



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

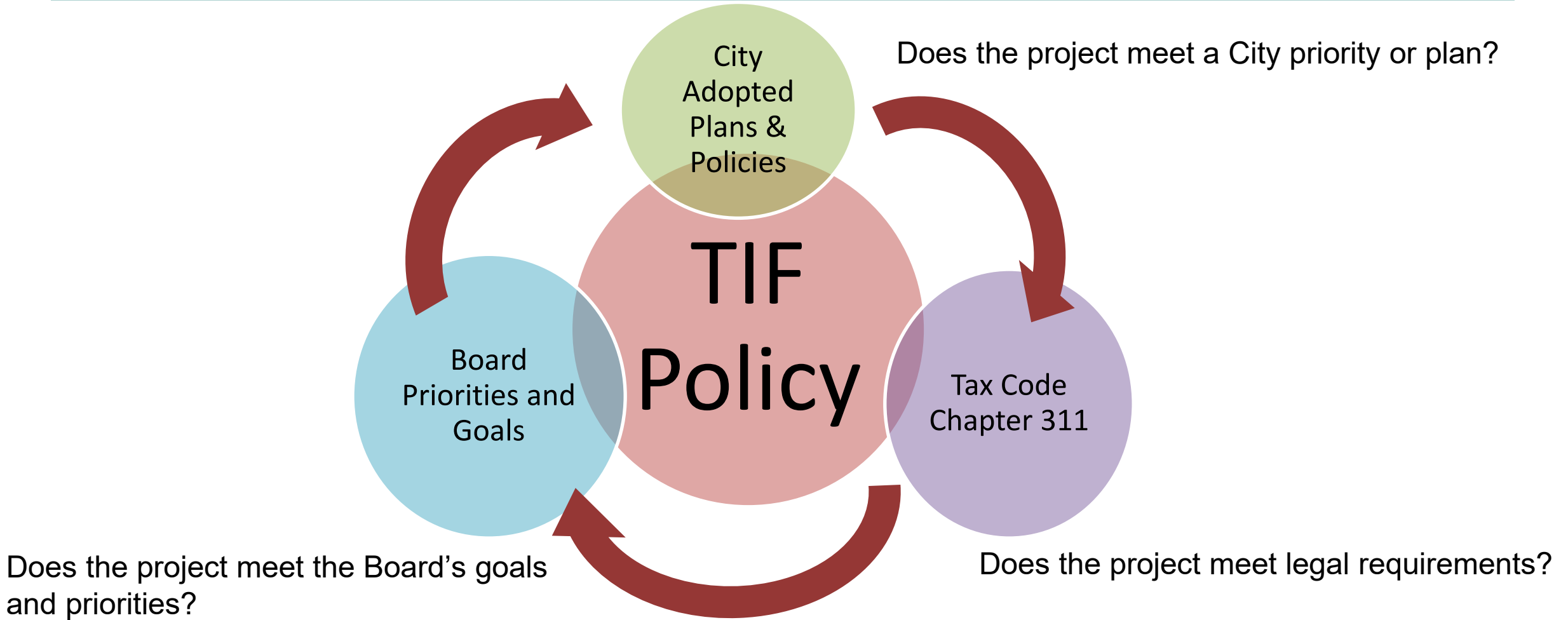
Background

- 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- Refers to outdated City programs and requirements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



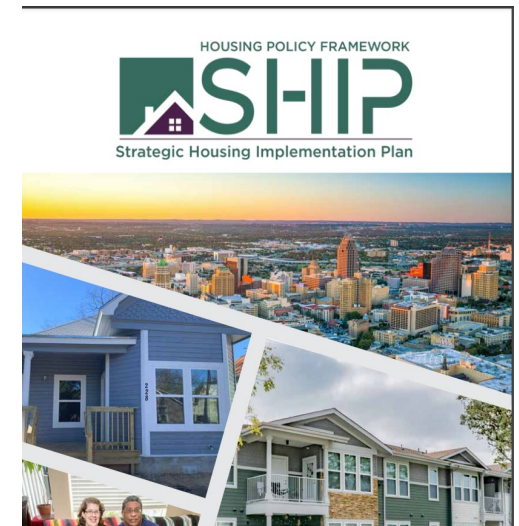
TIF Program Policy Updates

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

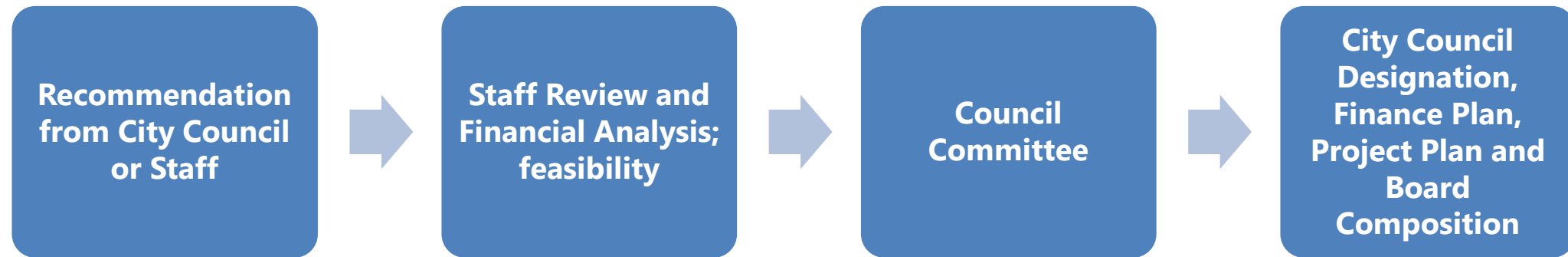
Board Members & Appointment Process – City Initiated TIRZ

- 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

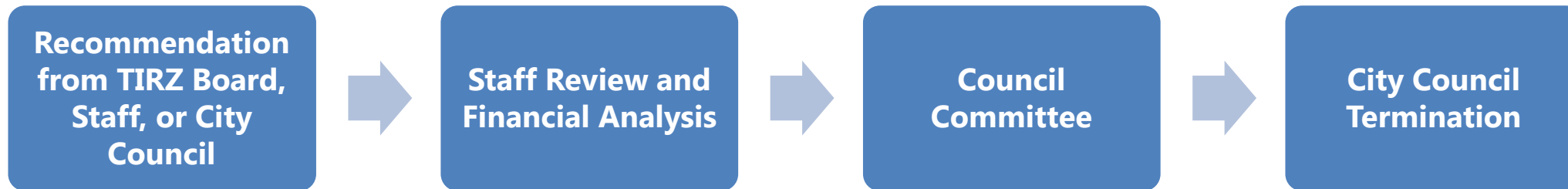


- **Board Composition (standardize)**
 - 7 to 11 member board dependent on TIRZ size
 - Councilmembers whose Districts are located in the TIRZ
 - Participating taxing entities
 - City staff from City Managers Office, Finance, and/or Departments aligned with TIRZ purpose
 - Members of the public

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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