

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Mayor and Council

AGENDA DATE: 02/04/2025

CONTACT PERSON NAME AND PHONE NUMBER:

Rep. Chris Canales, 915-212-0008

DISTRICT(S) AFFECTED: All Districts

STRATEGIC GOAL:

Goal 8 - Nurture & Promote a Healthy, Sustainable Community

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

Discussion and action to direct the City Manager to initiate a rewrite of the policy for the evaluation of 9% Low Income Housing Tax Credit applications: including consideration of a geographic index for location-based scoring and minimum point thresholds for eligibility for letters of support or letters of no objection; also including an alternative method by which in a given year the City may designate only one specific location for which it will consider applications; and that the City Manager shall return to the Council with an update within 120 days of the approval of this item.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

The 9% Low Income Housing Tax Credit (LIHTC) program is a key mechanism for financing affordable housing projects in Texas and nationwide. The City plays a vital role in determining which projects receive support through letters of support or letters of no objection, which add points to the Texas Department of Housing and Community Affairs (TDHCA) scoring of applications. As the demand for affordable housing in our region continues to grow, it is essential that the City's policy for evaluating LIHTC applications remains transparent, strategic, and responsive to both housing needs and community priorities.

This agenda item proposes directing the City Manager to conduct a rewrite of the City's current policy for evaluating 9% LIHTC applications to ensure that the process aligns with evolving needs and objectives. The changes will include (but not be limited to):

Geographic Index for Location-Based Scoring: The new policy will introduce a geographic index that prioritizes housing developments in areas of greatest need, based on factors like accessibility to public transportation, employment opportunities, and community services. This will help to focus affordable housing investments where they are most beneficial to residents and the broader city.

Minimum Point Thresholds for Eligibility for Letters of Support or No Objection: Establishing a clear point threshold for developers to meet before the City can provide letters of support or letters of no objection ensures that only projects that align with the City's priorities and objectives will be supported. This adds an element of accountability and consistency to the process.

Designated Location for Applications: The policy will also include an option for the City to designate specific locations each year where applications for LIHTC funding will be considered, possibly on City-owned properties. This targeted approach ensures that affordable developments are located in areas where there is a strategic need for housing, which could help enhance resident and neighborhood outcomes.

Timeline for Updates: The City Manager will be required to return to the Council with a proposal for the new policy within 120 days of approval. This ensures transparency and provides an opportunity for the Council to assess the effectiveness of the proposed changes and make adjustments as necessary.

The benefits of this action include:

A more strategic approach to affordable housing development, ensuring that new projects meet the City's housing goals and align with broader urban development plans.

Increased transparency and accountability in the evaluation process, which will build trust with developers and the public.

A more focused allocation of the City's support, prioritizing projects that provide the greatest benefit to underserved communities and align with regional planning efforts.

By revising the policy in this manner, the City will ensure that the LIHTC program remains an effective tool for providing affordable housing, while also being responsive to the needs of the community.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

The City Council first adopted a policy for evaluating 9% Low Income Housing Tax Credit (LIHTC) applications on October 15, 2019. This policy established evaluation criteria and scoring mechanisms to guide the City's support for affordable housing projects seeking LIHTC funding.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:
