



City of San Antonio

Agenda Memorandum

File Number:
{{item.tracking_number}}

Agenda Item Number: 5

Agenda Date: April 24, 2025

In Control: Planning and Community Development Committee

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: District 4

SUBJECT:

Request to expand the boundaries of the Somerset Grove Tax Increment Reinvestment Zone (TIRZ)

SUMMARY:

Request to expand the boundaries of the Somerset Grove Tax Increment Reinvestment Zone to add 24 acres and 96 single family homes to the Project. There is no fiscal impact as a result of this request.

BACKGROUND INFORMATION:

The Somerset Grove Tax Increment Reinvestment Zone (Somerset Grove TIRZ) was designated June 17, 2021 by City Council through Ordinance Number 2021-06-17-0480 and scheduled to be terminated September 30, 2046. It is located west of Somerset Road and IH-35 in Council District 4. The original Project Plan was to construct 603 single family homes on approximately 130 acres. The Somerset Grove Development Agreement sets a maximum reimbursement amount to the

Developer at \$21,701. There is no request to extend the term of the Somerset Grove TIRZ or the maximum reimbursement amount.

The Somerset Grove Development Agreement for the Project included Project Affordability: 50% of the homes must be under \$240,000. Sales data from the Developer in January 2025 shows 241 sold so far have been under \$236,000 with an average sales price under \$173,000.

In January 2025, the City was advised the Developer was unable to recapture sufficient land from the floodplain and the number of homes would be reduced to 543. With the additional acreage, the Developer would now construct 639 single family units with no additional reimbursement amount.

ISSUE:

Staff has reviewed the request submitted by the Developer to expand the TIRZ boundaries and conducted a financial analysis. Staff recommends moving forward with the expansion of the current boundaries to include the additional 24 acres and 96 homes with the existing affordability limits to the Project.

FISCAL IMPACT:

There is no fiscal impact to the City's General Fund associated with this request.

ALTERNATIVES:

The Planning and Community Development Committee could choose to not allow for the expansion of the TIRZ boundaries to add additional homes. This would adversely impact the ability of the Developer to proceed with the additional homes.

RECOMMENDATION:

Staff recommends the Planning and Community Development Committee approve this request and refer this to City Council for consideration at the next available agenda date.