



AGENDA ITEM SUMMARY FORM

PROPOSED MEETING DATE: November 29, 2023
PREPARED BY: Scott Moore, City Manager
DEPARTMENT: Administration

AGENDA ITEM DESCRIPTION:

Conduct a Public Hearing on the application of Manor Leased Housing Associates I, Limited Partnership to the Texas Department of Housing and Community Affairs for housing tax credits.

BACKGROUND/SUMMARY:

For Manor Leased Housing Associates I, Limited Partnership to submit an application for Low-Income Housing Tax Credits for the Tower Road Apartments Project, 1) there will need to be a hearing at City Council on the application, and 2) the developer will need to provide a resolution of City Council certifying that Council does not object to the application. (Note, the developer, Manor Leased Housing Associates, is the corporate entity created by Dominion Apartments for the Tower Road development).

This hearing is the hearing required for the application and is happening in connection with item 2 of the agenda.

The purpose of the application itself is described below.

LIHTC Financing

The proposed affordable multifamily housing development at Tower Road will be financed from several different sources, including the use of Low-Income Housing Tax Credits (LIHTC). The LIHTC program authorizes the award of "tax credits" to a developer of an affordable multifamily project. The developer "sells" these credits to investors in exchange for equity funding for the project. This allows the project to receive financing at a low borrowing cost. The lenders then apply the tax credits to their tax bill to significantly lower the amount they are required to pay for a number of years.

LIHTC is one of the largest, if not the largest, sources of funding for affordable housing nationwide. It is a federal program that delegates to each state an allocation of tax credits that the states then allocate to developers on a project-by-project basis. The Texas Department of Housing and Community Affairs (TDHCA) is the state agency responsible for the allocation of tax credits in Texas. Because of the need for tax credits, applications are evaluated on a competitive basis in accordance with provisions of the Texas Government Code and Title 10 of the Texas Administrative Code.

Application Requirements

The developers of the Tower Road project intend to apply to the TDHCA for tax credits to finance the project. As part of the application, the City Council is required to hold a hearing on the application and the developer must

submit a resolution of the city certifying that the City Council does not have any objections to the filing of the application for tax credits.

This item is the hearing to receive public comments on the application. Consideration of the resolution of no objection is a subsequent item on this agenda.

LEGAL REVIEW: Yes, Gregory Miller, Public Finance Counsel

FISCAL IMPACT: No

PRESENTATION: Yes

ATTACHMENTS: Yes

- Resolution

STAFF RECOMMENDATION:

The city staff recommends that the City Council conduct the Public Hearing.