Redefining Revitalization
An Analysis of Community Revitalization in Texas’ Low Income Housing Tax Credit Program

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Executive Summary

The Low Income Housing Tax Credit (LIHTC) program has provided millions of units of rental housing to low-income persons since its inception in 1986. It has also, however, contributed to poverty concentration and racial segregation as a result of program regulations that incentivize development in high-poverty neighborhoods. In recent years, policymakers have attempted to stem the program’s tendency toward segregation by establishing standards for neighborhood revitalization in high-poverty areas selected for LIHTC housing. This report examines whether housing developers in Texas are claiming points for community revitalization during the state’s annual LIHTC allocation process, and whether the revitalization plans they submit constitute a comprehensive revitalization effort in distressed neighborhoods.

This report begins with a review of the literature on the relationship between poverty concentration, the LIHTC program, and state Qualified Allocation Plans (QAPs), with particular attention to the role of the community revitalization provision. Literature shows that community revitalization requirements have historically been ill-defined and that states do not enforce substantive revitalization standards for developments in high-poverty neighborhoods. Recent literature on community revitalization emphasizes the importance of comprehensiveness and community capacity in a revitalization strategy, concluding that investments in subsidized housing alone are insufficient to produce sustainable neighborhood change.

In exploring the evolution of Texas’ QAP from 2012 – 2015, this report finds that Texas has successively adopted more robust and comprehensive standards for community revitalization. The percentage of LIHTC applications requesting points for revitalization has declined significantly since the revision of the QAP in 2012, largely in response to the introduction of more rigorous revitalization plan standards. The majority of applications claiming revitalization points continue to receive the full amount of revitalization points requested. Nonprofit developers are more strongly represented in the 2015 revitalization applicant pool than in prior years, as are developments for the elderly and supportive housing.

A content analysis of revitalization plans submitted to the Texas Department of Housing and Community Affairs (TDHCA) in 2015, however, finds a discrepancy between the standard of comprehensiveness upheld in the literature and the revitalization strategies contained in the plans. Using the Building Sustainable Communities (BSC) model and the Texas QAP as quality benchmarks, this report finds that the plans rely heavily on improvements to physical infrastructure, while neglecting the soft pillars of revitalization such as education and community services. Moreover, funded initiatives to build community capacity are absent from the 2015 plans. When employing a more rigorous standard of evaluation, requiring explicit language and a line budget item dedicated to each component of revitalization, a majority of plans fail to meet the revitalization benchmarks derived from the Texas QAP and BSC model. Some developers continue to cite citywide documents as evidence of revitalization, failing to address the specific needs of the low-income neighborhood selected for LIHTC siting, and a number of plans lack a comprehensive budget or supplemental evidence demonstrating the city’s material commitment to the plan.

This analysis of LIHTC application data and revitalization plans in Texas concludes that, while standards have improved, additional revisions may be necessary to ensure a comprehensive and substantive revitalization effort in high-poverty communities selected for LIHTC housing in Texas.
Part I Introduction and Background

The Low Income Housing Tax Credit (LIHTC) program has been criticized by academics and fair housing advocates for contributing to poverty concentration and racial segregation. While the original intent of the program was to incentivize housing construction in neighborhoods underserved by the private market, the advent of the “opportunity neighborhoods” framework in recent years has prompted a reevaluation of federal and state regulations that promote LIHTC concentration in high-poverty, low-opportunity neighborhoods. Literature evaluating the program’s tendency toward segregation attributes it to specific provisions in the regulations that provide incentives to developers to site LIHTC properties in high-poverty neighborhoods. This report addresses one component of the LIHTC regulations known as the “community revitalization provision,” which provides developers with an incentive for developing in a high-poverty neighborhood if the development is accompanied by a community revitalization plan.

More specifically, this report examines the definition and interpretation of the community revitalization provision in the state of Texas between 2012 and 2015. It evaluates how the state of Texas has defined community revitalization in its own LIHTC Qualified Allocation Plan (QAP), how changes to the revitalization provision may affect the siting of LIHTC properties in Texas, and whether Texas’ definition of revitalization promotes substantive investment in high-poverty neighborhoods. The following introductory sections discuss relevant literature on the links between LIHTC, the QAP, and poverty concentration, with special attention to the role of the community revitalization provision. This is followed by a review of recent literature on best practices for community revitalization.

Key Findings:
- LIHTC developments are concentrated in high-poverty and racially segregated neighborhoods
- Federal LIHTC program guidelines are insufficient and result in state QAPs that undermine fair housing goals
- The community revitalization provision is ill-defined, both at the federal and state level
- Comprehensiveness and community capacity building are key characteristics of successful neighborhood revitalization models

The Low Income Housing Tax Credit Program and Poverty Concentration

Peer-reviewed and grey literature on affordable housing finds a relationship between poverty concentration, racial segregation, and the siting of LIHTC properties. The US Congress established the LIHTC program under the Tax Reform Act of 1986 as a “supply side” affordable housing program. The program was designed to subsidize the construction and rehabilitation of low-income, multi-family housing by providing federal tax credits to private developers. Legal scholar J. William Callison evaluates the LIHTC program within the framework of cooperative federalism, evidenced by the program’s joint administration

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by federal, state, and local agencies. Callison suggests that this joint administration and the lack of federal standards governing LIHTC siting has prevented the program from acting as an effective tool to address economic and racial segregation.

Federally, LIHTC is administered by the US Department of the Treasury (Treasury), governed by Section 42 of the Internal Revenue Code, and subject to standards established by Congress under the Fair Housing Act of 1968 (FHA). It is also subject to subsequent fair housing regulations promulgated by the Department of Housing and Urban Development (HUD). Federal regulations, however, grant states the authority to make decisions regarding the allocation of tax credits to private developers. Each state is required to adopt a QAP outlining siting standards and establishing rules for the competitive credit allocation process. Many state QAPs, furthermore, grant cooperative authority to local agencies by requiring local approval for LIHTC developments. The market-based structure of the program places the initial siting decision into the hands of private housing developers, which initiate the application for tax credits with the state.

Early federal program regulations established in 1989 instruct states to give an advantage to developments located in high-poverty census tracts (referred to as Qualified Census Tracts, or QCTs), with the goal of providing higher-quality, more affordable housing in areas with a high level of need. This incentive takes the form of a “basis boost,” adding an additional 30% to the development’s basis value used to determine the amount of tax credits received. The basis boost, rather than affecting whether or not the project receives an award, affects the final amount of credits awarded to selected applications. These early federal regulations were established before the advent of the opportunity neighborhoods framework, and the program was originally designed to incentivize housing production in neighborhoods where policymakers believed private developers would be unwilling to build rental housing. Many legal and policy scholars cite this original allocation preference granted to QCTs as the driver of poverty concentration among LIHTC properties today.

Literature confirms that LIHTC properties are more likely to be located in high-poverty neighborhoods. In 2000, for example, Buron et al. conducted a study for HUD on the characteristics of 39 LIHTC developments placed into service between 1992 and 1994. The study found that only 14% of developments were located in low-poverty neighborhoods, while 46% were located in high-poverty neighborhoods. Moreover, 49% of developments were located in areas comprised 80%-100% of minority residents. This seminal study

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5 Callison 2010.


7 Khadduri 2013, 10.

8 Ibid.

suggests that the LIHTC program has reinforced racial and economic segregation in low-opportunity neighborhoods.

Similarly, in 2015, Ellen et al. conducted a literature review on LIHTC siting and identified six studies pointing to a concentration of LIHTC developments in areas with higher-than-average levels of poverty. In 2013, Kawitzky et al. of the Fair Housing Justice Center evaluated the siting of LIHTC properties in the New York City region placed into service between 1998 and 2007, concluding that LIHTC properties are disproportionately located in high-poverty, urban neighborhoods with a high concentration of minority residents. They find that LIHTC allocations in New York City have reinforced residential segregation and failed to affirmatively further fair housing. This body of literature supports the hypothesis that LIHTC siting standards, established cooperatively by the federal government, states, local agencies, and private developers, have contributed to ongoing racial and economic segregation. The following section will discuss poverty concentration and its relationship to the state QAP.

### The Role of the Qualified Allocation Plan

Literature provides evidence that LIHTC siting standards, promulgated through federal program regulations and state QAPs, have contributed to a concentration of subsidized housing in high-poverty communities of color. Literature evaluating the relationship between poverty concentration and the LIHTC program frequently cites insufficient federal guidance on state QAP standards as a contributor to housing segregation.

Academics and advocates have criticized federal guidelines to states on LIHTC siting standards for being ill-defined and contradictory. Legal historian Myron Orfield, for example, contends that there are active contradictions between the FHA and LIHTC program regulations. Orfield posits that, due to the federalist framework of the program, this contradiction is often embodied in state QAPs that subvert fair housing standards. Monique Johnson’s analysis supports this narrative, demonstrating that state QAPs rarely incorporate federal poverty deconcentration goals into their LIHTC siting standards. She concludes that the

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11 While an abundance of research confirms the concentration of LIHTC developments in high-poverty neighborhoods, some research has found otherwise. Horn and O’Regan (2011) show a reduction in high-poverty developments during the latter half of LIHTC’s operation. However, their research fails to distinguish between elderly and multi-family housing, which is important in light of evidence that elderly housing is more likely to be located in low-poverty, suburban tracts. Pfeiffer’s 2009 work on LIHTC and public schools provides a counter to the Horn and O’Regan findings, demonstrating that there has been an increased segregation of LIHTC properties in high-poverty neighborhoods in the most recent decade. Lastly, McClure’s 2006 work supports the alternative narrative that more LIHTC developments are being sited in suburban neighborhoods than in years past. Therefore, some evidence exists to show that LIHTC siting patterns may be shifting. It is possible that such shifts have been the result of evolving federal and state QAP standards, though these are far from uniform state-to-state. See Keren M. Horn and Katherine M. O’Regan, The Low Income Housing Tax Credit and Racial Segregation, Furmann Center for Real Estate and Urban Policy, New York University Wagner Graduate School, May 2, 2011 (hereafter Horn and O’Regan 2011); Kawitzky et al. 2013; Deirdre Pfeiffer, The Opportunity Illusion: Subsidized Housing and Failing Schools in California, The Civil Rights Project, University of California, Los Angeles, 2009; and Kirk McClure, “The Low Income Housing Tax Credit Program Goes Mainstream and Moves to the Suburbs,” Housing Policy Debate, 17 no. 3 (2006): 419 – 446.

social constructs present in most state QAPs reflect the ethics of advantaged groups and that poverty deconcentration themes comprise a low 27% of the priorities in state QAPs, with only marginal changes over time.14

Legal and historical scholars thus agree that state QAPs (and federal guidelines that govern QAP standards) are important when assessing LIHTC’s ability to reduce segregation. In a 2015 HUD study, Ellen et al. found that changes to the state QAP do affect LIHTC siting patterns. They find that changes to the QAP have a statistically significant effect on the concentration of LIHTC developments in high-poverty neighborhoods. While no single “opportunity provision” in the QAP can be linked to a change in LIHTC concentration, the indexed results suggest that, when evaluated as a comprehensive package, QAP standards can be an effective tool to desegregate LIHTC housing.

The Community Revitalization Provision

The community revitalization provision is one component of federal and state LIHTC program regulations that may have the potential to reduce poverty concentration. In 2002, the federal government added a provision to the original LIHTC program rules instructing states to grant an incentive to projects in QCTs only when the project was accompanied by a “concerted community revitalization plan.”15 This revision represented an attempt to address the concentration of subsidized housing in areas experiencing chronic and comprehensive disinvestment. LIHTC applications for projects in QCTs would now only be eligible for the 30% basis boost if accompanied by a revitalization plan. Despite this well-intentioned attempt to stem the concentration of subsidized housing in areas lacking other forms of community investment, legal and policy scholars have critiqued the federal “community revitalization provision” as nonbinding in practice. The federal guidelines neither define the term “community revitalization plan” nor outline any uniform standards that states should consider when evaluating and granting incentives for revitalization efforts.

In his analysis of the contradictions between fair housing objectives and LIHTC standards, Orfield concludes that states must take additional steps to give substance to the community revitalization provision, given how poorly defined it is within federal regulation.16 Absent substantive federal revision, or additional proactive interpretation through state QAPs, he argues, the LIHTC program will remain in conflict with its mandate to affirmatively further fair housing.

The Poverty & Race Research Action Council (PRRAC) has produced a number of reports on LIHTC and the QAP’s contribution to poverty concentration. In 2013, PRAAC conducted a content analysis of 36 state QAPs, finding that most did not incorporate the federal community revitalization provision into their standards, and that none limited tax credit eligibility to proposals with a revitalization plan.17 Moreover, the QAPs that did acknowledge the requirement failed to define “community revitalization.” With no federal guidelines on

15 Philip Tegeler et al., “Opportunity and Location in Federally Subsidized Housing Programs: A New Look at HUD’s Site & Neighborhood Standards As Applied to the Low Income Housing Tax Credit,” October 2011 (hereafter Tegeler et al. 2011).
16 Orfield 2005.
17 Khadduri 2013.
what constitutes community revitalization, the lack of state guidance effectively makes the provision a nonbinding, nominal requirement.

In 2015, Sarah Oppenheimer conducted an updated analysis of 49 state QAPs, as well as those for the cities of New York and Chicago. Her report evaluates whether and to what extent each QAP contains provisions and parameters addressing 23 fair housing indicators, including several indicators related to siting standards. With regard to the community revitalization plan provision, the report finds that over half of QAPs provide incentives to developments in high-poverty census tracts only when they have a community revitalization plan.\(^\text{18}\) Only 15 of those QAPs, however, clearly define and state what must be included in the plan. This body of literature supports the hypothesis that the community revitalization provision, both at the federal level and as operationalized in state QAPs, is lacking sufficient definition to act as a tool for housing desegregation in most states.

### Defining Community Revitalization

Despite flawed federal and state revitalization standards, some research finds benefits to siting LIHTC developments in high-poverty neighborhoods if such developments are accompanied by bona fide revitalization efforts. Recently, some housing scholars have offered a criticism of the opportunity neighborhoods framework, asserting that dispersing low-income residents and disrupting existing communities may be damaging to collective efficacy and social capital, especially for already vulnerable populations.\(^\text{19}\) Social networks and collective efficacy of low-income or otherwise marginalized communities are not easily captured in standard opportunity metrics because they are difficult to measure and often more readily observed through qualitative and ethnographic studies. Preserving the social assets that low-income communities have developed over time may be one reason to continue upgrading or producing affordable housing stock in high-poverty neighborhoods.

Academics and advocates are also concerned with preserving affordable housing in neighborhoods that may not currently meet the definition of “high-opportunity,” but are experiencing strong gentrification pressures. Tegeler et al. recommend that a portion of LIHTC funds be dedicated to “emerging opportunity” areas, and Orfield recommends that community revitalization plans take into account trends in gentrification or resegregation of stably integrated neighborhoods.\(^\text{20}\) Additionally, some research suggests that LIHTC properties have a positive effect on neighboring property values, especially in low-income neighborhoods when paired with a comprehensive community development strategy.\(^\text{21}\) It may be appropriate to invest in LIHTC developments in high-poverty neighborhoods as one prong of a more comprehensive community development strategy.

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Accepting that there may be benefits from siting LIHTC properties in high-poverty neighborhoods when development is accompanied by revitalization efforts, the challenge becomes to effectively define “revitalization.” One of the oft-repeated criticisms of current federal regulation is that the community revitalization plan provision is ill-defined and therefore does not produce substantive revitalization efforts in distressed areas. One reason for the persistent lack of federal guidance may be the complexity of defining the term “community revitalization.” Many factors contribute to successful neighborhood revitalization, and it is difficult to define a generalizable model across communities with different needs. One trend in the literature on revitalization, however, is clear: investment in subsidized housing alone is insufficient to transform a neighborhood, and comprehensive efforts are necessary to produce sustainable neighborhood change. Orfield, for example, showcases HUD research demonstrating that LIHTC development alone fails to produce revitalization. Therefore, community revitalization plan standards should contain elements beyond housing.

Peter Tatian et al. at the Urban Institute provide an overview of the literature on neighborhood revitalization and identify several successful national models. They conclude that, while additional research is needed to better define revitalization, some basic elements should be present in any revitalization effort. They identify comprehensiveness, community self-direction, and strategic community selection as key elements of successful revitalization. Drawing heavily from Galster’s 2010 work, they identify the following community revitalization strategies:

- Institutional and service mechanisms (e.g. childcare and healthcare facilities, anchor institutions, grocery stores, schools and school quality, coordinated human and social service delivery)
- Social interactive mechanisms (e.g. collective efficacy, social capital and networks, neighborhood organizing)
- Environmental mechanisms (e.g. crime, safety, built environment, density, and walkability)
- Geographical mechanisms (e.g. metro and city-level trends, marginalization, access to jobs, disinvestment in neighborhoods due to segregation and sprawl)
- Residential mobility (e.g. household instability, churning movers, homelessness prevention)

Taking these facets of community development into account may help form a comprehensive best practices framework for community revitalization. Tatian et al. also identify several national programs that may serve as models for future efforts, though many are still undergoing empirical evaluation: Choice Neighborhoods, Promise Neighborhoods, the Neighborhood Revitalization Initiative, Neighborhoods in Bloom, and Building Sustainable Communities.

In her analysis of state QAPs, Khadduri also suggests foundational criteria for establishing more comprehensive revitalization plan standards including: “1) an assessment of the current condition of the neighborhood, 2) a description of the plans for overcoming the neighborhood’s problems, [and] 3) a description of the resources that are being or will be devoted to the revitalization effort (other than local

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22 Orfield, 2005.
government financial support for the LIHTC property itself).” She identifies Indiana, Nebraska, Kentucky, Ohio, and Pennsylvania as states with robust revitalization provisions in their QAPs. Her report does not outline clear criteria for what might constitute a robust community revitalization plan provision in a state QAP, but suggests that level of detail and specificity of standards are important.

This report uses the Building Sustainable Communities (BSC) initiative as a benchmark model in its content analysis of Texas revitalization plans. While the literature shows that there are a number of possible benchmarks and models against which to compare Texas’ revitalization standards, the BSC program is prolific (operating in 106 neighborhood sites as of 2012), and has demonstrated preliminary empirical success in its most recent program evaluations. The model also offers a number of clearly defined elements that are amenable to a content analysis framework. The model is comprehensive and emphasizes the following five program goals:

- Expanding Investment in Housing and Other Real Estate
- Increasing Family Income and Wealth
- Stimulating Economic Development
- Improving Access to Quality Education
- Supporting Healthy Environments and Lifestyles

Moreover, the BSC model emphasizes these five goals within the framework of building community capacity through investment in community partnerships and organizing. The importance of community capacity building is supported by the literature (for example, in Tatian et al. and Galster’s “social interactive mechanisms” strategy). Moreover, BSC’s emphasis on capacity is predated by long-term capacity building efforts such as the Annie E. Casey Foundation’s Rebuilding Communities Initiative (1994-2002). The Casey Foundation’s initiative produced findings that “resident empowerment must be at the core of community rebuilding efforts,” and that “the need for capacity building is critical and continual.”

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Claudia J. Coulton, who has worked with the Casey Foundation and conducted extensive research on social work and service provision in low-income communities, has found that to sustain employment opportunities in low-income communities (especially in an era of decreased federal welfare spending), “the primary intent must be community change...[and] much of this change has to occur by building the capacity of communities to support opportunity.”  

The body of scholarly and grey literature on revitalization acknowledges that it is a difficult concept to operationalize, but there is consensus about the value of comprehensiveness and increasing evidence that community capacity must be a component of any revitalization effort. This comprehensiveness standard will instruct this report’s analysis of community revitalization in Texas.

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Part II Evolution of the Texas Qualified Allocation Plan

The Texas QAP has evolved iteratively since the Texas Department of Housing and Community Affairs (TDHCA) began to address poverty concentration among LIHTC properties in 2012. This section of the report discusses the history and evolution of Texas’ QAP between 2012 and 2015, paying particular attention to the community revitalization provision.

Key Findings:
- Since 2013, Texas’ QAP has outperformed other states with regard to opportunity-siting standards and the strength of the community revitalization provision
- The strength of the 2015 QAP is due, in large part, to 2012 revisions that TDHCA made in order to comply with the Inclusive Communities fair housing case
- Since 2012, TDHCA has incorporated more robust standards for comprehensiveness into the revitalization provision, and performs an individual review of all revitalization plans

Inclusive Communities and the Texas QAP

According to recent evaluations of state QAPs nationwide, Texas is performing at an above-average level with regard to the rigor of its opportunity-siting standards and reduction of LIHTC siting in high-poverty areas. In her 2013 report on state QAPs, Khadduri notes that Texas’ 2013 QAP contains more detailed community revitalization plan standards than most states. The 2013 Texas QAP, she notes, attempts to achieve poverty deconcentration goals through a combination of raw points and basis boosts provided either to developments sited in high-opportunity neighborhoods, or to those demonstrating evidence of a community revitalization plan. Khadduri highlights Texas’ 2013 incorporation of comprehensive community factors and budget requirements in its revitalization provision. In a more recent analysis, Oppenheimer rates Texas as “moderate/weak positive” on its community revitalization provision, indicating that the state has adopted more robust standards than many states but still trails behind leaders such as Indiana, Nebraska, Kentucky, Pennsylvania, and Ohio. In discussing Texas’ progress toward deconcentration, Ellen et al. identify Texas as a state that has seen a decline of LIHTC properties in high-poverty areas as a result of changes in its QAP.

The current strength of Texas’ QAP is largely attributable to the 2012 federal summary judgment in the Inclusive Communities Project, Inc. v. Texas Department of Housing & Community Affairs lawsuit, which concluded that Texas’ QAP had produced systematic, disparate impact on minority communities—violating the FHA. This fair housing lawsuit was initiated against the state in 2008, and the summary judgment compelled Texas to revise problematic provisions in the QAP. Since 2012, TDHCA has revised the QAP to better conform to fair housing standards and encourage LIHTC siting in high-opportunity neighborhoods.

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30 TDHCA is the state agency responsible for drafting the QAP and making LIHTC allocation decisions in Texas.
31 Khadduri 2013.
32 Ellen et al. 2015.
33 Inclusive Communities Project, Inc. v. The Texas Department of Housing & Community Affairs et al. 2012.
As part of the 2012 summary judgment, the court ordered TDHCA to adopt a five-year Remedial Plan outlining how it plans to bring the state’s LIHTC allocation process and QAP into compliance with the FHA.\footnote{Inclusive Communities Project, Inc. v. The Texas Department of Housing & Community Affairs et al. 2012} Following the summary judgment, the state appealed the \textit{Inclusive Communities} case and the US Supreme Court heard the case in 2015, upholding the disparate impact standard as a valid means of determining discrimination. At this point, however, as a result of the 2012 district court summary judgment, TDHCA had already taken several steps to mitigate the discriminatory impact of its QAP, including revising the community revitalization provision.

\textbf{The Evolution of Community Revitalization in Texas}

Revitalization standards in Texas are currently superior to those in many states, but are still not as robust as they could be according to recent evaluations. Oppenheimer, for example in her 2015 QAP analysis, rates Texas as “moderate/weak positive” on its community revitalization plan provision.\footnote{Oppenheimer 2015} As with the QAP more broadly, the “moderate” components of the revitalization provision are largely a result of changes made to the QAP in order to comply with the \textit{Inclusive Communities} 2012 summary judgment. In the court-ordered 2012 Remedial Plan, TDHCA states the following about community revitalization:

“It is envisioned that the revitalization incentive will set a very high threshold, making it unlikely to yield a number of successful applicants in QCTs such that would perpetuate any discriminatory patterns found to have occurred unintentionally.”\footnote{Inclusive Communities Project, Inc. v. The Texas Department of Housing & Community Affairs et al. 2012}

The state’s goal, therefore, is to set robust revitalization standards such that there will be very few qualifying developments in high-poverty neighborhoods. The plan clarifies that proposals with a concerted community revitalization plan will receive co-equal treatment with those in high-opportunity neighborhoods. The plan acknowledges that, in planning to offer co-equal treatment, more robust revitalization standards will be necessary to mitigate ongoing discriminatory impact, as well as to ensure that the QAP does not provide an “unregulated opportunity to characterize an effort as revitalization that may not be meaningful and substantive.”\footnote{Inclusive Communities Project, Inc. v. The Texas Department of Housing & Community Affairs et al. 2012} The Remedial Plan makes it an explicit goal to discourage nominal or disingenuous revitalization efforts on the part of cities and developers seeking LIHTC credits.

Prior to the \textit{Inclusive Communities} case, the revitalization provision in the Texas QAP was weak and ill-defined. In addition to the 30% “basis boost” incentive, a community revitalization plan is worth one point in the applicant’s raw score in the 2012 QAP. The 2012 QAP, however, does not define “revitalization.” Moreover, TDHCA requested as documentation only a letter from the local appointed official affirming that the site was located within an area targeted for revitalization. THDCA did not require a copy of the actual plan, nor in any way evaluate the quality of the revitalization efforts or level of financial commitment from the city (see Appendix B for the text of the 2012 revitalization provision). The only other requirement of the
2012 provision is that the plan not be a city-wide plan (See Table 1 for a full description of revitalization standards in the 2012 QAP).

Table 1 Community Revitalization Standards in the Texas QAP (2012 – 2015)

Source: Texas Qualified Allocation Plans, 2012 – 2015, Texas Department of Housing and Community Affairs

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
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<tbody>
<tr>
<td><strong>Point Allocation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum Points (Full LIHTC Application)</td>
<td>226</td>
<td>160</td>
<td>179</td>
<td>179</td>
</tr>
<tr>
<td><strong>Maximum Community Revitalization Points</strong></td>
<td>1</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>If plan has budget of ≥ $6M</td>
<td>-</td>
<td>4</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>If plan has budget of ≥ $4M and &lt; $6M</td>
<td>-</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Identified by city/county as most contributing to revitalization efforts (1 max per city/county)</td>
<td>-</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Eligibility Standards</strong></td>
<td></td>
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<tr>
<td>Separate urban, rural, and CDBG-DR standards</td>
<td>-</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Eligible only if no points claimed on Opportunity Index</td>
<td>-</td>
<td>-</td>
<td>X</td>
<td>X</td>
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<tr>
<td><strong>Process Standards (Urban Region)</strong></td>
<td></td>
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<tr>
<td>Plan adopted by local governing body, following public input process</td>
<td>-</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Plan funding and activity have commenced, and no reason to believe future funding will be unavailable</td>
<td>-</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Local governing body has conducted assessment of the neighborhood factors needing to be addressed</td>
<td>-</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Plan has assessed at least 5 of 8 factors</td>
<td>-</td>
<td>-</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td><strong>Development &amp; Plan Standards (Urban Region)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development located within plan’s target area</td>
<td>-</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Taken as whole, can be expected to revitalize neighborhood and address the neighborhood factors</td>
<td>-</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Plan describes budget, source, and use of funds</td>
<td>-</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Plan target area is larger than LIHTC housing footprint</td>
<td>-</td>
<td>-</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Plan target area is delineated along neighborhood lines</td>
<td>-</td>
<td>-</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>TDHCA staff review plan target area for neighborhood factors identified in initial area assessment</td>
<td>-</td>
<td>-</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Plan is separate from broader economic development efforts</td>
<td>-</td>
<td>-</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Plan is not a Consolidated Plan, other Economic Development initiative, or citywide plan</td>
<td>-</td>
<td>X</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Plan includes efforts to coordinate with other jurisdictions, where applicable</td>
<td>-</td>
<td>X</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Site conforms to TDHCA rules on unacceptable sites</td>
<td>-</td>
<td>X</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*a In addition to raw points and the traditional QCT basis boost, the 2013, 2014, and 2015 QAPs provide a 30% basis boost to non-Qualified Elderly Developments, not located in QCTs, that are covered by a community revitalization plan.

*b Table 1 provides a breakdown of urban standards. For rural and CDBG-DR standards, see Table 2.
Table 2: Rural and CDBG-DR Community Revitalization Standards in the Texas QAP (2012 – 2015)

*Source: Texas Qualified Allocation Plans, 2012 – 2015, Texas Department of Housing and Community Affairs*

<table>
<thead>
<tr>
<th>Point Allocation^a</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum points (Full LIHTC Application)</td>
<td>226</td>
<td>160</td>
<td>179</td>
<td>179</td>
</tr>
<tr>
<td>Maximum community revitalization points</td>
<td>-</td>
<td>6</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td><strong>For rural projects, one infrastructure project</strong></td>
<td>-</td>
<td>4</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>For rural projects, two infrastructure projects</strong></td>
<td>-</td>
<td>6</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td><strong>For CDBG-DR projects</strong></td>
<td>-</td>
<td>-</td>
<td>4</td>
<td>4</td>
</tr>
</tbody>
</table>

**CDBG-DR Requirements**

<table>
<thead>
<tr>
<th>Requirement</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Located within geographic area covered by plan</td>
<td>-</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Plan identifies target areas for revitalization that do not encompass entire jurisdiction</td>
<td>-</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Plan affirmatively addresses fair housing through FHAST</td>
<td>-</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Plan is administered consistently with approved Analysis of Impediments or FHAST</td>
<td>-</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Plan is in place</td>
<td>-</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Commitment of CDBG-DR funds</td>
<td>-</td>
<td>-</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

**Rural Requirements**

<table>
<thead>
<tr>
<th>Requirement</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governing body has approved expansion of infrastructure in proximity to the development site</td>
<td>-</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td><strong>Within a ¼ mile, unless otherwise defined</strong></td>
<td>-</td>
<td>X</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Within ½ mile, unless otherwise defined</strong></td>
<td>-</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Approval of infrastructure expansion not conditional upon tax credits or other decision such as zoning change</td>
<td>-</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Applicant must contribute funding for expansion according to standard public finance measures (e.g. taxes)</td>
<td>-</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Expansion or project must be complete 12 months prior to start of application period, or within 12 months of start of application period</td>
<td>-</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Letter from governing body must include source of funding</td>
<td>-</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>

^a In addition to raw points and the traditional QCT basis boost, the 2013, 2014, and 2015 QAPs provide a 30% basis boost to non-Qualified Elderly Developments, not located in QCTs, that are covered by a community revitalization plan.

Following adoption of the Remedial Plan, however, Texas undertook a series of iterative revisions to its revitalization provision in order to make it more rigorous. Beginning in 2013, TDHCA raised the provision’s point value to a maximum of 6 raw points (out of a total of 160), in addition to providing the 30% basis boost (see Table 1). This point increase transformed the revitalization provision from a minor section of the QAP into a significant component of the scoring system. The LIHTC program is highly competitive, and six points is a considerable number of points when applications can be rendered noncompetitive simply for loss of even a small number of points. In 2013, TDHCA also began to require a budget (at specific funding levels) along with evidence that funding for the plan had commenced.
In 2013, TDHCA also newly required developers to submit the actual revitalization plan for TDHCA to review and established loose standards for plan content. This revision represented TDHCA’s first step toward upholding the tenet of comprehensiveness in its revitalization plan standards. The 2013 QAP requires that the revitalization plans assess challenging conditions in the neighborhood and provides the following seven conditions as examples of factors that the plan might choose to address:

- Adverse environmental conditions
- Presence of blighted structures
- Presence of inadequate transportation
- Lack of public facilities (health care, law enforcement, etc.)
- Presence of significant crime
- Presence, condition, and performance of public education
- Presence of local businesses providing employment opportunities

The 2013 plan standards, however, do not specify how many or which of these conditions the plan should address and seek to mitigate. It is only required that “as a whole” the plan be expected to address the factors identified. It is primarily due to this lack of specificity that Khadduri, in her 2013 evaluation, concludes that the state’s revitalization provisions remained vague.\(^{39}\) The 2013 plan vaguely operationalizes the assessment of community need, but fails to make specific demands regarding the activities undertaken in the actual plan. However, the introduction of the neighborhood factors in the 2013 QAP represented a strong step toward comprehensiveness in revitalization efforts.

Revitalization plan standards remained fairly static from 2013 – 2015, and minor revisions during that time period represent the iterative process by which TDHCA has continued to strengthen the standards. For example, the 2013 QAP does not set standards for defining the plan’s target geographic area. In 2014, however, TDHCA revised the provision to establish that the target area must be larger than the footprint of the LIHTC development (see Table 1). This revision closed a loophole which had allowed cities to establish the subsidized housing development itself as the site for revitalization efforts. In 2014, TDHCA also reintroduced the requirement that the plan be distinct from larger, citywide economic development efforts. From these small changes over time, it can be inferred that the revitalization provision has evolved iteratively since 2013 to address loopholes that become apparent with each LIHTC allocation cycle.

Importantly, in 2014 TDHCA added more specificity to the neighborhood factors provision. TDHCA added an eighth factor to the seven described previously: diversity, defined as multigenerational and economic. The agency also required that plans assess at least five of the eight neighborhood factors identified in the QAP and again required that “the plan as a whole” must be “reasonably be expected to revitalize the neighborhood and address in a substantive and meaningful way the material factors identified.”\(^{40}\)

\(^{39}\) Khadduri 2013.
\(^{40}\) Texas Department of Housing and Community Affairs Section, Qualified Allocation Plan, §11.9(d)(7)(A)(IV)
of the 2015 revitalization plans. Between 2014 and 2015, the revitalization provision in the QAP remained largely the same. This report uses the standards established in the 2015 QAP as the basis for further analysis.
Part III Revitalization Trends in Texas

This section of the report provides an analysis of whether and how developers are claiming points for community revitalization during the Texas LIHTC application process. Over the last three years, since implementing the changes to the QAP required by the Inclusive Communities summary judgment, the number and characteristics of applications claiming revitalization points has changed. Revisions to the community revitalization provision in the Texas QAP appear to be producing a smaller but more robust pool of applications, with the potential to affect both the number of LIHTC awards in high-poverty areas as well as the quality of revitalization efforts undertaken in these neighborhoods. For additional notes on data and methodology, see Appendix A.

**Key Findings:**

- The percentage of applicants requesting revitalization points has decreased significantly since 2012
- Nonprofit developers are strongly represented in the revitalization applicant pool
- Applications requesting revitalization points are more likely to be for elderly or supportive housing developments, and located in areas with a higher poverty rate
- A majority of revitalization applications continue to receive the full amount of points they have requested from TDHCA
- Appeals are infrequently filed and infrequently granted

**Revitalization Applicant Pool**

The pool of LIHTC applications requesting community revitalization points has changed dramatically since 2012, suggesting that modifications to the revitalization provision in the QAP have effectively altered this narrow segment of the LIHTC allocation landscape. Most notably, the percentage of applications requesting revitalization points has decreased significantly since 2012. Of the 173 LIHTC applications that were submitted to TDHCA during the 2015 cycle, only 25 (14%) asked for revitalization points. This represents a significant decline from 2012, prior to the state’s implementation of the Remedial Plan, when 62% of applications requested the single point available for revitalization efforts (see Figure 1).

![Figure 1 Fewer LIHTC Applications Are Claiming Revitalization Points](Source: Author’s analysis of data from the Texas Department of Housing and Community Affairs, 2012 – 2015)
While raising the maximum point value of revitalization from one to six points in the LIHTC scoring system (see Table 1) might intuitively be expected to produce an influx of additional applicants, the concurrent introduction of more rigorous plan evaluation standards appears to have had the intended effect of reducing the total number of revitalization applicants. As outlined by the Remedial Plan, more rigorous standards are intended to produce the beneficial effect of reducing the number of applicants attempting to receive credit for nominal revitalization efforts. It is likely that reducing the number of revitalization applicants from 101 to 25 has successfully eliminated many applicants unable to offer proof of robust community revitalization efforts. The introduction of more rigorous standards also brings the number of applicants down to a number feasible for TDHCA to review with a heightened and more time-intensive level of rigor.

Applications that request revitalization points differ in notable ways from the broader LIHTC application pool. Of the 25 applications asking for revitalization points in 2015, nearly half (48%) were from nonprofit developers, compared to only 22% of the total applicant pool (see Figure 2). The presence of nonprofit developers in the revitalization pool may suggest that the Texas LIHTC program is making progress toward more substantive community revitalization efforts, since nonprofits are more likely to be mission-driven groups with a strong interest in community development. While this is not universally true, the strong representation of nonprofits among revitalization applications indicates that this pool of LIHTC applicants is qualitatively different from the broader pool.

Figure 2 Revitalization Applications Differ from the Larger LIHTC Application Pool
Source: Author’s analysis of data from the Texas Department of Community and Regional Affairs, 2015
The strong representation of nonprofit developers in the revitalization pool is important given the high rates of poverty in most census tracts identified for revitalization. The average poverty rate for LIHTC census tracts requesting revitalization points in 2015 was 25%, compared to only 15% for the broader LIHTC application pool (and 16% statewide, see Figure 2). The presence of nonprofit LIHTC developers in high-poverty areas may add substance to the revitalization process, but additional research should be conducted at the neighborhood level to evaluate the role of nonprofit developers in these communities. Moreover, the portion of nonprofit developers in the revitalization applicant pool has risen significantly since 2013. In 2013, nonprofit developers comprised only 21% of the revitalization applicant pool. This share rose dramatically to 50% in 2014, and remained stable at 48% in 2015 (see Table 3).

Table 3 Properties of the Revitalization Application Pool (2013 - 2015)

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Region</td>
<td>59%</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Average Poverty Rate</td>
<td>18%</td>
<td>29%</td>
<td>25%</td>
</tr>
<tr>
<td>Supportive Housing</td>
<td>3%</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Elderly Housing</td>
<td>18%</td>
<td>15%</td>
<td>44%</td>
</tr>
<tr>
<td>Nonprofit Developer</td>
<td>21%</td>
<td>50%</td>
<td>48%</td>
</tr>
</tbody>
</table>

Note: 2012 excluded from analysis because author could not retrieve detailed applicant data at the time of this report

The revitalization application pool was geographically diverse in 2015, but the largest portion of applications (20%) was for developments located in the city of Houston. A plurality of applications in the larger LIHTC applicant pool (8%) was also for developments located in Houston. Geographically, revitalization applications differed from the larger LIHTC pool with regard to rural and urban classification. Only three of the 2015 revitalization applications (13%) were for rural developments, compared to over a third (36%) of total applications (see Figure 2). This is an unintuitive finding, since the revitalization standards for rural communities are much less rigorous than for urban communities. Rural revitalization plans require evidence of only one local infrastructure improvement in order to obtain points.

The low number of rural applications may point to the current standard being prohibitive for rural communities to meet, although this seems unlikely given the degree of flexibility that the QAP grants to rural communities seeking to claim points for infrastructure investments. Alternatively, the differential may be a product of mechanisms in the QAP (such as rural set-asides or others) that make it less necessary for rural applications to obtain revitalization points in order to be competitive for awards. The low number of rural revitalization applicants also appears to be associated with changes to the Texas QAP over time, since the number of rural revitalization applications dropped significantly from 59% in 2013 to 12% in 2014 (see Table 3). This drop is concurrent with the reduction in the maximum number of revitalization points available to rural communities from six to four points.

Lastly, 2015 revitalization applications were more likely to be for elderly or supportive housing developments. In fact, 44% of 2015 revitalization applications were for elderly developments, compared to only 20% of the total application pool (see Figure 2). It is unclear why this may be the case, though several
revitalization plans cited the proposed elderly housing development itself as evidence of investment in multi-generational diversity, which is one of the eight neighborhoods outlined in the QAP (see Part II of this report). Additionally, there is a 30% basis boost available to non-qualifying elderly developments with a revitalization plan. The revitalization applicant pool, moreover, is comprised 12% of supportive housing developments, compared to only 2% of the broader LIHTC pool (see Figure 2). As with nonprofit developers and elderly housing, supportive housing applications appear to have seen an uptick in the revitalization pool since 2013, when they comprised only 3% of the pool (see Table 3). The revitalization and broader applicant pools have comparable percentages dedicated to new LIHTC construction, as opposed to rehab or reconstruction, at 80%.

**Revitalization Awards and Appeals**

Recent changes to the revitalization provision in the QAP, and trends in the number and characteristics of revitalization applications, point toward an increasingly substantive interpretation of the revitalization standard in Texas. Whether these trends will be accompanied by a shift in the quality of revitalization plans themselves remains to be seen. Data show that, while a significantly fewer number of applications are requesting revitalization points, a majority of applications still receive the full amount of points they request from TDHCA. In 2012, 56% of revitalization applications received the full amount of revitalization points that they requested from TDHCA, and only 2% were docked or denied points (the remaining 46% were not competitive enough to warrant review from TDHCA) (see Figure 3). This is compared to 2015, where 64% of applications received the full revitalization points requested, and only 12% (or three applications) were denied points.

![Figure 3 Majority of Revitalization Applications Continue to Receive Full Points](image)

*Source: Author’s analysis of data from the Texas Department of Housing and Community Affairs, 2012 - 2015*

Note: “Full Points” refers to full points requested. Not all applications request the maximum number of points available for revitalization efforts.
Part of the high approval rate for community revitalization points is likely due to self-selection of more serious applicants into the revitalization pool. Whereas, in 2012, applications only had to meet a simple attestation standard from the local public governing body, revitalization applicants in 2015 had to meet a set of more rigorous quality standards and undergo review by senior TDHCA staff. Performing an additional content analysis on plans submitted to TDHCA for review, as conducted in Part IV of this report, reveals patterns in how local communities are defining revitalization.

Receiving the full number of requested points on the community revitalization portion of the application does not guarantee that the application will receive a LIHTC award. On the same note, being denied points does not preclude an application from receiving an award (though, often, losing out on four to six points will render the application uncompetitive with the rest of the pool). See Table 4 for a full list of 2015 LIHTC applications, and their respective revitalization point and LIHTC award status. Fifteen of the applications that requested revitalization points (60%) also received a LIHTC award. For applications that TDHCA docks or denies points on, developers have the opportunity to file an appeal for full review by the TDHCA board. Not all applications denied points choose to file an appeal. In 2015, two of the three applicants denied revitalization points filed for an appeal, neither of which the board approved.
### Table 4: List of 2015 Revitalization Applicants

*Source: Author's analysis of data from the Texas Department of Housing and Community Affairs, 2015*

<table>
<thead>
<tr>
<th>Development Name</th>
<th>City</th>
<th>Revit. Points</th>
<th>LIHTC Award</th>
<th>Construction Type</th>
<th>Non-profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Square Apt Homes</td>
<td>Garland</td>
<td>Full</td>
<td>Yes</td>
<td>New</td>
<td></td>
</tr>
<tr>
<td>Cleme Manor</td>
<td>Houston</td>
<td>Full</td>
<td>Yes</td>
<td>Rehab</td>
<td>X</td>
</tr>
<tr>
<td>Columbia @ Renaissance Sq</td>
<td>Fort Worth</td>
<td>Full</td>
<td>Yes</td>
<td>New</td>
<td></td>
</tr>
<tr>
<td>Cypress Creek Apt Homes at Reed Rd</td>
<td>Houston</td>
<td>NR</td>
<td>No</td>
<td>New</td>
<td></td>
</tr>
<tr>
<td>Evergreen at Rowlett Senior Community</td>
<td>Rowlett</td>
<td>Full</td>
<td>No</td>
<td>New</td>
<td>X</td>
</tr>
<tr>
<td>Gala at Oak Crest Estates</td>
<td>Euless</td>
<td>Full</td>
<td>Yes</td>
<td>New</td>
<td></td>
</tr>
<tr>
<td>Glenoak Apts</td>
<td>Corpus Christi</td>
<td>Full</td>
<td>Yes</td>
<td>Recon</td>
<td>X</td>
</tr>
<tr>
<td>Hillside Terrace Apts</td>
<td>Coldspring</td>
<td>Full</td>
<td>No</td>
<td>Rehab</td>
<td></td>
</tr>
<tr>
<td>Kennedale Seniors</td>
<td>Kennedale</td>
<td>Full</td>
<td>Yes</td>
<td>New</td>
<td></td>
</tr>
<tr>
<td>Lafayette Park</td>
<td>South Houston</td>
<td>NR</td>
<td>No</td>
<td>New</td>
<td></td>
</tr>
<tr>
<td>Mahon Villas</td>
<td>Lubbock</td>
<td>NR</td>
<td>No</td>
<td>New</td>
<td>X</td>
</tr>
<tr>
<td>Mariposa Apt Homes at Greenville Rd</td>
<td>Royse City</td>
<td>Denied</td>
<td>No</td>
<td>New</td>
<td></td>
</tr>
<tr>
<td>Mariposa Apt Homes at South Broadway</td>
<td>Joshua</td>
<td>Full</td>
<td>Yes</td>
<td>New</td>
<td></td>
</tr>
<tr>
<td>Merritt Leisure</td>
<td>Midland</td>
<td>Full</td>
<td>Yes</td>
<td>New</td>
<td>X</td>
</tr>
<tr>
<td>New Haven</td>
<td>Athens</td>
<td>NR</td>
<td>No</td>
<td>New</td>
<td>X</td>
</tr>
<tr>
<td>Paisano Terrace</td>
<td>El Paso</td>
<td>NR</td>
<td>No</td>
<td>New</td>
<td>X</td>
</tr>
<tr>
<td>Palladium Van Alstyne Senior Living</td>
<td>Van Alstyne</td>
<td>Full</td>
<td>Yes</td>
<td>New</td>
<td></td>
</tr>
<tr>
<td>Palm Parque</td>
<td>Houston</td>
<td>Full</td>
<td>Yes</td>
<td>New</td>
<td>X</td>
</tr>
<tr>
<td>Place of Grace</td>
<td>Beaumont</td>
<td>Full</td>
<td>Yes</td>
<td>New</td>
<td>X</td>
</tr>
<tr>
<td>Residences at Earl Campbell</td>
<td>Tyler</td>
<td>Full</td>
<td>Yes</td>
<td>New</td>
<td></td>
</tr>
<tr>
<td>Robison Terrace</td>
<td>Texarkana</td>
<td>Denied</td>
<td>No*</td>
<td>Recon</td>
<td></td>
</tr>
<tr>
<td>Selinsky Street Supportive Housing</td>
<td>Houston</td>
<td>Denied</td>
<td>No*</td>
<td>New</td>
<td>X</td>
</tr>
<tr>
<td>Wheatley Courts Senior Apts</td>
<td>San Antonio</td>
<td>Full</td>
<td>Yes</td>
<td>New</td>
<td>X</td>
</tr>
<tr>
<td>Willow Springs Apts</td>
<td>Brookshire</td>
<td>Full</td>
<td>Yes</td>
<td>Rehab</td>
<td></td>
</tr>
<tr>
<td>Zion Bayou</td>
<td>Houston</td>
<td>NR</td>
<td>No</td>
<td>New</td>
<td>X</td>
</tr>
</tbody>
</table>

*Note: NR is No Review*

*“Full points” refers to full points requested. Not all revitalization applicants request the maximum six points available for revitalization efforts.

*Appeal pending*
Part IV Substance of Revitalization Plans

As discussed in Part I of this report, comprehensiveness is a major theme in contemporary literature and national initiatives on community revitalization. This section of the report provides the results from a content analysis of the 25 plans requesting revitalization points in 2015. The analysis evaluates the plans on their level of comprehensiveness, both according to nationally accepted revitalization standards and according to the eight neighborhood factors identified in the Texas QAP.

**Key Findings:**
- A majority of plans address physical infrastructure and the built environment
- A minority of plans address the “soft” pillars of revitalization such as education, community services, and safety
- Funded community capacity building initiatives are absent from most 2015 plans
- Developers submit diverse documents as evidence of their adopted revitalization plan, and some provide citywide documents which do not specifically address the neighborhood in question
- A number of plans lack a budget or supplemental evidence demonstrating the city’s material commitment to the plan

**Standards of Review**

This report evaluates the content of the 2015 revitalization plans against two separate standards: 1) the eight neighborhood factors identified in the Texas QAP, and 2) the model employed by the Building Sustainable Communities (BSC) initiative, a national community revitalization program. Plans are evaluated, first, against the issue areas identified in the QAP, in order to better understand whether plans are truly meeting the more robust revitalization standard adopted by the state in recent years. They are evaluated against the BSC initiative, second, because the initiative has demonstrated empirical success in moving the needle on poverty for a number of distressed neighborhoods nationwide, and because it is reflective of national best practices in comprehensiveness (taking into account some issue areas not addressed in the QAP). The themes addressed by each set of benchmark standards include:

<table>
<thead>
<tr>
<th>Texas QAP</th>
<th>Building Sustainable Communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adverse environmental conditions</td>
<td>Healthy and safe communities</td>
</tr>
<tr>
<td>Presence of blight</td>
<td>Housing and real estate investment</td>
</tr>
<tr>
<td>Inadequate transportation or other infrastructure</td>
<td>Economic activity and development</td>
</tr>
<tr>
<td>Inadequate access to service facilities</td>
<td>Income, wealth, and asset-building</td>
</tr>
<tr>
<td>Presence of significant crime</td>
<td>Education</td>
</tr>
<tr>
<td>Poor performance of public education</td>
<td>Community capacity</td>
</tr>
<tr>
<td>Lack of local businesses providing employment opportunities</td>
<td></td>
</tr>
<tr>
<td>Lack of planning efforts to promote diversity</td>
<td></td>
</tr>
</tbody>
</table>
Texas housing advocates have expressed concern not only with revitalization plans’ substance and level of comprehensiveness, but also with plan implementation. In particular, advocates expressed concern that funding will not be deployed to address the issue areas identified in the revitalization plans, and that many plans represent lip service to the idea of revitalization more than an actual material commitment to the community. The 2015 QAP acknowledges the importance of establishing funding objectives, requesting that plans provide a budget detailing the source of all planned expenditures, as well as an attestation from local officials that funding for the plan has commenced. This emphasis on funding is consistent with recommendations from Khadduri in 2013 who emphasizes that revitalization standards should include for funding commitments.

The author took these additional concerns into account when creating the content analysis framework for this report, applying a more rigorous standard for funding demonstration than TDHCA actual seeks from its applicants. As discussed in Part II of this report, 2015 Texas QAP standards operationalize the assessment of community need by requiring that an assessment address at least five of eight neighborhood factors. However, TDHCA asks only for an overall budget and that the plan “as a whole” be expected to effectively address the factors identified. This is in contrast to the BSC model, which concentrates on specific plan goals and includes a focus on the activities undertaken in the plan. This content analysis adopts an evaluation standard closer to the BSC framework, and looks for specified levels of funding for each intervention in each of the identified community issue areas. The content analysis framework in this report uses the following criteria to award points to a plan:

- An intervention must be proposed that specifically seeks to address one of the core themes in either the QAP or BSC initiative. Identifying a challenge area without proposing an accompanying intervention is not sufficient to receive points in the content analysis framework.
- A funding source and amount, whether dedicated or already expended, must be identified.
- The intervention must be local to the neighborhood, or a small handful of revitalization neighborhoods, and not reflect a citywide initiative.

In order to assess the quality of the applicant pool for revitalization points, as well as to have a sufficient number of data points available for evaluation, this report analyzes all applications requesting revitalization points, including those that did not receive the points requested. For additional information on data and methodology, see Appendix A.

### Revitalization Plan Characteristics

A review of the 2015 revitalization applications finds that developers submit a diverse range of documents to TDHCA as evidence of community revitalization. In addition to the formal revitalization plan, developers also submit supplemental documents to meet QAP requirements, such as a letter from the municipality confirming budget expenditures to date. For the purposes of this analysis, all documents submitted were analyzed together as a revitalization plan package, and awarded points accordingly.
Formal neighborhood plans were the most common form of plan documentation in 2015. Forty-four percent of the plans submitted can be classified as “neighborhood plans.” However, they were not the only form of plan submitted. Documents that developers submitted ran the gamut from the city’s Annual Action Plan (a citywide housing document required to receive HUD funding), to the city’s comprehensive plan, to Tax Increment Reinvestment Zone resolutions, for example. See Table 5 for a full list of the types of plans submitted.

Table 5 Types of Revitalization Plans Submitted (2015)

<table>
<thead>
<tr>
<th>Plan Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHOICE Neighborhood Plan</td>
</tr>
<tr>
<td>City Annual Action Plan</td>
</tr>
<tr>
<td>Comprehensive Plan</td>
</tr>
<tr>
<td>Disaster Recovery Plan</td>
</tr>
<tr>
<td>Downtown Redevelopment Plan</td>
</tr>
<tr>
<td>HOPE Plan</td>
</tr>
<tr>
<td>Infrastructure Letter (for rural applications)</td>
</tr>
<tr>
<td>Drought declaration letter</td>
</tr>
<tr>
<td>Neighborhood Empowerment Zone Declaration</td>
</tr>
<tr>
<td>Neighborhood Plan</td>
</tr>
<tr>
<td>Other Local Plan</td>
</tr>
<tr>
<td>Tax Increment Reinvestment Zone Declaration</td>
</tr>
</tbody>
</table>

Moreover, a plurality of plans (44%) was enacted in 2015, suggesting that many municipalities pass revitalization plans for the purpose of helping a specific LIHTC housing development obtain revitalization points. This is in contrast to an alternative order of action in which a city first identifies an area for revitalization, and only subsequently lends its support to LIHTC housing as one way to achieve the plan objectives. The majority of plans were enacted in years before 2015, however, with the earliest enacted in 2005. Several of the plans enacted in prior years were still originally adopted for the purpose of obtaining LIHTC housing, and were resubmitted in 2015 after the development failed to receive an award in previous years.

The diversity in plan documentation is related to one problematic pattern in the 2015 application data: developers submitting citywide plans as documentation for neighborhood revitalization, or cities adopting a “neighborhood plan” which is in actuality a synthesis of excerpts from citywide planning documents (such as the comprehensive plan, or Capital Improvement Plan, etc.). Eight of the 25 revitalization plans (32%) relied heavily or exclusively on content from citywide documents as evidence of neighborhood revitalization. An additional area of deficiency for many plans was the lack of a clear budget. While most plans did not outline specific funding for each proposed intervention, many did a reasonable job of offering evidence of funding for at least some of the proposed initiatives in the plan. However, some plans lacked

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41 By neighborhood plan, this report refers to a plan specifically dedicated to a smaller, geographically delineated neighborhood area. This is typically also indicated in the title, such as “Sabine Creek Community Plan,” for example.
budgets or evidence of funding entirely and it is unclear how these plans passed the budgetary requirement outlined in the 2015 QAP. Nine out of 25 plans (36%) lacked a clear budget for a significant number of proposed interventions.

Quality of Revitalization Plans

A content analysis of plans reveals a discrepancy between the ideal of comprehensiveness upheld in the literature and the approach to revitalization taken by many Texas municipalities and LIHTC developers. Plans in Texas are heavily reliant on physical redevelopment and improvements to the built environment, and tend to be less concerned with "soft" revitalization components such as services, education, or public health, for example. The following two sections present data on the content evaluation performed according to the QAP and BSC standards, respectively.

Texas Plans and the QAP Standard

A content analysis of the revitalization plans submitted to TDHCA in 2015 reveals that transportation and other infrastructure improvements comprise the largest percentage of funded interventions (see Table 6). This category includes improvements such as sewer and water lines, road maintenance or other arterial improvements, transit stations, etc. Next, in order of frequency, are interventions addressing lack of access to public facilities (which includes law enforcement, health care, or recreational facilities and parks), and adverse environmental conditions (including flooding, industrial land uses, dangerous traffic thoroughfares, etc.). Importantly, only three applications contain funded interventions designed to address crime and safety (despite a large number of applications identifying crime as a problem for the targeted area), only four applications contain initiatives to promote diversity (defined by TDHCA as either multigenerational or economic), and only nine include interventions dedicated to school facilities or quality.

Table 6 QAP Factors Addressed in 2015 Texas Revitalization Plans

<table>
<thead>
<tr>
<th>QAP Neighborhood Factor</th>
<th># of plans (n=25)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inadequate transportation or infrastructure</td>
<td>19</td>
</tr>
<tr>
<td>Lack of access to public facilities</td>
<td>15</td>
</tr>
<tr>
<td>Adverse environmental conditions</td>
<td>13</td>
</tr>
<tr>
<td>Presence of blight</td>
<td>12</td>
</tr>
<tr>
<td>Employment</td>
<td>11</td>
</tr>
<tr>
<td>Poor performance of public schools</td>
<td>9</td>
</tr>
<tr>
<td>Lack of efforts to promote diversity</td>
<td>4</td>
</tr>
<tr>
<td>Presence of significant crime</td>
<td>3</td>
</tr>
</tbody>
</table>

This intention of this report is to better understand the detailed content of revitalization plans and whether they are contributing to comprehensive and substantive revitalization efforts. Therefore, this report employs a narrower and more rigorous standard than that required of TDHCA in the QAP (namely in regard to funding and specificity of interventions). It is revealing that, under the standards of this content analysis, the majority of 2015 plans submitted to TDHCA do not meet the requirement to address at least five of the...
eight community factors in a material way. Thirteen of the 25 plans (52%) propose funded interventions for less than five of the eight community factors. Several plans propose zero funded interventions (a score which is largely a byproduct of failing to disclose sufficient funding details to receive a point in the scoring framework), and several plans propose only infrastructure interventions.

Of the 13 plans addressing fewer than five community factors, nine received full community revitalization points from TDHCA. This is not meant to suggest that TDHCA is evaluating plans improperly, but rather that the current QAP standards do not effectively operationalize revitalization interventions. TDHCA, by nature of its role as an administrative agency, is not empowered to impose discretionary standards onto developers when assessing revitalization efforts. As illustrated in Part II of this report, in recent years the QAP has moved toward a more substantive and subjective review process in the revitalization provision. The revised QAP has equipped TDHCA with a more robust toolbox to reject plans which fail clear tests of rigor. However, the discrepancy between the number of applications approved and the number that fail to materially address the minimum number of community factors illustrates the gap between the current operational definition of revitalization and the efforts necessary to achieve real results in distressed communities.

For the purposes of consistency in coding plan interventions, and in order to add an additional layer to the analysis, this report breaks down the eight community factors into more specific sub-factors (using language taken directly from the QAP). When parsing the plans according to these sub-factors, the presence of inadequate transportation or other infrastructure remains the most common factor addressed by the plans (see Figure 4). This is, in part, because this straightforward factor does not contain any subcomponents outlined specifically in the QAP. However, the sub-factor analysis also reveals that, for factors such as “adverse environmental conditions,” there are entire challenges within categories that go routinely unaddressed. For example, toxic emissions, hazardous waste sites, and industrial land uses are included within the category of “adverse environmental conditions,” but are addressed by few to no plans. The item that appears to push adverse environmental conditions high in the ordinal ranking in Table 6 is flooding, for which ten plans include funded interventions (e.g. drainage improvements) (See Figure 4).

Part of the heavy reliance on physical infrastructure is likely due to TDHCA’s standard that the plan “in whole” be expected to address challenging neighborhood factors identified in the QAP. Many of the plans cite infrastructure improvements as a panacea for several different neighborhood challenges and community factors. For example, one city submitted a successful application for revitalization points claiming that investments in a sewer line would contribute to the quality of public education in the target area. In this content analysis, points for cross-cutting interventions were awarded at the discretion of the author. Cross-cutting interventions were identified judiciously and narrowly, and points were not awarded for unreasonably broad statements (e.g. heavy infrastructure contributing to the quality of public education.)
Redefining Revitalization

Figure 4 QAP Sub-factors Addressed by Texas Revitalization Plans (2015)
Source: Author's analysis of individual LIHTC applications available from the Texas Department of Housing and Community Affairs, 2015

Texas Plans and the BSC Standard

Evaluating 2015 plans on the BSC standard yields similar results to the QAP standard analysis. A majority of plans propose interventions under the "healthy and safe communities" goal, with housing and economic activity following. Again, fewer plans address education, and only three address the income and asset-building goal (see Table 7).

Table 7 BSC Goals in Texas Revitalization Plans (2015)
Source: Author's analysis of individual LIHTC applications available from the Texas Department of Housing and Community Affairs

<table>
<thead>
<tr>
<th>BSC Goal</th>
<th># of plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthy and safe communities</td>
<td>19</td>
</tr>
<tr>
<td>Housing and real estate investment</td>
<td>13</td>
</tr>
<tr>
<td>Economic activity and development</td>
<td>11</td>
</tr>
<tr>
<td>Education</td>
<td>8</td>
</tr>
<tr>
<td>Income, wealth, and asset-building</td>
<td>3</td>
</tr>
<tr>
<td>Community capacity</td>
<td>2</td>
</tr>
</tbody>
</table>
Also notable is the lack of attention to community capacity-building. Building community capacity is a cornerstone of the BSC model, which maintains that sustainable revitalization and neighborhood transformation are driven by local buy-in and engagement. BSC promotes capacity-building by investing in partnerships, community organizing, and in identifying a local community agency to lead revitalization efforts. Texas’ 2015 QAP, by comparison, only requires that the revitalization plan be adopted with opportunity for community input. It does not make any demands with regard to investing in ongoing, local community capacity-building. In fact, many cities’ formal participatory processes would not qualify as capacity-building under BSC terms, since they primarily involve holding a formal public meeting or hearing without necessarily soliciting representative community input.

Most plans submitted in 2015 do not acknowledge the role or presence of local community groups. This reality may pose a problem for the ongoing success of these plans. Participation and capacity-building are increasingly accepted as important components of successful long-term revitalization, and these elements are conspicuously absent from the vast majority of Texas plans. A small minority of plans do mention capacity building or community partnership initiatives, but fail to identify specific funding for these proposals. As per the analytic framework of this evaluation, these unfunded proposals are not granted points in this analysis. This is important to acknowledge, since it appears that capacity-building initiatives, along with other “soft” revitalization efforts, are systemically deprived of line-item funding status. However, the literature on revitalization increasingly emphasizes the importance of revitalization efforts being comprehensive and addressing those soft-factors. These “soft” initiatives are as worthy of hard, line-item funding status as sewer plants or highway improvements.

This report also breaks down the five BSC goals into sub-goals, based on a coding system employed by a recent BSC program evaluation. Since the BSC goals are fewer and encompass more sub-categories than the QAP factors, disaggregating them is elucidating. Table 8 contains a list of the BSC goals and sub-goals.

Nineteen out of the 25 plans (76%) contain funded interventions to improve the built environment, including basic infrastructure (sewer and water lines, road improvements, etc.), as well as sidewalk improvements, hike and bike trails, transit infrastructure and other non-housing, non-commercial investments into physical redevelopment (see Figure 5). The next four most common areas of investment are community facilities (i.e. actual physical facilities such as a recreation centers), other investments to support business development, and housing construction and renovation (i.e. separate from the proposed LIHTC housing development).

Areas that receive comparatively little investment, again, include the “soft” components of revitalization such as youth development opportunities, child care, crime and safety, food access, and financial counseling, for example. As discussed previously, one of the key components of the BSC initiative is to identify a neighborhood organization (such as a CDC) to lead the revitalization efforts. No plans in the 2015 applicant pool identify a local organization as a revitalization coordinator or lead. Some plans identify a local organization for key areas of intervention, or specific projects, which is approximating the BSC standard but not replicating it.
## Table 8 Building Sustainable Communities Goals and Sub-goals

*Source: Walter and Winston 2014*

<table>
<thead>
<tr>
<th>BSC Goal</th>
<th>Sub-goal</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Housing and Real Estate</strong></td>
<td>Housing construction and renovation</td>
</tr>
<tr>
<td></td>
<td>Community facilities</td>
</tr>
<tr>
<td><strong>Economic Activity and Development</strong></td>
<td>Investment in commercial and industrial buildings</td>
</tr>
<tr>
<td></td>
<td>Brownfield clean-up</td>
</tr>
<tr>
<td></td>
<td>Community infrastructure to support commercial district</td>
</tr>
<tr>
<td></td>
<td>Other investments to support business development</td>
</tr>
<tr>
<td><strong>Income, Assets, and Wealth-building</strong></td>
<td>Home purchase programs</td>
</tr>
<tr>
<td></td>
<td>Foreclosure prevention efforts</td>
</tr>
<tr>
<td></td>
<td>Financial Stability or Counseling</td>
</tr>
<tr>
<td><strong>Education</strong></td>
<td>Investments in charter schools or other educational facilities</td>
</tr>
<tr>
<td></td>
<td>School-based community services delivery</td>
</tr>
<tr>
<td></td>
<td>Out-of-school time opportunities for youth</td>
</tr>
<tr>
<td></td>
<td>Child care</td>
</tr>
<tr>
<td><strong>Healthy and safe communities</strong></td>
<td>Youth development through arts and culture, volunteering</td>
</tr>
<tr>
<td></td>
<td>Community policing and safety</td>
</tr>
<tr>
<td></td>
<td>Physical redevelopment and urban design</td>
</tr>
<tr>
<td></td>
<td>Food access</td>
</tr>
<tr>
<td></td>
<td>Energy efficiency or other conservation</td>
</tr>
<tr>
<td></td>
<td>Health clinic construction</td>
</tr>
<tr>
<td><strong>Capacity Building</strong></td>
<td>Lead community agency to organize and manage efforts</td>
</tr>
<tr>
<td></td>
<td>Community organizing</td>
</tr>
<tr>
<td></td>
<td>Community partnerships</td>
</tr>
</tbody>
</table>
Figure 5 BSC Sub-goals in Texas Revitalization Plans (2015)

Source: Author's analysis of individual LIHTC applications available from the Texas Department of Housing and Community Affairs, 2015
**Part V Conclusions**

Following a thorough review of the history and current status of the “community revitalization” provision in the Texas QAP, this report finds that standards have improved significantly since the *Inclusive Communities* summary judgment in 2012. Texas is increasingly incorporating comprehensiveness into its QAP revitalization plan standards, and is moreover requiring evidence of meaningful investment in the low-income communities selected for LIHTC housing. Changes to the standards in the QAP have had a significant effect on the LIHTC application pool, which has become smaller and more dominated by the nonprofit developer community. The presence of nonprofit developers in the community may be an indicator that revitalization efforts accompanying LIHTC siting will continue to become more substantive and comprehensive, but this hypothesis will require further case study investigation into the role of these developers at the community level.

Despite these encouraging findings, a content analysis of the 2015 revitalization plans illustrates a strong departure from the standard of comprehensiveness embodied both in the nationally recognized Building Sustainable Communities model and in the Texas QAP itself. In fact, a majority of plans, when evaluated under a tighter standard emphasizing funding and specificity of proposed interventions, would not meet the standards established in the Texas QAP itself. Moreover, most of these plans received full revitalization points from TDHCA during the LIHTC application review process. Texas revitalization plans are heavily reliant on infrastructure, and do not contain significant investment in soft revitalization pillars such as education, safety, or community services. They also fail to invest in community capacity building, which is increasingly recognized as a vital component of successful revitalization efforts. These findings indicate that additional standards or review processes may be necessary to close the gap between best practices for revitalization nationally and what is currently interpreted as revitalization by Texas cities and developers.

Findings in this report will hopefully provide a foundation for further analysis and exploration of policy alternatives to address this issue. Potential areas for future research may include:

- Identification of specific QAP revisions that will close loopholes and hold developers and cities accountable to more rigorous revitalization standards
- Identification of additional mechanisms for operationalizing revitalization plan standards, or mechanisms for improving to the revitalization plan review process
- The role of nonprofit housing developers in communities selected for revitalization efforts
- A case study of developments with the best and worst scoring 2015 revitalization plans
- Quality of revitalization implementation at the local level, including the identification of metrics to demonstrate plan success over time
Bibliography


Tegeler, Philip et al. "Opportunity and Location in Federally Subsidized Housing Programs: A New Look at HUD’s Site & Neighborhood Standards As Applied to the Low Income Housing Tax Credit." October 2011.


Appendix A: Data and Methodology

This appendix describes the data sources used to produce the analysis in Parts II through IV of this report, as well as methodologies for the content analysis in Part IV.

Data Sources

All data in the report was obtained from the Texas Department of Housing and Community Affairs, either on the agency’s public website or through Public Information Act request.

Community Revitalization Applicant Data

- CRP PIR, November 12, 2015, obtained through Public Information Act request submitted to TDHCA in October 2015.

2015 LIHTC Application and Award Data and QAP

- Competitive Housing Tax Credits Award and Waiting List, September 8, 2015.
- 2015 9% Full Application Logs by Date, March 2, 2015.
- 2015 Individually Imaged Full Application Logs by Date
- 2015 Qualified Allocation Plan
- Accessed at http://www.tdhca.state.tx.us/multifamily/housing-tax-credits-9pct/

2012 – 2014 LIHTC Application and Award Data and QAP

- Competitive Housing Tax Credits Award and Waiting List, most recent by date, 2012 – 2014
- 9% HTC Full Application Logs by Date, oldest by date, 2013 – 2014
- 2012 – 2014 Qualified Allocation Plans

Content Analysis Methodology

The content analysis portion of this report compares the 2015 revitalization plans submitted to TDHCA during the LIHTC application process against standards for revitalization outlined in the Building Sustainable Communities model and the 2015 Texas Qualified Allocation Plan. This section outlines the process by which the author coded and compared plans against one another and against benchmark standards.

Coding

The first step in the content analysis process was to establish a coding framework by which to systematically compare the content of plans across different criteria. The author used the BSC model and the Texas QAP to establish coding categories for substantive revitalization efforts. The author established a coding framework and then awarded a point to a plan if a word, phrase, sentence, or paragraph could be located that met the coding framework criteria. Since LIHTC applicants often submitted a bundle of materials as evidence of meeting the revitalization standard, this analysis considered all materials provided under the community revitalization section of the application (i.e. Site Information Part II and Supporting Docs II of the self-score application) as a bundled package.
Unit of Analysis: LIHTC Community Revitalization Plan materials

Unit of observation: Word, phrase, sentence, or paragraph (or combination of these units throughout the plan)

Source Material: Community Revitalization Plan materials provided in Section Site Information Part II and Supporting Docs II of the self-score application

In order to receive a point in a coding category or subcategory, the plan must not only meet the thematic coding criteria but adhere to these broader requirements:

- The unit of analysis must be an intervention that provides a solution to or somehow addresses the theme or subtheme. Merely identifying a challenge area without an accompanying intervention is not sufficient to receive a point.
- There must be a unit of observation present that indicates a funding source and amount for the intervention, whether dedicated or already expended.
- The intervention must be local to the neighborhood, site, or a small handful of revitalization neighborhoods, and not reflect a citywide initiative.

See the coding criteria for each benchmark plan below. Where an intervention was reasonably applicable in more than one theme or subtheme, it received a point in both categories. The coding categories were not designed to be mutually exclusive, since some interventions can reasonably be expected to produce benefits for multiple revitalization categories. The author exercised subjective discretion and applied a judicious and narrow standard when granting multiple points for interventions that developers claimed met the requirement for multiple thematic categories.

Table 9 BSC Goals Coding Framework (Max Points = 22)

Source: The BSC Goals and sub-goals are derived from Walter and Winston 2014. Additional criteria and examples were derived from additional literature on the BSC model and author discretion upon a preliminary review of the plans.

<table>
<thead>
<tr>
<th>BSC Goal</th>
<th>Sub-goal</th>
<th>Additional Criteria and Examples</th>
</tr>
</thead>
</table>
| Housing and Real Estate   | Housing construction and renovation           | • Housing rehabilitation programs  
• Vacant property and foreclosure purchasing programs  
• Code enforcement initiatives  
• Vacancy and blight mitigation programs  
• Multi-family housing and single-family infill development  
• The proposed LIHTC development itself will not be counted |
| Community facilities      |                                               | • Libraries  
• Senior Center  
• Swimming pool  
• Recreation centers  
• Museums  
• Cultural centers |
| Economic Activity and Development | Investment in commercial and industrial buildings | • City center developments  
• Mixed-use developments  
• Expansion of commercial centers via incentives and tax abatements  
• Expansion of local employment centers  
| Brownfield clean-up | • Remediation of properties  
| Community infrastructure to support commercial district | • Heavy infrastructure such as water, wastewater, and sewer line, where plan explicitly identifies as for economic development  
• Road, transit, and Transit-Oriented Development infrastructure, where plan explicitly identifies it as for economic development  
| Other investments to support business development | • Investments in branded cultural or commercial districts  
• Investment in local Community Development Corporation for economic development initiatives  
• Expansion of employment opportunities through schools or other anchor institutions  
• Other, at discretion of author  
| Income, Assets, and Wealth-building | Home purchase programs | • Programs that help residents purchase homes (as opposed to foreclosure purchase programs which are accounted for under Housing and Real Estate Investments)  
| Foreclosure prevention efforts | • Programs mitigating foreclosure risk  
| Financial Stability or Counseling | Financial literacy programs  
• Homebuyer education programs  
• Financial counseling  
• Credit-building  
• Public benefits access services  
• Employment and job training services,  
• Business development resources  
| Education | Investments in charter schools or other educational facilities | • Investment in physical school activities  
• Direct investments into teaching staff, curriculum development, or other investments directly into the educational services provided during school time  
| School-based community services delivery | • Promise Neighborhoods Initiatives  
• ESL education  
• Other wrap-around services  
| Out-of-school time opportunities for youth | • Afterschool youth development activities and programs  
<p>| Child care | • Child care services |</p>
<table>
<thead>
<tr>
<th>Factor</th>
<th>Sub-factor</th>
<th>Additional Criteria and Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adverse environmental</td>
<td>Flooding</td>
<td>• Drainage</td>
</tr>
<tr>
<td>conditions</td>
<td></td>
<td>• Other flood infrastructure</td>
</tr>
<tr>
<td>Hazardous waste</td>
<td></td>
<td>• Mitigation for sites that disperse hazardous waste</td>
</tr>
<tr>
<td>Toxic emissions</td>
<td></td>
<td>• Mitigating emissions from undesirable land uses, traffic, or other</td>
</tr>
</tbody>
</table>

Table 10 QAP Factor Coding (Max Points=23)
Source: Factors and sub-factors from 2015 QAP Community Revitalization Provision. Additional criteria and examples added at author’s discretion and from preliminary review of revitalization plans.
<table>
<thead>
<tr>
<th>Presence of Blight</th>
<th>Excessive vacancy</th>
<th>Obsolete land use</th>
<th>Other conditions impeding growth</th>
</tr>
</thead>
</table>
| **Industrial uses** | • Buffer between industrial and residential  
                      • Other interventions to mitigate industrial use |
| **Traffic thoroughfares, railways, or landing strips** | • Transit infrastructure improvements, specifically to mitigate dangerous roadways or improve pedestrian safety; transit infrastructure not identified as a safety intervention is coded under the broader transit and infrastructure factor  
                      • Other measures related to safety and hazardous transit thoroughfares |
| **Rodent or vermin infestation** | • Programs to mitigate rodent presence that poses a public health threat |
| **Fire hazards** | • Mitigating fire hazards |
| **Other adverse environmental conditions** | • Conservation programs  
                      • Additional waste infrastructure  
                      • Other at author’s discretion |
| **Presence of Blight** | Excessive vacancy | Obsolete land use | Other conditions impeding growth |
| **Excessive vacancy** | • Blight reduction programs  
                      • Demolishing vacant buildings or homes  
                      • HOME funded programs  
                      • Other housing development  
                      • Replacement of vacant houses with recreational facilities, etc. These facilities would also receive a point under the facilities factor. |
| **Obsolete land use** | • Converting vacant houses or single-family uses to commercial, open space, or recreational space |
| **Property value decline** | • Housing code enforcement  
                      • Foreclosure and city purchase programs  
                      • Multi-family housing development  
                      • The proposed LIHTC property itself not allowable  
                      • Home repair or rehab programs  
                      • Commercial center development activities  
                      • Graffiti removal programs  
                      • Down payment and home purchase programs |
| Inadequate transportation or other infrastructure | Inadequate transportation or infrastructure | • Streets and roads, potholes  
• TOD development  
• Sewer and water lines  
• Built environment improvements  
• ADA accessibility projects  
• Connectivity investments  
• Streetlights  
• Drainage  
• Parking  
• Buildings |
| Lack of access to social services | Health care facilities | • Health care facilities  
Law enforcement facilities | • Police station  
• Community safety center |
| Firefighting facilities | • Fire station  
Social and recreational facilities | • Pools  
• Museum  
• Cultural center  
• Recreation center  
Other public facilities | • Service centers  
• Library  
• Parks and trails |
| Presence of significant crime | Presence of significant crime | • Police facilities (would be counted twice, once here and once under law enforcement facilities)  
• School security programs  
• Gang activity mitigation programs  
• Neighborhood water  
• Community safety enter  
• Other safety initiatives |
| Schools | Lack of or poor condition and/or performance of public education | • School facilities  
• School and educational programming |
| Employment | Lack of local business providing employment opportunities | • Economic development studies  
• Infrastructure improvements specifically cited as for economic development (might be double counted in another factor category, if applicable)  
• Downtown city center or commercial district expansion  
• Expansion of central employer  
• Attraction of investment from tax incentives |
Investment in anchor institutions, such as schools
Other at discretion of author

Lack of efforts to promote diversity

Multigenerational

Senior center
School investments
Senior housing investments

Economic

Job training
City center development
Mixed-use development

Appendix B: Community Revitalization Provisions

The following are excerpts from Texas’ QAPs from 2012 – 2015 containing language on the community revitalization provision.

2012 Texas Community Revitalization Provision

Texas Qualified Allocation Plan §50.9. Selection Criteria

(23) Community Revitalization (§42(m)(1)(C)(iii)) or Historic Preservation. Applications may qualify to receive (1 point) under subparagraph (A) or (B) of this paragraph. The purpose of this scoring item is to provide an incentive for community transformation (including Qualified Census Tracts) by utilizing already existing capacities and providing long-term improvements to specific geographic areas as well as preserving federal or state designated historic buildings.

(A) Any Development, regardless of whether located in a Qualified Census Tract that is part of a community revitalization plan. To qualify for these points a letter from the Appropriate Local Official must be submitted affirming that the Development is located within the specific geographic area covered by the plan, that the plan is not a Consolidated Plan or other Economic Development Plan or city-wide plan, the plan has been approved or adopted by ordinance, resolution, or other vote by the Governing Body with jurisdiction over the area covered by the plan (or, if such body has delegated that responsibility to another body by resolution, ordinance, or other vote, the body to which the responsibility was delegated) in a process that allows for public input and/or comment.

(B) The Development includes the use of an existing building that is designated as historic by a federal or state Entity and proposes Rehabilitation (including Reconstruction) or Adaptive Reuse. The Development itself must have the designation; points in this subparagraph are not available for Developments simply located within historic districts or areas that do not have a designation on the building. The Development must include the historic building. Evidence will include proof of the historic designation from the appropriate Governmental Entity. The Applicant will be required to show proof of the Historic designation and Historic Tax Credits at Cost Certification.
Texas Qualified Allocation Plan §11.9. Competitive HTC Selection Criteria (d)

(6) Community Revitalization Plan.

(A) For Developments located in an Urban Area of Region 3.

(i) An Application may qualify to receive up to (6 points) if the proposed Development is located in an area targeted for revitalization by a community revitalization plan and meets the criteria described in subclauses (I) – (VII) of this clause:

(I) The community revitalization plan must have been adopted by the municipality or county in which the Development is proposed to be located.

(II) The adopting municipality or county must have performed, in a process providing for public input, an assessment of the factors in need of being addressed as a part of such community revitalization plan. Factors to be considered may include:

(-a-) adverse environmental conditions, natural or manmade, that are material in nature and are inconsistent with the general quality of life in typical average income neighborhoods. By way of example, such conditions might include significant and recurring flooding, presence of hazardous waste sites or ongoing localized emissions not under appropriate remediation, nearby heavy industrial uses, or uses presenting significant safety or noise concerns such as major thoroughfares, nearby active railways (other than commuter trains), or landing strips; significant and widespread (e.g., not localized to a small number of businesses or other buildings) rodent or vermin infestation acknowledged to present health risks requiring a concerted effort; or fire hazards;

(-b-) presence of blighted structures;

(-c-) presence of inadequate transportation;

(-d-) lack of accessibility to and/or presence of inadequate health care facilities, law enforcement and firefighting facilities, social and recreational facilities, and other public facilities comparable to those typically found in neighborhoods containing comparable but unassisted housing;

(-e-) the presence of significant crime;

(-f-) the presence, condition, and performance of public education; or

(-g-) the presence of local business providing employment opportunities.

(III) A municipality or county is not required to identify and address all of the factors identified in this clause, but it must set forth in its plan those factors that it has identified and determined it will address.
(IV) The adopting municipality or county must have based its plan on the findings of the foregoing assessment and must have afforded the public an opportunity to provide input and comment on the proposed plan and the factors that it would address. To the extent that issues identified require coordination with other authorities, jurisdictions, or the like, such as schoolboards or hospitals, the adopting municipality should include coordination with such bodies in its plan and, to the extent feasible, secure their cooperation.

(V) The adopted plan, taken as a whole, must be a plan that can reasonably be expected to revitalize the neighborhood and address in a substantive and meaningful way the material factors identified. Generally, because revitalization must identify specific matters needing to be addressed by revitalization and provide a plan and budget specifically directed to those identified issues, revitalization will be considered distinct and separate from broader economic development efforts. For example, staff will review the neighborhood for the presence of existing aging structures and infrastructure, and staff will review plans for evidence that the local government endeavors to address the aging nature of the structures and area through a deliberate and substantive revitalization effort. The adopted plan must specifically address how providing affordable rental housing fits into the overall plan and is a necessary component thereof. The target areas should be limited in size along the lines of specific neighborhoods rather than encompassing large areas of a city or county.

(VI) The adopted plan must describe the planned sources and uses of funds to accomplish its purposes.

(VII) To be eligible for points under this item, the community revitalization plan must already be in place as of the Pre-Application Final Delivery Date pursuant to §11.2 of this chapter (relating to Program Calendar for Competitive Housing Tax Credits) evidenced by a certification that:

(-a-) the plan was duly adopted with the required public comment processes followed;
(-b-) the funding and activity under the plan has already commenced; and
(-c-) the adopting municipality or county has no reason to believe that the overall funding for the full and timely implementation of the plan will be unavailable.

(ii) Points will be awarded based on:

(I) Applications will receive (4 points) if the community revitalization plan has a total budget or projected economic value of $6,000,000 or greater; or,
(II-) Applications will receive (2 points) if the community revitalization plan has a total budget or projected economic value of at least $4,000,000; and,
(III) Applications may receive (2 points) in addition to those under subclauses (I) or (II) if the Development is explicitly identified by the city or county as
contributing most significantly to the concerted revitalization efforts of the city or county (as applicable). A city or county may only identify one single Development during each Application Round for the additional points under this subclause. A resolution from the Governing Body of the city or county that approved the plan is required to be submitted in the Application (this resolution is not required at pre-application). If multiple Applications submit resolutions under this subclause from the same Governing Body, none of the Applications shall be eligible for the additional points. A city or county may, but is not required, to identify a particular Application as contributing most significantly to concerted revitalization efforts.

(iii) At the time of the tax credit award the site and neighborhood of any Development must conform to the Department’s rules regarding unacceptable sites.

(iv) It is recognized that municipalities and counties will need to devote time and effort to adopt a concerted revitalization plan that complies with the requirements of this scoring item. Therefore, for purposes of the 2013 Application Round only, the Department’s Board may, in a public meeting, determine whether a revitalization plan substantively and meaningfully satisfies a revitalization effort, notwithstanding a failure to fulfill one or more of the factors in this subparagraph. Such pre-clearance shall be prompted by a request from the Applicant pursuant to the waiver provisions in §10.207 of this title (relating to Waiver of Rules for Applications).

(B) For Developments located in Urban Areas outside of Region 3.

(i) An Application may qualify for up to (6 points) for meeting the criteria under subparagraph (A) of this paragraph (with the exception of being located in Region 3); or

(ii) An Application will qualify for (6 points) if the city or county has an existing plan for Community Development Block Grant - Disaster Relief Program (CDBG-DR) funds that meets the requirements of subclauses (I) - (V) of this clause. To qualify for points, the Development Site must be located in the target area defined by the plan, and the Application must have a commitment of CDBG-DR funds:

(I) the plan defines specific target areas for redevelopment of housing that do not encompass the entire jurisdiction;

(II) the plan affirmatively addresses Fair Housing demonstrated through an approved Fair Housing Activity Statement-Texas (FHAST);

(III) the plan is subject to administration in a manner consistent with the findings of an Analysis of Impediments approved or accepted by HUD within the last three (3) calendar years or an approved Fair Housing Activity Statement-Texas (FHAST), approved by the Texas General Land Office;

(IV) the plan is in place prior to the Pre-Application Final Delivery Date; and
(V) the plan (in its entirety) and a letter from a local government official with specific knowledge and oversight of implementing the plan are included in the pre-application.

(C) For Developments located in a Rural Area.

(i) An Application may qualify for up to (6 points) if the city, county, state, or federal government has approved expansion of any of the basic infrastructure or projects to the Development Site described in subclauses (I) – (V) of this clause, or improvements to areas within a quarter mile of the Development Site, unless a different distance is otherwise identified in subclauses (I) – (V) of this clause. Approval cannot be conditioned upon the award of tax credits or on any other event (zoning, permitting, construction start of another development, etc.) not directly associated with the particular infrastructure expansion. The Applicant or Related Party cannot contribute funds for or finance the project or infrastructure, except through the normal and customary payment of property taxes, franchise taxes, sales taxes, impact fees and/or any other taxes or fees traditionally used to pay for or finance such infrastructure by cities, counties, state or federal governments or their related subsidiaries. The project or infrastructure must have been completed no more than twelve (12) months prior to the beginning of the Application Acceptance Period or be approved and projected to be completed within twelve (12) months from the beginning of the Application Acceptance Period. An Application is eligible for four (4) points for one of the items described in subclauses (I) – (V) of this clause or (6 points) for at least two (2) of the items described in subclauses (I) – (V) of this clause:

(I) Paved roadways or expansion of paved roadways by at least one lane;
(II) Water;
(III) Wastewater service;
(IV) Construction of a new police or fire station within one (1) mile of the Development Site that has a service area that includes the Development Site; and
(V) Construction of a new hospital or expansion of an existing hospital's capacity by at least 25 percent within a five (5) mile radius of the Development Site and ambulance service to and from the hospital is available at the Development Site. Capacity is defined as total number of beds, total number of rooms or total square footage of the hospital.

(ii) The Applicant must provide a letter from a government official with specific knowledge of the project. However, Department staff may rely on other documentation that reasonably documents that the substance of this clause is met, in Department staff's sole determination. A letter must include:

(I) the nature and scope of the project;
(II) the date completed or projected completion;
(III) source of funding for the project;
(IV) proximity to the Development Site; and
(V) the date of any applicable city, county, state, or federal approvals, if not already completed.
Texas Qualified Allocation Plan §11.9. Competitive HTC Selection Criteria (d)

(7) Community Revitalization Plan. An Application may qualify for points under this paragraph only if no points are elected under subsection (c)(4) of this section, related to Opportunity Index. (A) For Developments located in an Urban Area of Region 3.

(i) An Application may qualify to receive up to six (6) points if the Development Site is located in an area targeted for revitalization in a community revitalization plan that meets the criteria described in subclauses (I)-(VI) of this clause:

(I) The community revitalization plan must have been adopted by the municipality or county in which the Development Site is located. (II) The adopting municipality or county must have performed, in a process providing for public input, an assessment of the factors in need of being addressed as a part of such community revitalization plan. Factors assessed must include at least five (5) of the following eight (8) factors:

(-a-) adverse environmental conditions, natural or manmade, that are material in nature and are inconsistent with the general quality of life in typical average income neighborhoods. By way of example, such conditions might include significant and recurring flooding, presence of hazardous waste sites or ongoing localized emissions not under appropriate remediation, nearby heavy industrial uses, or uses presenting significant safety or noise concerns such as major thoroughfares, nearby active railways (other than commuter trains), or landing strips; significant and widespread (e.g. not localized to a small number of businesses or other buildings) rodent or vermin infestation acknowledged to present health risks requiring a concerted effort; or fire hazards;

(-b-) presence of blight, which may include excessive vacancy, obsolete land use, significant decline in property value, or other similar conditions that impede growth;

(-c-) presence of inadequate transportation or infrastructure;

(-d-) lack of accessibility to and/or presence of inadequate health care facilities, law enforcement and firefighting facilities, social and recreational facilities, and other public facilities comparable to those typically found in neighborhoods containing comparable but unassisted housing;

(-e-) the presence of significant crime;

(-f-) the lack of or poor condition and/or performance of public education;

(-g-) the lack of local business providing employment opportunities; or
(-h-) efforts to promote diversity, including multigenerational diversity, economic diversity, etcetera, where it has been identified in the planning process as lacking.

(III) The target area must be larger than the assisted housing footprint and should be limited in size along the lines of specific neighborhoods rather than encompassing large area of the city or county. Staff will review the target areas for presence of the factors identified in subclause (II) of this clause.

(IV) The adopted plan, taken as a whole, must be a plan that can reasonably be expected to revitalize the neighborhood and address in a substantive and meaningful way the material factors identified in subclause (II) of this clause. Generally, because revitalization must identify specific matters needing to be addressed by revitalization and provide a plan and budget specifically directed to those identified issues, revitalization will be considered distinct and separate from broader economic development efforts.

(V) The adopted plan must describe the planned budget and uses of funds to accomplish its purposes within the applicable target area. To the extent that expenditures, incurred within four (4) years prior to the beginning of the Application Acceptance Period, have already occurred in the applicable target area, a statement from a city or county official concerning the amount of the expenditure and purpose of the expenditure may be submitted.

(VI) To be eligible for points under this item, the community revitalization plan must already be in place as of the Full Application Final Delivery Date pursuant to §11.2 of this chapter evidenced by a letter from the appropriate local official stating that:

(-a-) the plan was duly adopted with the required public input processes followed;
(-b-) the funding and activity under the plan has already commenced; and
(-c-) the adopting municipality or county has no reason to believe that the overall funding for the full and timely implementation of the plan will be unavailable.

(ii) Points will be awarded based on:

(I) Applications will receive four (4) points if the applicable target area of the community revitalization plan has a total budget or projected economic value of $6,000,000 or greater; or

(II) Applications will receive two (2) points if the applicable target area of the community revitalization plan has a total budget or projected economic value of at least $4,000,000; and

(III) Applications may receive (2) points in addition to those under subclause (I) or (II) of this clause if the Development is explicitly identified by the city or county as contributing most significantly to the concerted revitalization efforts of the city or
county (as applicable). A city or county may only identify one single Development during each Application Round for the additional points under this subclause. A resolution from the Governing Body of the city or county that approved the plan is required to be submitted in the Application (this resolution is not required at pre-application). If multiple Applications submit resolutions under this subclause from the same Governing Body, none of the Applications shall be eligible for the additional points. A city or county may, but is not required, to identify a particular Application as contributing most significantly to concerted revitalization efforts.

(B) For Developments located in Urban Areas outside of Region 3.

(i) An Application may qualify for up to six (6) points for meeting the criteria under subparagraph (A) of this paragraph (with the exception of being located in Region 3); or

(ii) An Application will qualify for four (4) points if the city or county has an existing plan for Community Development Block Grant -Disaster Relief Program (CDBG-DR) funds that meets the requirements of subclauses (I) -(V) of this clause. To qualify for points, the Development Site must be located in the target area defined by the plan, and the Application must have a commitment of CDBG-DR funds. The plan (in its entirety) and a letter from a local government official with specific knowledge and oversight of implementing the plan are included in the Application and must:

(I) define specific target areas for redevelopment of housing that do not encompass the entire jurisdiction;

(II) be subject to administration in a manner consistent with an approved Fair Housing Activity Statement-Texas (FHAST);

(III) be subject to administration in a manner consistent with the findings of an Analysis of Impediments approved or accepted by HUD within the last three (3) calendar years or an approved Fair Housing Activity Statement-Texas (FHAST), approved by the Texas General Land Office;

(IV) certify that the plan and the Application are consistent with the adopting municipality or county's plan to affirmatively further fair housing under the Fair Housing Act; and

(V) be in place prior to the Full Application Final Delivery Date.

(C) For Developments located in a Rural Area.

(i) An Application may qualify for up to four (4) points for meeting the criteria under subparagraph (B) of this paragraph if located outside of Region 3 (with the exception of being located in an Urban Area); or

(ii) The requirements for community revitalization in a Rural Area are distinct and separate from the requirements related to community revitalization in an Urban Area in that the requirements in a Rural Area relate primarily to growth and expansion indicators. An Application may qualify for up to four (4) points if the city, county, state, or federal government has approved expansion of basic infrastructure or projects, as described in this paragraph. Approval cannot be conditioned upon the award of tax credits or on any other event (zoning, permitting, construction start of another development, etc.) not directly associated with the particular infrastructure expansion. The Applicant, Related Party, or seller of the Development Site cannot contribute funds for or finance the project or infrastructure, except through the normal and customary payment of
property taxes, franchise taxes, sales taxes, impact fees and/or any other taxes or fees traditionally used to pay for or finance such infrastructure by cities, counties, state or federal governments or their related subsidiaries. The project or expansion must have been completed no more than twelve (12) months prior to the beginning of the Application Acceptance Period or have been approved and is projected to be completed within twelve (12) months from the beginning of the Application Acceptance Period. An Application is eligible for two (2) points for one of the items described in subclauses (I) - (V) of this clause or four (4) points for at least two (2) of the items described in subclauses (I) - (V) of this clause:

(I) New paved roadway (may include paving an existing non-paved road but excludes overlays or other limited improvements) or expansion of existing paved roadways by at least one lane (excluding very limited improvements such as new turn lanes or restriping), in which a portion of the new road or expansion is within one half (1/2) mile of the Development Site;

(II) New water service line (or new extension) of at least 500 feet, in which a portion of the new line is within one half (1/2) mile of the Development Site;

(III) New wastewater service line (or new extension) of at least 500 feet, in which a portion of the new line is within one half (1/2) mile of the Development Site;

(IV) Construction of a new law enforcement or emergency services station within one (1) mile of the Development Site that has a service area that includes the Development Site; and

(V) Construction of a new hospital or expansion of an existing hospital's capacity by at least 25 percent within a five (5) mile radius of the Development Site and ambulance service to and from the hospital is available at the Development Site. Capacity is defined as total number of beds, total number of rooms or total square footage of the hospital.

(iii) To qualify under clause (ii) of this subparagraph, the Applicant must provide a letter from a government official with specific knowledge of the project (or from an official with a private utility company, if applicable) which must include:

(I) the nature and scope of the project;

(II) the date completed or projected completion;

(III) source of funding for the project;

(IV) proximity to the Development Site; and

(V) the date of any applicable city, county, state, or federal approvals, if not already completed.

2015 Texas Community Revitalization Provision

Texas Qualified Allocation Plan §11.9 Competitive HTC Selection Criteria (d)

(7) Community Revitalization Plan. An Application may qualify for points under this paragraph only if no points are elected under subsection (c)(4) of this section, related to Opportunity Index.

(A) For Developments located in an Urban Area of Region 3.
An Application may qualify to receive up to six (6) points if the Development Site is located in an area targeted for revitalization in a community revitalization plan that meets the criteria described in subclauses (I) - (VI) of this clause:

(I) The community revitalization plan must have been adopted by the municipality or county in which the Development Site is located.

(II) The adopting municipality or county must have performed, in a process providing for public input, an assessment of the factors in need of being addressed as a part of such community revitalization plan. Factors assessed must include at least five (5) of the following eight (8) factors:

(-a-) adverse environmental conditions, natural or manmade, that are material in nature and are inconsistent with the general quality of life in typical average income neighborhoods. By way of example, such conditions might include significant and recurring flooding, presence of hazardous waste sites or ongoing localized emissions not under appropriate remediation, nearby heavy industrial uses, or uses presenting significant safety or noise concerns such as major thoroughfares, nearby active railways (other than commuter trains), or landing strips; significant and widespread (e.g. not localized to a small number of businesses or other buildings) rodent or vermin infestation acknowledged to present health risks requiring a concerted effort; or fire hazards;

(-b-) presence of blight, which may include excessive vacancy, obsolete land use, significant decline in property value, or other similar conditions that impede growth;

(-c-) presence of inadequate transportation or infrastructure;

(-d-) lack of accessibility to and/or presence of inadequate health care facilities, law enforcement and firefighting facilities, social and recreational facilities, and other public facilities comparable to those typically found in neighborhoods containing comparable but unassisted housing;

(-e-) the presence of significant crime;

(-f-) the lack of or poor condition and/or performance of public education;

(-g-) the lack of local business providing employment opportunities; or

(-h-) efforts to promote diversity, including multigenerational diversity, economic diversity, etcetera, where it has been identified in the planning process as lacking.

(III) The target area must be larger than the assisted housing footprint and should be limited in size along the lines of specific neighborhoods rather than encompassing large areas of a city or county. Staff will review the target areas for presence of the factors identified in subclause (II) of this clause.
(IV) The adopted plan, taken as a whole, must be a plan that can reasonably be expected to revitalize the neighborhood and address in a substantive and meaningful way the material factors identified in subclause (II) of this clause. Generally, because revitalization must identify specific matters needing to be addressed by revitalization and provide a plan and budget specifically directed to those identified issues, revitalization will be considered distinct and separate from broader economic development efforts.

(V) The adopted plan must describe the planned budget and uses of funds to accomplish its purposes within the applicable target area. To the extent that expenditures, incurred within four (4) years prior to the beginning of the Application Acceptance Period, have already occurred in the applicable target area, a statement from a city or county official concerning the amount of the expenditure and purpose of the expenditure may be submitted.

(VI) To be eligible for points under this item, the community revitalization plan must already be in place as of the Full Application Final Delivery Date pursuant to §11.2 of this chapter evidenced by a letter from the appropriate local official stating that:

(a) the plan was duly adopted with the required public input processes followed;

(b) the funding and activity under the plan has already commenced; and

(c) the adopting municipality or county has no reason to believe that the overall funding for the full and timely implementation of the plan will be unavailable.

(ii) Points will be awarded based on:

(I) Applications will receive four (4) points if the applicable target area of the community revitalization plan has a total budget or projected economic value of $6,000,000 or greater; or

(II) Applications will receive two (2) points if the applicable target area of the community revitalization plan has a total budget or projected economic value of at least $4,000,000; and

(III) Applications may receive (2) points in addition to those under subclause (I) or (II) of this clause if the Development is explicitly identified by the city or county as contributing most significantly to the concerted revitalization efforts of the city or county (as applicable). A city or county may only identify one single Development during each Application Round for the additional points under this subclause. A resolution from the Governing Body of the city or county that approved the plan is required to be submitted in the Application (this resolution is not required at pre-application). If multiple Applications submit resolutions under this subclause from the same Governing Body, none of the Applications shall be eligible for the
additional points. A city or county may, but is not required, to identify a particular Application as contributing most significantly to concerted revitalization efforts.

(B) For Developments located in Urban Areas outside of Region 3.
   (i) An Application may qualify for up to six (6) points for meeting the criteria under subparagraph (A) of this paragraph (with the exception of being located in Region 3); or
   (ii) An Application will qualify for four (4) points if the city or county has an existing plan for Community Development Block Grant - Disaster Relief Program (CDBG-DR) funds that meets the requirements of subclauses (I) - (V) of this clause. To qualify for points, the Development Site must be located in the target area defined by the plan, and the Application must have a commitment of CDBG-DR funds. The plan (in its entirety) and a letter from a local government official with specific knowledge and oversight of implementing the plan are included in the Application and must:
      (I) define specific target areas for redevelopment of housing that do not encompass the entire jurisdiction;
      (II) be subject to administration in a manner consistent with an approved Fair Housing Activity Statement - Texas (FHAST);
      (III) be subject to administration in a manner consistent with the findings of an Analysis of Impediments approved or accepted by HUD within the last three (3) calendar years or an approved Fair Housing Activity Statement - Texas (FHAST), approved by the Texas General Land Office;
      (IV) certify that the plan and the Application are consistent with the adopting municipality or county's plan to affirmatively further fair housing under the Fair Housing Act; and
      (V) be in place prior to the Full Application Final Delivery Date.

(C) For Developments located in a Rural Area.
   (i) An Application may qualify for up to four (4) points for meeting the criteria under subparagraph (B) of this paragraph if located outside of Region 3 (with the exception of being located in an Urban Area); or
   (ii) The requirements for community revitalization in a Rural Area are distinct and separate from the requirements related to community revitalization in an Urban Area in that the requirements in a Rural Area relate primarily to growth and expansion indicators. An Application may qualify for up to four (4) points if the city, county, state, or federal government has approved expansion of basic infrastructure or projects, as described in this paragraph. Approval cannot be conditioned upon the award of tax credits or on any other event (zoning, permitting, construction start of another development, etc.) not directly associated with the particular infrastructure expansion. The Applicant, Related Party, or seller of the Development Site cannot contribute funds for or finance the project or infrastructure, except through the normal and customary payment of property taxes, franchise taxes, sales taxes, impact fees and/or any other taxes or fees traditionally used to pay for or finance such infrastructure by cities, counties, state or federal governments or their related subsidiaries. The project or expansion must have been completed no
more than twelve (12) months prior to the beginning of the Application Acceptance Period or have been approved and is projected to be completed within twelve (12) months from the beginning of the Application Acceptance Period. An Application is eligible for two (2) points for one of the items described in subclauses (I) - (V) of this clause or four (4) points for at least two (2) of the items described in subclauses (I) - (V) of this clause:

(I) New paved roadway (may include paving an existing non-paved road but excludes overlays or other limited improvements) or expansion of existing paved roadways by at least one lane (excluding very limited improvements such as new turn lanes or restriping), in which a portion of the new road or expansion is within one half (1/2) mile of the Development Site;

(II) New water service line (or new extension) of at least 500 feet, in which a portion of the new line is within one half (1/2) mile of the Development Site;

(III) New wastewater service line (or new extension) of at least 500 feet, in which a portion of the new line is within one half (1/2) mile of the Development Site;

(IV) Construction of a new law enforcement or emergency services station within one (1) mile of the Development Site that has a service area that includes the Development Site; and

(V) Construction of a new hospital or expansion of an existing hospital's capacity by at least 25 percent within a five (5) mile radius of the Development Site and ambulance service to and from the hospital is available at the Development Site. Capacity is defined as total number of beds, total number of rooms or total square footage of the hospital.

(iii) To qualify under clause (ii) of this subparagraph, the Applicant must provide a letter from a government official with specific knowledge of the project (or from an official with a private utility company, if applicable) which must include:

(I) the nature and scope of the project;

(II) the date completed or projected completion;

(III) source of funding for the project;

(IV) proximity to the Development Site; and

(V) the date of any applicable city, county, state, or federal approvals, if not already completed.