



Texas Department of Housing and Community Affairs Housing Tax Credit Program

February 10, 2016



Texas Department of Housing and Community Affairs Housing Tax Credit Program

- How program works
 - Provides private investors with a dollar-for-dollar reduction on federal income tax liability
 - Equity provided by investors subsidizes development costs and allows owners to offer lower rents
 - Authority to allocate provided by IRS
 - Competition for tax credits allows the state demand high standards for development and operation



Texas Department of Housing and Community Affairs Housing Tax Credit Program

❖ Funding

- ❖ \$63.5 million in 9% credits for 2015
 - ❖ Successful investors receive for ten years, resulting in \$635 million in credits generated
- ❖ Federal Set-Asides, Restrictions – “9%”
 - ❖ At least 10% of credit allocated to nonprofits
- ❖ Federal Restrictions – All Tax Credits
 - ❖ Minimum of 40% of units for households at 60% AMFI or 20% of units for households at 50% AMFI
 - ❖ 30-year minimum affordability period



Texas Department of Housing and Community Affairs Housing Tax Credit Program

- ❖ State Set-Asides (9% Credits)
 - ❖ 15% At-Risk
 - ❖ 5% USDA
 - ❖ Regional Set-Asides
 - ❖ Thirteen regions
 - ❖ Urban and rural set-asides within regions



Texas Department of Housing and Community Affairs Housing Tax Credit Program

❖ Qualified Allocation Plan

- ❖ Required by Internal Revenue Code, Section 42
- ❖ Updated Annually
- ❖ Scoring Criteria
- ❖ Requirements in other Multifamily Rules
 - ❖ Underwriting
 - ❖ Applicant and Site Eligibility
 - ❖ Asset Management



Texas Department of Housing and Community Affairs

QAP Scoring

- ❖ Scoring Criteria falls in to 4 categories
 - ❖ Criteria Promoting Development of High Quality Housing
 - ❖ Criteria to Serve and Support Texans most in Need
 - ❖ Criteria Promoting Community Support and Engagement
 - ❖ Criteria Promoting Efficient Use of Limited Resources and Applicant Accountability



Texas Department of Housing and Community Affairs QAP Scoring

- ❖ Highest Scoring items are determined by Statute
 - ❖ “Above the Line” items
 - ❖ Priority set in Statute
 - ❖ No other criteria score may exceed the score for statutory requirements

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QAP Scoring

	Scoring Rank	Scoring Item	Maximum Points
Top 10 “Above the Line” Scoring Items <i>(Texas Government Code Section 2306.6710)</i>	1	Financial Feasibility	18
	2	Local Government Support	17
	3	Income Levels of Tenants	16
	4	Size and Quality of Units	15
	5	Rent Levels of Tenants	13
	6	Cost of Development Per Square Foot	12
	7	Tenant Services	11
	8	Declared Disaster Area	10
	9	Quantifiable Community Participation evaluated based on input from neighborhood organizations	9
	10	Community Support by State Representative	8

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QAP Scoring

	Scoring Rank	Scoring Item	Maximum Points
“Below the Line” Scoring Items	11	Opportunity Index	7
	12	Concerted Revitalization Plan	6
	12	Pre-application Participation	6
	14	Educational Excellence	5
	14	Historic Preservation	5
	15	Input from Community Organizations	4
	16	Leveraging of Private, State, and Federal	3
	17	Extended Affordability	2
	17	Proximity to Important Services	2
	17	Tenant Populations with Special Housing Needs	2
	17	Underserved Area	2
	21	Commitment of Funding by Local Political Subdivision	1
	21	Funding Request Amount	1
	21	Right of First Refusal	1
	21	Sponsor Characteristics	1



Texas Department of Housing and Community Affairs Opportunity Index

- ❖ Scoring criteria for high opportunity area in previous QAPs
- ❖ 2013 QAP introduced the Opportunity Index
 - ❖ Urban and Rural measures
 - ❖ Focus on Income and Poverty Levels and Schools
 - ❖ Educational Excellence impact



Texas Department of Housing and Community Affairs Opportunity Index

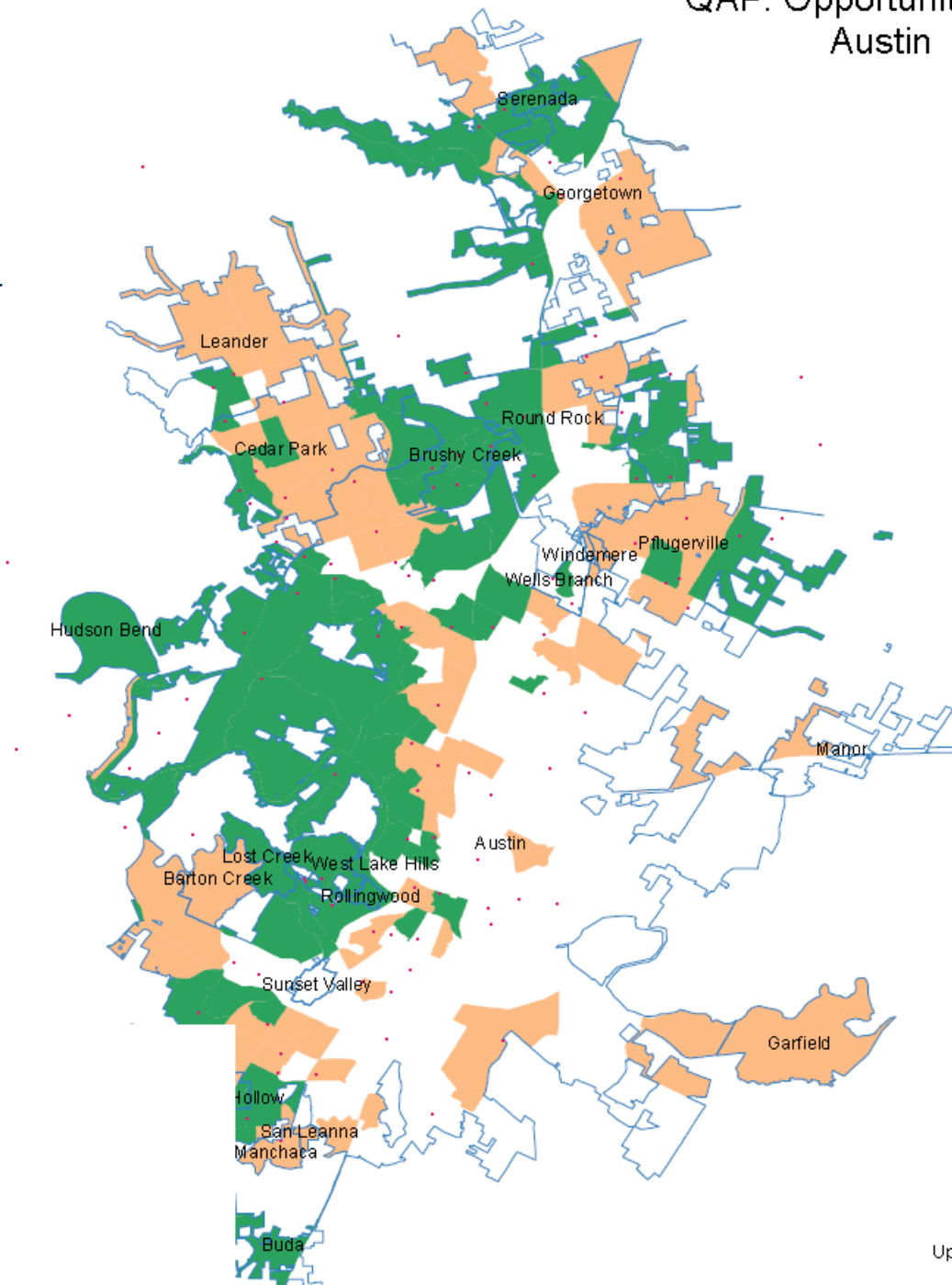
❖ Urban

- ❖ 1 to 7 points
 - ❖ Income compared to MSA
 - ❖ Quality of Schools

❖ Rural

- ❖ 1 to 7 points
 - ❖ Quality of Schools
 - ❖ Proximity of services and facilities

2015 QAP Opportunity Index






Affordable Housing Developments in Austin

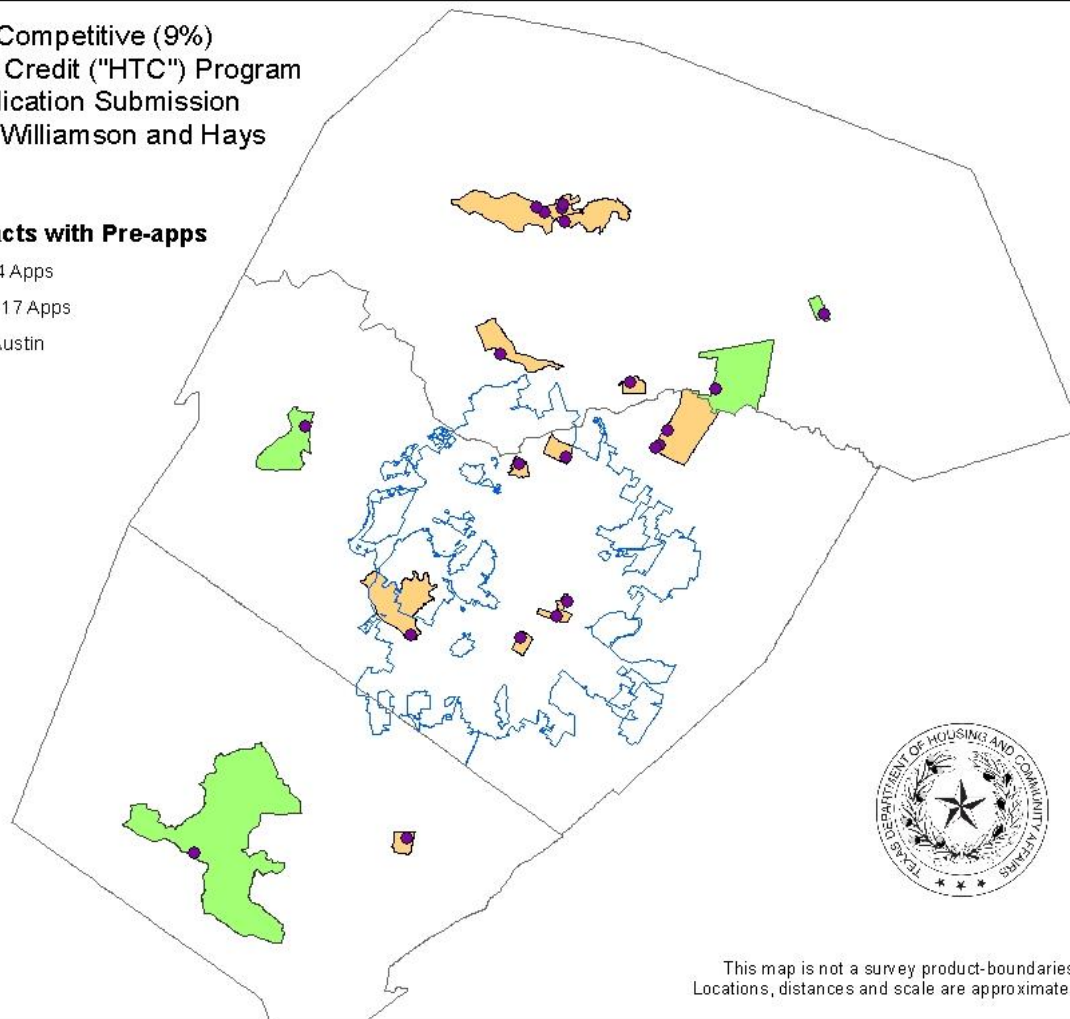


2016 Pre-Applications

2016 Competitive (9%)
Housing Tax Credit ("HTC") Program
Pre-application Submission
in Travis, Williamson and Hays

Census Tracts with Pre-apps

-  Rural - 4 Apps
-  Urban - 17 Apps
-  City of Austin



This map is not a survey product-boundaries;
Locations, distances and scale are approximate only.

Contact Information

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