



COUNCIL AGENDA ITEM MEMORANDUM

DEPT./DIVISION SUBMISSION & REVIEW:

Nancy Glover, Director of Housing & Community Development

ITEM DESCRIPTION: Consider adopting a resolution of support for an age restricted housing tax credit project by Brownstone Affordable Housing, Ltd., in the form of fee waivers not to exceed \$500.

BACKGROUND: Brownstone Affordable Housing, Ltd. (Developer), an affiliated company of The Brownstone Group, Inc., has submitted a pre-application to the Texas Department of Housing and Community Affairs (TDHCA) seeking an award of 9% Low-income Housing Tax Credits from the State of Texas to fund the development of an affordable housing development serving residents age 55 and older. The total development cost is approximately \$20,000,000.00 and will produce 94 units, all of which will be designated as affordable. The site of the proposed development is a 7-acre parcel located at the SE corner of the intersection of S. Pea Ridge Rd. and Tarver Dr. for which apartments of the proposed density is a permitted use.

The tax credit is an indirect Federal subsidy, begun in 1986, as a market-based incentive to encourage investment and development of affordable rental housing. The program works by reducing the debt that the developer would otherwise borrow, allowing them to offer lower, more affordable rents. The program provides equity financing for the developer and is not a direct benefit to individuals.

The Tax Credit program is a competitive system, largely based on point categories, including points related to community support and engagement. Up to 17 points are available to the developer if a resolution of support is obtained from the municipality in which the development will be located. One additional point is available to the developer if the municipality provides a commitment to local funding of the project, which can be accomplished through fee waivers.

ALIGNMENT WITH ADOPTED PLANS:

Plan	Comments
Strategic Plan	This item supports the City of Temple’s Strategic Plan goal of “Neighborhoods Where People Love to Live”, as well as the Strategic Plan commitment of “Collaborate with other agencies to address homelessness, poverty issues, and other high priority human service needs.”

STAFF RECOMMENDATION: Adopt resolution as presented in item description.

BOARDS & COMMISSIONS RECOMMENDATION: This item was not reviewed by any of the official boards and commissions.

FISCAL IMPACT: The City will provide support for an age restricted housing tax credit project by Brownstone Affordable Housing in the form of fee waivers not to exceed \$500.

ATTACHMENTS:
Resolution