



Legislation Text

File #: Res. 2024-125R, **Version:** 1

AGENDA CAPTION:

Receive a Staff presentation and hold a Public Hearing to receive comments for or against Resolution 2024-125R, providing no objection to the submission of an application for Low Income Housing Tax Credits to the Texas Department of Housing and Community Affairs for the proposed "The Springs" multifamily housing project located east of the intersection of interstate Highway 35 and Aquarena Springs Drive and between Aquarena Springs Drive and Davis Lane; approving findings related to the application; imposing conditions for such non objection; authorizing the City Manager, or her designee, to execute said agreement and to submit and execute documents related to the application; authorizing the City Manager, or her designee, to execute an agreement providing for the owner of the project to make payments to the city in lieu of property taxes; and declaring an effective date; and consider approval of Resolution 2024-125R.

Meeting date: July 2, 2024

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: [Please select from the dropdown menu below]

N/A

N/A

N/A

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☐ 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.
- ☐ Core Services
- ☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

This property is located east of IH 35 fronting Aquarena Springs Drive and Davis Lane. The applicant is partnering with the San Marcos Housing Authority to provide 304 units, of which 46 (15%) will be restricted to those earning 30% of the Austin Area Median Income (AMI) or less, with the remaining 258 units restricted to those making 60% or less of the AMI. The applicant is seeking a tax exemption and proposing a Payment in Lieu of Taxes (PILOT) Agreement of either one \$250,000 lump sum payment to the City plus \$20k per year over 15 years (total \$550,000) or a \$400,000 lump sum payment.

At the December 5, 2023 meeting, the San Marcos City Council adopted the current LIHTC Policy. Under the policy, applications must meet at least 5 of the 8 criteria, including criteria #1, in order to receive a positive staff recommendation. Under the current policy, *“no exemption from local taxes may be considered”* unless the project meets criteria 1a-1e.

Staff considers 5 of the 8 LIHTC criteria met, however criteria 1c is not met. According to the policy local tax exemptions should not be considered and staff may not recommend approval of the request.

Council Committee, Board/Commission Action:

This item was discussed by the Workforce Housing Council Committee on May 20, 2024. The Committee wished to bring the request forward to the full City Council for consideration.

Alternatives:

Click or tap here to enter text.

Recommendation:

Staff recommends **denial** of LIHTC-24-04 due to not meeting Criteria #1 of the City's Affordable / Workforce Housing Policy.