



City of San Antonio

Agenda Memorandum

File Number:19-7977

Agenda Item Number: 23.

Agenda Date: 11/14/2019

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Verónica R. Soto, AICP

COUNCIL DISTRICTS IMPACTED: 1, 2, 3, 4, and 5

SUBJECT:

An ordinance authorizing the acceptance and use of \$6,230,000 from the Houston Street TIRZ, Inner City TIRZ, Midtown TIRZ, Mission Drive-In TIRZ, and Westside TIRZ to fund affordable housing projects and programs located in or out of the zones. The acceptance of \$1,500,000 from the Westside TIRZ is contingent on Board approval.

SUMMARY:

City Council is being asked to consider an ordinance approving the acceptance and use of \$6,230,000 from the following City-initiated Tax Increment Reinvestment Zones (TIRZs): Houston Street TIRZ, Inner City TIRZ, Midtown TIRZ, Mission Drive-In TIRZ, and Westside TIRZ. The acceptance of \$1,500,000 from the Westside TIRZ is contingent on Board approval. The funds will be used in furtherance of programs or projects that encourage housing affordability throughout the City and/or assist in keeping vulnerable families in their homes per the FY2020 adopted budget.

BACKGROUND INFORMATION:

In order to support the FY2020 Affordable Housing Strategy, the City requested funding from City-initiated TIRZ Boards and received approval from each of the respective Boards for the following amounts:

- Houston Street TIRZ #9 \$1,500,000
- Inner City TIRZ #11 \$1,500,000
- Midtown TIRZ #31 \$1,500,000
- Mission Drive-In TIRZ #32 \$230,000
- Westside TIRZ #30 \$1,500,000 (contingent on Board approval)

Funds from the above City-initiated TIRZs will be leveraged with funding from housing partners to support affordable housing production programs such as Single Family Infill Housing Program, property acquisition for single family construction, and gap financing for multi-family housing. The funds will also support the rehabilitation and preservation programs such as Single Family Rehabilitation Pilot Program, Minor Repair, and Under 1 Roof. The Tax Increment Financing (TIF) program is authorized by Chapter 311 of the Texas Tax Code in which Section 311.0110 states that an agreement may dedicate revenue from the tax increment fund to pay the costs of providing affordable housing in or out of the zone.

ISSUE:

The Mayor's Housing Policy Task Force Framework sets a housing target of preserving and producing 18,681 affordable housing units for the next ten years. The breakdown includes 6,299 owner occupied units and 12,382 renter occupied units. In order to meet the ten year target, a pipeline had to be developed. The pipeline included any affordable housing project that came online in 2019 and beyond, and then developed a pipeline of projects that were introduced in this fiscal year to help better understand our annual production capacity. In accordance with the FY 2020 Adopted Budget, City Council consideration is requested for the approval of the acceptance and appropriation of \$6,230,000 from the Houston Street TIRZ, Inner City TIRZ, Midtown TIRZ, Mission Drive-In TIRZ, and Westside TIRZ to fund affordable housing projects and programs located in or out of the zones. The acceptance of \$1,500,000 from the Westside TIRZ is contingent on Board approval.

ALTERNATIVES:

City Council could choose not to approve the request. If so, this action would negatively affect implementation of the FY2020 Affordable Housing Strategy. Other funding sources would need to be identified to support affordable housing programs or projects.

FISCAL IMPACT:

This ordinance authorizes the acceptance and appropriation of \$6,230,000 from the Houston Street TIRZ, Inner City TIRZ, Midtown TIRZ, Mission Drive-In TIRZ, and Westside TIRZ to fund affordable housing projects and programs as follows:

<u>TIRZ #</u>	<u>TIRZ Name</u>	<u>Amount</u>
09	Houston Street	\$1.5M
11	Inner City	\$1.5M
31	Midtown	\$1.5M
32	Mission Drive-In	\$230K
*30	Westside	\$1.5M

*contingent on Westside TIRZ Board approval

The funds will be deposited in the Affordable Housing Fund.

RECOMMENDATION:

Staff and the respective TIRZ Boards recommend approval of the acceptance and use of \$6,230,000 from the Houston Street TIRZ, Inner City TIRZ, Midtown TIRZ, Mission Drive-In, and Westside TIRZ to fund affordable housing projects and programs in or out of the zones. The acceptance of \$1,500,000 from the Westside TIRZ is contingent on Board approval.