



Council Committee on Workforce Housing

LIHTC-24-04

The Springs

Receive a staff presentation and hold a Public Hearing to receive comments for or against Resolution 2024-XXR, providing no objection to the submission of an application for Low Income Housing Tax Credits (LIHTC) to the Texas Department of Housing and Community Affairs for a development generally located between Aquarena Springs Dr. and Davis Ln. and east of the intersection of Aquarena Springs Dr. and IH 35; approving findings related to such application; providing authorizations for execution or submission of documents related to such application; and declaring an effective date; and consider approval of Resolution 2024-XXR.

Project Summary

- Approximately 12.63 acres
- Located between Aquarena Springs Dr. and Davis Ln. frontages, east of IH 35
- Proposed tax exempt low income housing development
- Proposed PILOT Agreement:
\$250,000 lump sum payment to City
plus \$20k per year over 15 years
(total \$550,000) or \$400,000 lump
sum payment.

LIHTC-24-04

The Springs
Aquarena Springs Dr east of IH 35

Aerial



- Subject Property
- Parcel
- City Limit



This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.
Date: 3/15/2024

SAN MARCOS Planning and Development Services



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Unit Summary

Unit Mix

Income Restriction	Unit Count	% of Total Units
0-30% AMI (\$0 - \$35,040)	46	15%
31-50% AMI (\$35,041 - \$58,400)	0	0%
51-60% AMI (\$58,401 - \$70,080)	258	85%
61-80% AMI (\$70,081 - \$93,440)	0	0%
Market Rate (>\$122,300)	0	0%
Total	304	100%



S.L.A.Q. Springs, LLC



SITE LEGEND

- 1 Apartment Building Types
 - Club/Leasing at Building Type 1 Ground Floor
- T Trash Enclosure & Recycling

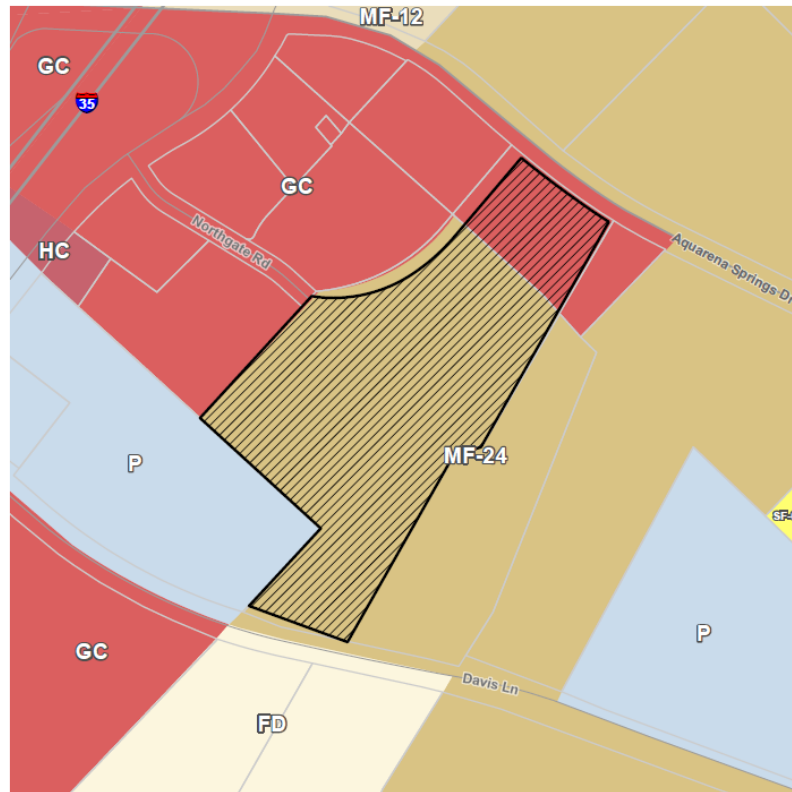
# of Bedrooms	Unit Count	% of Total Units
Efficiency	0	0%
1 bedroom	86	28%
2 bedroom	176	58%
3 bedroom	42	14%
4 bedroom	0	0%
Total	304	100%

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LIHTC-24-04

The Springs
Aquarena Springs Dr east of IH 35

Zoning



Subject Property

- FD
- GC
- HC
- MF-12
- MF-24
- P
- SF-6



0 125 250 500 Feet

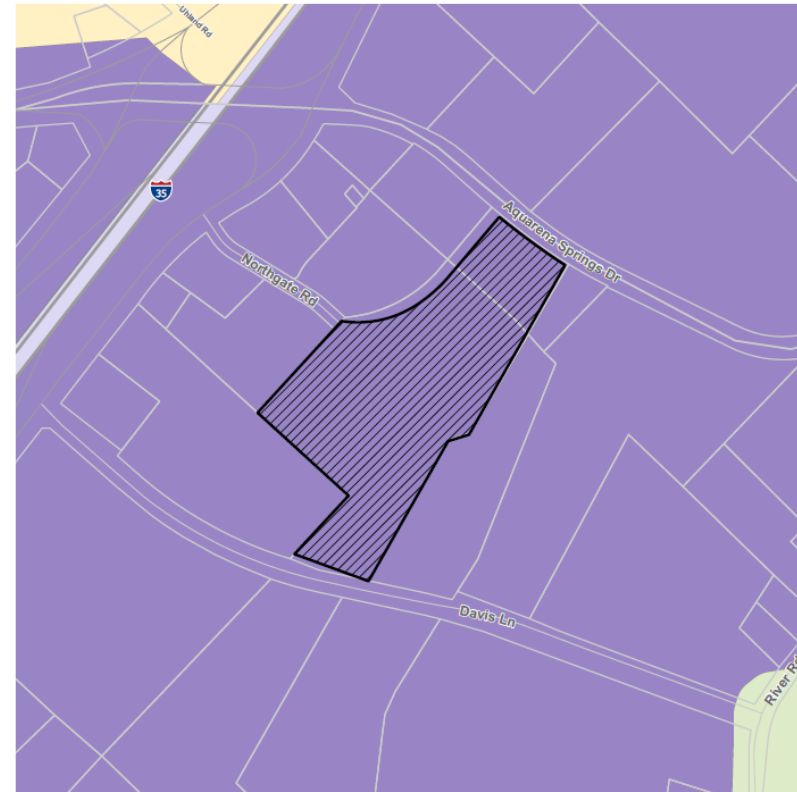
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LIHTC-24-04

The Springs
Aquarena Springs Dr east of IH 35Preferred
Scenario

Subject Property

- Parcels
- High Intensity
- Low Intensity
- Existing Neighborhood
- Open Space



0 200 400 800 Feet

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Date: 4/17/2024

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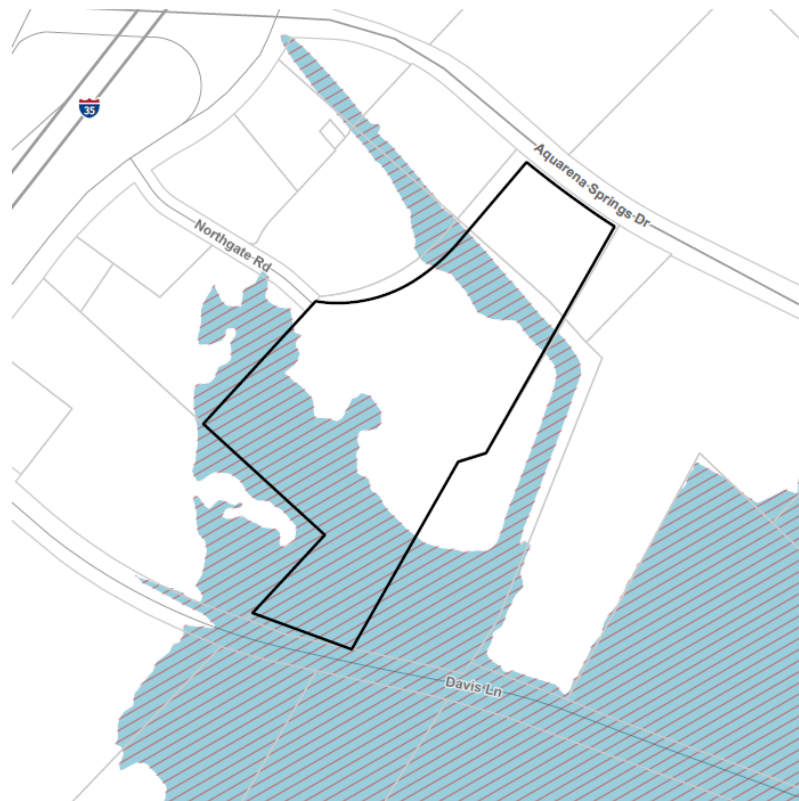
JV



LIHTC-24-04

The Springs Aquarena Springs Dr east of IH 35

Environmental Features



- Subject Property
- Parcels
- Water Quality Zone Buffer
- Floodway
- 100 Year Floodplain



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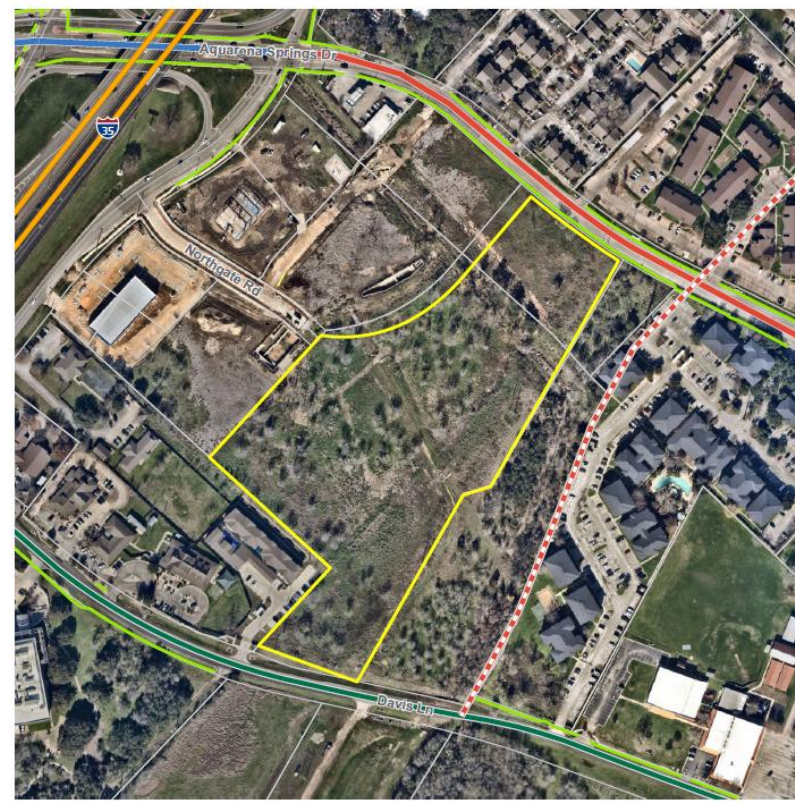
Date: 3/15/2024

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LIHTC-24-04

The Springs Aquarena Springs Dr east of IH 35 and Thoroughfares



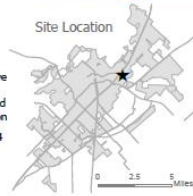
- Subject Property
- Enhanced Facilities Thoroughfare, Ave
- Enhanced Facilities Thoroughfare, Blvd
- Enhanced Facilities Thoroughfare, HW
- Enhanced Facilities Thoroughfare, St
- Proposed Facilities Thoroughfare, Ave
- Sidewalk
- Parcel



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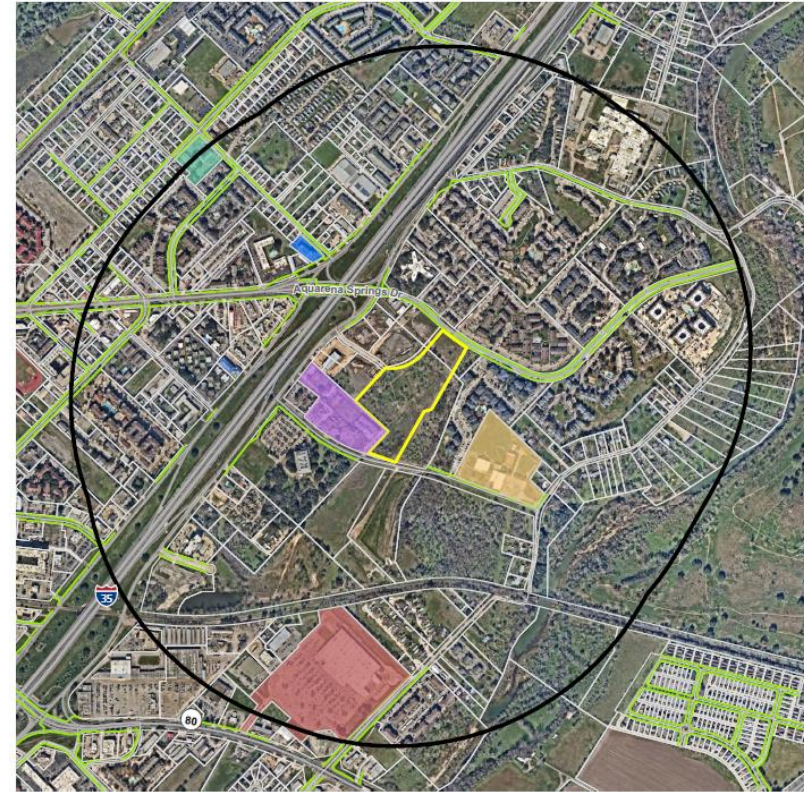


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Distance to Services

- Located within a half mile of:
 - Hays-Caldwell Women's Center
 - Boys & Girls Club
 - Hill Country Christian School
 - Urgent Care/ ER
 - Walmart Supercenter



- Half Mile Buffer
- Women's Shelter
- Boys & Girls Club/ Prep School
- Hill Country Christian School
- Urgent Care
- Walmart Supercenter
- Subject Property
- Sidewalk

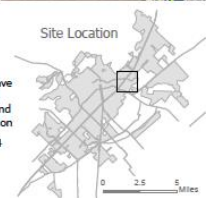


0 500 1,000 2,000
Feet

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Date: 5/3/2024

SAN MARCOS Planning and
Development Services



Housing Policy Criteria #1 Overview

#	Criteria	Analysis
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.	Not Met- The applicant is requesting an exemption from local taxes. Please see the below analysis for Criteria #1 sub-criteria.
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.	Met - 46 units (15%) shall be affordable to households at or below 30% of the AMI for the duration of the tax exemption.
1B	A minimum of 10% of the units affordable to households at or below 30% of the AMI shall be ADA accessible.	Met – 5 units (10%) affordable to households at or below 30% of the AMI shall be ADA accessible.
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.	Not Met – 42 units (14%) shall contain three bedrooms.
1D	The project shall include these criteria in the Texas Department of Housing and Community Affairs Land Use Restriction Agreement (LURA).	Agreement to be provided at a later stage in the development process.
1E	When considering a recommendation of support, preference should be given to projects that utilize a local entity for such tax exemptions.	Met – Developer is partnering with the San Marcos Housing Authority.

Housing Policy Criteria #2-7 Overview

#	Criteria	Analysis
2	Addresses a housing need identified in this housing policy or in the City's HUD programs	Met- 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).
3	The project is located in a high or medium intensity zone on the Preferred Scenario Map	Met- The project is located within High Intensity on the Preferred Scenario Map.
4	The project is not proposed to develop under a legacy district on the City's current zoning map.	Not Met- The project is located in legacy districts – Multifamily-24 (MF-24) and General Commercial (GC).
5	The project is located within a ½ mile walking distance to grocery, medical services, and schools.	Met- The project is within ½ mile of the Hays-Caldwell Women's Center, a Boys & Girls Club and preparatory school, a private school, an urgent care and emergency room, and a Walmart Supercenter.
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.	Met- The nearest bus stop is directly across Aquarena Springs Dr. The development will be served by Route 3 – Uhland.
7	The project is renovating or redeveloping an existing multifamily complex or under-performing development.	Not Met - The project will be a new development.

Housing Policy Criteria #8 Overview: The project incorporates wraparound support services that provide flexible voluntary social, economic, or education benefits to the residents. Proposed support services should:

#	Criteria	Analysis
8A	Meet the needs of the local community	Met – The City does not have a detailed needs assessment for the local community regarding specific wraparound services however the submitted resident support checklist includes annual tax preparation, credit building assistance through rent reporting, an annual health fair, a part-time resident services coordinator, and assistance for residents who wish to attend college. The project will provide an after-school program for a minimum of 15 hours per week regulated through TDHCA.
8B	Utilize local support services and resources	Additional info to be provided at a later stage in the development process – The applicant has indicated that they intend to partner with local entities however no specific agreements have been established at this time.
8C	Exceed the minimum TDHCA requirements for amenities; and	Met – The submitted Amenities Checklist shows that the applicant intends to meet 33 of the points required by the TDHCA, compared to the minimum requirement of 18 points.
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).	Provided at a later stage in the development process.

Housing Policy Criteria Additional Considerations Overview		
#	Consideration	Analysis
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 located within the FEMA 100-year floodplain and floodway. The applicant has submitted a Conditional Letter of Map Revision through FEMA and an engineering memo confirming intent to raise the property out of the floodplain. WPP2 under review. Per the enclosed Fire Station map, there are between 7-9 firefighters located within 8 minutes travel time of the site.
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. 	A summary of the annual cash flow has been provided by the applicant on the 5th page of the supplementary exhibits. (See Table titled “Total Annual Cash Flow to San Marcos HA”). An estimated \$3,207,000 would be lost in tax revenue over 15 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.	Not applicable
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.	Not applicable
5	Once approved, additional consideration will be given to applications which show compliance with the Strategic Housing Action Plan.	The Strategic Housing Action Plan has not been adopted at this time.



Common Amenities & Residential Support Services

Common Amenities

- Controlled gate access
- Furnished fitness center
- One children's playscape
- Outdoor games area
- Swimming pool
- Sport court or field
- Full perimeter fencing
- Enclosed sun porch/ patio
- Enclosed dog park
- Lighted pathways
- BBQ grills and picnic tables
- Business center
- Furnished community room
- Library with sitting area
- Activity room with supplies
- Community Dining room
- High speed wi-fi in clubhouse
- Bicycle parking
- Package lockers

Total Points = 33 (Minimum 18 required)

Resident Support Services

- Annual income tax preparation
- Reporting rent payments to credit bureaus (upon request)
- Annual health fair
- Notary services during regular business hours
- Part-time resident services coordinator
- Education tuition- or savings-match program

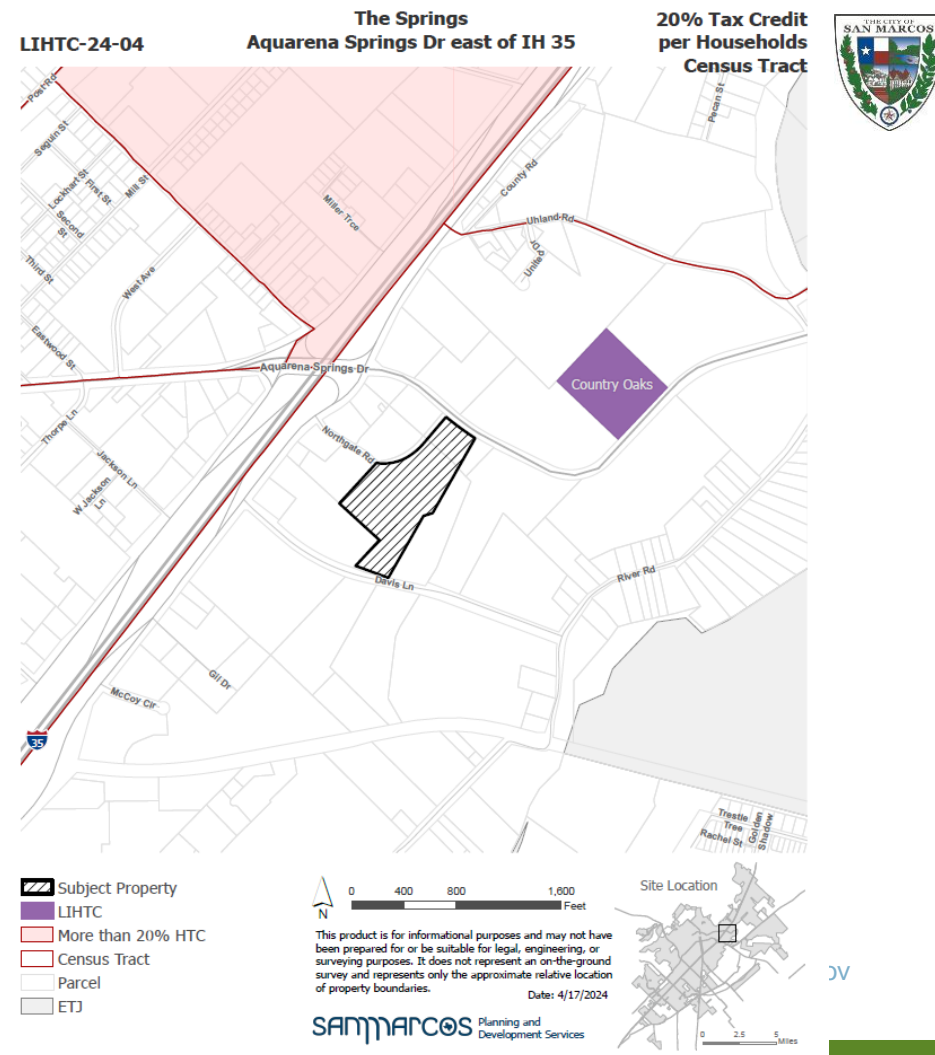
Total Points = 9 (Minimum 8 required)

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Additional TDHCA Language may be required in Resolution

Twice the State Average per Capita Resolution

- TDHCA requires that a resolution be obtained for developments located in municipalities that have more than twice the state average of units per capital supported by Housing Tax Credits or private activity bonds



Recommendation



- The Workforce Housing City Council Committee discussed this item on May 20, 2024.
- Staff recommends **denial** of LIHTC-24-04. At this time staff considers 5 of the 8 criteria met. Criteria 1 is not fully met; less than 35% of units that are not age restricted are three-bedroom units.