



Legislation Text

File #: Res. 2020-188R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2020-188R, amending Resolution 2020-132R (LIHTC-20-01, Lantana on Bastrop), acknowledging that the proposed New Construction Development is located in a census tract that has more than 20% Housing Tax Credit Units per household, that the proposed Development is consistent with the city's obligation to affirmatively further fair housing, 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 Lantana on Bastrop Multifamily Housing Project located at the intersection of South Old Bastrop and Rattler Road; approving findings related to such application; imposing conditions for such no objection; providing authorizations for execution or submission of documents related to the such application; and declaring an effective date.

Meeting date: September 1, 2020

Department: Planning & 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: [Click or tap here to enter text.](#)

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

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 - Choose an item.
- 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:

Resolution 2020-28R was approved on February 4th, 2020 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 Lantana on Bastrop Multifamily Housing Project located at the intersection of South Old Bastrop and Rattler Road. The Resolution was amended on June 16th, 2020 to clarify the zoning district that the applicant would be pursuing for the project. Since this time, the applicant has informed staff that an additional resolution is needed from City Council in order for TDHCA to consider the project eligible for housing tax credits. The 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 which requires a “Greater than 20% Housing Tax Credits per Total Household in Census Tract” resolution from City Council. This Resolution is a statutory requirement from the Texas Department of Housing and Community Affairs and applicants applying for housing tax credits for development located in these census tracts are considered ineligible unless the Governing Body of the appropriate municipality of county containing the Development affirms, by vote, that they have no objection to the application.

This requirement is included in the 2020 Qualified Action Plan which governs the awarding and allocation of housing tax credits by TDHCA. The requirement is included in the plan as a “Housing De-Concentration Factor” along with several other rules (applicability depending on type of application, county population, as well as other factors) which regulate the concentration of housing tax credit projects within a community. The intent of the rule is to provide the governing body opportunity to address concerns related to concentration of poverty and inequitable distribution of low-income units. Since this rule applies to all projects requesting housing tax credits within the state of Texas, cities and counties should consider local factors and considerations in determining their support of this resolution. These local factors and considerations could include the number of market rate units vs. housing tax credit units in the subject census tract, the median income and rent of the area in relation to TDHCA restrictions, and access to services and amenities in the

area.

The proposed development is located in Census tract 104. Approximately 28.51% of the housing units in this tract are housing tax credit units. Census tract 105 is comprised of approximately 41.90% housing tax credit units. These two Census tracts are the only tracts within San Marcos where the housing units are comprised of 20% or more housing tax credit units.

The applicant, Mission DG, is requesting the below resolution to meet this requirement from TDHCA:

- 1. Resolutions by the City Council of the City of San Marcos, Texas, - “As provided for in 10 TAC§11.3(e) and §11.4(c)(1), it is hereby acknowledged that the proposed New Construction Development is located in a census tract that has more than 20% Housing Tax Credit Units per total household and the proposed Development is consistent with the City’s obligation to affirmatively further fair housing and the City has no objection to the Application.”**

Applications for Resolutions of No Objection must meet at least 5 of the 8 criteria, including criteria #1 of the City’s Low-Income Housing Tax Credit policy to receive a positive staff recommendation. Based on the criteria outlined in the policy, the application approved on February 4th, 2020 and amended on June 16th 2020 meets 6 of the 8 criteria. The addition of the 20% Housing Tax Credit Units per total household resolution does not affect the applicant’s status of compliance with the Low-Income Housing Tax Credit policy.

Council Committee, Board/Commission Action:

At their February 4th, 2020 regular meeting, the City Council approved Resolution 2020-28R 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 Lantana on Bastrop Multifamily Housing Project located at Rattler Road and South Old Bastrop Road. The Resolution was amended on June 16th, 2020 to clarify that the applicant would be pursuing CD-5 zoning rather than CD-4 zoning.

Alternatives:

Click or tap here to enter text.

Recommendation:

Staff recommends approval of the updated Resolution of No Objection as presented.