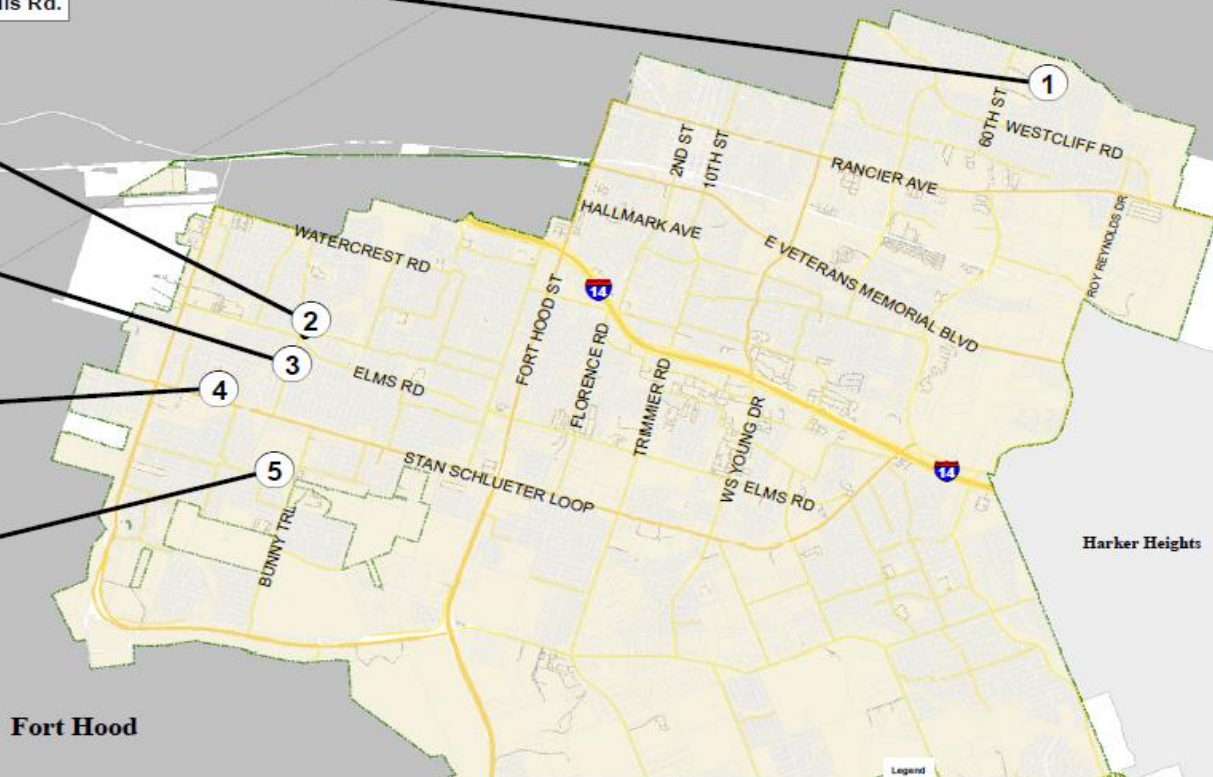
**Edgewood Villas**  
 Skyline Development, LLC  
 Elderly  
 90 Units  
 12 + acres near the Northeast corner of N 60th & Bills Rd.

**Killeen Springs**  
 Bouldin Communities, LLC  
 Elderly 120 Units  
 West Stan Schueter Lp  
 Pennington & Foster

**Avanti Legacy West Elms**  
 Avanti Legacy West Elms, LP  
 Elderly  
 59 Units  
 3602 Robinette Road

**Villas at Robinett**  
 Skyline Development, LLC  
 Elderly  
 104 Units  
 15 acres near the southeast corner of  
 Robinett & W. Elms Rd.

**Reserve at Bunny Trail**  
 MVAH Development, LLC  
 General  
 120 Units  
 5603 Bunny Trail



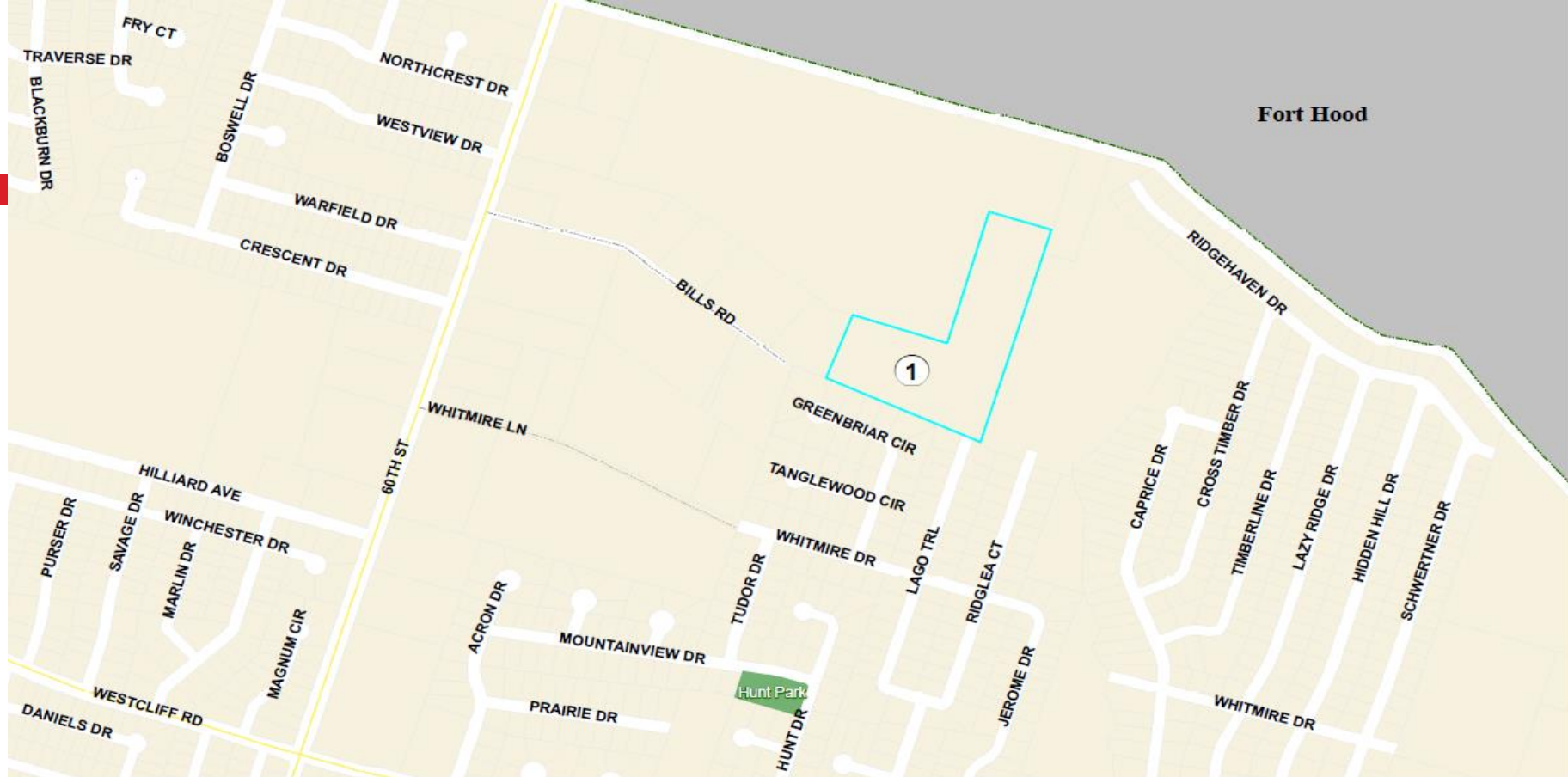
#### Legend

- Killeen City Limits
- Bell County Area

## 2019 Housing Tax Credit Applications



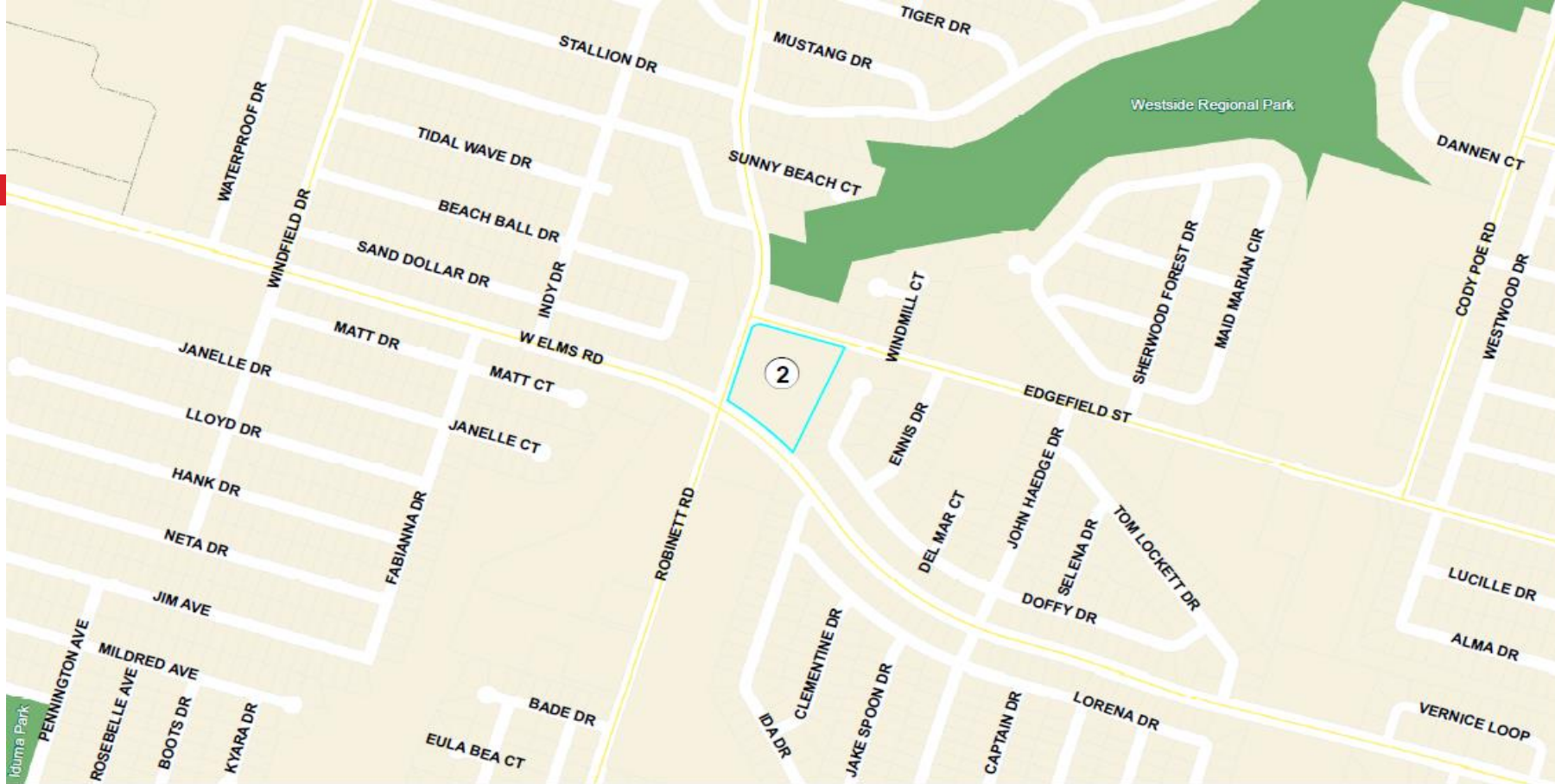
1 inch = 4,897 feet



Edgewood Villas  
Skyline Development, LLC  
Elderly  
90 Units  
12 + acres near the Northeast corner of N 60th & Bills Rd.

## Edgewood Villas





Killeen Springs  
Bouldin Communities, LLC  
Elderly 120 Units  
West Stan Schueter Lp  
Pennington & Foster

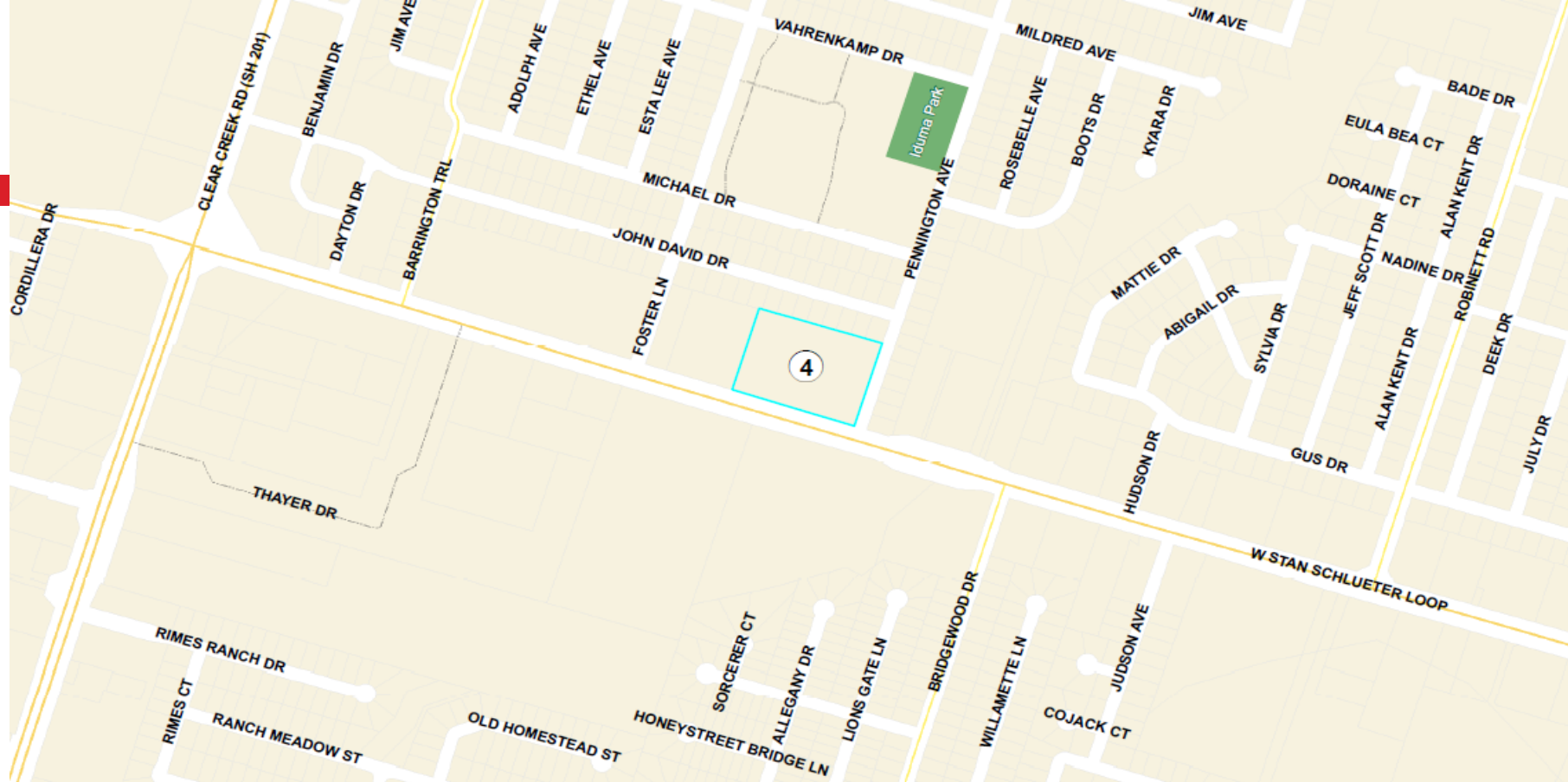
## Killeen Springs



1 inch = 417 feet





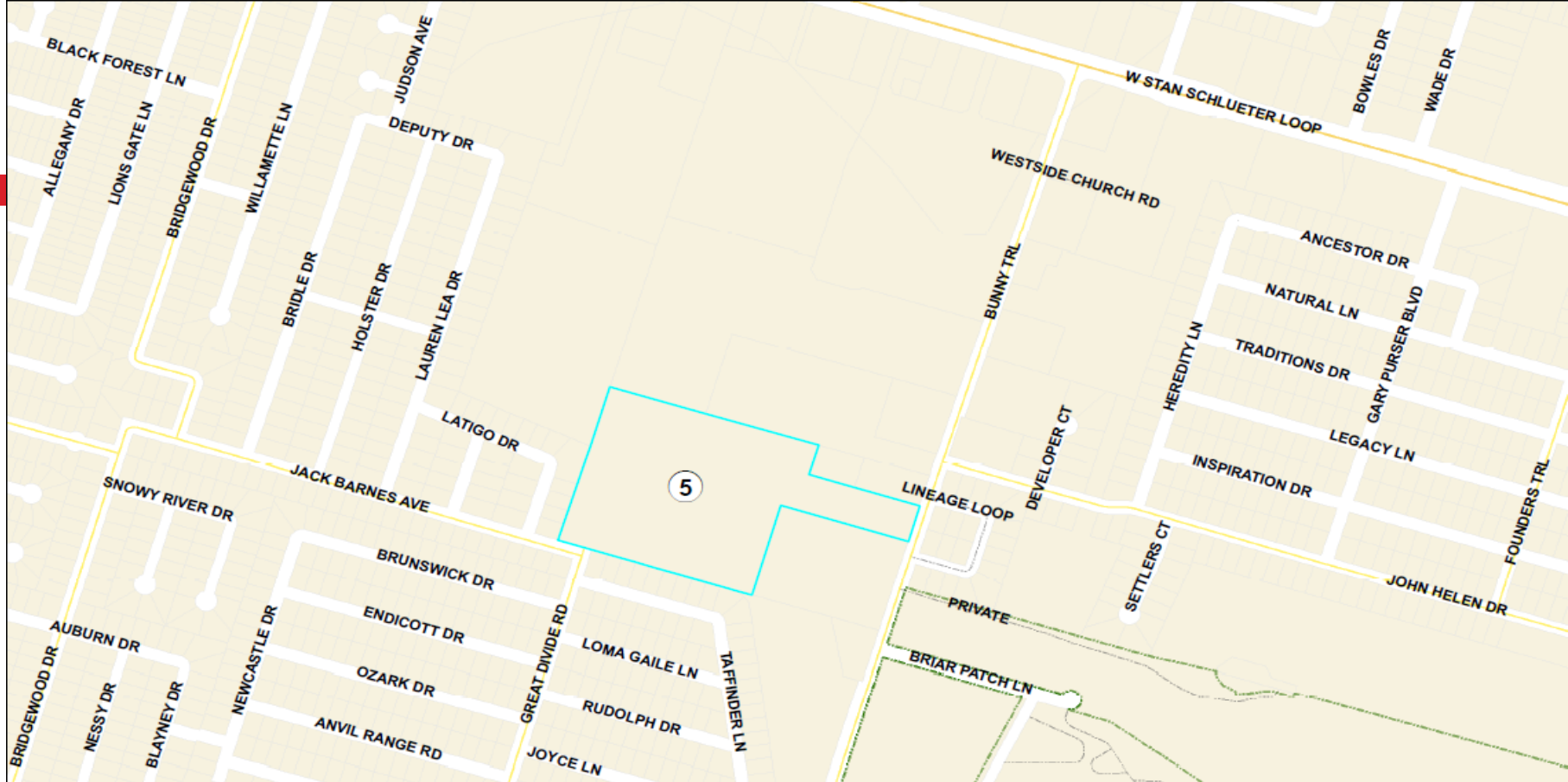


Villas at Robinett  
 Skyline Development, LLC  
 Elderly  
 104 Units  
 15 acres near the southeast corner of  
 Robinett & W. Elms Rd.

## Villas at Robinett




1 inch = 417 feet



Reserve at Bunny Trail  
MVAH Development, LLC  
General  
120 Units  
5603 Bunny Trail

## Reserve at Bunny Trail

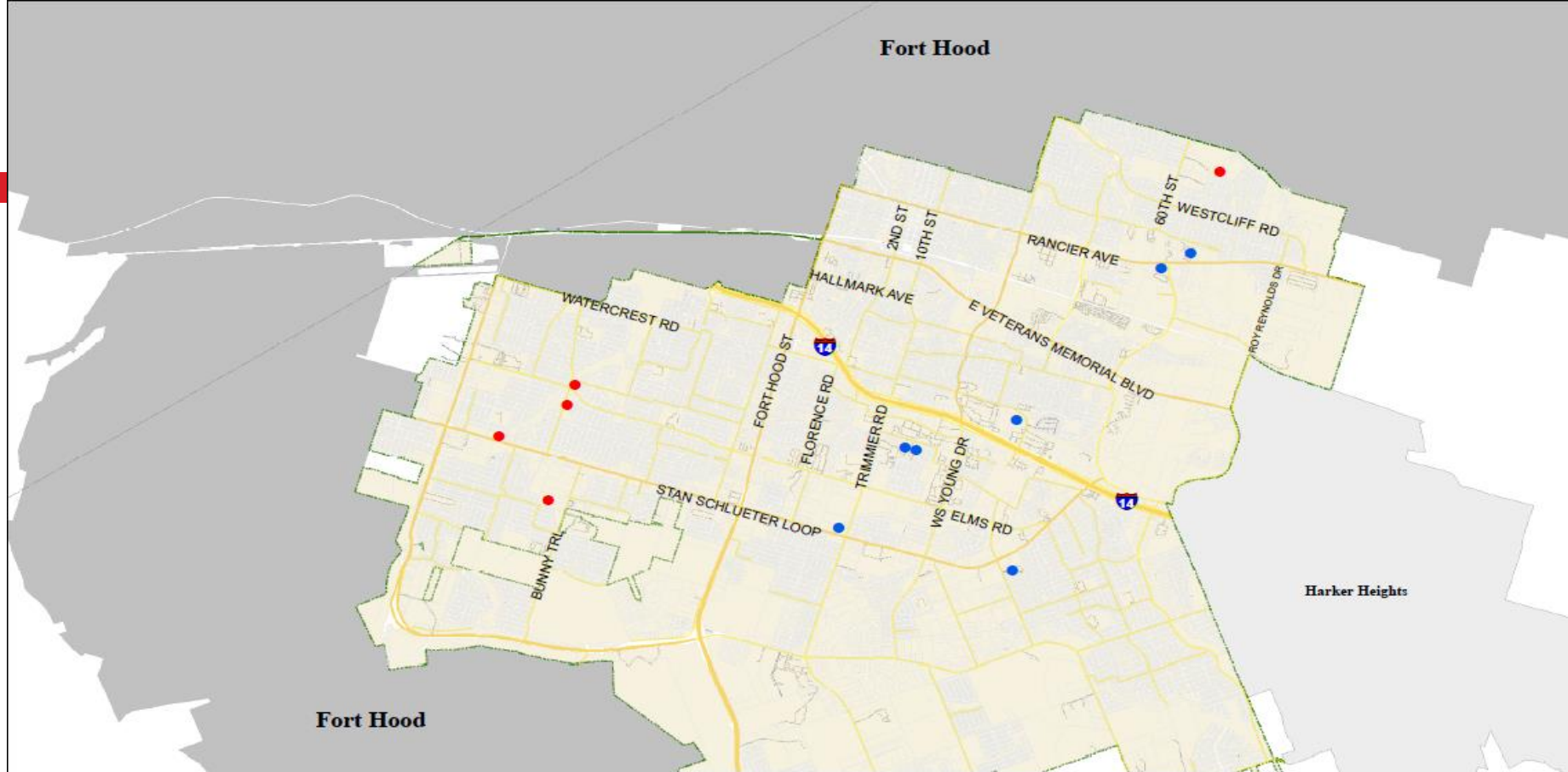
### Legend

 Killeen City Limits



1 inch = 417 feet





# Development Factors and Impacts

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- The following questions should be considered during the review and discussion of the proposed development projects:
  - What is the development's proximity to other previously approved tax credit projects?
  - Is the development consistent with the Comprehensive Plan?
  - How much daily vehicular traffic will the development generate?
  - Is the development compatible with the surrounding community?
  - Is the development close to supporting commercial/retail services?



# Development Factors and Impacts

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- ❑ As proposed, all of the projects would require a Future Land Use Map (FLUM) amendment and all would require a rezoning of the property.
- ❑ All projects would lead to an increase in traffic and the proportionate level of service impacts to supporting roadway infrastructure should be considered.

# Current TDHCA Scoring Results for each Alternative

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## □ Resolution of Support with funding

Development Name	Address	Total Score	Tie Breaker Score	Additional Tie Breaker Factors
Villas at Robinett	SEC of Robinett	155	198	Distance to Tremont Apts.
Avanti Legacy West Elms	3602 Robinett Rd.	155	198	
Edgewood Villas	NEC 60 <sup>th</sup> Street	155	3773	
Killeen Springs	NWC Pennington & Foster	153	826	
Reserve at Bunny Trail	5603 Bunny Trail	153	2303	

# Current TDHCA Scoring Results for each Alternative

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## □ Resolution of Support with no funding

Development Name	Address	Total Score	Tie breaker Score	Additional Tie Breaker factor
Reserve at Lake Shore	Waco	155	1404	
Villas at Robinett	SEC of Robinett	154	198	
Avanti Legacy West Elms	3602 Robinett Rd.	154	198	
Edgewood Villas	NEC 60 <sup>th</sup> Street	154	3773	
Killeen Springs	NWC Pennington & Foster	152	826	
Reserve at Bunny Trail	5603 Bunny Trail	152	2303	

# Current TDHCA Scoring Results for each Alternative

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## □ Resolution of No Objection & no funding

Development Name	Address	Total Score	Tie breaker Score	Additional Tie Breaker factor
Reserve at Lake Shore	Waco	155	1404	
National Church	Robinson	153	2112	
Huntington at Medical	College Station	153	3773	
Villas at Robinett	SEC of Robinett	151	198	
Avanti Legacy West Elms	3602 Robinett Rd.	151	198	
Edgewood Villas	NEC 60 <sup>th</sup> Street	151	3773	
Killeen Springs	NWC Pennington & Foster	149	826	
Reserve at Bunny Trail	5603 Bunny Trail	149	2303	

# Alternatives:

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- ❑ Issue resolutions of support for all applications
- ❑ Issue resolutions of no objection for all applications
- ❑ Issue resolutions of support and/or no objections to proposed developments that council finds most desirable
- ❑ No issuance of resolutions of support to any proposed developments
- ❑ No issuance of any waiver of development fees
- ❑ Consider the option of a loan of HOME funds for \$1,000 in lieu of the development fee waivers requested

# Recommendation

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- Staff recommends City Council consider all project information, factors and impacts presented and issue resolutions of support with funding of \$1,000 from the HOME program (loan) to all five (5) tax credit applications.