



CITY OF SAN ANTONIO
**NEIGHBORHOOD & HOUSING
SERVICES DEPARTMENT**

Tax Increment Financing Program Policy Update

City Council A Session

December 15, 2022

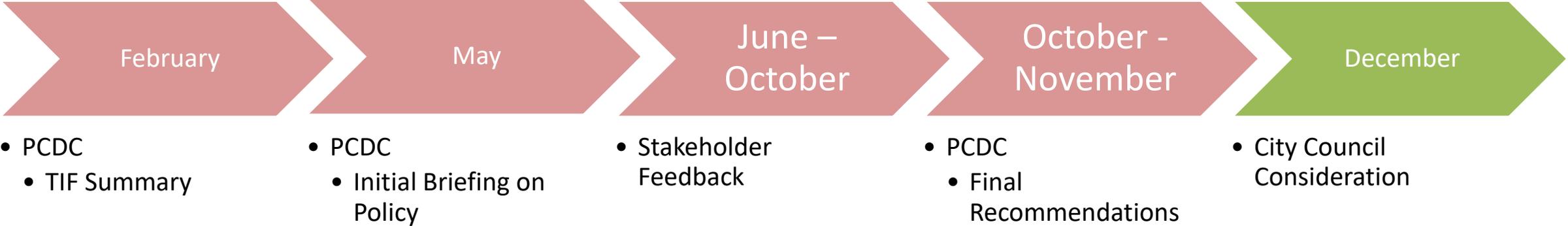
Item #50

Ian Benavidez, Deputy Director, NHSD

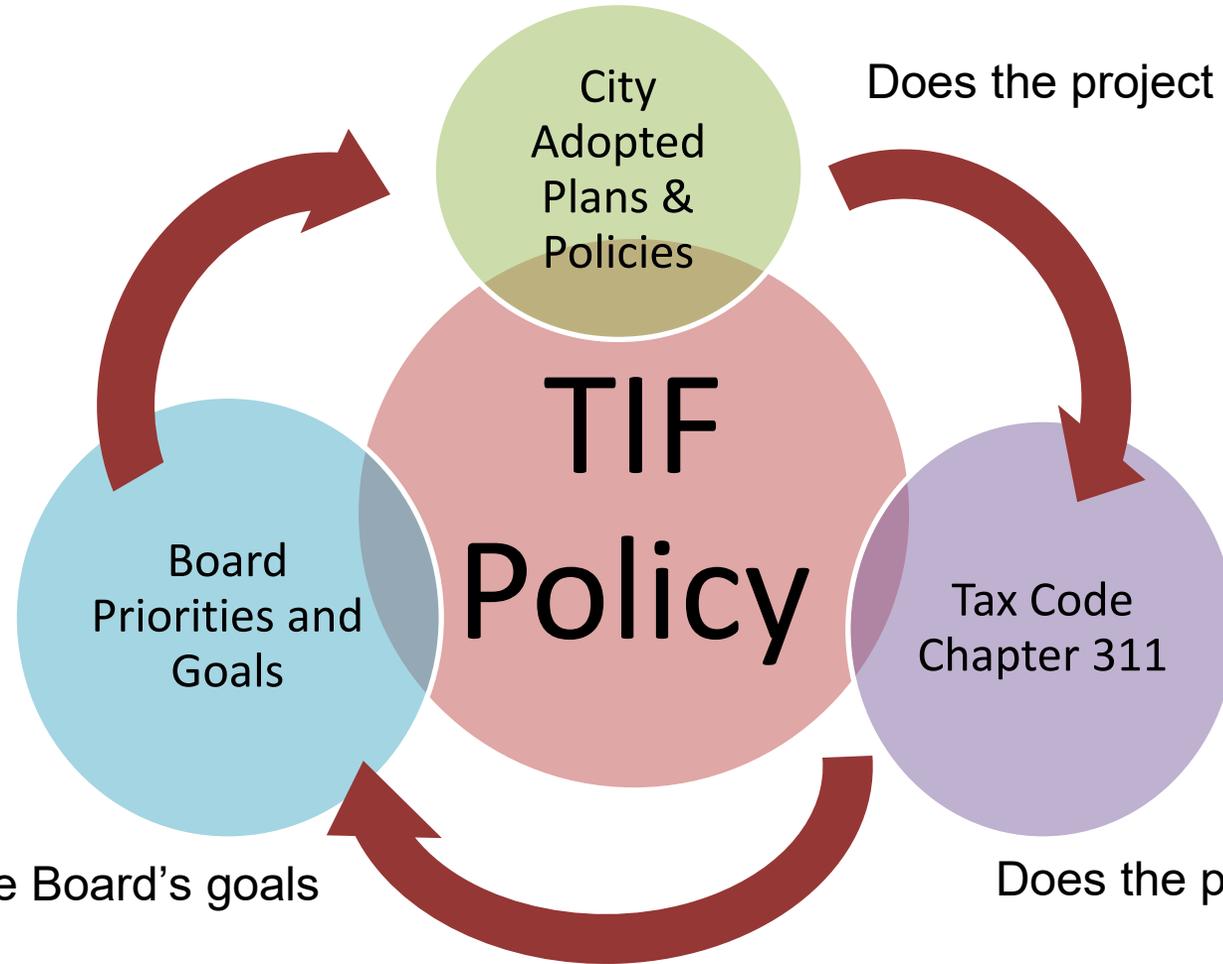
Background

- Current **TIF Policy** adopted **May 2015**
- Current policy is lengthy and disjointed
- Refers to outdated City programs and requirements
- Streamline process for applicants, add flexibility for Staff

Policy Update Process



TIF Policy Connects Several Policy Areas



Does the project meet a City priority or plan?

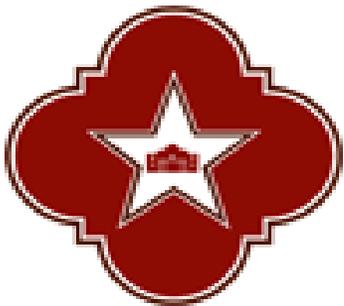
Does the project meet the Board's goals and priorities?

Does the project meet legal requirements?

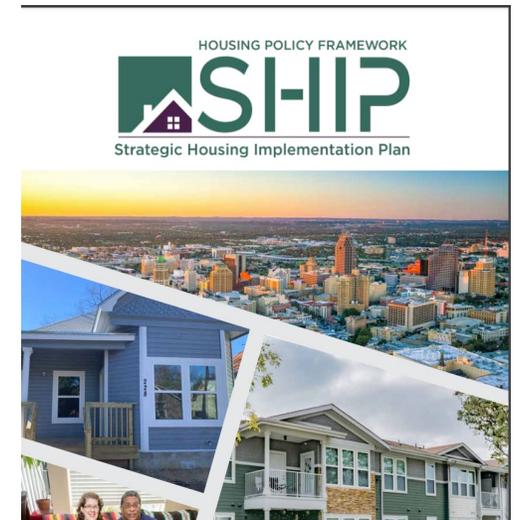
TIF Program Policy Updates

Reference current City Council Adopted Plans and Initiatives

- Strategic Housing Implementation Plan (SHIP)
- SA Tomorrow - Regional Centers, Density, Congestion Mitigation, Placemaking
- Climate Action Plan
- Economic Framework
- Historic Preservation
- General infrastructure & City projects and Public Arts



Economic Development
Framework



TIF Program Policy Updates

TIRZ Board Goals & Priorities

- Each City-initiated TIRZ Board will adopt goals and priorities
- Speak to specific needs of that TIRZ and that community
- Will be used by staff to evaluate proposed projects and make recommendations to the board
- Will be included in application for funding for each TIRZ Board so applicants will understand the priorities of the goals (proactive approach)
- Will be reviewed annually and updated as needed

TIF Program Policy Updates

Housing Guidelines

- Projects should have a minimum of 25% of units at affordable levels

Affordable Housing

- Alignment with SHIP for affordable housing (PSH/ 60% AMI / 120% AMI)
- Affordable Housing projects are eligible for direct funding from applicable TIRZ fund balances

Market-rate Housing

- Market-rate projects can be considered for funding
- Must complete market analysis to show need for housing in the area
- Must complete Displacement Impact Assessment (DIA) to understand potential impact on neighborhood
- Funding will be recommended at 75% of increment generated from the project site
- 25% of increment generated will be directed to the Affordable Housing Fund

TIRZ Boards and Council can make recommendations that differ from these guidelines

TIF Program Policy Updates

Additional Housing Criteria

- Alignment with SA Tomorrow on location and type (mixed-use, transit oriented)
- Alignment with Economic Development Framework for mixed-use developments
- Universal Design when financially feasible, coordinated with Disability Access Office
- All agreements to include Housing Voucher Incentive Policy and Notice of Tenants Rights

Sustainability

- Connection to Climate Action Plan, meeting minimum green building standards
- Build San Antonio Green (BSAG) level 2 or equivalent
 - Solar Ready (single family homes)
 - EV ready (single family homes)
 - Energy efficient roofs
 - Drought resistant landscaping
 - Heat island mitigation
 - Leveraging other funding available (PACE, State and Federal funding)

TIF Program Policy Updates

Community Benefits

- Application will include examples of community benefits to be incorporated into project funding requests for board consideration
- Examples:
 - Art
 - Community Meeting Spaces
 - Dog Parks
 - Public Green Space
 - Trails or access to trail system
- Community benefits related to the approval of funding can be included in the agreement approved by the Board and City Council

TIF Program Policy Updates

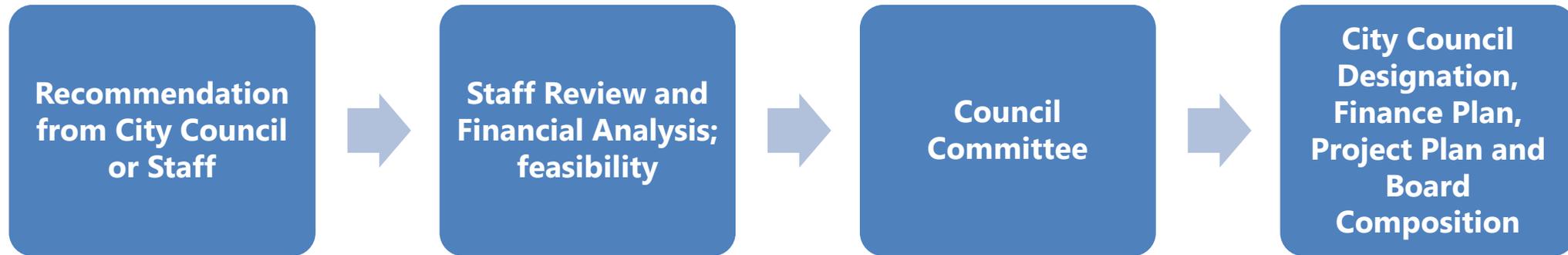
Board Members & Appointment Process – City Initiated TIRZ

- 1. Vacancies advertised by Office of the City Clerk**
- 2. Board vacancies are “at-large” and members of the public are encouraged to apply**
 - Applicants can be recommended by City Councilmembers
- 3. NHSD and CAO responsible for vetting applications**
- 4. NHSD refers Qualified Applicants to Ad Hoc Committee of TIRZ Board**
 - TIRZ Board Chair
 - TIRZ Board Vice Chair
 - Councilmember(s) of District(s) in which TIRZ is located
- 5. Ad Hoc Committee refers Applicants to City Council for consideration**

- Non-participating taxing entities will be administratively removed from Boards
- Taxing entities that later participate will administratively be added to Boards

Proposed Policy Changes

City Initiated Tax Increment Reinvestment Zones – Creation or Extension

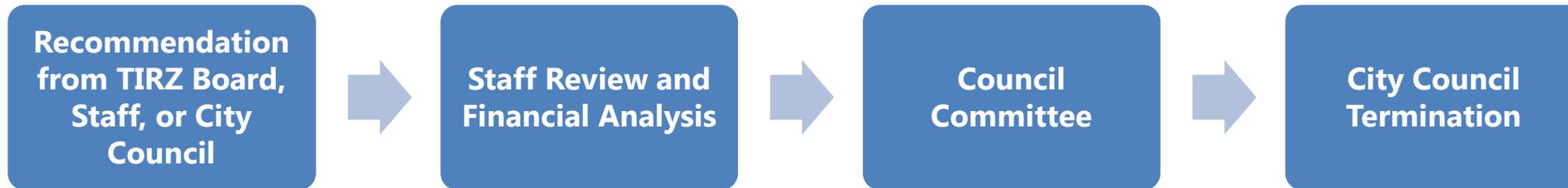


- **Board Composition (standardize)**
 - 7 to 11 member board dependent on TIRZ size
 - Councilmembers whose Districts are located in the TIRZ
 - Participating taxing entities
 - City staff from City Managers Office, Finance, and/or Departments aligned with TIRZ purpose
 - Members of the public

Proposed Policy Changes

Tax Increment Reinvestment Zones – Termination

City Initiated or Petition Initiated TIRZ:



Other Provisions

- General rule is either the termination date in the Designation Ordinance or when all project costs have been paid in full
- TIRZ Board, City Staff or City Council may recommend early termination
- Any remaining funds will be appropriated to the General Fund and designated to the Council District(s) in which the TIRZ is located (pro-rata if more than one district)

Proposed Policy Changes - Fees

Petition-initiated Zone Designation Fee

Current: \$50,000 regardless of Project size or Applicant

Proposed:

Fee	Amount of TIF Funding Requested
\$50,000	\$10,000,000 +
\$25,000	\$5,000,000 to \$9,999,999
\$10,000	Under \$5,000,000

- Due and payable upon passage of an Ordinance by City Council designating or extending a TIRZ

Non-Profits or 501(c)(3) Entities (new)

- Designation & administration fees may be reduced or waived for Projects that include Affordable Housing or for non-profit entities
- Projects with Affordable Housing at 60%/120% AMI qualify for reduction of Designation fee
- Projects with Affordable Housing at less than 60%/100% AMI qualify for waiver of Designation fee
- Reduction or waiver must have consent of City Council



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