



## HOUSING TAX CREDITS BASICS

The Texas Department of Housing and Community Affairs' (TDHCA) Housing Tax Credit (HTC) program is one of the primary means of directing private capital toward the development and preservation of affordable rental housing for low-income households. The HTC program is designed to:

- Provide a source of equity financing for the development of affordable housing;
- Maximize the number of affordable units added to the state's housing supply;
- Ensure that the state's affordable housing supply is well maintained and operated, serving as a credit to the communities in which affordable housing is constructed and operated; and
- Prevent losses in the state's supply of affordable housing.

### HOW HOUSING TAX CREDITS WORK

- Tax credits are awarded, using a competitive process detailed in statute and rule, to eligible participants to offset a portion of their federal tax liability in exchange for the production or preservation of affordable rental housing.
- The value associated with the tax credits allows residences in HTC developments to be leased to qualified households at below market rate rents.
- There are two types of HTCs: 9% HTC and 4% HTC

#### 9% HTC (COMPETITIVE)

- The 9% HTC program is highly competitive.
- The amount of HTC available in each region is determined through the Regional Allocation Formula (RAF).
- There are set-asides for "at risk" and USDA assisted developments.
- At least 10% of the allocation must be used for qualified non-profits.
- Applications are scored and ranked within their region or set-aside.
- Scoring criteria range from financial feasibility, different indicators of local support, size and quality of units, amenities services to be provided to the tenants, and more.
- Scoring reflects requirements found in state law and program rules; the program rules are known as the Qualified Action Plan (QAP).

#### 4% HTC (NON-COMPETITIVE)

- 4% HTCs are awarded to developments that use tax-exempt bonds as a component of their financing.
- Applications are accepted throughout the year.
- 4% HTCs are available statewide; they are not subject to regional allocation.

### FUNDING SOURCE

U.S. Treasury Department via the Internal Revenue Code

### ELIGIBLE ACTIVITIES

The development of affordable rental properties or the rehabilitation of existing properties that maintain affordable rents for an extended period of time.

### BENEFICIARIES

Tenants earning up to 60% of the area median family income (AMFI), which varies by area. For example, to qualify for a reduced rent in an HTC-supported property, the annual income of a Dallas family of four may not exceed \$42,540, while the annual income for the same household living in Brownsville may not exceed \$29,160. (These limits are available under the Featured Items drop menu on TDHCA's home page at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us))

### ELIGIBLE APPLICANTS

Private for-profit and nonprofit developers

### PUBLIC INPUT

- Public comment is taken at all TDHCA board meetings and is accepted during the application review process.
- Public input for purposes of scoring is subject to a number of requirements, including deadlines, all specified in detail in the QAP.
- Regional public hearings are held to take public comment on 9% HTC applications (Applications for 4% HTC have hearings associated with their bond funding; no separate hearing is held for the 4% HTCs.)
- Hearing schedules, TDHCA board meeting announcements, and other informational notices are posted on TDHCA's Website at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us).

### AWARDS

- Final funding decisions on all HTC applications are made by TDHCA's Governing Board.
- The application "cycle" for 9% applications begins at the beginning of the year. Throughout the cycle different issues relating to the developments that are competing will be considered by the TDHCA board, such as appeals of terminations, scoring notices, requests for waivers, and challenges.
  - 9% HTC applications are considered for approval in July
  - 4% HTC applications are considered for approval throughout the year

### COMPLIANCE

- TDHCA monitors and physically inspects all properties which have received tax credits and/or multifamily funds from any TDHCA program.
- The Department follows very specific requirements for monitoring, inspecting, and reporting.
- In Texas, property owners who don't keep their promises during the building process, who let their properties fall into disrepair, or who do not follow the program rules may be subject to certain actions designed to encourage compliance. These actions, if not promptly addressed, may lead to other more serious actions such as the assessment of administrative penalties or, in extreme instances, debarment from the HTC program.
- TDHCA provides oversight authority for health, safety, and program compliance of funded properties for up to 40 years.

### CONSUMER ASSISTANCE

Individuals may search for TDHCA-supported affordable rental properties in their area at [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us) or by calling the TDHCA Housing Resource Center toll free at 800-525-0657.

### MORE INFORMATION

Visit <http://www.tdhca.state.tx.us/multifamily/htc> or call TDHCA's Multifamily Division at 512-475-3340.

Reasonable accommodations will be made for persons with disabilities and language assistance will be made available for persons with limited English proficiency.



TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS  
Street Address: 221 East 11th Street, Austin, TX 78701 Mailing Address: PO Box 13941, Austin, TX 78711  
Main Number: 512-475-3800 Toll Free: 1-800-525-0657 Email: [info@tdhca.state.tx.us](mailto:info@tdhca.state.tx.us) Web: [www.tdhca.state.tx.us](http://www.tdhca.state.tx.us)





Texas Department of Housing and Community Affairs  
Multifamily Finance Division  
Notification of Submission of Affordable Housing Applications

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March 13, 2013

Aubrey ISD, Superintendent of the School District  
Dr. James Monaco  
415 Tisdell Ln.  
Aubrey, TX 76227

**Re: Notification of Affordable Rental Housing Application(s) Proposed in Your District**

Dear Dr. James Monaco:

The Texas Department of Housing and Community Affairs (the "Department") has received one or more application(s), for the Competitive Housing Tax Credit Program (HTC), for the development of affordable rental housing in the community you represent. A development summary for each application submitted in your area is included with this correspondence.

This notification is made in accordance with §2306.1114, Texas Government Code, to ensure that you are informed of the housing activity in your area and so that you may provide your input on the proposed application(s). The Department greatly appreciates receiving views concerning the need for affordable housing within the local districts and how the proposed development(s) may address that need. Your comments will be carefully considered by the Department's Governing Board when making a decision to award Housing Tax Credit funds to a proposed application at its late July 2013 meeting.

The Department will conduct a series of public hearings around the state to collect public comment on all Competitive HTC applications. The public hearing schedule is published on the Department's website at <http://www.tdhca.state.tx.us/multifamily/htc/index.htm> and a copy of the public hearing schedule is included with this notification.

The Housing Tax Credit Program is just part of a wide variety of housing finance programs administered by the Department in order to fulfill its mission of helping Texans achieve a higher quality of life by building better communities. Through its rental housing finance programs, the Department encourages new construction, reconstruction or rehabilitation of high quality multifamily rental housing, primarily through partnerships between public-private developers and owners. These developments benefit Texans in your district by providing qualified individuals and families with safe, decent and quality affordable housing.

Please mail any comments you may have to TDHCA, Multifamily Finance Division, Attention: Jean Latsha, Competitive Tax Credit Program Manager, P.O. Box 13941, Austin, Texas 78711-3941 or submit by facsimile to (512) 475-0764. If you have any questions or need additional information, please contact Jean, at (512) 475-1676 or by email at [jean.latsha@tdhca.state.tx.us](mailto:jean.latsha@tdhca.state.tx.us).

Sincerely,

*Cameron Dorsey*  
Cameron Dorsey  
Director, Multifamily Finance

**Relevant Development Information as Presented by the Applicant:** 13152

**Programs Applied For:**

- Housing Tax Credits-Competitive 9% (HTC)
- HOME Program (HOME)
- Housing Tax Credits-Non Competitive 4% (HTC)
- TDHCA Tax Exempt Bond

**Development Information:**

Development Number: 13152

Development Name: KIRON at Aubrey

Development Address: 5700 Hwy. 377 S.

Development City: Aubrey                      Development Zip: 76227                      Region: 3

Regional Allocation: Urban

HTC Set Aside:     Nonprofit     USDA     At-Risk

Construction Type: New Construction

Building/Unit Configuration:

- 4 units or more    Duplex    Fourplex
- Townhome    Single Room Occupancy    Single Family Construction

Total Restricted Units:        100        Total Market Rate Units:        50        Total Units:        150

**Applicant Information:**

Owner Contact:	Thomas Huth	Owner City:	Dallas
Owner Address:	13455 Noel Rd., Suite 1000	Owner State:	TX
Owner Phone:	(972) 774-4450	Owner Zip:	75240
Owner Email:	<a href="mailto:tom@palladiumusa.com">tom@palladiumusa.com</a>		

This Development may include other public benefits such as financing, rental subsidies and tenant supportive services.