

Affordable / Workforce Housing Policy Update

Consider approval of Resolution 2019-XXXR, 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:

- Amend criteria to ensure if a project is request a tax exemption, revenues from such project remain in San Marcos
- Amend criteria to ensure projects (whether tax exempt or not tax exempt) utilize local support services
- 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
Completed or Under Con	struction		-	-	
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	283	69	352	8/7/2018	Under
Camino	1,876	204	2,080		Construction
Resolution Approved-Uno	der TDHCA Revi	ew 56	376	9/3/2019	Zoned/No
Marcos (Cottonwood Creek)	320	56	3/6	9/3/2019	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
Total	812	56	868		
Resolution Application U	nder Review	-	-	-	
	ilaci ilcuicu				
Redwood	296	0	296	N/A	Zoned/No Permits Applied For
Redwood The Lantana on Bastrop	296 216	0	216	N/A N/A	Permits Applied
	296			·	Permits Applied For No Entitlements

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 subcriteria

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.

Criteria 1 Is the project requesting an exemption from local taxes? Note, if a project is of requesting an exemption from local axes, criteria 1 is onsidered met.	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 minimum of 10% 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. A minimum of 10% of the units affordable to households at or below 30% of the AMI shall be ADA accessible. A minimum of 35% of the units within a project that is not agerestricted shall include a minimum of three bedrooms in each unit				
No	 The project shall include these criteria in the Texas Department of Housing and Community Affairs Land Use Restriction Agreement (LURA). 				
	When considering a recommendation of support, projects must show proof that revenues will remain in San Marcos and will be utilized to support local residents with housing.				
Criteria V					
2 The proposed units address a h consolidated plan for HUD pro	ousing need identified in this housing policy or in the City's current grams.				
3 The project is located within a	3 The project is located within a high or medium intensity zone on the preferred scenario map.				
4 The project is not proposed to	4 The project is not proposed to develop under a legacy district on the City's current zoning map.				
5 The project is located within half (.5) mile walking distance from services such as grocery, medical facilities, and schools.					
6 The project is located within one quarter (.25) mile walking distance of a proposed or existing bus stop on a current or planned transit route. If the project is not located within one quarter (.25) 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.					
7 The project is renovating or red development.	7 The project is renovating or redeveloping an existing multifamily complex or under-performing development.				
or education benefits to the res	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:				
the state of the s	A. Proposed support services should meet the needs of the local community;				
B. The project should utilize b	B. The project should utilize local support services and resources;				

C. The project should exceed the minimum TDHCA requirements for amenities;

D. The project shall 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).

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.

Amendment: 1(e)

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

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

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

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. <u>Proposed support services should m</u>Meet the needs of the local community;
 - b. The project should utilize local support services and resources;
 - c. The project should exceed 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).