



# City of San Antonio

## Agenda Memorandum

**File Number:**18-1798

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**Agenda Item Number:** 1.

**Agenda Date:** 2/20/2018

**In Control:** Housing Commission to Protect and Preserve Dynamic and Diverse Neighborhoods

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Verónica R. Soto, AICP

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

Briefing on the Fiscal Impact of Residential Development Study

### **SUMMARY:**

This item includes a briefing by Fregonese Associates, Inc. on the Fiscal Impact of Residential Development Study completed by them for the City of San Antonio followed by Subcommittee discussion.

### **BACKGROUND INFORMATION:**

On October 27, 2015, the Housing Commission to Protect and Preserve Dynamic and Diverse Neighborhoods established the Policy and Infrastructure Subcommittee in order to discuss relevant items on the Commission's Work Plan and to develop recommendations to bring back to the Commission for possible action. Two tasks were assigned to the Policy and Infrastructure Subcommittee for FY 2017: a Policy & Program Assessment and a Vulnerable Communities Assessment & Toolkit. As part of the Policy & Program Assessment, the Subcommittee requested that the City contract with a consultant to study the fiscal impacts of various types of residential development across the city.

The City executed a Professional Services Agreement with Fregonese Associates, Inc. on May 15, 2017 in the amount of \$49,000.00 for a six-month term to conduct the Fiscal Impact of Residential Development Study. In November 2017, the contract was extended until December 22, 2017 and the budget increased to a total of \$49,999.00.

## **ISSUE:**

The Fiscal Impact of Residential Development Study provides an analysis of the factors that drive costs of providing and maintaining infrastructure and municipal services within the City of San Antonio by evaluating four scales of residential development: conventional single-family, compact single-family, low-rise multifamily, and mid-rise multifamily housing. The study focused on three geographic areas of San Antonio: the area within the Community Revitalization Action Group (CRAG), which covers approximately the original 36-square-mile area of San Antonio; the balance of the area within Loop 410; and those areas outside Loop 410.

The study applies what is known as “scenario planning,” which measures the fiscal performance of a range of development types that are modeled based on local conditions. The modeling conducted by Fregonese Associates, Inc. considered the budgets of the City of San Antonio, CPS Energy, and SAWS to determine which residential development types result in a net-positive, net-neutral, or net-negative return on the costs of serving each of the residential development types.

According to the study, “compact development in areas with existing infrastructure provides lasting benefits to the City while less compact development outside loop 410 tends to contribute negatively over time. The City of San Antonio and its partners have a strong fiscal argument to encourage infill. In addition, the City has strong direction from SA Tomorrow and other ongoing planning efforts to encourage compact development in areas with existing infrastructure.” Fregonese Associates, Inc. will brief the Subcommittee on the methodology used in the study and a summary of findings.

## **ALTERNATIVES:**

This item is for briefing purposes only.

## **FISCAL IMPACT:**

This item is for briefing purposes only.

## **RECOMMENDATION:**

This item includes a briefing by Fregonese Associates, Inc. on the Fiscal Impact of Residential Development Study completed by them for the City of San Antonio followed by Subcommittee discussion. No formal action is required by the Subcommittee.