

AN ORDINANCE **97716**

**APPROVING THE FIRST PHASE OF THE DEVELOPMENT INCENTIVE TOOLKIT AND AUTHORIZING THE CITY MANAGER OR HER DESIGNEE TO ADMINISTRATIVELY APPROVE THE REDUCTION OR WAIVER OF SPECIFIC FEES AND MAKE MINOR REVISIONS TO THE PROJECT SCORECARD, DEVELOPMENT INCENTIVE APPLICATION AND INCENTIVE INVENTORY AS DEEMED NECESSARY BY THE CITY MANAGER FOR THE IMPLEMENTATION AND ADMINISTRATION OF THE DEVELOPMENT INCENTIVE TOOLKIT; AND APPROVING THE POLICIES FOR THE DOWNTOWN HOUSING DEVELOPMENT LOAN AND HISTORIC FAÇADE LOAN PROGRAMS FOR INCLUSION IN THE INCENTIVE TOOLKIT.**

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**WHEREAS**, various City departments have recognized a need to consolidate information and the intake process required to provide incentives available, and to market those incentives, to prospective developers to facilitate desired development; and

**WHEREAS**, an Incentive Toolkit (hereinafter “Toolkit”), set out in Attachment A attached hereto and made a part hereof, has been assembled by City Staff and describes all City development incentives; and

**WHEREAS**, the Toolkit is designed for ease of use, to minimize subjectivity and prolonged negotiations by establishing specific criteria to qualify for each incentive, to establish clear expectations of performance and accountability and to achieve the stated goals and objectives; and

**WHEREAS**, the initial phase of the Toolkit includes a comprehensive inventory of available incentives including a description and the eligibility criteria of each as well as point-of-contact information, a Development Incentive Application (hereinafter “Application”) set out in Attachment B attached hereto and made a part hereof, a Project Scorecard (hereinafter “Scorecard”), said Scorecard set out in Attachment C attached hereto and made a part hereof, to evaluate and prioritize criteria for proposed projects and from which a project score would be derived, thereby providing a basis for which administrative reduction or waiver of fees for qualifying projects could qualify, said reduction or waiver of fees being more particularly described in Attachment D attached hereto and made a part hereof; and

**WHEREAS**, the Scorecard is based on a 100-point scale with points awarded for development types within specific geographic areas with an emphasis on capital investment, the creation of permanent living wage jobs and the quantity of housing units created, where applicable; and

**WHEREAS**, development priorities more particularly consist of in-fill, affordable, mixed-income and market-rate housing as well as desired, mixed-use commercial development in target areas for driver industries, transit-accessible development, restoration and re-use of historic properties as well as neighborhood reinvestment and maximization of private investment; and

**WHEREAS**, proposed initiatives concerning housing and redevelopment, which have been reviewed and recommended by the City Council Urban Affairs Committee, include the Downtown Housing Loan Program (hereinafter “Downtown Loan”) and the Council District 1 Historic Façade Loan (hereinafter “Historic Loan”); and

**WHEREAS**, the Downtown Loan would attract residential market-rate housing unit development or redevelopment in the Central Business District, thereby increasing the tax base, by providing incentives through interest-free financing for approved development costs; and

**WHEREAS**, the guidelines for the Downtown Loan would provide for loans ranging from \$10,000 to \$100,000 per project, a standard 0% interest rate for which payments may be deferred for up to five years based on pro forma, provide for subordination to a secondary lien, a loan term not to exceed 15 years including the deferral period and a requirement that loans must result in completed residential units ready for occupancy; and

**WHEREAS**, funding for this program is available from the Urban Development Action Grant (hereinafter “UDAG”) in the amount of \$450,000 and Community Development Block Grant (hereinafter “CDBG”) funds in the amount of \$575,000; and

**WHEREAS**, the Historic Loan provides incentives for the redevelopment of properties located in City Council District 1 that are recognized as historic by the City’s Historic Preservation Officer by providing very low interest financing for façade improvements approved by the Historic Design and Review Commission that result in total rehabilitation of the property;

**WHEREAS**, the Historic Loan guidelines would provide for loans ranging from \$5,000 to \$100,000 per property, a standard interest rate of 2% for which payment on principal and interest may be deferred for up to five years based on pro forma, provide for subordination to a secondary lien and a loan term not to exceed 15 years including the deferral period; and

**WHEREAS**, funding for this program is available from UDAG program income in the amount of \$450,000; and

**WHEREAS**, all developers seeking incentives, to include fee, financing and tax incentives, regulatory reductions or exemptions and workforce development or business advocacy, will complete a single Application for review from which the Economic Development Department (hereinafter “EDD”) will evaluate and score projects, coordinate other phases of Toolkit development including website access and serve as a single point of contact for assistance; and

**WHEREAS**, the Toolkit does not exempt developers from existing development requirements or review processes, will not support development that is inconsistent with urban design principles outlined in the the City’s Master Plan, or permit development that is in conflict with an existing neighborhood plan; and

**WHEREAS**, future phases of the Toolkit may include new incentives that can be specifically tailored to maximize effectiveness in new target areas, modified criteria for existing programs to allow more incentives to be awarded through the Scorecard, the inclusion of a Green Building Methods section and the development of a more universal Application to allow developers to apply for a wider variety of incentives through a single source; and

**WHEREAS**, it is also anticipated that other City developments may be awarded or recommended in these future phases, based upon Project Score, such as sewer or water impact fee reductions, Neighborhood Empowerment Zone (“NEZ”) designation, Tax Increment Financing or Tax Phase-in; and

**WHEREAS**, implementation and administration of the Toolkit by EDD staff will include development of a tracking system and survey, web page development, on-going community presentations and information on available Federal Empowerment Zone incentives, presentations to development groups and coordination and training through other departments and agencies with a proposed Toolkit implementation date of July 7, 2003; and

**WHEREAS**, the Toolkit was recommended by the Community Revitalization Action Group I and 2000 reports, is supported by eleven Master Plan policies, meets four objectives of the Housing Performance Review, is supported by five Tier 1 and three Tier 2 City Council Goals and Objectives for Fiscal Year 2003, was promoted by the Mayor’s Blue Ribbon Commission on San Antonio’s Economy, was suggested in the San Antonio Housing Market and Demand Analysis and serves as a marketing tool for the recent revisions of the Unified Development Code; and

**WHEREAS**, the City Council hereby finds that it is in the best interest of the City to provide a consolidated information and intake process regarding available incentives in an effort to further desired development and that the Toolkit provides the desired consolidation and streamlines the application process; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The City Council hereby approves the Incentive Toolkit as set out in Attachment A and authorizes implementation by City Staff as well as periodic modifications of the Toolkit to reflect statutory and City Ordinance changes, to correct errors or omissions and to make necessary clarifications to the text.

**SECTION 2.** The City Council approves the Development Incentive Application as set out in Attachment B which, in furtherance of performance and accountability, includes the following language imposing agreed obligations, as evidenced by signature, upon the developer, “The undersigned applicant agrees to reimburse the City of San Antonio determines that: 1) the project has substantially deviated from the provided scope; 2) the applicant has failed to furnish information related to the performance of any obligations; or 3) if awarded incentives were based on any misrepresentation, by the applicant, of information provided in this application or furnished in support of this application or the project scorecard. If the City is not reimbursed within a reasonable amount of time, the City at its sole option may refuse to issue any building permits, issue any certificate of occupancy, accept any development application, or accept any infrastructure improvements from such applicant. Nothing in this certification shall exclude any and all remedies otherwise provided by law.” City Staff is hereby authorized to implement said Application.

**SECTION 3.** The City Council also approves and authorizes City Staff to make administrative determinations and acceptance of payment regarding reimbursement owed from the obligations imposed on, and agreed to, by developers under the Application approved in Section 2.

**SECTION 4.** The City Council also approves the Project Scorecard system more fully described in Attachment C and authorizes City Staff to implement the system.

**SECTION 5.** The City Council hereby authorizes City Manager or her designee to administratively waive or reduce fees pursuant to the Incentive Toolkit criteria outlined in Attachment D.

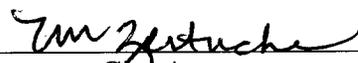
**SECTION 6.** The City Council approves the Downtown Housing Loan Program and the Council District 1 Historic Façade Loan Program for inclusion in the Toolkit and authorizes City staff to underwrite and negotiate the aforementioned loans, with said loans subject to City Council approval.

**SECTION 7.** This ordinance shall be effective on and after the tenth (10th) day after passage hereof.

PASSED AND APPROVED this 29th day of May, 2003.

  
M A Y O R  
EDWARD D. GARZA

ATTEST:   
City Clerk

APPROVED AS TO FORM:   
for City Attorney