

Low Income Housing Tax Credit (LIHTC) Amendment Request
LIHTC-19-01(A)

Riverstone Apartments
2005 Crystal River Parkway



Summary

| | | | |
|----------------------------------|---|-------------------------|--|
| Project Description: | <p>Amend a previously approved Resolution of No Objection to a Low-Income Housing Tax Credit (LIHTC) application for this site on the basis that it would not be exempt from property taxes. A request to amend the Resolution of No Objection has been submitted in conjunction with a request for a Cooperation Agreement with the Texas Housing Foundation under Chapter 392 of the Texas Local Government Code. The amendment would specify that the project is exempt from property taxes.</p> <p>The project has already been constructed and is comprised of a 336-unit multifamily project providing units to those making 60% AMI or less, with a mixture of 1-4 bedroom units, of which 20 are ADA accessible units. As part of this amendment request, the applicant has agreed to make 15% of the total units (51 units) affordable to those making 30% of the Area Medium Income. A breakout of the proposed unit mix is provided below.</p> | | |
| Applicant: | Jake Brown LDG Riverstone, LP 545 S 3 rd St, Louisville, KY, 40202 | Property Owner: | LDG Riverstone, LP 545 S 3 rd St, Louisville, KY, 40202 |
| Location: | Intersection of Wonder World Drive and Crystal River Parkway | | |
| Legal Description: | Lot 1, Block A, Riverstone Subdivision Final Plat | | |
| Acreage | +/- 15 acres | | |
| Existing Zoning: | Multifamily-24 (MF-24) | Proposed Zoning: | Multifamily-24 (MF-24) |
| Existing Use: | Multifamily | Proposed Use: | Same |
| Preferred Scenario: | “Medium Intensity Zone” (archived Preferred Scenario) and “Neighborhood High” (Vision SMTX) | Floodplain: | No |
| Requesting Tax Exemption: | Yes | | |

Unit Mix

| Income Restriction | Unit Count | % of Total Units |
|---------------------------|-------------------|-------------------------|
| 0-30% AMI | 51 | 15 % |
| 31-50% AMI | 0 | 0 % |
| 51-60% AMI | 285 | 85 % |
| 61-80% AMI | 0 | 0% |
| Market Rate | 0 | 0 % |
| Total | 336 | 100% |

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Bedroom Unit Mix

| Number of Bedrooms | Unit Count | % of Total Units |
|--------------------|------------|------------------|
| Efficiency | 0 | 0 % |
| 1 bedroom | 36 | 11% |
| 2 bedroom | 144 | 43% |
| 3 bedroom | 132 | 39% |
| 4 bedroom | 24 | 7 % |
| Total | 336 | 100% |

ADA Units

| | |
|---------------------------------|---------------------|
| Total ADA Units proposed | 20 accessible units |
|---------------------------------|---------------------|

Staff Recommendation

| X | Approval - Policy Criteria Met | Additional Information Needed | Denial – Policy Criteria Not Met |
|----------|---|--------------------------------------|---|
| | <p>When the LIHTC application was originally submitted in 2018, the request was assessed under the criteria in effect at that time. The criteria in effect at the time of the original application is shown below for context:</p> <ol style="list-style-type: none"> 1. No exemption from local taxes is provided. 2. The proposed units address a housing need identified in (the) housing policy or in the City’s current consolidated plan for HUD programs. 3. The project is located within a high or medium intensity zone on the preferred scenario map. 4. The project is not proposed to develop under a legacy district on the City’s current zoning map. 5. The project is located within half a mile (.5) walking distance from services such as grocery, medical facilities, and schools. 6. The project is located within one quarter mile (.25) walking distance of a proposed or existing bus stop on a current or planned transit route. 7. The project is renovating or redeveloping an existing multifamily complex or under-performing development. 8. The project is mixed income and provides at least 20% market rates. <p>Updated criteria The current LIHTC policy was adopted in 2023 and the criteria are listed on the next page. Under the updated policy, applications must meet fully at least 5 of the 8 criteria, including criteria #1, in order to receive a positive staff recommendation. Under the current policy, no exemption from taxes may be considered unless the project meets criteria 1a-1e. In addition to the criteria, the policy also indicates additional considerations that may be considered by staff and the Workforce Housing Council Committee as means for recommending approval or denial of a request.</p> <p>At this time staff considers 5 of the 8 current LIHTC criteria met.</p> | | |
| | Staff: Julia Cleary, AICP | Title: Senior Planner | Date: April 28, 2026 |

Analysis

See below.

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LIHTC Policy – Project Comparison Chart Criteria #1

| Housing Policy Criteria #1 Overview | | | Criteria Met? |
|-------------------------------------|---|---|-------------------|
| 1 | No exemption from local taxes may be considered unless the project meets the criteria listed below. The purpose of this criteria is to help increase the City’s inventory of affordable units and ensure that units benefiting from the program are reserved for low income households that need them. | See additional criteria below. The new property owner would be tax exempt and criterion A-E would apply. | Met |
| Criteria #1 Sub-criteria | | Analysis | Sub-Criteria Met? |
| 1A | A minimum of 15% of all units within the project shall be affordable to households at or below 30% percent of the AMI for the duration of the tax exemption. | 10 of the units (6%) which are affordable to households at or below 30% of the AMI will be accessible. | Met |
| 1B | A minimum of 10% of the units affordable to households at or below 30% of the AMI shall be ADA accessible. | 10 of the units (6%) which are affordable to households at or below 30% of the AMI will be accessible. | Met |
| 1C | A minimum of 35% of the units within a project that is not age-restricted shall include a minimum of three bedrooms in each unit. | The project includes 132 three-bedroom units (39%) and 24 4-bedroom units (7%). | Met |
| 1D | The project shall include these criteria in the Texas Department of Housing and Community Affairs Land Use Restriction Agreement (LURA). | The current project does not reference these commitments in the LURA. An amendment to the LURA would be required. Per discussions with the applicant, they are willing to add language to the associated Cooperation Agreement with the Texas Housing Foundation which would make it contingent upon the LURA being revised with the TDHCA. | Pending |
| 1E | When considering a recommendation of support, preference should be given to projects that utilize a local entity for such tax exemptions. | Although the Texas Housing Foundation is based in Marble Falls (not San Marcos), Hays County is one of the participating counties and is represented on the Board of Directors. The Hays County Commissioners Court approved participation in the regional housing authority by Resolution in June 2023. | Met |

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LIHTC Policy – Project Comparison Chart Criteria #2-8

| Housing Policy Criteria for Recommendation of Approval | | Analysis | Criteria Met? |
|--|--|---|----------------|
| 2 | Addresses a housing need identified in this housing policy or in the City’s HUD programs | <p>The Needs Assessment referenced on page 35 of the City’s Consolidated Plan identified 4 Core Needs:</p> <ol style="list-style-type: none"> 1. Reduction in Cost Burden: Additional affordable rentals for residents earning less than \$25,000. 2. Displacement prevention. 3. Increased Home Ownership: Starter homes and family homes priced near or below \$200,000 and increased ownership product diversity. 4. Improved Housing Stock Condition: Improve condition and accessibility of existing housing stock. <p>The development is considered to meet criteria 1 (by providing for households earning less than 30 % of the AMI) and criteria 2 (by ensuring that the rents remain affordable to the residents who live there).</p> | Met |
| 3 | The project is located in a high or medium intensity zone on the Preferred Scenario Map | The project is primarily located within a Neighborhood High Place type designation on the Preferred Scenario Map however it was designated as Medium Intensity under the archived Preferred Scenario Map. | Met |
| 4 | The project is not proposed to develop under a legacy district on the City’s current zoning map. | The property is zoned MF-24, which is a Legacy Zoning District. | Not Met |
| 5 | The project is located within a ½ mile walking distance to grocery, medical services, and schools. | The property is located within ½ mile walking distance to several medical facilities (including the Christus Santa Rosa Hospital) and a 7-11 convenience store. It is approximately ½ miles from Sam’s Club as the crow flies (walking distance is approximately 0.9 miles). | Met |

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| Housing Policy Criteria for Recommendation of Approval | | Analysis | Criteria Met? |
|--|--|--|----------------------|
| 6 | The project is located within ¼ walking distance of a proposed or existing bus stop on a current or planned transit route. If the project is not located within ¼ mile walking distance of a proposed or existing bus stop on a current or planned transit route, a private shuttle service for residents is provided in accordance with TDHCA requirements. | The site is approximately 0.27 miles from the existing CARTS Route 1C/1W stop. Please note that the original application in 2019 noted that the site was within 0.25 miles however when the amendment was resubmitted staff used a GIS buffer to verify that it was slightly farther than 0.25 miles. It should be noted that the dedication of right- of way along the western boundary at the time of platting reduced the boundary of the site from which the quarter mile was measured. | Not Met |
| 7 | The project is renovating or redeveloping an existing multifamily complex or under-performing development. | The 2019 LIHTC RONO request was for new construction. No redevelopment of the site is proposed at this time. | Not Met |
| 8 | The project incorporates wraparound support services that provide flexible voluntary social, economic, or education benefits to the residents. Proposed support services should: | | |
| 8A. | Meet the needs of the local community | The City does not have a detailed needs assessment for the local community regarding specific wraparound services however the submitted resident support checklist includes a food pantry, health fair, social events, and youth programming. | Met |
| 8B. | Utilize local support services and resources | Per the submitted documentation, the development partners with local entities including the Hays County Food Bank, the Hays County Health Department, and the Greater San Marcos Youth Council. | Met |
| 8C. | Exceed the minimum TDHCA requirements for amenities; and | The site amenities list submitted by the applicants was given 27 points by the TDHCA – a minimum of 22 points were required. | Met |
| 8D. | Submit to the City the Project’s TDHCA Application for Low Income Housing Tax Credits and includes the list of amenities in the Project’s Land Use Restriction Agreement (LURA). | The original application and the recorded LURA is included in the application packet. An amendment to the LURA will be required to meet Criteria 1 of the LIHTC approval policy for tax exempt projects – per discussions with the applicant, they are willing to add language to the associated Cooperation Agreement with the Texas Housing Foundation which would make it contingent upon the LURA being revised with the TDHCA. | Partially Met |

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LIHTC Policy – Additional Considerations

| Housing Policy Criteria #1 Overview | | |
|--|--|--|
| 1 | Regardless of compliance with the above criteria, projects located where emergency response times fall out of the National Fire Protection Association (NFPA) standards and / or projects located within or in close proximity to the floodplain may receive a denial recommendation. | The site is approximately 400 ft from Fire Station 4 and is not located within the floodplain. |
| 2 | Projects seeking tax exemption should: <ul style="list-style-type: none"> • Include an estimate of the tax revenues which will not be realized by the City, annually, over the life of the project. • Describe future plans for placing the property back on the tax roll, if applicable. | The applicant has included a table detailing lost revenue to the City and the all other taxing jurisdictions as a whole. No details of future plans for placing the property back on the tax roll have been provided. The applicant has also indicated that they are willing to provide a PILOT (payment in lieu of taxes) of \$2,429,737 over 20 years. |
| 3 | For senior housing projects, inclusion of the following, additional, support service: presentations by the Capital Area Council of Governments (CAPCOG) Area Agency on Aging. Applicants must contact CAPCOG to arrange for a presentation of available services no less than once every other year and provide proof of this agreement with the application. | N/A This is not a request for a senior housing project |
| 4 | For senior housing projects, the distance to medical facilities will receive additional scrutiny. Applicants must indicate the nearest medical facilities and any additional transportation options which will be available to residents in the event of an emergency. | N/A This is not a request for a senior housing project. |
| 5 | Once approved, additional consideration will be given to applications which show compliance with the Strategic Housing Action Plan. | N/A The Strategic Housing Action Plan has not been adopted. |