



City of San Antonio

Agenda Memorandum

File Number:21-3896

Agenda Item Number: 4.

Agenda Date: 5/25/2021

In Control: Planning and Land Development Committee

DEPARTMENT: Neighborhood and Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, FAICP, Director

COUNCIL DISTRICTS IMPACTED: 4

SUBJECT:

Briefing of the Somerset Grove proposed petition initiated TIRZ located at 9300 IH-35 South and 9400 Somerset Road in southwest San Antonio in Council District 4.

SUMMARY:

Consideration of the developer petition-initiated Somerset Grove TIRZ located at 9300 IH-35 South and 9400 Somerset Road in southwest San Antonio in Council District 4

BACKGROUND INFORMATION:

Pursuant to Section 311.005(a)(4) of the Tax Increment Finance (TIF) Act, Chapter 311 of the Texas Tax Code, the City has the authority to create a petition-initiated Tax Increment Reinvestment Zone (TIRZ) in order to promote the development or redevelopment of an area if the City determines that development or redevelopment would not occur solely through private investment in the reasonable foreseeable future.

In April 2021 Lennar Homes of Texas Land and Construction, Ltd. submitted a Tax Increment Financing application requesting the creation of a new 129-acre single family home petition-initiated TIRZ located at 9300 IH-35 South and 9400 Somerset Road in southwest San Antonio in Council District 4. The total development cost is estimated at \$70,049,819 with a current public infrastructure reimbursement request of \$21,701,910. The developer is seeking a 25-year term with the City participating at 85% in the proposed TIRZ.

ISSUE:

Somerset Grove consists of approximately 129 acres. The development will consist of 603 single-family homes. The homes will be sold starting at \$150,000. Twenty five percent (151 homes) will be priced between

\$150,000 - \$199,000, fifty percent (301 homes) will be priced between \$200,000 - \$240,000, and twenty five percent (151 homes) may be priced above \$241,000. Based on average interest rates and other mortgage factors, a typical household of four allocating 30% of their income on housing can afford a home at or below \$155,000 for families at 80% AMI, at or below \$200,000 for families at the median income and at or below \$243,000 for families up to 120% AMI.

On May 14, 2021, the TIF Governance Committee met and recommended the Somerset Grove petition initiated TIRZ request be considered by the Planning and Land Development Committee.

ALTERNATIVES:

Planning and Land Development Committee may elect not to forward this item to City Council which would adversely impact the ability of the developer to proceed with the project.

FISCAL IMPACT:

Funding for this agreement is available through the tax increment produced by the TIRZ.

RECOMMENDATION:

For briefing purposes only.