

2022 Housing Tax Credit Applications

What is a Housing Tax Credit?

- Created in 1986
- Federal incentive for investors to provide affordable housing
- Dollar for dollar credit on federal income tax
- Claimed over 10 years
- Gives state housing agencies \$8 billion annually to allocate
- Administered by the Texas Department of Housing and Community Affairs – TDHCA.
- Not Section 8

How do the Credits Work?

- Qualified basis of \$1 million
- Part of the 9% LIHTC program
- $9\% \times \$1 \text{ million} = \$90,000$ per year for 10 years, or \$900,000
- Subsidy reduces the debt required for the project
- Rent required to make the property financially viable are lower than market

Housing Tax Credits Explained

- Qualified allocation plan
- Regions defined
- Competitive scoring
 - Amenities
 - Income and rent levels
 - Proximity to jobs
 - Location in a recent disaster area
 - Resolution of support from city

Point System

- 1 bedroom = 650 square feet. 2 bedroom = 850 square feet
- Construction & efficiency =
 - Covered entries, 9 foot ceilings, Linen closet, Covered patio or balcony, High speed internet
 - Built in shelving, Breakfast bar, Walk in closets
 - Kitchen island, pantry, upper cabinets, Double vanity
 - Hard floor surfaces in 51% of unit,
 - Covered parking, >30% stucco or masonry, Energy and water efficient features
- Certified HUB or non-profit
- Income levels of tenants based on % of area median gross income
- Rent levels – restricted for entire affordability period of 30 years
- Development will work with local non-profits to provide services to the tenants

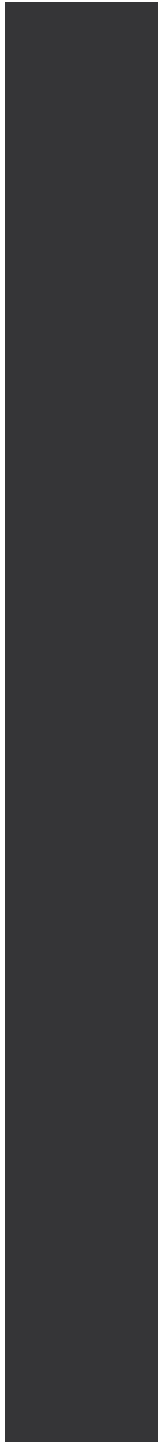
Point System

- Opportunity index
 - Within a census tract with a poverty rate of less than 20%. This tract is at 14%.
 - Within 5 miles of a grocery store, pharmacy, hospital, Head Start, library, park, university or community college, recreation facility
 - Low crime rate
 - With a high percentage of educated adults
 - Meals on Wheels service area
 - School with A or B rating
 - Economically distressed area, no HTC development within 15 years
 - Near jobs
 - Federal disaster area

Point System

- Local government support
- Development funding (>\$250)
- State representative support
- Community service organization support
- Property owner association support
- Financial feasibility
- Cost of development
- Pre application participation

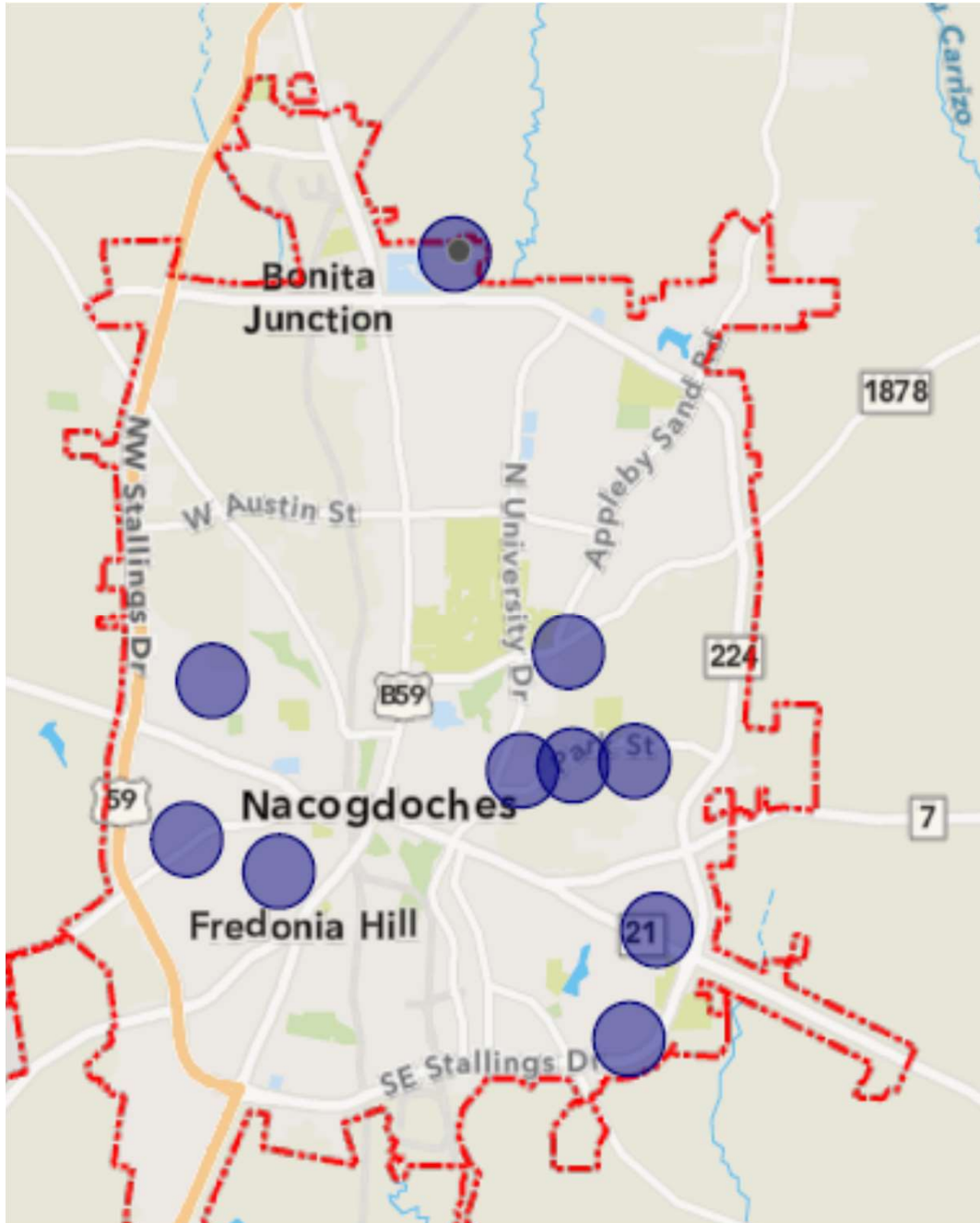
Census Tract 9505.02



Census Data

	Texas	Nacogdoches (city)
Median household income in 2019	\$61,874	\$36,442
% At or Below Poverty Level (2019)	13.4%	31.0%
Median Rent Asked (2019)	\$1,045	\$771
Median Gross Rent as a % of Household Income	20.27%	25.4%

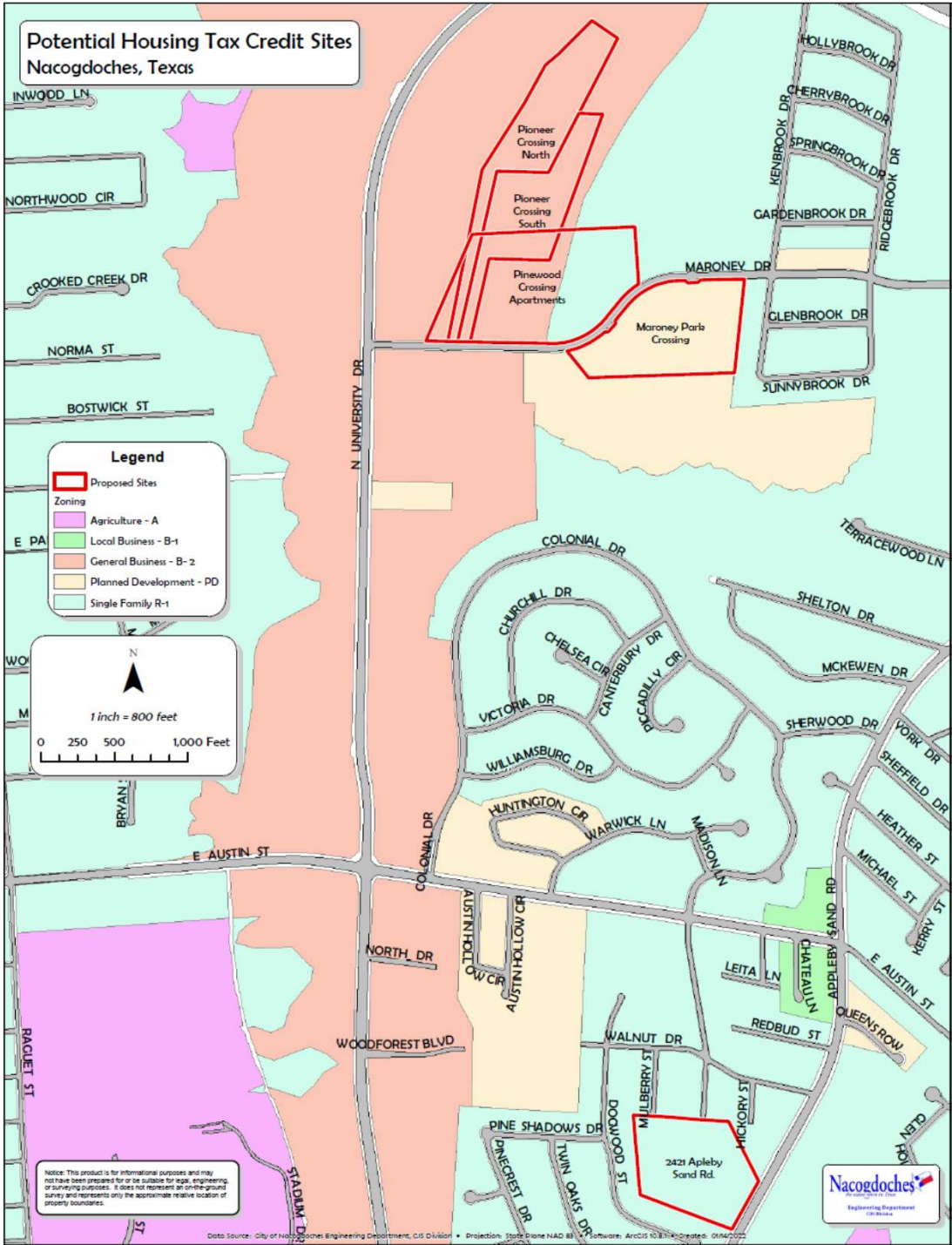
Existing Tax Credit Properties



Cordova Rental Units	Various	1993
Commonwealth I & II	Northway Drive	1996 & 1999
Cypress Ridge	Logan Circle	2000
Cardinal Village	Cardinal Street	2002
Spring Hill	East Main Street	2002
Senior Village	Harris Street	2006
Vista Pines	Park Street	2006
Park Estates	Pruitt Hill	2007
Pine Lake Estates	Durst Street	2013
Tower Village	Tower & Park	2013

2022 Applications

Name	Reserve @ Appleby Sand	Maroney Park Crossing	Pinewood Crossing Apartments	Pioneer Crossing for Seniors
Address	2421 Appleby Sand	SWC Maroney & Kenbrook	SEC N. University & Maroney	NEC N. University & Maroney
Non-Profit	No	Yes	No	No
Low income units	80	72	72	72
Total units	80	80	72	80
Target	Elderly	Elderly	General	Elderly
Est. Capital Expenditure	\$22 million	\$13 million	\$10.7 million	\$11 million
Current zoning	R-1	PD	R-1 & B-2	B-2

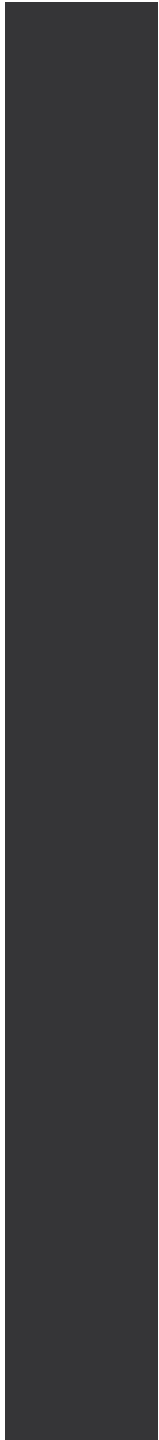


Comprehensive Plan Goals

- **A variety of safe, high-quality residential areas that meet the needs of Nacogdoches residents.**
- **High-quality development that respects community character and the natural environment and does not overburden public services and infrastructure**
- **A variety of quality housing options that are appropriately available to new and current residents of Nacogdoches and affordable at all income levels.**
- **Housing and neighborhood design that successfully addresses the needs of an aging population while taking advantage of amenities attractive to retirees.**
- **Neighborhoods that are protected through diligent enforcement of appropriate ordinances, regulations and incentives.**
- **Sensible growth in Nacogdoches that takes advantage of proximity to services and amenities and minimizes the strain on tax revenue.**

Timeline

- February 1, 2022 Workshop
- February 2, 2022 Public meeting
- February 22, 2022 Resolutions
- March 1, 2022 Final application due
- July 2022 Issuance of allocations
- December 31, 2024 Construction complete



Options?

- Adopt a resolution of support
- Adopt a resolution of no objection
- Adopt a resolution of opposition
- Take no action

