

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

**DEPARTMENT:** Community + Human Development

**AGENDA DATE:** October 01, 2019

**CONTACT PERSON NAME AND PHONE NUMBER:** Nicole Ferrini, 915-212-1659

**DISTRICT(S) AFFECTED:** All

**STRATEGIC GOAL:** Goals 1 + 8

**SUBJECT:**

Presentation of the El Paso Regional Housing Plan.

**BACKGROUND / DISCUSSION:**

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

The El Paso Regional Housing Plan is a joint effort between the City of El Paso (the City) and the Housing Authority of the City of El Paso (HACEP). It builds on the findings of the 2018 El Paso Housing Needs Assessment to recommend policies and programs to address El Paso's housing needs to create benefit for the region as a whole. The El Paso Regional Housing Plan provides a framework for partners across the to collaborate and address their shared housing challenges. The Regional Housing Plan considers both how the housing market is currently meeting the needs of El Paso's residents and how to position the region for healthy economic growth and fiscal sustainability.

**PRIOR COUNCIL ACTION:**

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

N/A

**AMOUNT AND SOURCE OF FUNDING:**

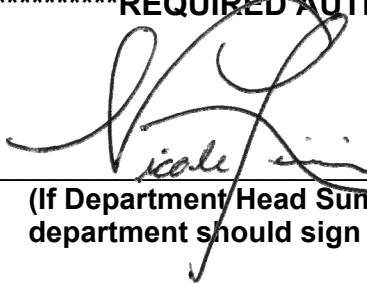
How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

N/A

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\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**DEPARTMENT HEAD:**



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(If Department/Head Summary Form is initiated by Purchasing, client department should sign also)

# EL PASO REGIONAL HOUSING PLAN

2019



CITY OF  
EL PASO



Housing Authority  
of the City of El Paso

TAG HR&A

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The image is a blue-tinted aerial photograph of a city, likely Phoenix, Arizona, with the Camelback Mountain range in the background. The text 'RECOMMENDED HOUSING TOOLS' is overlaid in white, bold, sans-serif font on the left side of the image.

# RECOMMENDED HOUSING TOOLS



An aerial photograph of a city, likely Phoenix, Arizona, with a prominent mountain range in the background. The image is overlaid with a semi-transparent blue filter. The text 'DEDICATE PUBLIC RESOURCES' is centered in the lower half of the image.

# DEDICATE PUBLIC RESOURCES

# HOUSING TRUST FUND | OVERVIEW

**A Housing Trust Fund is the primary way for local jurisdictions to support housing in their community.**

**Federal funding for housing programs has been declining nationally;** housing trust funds provide replace lost federal funding with local sources. These funds can fill any local housing need, including providing gap financing for affordable housing development and funding homeownership programs.

**Common funding sources include:**

- Real estate transfer tax
- Document recording Fee
- Property tax
- Transient occupancy tax
- Development linkage fees
- Local general obligation bonds
- General fund contributions
- Proceeds from property sales
- Special Purpose District taxes

**Common Housing Trust Fund uses include:**

- Down payment assistance and homeownership programs
- Financial counseling
- Gap financing for affordable housing new development
- Rental subsidies
- Preservation of naturally occurring affordable housing

**Support for El Paso’s Goals**

**A housing trust fund can support El Paso’s housing goals by:**

- Increasing the **production** of affordable housing
- Increasing **access** to homeownership.

**Recommendation:**

**The City and County should establish a Housing Trust Fund to dedicate funding for housing programs.**

1. Establish a workgroup with representatives from the City, County, local philanthropies, and community stakeholders to develop a set of recommendations to implement a local Housing Trust Fund.
2. Dedicate City and County funding to a Housing Trust Fund following a public process inclusive of voter approval.
3. Establish a priority set of housing programs to be supported by the Housing Trust Fund that support El Paso’s housing goals.

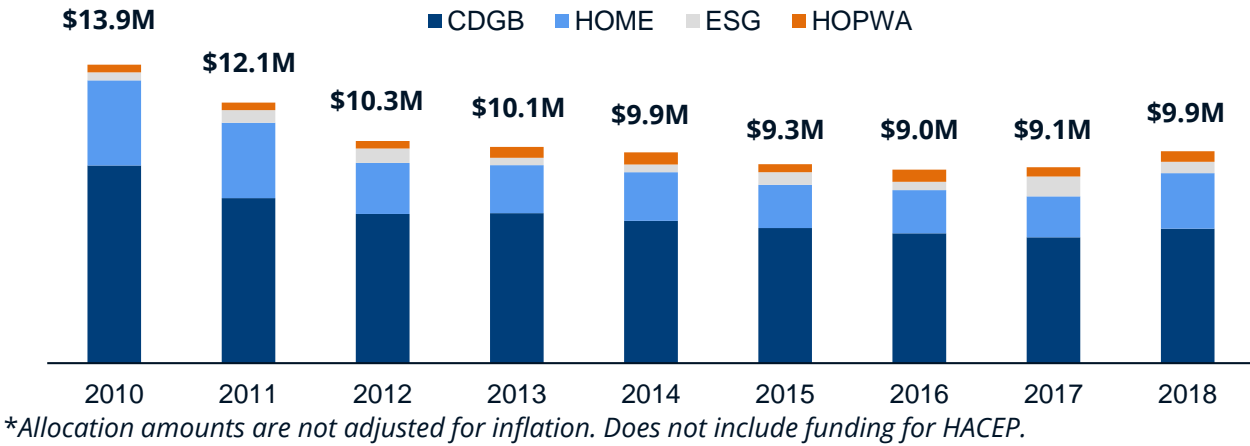
# HOUSING TRUST FUND | STRATEGIES FOR EL PASO

## Housing need is growing while federal funding is shrinking.

El Paso has a shortage of 3,300 units of rental housing for households earning less than \$30,000 annually and this gap is anticipated to grow to 15,600 units by 2025. Against this landscape, **federal funding has reduced by nearly 30% since 2010.**

**Over 700 jurisdictions across the country have created Housing Trust funds to support affordable housing.** These funds are supported with a variety of mechanisms including dedicated property taxes and impact fees (Denver, CO), consistent general fund contributions (Louisville, KY), dedicated bonded property tax (Charlotte, NC), and a combination of general fund support and tax increment pooling (Minneapolis, MN). The average housing trust fund size peer cities is \$11.80 per year per person which would translate to \$8,000,000 in annual funding for El Paso.

### El Paso's federal funding has declined since 2010.



### Peer City Housing Trust Funds

	San Antonio, TX	Dallas, TX (2017)	Albuquerque, NM	Denver, CO	Charlotte, NC	Minneapolis, MN	Louisville, KY
Population (2016)	1.5 M	1.3 M	560 K	700 K	840 K	410 K	770 K
Annual HTF Amount	\$700 K	\$2.3 M	\$5.4 M	\$15.0 M	\$7.5 M	\$10.0 M	\$10.2 M
Amount Per Year Per Capita	\$0.46	\$1.77	\$9.69	\$21.29	\$8.91	\$24.17	\$13.16

Source: HUD



## HOUSING TRUST FUND | STRATEGIES FOR EL PASO

### Cities across the country use voter-approved bonds to fund housing investments.

A common way for jurisdictions to fund affordable housing is through voter approved levies. Many states require property tax increases to go to the ballot box, so communities can vote their values. These taxes are often widely supported.

### Seattle Housing Levy

In 2016, voters approved the Seattle Housing Levy by **over 70%**. The levy funds investments in rental production and preservation, supports the operation of extremely low income housing, and is in the process of producing and preserving thousands of units.

The 2016 levy was the **seventh time since 1981** that Seattle voters supported housing at the ballot box, producing over 13,000 affordable units, homeownership assistance to 900 first-time home buyers, and emergency rental assistance to 6,500 households.



### Charlotte Housing Bond

The city of Charlotte funds its Capital Improvement plan through biannual bond cycles. The 2018 housing bond was approved with **68% of the vote** without formal opposition at the same time as separate bonds for neighborhood improvement and transportation investments.

The \$50M raised through the bond goes to the **Housing Trust Fund** to provide gap financing for affordable housing production and programs that support rehabilitation of apartments and single-family homes.



Source: City of Seattle; Yes for Bonds



# HOUSING TRUST FUND | STRATEGIES FOR EL PASO

**A successful Housing Trust Fund will require long-term commitment and dedicated funding.**

**The size of funding and availability of dedicated, ongoing funding sources are key** to long-term sustainability and impact of a housing trust fund. Housing Trust Funds established in Dallas in 2000 and Tucson, NM received \$1,000,000 or less in upfront funding, and were later dissolved due their limited impact. To be successful, **El Paso's housing trust fund will need sustainable and dedicated streams of funding,**

**Housing Trust Funds in Texas have struggled due to state restrictions.**

**Constraints imposed by the State limit the potential funding sources** available for a housing trust fund. Many common funding sources are illegal in Texas, including real estate transfer taxes, which became unconstitutional as a result of Proposition 1 in 2015, and commercial and residential linkage fees, which cannot fund affordable housing as of 2017.

**Due to these constraints, Texas funds are typically smaller than national peer cities.**

Other common funding sources are not feasible for the City, including:

- Document recording fees, which are assessed by counties
- Transit Occupancy Taxes which are currently at statutory limits
- Special Purpose Districts and TIRZs which have local infrastructure obligations and not near closeout.

The City can identify opportunities to work with other Texas cities with housing trust funds to promote ability to fund housing trust funds with additional sources of revenue.

**The City and County should jointly dedicate funds to a Housing Trust Fund.**

**The joint contribution of general obligation funds from the City and the County,** either through a public vote on a property tax set aside for housing or through other plus other funding mechanisms, offers El Paso the best chance for launching a successful Housing Trust Fund.

## Texas Housing Trust Funds

<b>DALLAS</b>	\$7M from TIRZ closeouts and development loan repayments in 2014
<b>AUSTIN</b>	\$730K annually from property taxes on formerly City-owned land and seeded with a \$3M initial city investment.
<b>SAN ANTONIO</b>	\$700K annually from loan repayments following \$10M initial commitment. Interest earned and loan paybacks pay for funding rounds every 18 months.

## PUBLIC LAND SALE POLICY | OVERVIEW

**A public land sale policy establishes a process and a set of criteria for the sale of public land at a discount in exchange for public benefits.**

**The sale of public land to developers below market price is a common development incentive.** Land costs typically represent 20% of total development costs, and a discounted acquisition price can provide the margin for a developer to provide enhanced public benefits, such as more costly mid-rise or vertical mixed-use construction affordable housing units, or public open space.

Without public support to offset development risk, private developers will avoid development types or locations that are not established within the market. A development on public land can prove a difficult development concept, such as mid-rise, mixed income housing. When the project is a success, other private developers are likely to enter the market, creating more housing without additional public support.

**The City can use the reduced sale of land to create public-private partnerships to leverage private capacity and achieve public goals.** When the City sells land at a discount or for no cost, it becomes a partner in the development project. It can place requirements on the developer to ensure that development on previously public land aligns with the City's goals for development type, density, and affordability. For example, if the developer is given land at no cost, they must reimburse the City if they break agreed affordability periods.

### Support for El Paso's Goals

**The sale of public land at a discount can support El Paso's housing goals in several ways:**

- Increasing the **production** of affordable housing, including mixed-income or units with deeper affordability.
- Supporting **fiscal sustainability** by returning public land to tax rolls and promoting development that increases property value.
- Creating **vibrant and dynamic** communities by incentivizing infill development with added density or public amenities.

### Recommendation:

**The City, County, School District, HACEP, and other public agencies should establish a process to sell infill sites in priority areas at a discount, in exchange for affordable housing production or other public benefits.**

1. Inventory all publicly-owned property (including vacant land and underutilized public facilities) to establish a target list of properties to be disposed of in priority areas.
2. Establish a Request-For-Proposals (RFP) process to identify developers for target sites and create a policy with rigorous requirements for public benefits on sold public land.
3. Make strategic acquisitions and assemble infill development sites in priority areas, guided by small area plans.

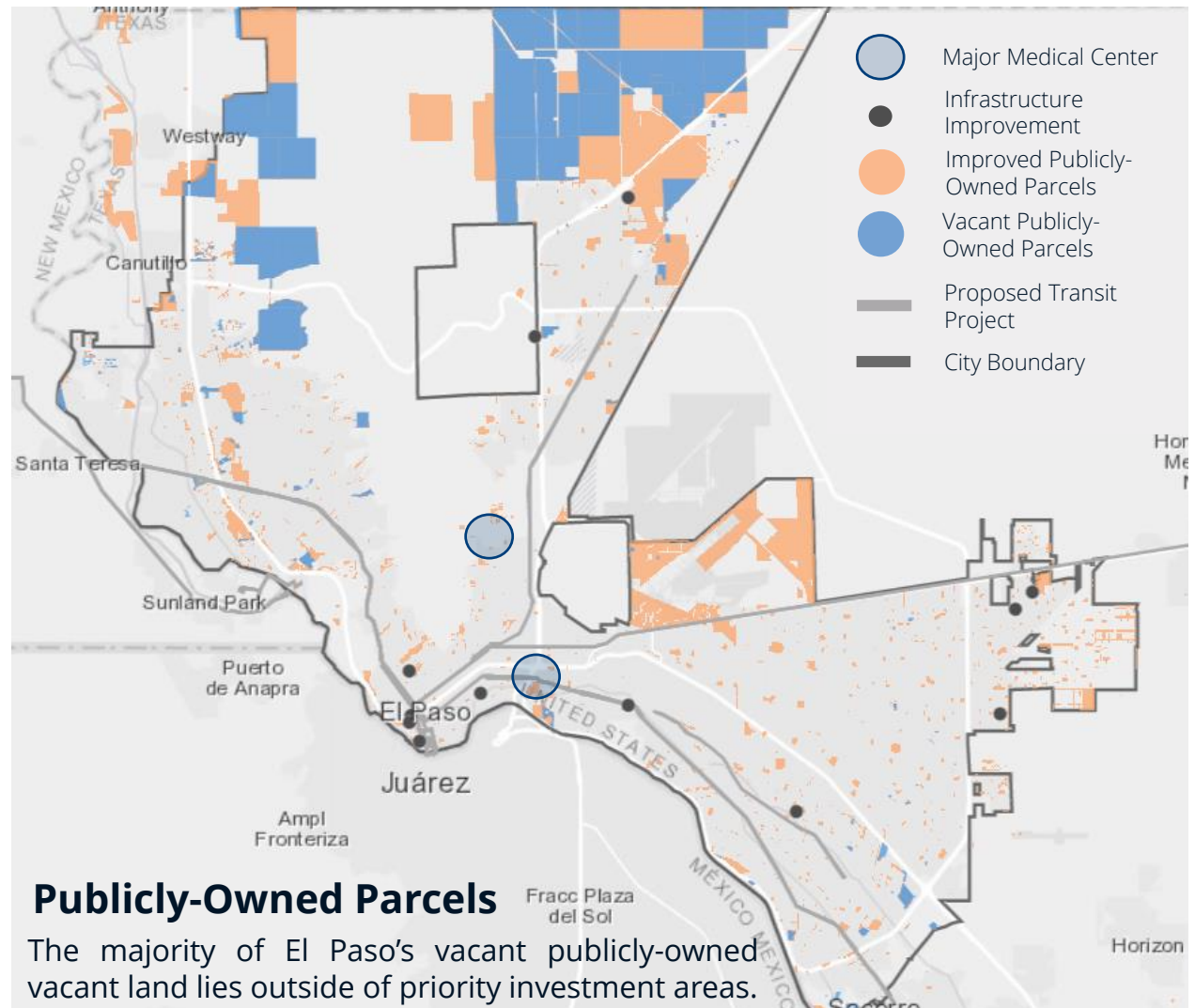
## PUBLIC LAND SALE POLICY | STRATEGIES FOR EL PASO

### The City owns vacant land, but not in strategic locations.

The City owns 9,500 acres of property within El Paso's border. Of this, 2,200 acres of this property is estimated to be vacant. While the total portfolio is large, **few of the City's vacant parcels are in infill locations.** Much of the City's vacant publicly-owned land is in large tracts near the periphery of the City.

The City may decide to sell land outside of priority areas, but should maximize the price of these sales rather than provide subsidy to developers. **The proceeds of these sales could be used to establish an acquisition fund.**

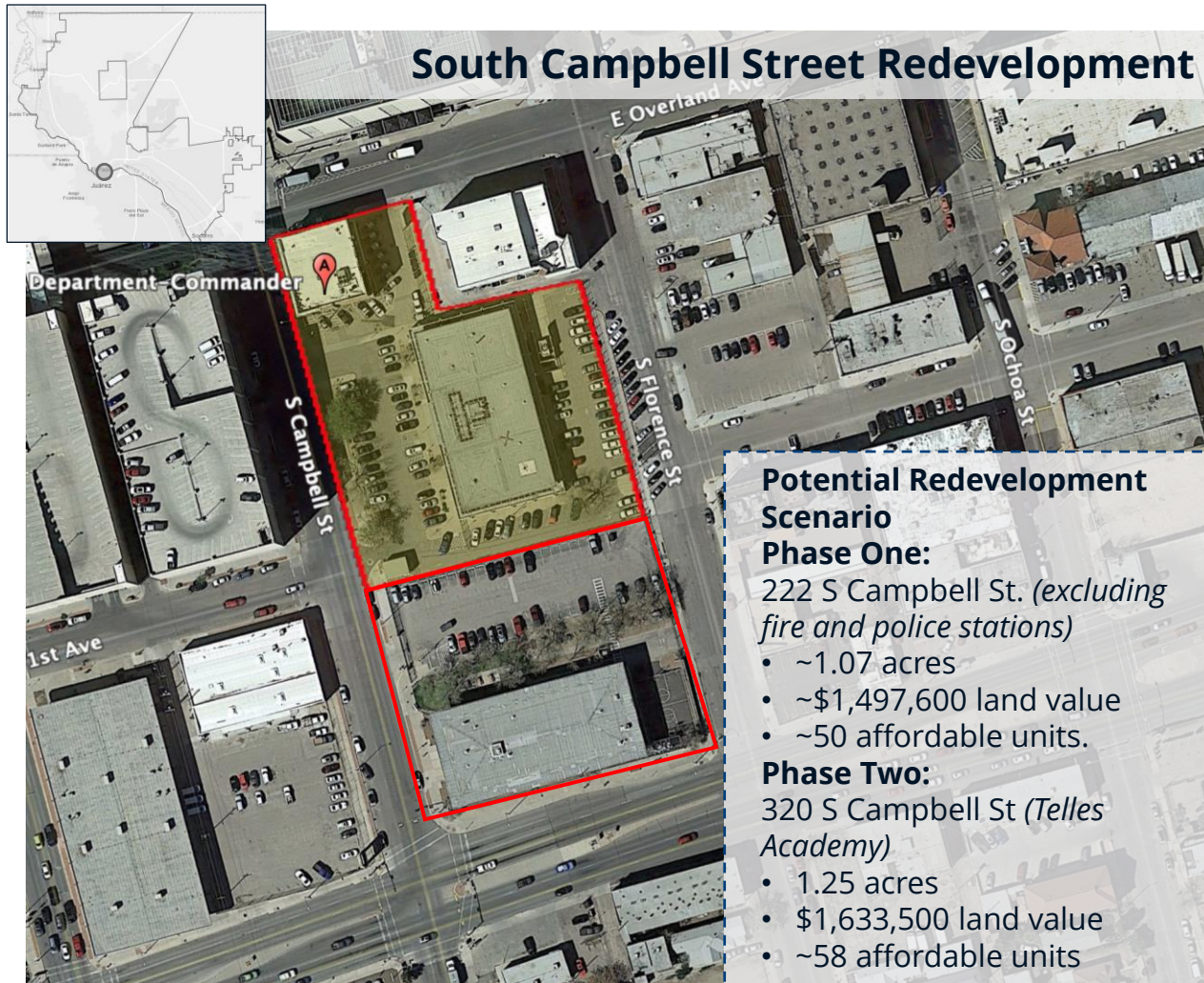
Other public land owners, including the County of El Paso, El Paso Water Utility, and HACEP, own an additional 8,300 acres of land, which are often in more central locations than the City's land and should be used to support housing.



Source: El Paso Central Appraisal District



# PUBLIC LAND SALE POLICY | STRATEGIES FOR EL PASO



**In addition to vacant land, underutilized public facilities may be suitable for housing development.**

The City, County, School District, HACEP, and other public agencies should analyze the full inventory of publicly-owned property to identify underutilized facilities in priority areas for development. This can be done by:

- **Identifying underutilized public facilities in priority areas** that may be suitable for redevelopment, including surface parking lots and closed or obsolete public buildings;
- **Working with HACEP, other public entities, and major institutional landowners** to identify additional “soft sites” that could support infill residential development; and
- **Coordinating with developers** to prioritize sites with market potential.

This strategy will expand the City's inventory of sites that can support development aligned with El Paso's housing goals.

Source: City of El Paso, El Paso Central Appraisal District

## PUBLIC LAND SALE POLICY | STRATEGIES FOR EL PASO

### Strategic acquisition of infill development sites in priority areas can increase the program's impact.

To expand the capacity of its public land program and its ability to target priority development sites, **the City should establish an acquisition fund or use land swaps to acquire sites and assemble parcels for redevelopment.** This fund could be supported by the sale of other public land holdings. **The acquisition of redevelopment sites should be guided by small area plans.**

The City could also explore the viability of establishing a dedicated land management agency to consolidate and manage holdings across public entities.

### Example | Stone Warehouse, Raleigh

**Background:** The City of Raleigh acquired Stone Warehouse, a run-down warehouse in Southeast Raleigh, in 2003. The property was vacant until the City sold it through an RFP process in 2016, when the market improved to a point where redevelopment was possible.

**Key Actors:** The City of Raleigh sold the property to the Transfer Company for \$2.02 million in 2016. The City sold the property with intentions to re-invest the money in affordable housing in Southeast Raleigh, and fund the relocation of a senior center in the area.

**Program:** Transfer Company proposed a grocery store, food hall, and the development of 16 townhomes on site. The Transfer Co. Food Hall opened in 2019. It holds eight vendors in current operation, with four additional vendors coming soon.

**Before: Stone Warehouse, 2014**



**After: Transfer Co. Food Hall, 2019**



Source: City of El Paso, DT Raleigh, Indy Week



An aerial photograph of a city, likely Phoenix, Arizona, with a prominent mountain range in the background. The image is overlaid with a semi-transparent blue filter. The text 'REDESIGN HOUSING PROGRAMS' is centered in the middle of the image in a bold, white, sans-serif font.

# REDESIGN HOUSING PROGRAMS



## 9% LOW INCOME HOUSING TAX CREDIT | OVERVIEW

**The 9% LIHTC is the primary federal source, allocated by the State, to create new affordable rental housing.**

**The 9% Low Income Housing Tax Credit (LIHTC) is the largest funding source for the production of affordable housing.** The Texas Department of Housing and Community Affairs (TDHCA) awards 9% LIHTC through a competitive process with regional set-asides. The credit provides a one for one tax credit for ten years and is typically sold to companies looking to offset a portion of their taxes through an investment in affordable housing.

El Paso is in Region 13/Urban which also includes Horizon City and Socorro. The allocation in Region 13 **produces approximately 250 units annually across two or three projects**

The City and County can provide local support to 9% LIHTC applications to increase their scoring under TDHCA's allocation process and should work together towards these goals. This is the primary way for the City and County to influence 9% LIHTC development, though it could also support 9% LIHTC by providing public land or other gap funding to 9% LIHTC projects aligned with its goals. The County can also provide gap financing for 9% LIHTC.

### Support for El Paso's Goals

**Better prioritization of local support criteria can support El Paso's housing goals by:**

- Increasing the **production** of affordable housing by encouraging production of units with deeper affordability
- Incentivize **fiscally sustainable** development by focusing encouraging infill development
- Focus investments in **priority areas** using local support criteria

### Recommendation:

**The City should refine its policy for local support to prioritize 9% LIHTC projects that meet the City's housing goals.**

1. Revise local support criteria to incentivize development in narrow set of priority areas, recognizing land in these areas is more expensive and may require the City and County to offer tax abatements or HOME funding to compensate for additional costs.
2. Prioritize support for projects that have mixed-income and deeper affordability targeting.
3. Help projects in targeted locations to maximize scoring in the state allocation process.

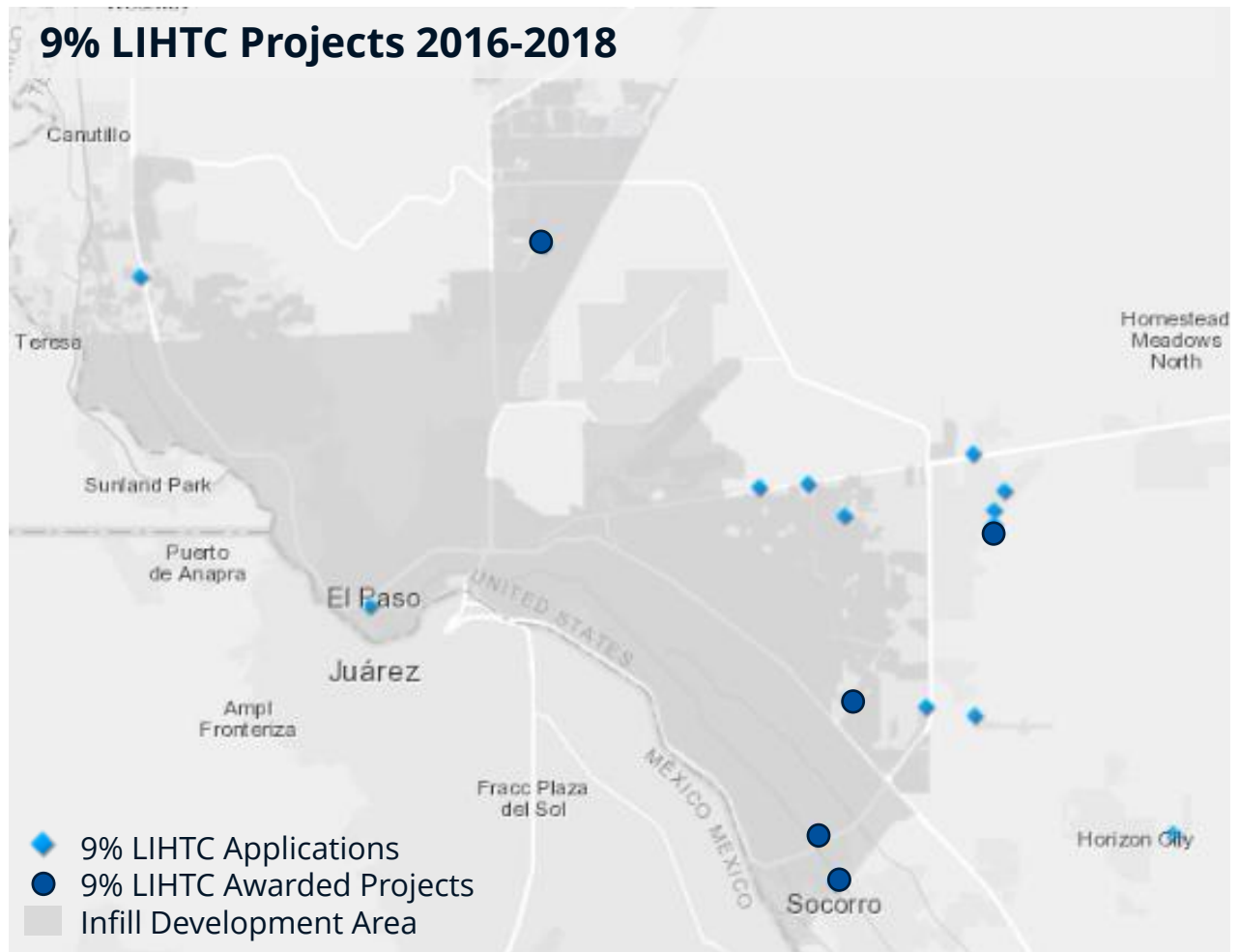
## 9% LOW INCOME HOUSING TAX CREDIT | STRATEGIES FOR EL PASO

Recent 9% projects in El Paso have not been aligned with the City's goals.

9% LIHTC projects are shaped by the Qualified Allocation Plan (QAP) which TDHCA uses to evaluate projects and award credits, and by the developer's financial feasibility requirements. The TDHCA maximum award effectively limits developments to approximately 125 units each, the majority of which are affordable to households earning 60% AMI. Developers typically provide the minimum number of units affordable to households below 60% AMI needed to score competitively. This means that **El Paso only adds about 250 units per year, 75 of which are affordable to those earning \$30,000 per year**

Recent projects are primarily located on the City's edge. Most of these are garden-style apartments. Low land and development costs, low impact fees, and the QAP's "opportunity index" which awards points for projects in high-income neighborhoods, drive this development pattern.

Source: TDHCA



The majority of recent 9% applications and awarded projects are located towards the El Paso's outskirts to the East and Southeast, and are frequently outside of the Infill Development Area.

## 9% LOW INCOME HOUSING TAX CREDIT | STRATEGIES FOR EL PASO

### Income-averaging provides an opportunity to produce deeper affordability.

**El Paso should encourage the creation of more 30% AMI and 50% AMI units in its local support criteria.** Based on the *El Paso Housing Needs Assessment*, the highest level of need for affordable units is at the 30% and 50% AMI levels. Most projects in El Paso provide 10% of units at 30% AMI and 20% of units at 50% AMI to receive points for affordability through the TDHCA scoring criteria. Projects that produce more units below 60% AMI are less financially feasible because they collect less rent.

Changes to federal LIHTC policy in 2018 allow an income averaging approach to meet tax credit criteria. **Rather than requiring all units to be at or below 60% AMI, a credit may be granted where the average affordability within a development is at or below 60% AMI.**

Higher rents collected on 80% AMI units offset lower rents collected from the additional 30% or 50% AMI units

This allows the creation of more deeply affordable units which serve populations with the most need.

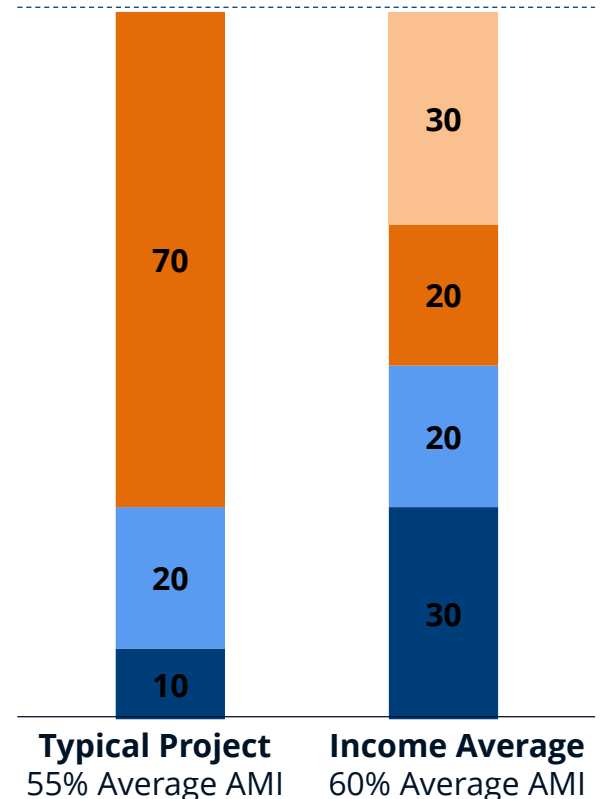
Income averaging is an exceptional opportunity for HACEP in particular as, in addition to creating more units at 30% AMI, **HACEP could use project-based vouchers in an income-averaging project.** Using project-based vouchers allow HACEP to collect which fair market rents for residents at 30% AMI although the rents charged to residents are at or below 30% AMI.

It is important to recognize that, in many El Paso neighborhoods, market rent for new development approximates 80% AMI rents. In these neighborhoods, income averaging projects are effectively mixed income projects.

### Income Averaging

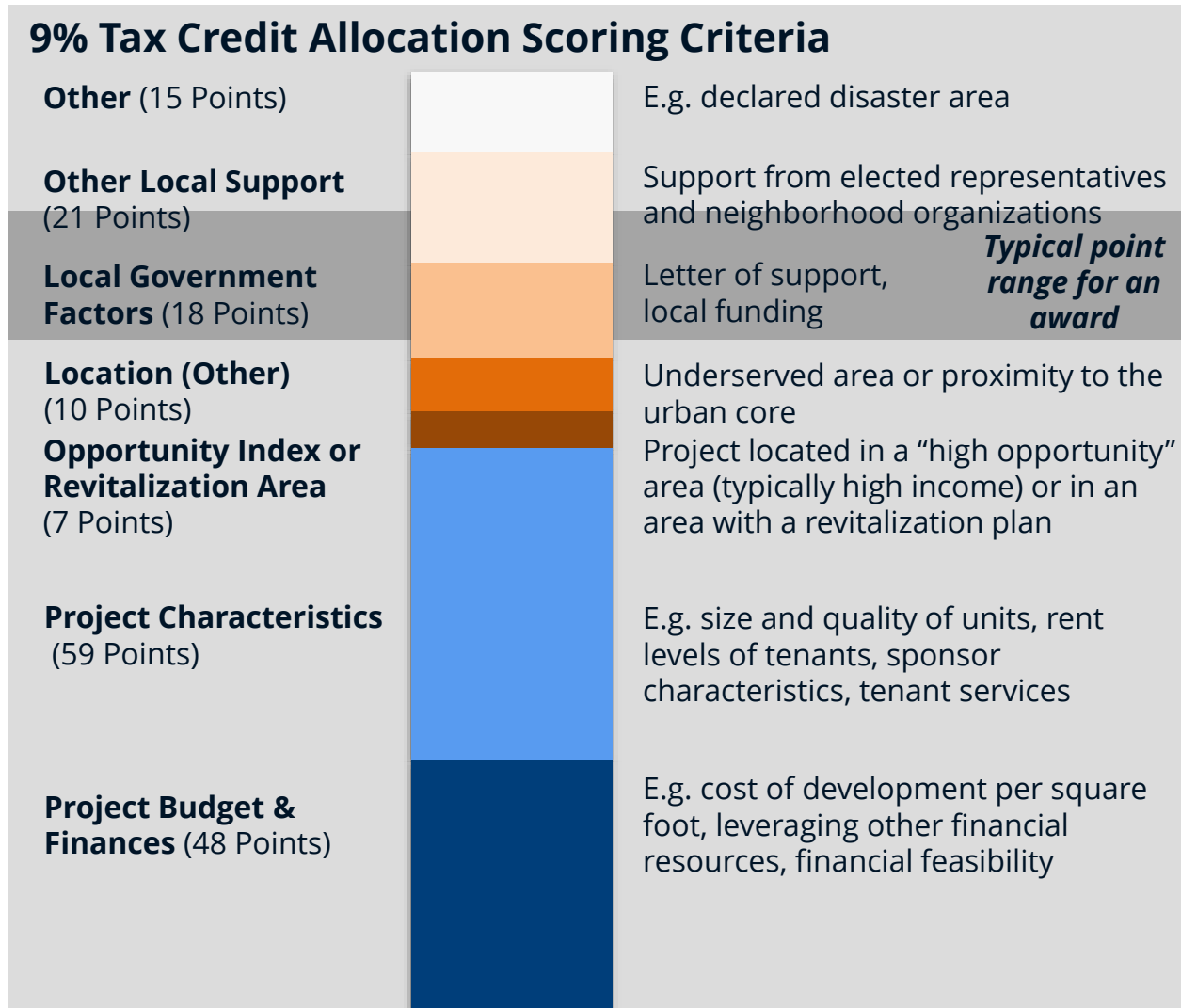
- 30% AMI
- 50% AMI
- 60% AMI
- 80% AMI

100 units





## 9% LOW INCOME HOUSING TAX CREDIT | STRATEGIES FOR EL PASO



### Local support is the City and County's most powerful tool to influence 9% LIHTC.

9% LIHTC applications are scored in multiple categories and awards are given to the highest scoring projects in each region. **Awarded projects typically score 130 to 150 points.**

### Local support is an important factor for the TDHCA allocation.

Local support from cities, counties, elected officials, and neighborhood organizations comprises over 20% of possible points. The City or County controls 18 points directly and can influence other points for local support and location.

### El Paso's current policy for local support targets infill locations.

Currently, the City supports projects in Local Support Eligible Areas within a half mile of Bus Rapid Transit stations or one mile from major public investments. The City determines which eligible projects receive support by scoring based on units provided and other criteria.

Source: TDHCA QAP

# 9% LOW INCOME HOUSING TAX CREDIT | STRATEGIES FOR EL PASO

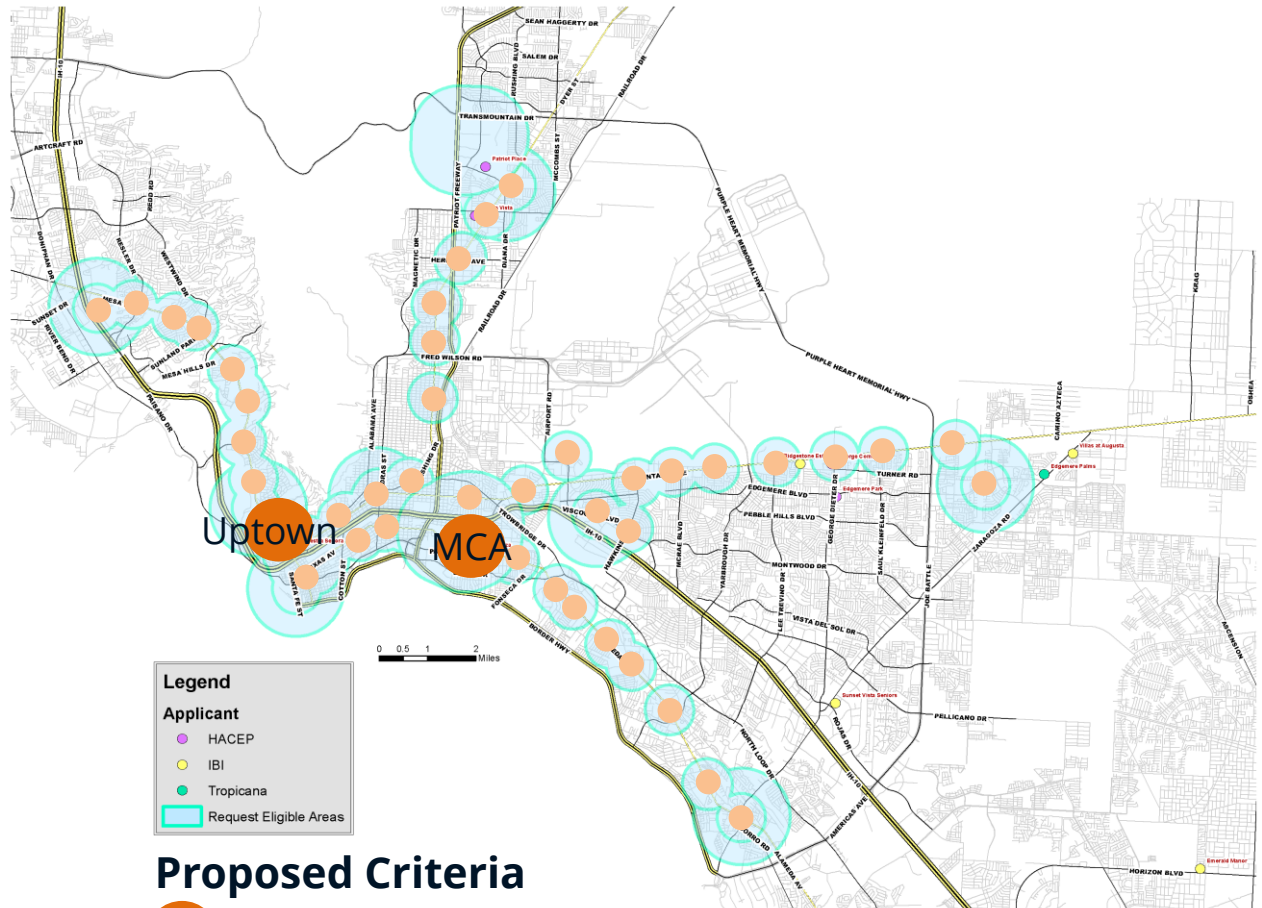
The City should implement a two-tier approach to target housing in areas of opportunity.

**Refine the City’s approach to target locations for 9% projects.** The City should designate two tiers of locations for awarding local support. Tier 1 sites are located within the housing plan’s priority areas for multifamily development. Tier 2 locations are within a quarter mile of Bus Rapid Transit stations. All projects within Tier 1 and Tier 2 are eligible for local support, but the City should prioritize Tier 1 projects. If the City does not have 2 good Tier 1 projects to support, it can then turn to Tier 2 projects.

The City should provide support to up to three projects per year. In addition to this two-tier system, the City should evaluate multiple projects within the same tier using a modified scoring system.

Source: City of El Paso

## Current and Proposed Request Eligible Areas



### Proposed Criteria

- Tier 1 Priority Areas
- Tier 2 (1/4 mile from BRT Station)

## 9% LOW INCOME HOUSING TAX CREDIT | STRATEGIES FOR EL PASO

### El Paso needs to refine its tools to encourage 9% LIHTC projects that support its housing goals.

The City currently scores qualifying 9% applications based on five value statements. The scoring process should be adjusted to emphasize efficient use of financing, incentivize the production of units at lower levels of affordability, and to promote high-quality affordable housing in target areas.

El Paso's Value Statement	Points	Recommended Changes
<b>1. Maximize affordable housing units within the City of El Paso with whatever combination of projects produces the most affordable housing units given allocation of funds for the region</b>	40	Change evaluation to be based on number of units produced per amount of tax credit required rather than based on total number of units created.  Weight units produced based on affordability level to encourage the production of units at lower levels of affordability such as 30% and 50% AMI.
<b>2. Support breaking the cycle of poverty and supporting upward mobility by either directly providing or facilitating availability of social services</b>	20	Clarify intent of this section to be based on access to on-site and neighborhood amenities rather than on-site supportive housing. Consider awarding points to mixed-income projects.  Reduce score to 15 points in order to add 5 points to Value Statement 5.
<b>3. Residents given an opportunity for inclusiveness and afforded an opportunity to access public services</b>	15	Reduce score to 15 points in order to add 5 points to Value Statement 5.
<b>4. Local presence and long- term accountability in El Paso</b>	15	Consider adding "long-term affordability" to criteria to incentivize projects which preserve affordability beyond the 30-year required term.
<b>5. Meets City smart growth initiative as set out in Plan El Paso</b>	10	Increase in weight to 20 points.  Incorporate this criteria into the two-tier geographic targeting system as the targeted geographies account for smart growth goals. Consider granting projects in Tier 1 twenty points, fewer points for Tier 2, and zero points for projects outside of targeted locations.

Source: City of El Paso



## 9% LOW INCOME HOUSING TAX CREDIT | STRATEGIES FOR EL PASO

**The City should take steps to maximize the points available to projects in priority areas.**

**By aligning projects with the City's criteria developers may lose other points and become less competitive for allocations.** For example, mid-rise infill development supports the City's goals of promoting housing diversity and fiscal sustainability, but requires higher construction costs which may result in a lower score. Likewise, projects in target areas might forfeit opportunity index points. The City should be conscious of these tradeoffs and help developers of desirable projects maximize their scores.

**To offset this risk, the City should maximize points available to projects in priority areas.** The City can influence the points available to these projects in three ways:

### Local Funding

Projects that receive **funding from local governments** receive 1 point.

### Support Neighborhood Organizations

**The City can facilitate support from neighborhood organizations.** El Paso has 87 city-recognized neighborhood organizations, but **none of these organizations has registered with TDHCA as a qualified community organization.** Qualified organizations can provide projects a letter of support worth **up to eight points.** These organizations cannot negatively impact scoring.

**The City should help organizations in priority areas get state recognition,** and if none exist, work with residents to create organizations to support 9% LIHTC projects.

### Revitalization Areas

Areas with **revitalization plans including TIRZ plans and small area plans** can receive points to directly offset opportunity index points, making infill development in low-income neighborhoods more competitive.

### City-Influenced Criteria

**Letter of Support**  
(17 points)  
**Local Government Funding**  
(1 point)  
**Revitalization Area**  
(7 points)  
**Neighborhood Organization\***  
(8 points)

*should offset*

### Scoring Risks

**Construction Costs**  
(10-12 points)  
**Opportunity Index**  
(up to 7 points)

## 4% LOW INCOME HOUSING TAX CREDIT | OVERVIEW

The 4% LIHTC is similar to the 9% LIHTC, but it provides a smaller subsidy and is available to any rental housing that meets affordability and other requirements.

Because the 4% LIHTC is non-competitive, it can be used more flexibly than 9% LIHTC. The 4% LIHTC is a federal program that pairs tax credits with low interest tax exempt bonds to support the creation of affordable housing. Similar to the 9% tax credit, the 4% credit provides equity to affordable housing projects. However, unlike 9% LIHTC, 4% projects are awarded non-competitively and without regional allocations. 4% LIHTC projects are more flexible than 9% LIHTC, as they can be built in locations that may not score highly for 9% LIHTC, and they can be used for renovation of existing housing and for new construction.

### 4% LIHTC is underutilized in El Paso

The fundamental challenge to 4% LIHTC projects in El Paso is the

**significant funding gap.** Affordable rents in El Paso are 20-30% lower than in other cities, while development costs are only slightly lower. In Texas in 2018, 4% LIHTC projects created 3,200 affordable units in Dallas, Houston, Austin, San Antonio, Boerne, and Midland. Aside from recent HACEP projects which mixed 4% LIHTC with 9% LIHTC or Rental Assistance Demonstration (RAD) program funds, **no new units of affordable housing have been produced recently in El Paso using 4% LIHTC.**

Because the production of 9% LIHTC units in is constrained by the regional allocation system, the **best way to increase the production of affordable housing units in El Paso is by identifying financially feasible 4% LIHTC projects.**

### Support for El Paso's Goals

Identifying feasible 4% LIHTC projects can support El Paso's housing goals by:

- Increasing the **production** of affordable housing by increasing the production of LIHTC units

### Recommendation:

The City should dedicate local resources to matching 4% LIHTC funding.

1. Layer available funding sources including HOME, Opportunity Zone funds, public land, and project-based vouchers.
2. Collaborate with local developers to identify feasible 4% LIHTC projects.

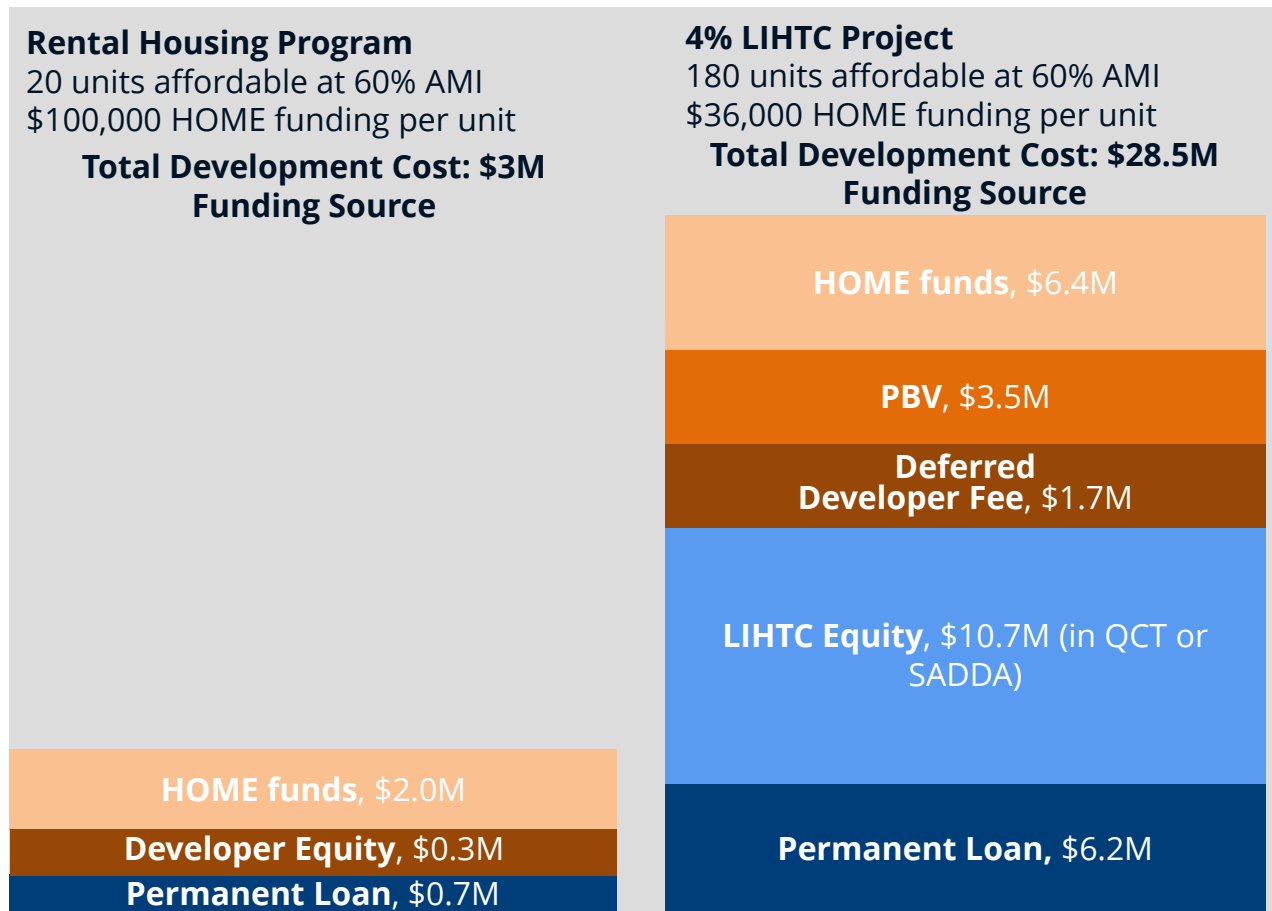
## 4% LOW INCOME HOUSING TAX CREDIT | STRATEGIES FOR EL PASO

### El Paso needs creative gap financing solutions to make 4% LIHTC projects feasible.

The gap for a prototypical 4% LIHTC project in El Paso is \$70,000 per unit. This gap could be reduced with the strategic use of available funding sources including:

- **HOME Funds** The City receives approximately \$2.0 - \$3.0 million annually in federal HOME funds which could provide gap financing. Multiple allocations can be combined in a single project.
- **HACEP Project-Based Vouchers (PBV)** which increase the rental revenue and by extension the permanent loan amount.
- **Public Land Sale** at below-market rates to reduce total development costs.
- **Historic Tax Credits** are federal tax credits for historic preservation which could support historic renovation.
- **Housing Trust Fund** could provide low-interest loans.

The City could leverage federal tax credits to increase the impact of its HOME funds from paying two thirds of the cost of development to paying one fifth – **tripling production with the same amount of local funds.**



Source: Developer Interviews, HR&A

## 4% LOW INCOME HOUSING TAX CREDIT | STRATEGIES FOR EL PASO

### Public gap financing for 4% LIHTC is a common way to increase affordable housing production.

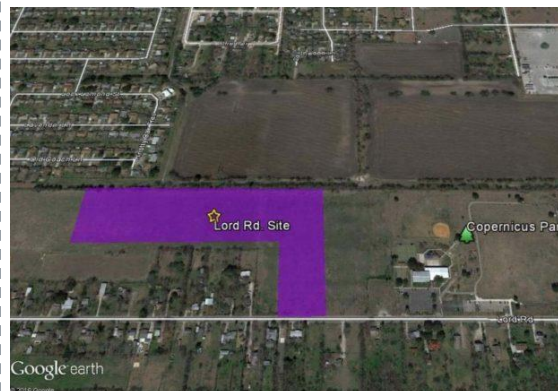
Communities across Texas use the 4% housing tax credit to support new development using HOME or other local funding. In 2018 TDHCA closed on 10 4% LIHTC new construction projects across the state, including in Houston, Austin, San Antonio, and Midland. Together these projects produced over 2,100 new units of affordable housing.

### Example | The Stella, San Antonio

**Development:** NRP Lone Star Development is constructing the Lord Road Apartments, now the Stella, with **324 affordable units for families earning 50% and 60% AMI**. The \$46 million multi-family housing development will feature one- to four-bedrooms and will also include high quality amenities like a fitness center, clubhouse, and after-school program for children.

**Funding:** In April 2018, the project received an allocation of 4% LIHTC from TDHCA. The tax credits provided \$15 million in LIHTC equity to the project, and the project was also funded with \$25 million in permanent debt financing and \$3 million in deferred developer fee. **The City of San Antonio provided \$2.8 million in HOME funds.**

**Before: 4835 Lord Road, 2016**



**After: The Stella, 2019**



Source: Rivard Report, HousingWire



## DOWN PAYMENT ASSISTANCE | OVERVIEW

**Down payment assistance is a grant or loan to low- or moderate-income households, enabling them to meet the down payment requirements to purchase a home.**

**Down payment assistance improves access to affordable homeownership by reducing the upfront costs to low- and moderate-income homebuyers.** For a FHA loan on a median-value home in El Paso, the minimum down payment required would be approximately \$6,000. Including closing costs, a homebuyer would need about \$10,000 in assets to purchase a home. Down payment assistance helps households with limited assets to access homeownership.

Down payment assistance programs typically provide grants or no-interest forgivable loans to match or cover the homebuyer's upfront costs for down payment and closing. In addition, these programs frequently provide homebuyer counseling and work with homebuyers to find affordable mortgages.

**Effective down payment assistance programs increase homeownership rates, help households build wealth, and encourage reinvestment in existing neighborhoods.**

**Homeownership is a significant asset-building opportunity,** and a pathway to financial stability for many low- to moderate-income households. In addition, higher ownership rates contribute to neighborhood stability.

### Support for El Paso's Goals

**An improved down payment assistance program can support El Paso's goals in multiple ways:**

- Improving **access** to affordable homeownership for El Paso's low- and moderate-income residents.
- Creating **vibrant and dynamic** communities by encouraging homeownership and reinvestment in existing neighborhoods.

### Recommendation:

**The City should strengthen the pathway to homeownership by coordinating its existing down payment assistance program with the Housing Finance Corporation's (HFC) mortgage program and HACEP's Voucher-to-Owner Program.**

1. Select an experienced nonprofit to operate the City's down payment assistance program.
2. Restructure the program along with HFC's and HACEP's programs to more effectively leverage private mortgages.
3. Design the program to incentivize homeownership in priority areas.

## DOWN PAYMENT ASSISTANCE | STRATEGIES FOR EL PASO

Several down payment assistance programs operate, or were recently operated, in El Paso that target low-to-moderate-income homebuyers – varying widely in impact. El Paso home buyers can currently receive assistance from a couple of local public sources. The City of El Paso assists about 20 households earning 60% to 80% AMI annually through the federally-funded First-Time Homebuyer Program. The El Paso Housing Finance Corporation (HFC) also assists around 100 households annually through bond revenues as part of their Welcome Home El Paso Down Payment Assistance Program. However, HFC offers assistance to a higher income threshold, aiding households earning up to 120% AMI.

In addition, philanthropic funding has recently played a large role in aiding El Paso homeowners. Funded through a philanthropic grant from Wells Fargo, Tierra Del Sol’s NeighborhoodLIFT program served over 200 households earning up to 80% AMI annually over two years. Though funding has now run out, **Tierra del Sol’s NeighborhoodLIFT program impacted the largest number of lower-income households because it was able to use its funds most efficiently and maximize the potential of the philanthropic funding by granting smaller amounts of subsidy.**

PUBLIC FUNDING	QUASI-PUBLIC FUNDING	PHILANTHROPIC FUNDING
<p><b>CITY OF EL PASO FIRST TIME HOMEBUYER PROGRAM</b></p> <ul style="list-style-type: none"> <li>Serves households at 60-80% AMI</li> <li>City’s HOME and CDBG funds</li> <li>\$770,000 annually</li> <li>Households receive up to \$35,000 in principal reduction or \$5,000 for down payment in partially forgivable interest-free loans</li> </ul> <p><b>&gt;Serves average of 20 households per year</b></p>	<p><b>EL PASO HOUSING FINANCE CORPORATION’S WELCOME HOME EL PASO DOWN PAYMENT ASSISTANCE PROGRAM</b></p> <ul style="list-style-type: none"> <li>Serves households at 120% AMI</li> <li>Uses Housing Finance Corporation’s bond revenues</li> <li>Annual funding unknown</li> <li>Households receive 4.22% of purchase price in down payment assistance (\$4,000 average)</li> </ul> <p><b>&gt;Served 230 households over the past few years</b></p>	<p><b>TIERRA DEL SOL’S NEIGHBORHOODLIFT PROGRAM</b></p> <ul style="list-style-type: none"> <li>Serves households up to 80% AMI</li> <li>Wells Fargo grant funding</li> <li>Single round of \$4.5 million</li> <li>Households receive matching funds up to \$7,500 for down payment as forgivable loans</li> </ul> <p><b>&gt;Served 420 households over two years</b></p>

Source: City of El Paso, HACEP, Stakeholder Interviews

## DOWN PAYMENT ASSISTANCE | STRATEGIES FOR EL PASO

### Building on Tierra del Sol's success, El Paso should alter the rules of its First-Time Homeowner's Program to produce greater impact.

Tierra del Sol's NeighborhoodLIFT Program created greater impact by granting smaller amounts of money as a match for the funds that prospective homeowners could produce, rather than conventional loans. The small amount of subsidy was enough to allow a large number of households to achieve homeownership, eliminating the barrier that high up-front costs can pose to many in purchasing a home. Such a set up increases access to homeownership for lower-income households.

### El Paso should streamline its existing DPA programs to increase their potential impact.

Establishing a memorandum of understanding among the City, HFC,

and HACEP to streamline documentation and qualification requirements and intake processes will increase efficiency across the City. Each program can then serve more residents, as the common intake process would guide applicants to the appropriate program based on their needs.

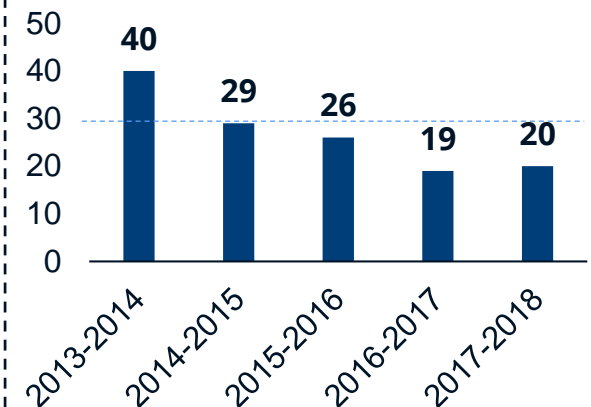
### The City should partner with an experienced nonprofit to improve program administration and attract private funding.

Through a competitive RFP process, the City should choose a nonprofit to manage the DPA program, while retaining its role to monitor and ensure compliance. The nonprofit should have experience in administering homeownership assistance programs and homebuyer counseling. A partnership with a nonprofit can improve application intake and review processes. The nonprofit partner will also be better positioned to attract Community Reinvestment Act funding or philanthropic support.

The City should offer an additional grant for prospective homeowners in priority areas to encourage investment and stabilization in those areas.

The City can quadruple down payment assistance impact by **redesigning its program in line with other successful models in El Paso.**

#### Current First-Time Homebuyer Program Annual Production



Source: City of El Paso

## HOME REPAIR LOAN | OVERVIEW

Home repair assistance provides a low- or no-interest loan or grant to help low-income homeowners finance improvements and critical repairs to their homes.

Home repair loans improve access to and sustain homeownership by providing additional financing for critical home repairs and improvements for lower-income homeowners. Loans allow households the necessary financing to bring homes up to code compliance. As homes age, they naturally become more susceptible to needing high-cost repairs to ensure they remain compliant with City codes. Home repair loans often provide lower-income families a way to pay for critical repairs on older homes to ensure it remains safe and habitable for themselves and their families. Such necessary repairs often include roof repair and replacement, porch, foundation, and other structural repairs, plumbing upgrades, lead removal, and window repair and replacement.

Similarly to down payment assistance programs, effective home repair assistance programs increase homeowner retention, help households build wealth, and encourage reinvestment in existing neighborhoods.

Home repair loans keep older homes in core neighborhoods occupied and keep the families in those homes safe and healthy. As homeowners are able to fix their homes and remain stably housed, neighborhoods strengthen.

### Support for El Paso's Goals

**An improved home repair loan program can support El Paso's housing goals by:**

- Improving **access** to affordable homeownership for El Paso's low- and moderate-income residents.
- Supporting **fiscal sustainability** by encouraging investment in property improvements, especially in low-income areas and neighborhoods with older housing.

### Recommendation:

The City should partner with an experienced nonprofit entity to leverage their capacity and focus investment in priority areas.

1. Review existing systems and processes and identify where outside capacity or process changes are needed.
2. Select an experienced nonprofit partner to operate the existing home repair program.
3. Design the program to incentivize home repair and investment in priority areas.



# HOME REPAIR LOAN | STRATEGIES FOR EL PASO

## El Paso's homeownership stock is aging.

**As homes age, need for reinvestment increases.** Almost 60% of El Paso's owner-occupied housing is 30 or more years old.

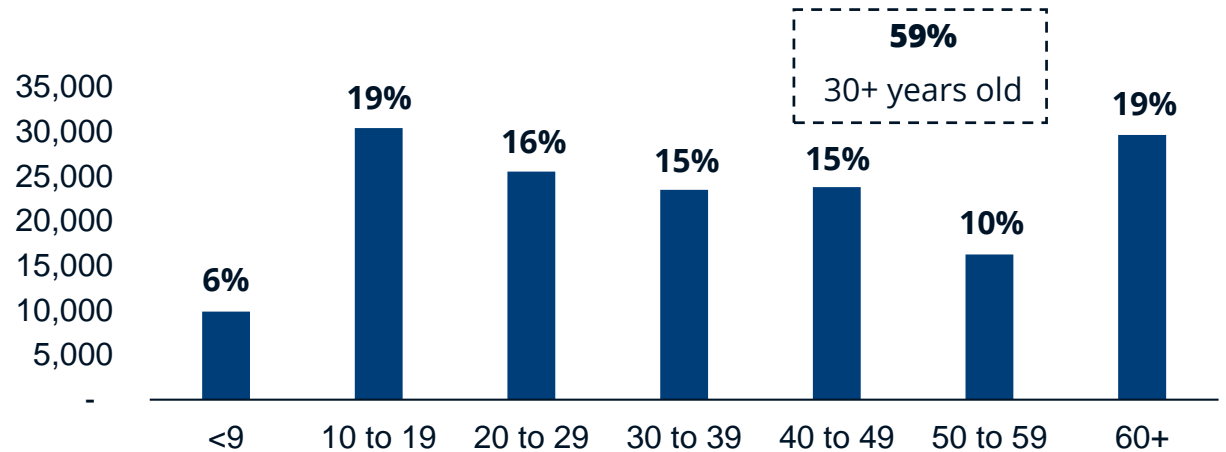
**It can be difficult for El Paso's lower income population to afford, and secure financing for, home repair.**

The average amount of a private-market home improvement in El Paso in 2017 was over \$80,000, over 40% higher than the median household income for homeowners. Over three-quarters of these conventional loans were made to households earning more than \$40,000. Lack of access significantly decreases lower-income household's ability to invest in their homes. It also challenges overall investment in housing stock in areas near El Paso's core with lower median incomes.

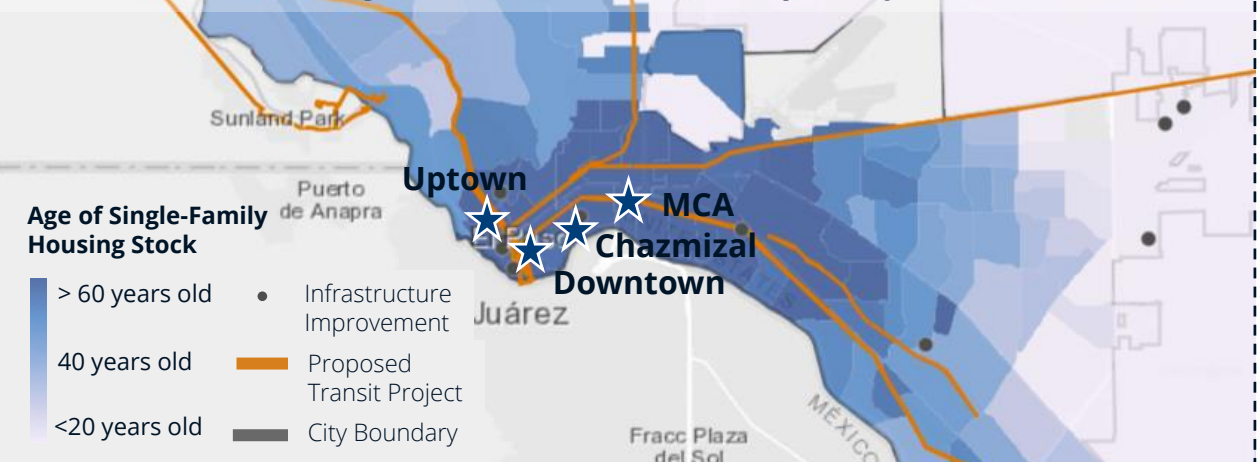
**El Paso's older homes are concentrated near the core of the City in priority neighborhoods and in historic rural towns.** It is crucial to invest in older housing stock to maintain occupancy and stabilize neighborhoods.

Source: ACS 2017 Estimates, PUMS 2016

The majority of El Paso's ownership housing stock is more than 30 years old.



El Paso's older housing stock concentrates near priority investment areas.



## HOME REPAIR LOAN | STRATEGIES FOR EL PASO

El Paso can increase the impact of its Single-Family Owner-Occupied Repair Program through partnering with a non-profit entity to leverage philanthropic dollars and existing capacity.

The City is currently able to assist about 22 households per year through the Single-Family Owner-Occupied Repair Program. El Paso's existing owner-occupied repair program assists homeowners up to 80% AMI with repairs to bring homes up to code through amortized, deferred payment loans up to \$65K. However, annual demand is about 3x the amount for which the City has capacity. The City should partner with a non-profit established in the home repair space to administer the program through a competitive RFP process. Outsourcing administration of the program to a nonprofit with existing capacity and existing leveraging of philanthropic dollars will streamline process and therefore free additional funding towards home repairs.

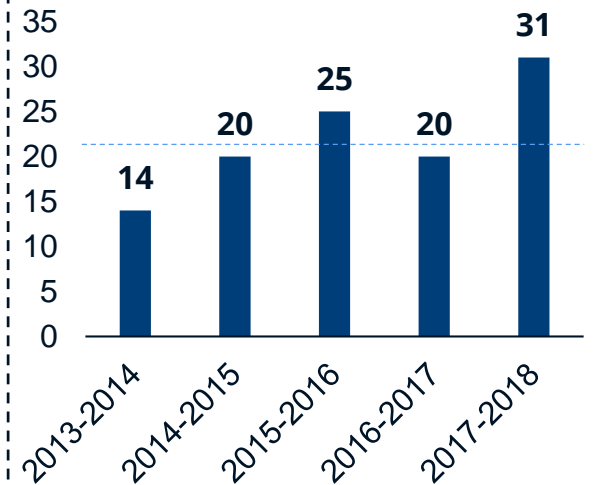
El Paso should redesign the program to target investment in priority areas.

El Paso could design the program in multiple ways to increase incentive for homeowners in priority areas to invest in their homes. Some options include:

- **Program eligibility targeted to specific neighborhoods** – Targeting only specific neighborhoods would steer all available funding to stabilizing target neighborhoods.
- **Additional match available for target neighborhoods** – Offering additional match funding within target neighborhoods would increase the available incentive for homeowners in priority areas.
- **Higher income thresholds in target neighborhoods** – Increasing the income threshold for participation in the program in target neighborhoods widens the eligible pool of homeowners who can take advantage of the program.

The City has renovated an average of 22 homes over the past 5 years, but **demand exceeds this 3x over**. El Paso can **outsource administration of their program and cross-leverage capacity** with an existing nonprofit to increase capacity.

**Current Single-Family Owner-Occupied Home Renovation Program Annual Production**



Source: City of El Paso

## FINANCIAL COUNSELING | OVERVIEW

**Financial counseling improves the ability of households to manage their finances and access financing for homeownership.**

**Financial counseling is a powerful tool to improve household financial stability and bridge disparity in access to traditional banking services for low-income individuals.**

Low credit, lack of access to traditional banking, and limited financial knowledge, as well as language and cultural barriers, are challenges to accessing traditional banking for many El Pasoans.

Financial counseling programs can cover a variety of topics including:

- Basic banking and financial transactions
- Credit and credit management
- Budget management
- Financial planning
- Financing home ownership, mortgages, and home repairs
- Debt reduction and management

**Financial counseling can remove barriers to homeownership that many El Pasoans face, such as low credit scores and lack of familiarity with financial products.** Lack of traditional banking and low credit leaves residents vulnerable to predatory practices and theft and can limit access to the wealth-building institution of homeownership. **Financial counselling can break down barriers to homeownership by improving access to traditional banking and financing services.**

### Support for El Paso's Goals

**Financial counseling can support El Paso's goal of providing housing for all residents by:**

- Improving **access** to affordable homeownership for El Paso's low- and moderate-income residents.

### Recommendation:

**The City should establish a new financial counseling program, in partnership with community development organizations, philanthropies, and banking institutions, to improve financial literacy and expand access to mortgage financing.**

1. Release a competitive RFP to select a nonprofit with capacity to administer a financial counseling program.
2. Provide ongoing funding for financial counseling program.

## FINANCIAL COUNSELING | STRATEGIES FOR EL PASO

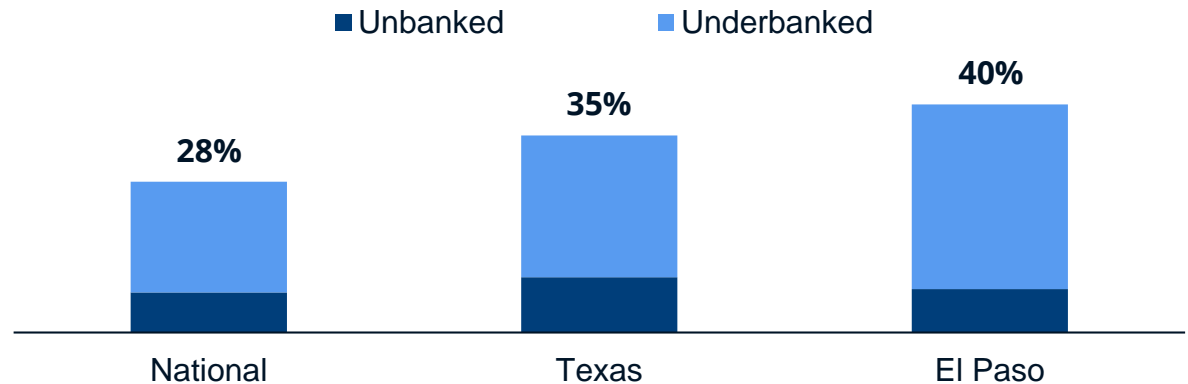
**Limited access to traditional banking services is a barrier to home ownership in El Paso.**

**El Pasoans have comparatively low credit and a comparatively large population that operate outside of traditional banking systems.** El Paso has a higher combined proportion of unbanked and underbanked households than both the state and the nation. The city also has a higher proportion of scores that are weak, struggling and declining.

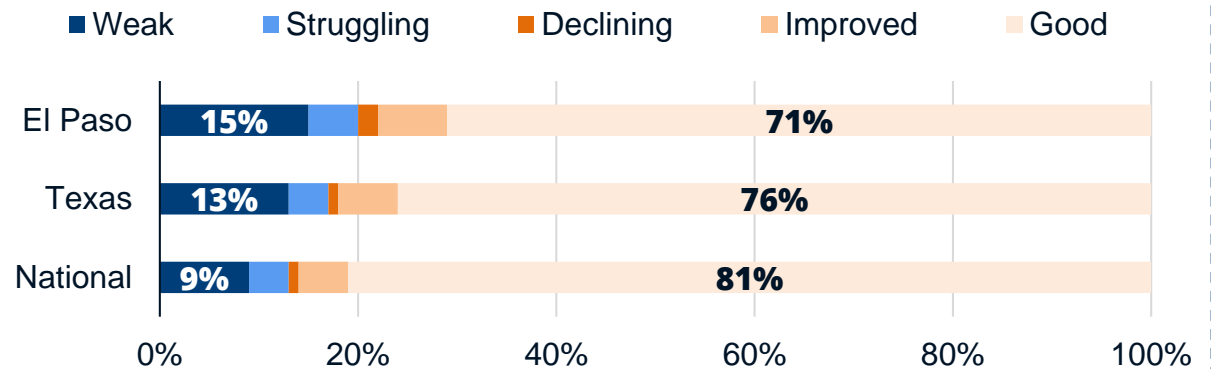
**Traditional home loans are therefore difficult to access for many El Paso residents.** Without a bank account, or understanding how to effectively use and manage a bank account, it can be difficult for households to build assets for a down payment. Lack of credit and existing banking relationships add difficulty to the approval process for a loan.

**Financial counseling to help El Pasoans build credit, increase trust in banking institutions, and overcome cultural and language barriers to banking would increase access to homeownership.**

**El Paso has a high percentage of unbanked and underbanked residents compared to the state and the nation.**



**Credit stress is higher in El Paso than state and national averages.**



Source: Federal Reserve Bank of New York, FDIC, Federal Reserve Bank of Chicago, NCRC, Stakeholder interviews



## FINANCIAL COUNSELING | STRATEGIES FOR EL PASO

**El Paso needs a dedicated program to address the region's banking and credit challenges and create a pathway to homeownership.**

**The City and County should work together** to design and implement a financial counseling program to educate and assist low- and moderate-income residents in accessing financial services. This will involve **issuing a Request-for-Proposals to select a non-profit entity to administer the program based on financial inclusion expertise, access to target populations including immigrants and unbanked or underbanked populations, and capacity.** The RFP should identify tangible outcomes for the program to help households:

- Open a safe and affordable bank account
- Establish or increase credit score
- Reduce debt

The ideal nonprofit selected to implement the program will have

long-standing experience in financial counselling, strong connections with and trust among populations with large portions of unbanked and underbanked, and high capacity for quality implementation.

**El Paso should dedicate funding to the established program to ensure ability to track results over time and sustainable project success.**

Dedicated funds for program administration, to be sub-granted to the chosen non-profit administrator, should come from El Paso's existing HOME and CDBG funds. Financial counseling should additionally be combined with the City's other housing programs to increase reach.

### **Denver Financial Empowerment Center, Denver, CO**

**What:** One of 5 cities funded by the Financial Empowerment Fund to pilot Financial Empowerment Centers in 2013, Denver has since served over 6,000 clients, with seven locations throughout the city. Free financial coaching helps residents reduce debt, develop savings, establish credit, increase credit scores, and receive basic banking services.

**How:** The City partners with local nonprofits to administer the program.

#### **Outcomes:**

- **Municipal:** Pilot cities were able to secure about \$800,000 in funding following the three-year pilot effort
- **Resident:**
  - 21% opened a safe and affordable bank account
  - 12% established a credit score
  - 24% increased credit score

*Source: Consumer Financial Protection Bureau, Cities for Financial Empowerment Fund*

## HOUSING RENOVATION PROGRAM | OVERVIEW

**A housing renovation program provides interest-free or low-interest loans to small private developers to engage in the acquisition, rehabilitation, and sale of single family housing.**

**A housing renovation program creates the ability for large-scale rehabilitation of single family housing in target areas.** While renovations are common in areas with high market growth, in neighborhoods with high vacancy, low home values, and a large supply of older single family housing, it can be difficult to speculatively invest in home renovations. Houses in poor condition may require substantial renovation, and the market price of the renovated home may be less than the cost of renovation. **Providing below market loans to small, private developers to do housing rehabilitations reduces the development cost and the risk to the developer.**

**This type of program has the greatest impact when targeted in specific areas.** As the number of renovated homes within a small area increases, home values may begin to rise, increasing the incentive to developers.

**By partnering with homeownership programs and down payment assistance programs,** a home renovation program can create a pathway to homeownership for low-income households in legacy neighborhoods.

### Support for El Paso's Goals

**A home renovation revolving fund can support El Paso's goal of providing housing for all residents by:**

- Improving **access** to affordable homeownership for El Paso's low- and moderate-income residents.
- Promoting **fiscally sustainable** development.

### Recommendation:

**The City and County should establish a revolving fund to finance housing renovations by private developers.**

1. Dedicate funding from City and County sources.
2. Launch revolving loan fund for small developers to rehabilitate homes in target areas.
3. Work with small private developers to provide technical assistance as needed.

## HOUSING RENOVATION PROGRAM | STRATEGIES FOR EL PASO

Establishing a revolving fund in target areas would address El Paso's housing quality challenges and drive reinvestment in older neighborhoods.

**Many of El Paso's older central neighborhoods have older housing and declining homeownership.** Low income households cannot afford home repairs, and landlords may not make enough rent to allow for significant renovations. This leads to a stagnant market in which home quality continues to decline.

Home repair programs for low-income homeowners have limited potential impact at the neighborhood scale. Empowering small developers to purchase and renovate homes increases the impact while reducing the outreach and case management required of the City.

**The program should use local rather than federal funding sources to reduce the compliance burden on small developers.**

### Healthy Neighborhoods Program | Baltimore, MD

**What:** Healthy Neighborhoods was a nonprofit-led program that provided rate loans to approved developers and new homeowners for the purchase and renovation of housing in target blocks of Baltimore.

**How:** The program supported the purchase and renovation of housing by homeowners, new homebuyers, and approved developers in target areas. The program offered below-market interest rate loans up to \$295,000, plus grants of up to \$10,000 to income-qualified homeowners.

### New Orleans Construction Lending Program | New Orleans, LA

**What:** The New Orleans Redevelopment Authority provided financing and discounted land sales to approved developers to eliminate blight and develop housing on vacant and delinquent lots.

**How:** The Redevelopment Authority purchased hundreds of vacant and delinquent lots in target neighborhoods and sold them to vetted developers through a competitive RFP process. Each home was eligible to receive up to \$30,000 in subsidy as well as a construction loan. Developers were limited to 5 properties each. Homes were sold to qualified homebuyers at or below 120% of AMI.





# REVISE INCENTIVES

## JOINT TAX ABATEMENT | OVERVIEW

**Tax abatement incentives reduce development costs and enhance project feasibility by providing temporary property tax relief.**

**The abatement of some or all property taxes for a limited number of years reduces the construction and operating costs of a development, and in turn reduces financing needs.** This enhances a project's feasibility, and may allow a project to support lower rents, additional amenities, or more expensive development types.

**The City, County, and other taxing entities can provide tax abatement incentives.** Taxing entities have a high degree of flexibility and local control in determining what developments are eligible for tax abatement incentives, the public benefits provided by developments receiving incentives, and the level of abatement available. Incentive policies can be altered as development priorities change, adding an additional layer of flexibility.

**A joint tax abatement policy can increase the incentive available to developers.** The City has several incentive policies with tax abatement, but these only abate the City portion of taxes. A joint abatement policy between the City, the County, and other taxing entities would increase the potential impact of tax abatement.

### Support for El Paso's Goals

**A joint tax abatement policy can support El Paso's housing goals in several ways:**

- Increasing the **production** of affordable housing, including mixed-income or units with deeper affordability.
- Supporting **fiscal sustainability** by providing stronger incentive for infill development and sharing investment costs between taxing entities.
- Creating **vibrant and dynamic** communities by incentivizing infill development with added density or public amenities.

### Recommendation:

**The City should develop a policy in partnership with other taxing entities to provide stronger tax abatement incentives for housing developers in priority areas.**

1. Establish intergovernmental agreements with El Paso County, El Paso Independent School District, and other taxing entities to increase the abatement available for projects eligible under the infill incentive policy.
2. Develop a tax abatement incentive policy for housing development in priority areas; provide greater incentive for projects that provide mixed-income units or units with deeper affordability.
3. Conduct a review of all City and County incentive policies to align development goals, investment levels, and impacts.

# JOINT TAX ABATEMENT | STRATEGIES FOR EL PASO

The City's current tax abatement policies target infill development but do not provide a substantial financial incentive to developers.

El Paso's existing tax abatement incentive policies reduce city property taxes to promote denser development. In addition to City property tax abatement, existing policies offer 100% rebate on City sales taxes for material and labor, 100% construction fee rebate or waiver, and the potential for lien waivers and expedited review processes.

Existing policies include the infill development policy, which covers a broad geographic area, and the Transit-Oriented Development and Downtown Sustainable City Center policies. These incentives are more targeted and require more significant private investment, in exchange for greater tax abatement.



## Infill Development

Min. \$50K investment (\$200K for brownfield sites) for commercial, industrial, or mixed-income residential

Abatement of incremental property taxes for up to 10 years



## Transit-Oriented Development

Min. investment of \$400K for new construction, \$200K for renovation

Abatement of incremental property taxes for 15 years

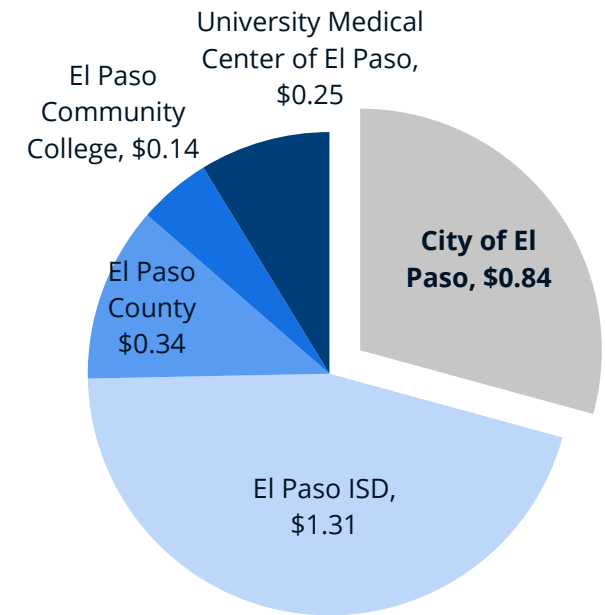


## Downtown Sustainable City Center

Min. \$2.25M investment for new construction, \$250K for renovation

Abatement of incremental property taxes for 5 to 10 years

The City's incentives have limited impact, because City taxes account for a relatively small portion of overall property tax. El Paso's property taxes are approximately \$0.84 per \$100 in taxable value, or less than 30% of total property taxes.



Source: City of El Paso



## JOINT TAX ABATEMENT | STRATEGIES FOR EL PASO

A joint tax abatement policy would have significantly more impact than the abatement of City taxes alone.

Joint tax abatement by multiple taxing entities is necessary to create greater impact to the feasibility of infill development. A greater tax incentive can produce greater public benefits, including affordable housing and denser infill.

The policy should articulate clear goals for development.

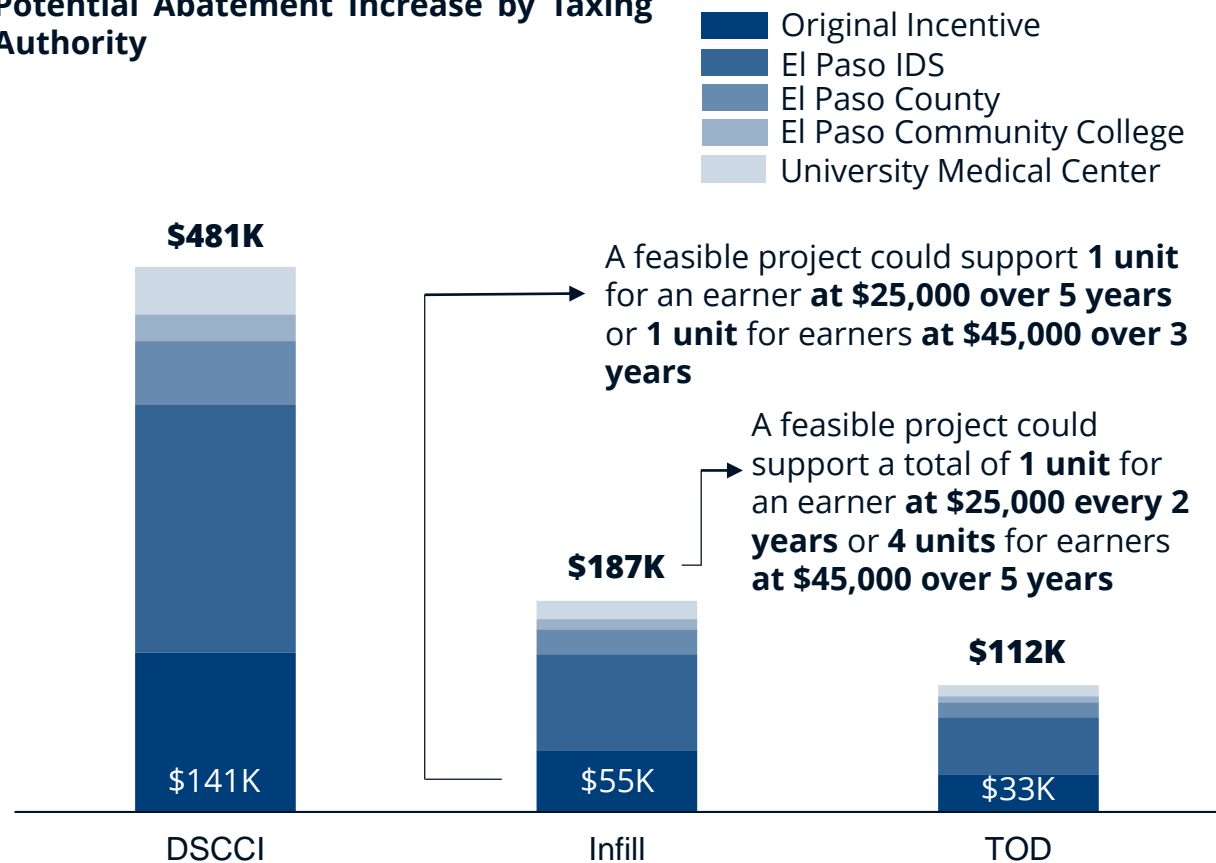
The City should develop joint tax abatement policy that benefits all participating entities by enhancing the long term growth of the region. The policy should state clear targets for the location and type of projects that receive tax abatement.

As a further step, El Paso should conduct a review of all local incentive policies to target incentives for maximum public benefit.

Note: Affordable unit impact estimates assume 2-bedroom units

Source: City of El Paso, HR&A

### Potential Abatement Increase by Taxing Authority



The addition of additional taxing authorities significantly increases total contractual incentive over the life of the abatement. Developers can use the savings to increase feasibility of non-feasible projects, such as housing in areas with higher land costs, or support public benefits, such as affordable units.



# JOINT TAX INCREMENT REINVESTMENT ZONES | OVERVIEW

**Tax Increment Reinvestment Zones (TIRZ) allow the City to fund projects that enhance property values by leveraging future tax revenue increases in defined areas.**

**TIRZs facilitate the targeted revitalization of blighted areas by financing catalytic investments.** Once a TIRZ is established, the City can issue bonds to finance catalytic development including infrastructure improvements, site assembly, or redevelopment costs. As property values increase within the TIRZ following this investment, the tax revenue on incremental property values goes into the TIRZ fund to pay off debt and fund additional projects.

**Tax abatement and TIRZ are two uses for the same property tax revenue and cannot be used together effectively.** While tax abatement can provide moderate financial incentives to support development in a range of locations, TIRZ is more geographically targeted and should fund large, transformative projects.

**TIRZ provide a locally-controlled funding stream for catalytic investments.** The City can establish TIRZs by preparing a financing plan, holding a public hearing, and adopting an ordinance. TIRZ funds in Texas can be used to pay for many public and private improvements, including infrastructure, demolition, and site acquisition. **Other taxing entities can participate in TIRZs to increase the revenue available.**

## Support for El Paso's Goals

**A joint TIRZ policy can support El Paso's housing goals in several ways:**

- Increasing the **production** of affordable housing through TIRZ financing for developments including mixed-income or units with deeper affordability.
- Supporting **fiscal sustainability** by providing stronger incentive for infill development and sharing investment costs between taxing entities.
- Creating **vibrant and dynamic** communities by supporting infill development with added density or public amenities.

## Recommendation:

**The City should strengthen its use of TIRZ in priority areas by increasing incremental tax revenue available and leveraging future TIRZ increment to finance catalytic redevelopment projects.**

1. Pursue intergovernmental agreements with El Paso County and other taxing entities to increase incremental tax revenue available to subsidize development.
2. Align location of new TIRZ with priority investment areas and establish criteria moving forward to guide location of new TIRZ in areas that will maximize public and private investment.
3. Issue bonds, within new or existing TIRZs in priority areas, to finance development that will be used to catalyze investment and increase property values within the TIRZs.

## JOINT TAX INCREMENT REINVESTMENT ZONES | STRATEGIES FOR EL PASO

**TIRZ is a powerful tool to support targeted revitalization. Dallas' success provides a variety of lessons**

- **Target desired areas for revitalization** – while the majority of El Paso's TIRZ are project specific, Dallas found success in drawing boundaries around an area targeted for revitalization.
- **Leverage multiple taxing entities** – in addition to the City of Dallas, the Oak Cliff TIF collects increment from Dallas County.
- **Establish polices to prioritize or require desirable development** – Dallas calls upon specific legislation to ensure that 20% of residential units built are affordable, and kickstarts desired mixed-use development through the issuance of economic development grants.

**El Paso's approach to TIRZ should be more proactive than reactive.**

**Most existing TIRZs in El Paso have limited available incremental revenue because property values have not increased substantially since the TIRZ was established.** The City should identify opportunities to make catalytic investments in infrastructure, or to support significant private development, in order to grow property values. Issuing TIRZ bonds is one way to finance these upfront investments.

### Example | Dallas Oak Cliff TIF

Dallas created the Oak Cliff TIF in 1992 to promote redevelopment, growth and stabilization of the area. The TIF is large, spanning 435 acres, and has enabled the total investment of \$34.4 million in tax increment revenues. This investment has created a significant increase in property values in the area. From 1992 to 2016, the Oak Cliff Gateway sub-



district's assessed value increased 8% annually. TIF funding has directly contributed to the development of 1,100 residential units, and 117,000 SF of retail, flex, and commercial in the area. TIF development has indirectly catalyzed an additional 1,100 residential units, and 545,000 SF of commercial development. Additionally, there is a mandate that 20% of all housing units in projects using direct site-specific TIF funding must be affordable. The Oak Cliff TIF is funded by tax revenues from the City of Dallas and Dallas County.

**Dallas' success draws a number of lessons from which El Paso can build to use its TIRZ program more effectively.**

Source: City of El Paso, City of Dallas

## JOINT TAX INCREMENT REINVESTMENT ZONES | STRATEGIES FOR EL PASO

El Paso should establish new joint TIRZs in priority areas to finance catalytic investments.

Joint TIRZs provide an opportunity to leverage significant upfront investment for revitalization. El Paso should establish new TIRZ in priority areas for development where they do not already exist. For example, "Uptown," an upcoming area for development given proximity to El Paso's streetcar line, proposed BRT lines, and the University of Texas at El Paso, could support a TIRZ as property values rise. The area has the potential to support over \$100M in increment over 30 years, given rise in existing real estate values and a modest assumed development program.

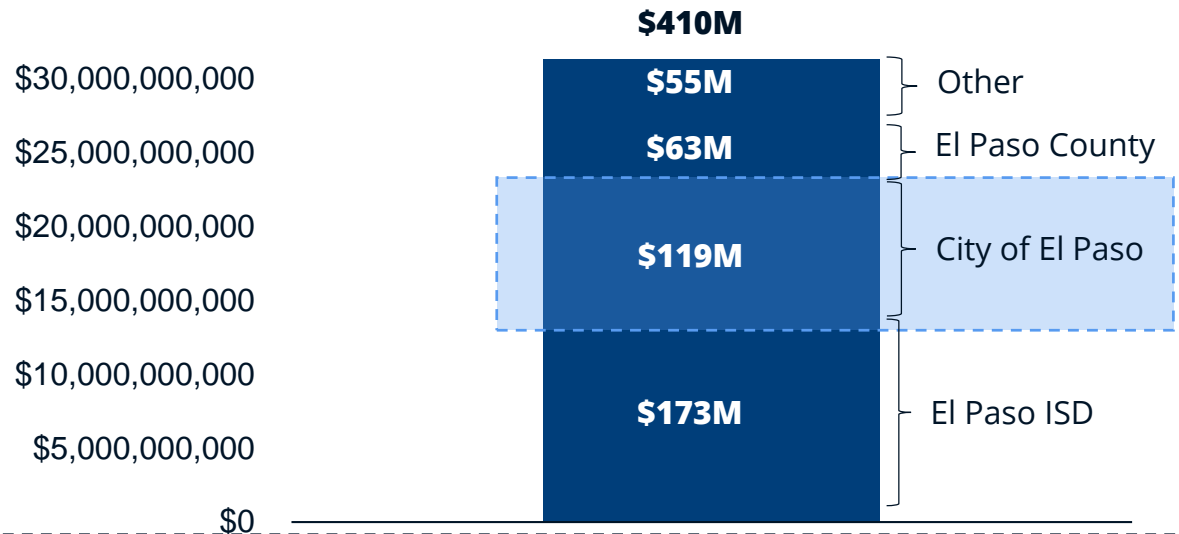
Like tax abatements, TIRZ can be more impactful with participation from multiple taxing entities. The City should gain participation from other taxing entities in TIRZs with significant growth potential.

Potential "Uptown" TIRZ Boundary



Establishment of a new "Uptown" TIRZ has the **potential to create increment of over \$100 million over 30 years**. Addition of additional taxing authorities could raise available increment up to over \$400 million.

Potential 30-Year Increment in "Uptown" TIRZ



Source: El Paso Central Appraisal District, HR&A

## HOME REPAIR TAX ABATEMENT | OVERVIEW

**Home repair tax abatement offsets property tax increases that result from property value growth due to home improvement repairs.**

**Single-family home repair tax abatement programs abate the taxes on the increase in property value induced by significant improvements to a property.** As homeowners' families grow and needs change, they may want to invest in properties in a higher capacity than completing critical repairs. Such improvements may take the form of remodeling a kitchen, bathroom, or basement; installing new windows, roofing, or driveway; building a deck; upgrading appliances; adding access modifications; or adding an addition to the home. Home repair tax abatement programs typically allow owners to avoid the full tax amount on improvements for an established number of years. Taxing entities would ignore the improvements in annual reappraisals until they are phased into the full tax value.

**These policies encourage private actors to invest in their properties by removing the disincentive of higher property taxes.**

Abatement for property value growth provide an advantage in rehabilitating and investing in older properties, ability to afford an older home in need of repairs, and ability to market rehabilitated properties. Additionally, for lower-income households, abating property value increase removes the possibility of value increase above what is affordable in annual taxes. Such policies are particularly useful in cities with large concentrations of older housing stock to encourage modernization.

### Support for El Paso's Goals

**A home repair tax abatement program can support El Paso's goals by:**

- Supporting **fiscal sustainability** by encouraging investment in property improvements in priority areas, supporting neighborhood revitalization.

### Recommendation:

**The City and County should establish a policy, in partnership with other taxing bodies, to provide abatements on value increases from the repair or renovation of residential property in priority areas.**

1. Pursue intergovernmental agreements to provide joint abatement with El Paso County and other taxing agencies.
2. Establish a policy to abate the increase in property value caused by investment in properties in priority areas.



# HOME REPAIR TAX ABATEMENT | STRATEGIES FOR EL PASO

**El Paso's taxes are re-assessed on an annual basis.** For homeowner's considering making large investments in improvements or modernizations to their homes, imminent tax valuation increases can provide a disincentive to investment, especially for lower-income earners.

**El Paso should establish a policy to abate the increase in property value caused by investment in properties in priority areas.**

Based on Richmond's example, for an investment of \$40,000 on the median home value in El Paso, a homeowner would save over \$4,000 in abated City property taxes over 14 years.

**El Paso should pursue intergovernmental agreements to provide joint abatement with other taxing agencies.**

Full property tax abatement on the increase from improvements would raise savings over 14 to over \$14,000 for the above example.

**Investments in properties lead to growth in taxable value,** which lead to higher annual property.

**For the median home value in El Paso:**

<b>\$10K</b> investment	<ul style="list-style-type: none"> <li>• <b>Improvement:</b> Bathroom remodel</li> <li>• <b>Annual tax increase:</b> \$300</li> </ul>
<b>\$20K</b> investment	<ul style="list-style-type: none"> <li>• <b>Improvement:</b> Kitchen remodel</li> <li>• <b>Annual tax increase:</b> \$600</li> </ul>
<b>\$30K</b> investment	<ul style="list-style-type: none"> <li>• <b>Improvement:</b> Swimming pool</li> <li>• <b>Annual tax increase:</b> \$900</li> </ul>
<b>\$40K</b> investment	<ul style="list-style-type: none"> <li>• <b>Improvement:</b> New addition</li> <li>• <b>Annual tax increase:</b> \$1,200</li> </ul>

## Example | Norfolk, VA Tax Abatement Program

**Purpose:** Encourage significant improvement of residential, commercial and industrial properties throughout the City of Norfolk

**Program:** Abates full or partial taxes on improvements for 14 years according to the following schedule:

- First 10 years: 0% recognized
- 11<sup>th</sup> year: 20% recognized
- 12<sup>th</sup> year: 40% recognized
- 13<sup>th</sup> year: 60% recognized
- 14<sup>th</sup> year: 80% recognized

**Requirements:** Must be a rehabilitation of an existing structure at least 15 years old and structural improvements must increase the assessed value by at least 20%.

**Impact:** As of 2017, the City has 677 properties with abated assessments across uses, totaling \$8.3M.

Source: El Paso Central Appraisal District, City of Norfolk, HR&A

## DEVELOPMENT APPROVAL PROCESS | OVERVIEW

**The County and the City should reform and align their development approval processes to encourage more economically sustainable housing development.**

**The County can require that new higher density subdivisions make investments in infrastructure and amenities.** The County has discretionary approval for subdivision developments that have a higher density than 6,000 square feet per lot. It can identify additional investments necessary to mitigate the impact of the new development on the quality of life of existing residents. This might take the form of open space, road improvements or other investments.

To ensure variance requests are evaluated consistently, the County should **establish a set of guidelines for evaluating variance requests.** The guidelines should describe the criteria variance requests will be evaluated based on and able to have investment requirements that are proportionate to the cost to provide services and infrastructure.

**The City should evaluate its process for approving infill**

**development.** Infill development is more difficult to regulate because it involves building on a site that is already part of a complex urban fabric. Streamlining the process for developers will help attract private investment to the core of the City, rather than to the edge of the region.

**El Paso needs to designate liaisons to guide developers through obtaining development approvals and accessing incentives in priority investment areas.** Development liaisons may be City or nonprofit staff who will work closely with developers who propose projects in priority development areas to apply for and obtain incentives.

### Support for El Paso's Goals

**Reforming the development approval process advances El Paso's housing goals by:**

- Supporting **fiscally sustainability** development by requiring new subdivisions to make investments in infrastructure to offset the higher cost of services.
- Creating **vibrant and dynamic** communities by incentivizing infill development with added density and public amenities.

### Recommendation:

**The County and City should reform their development approval processes to lower regulatory barriers for infill development and require new subdivisions to cover the higher cost of infrastructure and services.**

1. Establish a set of guidelines for approving subdivisions variances (County).
2. Streamline the approval and permitting process for infill development (City).
3. Designate developer liaisons to guide developers through the process of obtaining development approvals and accessing incentives in priority investment areas.



# CONDUCT JOINT PLANNING



## SMALL AREA PLANS | OVERVIEW

**Small area plans guide the coordination of investments by public and private stakeholders within neighborhoods.**

**Small area plans, developed by the City in collaboration with the County, residents, neighborhood organizations, anchor institutions, and other local stakeholders** provide a clear set of goals to guide public and private investment, identify priority sites, and communicate neighborhood priorities. They can be effective tools to align the City's housing goals with community need, and coordinate the use of multiple tools in target areas.

**Housing policy should be a part of an intentional and multi-pronged approach to neighborhood investment.** The City invests in rapid transit, parks, streetscape improvements, sports facilities, and other amenities for El Paso's neighborhoods. These investments are most impactful when multiple complementary efforts align within target neighborhoods.

**Developing small area plans for priority areas will enhance the effectiveness** of development efforts by multiple stakeholders to meet shared goals for neighborhood revitalization in targeted areas.

### Support for El Paso's Goals

**Small area plans can support El Paso's goal of providing housing for all residents by:**

- Creating **dynamic and vibrant** communities
- Focusing investments in **priority areas**

Small area plans are effective to guide areas of change and revitalization. Once a small area plan is created, it is important for the City to follow through on planned investments so that private sector stakeholders invest in the community as well.

### Recommendation:

**The City should develop small area plans to coordinate efforts in three of its priority areas.**

1. Uptown
2. Medical Centers of America District
3. Chamizal

Downtown is a priority area, but is already guided by redevelopment plans.

Regional planning should also be conducted in the rural communities of El Paso County.



## SMALL AREA PLANS | STRATEGIES FOR EL PASO

### El Paso should develop small area plans for priority areas.

**El Paso should define priority areas in neighborhoods primed for revitalization and target housing investments through intentional planning efforts.** Priority areas should have:

- Proximity to employment centers and anchors including universities.
- Significant infrastructure investments such as Bus Rapid Transit and major road improvements.
- Amenities including public parks and schools.
- Socioeconomic need including high poverty and declining homeownership.
- Sites available to support infill development.

**The City should use small area plans for priority areas to codify partnerships and leverage resources to guide investment in target neighborhoods.**

Not a large scale investment in itself, the small area plan process is a tool intended to encourage coordinated investment and requires follow through in planned investments in order to catalyze private investment.

Effective coordination of investments and public resources will also require the City to partner other public entities including HACEP, El Paso County, and the School District. The City should also partner with neighborhood organizations that can represent local interests.

### As needs change, the City should identify new priority areas.

As target neighborhoods revitalize through housing and other public and private investments, the City's geographic priorities and the needs of existing priority areas may change. The City should occasionally reevaluate its priority areas and develop new plans as needed.

### Priority Areas for El Paso Housing

**Uptown** is an emerging area adjacent to downtown and the University of Texas at El Paso. Uptown represents a growing market opportunity for mixed-income housing, with public amenities including parks and transit.

**The Medical Centers of America** anchors a neighborhood with employment and redevelopment opportunity, and public investments in transit, health, and education. The planned MCA expansion will bring further investment to this area.

**Chamizal** is the connective link between downtown and the MCA. While the neighborhood is not currently a target for multifamily development, Chamizal would benefit from coordinated investment in homeownership and repairs to existing buildings.

**Downtown** is a priority area and already a focus for development, but plans are in place to guide this development so a small area plan is not needed.

## SMALL AREA PLANS | UPTOWN




### Opportunities


- Adjacent to Downtown
- Significant existing residential population, public land, and soft sites
- Streetcar, transit, parks, and recreation center among other public amenities
- Close to University of Texas at El Paso

### Challenges

- Cut off from Downtown by Interstate 10 and railyard

 TIRZ

 City Owned Property (improved)

 Gateway 2030 Transit



## SMALL AREA PLANS | MEDICAL CENTER OF THE AMERICAS




### Opportunities


- Existing public investments in BRT, Medical Center, and Texas Tech University Health Sciences Center
- Existing TIRZ & planned expansion
- MCA Expansion

### Challenges

- Limited development sites near BRT and Medical Center
- Train tracks and interstates limit connectivity to adjacent neighborhoods

 TIRZ

 City Owned Property (improved)

 Gateway 2030 Transit



## SMALL AREA PLANS | CHAMIZAL



### Opportunities

- Between Downtown and MCA
- Planned Alameda light rail extension will anchor growth
- Support homeownership opportunities for existing renters
- Invest in repairing legacy homes

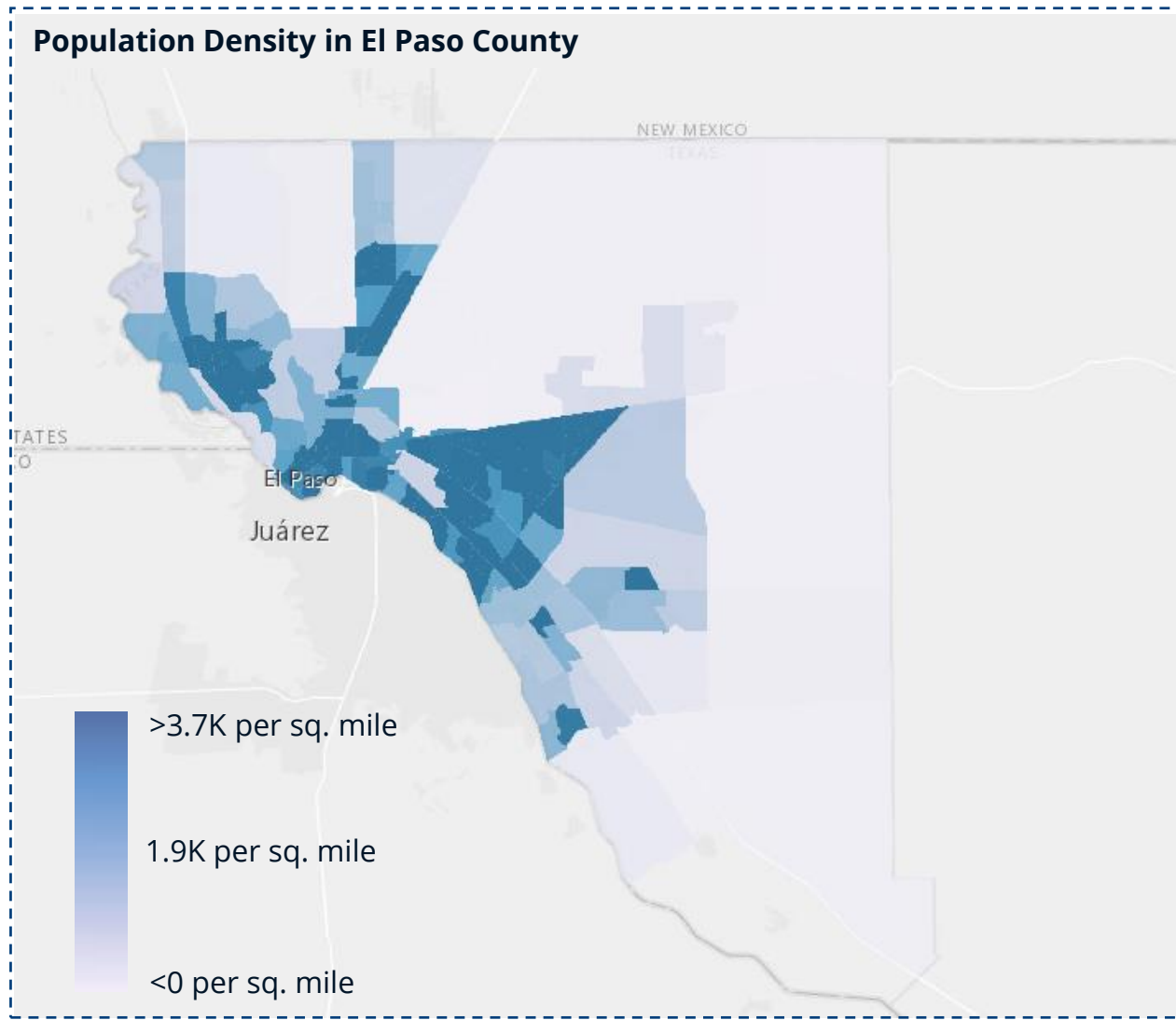
### Challenges

- Historically underserved neighborhood with significant poverty

- City Owned Property (improved)
- Gateway 2030 Transit



## SMALL AREA PLANS | RURAL COMMUNITIES



Source: American Community Survey, Social Explorer

### **El Paso County should identify priority rural communities for local planning.**

- El Paso County has numerous colonias, small rural communities, and municipalities
- Small area plans can help the County understand the needs and priorities of these communities, and guide investment in housing, infrastructure, services, and commercial development.
- The County should work with local residents and community advocates to identify priority communities for planning.

# JOINT HOUSING TASK FORCE | OVERVIEW

**The City and County should establish a Joint Housing Task Force, with the School Districts, to develop shared incentive policies and align their public investments.**

**For one year, representatives from the City, County, and School Districts should convene as a Joint Housing Task Force.** Representatives from each governing body are crucial to ensure those making significant investments throughout the region are gathering at the same table. The group should be made up of a variety of City and County Planning and Housing representatives, elected officials, and Finance representations from the City, County, and School Districts. The group should meet regularly for at least one year.

**Together, the group should strategize on mutually beneficial policies and prioritize public investments to align towards shared goals.** The Task Force should initially meet to coordinate priorities for regional development, then

subsequently meet to develop shared policies and jointly strategize priorities for development of public assets and investments. For example, the Joint Task Force should align priorities for publicly-owned land, identify underutilized parcels, and coordinate potential land swaps. The Task Force should also lead the development of joint TIRZ and incentive policies. Over the course of the year, the Joint Housing Task Force should establish actionable next steps and assign implementation responsibilities to ensure work moves forward.

## Support for El Paso's Goals

**Establishing a Joint Housing Task Force advances El Paso's housing goals by:**

- Supporting **fiscal sustainability development** by aligning incentive policies to support shared goals.
- Creating **vibrant and dynamic** communities by jointly strategizing uses for public assets to achieve maximum public benefit.

## Recommendation:

**The City, County and School Districts should establish a Joint Housing Task Force to develop shared incentive policies and align public investments.**

1. Identify representatives from each governing body.
2. Coordinate priorities for regional goals and development.
3. Meet regularly to align policies and assets, assign implementation responsibility, and provide updates on progress.

# ACTION PLAN



## **ACTION PLAN | 9% LOW-INCOME HOUSING TAX CREDITS**

1. Revise local support criteria to:
  - incentivize development in a narrower set of priority areas in coordination with small area plans.
  - prioritize support for mixed income and deeper affordability.
2. Publish revised support criteria well in advance of LIHTC application deadlines so affordable housing developers have time to incorporate local support criteria in their pipeline.
3. Partner with neighborhood organizations on an annual basis to support LIHTC projects in their neighborhood.



### **Responsible Actors**

- City staff and leadership
- Housing Task Force
- Affordable housing developers
- Neighborhood organizations



### **Timing**

- 3-6 months, at least 6 months before annual application deadline



### **Potential Impact**

- Better located 9% projects
- More units affordable to households at lower income levels



## **ACTION PLAN | 4% LOW INCOME HOUSING TAX CREDITS**

1. Reserve multiple years of HOME fund allocations for support of 4% LIHTC projects.
2. Encourage 4% LIHTC projects on public land or public building rehabilitations in targeted locations.
3. Partner with HACEP to place Project Based Vouchers in 4% LIHTC projects to increase supportable permanent loans for each project.
4. Utilize Housing Trust Fund to support projects every two years rather than every four years.



### **Responsible Actors**

- City staff and leadership
- HACEP



### **Timing**

- Ongoing, first project will take four years of funding



### **Potential Impact**

- 200 additional units every 3 to 4 years without additional local funding

## **ACTION PLAN | DEVELOPMENT APPROVAL PROCESS**

1. Convene a County and stakeholder working group to establish a set of guidelines for approving subdivisions.
2. Convene a City and stakeholder working group to streamline the approval and permitting processes for infill development.
3. Hire or assign Developer Liaisons on City Staff, or contract with a nonprofit to fill the role.
4. Assign responsibility within a City staffer's role to pair developers with a Development Liaison.



### **Responsible Actors**

- City staff and leadership
- El Paso County staff and leadership
- Housing Task Force
- Developers



### **Timing**

- 12 months



### **Potential Impact**

- Guidelines for approving subdivisions at the County level
- Streamlined approval and permitting processes at the City level
- Increased infill development in priority areas

## **ACTION PLAN | PUBLIC LAND SALE POLICY**

1. Partner with other public property owners to discuss shared needs and housing development goals.
2. Inventory available public land and facilities (the City has already begun this process for its own inventory).
3. Hire a consultant to develop a policy for the disposition of public property with specific recommendations for prioritizing potential infill development sites and targets for level of subsidy, housing type, and production level. Develop a process to issue and review Requests-for-Proposals (RFPs) for development.
4. Gain approval for the process from the City and the County.
5. Release an RFP for priority sites, review proposals and negotiate with developers for public benefits.
6. Begin acquisition of development sites guided by small area plans.



### **Responsible Actors**

- City staff and leadership
- El Paso County, HACEP, and other public landowning entities
- Housing Task Force
- Developers



### **Timing**

- 6 months (Steps 1-5)
- 6-12 months, in alignment with small area planning (Step 6)



### **Potential Impact**

- Approximately 47 units per acre of land with 4-story, vertical mixed-use multifamily housing
- Increased housing and mixed-use development in target areas

## **ACTION PLAN | JOINT TAX ABATEMENT INCENTIVE POLICY**

1. Establish a working group to craft a joint tax abatement policy based on shared economic development and housing goals.
2. Determine the parameters of the new policy including selecting target areas and development types, sizing the level of abatement from each participating entity, and codifying approval processes.
3. The City, County, and other participating entities enact or approve the new policy.
4. Consider hiring a consultant to conduct a review of all local incentive policies and make recommendations to realign with City and County priorities.



### **Responsible Actors**

- City housing and economic development departments
- City council
- El Paso County staff and leadership
- El Paso Independent School District, University Medical Center of El Paso, El Paso Community College



### **Timing**

- 6 months (Steps 1-3)
- 12 months (Step 4)



### **Potential Impact**

- Up to 180% increase in tax abatement
- Increased housing and mixed-use development in target areas



## ACTION PLAN | JOINT TAX INCREMENT REINVESTMENT ZONES

1. Establish a working group to craft a joint TIRZ policy based on shared economic development and housing goals.
2. Select target areas for TIRZ designation or expansion.
3. Develop financing plan, hold public meeting, adopt ordinance at the City and County.
4. Issue bonds to finance initial development.



### Responsible Actors

- City housing and economic development departments
- City council
- El Paso County staff and leadership
- El Paso Independent School District, University Medical Center of El Paso, El Paso Community College



### Timing

- 12 months



### Potential Impact

- \$119-\$410M in incremental tax revenue to support reinvestment over 30 years
- Increased housing and mixed-use development in target areas

## **ACTION PLAN | JOINT HOUSING TASK FORCE**

1. Identify representatives from each governing body.
2. Define priorities and goals for regional development, identify ways to align polices, and coordinate public assets.
3. Meet regularly to strategize implementation and provide updates on progress.



### **Responsible Actors**

- City housing and economic development departments
- City council
- El Paso County staff and leadership
- El Paso Independent School District, University Medical Center of El Paso, El Paso Community College



### **Timing**

- 12 months



### **Potential Impact**

- Increased impact for incentives and TIRZ policies
- Regional strategy for the use and sale of public land

## ACTION PLAN | HOUSING TRUST FUND

1. Establish a working group with City, County, developer, and housing advocate stakeholders to determine appropriate size and programs supported by Housing Trust Fund.
2. Based on working group report, City to dedicate annual funding to finance the Housing Trust Fund.
3. Hire staff to manage Housing Trust Fund.



### **Responsible Actors**

- City staff and leadership
- Working group



### **Timing**

- 3-6 Months for working group
- 12-18 Months to implement recommendations



### **Potential Impact**

- Dependent on funding capacity

## **ACTION PLAN | DOWN PAYMENT ASSISTANCE**

1. Establish a working group to review existing down payment programs and identify strategies to streamline them for added impact.
2. Develop and release an RFP for a non-profit partner to operate the revised down payment assistance program.
3. Select non-profit partner and execute an agreement
4. Continue to look for additional funding sources including banking institutions, philanthropic partners, and city-controlled funding sources.



### **Responsible Actors**

- City's housing department
- HACEP
- El Paso Housing Finance Corporation
- Non-profit partners
- Banking partners
- Philanthropic partners



### **Timing**

- 6 months



### **Potential Impact**

- Approximately 100 households annually, operating under the NeighborhoodLIFT model with the same amount of funding
- Increased homeownership in priority neighborhoods locations



## **ACTION PLAN | HOME REPAIR LOAN**

1. Develop and release an RFP for a non-profit partner to operate the City's home repair loan program.
2. Select non-profit partner and execute an agreement.
3. Target marketing and outreach or prioritize homeowners in priority areas.
4. Continue to look for additional funding sources including banking institutions, philanthropic partners, and city-controlled funding sources.



### **Responsible Actors**

- City's housing department
- Non-profit partners
- Banking partners
- Philanthropic partners



### **Timing**

- 6 months



### **Potential Impact**

- Loans made to approximately 51 households annually
- Improved housing quality in priority neighborhoods

## ACTION PLAN | FINANCIAL COUNSELING

1. Establish a working group with City and County partners to establish targets and funding sources and develop a Request-for-Proposals for a non-profit partner to operate the financial counseling program.
2. Issue RFP and select partner.
3. Dedicate funding from City and County
4. Identify other funding sources from philanthropic or banking institutions.



### **Responsible Actors**

- City staff and leadership
- County staff and leadership
- Non-profit partner
- Banking and philanthropic institutions



### **Timing**

- 6 months



### **Potential Impact**

- Approximately 1,200 households annually for financial counseling
- Increased participation in traditional banking
- Increase in El Pasoans' credit scores

## **ACTION PLAN | HOME RENOVATION PROGRAM**

1. Establish a working group with City and County partners to establish targets and funding sources and develop a Request-for-Proposals for a non-profit partner to operate the home renovation revolving fund.
2. Issue RFP and select partner.
3. Dedicate initial funding for the revolving fund



### **Responsible Actors**

- Working Group
- City staff and leadership
- Nonprofit partner



### **Timing**

- 6-12 months



### **Potential Impact**

- Renovated move-in ready homes in infill locations
- Amount dependent on funding capacity

## **ACTION PLAN | SMALL AREA PLANS**

1. Confirm Uptown, MCA, and Chamizal as the three priority locations to create small area plans for with city leadership.
2. Issue RFP and select consultant to run first small area planning process.
3. As the process for the first neighborhood concludes, begin the process for the next neighborhood.



### **Responsible Actors**

- City staff and leadership
- Neighborhood organizations
- Consultants to lead each plan effort



### **Timing**

- 6-10 months per plan
- 2 years for 3 plans



### **Potential Impact**

- Prioritize and guide other investments