



City of Killeen

Legislation Text

File #: RS-24-034, **Version:** 1

Consider a memorandum/resolution of support for the Low-income Housing Tax Credit application to Texas Department of Housing & Community Affairs for Avanti Legacy Westwood.

DATE: February 20, 2024

TO: Kent Cagle, City Manager

FROM: Tiffanie McNair, Executive Director of Community Development

SUBJECT: Resolution of Support for the application to the Texas Department of Housing & Community Affairs for Low-income Housing Tax Credit (LIHTC) for affordable housing development

BACKGROUND AND FINDINGS:

The Texas Department of Housing & Community Affairs (TDHCA) administers the competitive Low-income housing Tax Credit (LIHTC) program as funded by the U.S. Department of Treasury for the purpose of producing affordable housing. Affordable housing development applications are evaluated using the Qualified Allocation Plan (QAP) approved by the governing board of TDHCA. Upon the award of tax credits, the credits are sold to investors to yield cash equity for the development. TDHCA divides the state into regions; Killeen is in region eight (8) with Bryan, College Station, Temple, Waco, and other smaller cities.

For TDHCA funding cycle 2024, one (1) Killeen LIHTC development application will be submitted.

The project submitted to the City of Killeen for consideration is:

Project Name: Avanti Legacy Westwood
Developer Name: Madhouse Development, Inc.
Project Type: Elderly
of Units: 102
Funding Requested: \$500 in reduced fee waivers
Location: 3001 Illinois Avenue

To be competitive for the tax credits, the development must request a resolution of support or a resolution of no objection from the City of Killeen. The developer is requesting that Killeen City Council issue a Resolution of Support. The developer is also requesting five hundred (\$500) dollars in a grant, fee waiver, or development related services. The waiver is considered a minimum level of commitment from the city per the TDHCA QAP.

THE ALTERNATIVES CONSIDERED:

Resolution of No Objection.

Which alternative is recommended? Why?

Staff recommends City Council issue a Resolution of Support for the Avanti Legacy Westwood proposed development of affordable housing through the TDHCA. The Killeen 5-year Strategic Consolidated Plan specifically addresses the production of new housing rental units which target the elderly as a priority to maintaining affordable housing options. There are approximately 1,950 elderly households that are cost burdened, meaning they are paying more than 30% of their income on housing/rent.

CONFORMITY TO CITY POLICY:

The Community Development Department initiated a formal application process for the 2024 Texas Housing Tax Credit Program. All proposed developments submitted applications by the deadline of February 13, 2024.

FINANCIAL IMPACT:

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

There is no expenditure of City funds. The developer has requested for permit fee waivers in the amount of \$500.

Affordable housing provided by these developments will generate property taxes, building permits fees, and sales tax on construction materials. The proposed development will result in a positive impact on the local economy and employment opportunities in the City of Killeen.

Is this a one-time or recurring revenue/expenditure?

N/A

Is this revenue/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 revenue/expenditure?

N/A

RECOMMENDATION:

Staff recommends City Council approve the Resolution of Support for the application to Texas Department of Housing & Community Affairs for Avanti Legacy Westwood, with waiver of permit fees.

DEPARTMENTAL CLEARANCES:

Finance
Planning
Legal

ATTACHED SUPPORTING DOCUMENTS:

Application
Property Contract
Resolution of Support with Fees
Resolution of Support Without Fees
Resolution of No Objection with Fees
Presentation