

CITY COUNCIL MEMORANDUM FOR RESOLUTION

DATE: December 3, 2019
TO: Kent Cagle, City Manager
FROM: Leslie K. Hinkle, Executive Director of Community Development
SUBJECT: Low Income Housing Tax Credit Policy and Application

BACKGROUND AND FINDINGS:

After the most recent cycle of requests was brought to the Mayor & City Council for endorsement of private developer low income housing tax credit applications to the State, a desire was expressed for more uniform guidance. Under direction of the recently retired city manager, a draft policy and procedure were developed by the Community Development team and reviewed by the Planning Department and Legal Departments. The purpose of the policy is to provide criteria for affordable housing developers requesting support from the City Council to submit their application for competitive and non-competitive housing tax credits to the Texas Department of Housing and Community Affairs.

This policy will analyze projects requesting support for proposed Low Income Housing Tax Credits (LIHTC). The analysis is intended to determine if the proposed projects comply with certain principles and policies in the City's 5-year Consolidated Plan and Comprehensive Plan, Future Land Use Plan, zoning standards, as well as various other master, strategic, and redevelopment or neighborhood plans adopted by the City of Killeen. The goal of this analysis is to (a) establish if LIHTC projects merit local support and/or funding assistance, and (b) prioritize LIHTC submissions if more than a single proposal is received during an evaluation period. The Community Development Department serves as the City's primary staff and point of contact for all LIHTC programs.

The evaluation criteria proposed in the policy includes a number of considerations and the proposed development projects should support the development of decent, safe, sanitary and affordable housing options. The proposed criteria include the following:

- Involvement and support from local stakeholders and neighborhood organizations;
- Impact on existing affordable housing in a neighborhood;
- Quality of design and construction;
- Proposed amenities;
- Availability of adequate City infrastructure/Impact on infrastructure and proposed mitigation/construction plans if needed;
- Provision of both tax credit and market rate units;
- Level of funding assistance requested;
- Developments that contribute to the tax base of the City of Killeen;

- Demonstrated development team experience;
- Impact on elimination of blight;
- Neighborhood compatibility;
- Impact of traffic associated with the project and proposed mitigation/construction plans if needed;
- Availability of and impact on public transit service;
- Impact on area schools;
- Preservation of environmental assets and/or enhancement of landscaping;
- Impact on surrounding neighborhood(s);
- Any other factor relevant to the best interest of the City (includes consideration for Fair Housing);
- Applicant or any other member of the development team has not been or is not barred, suspended, or terminated from procurement in a state or Federal program or listed in HUD's System for Award Management (SAM).

THE ALTERNATIVES CONSIDERED:

There are three alternatives to consider in regards to the proposed Low Income Housing Tax Credit Policy:

- 1) Not approve the proposed policy;
- 2) Modify the policy with council recommendations or changes;
- 3) Approve the proposed Low Income Housing Tax Credit Policy and application process.

Which alternative is recommended? Why?

Staff recommends alternative three, to approve the proposed Low Income Housing Tax Credit Policy and application process.

CONFORMITY TO CITY POLICY:

This is a new policy for consideration.

FINANCIAL IMPACT:

What is the amount of the expenditure in the current fiscal year? For future years?

Adopting this policy does not have a direct fiscal impact; however, it is important to note that any proposed tax credit development could request a financial commitment of funding, typically in the form of a loan from the HOME program.

Is this a one-time or recurring expenditure?

N/A

Is this expenditure budgeted?

N/A

If not, where will the money come from?

N/A

Is there a sufficient amount in the budgeted line-item for this expenditure?

N/A

RECOMMENDATION:

Staff recommends that the City Council approve the Low Income Housing Tax Credit Policy and associated application process.

DEPARTMENTAL CLEARANCES:

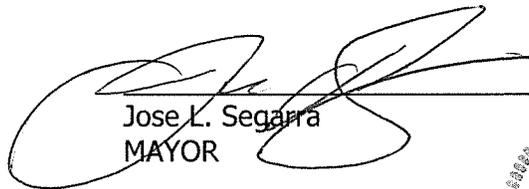
Planning
Legal

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF KILLEEN:

That the above stated recommendation is hereby approved and authorized.

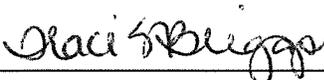
PASSED AND APPROVED at a regular meeting of the City Council of the City of Killeen, Texas, this the 10th day of December, 2019, at which meeting a quorum was present, held in accordance with the provisions of V.T.C.A., Government Code, § 551.001 *et seq.*

APPROVED



Jose L. Segarra
MAYOR

APPROVED AS TO FORM:



Traci S. Briggs
INTERIM CITY ATTORNEY

ATTEST:



Lucy C. Aldrich
CITY SECRETARY





CITY OF KILLEEN LOW INCOME HOUSING TAX CREDIT (LIHTC) SUPPORT AND FUNDING ASSISTANCE POLICY

Policy Statement: The purpose of this policy is to provide criteria for affordable housing developers requesting a “Resolution of Support” or “Resolution of No Objection” from the City Council to submit with their application for Competitive (9%) and Noncompetitive (4%) Housing Tax Credits (9% HTC and 4% HTC respectively) to the Texas Department of Housing and Community Affairs.

The City of Killeen is committed to the goal of improving the quality of life in the City, its neighborhoods and for its residents. As part of this commitment to a comprehensive community development and improvement program, the City supports the development of decent, safe, sanitary, and affordable housing options that provides full and equal access to all persons.

To meet the housing and development objectives of the City of Killeen, it shall be the City’s policy to analyze projects requesting support for proposed Low Income Housing Tax Credits (LIHTC). The goal of the analysis is to (a) establish whether LIHTC projects merit local support and/or funding assistance, and (b) prioritize LIHTC submissions if more than a single proposal is received during an evaluation period. The Community Development Department serves as the City’s primary staff and point of contact for all LIHTC programs.

Evaluation Criteria:

The City of Killeen will use the following criteria in evaluation of projects for consideration of City support and/or funding assistance:

- Alignment with the priorities stated in the City’s Consolidated Strategic Plan;
- Alignment with the Comprehensive Plan, Future Land Use Map (FLUM), and zoning standards. (appropriate zoning must be secured prior to requesting support or funding);
- Involvement and support from local stakeholders and neighborhood organizations;
- Impact on existing affordable housing in a neighborhood;
- Quality of design and construction;
- Proposed amenities;
- Availability of adequate City infrastructure/Impact on infrastructure and proposed mitigation/construction plans if needed;
- Provision of both tax credit and market rate units;
- Level of funding assistance requested;
- Developments that contribute to the tax base of the City of Killeen;
- Demonstrated development team experience;
- Impact on elimination of blight;
- Neighborhood compatibility;

- Impact of traffic associated with the project and proposed mitigation/construction plans if needed;
- Availability of and impact on public transit service;
- Impact on area schools;
- Preservation of environmental assets and/or enhancement of landscaping;
- Impact on surrounding neighborhood(s);
- Any other factor relevant to the best interest of the City (includes consideration for Fair Housing).
- Applicant or any other member of the development team has not been or is not barred, suspended, or terminated from procurement in a state or Federal program or listed in HUD's System for Award Management (SAM)

• All housing developments with which the Applicant, Development Owner, Developer, Guarantor and/or Principal thereof participating, are in compliance with: state and federal fair housing laws, including Chapter 301, Property Code, the Texas Fair Housing Act; Title VIII of the Civil Rights Act of 1968 (43 U.S.C. Section 3601 et seq.); and the Fair Housing Amendments Act of 1988 (42 U.S.C. Section 3601 et seq.); the Civil Rights Act of 1964 (42 U.S.C. Section 2000a et seq.); the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12101 et seq.); and the Rehabilitation Act of 1973 (29U.S.C. Section 701 et seq.).

• **Required Information:** Before a project will be evaluated by the staff, each applicant, development owner, developer, guarantor or principal requesting support and/or funding assistance must submit the City of Killeen's LIHTC Project Support and Funding Assistance application with all attachments. The application and list of required documents are available on the City's website at www.killeentexas.gov/taxcredit.

• **Annual Schedule:** The City of Killeen will establish and announce a schedule of deadlines and other dates of importance for consideration of City support and/or funding assistance for LIHTC projects.

The schedule is available on the City's website at www.killeentexas.gov/taxcredit

Meeting with City Staff: No less than one meeting with the applicant, development owner, developer, guarantor or principal and relevant City staff will take place to discuss the proposed project in general, and any issues and concerns identified in the application in particular.

Presentation to City Council: Applicants will be requested to give a presentation to the City Council regarding their proposed project. Presentations are generally scheduled during a City Council Work Session in the month of February.

Substantial Changes: Should a project which receives support and/or funding assistance from the City have a substantial change including, but not limited to, the following before the start of construction, the Developer must notify the City of Killeen in writing and request a new commitment of support:

- Number of units

- Type of units
- Target population
- Amenities
- Type of construction
- Developer / sponsor / owner
- Assistance required from City
- Final site development plan

Administration of the LIHTC Program: The LIHTC program in the State of Texas is administered by the Texas Department of Housing & Community Affairs. The City of Killeen has no responsibility for application approval for LIHTC projects or for the administration of the LIHTC program.



CITY OF KILLEEN
LOW-INCOME HOUSING TAX CREDIT (LIHTC)
PROGRAM

APPLICATION FOR SUPPORT AND/OR FUNDING ASSISTANCE

PLEASE NOTE: The City of Killeen reserves the right to fund projects at a lower amount than requested, and the right to deny applications that do not coincide with the City's Consolidated Strategic Plan, various strategic and master plans, or policy direction from the Killeen City Council.

1. PROJECT INFORMATION

Developer Name _____

Project Name _____

Project Address _____

	Elementary School	Middle School	High School
Project Type:	<input type="radio"/> General	<input type="radio"/> Elderly	<input type="radio"/> Supportive Housing
Role of Applicant: <small>(select all that apply)</small>	<input type="radio"/> Owner	<input type="radio"/> Developer	<input type="radio"/> Other: _____
Applicant is Requesting City Council Resolution: <small>(select all that apply)</small>		<input type="radio"/> of support	<input type="radio"/> stating no objection
Applicant is Requesting Commitment to Funding:		<input type="radio"/> Loan	<input type="radio"/> Grant
		<input type="radio"/> Reduced Fees	<input type="radio"/> Other: _____

Amount of Loan, Grant, or Reduced Fees Requested: _____

2. APPLICANT INFORMATION

If the applicant is not acting as the developer, please provide all of the information below for the developer, as well as the applicant. If the developer involves multiple entities, is a partnership or joint venture, please provide duplicative information for each, and identify the entity that will serve as the "lead" organization.

Name

Business/Street Address

City

State, ZIP

Telephone #

Contact Person

Contact Telephone #

Email Address

DUNS #

Federal Tax ID #

2. PROJECT DESCRIPTION

Provide a brief project description that addresses items "a" through "u" below. Attempt to limit responses to 150 words or less for each lettered response.

- a. Demonstrate the project's compatibility and alignment with the priorities stated in the City's Consolidated Strategic Plan, Comprehensive Plan, Future Land Use Map, and any other applicable master, strategic, and redevelopment or neighborhood plans adopted by the City of Killeen;
- b. Indicate the project location by providing an area map with the property highlighted;
- c. Provide a preliminary site plan for the proposed project;

- d. Describe the tenant population, income levels, and services, if any, to be provided to or made available to residents;
- e. List basic amenities and unit amenities proposed for the project;
- f. Describe the taxable status of the development. Indicate whether the development will be paying property taxes or if the development will be tax exempt;
- g. Describe current zoning of property. Include a letter from the City of Killeen’s Planning Department verifying that the current zoning of the site for the proposed project is compatible with the anticipated use, or include documentation verifying that a request to change current zoning has been submitted;
- h. Include evidence of site control, such as a warranty deed or a current, receipted earnest money;
- i. List the proposed number, type, and size of units; number of market rate and SF of units.

	Total # of Units	# of Affordable Units	# of Market Rate Units	SF of Each Unit
1 BR				
2 BR				
3 BR				
4 BR				
Total Units				

- j. Provide the total number of units servicing each Area Median Gross Income (AMGI) group and the proposed rents (less utility allowances) for low income units and proposed rents for market rate units;
- k. Describe the involvement and support from local stakeholders and neighborhood organizations; include a list of stakeholders and neighborhood associations contacted and include any letters of support;
- l. Describe the impact the project is anticipated to have on surrounding neighborhood(s);
- m. Describe the impact the project is anticipated to have on existing affordable housing in the area;
- n. Describe the impact the project is anticipated to have on City infrastructure; including the impact of traffic associated with the proposed project and any proposed mitigation/construction plans if needed;
- o. Describe the availability of and impact the project is anticipated to have on public transit service;

- p. Describe the impact the project is anticipated to have on area schools;
- q. Indicate if the project will assist in the elimination of blight, the preservation of environmental assets, and/or enhancement of landscaping;
- r. Summarize the key financials of the project, clearly indicating the total project cost, the amount and intended use of City of Killeen funds being requested, and preliminary project financials;
- s. Provide a list of other LIHTC projects you have completed or have pending; include information on location, type, number of units, project costs, and project references on former LIHTC projects. Include a list of other LIHTC applications you will be submitting to the Texas Department of Housing and Community Affairs in their most current program year.
- t. All applications for consideration must meet the current Housing Tax Credit Program Qualified Allocation Plan issued by the Texas Department of Housing and Community Affairs, §11.1 General - §11.10 Third Party Request for Administrative Deficiency for Competitive HTC Applications.
- u. Provide information on the number and type of local contracting opportunities associated with the proposed development (construction or other type of contract).

4. DEVELOPMENT TEAM

Identify below the persons or entities anticipated to be involved in the project. Also, indicate if any person or entity involved is a disadvantaged, minority or women-owned business enterprise (DBE/MBE/WBE), or if any of the entities are non-profit organizations.

	Development Team Name(s) and Contact Information	Years of Experience	DBE	MBE	WBE	Non-Profit
Owner						
Developer						
Architect						
Engineer						
Construction Lender						
Other Lenders						
General Contractor						
Consultant (if applicable)						
Sub-Contractor						
Sub-Contractor						
Other						

Other						
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5. DEVELOPMENT SCHEDULE

Complete the schedule below with anticipated completion dates. Re-order the steps according to the appropriate sequence for your project, and add in any other significant steps integral to your project's development.

	Date(s)
Acquisition and/or holding	
Securing and packaging project financing	
Construction specifications and cost estimates	
Construction bids	
Construction start	
Completion of construction	
Start of Rent-up	
Other:	
Other:	
Other:	

6. SUBMISSION INFORMATION

The Community Development Department serves as the City's primary staff and point of contact for all LIHTC programs. Before a project will be evaluated, each applicant requesting support and/or funding assistance must submit a completed application with all attachments.

City of Killeen 2020 LIHTC Important Dates:

- 1/7/2020: Application Deadline
- 2/4/2020: Presentation from Developer(s) at City Council Workshop Session
- 2/11/2020: Consideration of Resolution(s) at City Council Meeting

Completed application should be submitted to:

City of Killeen Community Development Department
 Leslie Hinkle, Executive Director of Community Development
 P.O. Box 1329 or 802 North Second Street- Bldg. E, 1st floor Killeen, Texas 76541
 254-501-7847 or lhinkle@killeentexas.gov

The applicant/developer certifies that the data included in this application and the exhibits attached hereto are true and correct. Any information found to be false or misleading will lead to automatic disqualification under this Program. Unsigned/undated submissions will not be considered.

Legal Name of Developer/Entity

Signature of Authorized Officer

Date

Title