



# CITY OF PLANO COUNCIL AGENDA ITEM

<b>CITY SECRETARY'S USE ONLY</b>				
<input type="checkbox"/> Consent <input type="checkbox"/> Regular <input type="checkbox"/> Statutory				
Council Meeting Date:		December 14, 2015		
Department:		Neighborhood Services		
Department Head		Lori Schwarz		
Agenda Coordinator (include phone #): <b>Doris Carter, ext. 5350</b>				
<b>CAPTION</b>				
A Resolution of the City of Plano, Texas, establishing a Housing Tax Credit (HTC) resolution application and evaluation process for applicants submitting an application for housing tax credit financing to the Texas Department of Housing and Community Affairs (TDHCA); and designating the City Manager, or his designee, to implement the process; and declaring an effective date.				
<b>FINANCIAL SUMMARY</b>				
<input checked="" type="checkbox"/> NOT APPLICABLE <input type="checkbox"/> OPERATING EXPENSE <input type="checkbox"/> REVENUE <input type="checkbox"/> CIP				
FISCAL YEAR:	<b>2015-16</b>	<b>Prior Year (CIP Only)</b>	<b>Current Year</b>	<b>Future Years</b>
		<b>TOTALS</b>		
Budget		0	0	0
Encumbered/Expended Amount		0	0	0
This Item		0	0	0
BALANCE		0	0	0
<b>FUND(S):</b> N/A				
<b>COMMENTS:</b> This item has no financial impact.				
STRATEGIC PLAN GOAL: Establishing an application and evaluation process for individuals or organizations that seek city council support for their participation in Housing Tax Credit program relates to the City's Goals of a Financially Strong City with Service Excellence and Partnering for Community Benefit.				
<b>SUMMARY OF ITEM</b>				
This resolution formally establishes the City of Plano's Low Income Housing Tax Credit Resolution Process for review and consideration of applications submitted to the Texas Department of Housing and Community Affairs (TDHCA) for housing tax credits to build affordable housing.				
List of Supporting Documents:			Other Departments, Boards, Commissions or Agencies	
Memo, Resolution				



# Memorandum

**Date:** December 2, 2015

**To:** Bruce D. Glasscock, City Manager

**From:** Lori Feild Schwarz, Director of Neighborhood Services

**Subject:** City of Plano TDHCA Housing Tax Credit Resolution Process

On November 9, 2015, the City Council reviewed and discussed Texas Department of Housing and Community Affairs (TDHCA) Housing Tax Credit process during its Preliminary Open Meeting. Staff presented an evaluation process and timeline for holding public hearings for housing tax credit applications being submitted to TDHCA. The process ensures that the City meets all of the requirements of the Texas Government Code §2306.67071 and Texas Administrative Code §10.204(4) with regards to holding a public hearing for proposed tax exempt bond developments.

The process will focus on the merits of each specific application related to the potential financing through the TDHCA. There will be no review of the suitability of the site in relation to the city's development regulations. The proposed process evaluates applications for consistency with the needs and priorities of the community established in the Consolidated Plan of Housing and Community Development Needs.

XC: Frank F. Turner, Deputy City Manager  
Shanette Brown, Community Services Manager

**ATTACHMENTS:**

"A" – Proposed City of Plano Housing Tax Credit Resolution Process and Application



## City of Plano LIHTC Resolution Process

TDHCA offers non-competitive 4% and competitive 9% LIHTC application processes. Non-competitive Low Income Housing Tax Credit (LIHTC) applications may be received year round and are evaluated as received. Competitive 9% LIHTC applications follow a different process, which typically begins in January of each year. Below is the proposed timeline and application process for developers seeking resolutions for their Plano LIHTC TDHCA application:

### **City of Plano 9% LIHTC Application Timeline**

- September 2015:** Held meetings with known developers to discuss the new process and answer questions.
- October 2015:** Application and checklist (see attached) published online.
- December 31, 2015:** Applications due and Staff evaluation of applications. This would include a joint review by a group of Neighborhood Services, Planning Department and Accounting (Financial review) staff.
- January 2016:** Council briefing on the TDHCA LIHTC process (see below timeline) and the public hearing on resolutions of support and no objection.

### **THDCA 9% LIHTC Timeline (based on the 2016 TDHCA DRAFT timeline)**

- January 2016: Applications acceptance period begins.
- February 2016: Full application due.
- March 2016: Resolutions from local government and elected officials due.
- June 2016: Board meeting and application review.
- July 2016: Final Awards



## City of Plano LIHTC Resolution Process

### Threshold Evaluation Criteria:

Staff will use the below threshold questions and information submitted by the developer with the application (see attached) to determine whether a Resolution of Support (17 TDHCA application points) or a Resolution of No Objection (14 TDHCA application points) will be recommended to City Council.

#### Resolutions of Support:

Applications meeting at least 4 of the below 6 threshold questions including meeting threshold question #1 and are deemed financially stable as shown in the financial information submitted with the application checklist will receive a staff recommendation for a Resolution of Support,

#### Resolutions of No Objection:

Applications meeting threshold question #1 and that are deemed financially stable as shown in the financial information submitted with the application checklist will receive a staff recommendation for a Resolution of No Objection.

### Threshold Questions

- 1) Does the LIHTC project fit a city priority and need as stated in the five year Consolidated Plan?
- 2) Does the developer have an existing relationship with utilizing City of Plano HUD funds to provide or maintain affordable housing or a letter of support from a municipality for which the developer has collaborated with for the purpose of building or rehabilitating housing?
- 3) Location: Is the project located within 0.50 mile walking distance of DART transportation (current or developing public transportation route) or is the project located in a high opportunity area?

High opportunity area is defined as an area that has the following:

- An Area Median Income greater than 80%; or An area poverty rate 10% or less
- 4) What is the percent of unit mix with priority given to mixed income developments. This evaluation is based on market rate units to low-income unit percentages allowing projects that have at least 25% of market rate units to meet the threshold.
  - 5) Do the units address a housing need or problem identified in the Needs Assessment or Market Analysis sections of the City of Plano's current Consolidated Plan for HUD programs?
  - 6) Does the development include at least four of the below energy efficient or sustainable/green build components?
    - The use of **better than R-3** insulation on exposed hot water pipes;
    - Energy Star qualified windows with Low E glass;
    - Energy Star qualified HVAC;
    - Energy Star qualified Efficiency Water Heaters;
    - Radiant barrier per ASTM standards in attic and/or roof sheathing; and/or exterior wall sheathing (**may not be combined with spray foam insulation**);



## **City of Plano LIHTC Resolution Process**

- Spray foam insulation exceeding code requirements; or
- Low or no VOC paint



# City of Plano 9% Low-Income Housing Tax Credit Resolution of Support Application

No applications will be accepted after 3:00 p.m., Thursday, December 31, 2015. NO EXCEPTIONS. Delivery of applications must be accepted and initialed by city staff within the Neighborhood Services or Planning Department offices. Electronic submittal of this application or information requested via the Application Checklist is not allowed.

Applications may be mailed to City of Plano Neighborhood Services Department, P.O. Box 860358, Plano, TX 75086-0358 or delivered to Plano Municipal Center, 1520 K Avenue, Suite 250, Plano, TX, 75074. Mailed applications must be received by 3:00 p.m., Thursday, December 31, 2015. Applications must be submitted with a completed Application Form and Application Checklist, including responses to all information listed in the checklist. Neighborhood Services Department staff is available to advise you on any requirements.

**Project Name:** \_\_\_\_\_

### Property Information

Property Address:
Legal Description:
Do you intend to request funding for your project through the City of Plano Consolidated Grant Process?
YES <input type="checkbox"/> NO <input type="checkbox"/>

### Applicant Information (property owner or authorized agent) Applicant will be used as the City's Official Contact

Name:
Address:
City/State/Zip:
Work Phone: Cell Phone:
Email:
Do you have site control or owner's consent to apply for LIHTC funding on this site?
YES <input type="checkbox"/> NO <input type="checkbox"/>

### Property Owner Information

Owner Name(s):
Address:
City/State/Zip: DUNS Number:
Work Phone: Cell Phone:
Email:

Applicant Signature:
Printed Name: Date:
By signing this form, the owner of the property authorizes the City of Plano to begin proceeding in accordance with the process for this request. The owner further acknowledges that submission of an application does not in any way obligate the City of Plano to approve the application. Although City staff may make certain recommendations regarding this application, the decision making authority may not follow that recommendation and may make a final decision that does not conform to the staff's recommendation.

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**City of Plano Low-Income Housing Tax  
Credit Resolution of Support Request  
Checklist**

This Checklist is intended to provide the information and data that is necessary to assess the merits of the project proposal.

*Incomplete applications cannot be accepted for review. If all the information noted in the "Items Required for Submittal" section of this checklist is not provided the application may not be accepted for processing.*

<b>Items Required for Submittal</b>	
<b>Application Form</b>	<input type="checkbox"/>
<b>Checklist</b>	<input type="checkbox"/>
<b>Proposed Development name, Developer/Applicable owner(s) and/or Program name to be referenced in the City Resolution</b>	<input type="checkbox"/>
<b>Letter of Project Intent, with detailed information listed below:</b>	<input type="checkbox"/>
<b>Detailed Information</b>	
<b>Location Map of the property.</b>	<input type="checkbox"/>
<b>Site Development:</b>	
List the number of units.	<input type="checkbox"/>
List the breakdown of rental rates by unit and income restrictions.	<input type="checkbox"/>
Will rental rates change over time and how are they determined?	<input type="checkbox"/>
How many accessible units are included.	<input type="checkbox"/>
If the development includes market rate units, do these units differ from the income restricted units in anyway?	<input type="checkbox"/>
List the amenities included in individual units as well as those for the entire site.	<input type="checkbox"/>
Describe energy efficiency components that will be installed.	<input type="checkbox"/>
<b>Background of the development company and management company:</b>	
Have there been any changes in company names or re-organizations?	<input type="checkbox"/>
History of similar projects and complexes managed.	<input type="checkbox"/>
How many tax credit and/or HOME projects have you developed and managed?	<input type="checkbox"/>

**ATTACHMENT A**

<b>Financial:</b>	
List the funding sources to be used.	<input type="checkbox"/>
List any past or current funding programs (state or federal) for which the property is under contract (USDA, Section 8, etc.).	<input type="checkbox"/>
Provide the anticipated breakdown of the development costs.	<input type="checkbox"/>
Will the site be tax exempt after development?	<input type="checkbox"/>
What is the affordability period requirement for this project?	<input type="checkbox"/>
Provide a Pro Forma statement for the project.	<input type="checkbox"/>
Will this development require extensive capital improvements?	<input type="checkbox"/>
<b>Please list any additional information or letters that you will be requesting from the City of Plano for the TDHCA application requirements.</b>	<input type="checkbox"/>



# City of Plano 4% Low-Income Housing Tax Credit Resolution of Support Application

Applications are accepted year round. Delivery of applications must be accepted and initialed by city staff within the Neighborhood Services or Planning Department offices.

Applications may be mailed to City of Plano Neighborhood Services Department, P.O. Box 860358, Plano, TX 75086-0358 or delivered to Plano Municipal Center, 1520 K Avenue, Suite 250, Plano, TX, 75074. All applications must be submitted with a completed Application Form and Application Checklist, and all materials listed in the appropriate checklist. Neighborhood Services Department staff is available to advise you on any requirements.

**Project Name:** \_\_\_\_\_

### Property Information

Property Address:
Legal Description:
Do you intend to request funding for your project through the City of Plano Consolidated Grant Process?
YES <input type="checkbox"/>
NO <input type="checkbox"/>

### Applicant Information (property owner or authorized agent) Applicant will be used as the City's Official Contact

Name:
Address:
City/State/Zip:
Work Phone: Cell Phone:
Email:
Do you have site control or owner's consent to apply for LIHTC funding on this site?
YES <input type="checkbox"/> NO <input type="checkbox"/>

### Property Owner Information

Owner Name(s):
Address:
City/State/Zip: DUNS Number:
Work Phone: Cell Phone:
Email:

Applicant Signature:
Printed Name: Date:
By signing this form, the owner of the property authorizes the City of Plano to begin proceeding in accordance with the process for this request. The owner further acknowledges that submission of an application does not in any way obligate the City of Plano to approve the application. Although City staff may make certain recommendations regarding this application, the decision making authority may not follow that recommendation and may make a final decision that does not conform to the staff's recommendation.

**ATTACHMENT A**

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**ATTACHMENT A**

**City of Plano Low-Income Housing Tax  
Credit Resolution of Support Request  
Checklist**

This Checklist is intended to provide the information and data that is necessary to assess the merits of the project proposal.

*Incomplete applications cannot be accepted for review. If all the information noted in the "Items Required for Submittal" section of this checklist is not provided, the application may not be accepted for processing.*

<b>Items Required for Submittal</b>	
<b>Application Form</b>	<input type="checkbox"/>
<b>Checklist</b>	<input type="checkbox"/>
<b>Proposed Development name, Developer/Applicable owner(s) and/or Program name to be referenced in the City Resolution</b>	<input type="checkbox"/>
<b>Letter of Project Intent, with detailed information listed below:</b>	<input type="checkbox"/>
<b>Detailed Information</b>	
<b>Location Map of the property.</b>	<input type="checkbox"/>
<b>Site Development:</b>	
List the number of units.	<input type="checkbox"/>
List the breakdown of rental rates by unit and income restrictions.	<input type="checkbox"/>
Will rental rates change over time and how are they determined?	<input type="checkbox"/>
How many accessible units are included?	<input type="checkbox"/>
If the development includes market rate units, do these units differ from the income restricted units in any way?	<input type="checkbox"/>
List the amenities included in individual units as well as those for the entire site.	<input type="checkbox"/>
Describe energy efficiency components that will be installed.	<input type="checkbox"/>
<b>Background of the development company and management company:</b>	
Have there been any changes in company names or re-organizations?	<input type="checkbox"/>
History of similar projects and complexes managed.	<input type="checkbox"/>
How many tax credit and/or HOME projects have you developed and managed?	<input type="checkbox"/>

**ATTACHMENT A**

<b>Financial:</b>	
List the funding sources to be used.	<input type="checkbox"/>
List any past or current funding programs (state or federal) for which the property is under contract (USDA, Section 8, etc.).	<input type="checkbox"/>
Provide the anticipated breakdown of the development costs.	<input type="checkbox"/>
Will the site be tax exempt after development?	<input type="checkbox"/>
What is the affordability period requirement for this project?	<input type="checkbox"/>
Provide a Pro Forma statement for the project.	<input type="checkbox"/>
Will this development require extensive capital improvements?	<input type="checkbox"/>
<b>Please list any additional information or letters that you will be requesting from the City of Plano for the TDHCA application requirements.</b>	<input type="checkbox"/>

**A Resolution of the City of Plano, Texas, establishing a Housing Tax Credit (HTC) resolution application and evaluation process for applicants submitting an application for housing tax credit financing to the Texas Department of Housing and Community Affairs (TDHCA); and designating the City Manager, or his designee, to implement the process; and declaring an effective date.**

**WHEREAS**, the Texas Government Code §2306.67071 and Texas Administrative Code §10.204(4) require municipalities to hold a public hearing for housing tax credit (HTC) application submittals to the Texas Department of Housing and Community Affairs (TDHCA) that have a proposed housing site seeking tax exempt bonds within their jurisdictions; and

**WHEREAS**, TDHCA requires HTC applicants submit a resolution of no objection or support from the applicable Governing Body; and

**WHEREAS**, the City of Plano has developed a LIHTC Resolution Process (the "Process") to standardize the review and public hearing of HTC application submittals to TDHCA; and

**WHEREAS**, the City Council reviewed the Process during its Preliminary Open Meeting held on November 9, 2015; and

**WHEREAS**, the City of Plano Process ensures applications meet the needs and priorities of the community as established in the City's Consolidated Plan of Housing and Community Development Needs; and

**WHEREAS**, the resolutions provided as a result of this Process are specifically related to potential financing and make no finding regarding either the suitability of the proposed site or compliance with the City's development regulations; and

**WHEREAS**, approval of an LIHTC resolution will not be construed as a development permit and will focus on the merits of each specific application related to the potential financing of an affordable housing development with low income housing tax credits through the TDHCA; and

**WHEREAS**, the City Council finds that establishing the Process is in the public interest of the citizens of the City of Plano.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF PLANO, TEXAS, THAT:**

**SECTION I.** The City of Plano LIHTC Resolution Process complies with the requirements of Texas Government Code §2306.67071 and Texas Administrative Code §10.204(4) and

**SECTION II.** The City Manager, or his designee, is hereby authorized, and directed to begin utilizing the Process.

**SECTION III.** This resolution shall take effect immediately upon its passage.

**DULY PASSED AND APPROVED THIS THE 14TH DAY OF DECEMBER, 2015.**

\_\_\_\_\_  
Harry LaRosiliere, MAYOR

ATTEST:

\_\_\_\_\_  
Lisa C. Henderson, CITY SECRETARY

Approved as to form:

\_\_\_\_\_  
Paige Mims, CITY ATTORNEY