

# Redwood LIHTC Resolution- Amendment #2

## Staff Memo



From:	Planning & Development Services – Shavon Caldwell, Planner
Date:	January 13, 2021
Re:	Redwood LIHTC Resolution, Request to Add Approval of Bonds Issued by Housing Finance Corporation Language

### Summary and Background

At their February 4<sup>th</sup>, 2020 regular meeting, the City Council approved Resolution 2020-27R providing no objection to the submission of an application for low income housing tax credits to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed Redwood multifamily housing project. In accordance with City policy, the application met the necessary criteria to request an exemption from ad valorem taxes. As a condition of approval of Resolution 2020-27R the applicant agreed to enter into an agreement with the City requiring an annual payment in lieu of taxes for \$75,000 plus an additional \$1,500 annually, for the life of the project.

At their August 4<sup>th</sup>, 2020 regular meeting, the City Council approved Resolution 2020-164R which amended Resolution 2020-27R to include language acknowledging that the project is located within a Census tract where 20% or more of the housing units are housing tax credit units.

At this time the applicant, LDG Development, is requesting an additional amendment to Resolution 2020-164R. The applicant states in the provided memo outlining the request that the purpose of the amendment is for the City to approve the application of Chapter 394 of the Texas Local Government Code related to Housing Finance Corporations, in particular the section relating to ad valorem exemptions for Housing Finance Corporations.

It should be noted that this request does not affect the applicant's status of compliance with the San Marcos Low Income Housing Tax Credit policy. A table outlining the 8 criteria of the City's Low-Income Housing Tax Credit policy and summarizing the project's ability to meet at least 5 of the 8 criteria is included for reference.

Figure 1.) Redwood Compliance with San Marcos LIHTC Policy Criteria

Low Income Housing Tax Credit Criteria for Recommendation of Approval	Resolution 2020-164R
<p><b>1)</b> Projects requesting an exemption from local taxes must provide a minimum 10% units affordable to households at or below 30% AMI, a minimum 10% of these units shall be ADA accessible, 35% of units shall be 3 bedroom or more, and these criteria shall be written in the Land Use Restriction Agreement. When considering a recommendation of support, <i>preference</i> should be given to projects that utilize a local entity for such exemption.</p>	<p><b>Met</b>-The applicant is requesting a tax exemption and will provide a minimum 30 units affordable to households at or below 30% AMI, 5 units that are ADA accessible and affordable to households at or below 30% AMI, a minimum of 116 three-bedroom units, and shall include these criteria in the Land Use Restriction Agreement. The project will be partnering with Capital Area Housing Finance Corporation for such exemption.</p>
<p><b>2)</b> Addresses a housing need identified in this housing policy or in the City's HUD programs</p>	<p><b>Met</b>-The project will provide 296 affordable units located in close proximity to major employers such as the outlet mall, Amazon fulfillment center, and HEB distribution center. A mix of unit types and accessible units will be provided.</p>
<p><b>3)</b> The project is located in a high or medium intensity zone on the Preferred Scenario Map</p>	<p><b>Met</b>-The project is located in the Medical District Medium Intensity Zone.</p>
<p><b>4)</b> The project is not proposed to develop under a legacy district on the City's current zoning map.</p>	<p><b>Met</b>-The property is zoned CD-4.</p>
<p><b>5)</b> The project is located within a ½ mile walking distance to grocery, medical services, and schools.</p>	<p><b>Not Met</b>-The property is located within ½ mile walking distance to medical services but is not located within ½ mile walking distance to a grocery store or schools.</p>
<p><b>6)</b> 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.</p>	<p><b>Met</b>-The property is located on an existing route but the nearest stop is ~0.8 miles away. The applicant will provide a private shuttle service for residents in accordance with TDHCA requirements.</p>
<p><b>7)</b> The project is renovating or redeveloping an existing multifamily complex or under-performing development.</p>	<p><b>Not Met</b>-The project will be a new development.</p>
<p><b>8)</b> The project incorporates wraparound support services that meet the needs of the local community, utilize local support services, and exceed the minimum TDHCA amenities requirement.</p>	<p><b>Met</b>-The project will incorporate resident support services that meet the needs of the local community, utilize local support services and resources, and exceed the minimum TDHCA requirement. The project will partner with Hays-Caldwell Women's Center to reserve 5 units restricted to 30% AMI or less for those referred by HCWC and will partner with Splash Coworking to provide after school tutoring and financial literacy courses for residents.</p>