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**TO:** City Council  
**FROM:** Planning & Development Services Department  
**DATE:** January 17, 2020  
**RE:** **History of Low Income Housing Tax Credit (LIHTC) Policy**

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## **July 2014: Adoption of Affordable/Workforce Housing Policy**

- This policy did not yet include language regarding LIHTC projects.

## **March 2017: Section on LIHTC policy added to Affordable/Workforce Housing Policy**

- LIHTC projects are reserved only for:
  - Large Multi-family developments reserved for age restricted (55+) communities only ; or
  - One and two-family lots only.

## **June 2018: Established criteria to determine when a LIHTC project will be recommended**

- In order to receive a staff recommendation for a Resolution of Support, 5 of the 8 criteria must be met, including criteria #1 which states that no exemption from local taxes is provided.

## **May 2019: Support services added to criteria.**

- Added an additional criteria #9 regarding including support services. A project must now meet 6 out of the 9 criteria in order to receive a staff recommendation for a Resolution of Support.

## **November 2019: Added further language to criteria and allows for tax exemptions**

- Allows tax exemptions for projects that meet certain criteria, including providing units for the city's most vulnerable populations at 30% Area Median Income (AMI).
- Requires a private shuttle for projects not located near a transit stop.
- Removes the requirement for providing 20% market rate units.
- Adds criteria for reviewing a projects' proposed support services.

## **PENDING February 2020: Add further language to criteria and make the policy easier to understand**

- Require that projects seeking a tax exemption must verify that revenues will be spent in San Marcos.
- Require that all projects must provide surety/documentation of proposed support services.
- Add a flow chart and minor revisions to text to ensure policy is easily understood.