



Affordable Housing

McAllen needs additional affordable housing. Affordable Housing needs are growing every day and studies show that housing costs continue to rise while incomes grow at a much slower pace. With almost half of Texans spending more than 30% of their household income on housing costs, the need for Affordable Housing is more important now than ever before. However, current policies do not go far enough to fill the gap of affordable units needed.

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McAllen must promote bipartisan policy options to expand the supply of homes and improve housing affordability, especially for low- and moderate-income households. Texas needs innovative solutions to fix the housing affordability gap. Below are TAAHP's three legislative priorities for the upcoming Texas 88th Legislature in 2023.

Legislative Priorities:

Streamline Tax Credit Program Regulations to Increase Affordable Housing:

Reducing the cost of development through streamlining regulations and removing rules that inhibit development in the areas of greatest need. These include census tract restrictions, insufficient project funding caps, and infeasible allowances for cost per square foot.

Support increasing the annual funding cap per competitive housing tax credit developments. Currently, state statute allows TDHCA to allocate \$2 million in competitive housing tax credits per development, but only allows \$3 million per developer/sponsor.

Protect & Improve Public Facility Corporations (PFC) to Ensure Workforce Housing for Texans:

The Texas Local Government Code provides 100 percent tax exemptions to private developers in return for building affordable units in mixed-income developments. The resulting program allows private developers to sell their land to a public facility corporation which leases the land and apartment complex back to the developer through a public-private partnership. Because the PFC owns the land, the Texas government code permits a 100% property tax exemption approved by the local jurisdiction. In exchange, the PFC partnership offers half of the units to people earning at or below 80 percent of the Area Median Income (AMI). There are growing concerns that the program in its current form creates opportunities for some to misuse it and violate its original intent.

Support a comprehensive amendment to Section 303.042 heighten transparency for those utilizing the PFC tool by adding stricter guidelines including: refining the affordability requirements, ensuring responsible use of the structure in the acquisition & rehabilitation of existing properties, standardizing income requirements, improving access for Section 8 voucher holders, enhancing tenant rights, and establishing robust reporting and compliance requirements.

• **Tax-Exempt Bond Program**

Chapter 1372 of the Texas Government Code is titled "Private Activity Bonds and Certain Other Bonds," which is not specific to housing. Affordable housing developers and advocates recognize tax-exempt bond financing as an invaluable financing tool that allows for the production of thousands of units across the state each year. Because this law covers a wide range of activities and stakeholders with different interests, it is difficult to make sweeping changes. That said, the program's administration has evolved with the market over the years, with broader adjustments made to the amount of volume cap going to different categories of uses and more specific (and more recent) changes to the reservation limits and closing deadlines for residential rental transactions.

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88th LEGISLATIVE SESSION MCALLEN DAY IN AUSTIN

Border Security Campaign

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Many have researched the safety of the U.S. Border Region and research continues to show its safety contrary to the belief about the insecurity of the U.S.-Mexico border and frequent claims for the need to secure the border to prevent the spread of violence into the rest of the country. Rarely are border residents asked how they feel about safety and crime, which could help explain the claims that the border is an insecure warzone posing a threat to the entire country.

Claims to secure national border is common, and it gives negative perceptions of an unsafe border which is not supported by official crime rates and statistics, Border Patrol apprehensions, or the everyday experiences of people in cities along the U.S.-Mexico border. Data from a survey about perceptions of crime, sense of security and safety in neighborhoods and the city in general shows results that most border city residents feel safe.

What continues to hurt the McAllen MSA is the “collateral damage” caused by this negative perception of McAllen and regional cities, but the low levels of violence show our area is safe. McAllen is 7th safest city in the nation, and the Texas Department of Public Safety (DPS) showed McAllen was ranked second lowest in Texas for violent crimes.

Although the Anti-immigrant rhetoric, crime and immigration, perceptions of fear of crime continue, McAllen MSA residents do not display any sense of danger living within proximity to the border of Mexico. The high level of federal law enforcement agencies in our area helps deter criminal activity, but so do the increasing job opportunities in the U.S.

In McAllen there is not a border security crisis, but a humanitarian crisis caused by violence abroad, family separation, and the encampment of asylum seekers in and outside the U.S.

To address the effect of the state’s border security programs and the negative perception of the Valley being unsafe for tourism, employment and the general economic growth that the rest of the state of Texas is experiencing, we ask our elected officials to help us in the following manner:

- Encourage public publicity for the Texas Border Region relating to the “immigration crisis” and its negative effect on cities.
- Emphasize that Valley cities are the safest cities in the state of Texas according to both state and criminal statistics.
- Encourage leaders to recognize the “collateral effect” of the negative border safety rhetoric on cities.

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