



City of San Antonio

Agenda Memorandum

File Number:
{{item.tracking_number}}

Agenda Item Number: 3

Agenda Date: May 9, 2022

In Control: Planning and Community Development Committee

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Interim Director

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 City programs, plans, and policies
- Update the fee structure
- Establish requirements for housing projects
- Establish process to identify priorities for each TIRZ

Staff received feedback from Council offices on areas of concern for consideration in the update. All City Council members received a summary packet of all twenty-three of the Tax Increment Reinvestment Zones that the Tax Increment Financing Program manages. The information included the type of TIRZ, designation date, termination date, map of each TIRZ, projected funds available for future projects for each TIRZ, individual projects with approved funding amount for city-initiated TIRZ's, and board rosters for each TIRZ.

After briefing the Council committee, staff will propose policy changes and seek feedback from stakeholders. Staff will return to committee to provide updates and final recommendations on any changes to the policy before going to City Council for consideration of proposed recommendations.

FISCAL IMPACT:

No Fiscal Impact

ALTERNATIVES:

For Briefing purposes only.

RECOMMENDATION:

This item is for briefing purposes only.