



City Council Agenda #31

Construction Related Rent Relief for La Villita & Market Square Tenants

John Stevens, Assistant Director

June 20, 2024

Background



- The streets near La Villita and Market Square were targeted for investment in the FY17 and FY22 bond.
 - Zona Streets
 - Commerce Street (Frio Street to Santa Rosa Street)
 - San Saba Street (Nueva Street to Martin Street)
 - Santa Rosa Street (César E. Chávez Boulevard to Martin Street)
 - South Alamo (Market St to Cesar Chavez)
- Ongoing construction activity has had a significant impact on CCDO tenants at these facilities.
- Tenants at La Villita and Market Square have campaigned for City assistance and rent relief.



Issue



- Providing tenant rent relief for an extended duration has a negative impact on the City's operating funds.
 - Tenants at La Villita pay rent to the General Fund.
 - Market Square has an enterprise fund.
- This item provides a 75% rent abatement for the La Villita and Market Square tenants through the projected substantial completion dates.*
- Funds will be transferred from the Inner-City Incentive Fund (ICIF) to offset the impact to these funds.

* Two additional months of relief are budgeted in case of delay or unexpected impacts due to punchlist items.

Fiscal Impact



- La Villita tenants will receive a 75% rent reduction for the time-period of January 2024 – August 2025.
- Market Square tenants will receive a 75% rent reduction for the time-period of June 2024 – April 2025.

	La Villita (General Fund)	Market Square (Market Square Fund)	Total
FY2024	\$166,744	\$278,707	\$445,451
FY2025	\$261,045	\$627,361	\$888,406
FY2026	\$23,107	-	\$23,107
Total	\$450,896	\$906,068	\$1,356,964

Recommendation



- Staff recommends using funding from ICIF to support rent relief for tenants at La Villita and Market Square.



City Council Agenda #31



Construction Related Rent Relief for La Villita & Market Square Tenants

John Stevens, Assistant Director

June 20, 2024