



Legislation Details (With Text)

File #: Res. 2020-36R **Version:** 1 **Name:**

Type: Resolution **Status:** Passed

File created: 1/17/2020 **In control:** City Council

On agenda: 2/18/2020 **Final action:** 2/18/2020

Title: Consider approval of Resolution 2020-36R, 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.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Resolution, 2. Memo - History of Policies, 3. Memo - San Marcos LIHTC Properties, 4. Income Limits Comparison Table - MASTER LIST, 5. Policy Update Redline - 1.21.2020, 6. LIHTC Policy - Flow Chart, 7. Presentation 2.18.2020 - final

| Date | Ver. | Action By | Action | Result |
|-----------|------|--------------|--------|--------|
| 2/18/2020 | 1 | City Council | | |
| 2/18/2020 | 1 | City Council | | |
| 2/18/2020 | 1 | City Council | | |

AGENDA CAPTION:

Consider approval of Resolution 2020-36R, 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.

Meeting date: February 18, 2020

Department: Planning and Development Services

Amount & Source of Funding

Funds Required: n/a
Account Number: n/a
Funds Available: n/a
Account Name: n/a

Fiscal Note:

Prior Council Action: n/a

City Council Strategic Initiative:

Workforce Housing

Comprehensive Plan Element (s):

- Economic Development - Choose an item.
- Environment & Resource Protection - Choose an item.
- Land Use - Choose an item.
- Neighborhoods & Housing - Diversified housing options to serve citizens with varying needs and interests
- Parks, Public Spaces & Facilities - Choose an item.
- Transportation - Choose an item.
- Not Applicable

Master Plan:

Vision San Marcos - A River Runs Through Us

Background Information:

The City of San Marcos adopted a Low-Income Housing Tax Credit (LIHTC) Policy as part of the Workforce / Affordable Housing Policy in March, 2017 with amendments in June, 2018, May, 2019, and November, 2019. This Policy includes criteria in order to determine whether a resolution of no objection will be recommended for consideration by the City Council. Please see the attached memo with a history of policy amendments.

Staff has included a summary of all low-income housing tax credit properties in San Marcos, including basic information such as the total number of housing tax credit properties that already exist, the status of each property, the age of each development, and basic metrics and staff input on how the program is addressing the City's housing needs. This information was provided to the Committee to provide context and guidance on the requests for a resolution of no objection for LIHTC projects.

Council Committee, Board/Commission Action:

The Committee discussed the amendments to the LIHTC Policy at their November 25, 2019 and January 13, 2020 Workforce Housing Committee meetings. At their January 13, 2020 meeting, the Committee provided the following direction:

Criteria 1e

Discussion: The Committee discussed amending criteria #1e to ensure that if a project is requesting a tax

exemption, revenues from such project remain in the City of San Marcos.

Action: Staff presented the amendment. The Commission recommended that “with housing” be added to the amendment. The Commission recommended approval of the amendment as follows:

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. ~~preference should be given to projects that utilize a local entity for such tax exemptions.~~

Criteria 8d

Discussion: The Committee discussed amending criteria #8d to ensure projects (whether tax exempt or not tax exempt) utilize local support services.

Action: Staff presented the amendment. The Commission recommended approval of the amendment as follows:

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).

Overall Policy

Discussion: The Committee discussed ways to make the policy easier to understand.

Action: Staff will work on a potential flow-chart in order to create a more clear process.

Alternatives:

n/a

Recommendation:

Staff recommends amendments to the LIHTC Policy as follows:

- Amend criteria to ensure if a project is requesting 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.
- Add minor revisions to the policy language so that it is easier to read.