



# City of San Antonio

## Agenda Memorandum

**File Number:**  
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**Agenda Item Number:** 3

**Agenda Date:** February 24, 2022

**In Control:** Planning and Community Development Committee

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Verónica R. Soto

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Briefing on Tax Increment Financing Program and Potential Policy Updates

**SUMMARY:**

Briefing on Tax Increment Financing Program and Potential Policy Updates

**BACKGROUND INFORMATION:**

Tax Increment Financing (TIF) is governed by Chapter 311 of the Texas Tax Code, and it is an economic development tool used to spur development or redevelopment of blighted or underperforming areas that would otherwise remain stagnant.

Tax Increment Financing incentivizes economic development by capturing the growth in taxes within a defined area (Tax Increment Reinvestment Zone) and is used to pay costs associated with projects and programs that meet the guidelines established in Chapter 311, stimulating further improvement within the zone and surrounding area.

The City of San Antonio's TIF policy was established in 1998 and updated on May 14, 2015, in order to help guide the use of TIRZ funding and to align with the City's primary revitalization programs and initiatives.

#### **ISSUE:**

The City of San Antonio currently has twenty-three Tax Increment Reinvestment Zones (TIRZ), nine city-initiated and 14 petition-initiated. These TIRZ have funded a wide range of programs and projects from housing, economic development, job training, historic preservation, and public infrastructure.

Currently, project applications are submitted to the City for legal review and financial analysis before being presented to the appropriate TIRZ board. Final recommendations are then presented to Council for final consideration. Petition-initiated TIRZ are presented to the appropriate council committee before being presented to council for final consideration.

The TIF Program is in the process of updating the existing TIF Policy that was adopted on May 14, 2015. Proposed updates to the policy include:

- Simplify and streamline the existing policy and application
- Update to reference current CoSA programs and plans
- Update the fee structure
- Establish requirements for housing projects
- Process to identify priorities for each TIRZ

Staff is seeking feedback from Committee on any other areas of consideration that should be looked at during the update. Staff will return to provide updates and final recommendations on any changes to the policy.

#### **FISCAL IMPACT:**

No Fiscal Impact.

#### **ALTERNATIVES:**

For Briefing purposes only.

#### **RECOMMENDATION:**

For Briefing purposes only.