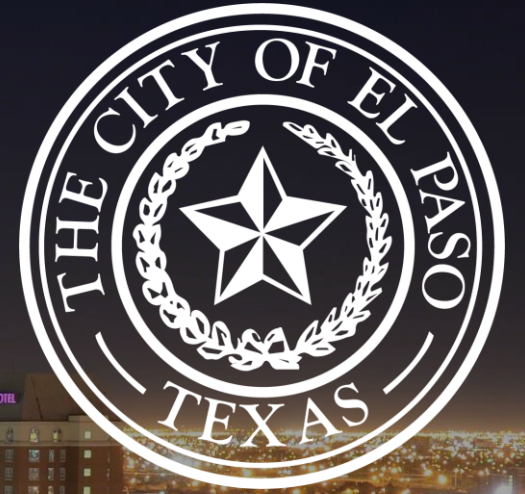


# Community + Human Development (DCHD)

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## 2020 Low Income Housing Tax Credit Process

Present the process to evaluate requests for local government support for 2020 Low Income Housing Tax Credit (LIHTC) proposals.

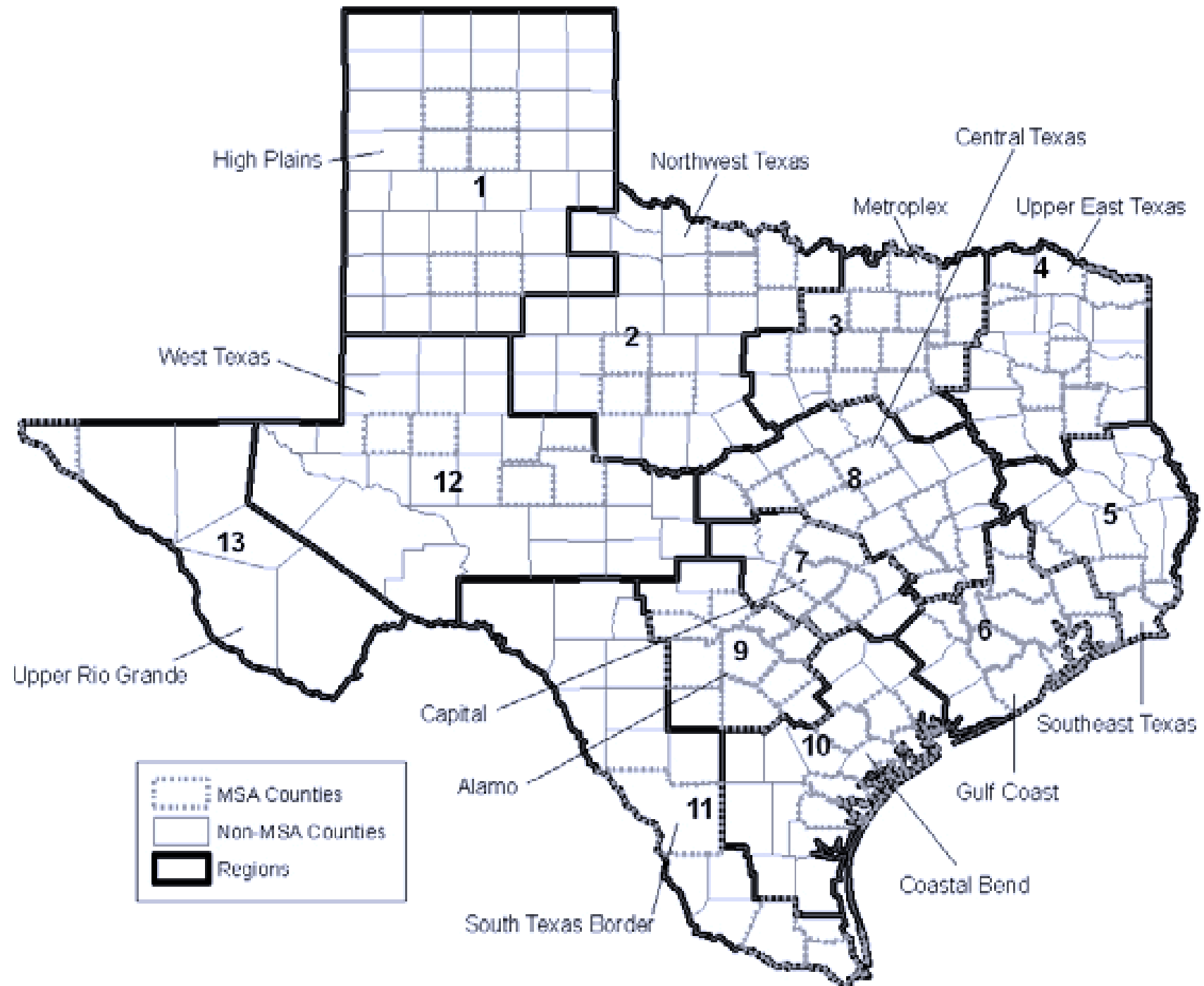
TDHCA deadline for final applications, including resolutions from municipalities: **February 28, 2020.**

**October 15, 2019**

# LIHTC

## 9% TAX CREDITS

- Subsidize 70% of the low income unit costs in a project
- El Paso is in TDHCA Region 13, and typically receives approximately \$2.5 Million in 9% tax credits annually.
- Competitive State process. Typically only 2-3 projects will be awarded by TDHCA in Region 13.



# **the municipal role in the process...**

## **Local Government Support**

- Seventeen (17) points for a City Council adopted resolution of support and fourteen (14) points for a resolution of no objection

## **Commitment of Development Funding by Local Political Subdivision**

- One (1) point
- Minimum \$500 commitment (can be waived development/permit fees)

## **Evaluation for Local Support**

- Evaluate proposals using criteria as recommended in the El Paso Regional Housing Plan.
- Requests for support submitted on or before January 9, 2020.
- Staff evaluators score and submit recommendations to Council for Resolutions of Support

# evaluation criteria: as proposed



# evaluation criteria: option 1

|                  | Value 1   | Value 2   | Value 3   | Value 4  | Value 5   |
|------------------|-----------|---|-----------|--|-----------|
| Potential Points | 40 Points | 20 Points   | 10 points | 10 points  | 20 points |
| Change Proposed  | No Change | Adding 5 points   | No Change | Decreased by 5 points                                      | No Change |
| Justification    | -         | Council Direction to place increased emphasis on access to workforce and financial empowerment services |           | Reduced from 15 points to accommodate emphasis on Value 2. |           |



# value 1

Maximize  
affordable  
units in El Paso  
**(40 points)**

- **20 points** for the development with the most units. All other developments receive the proportion of 20 points equal to the proportion of units as compared to the development with the most units.
- **8 points** for the development with the most units at 30% AMI affordability level. Same proportionality equation for others.
- **7 points** for the development with the most units at 30% AMI affordability level. Same proportionality equation for others.
- **5 points** for development with the most units produced per amount of tax credit

## value 2

Support breaking the cycle of poverty and supporting upward mobility by either directly providing or facilitating availability of social services  
**(20 points)**

- **5 points** Education
- **10 points** Economic development/workforce and entrepreneurial development (including homeownership programs)
- **5 points** Supportive/social services

## value 3

Residents given an opportunity for inclusiveness and afforded an opportunity to access public services

**(10 points)**

- **4 points** No physical barriers separating the development from the neighborhood and commercial/public services
- **3 points** Gathering points/areas that bring together residents of the development and residents of the neighborhood at large
- **3 points** Development has a mix of units at various income levels to include 80% AMI and/or market rate.



## value 4

Local presence  
and long-term  
accountability in  
El Paso  
(10 points)

- **3 points** Past experience involved in a development team constructing, operating and/or providing affordable housing for residents who fit the demographic profile to be served in El Paso
- **2 points** A staff presence in El Paso of at least 5 employees
- **2 points** 5 or more years experience as part of a development team financing, building, operating or managing affordable housing in El Paso
- **Up to 3 points** Commitment to extended affordability beyond 30 years. (1 point for every 5 years of extended affordability beyond 30 years)

# value 5

Meets City smart growth initiative as set out in Plan El Paso  
**(20 points)**

- Each project will be evaluated and scored by City of El Paso staff referencing Title 21.
- Tier 1 projects can score **up to 20 points** under this category.
- Tier 2 projects can score **up to 10 points** under this category.
- This is intended to prioritize Tier 1 projects while not ruling out creative, impactful projects in Tier 2.

# evaluation criteria: option 2

|                  | Value 1               | Value 2   | Value 3   | Value 4   | Value 5   |
|------------------|-----------------------|---|-----------|-----------|-----------|
| Potential Points | 35 Points             | 20 Points   | 10 points | 15 Points | 20 points |
| Change Proposed  | Decreased by 5 points | Adding 5 points   | No Change | No change | No Change |
| Justification    | -                     | Council Direction to place increased emphasis on access to workforce and financial empowerment services |           | -         |           |

# value 1

Maximize  
affordable  
units in El Paso  
**(35 points)**

- **15 points** for the development with the most units. All other developments receive the proportion of 20 points equal to the proportion of units as compared to the development with the most units.
- **8 points** for the development with the most units at 30% AMI affordability level. Same proportionality equation for others.
- **7 points** for the development with the most units at 30% AMI affordability level. Same proportionality equation for others.
- **5 points** for development with the most units produced per amount of tax credit

## value 2

Support breaking the cycle of poverty and supporting upward mobility by either directly providing or facilitating availability of social services  
**(20 points)**

- **5 points** Education
- **10 points** Economic development/workforce and entrepreneurial development (including homeownership programs)
- **5 points** Supportive/social services

## value 3

Residents given an opportunity for inclusiveness and afforded an opportunity to access public services

**(10 points)**

- **4 points** No physical barriers separating the development from the neighborhood and commercial/public services
- **3 points** Gathering points/areas that bring together residents of the development and residents of the neighborhood at large
- **3 points** Development has a mix of units at various income levels to include 80% AMI and/or market rate.



# value 4

Local presence  
and long-term  
accountability in  
El Paso  
(15 points)

- **4 points** Past experience involved in a development team constructing, operating and/or providing affordable housing for residents who fit the demographic profile to be served in El Paso
- **4 points** A staff presence in El Paso of at least 5 employees
- **4 points** 5 or more years experience as part of a development team financing, building, operating or managing affordable housing in El Paso
- **Up to 3 points** Commitment to extended affordability beyond 30 years. (1 point for every 5 years of extended affordability beyond 30 years)

# value 5

Meets City smart growth initiative as set out in Plan El Paso  
**(20 points)**

- Each project will be evaluated and scored by City of El Paso staff referencing Title 21.
- Tier 1 projects can score **up to 20 points** under this category.
- Tier 2 projects can score **up to 10 points** under this category.
- This is intended to prioritize Tier 1 projects while not ruling out creative, impactful projects in Tier 2.

# timeline + next steps

**November 7, 2019**

City to issue “Request for Support Resolution from the City of El Paso – 2020 Housing Tax Credits” applications.

**February 4, 2020**

City Council action on resolutions. Staff will present recommendations based on approved scoring criteria.

**January 9, 2020**

Deadline to submit Requests for Support Resolutions for 9% Housing Tax Credits.

