

# Memorandum



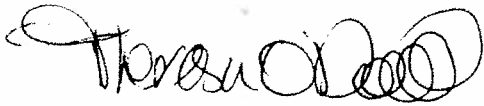
DATE October 18, 2013

TO Housing Committee Members: Carolyn R. Davis, Chair, Scott Griggs, Vice-Chair, Monica Alonzo, Rick Callahan, Dwaine Caraway, and Philip Kingston

SUBJECT Multi-Family Housing Guidelines

On Monday, October 21, 2013, you will be briefed on Multi-Family Housing Guidelines. A copy of the briefing is attached.

Please let me know if you have any questions.



Theresa O'Donnell  
Interim Assistant City Manager

c: The Honorable Mayor and Members of the City Council  
A. C. Gonzalez, Interim City Manager  
Rosa A. Rios, City Secretary  
Warren M.S. Ernst, City Attorney  
Craig Kinton, City Auditor  
Judge Daniel Solis, Administrative Judge  
Ryan S. Evans, Interim First Assistant City Manager  
Forest E. Turner, Assistant City Manager  
Jill A. Jordan, P.E., Assistant City Manager  
Joey Zapata, Assistant City Manager  
Charles M. Cato, Interim Assistant City Manager  
Jeanne Chipperfield, Chief Financial Officer  
Frank Libro, Public Information Officer  
Bernadette Mitchell, Housing/Community Services, Interim Director  
Elsa Cantu, Assistant to the City Manager – Mayor and Council

# Multi-Family Housing Guidelines

A Briefing To The  
Housing Committee

Housing/Community Services Department  
October 21, 2013



# Key Focus Area: Economic Vibrancy

## Purpose

---

- Review current multifamily review criteria and priorities
- Discuss changes to the current guidelines & priorities

# Current Multifamily Priorities

---

- Permanent Supportive Housing/ Special Needs Housing
- New Construction
- Demolition & Reconstruction
- Projects included in master planned areas & transit-oriented developments

## Current Multifamily Review Criteria Adopted by City Council January 23, 2008

---

1. Does the project fit in the City's priorities?
2. Has the City already provided financial assistance?
3. Does the project eliminate slum or blight?
4. Does the project have appropriate zoning?
5. Proximity & capability of schools for project
6. Comments of owners/residents surrounding project
7. Concentration of multifamily projects in an area
8. Has applicant agreed to incorporate safety/security features for project?
9. Willingness of applicant to address resident's concerns
10. Quality of proposed project
11. Project design and special accommodations for expected tenants
12. Will the project have adverse effect on the neighborhood?
13. Is the project compatible with existing or anticipated development of area?

## Current Multifamily Review Criteria (continued)

---

14. Project compatibility with zoning in area
15. Parking demand & undue burden on public facilities
16. Traffic caused by the project
17. Existing or proposed public transit availability
18. Location, density, height of buildings effect on future development for area
19. Preservation of natural beauty and concern for landscaping
20. Managers reside on site
21. Financial capacity of applicant to complete & operate the project
22. Can the market absorb the new rental units?
23. One mile concern
24. Applicant has presented a suitable development plan for the entire development site
25. Any other factor relevant to the best interest of the City (includes consideration for fair housing)

# Areas for Discussion

---

- Rehabilitation of Multifamily Units
  - Long Term Deed Restrictions
  
- City or Affiliate Ownership of Multifamily Units
  - Creates property tax exemption
  
- Mixed Income Projects
  - Opportunity to create market rate units
  
- Concentration of Multifamily Units
  - Texas Department of Housing & Community Affairs (TDHCA) to include 20% limit for each census tract unless waived by the City

# Rehabilitation of Multifamily Units

---

- Key issues are:
  - Useful life of the structure
  - Extended deed restrictions for affordability
  
- Peer city review:
  - Austin, El Paso, Ft. Worth, Houston, and San Antonio support both
  - San Antonio limits financial support of rehabilitation projects
  
- Recommendation
  - Preference for projects which will newly construct or reconstruct units
  - Allow for rehabilitation projects if the age of the building is no more than 20 years old



# City or Affiliate Ownership of Multifamily Units

---

- Key issues are:
  - Creates property tax exemption over thirty plus years
  - Creates a revenue stream for affordable housing
  - Long term ownership of multifamily properties
  
- Peer city review:
  - Austin, Ft. Worth, Houston, San Antonio provide ownership opportunities but with specific purpose (i.e. 30% or below rents, foreclosures, limited liability situations)
  - El Paso does not avail this option
  
- Recommendation
  - Preference for permanent supportive housing units
  - Support Dallas Housing Authority Redevelopment of Units
  - Allow City/Affiliate ownership when development commits to provide revenue above and beyond the value of the property tax exemption
    - City/Affiliate would prioritize mixed-income housing developments in the use of the revenues from such transactions

# Mixed Income Projects

---

- Key issues are:
  - Need for mixed income units
  
- Peer city review:
  - No requirements for mixed-income units among peer cities
  
- Recommendation
  - Preference for projects that provide a minimum of 15% market rate units
  - Exception for Permanent Supportive Housing Projects

# Concentration of Multifamily Units

---

- Key issues are:
  - Too many units in any one census tract
  
- Peer city review:
  - Peer cities are placing units within revitalization areas
  - Priority for projects near transit lines, grocery stores, schools, job centers
  
- Recommendation
  - No more than 20% low income housing tax credit multifamily units per census tract unless the project is part of a community revitalization strategy area, master planned area, or transit oriented development plan
  - Future adjustments based on total number of multifamily units in a given census tract

# Considerations for Priorities

---

- City Council adopted guidelines with emphasis on focus areas where the City has been making major investments to spur development
  - Focus Areas
    - Transit Oriented Developments
    - Community Revitalization Areas
    - Master Planned Areas
    - Permanent Supportive Housing

# Requests for Proposals

---

- Several of the peer cities request proposals at different times during the year to make the process more organized
- Staff recommends a request for applications (RFA) process for 9% low income housing tax credit projects and a separate RFA for 4% low income housing tax credit projects
  - RFA for 9% tax credit applications would be made beginning in December 2013 with deadlines in early January 2014
  - RFA for 4% tax credit applications would be made beginning in August 2014 with deadlines in September 2014
  - The Housing Committee would be briefed before any projects move forward for support and/or gap financing to full Council

# Next Steps

---

- ❑ November 12, 2013 – City Council consideration of approval of multifamily housing guidelines and priorities