



# Resolution to Amend the Affordable / Workforce Housing Policy

Receive a presentation from staff and consider approval, by resolution, of an update to the City of San Marcos Affordable / Workforce Housing Policy, specifically the Low Income Housing Tax Credit Policy (LIHTC), to clarify the process for consideration, adjust the unit mix for tax exempt projects, and provide additional considerations for review of LIHTC projects.



# Clarify Process

The City of San Marcos utilizes the following criteria and additional considerations ~~in order~~ to determine if a LIHTC project is consistent with the Comprehensive Plan and other policy documents related to housing. ~~whether a resolution of support will be recommended for consideration by the City Council.~~

## Resolutions of Support / No Objection

Applications must fully meet at least five (5) of the eight (8) criteria below, including criteria #1, in order to receive a staff recommendation ~~for a Resolution of Support~~ which is presented to the Workforce Housing Council Committee.

Applications must also receive a recommendation from the Workforce Housing Council Committee prior to consideration by City Council.



# Adjust Unit Mix for Tax Exempt Projects

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.

- a. A minimum of ~~10~~25% 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.



# Additional Considerations for LIHTC Projects

## Additional Considerations

In addition to the criteria outlined above, the following may be considered by staff and the Workforce Housing Council Committee as means for recommending approval or denial of a request:

- 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.
- 2) Projects seeking tax exemption should
  - 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.



# Additional Considerations for LIHTC Projects

- 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. <https://www.capcog.org/divisions/area-agency-on-aging#areaagencyon-aging>
- 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.
- 5) Once approved, additional consideration will be given to applications which show compliance with the Strategic Housing Action Plan.



# Recommendation

The Workforce Housing City Council Committee recommended **approval** of the updated policy at their September 29, 2021 meeting.

Staff recommends **approval** of the policy as presented.