



City of San Antonio

Agenda Memorandum

File Number:
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Agenda Item Number: 2

Agenda Date: December 12, 2022

In Control: Planning and Community Development Committee

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Interim Director

COUNCIL DISTRICTS IMPACTED: District 3

SUBJECT:

Briefing of the Proposed petition-initiated Tax Increment Reinvestment Zone #40 - Lone Oak

SUMMARY:

Briefing of the proposed petition-initiated Tax Increment Reinvestment Zone #40 – Lone Oak, located near Loop 1604 and IH-37 South in Council District 3.

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 October 2022, VT Lone Oak Development Company, LLC., submitted a Tax Increment

Financing application requesting the creation of a new petition-initiated TIRZ located near Loop 1604 and IH-37 South. The proposed TIRZ would consist of 975 single family market rate homes. The average price of the homes is estimated to be \$275,000, with home prices starting at \$260,000. The total development cost is estimated at \$270,000,000 with a current public infrastructure reimbursement request of \$46,955,362. Costs will include utilities (SAWS area sewer and lift station improvements), drainage, onsite right-of-way, curb and sidewalks, and landscaping.

ISSUE:

Staff has reviewed the application submitted by the developer and conducted a financial analysis. The Proposed TIRZ meets the following goals of the TIF Program Policy:

1. Located in the Heritage South Sector Plan and will meet Transportation and Housing goals of SA Tomorrow by being adjacent to a strategic node for reduced traffic burden and provides an array of housing choices throughout the area with the goal of promoting Heritage South as an area of choice for prospective homebuyers.
2. Located within Census Tract 1522.001, Block Group 5, a tract eligible for Community Development Block Grants
3. Reduction of income segregation – Median home value within Census Tract is \$100,900 and 89% of homes in this census tract are valued below \$200,000. The Lone Oak TIRZ can bring market rate homes to an area underserved with such homes.
4. In an area with poverty and unemployment levels higher than the City average and educational attainment levels lower than the City average – Per 2020 Census data, 33.9% of persons in this tract are below the poverty line, compared to 17.6% in San Antonio. 65.9% of persons in this tract have an educational attainment of high school or higher, as compared to 82.7% in San Antonio.

On November 28, 2022, City staff reviewed the proposal from the Developer and recommended the Lone Oak petition-initiated TIRZ request be considered by the Planning and Community Development Committee.

FISCAL IMPACT:

There is no impact to the City's General Fund.

ALTERNATIVES:

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

RECOMMENDATION:

Staff recommends the Planning and Community Development Committee refer this proposed Tax Increment Reinvestment Zone to full City Council for consideration.