

Redwood

Staff Memo



From:	Planning & Development Services – Shavon Caldwell, Planner
Date:	May 29, 2020
Re:	Redwood LIHTC Resolution, Request to Add “Greater Than 20% Housing Tax Credit Units per Total Household in Census Tract” Resolution

Summary and Background

At their February 4th, 2020 regular meeting, the City Council approved Resolution 2020-27R providing no objection to the submission of an application for low income housing tax credits to the Texas Department of Housing and Community Affairs (TDHCA) for the proposed Redwood multifamily housing project. Since then, the applicant LDG Development has notified staff that approval of an additional resolution is required by TDHCA.

The proposed project site is located in a census tract that has more than 20% Housing Tax Credit units per total households (as established by the 5-year American Community Survey). Applicants applying for household tax credits for developments located in these census tracts are considered ineligible unless the Governing Body affirms, by vote, that this is acknowledged, and that they have no objection to the application. A map of the project site and census tracts in San Marcos is included in the provided materials for reference. It should be noted that this request does not affect the applicant’s status of compliance with the San Marcos Low Income Housing Tax Credit policy. A table outlining the 8 criteria of the City’s Low-Income Housing Tax Credit policy and summarizing the project’s ability to meet at least 5 of the 8 criteria is included for reference.

Figure 1.) Redwood Compliance with San Marcos LIHTC Policy Criteria

Low Income Housing Tax Credit Criteria for Recommendation of Approval	Resolution 2020-27R
1) Projects requesting an exemption from local taxes must provide a minimum 10% units affordable to households at or below 30% AMI, a minimum 10% of these units shall be ADA accessible, 35% of units shall be 3 bedroom or more, and these criteria shall be written in the Land Use Restriction Agreement. When considering a recommendation of support, <i>preference</i> should be given to projects that utilize a local entity for such exemption.	Met -The applicant is requesting a tax exemption and will provide a minimum 30 units affordable to households at or below 30% AMI, 5 units that are ADA accessible and affordable to households at or below 30% AMI, a minimum of 116 three-bedroom units, and shall include these criteria in the Land Use Restriction Agreement. The project will be partnering with Capital Area Housing Finance Corporation for such exemption.
2) Addresses a housing need identified in this housing policy or in the City’s HUD programs	Met -The project will provide 296 affordable units located in close proximity to major employers such as the outlet mall, Amazon fulfillment center, and HEB distribution center. A mix of unit types and accessible units will be provided.

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3) The project is located in a high or medium intensity zone on the Preferred Scenario Map	Met -The project is located in the Medical District Medium Intensity Zone.
4) The project is not proposed to develop under a legacy district on the City's current zoning map.	Met -The property is zoned CD-4.
5) The project is located within a ½ mile walking distance to grocery, medical services, and schools.	Not Met -The property is located within ½ mile walking distance to medical services but is not located within ½ mile walking distance to a grocery store or schools.
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 property is located on an existing route but the nearest stop is ~0.8 miles away. The applicant will provide a private shuttle service for residents in accordance with TDHCA requirements.
7) The project is renovating or redeveloping an existing multifamily complex or under-performing development.	Not Met -The project will be a new development.
8) The project incorporates wraparound support services that meet the needs of the local community, utilize local support services, and exceed the minimum TDHCA amenities requirement.	Met -The project will incorporate resident support services that meet the needs of the local community, utilize local support services and resources, and exceed the minimum TDHCA requirement. The project will partner with Hays-Caldwell Women's Center to reserve 5 units restricted to 30% AMI or less for those referred by HCWC and will partner with Splash Coworking to provide after school tutoring and financial literacy courses for residents.

20% Housing Tax Credit per Households Census Tract Redwood Multifamily Project — 1600 Block of Redwood