



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

Texas Department of Housing and Community Affairs

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

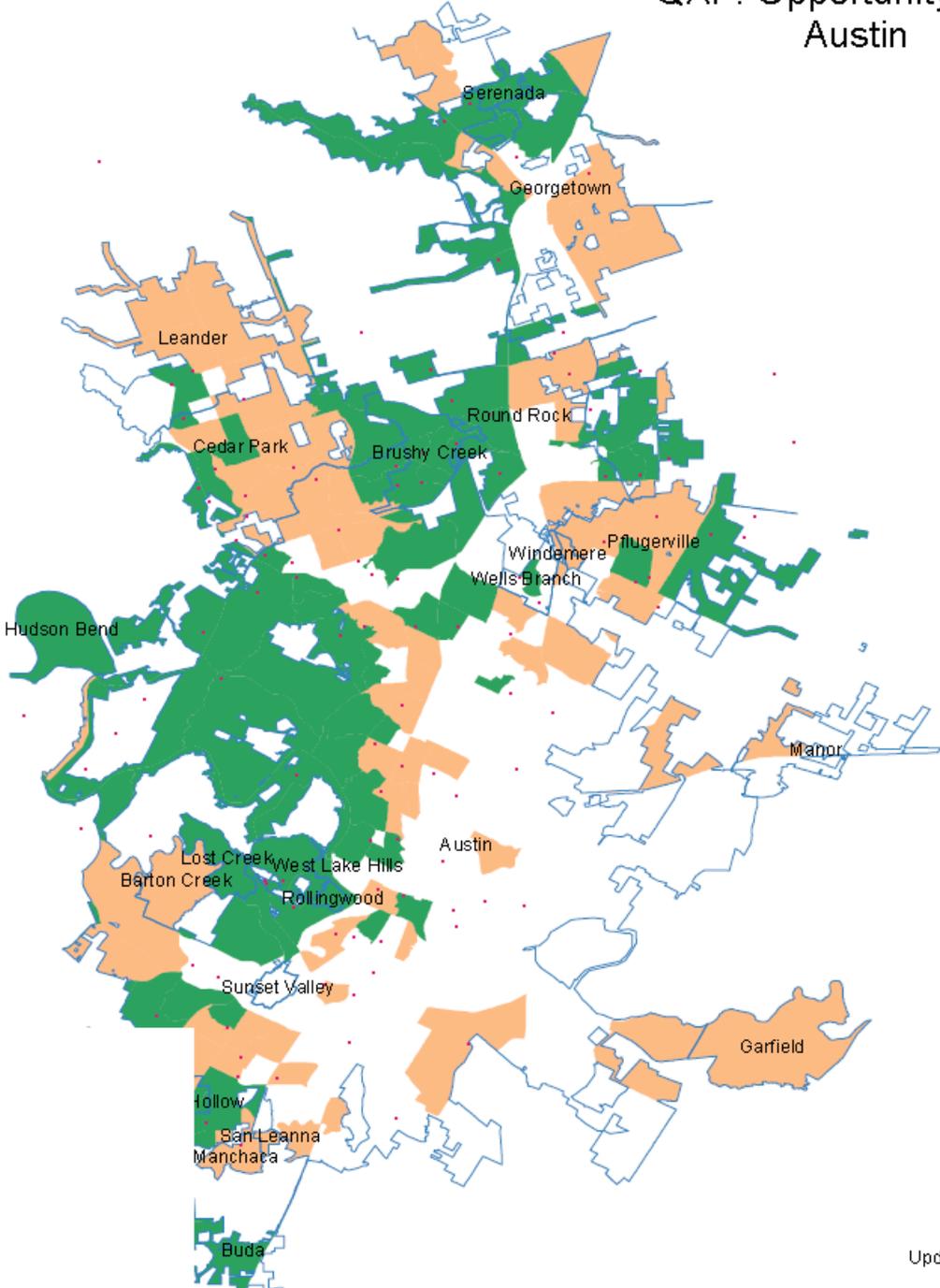
❖ Urban

- ❖ 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

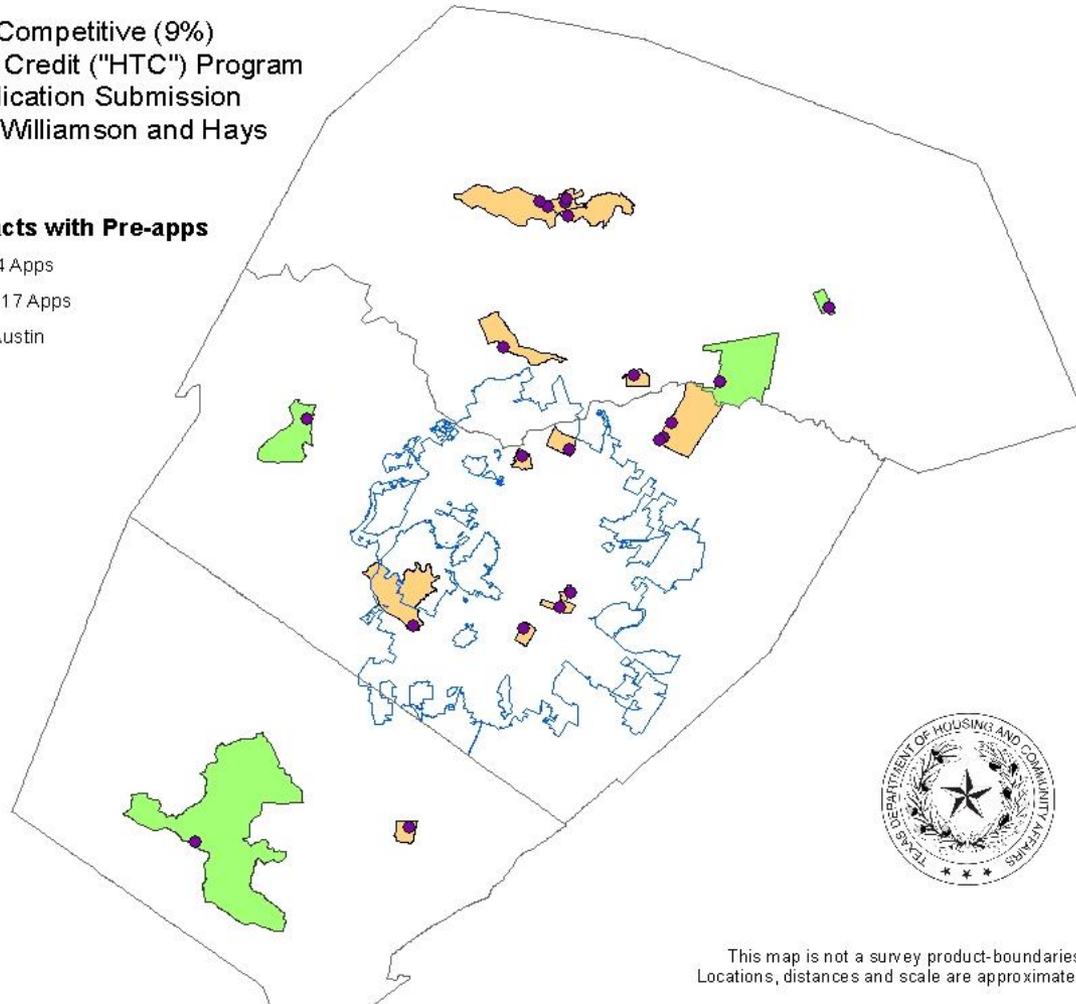


2016 Pre-Applications

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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