

## **RESOLUTION NO. 2021-38R**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS PROVIDING NO OBJECTION TO THE SUBMISSION OF AN APPLICATION FOR LOW INCOME HOUSING TAX CREDITS TO THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS FOR THE PROPOSED REDWOOD MULTIFAMILY HOUSING PROJECT LOCATED IN THE 1600 BLOCK OF REDWOOD ROAD; APPROVING FINDINGS RELATED TO THE APPLICATION; IMPOSING CONDITIONS FOR SUCH NON-OBJECTION, INCLUDING THE REQUIREMENT THAT THE APPLICANT MAKE AN ANNUAL PAYMENT IN LIEU OF TAXES; PROVIDING AUTHORIZATIONS FOR EXECUTION OR SUBMISSION OF DOCUMENTS RELATED TO THE APPLICATION AND FOR EXECUTION OF AN AGREEMENT FOR THE ANNUAL PAYMENT IN LIEU OF TAXES; AND DECLARING AN EFFECTIVE DATE.**

### **RECITALS:**

1. LDG Development (the “Applicant”) has proposed a multifamily development presently known as “Redwood” for affordable rental housing in the 1600 Block of Redwood Road in the City of San Marcos which will include approximately 296 units (the “Project”).
2. The Applicant has communicated that it intends to submit an application to the Texas Department of Housing and Community Affairs (“TDHCA”) for Low Income Housing Tax Credits for the Project.
3. As provided for in §11.3(c) of the Qualified Allocation Plan, the City of San Marcos has more than twice the state average of units per capita supported by Housing Tax Credits or Private Activity Bonds.
4. In accordance with the requirements of Texas Government Code §2306.67071 and Texas Administrative Code §11.204(4):
  - a. notice has been provided to the City of San Marcos, Texas;
  - b. the City of San Marcos, Texas has had sufficient opportunity to obtain a response from the Applicant regarding any questions or concerns about the Project; and
  - c. the City of San Marcos, Texas has held a hearing at which public comment may be made on the Project.
5. The Applicant has demonstrated that the Project meets the necessary criteria in order to be considered for an exemption from local taxes as follows:
  - a. The project will provide a minimum of 30 units (10% of all units) affordable to households at or below 30% AMI for the duration of the tax exemption;

**b.** The project will provide a minimum of 5 units (16.6 %) that are ADA accessible and affordable to households at or below 30% AMI;

**c.** The project will provide a minimum of 116 (39% of all units) three-bedroom units; and

**d.** The project shall include these criteria in the Texas Department of Housing and Community Affairs Land Use Restriction Agreement.

**6.** The Applicant has demonstrated that the Project complies with the City of San Marcos Affordable Housing Policy pertaining to consideration of Low Income Housing Tax Credit projects by meeting at least five of the eight necessary criteria as follows:

**a.** No exemption from taxes may be considered unless the project meets the necessary criteria;

**b.** The Project will address a housing need by providing 30 units for those making 30% or less of area median income and 296 units for those making 60% or less area median income. The Project will be located in close proximity to major San Marcos employers. The Project will meet all applicable development standards in the San Marcos Development Code, sidewalks will be required along all public streets, and pedestrian connections will be made within the Project boundaries;

**c.** The Project is located in the Medical District Medium Intensity Zone;

**d.** The Project is proposed to develop under Character District-4 (CD-4) zoning designation;

**e.** The Project is not located within one quarter mile walking distance of a proposed or existing bus stop on a current or planned transit route and will provide a private shuttle service for residents in accordance with TDHCA restrictions; and

**f.** The Project will incorporate wraparound services that provide flexible voluntary social, economic, or education benefits to the residents. Incorporated services will utilize local support services and resources, meet the needs of the local community, and exceed the minimum Texas Department of Housing & Community Affairs requirements for amenities. The Project will incorporate the listed common amenities and resident support services:

**i.** Controlled gate access for entrance and exit areas, twenty-four hour, seven days a week monitored camera/security system in each building, twenty-four hour, seven days a week recorded camera/security system in each building, courtesy patrol service, furnished fitness center with one item for every 20 units, children's playscape, swimming pool, full perimeter fencing that includes parking areas and all amenities, a resident-run community garden, gazebo or covered pavilion with a sitting area, community laundry room, barbecue grill(s) and picnic table(s), business center, furnished community room, activity room stocked with supplies, community dining

room, community theater room, high-speed wi-fi with coverage throughout the clubhouse and/or community building, a shuttle to major destinations, twelve hours of weekly, organized, on-site services provided to K-12 children by a dedicated service coordinator or third-party entity, four hours of weekly, organized, on-site classes provided to an adult audience by persons skilled or trained in the subject matter being presented, food pantry consisting of an assortment of non-perishable food items and common household items accessible to residents at least on a monthly basis or upon request by a resident, annual health fair provided by a health care professional, weekly exercise classes, notary services during regular business hours, and twice monthly arts, crafts, and other recreational activities.

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:**

**PART 1.** The San Marcos City Council finds the Recitals to be true and correct and adopts them as the findings of the City Council and incorporates them as part of this resolution.

**PART 2.** After due consideration of the findings of the City Council as stated in the Recitals, the information provided by the Applicant and any public comment, the City of San Marcos, Texas has no objection to the proposed application for the Project to the TDHCA, and confirms that the City Council has voted specifically to support the submittal of applications for the Project and to authorize an allocation of Housing Tax Credits for the Project pursuant to Texas Government Code §2306.6703(a)(4).

**PART 3.** As conditions of approval of this resolution:

- a.** The Applicant must comply with all City of San Marcos rules and regulations governing the development of the Project including, but not limited to:
  - i.** the adopted Transportation Master Plan;
  - ii.** all standards and regulations within the City's Code of Ordinances; and
  - iii.** requirements for submission of required applications and payment of applicable fees.
- b.** The Applicant may not apply for and the Project will not be eligible to receive any variances from any applicable City of San Marcos ordinances, rules or regulations.
- c.** The Applicant must submit an executed Memorandum of Understanding for each residential support service provider prior to the approval of future permits.
- d.** The Applicant shall enter into an agreement with the City in substantially the form attached, pursuant to which the Applicant must make an annual Payment in Lieu of Taxes (PILOT) to the City of San Marcos in the amount of \$75,000. The PILOT will begin in Year 1 of the project's life and will increase by \$1,500 annually.

- e. The applicant shall ensure that the requirement to make an annual PILOT shall be included as a covenant or obligation of the Applicant (and any successors) in the trust indenture for all bonds issued in connection with the Project and in the Land Use Restriction Agreement for the Project approved by TDHCA.

**PART 4.** As provided for in 10 TAC §11.3(d) it is hereby acknowledged that the proposed New Construction or Adaptive Reuse Development is located one linear mile or less from a Development that serves the same type of household as the proposed Development and has received an allocation of Housing Tax Credits (or private activity bonds) for New Construction in the three-year period preceding the date the Certificate of Reservation is issued.

**PART 5.** As provided for in 10 TAC §11.3(e) and §11.4(c)(1), it is hereby acknowledged that the proposed New Construction Development is located in a census tract that has more than 20% Housing Tax Credit Units per total household and the proposed Development is consistent with the City's obligation to affirmatively further fair housing and the City has no objection to the Application.

**PART 6.** To the extent applicable, the City Council hereby approves the application of the Texas Housing Finance Corporations Act, Chapter 394, Local Government Code (the "Act"), to the property on which the development will be constructed and grants its approval for the use of proceeds of bonds issued by a housing finance corporation pursuant to the Act to finance construction of the development.

**Part 7.** The Mayor or the City Manager, are each authorized to execute any and all documents as necessary for the Applicant to complete its application for the Project to the TDHCA and to execute the Payment Agreement for the PILOT as referenced in Part 3(d) above.

**PART 8.** For and on behalf of the City Council, the Mayor or the City Clerk are each authorized to certify one or more copies of this resolution for submission to TDHCA.

**PART 9.** This resolution amends and supercedes Resolution No. 2020-164R

**PART 10.** This resolution shall be in full force and effect immediately from and after its passage.

**ADOPTED** on March 2, 2021.

Jane Hughson  
Mayor

Attest:

Tammy K. Cook  
Interim City Clerk