

# **Affordable / Workforce Housing Policy Update**

Consider approval of Resolution 2019-XXXX, approving amendments to the Affordable/Workforce Housing Policy regarding the criteria for approval of applications relating to the Low-Income Housing Tax Credit Program administered by the Texas Department of Housing and Community Affairs; and declaring an effective date.

# Purpose

The purpose of this item is to present the Workforce Housing Council Committee recommendations from January 13, 2020, to revise the Affordable/Workforce Housing Policy as follows:

1. Amend criteria to ensure if a project is request a tax exemption, revenues from such project remain in San Marcos
2. Amend criteria to ensure projects (whether tax exempt or not tax exempt) utilize local support services
3. Add a flowchart to the LIHTC application to more easily distinguish the process and criteria for projects requesting a tax exemption and projects not requesting a tax exemption
4. Add minor revisions to the policy language so that it is easier to read

# History of LIHTC Policy

- **July 2014**: Adopted Affordable/Workforce Housing Policy
- **March 2017**: Section on LIHTC Policy Added to Policy
- **June 2018**: Established criteria to determine LIHTC recommendation
- **May 2019**: Support services added to criteria
- **November 2019**: Added further language to criteria; allow for tax exemptions
- **PENDING February 2020**: add further language to tax exemption and support services criteria

# History of LIHTC Projects

## How many in San Marcos?

- 10 active LIHTC Multifamily Complexes

## Approved resolutions since adoption of policy?

- 4 multifamily complexes received a Resolution of No Objection
  - 1,200 total units; 1,096 income restricted
- 2 currently under review
- Only Mission Trails at El Camino Real is under construction (283 income restricted units)

	Income Restricted Units	Market Rate Units	Total Units	Date of Resolution Approval	Entitlements and Permits
<b>Completed or Under Construction</b>					
Asbury Place	64	0	64	--	Completed
Champions Crossing	156	0	156	--	Completed
Country Oaks	160	0	160	--	Completed
Encino Pointe	252	0	252	--	Completed
La Vista Retirement Community	150	50	200	--	Completed
Mariposa Apartments	182	0	182	--	Completed
Sienna Pointe	228	0	228	1/13/2013	Completed
Stone Brook Seniors	206	0	206	--	Completed
Sunrise Village (Phase 2 Only)	60	0	60	--	Completed
Villas at Willow Spring	135	85	220	--	Completed
Mission Trails at El Camino	283	69	352	8/7/2018	Under Construction
<b>Total</b>	<b>1,876</b>	<b>204</b>	<b>2,080</b>		
<b>Resolution Approved-Under TDHCA Review</b>					
The Reserve at San Marcos (Cottonwood Creek)	320	56	376	9/3/2019	Zoned/No Permits Applied For
Riverstone	336	0	336	5/21/2019	Zoned/No Permits Applied For
Villas Del San Xavier	156	0	156	12/19/2018	Zoned/No Permits Applied For
<b>Total</b>	<b>812</b>	<b>56</b>	<b>868</b>		
<b>Resolution Application Under Review</b>					
Redwood	296	0	296	N/A	Zoned/No Permits Applied For
The Lantana on Bastrop	216	0	216	N/A	No Entitlements (ETJ)
<b>Total</b>	<b>512</b>	<b>0</b>	<b>512</b>		
<b>Grand Total</b>	<b>3,200</b>	<b>260</b>	<b>3,460</b>		

# Committee Direction: Add a Flow Chart

## Path 1

- Project NOT requesting an exemption from local taxes
- Reviewed based on eight criteria

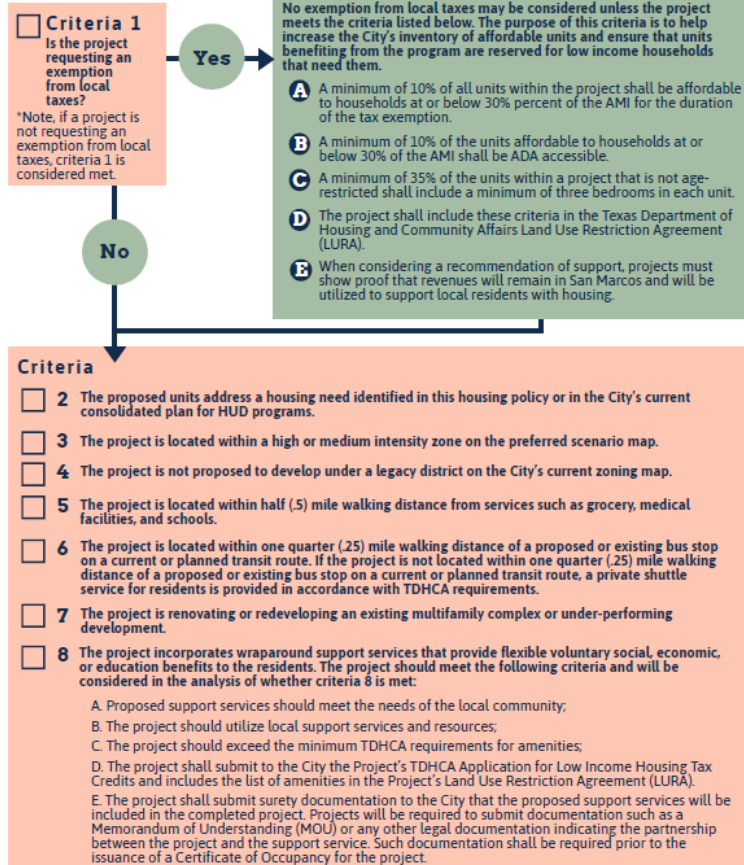
## Path 2

- Project requesting an exemption from local taxes
- Reviewed based on eight criteria AND reviewed based on five extra sub-criteria

## Low Income Housing Tax Credit (LIHTC) Policy

### Resolutions of Support Criteria

Applications must meet at least 5 of the 8 criteria below, including criteria #1, in order to receive a staff recommendation for a Resolution of Support.



# Amendment: 1(e)

**Purpose:** To ensure that if a project is requesting a tax exemption, such revenues remain in San Marcos

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- **Amendment:**

- When considering a recommendation of support, ~~preference should be given to projects that utilize a local entity for such tax exemptions~~ projects must show proof that revenues will remain in San Marcos and will be utilized to support local residents with housing.

- **Benefits:**

- Ensures a Finance Corporation (which is used to support a tax exempt project) uses their revenue within the City of San Marcos
- Such revenue will supports local services

- **Proof of Compliance:**

- Financial Summary
- List of Grants

- **Update Application**

- Include checkboxes for proof of compliance and acceptable documents

# Amendment: 8(d)

## Purpose: Verify and enforce utilization of local support services

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- **Amendment:**

~~— 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 project shall submit surety documentation to the City that the proposed support services will be included in the completed project. Projects will be required to submit documentation such as a Memorandum of Understanding (MOU) or any other legal documentation indicating the partnership between the project and the support service. Such documentation shall be required prior to the issuance of a Certificate of Occupancy for the project.

- **Benefits:**

- Allows the city to ensure support services are implemented

- **Considerations:**

- Flexibility of services to change to meet needs of community
- Enforcement

# Amendment: revision to 8(d) language

## Purpose: to clarify the purpose of criteria 8 sub-criteria

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The purpose of criteria 8 (a-e) is to help Council and staff analyze whether criteria 8 has been met. This sub-section is written with flexibility to allow council to make a decision as to if the support services proposed meet the needs of the community.

8. The project incorporates wraparound support services that provide flexible voluntary social, economic, or education benefits to the residents. The project should meet the following criteria and will be considered in the analysis of whether criteria 8 is met: Proposed support services should:
  - a. Proposed support services should mMeet the needs of the local community;
  - b. The project should uUtilize local support services and resources;
  - c. The project should eExceed the minimum TDHCA requirements for amenities;
  - d. The project shall sSubmit 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)
  - e. The project shall submit surety documentation to the City that the proposed support services will be included in the completed project. Projects will be required to submit documentation such as a Memorandum of Understanding (MOU) or any other legal documentation indicating the partnership between the project and the support service. Such documentation shall be required prior to the issuance of a Certificate of Occupancy for the project. 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).