

City Incentives, Housing Programs and Other Housing Related Tools

A G E N D A

- I. Center City Development and Operations – Ramiro Gonzales**
 - a. City and SAWS Fee Waivers**
 - b. CCHIP**
 - c. ICRIP**
 - d. Historical Tax Credits**
- II. Department of Planning & Community Development – Michael Taylor**
- III. East Point Incentives – Mike Etienne**
- IV. Bexar County – Jordana DeCamps**
- V. San Antonio Housing Trust – Jim Plummer**



Center City Housing Incentive Policy (CCHIP)

The Center City Housing Incentive Policy (CCHIP) was adopted in June 2012 to promote housing development in targeted areas of the Center City, specifically the original 36 square miles of the city known as the CRAG (see map attached). The program was developed as a result of the Downtown Strategic Framework Plan and Center City Implementation Plan and in order to advance the goal of SA2020 by creating 7,500 new housing units in the greater downtown area by 2020.

The policy provides an as-of-right incentive package for multi-family housing projects that are developed in the CRAG, and even greater incentives for projects in more highly-targeted areas within the CRAG. The program also rewards historic rehabilitation, low impact development, adaptive-reuse, and mixed-use design.

To be eligible, projects must be located within the CRAG and create at least two new housing units on a single lot or meet a minimum housing density of 16 units per acre.

Incentives include:

- A waiver of most City development fees
- A waiver of SAWS impact fees
- Property tax rebates (City ad valorem taxes only) up to 15 years
- Low-interest loans up to \$7,500 per housing unit
- Mixed-use forgivable loans up to \$20/sf for tenant-finish out improvements

Application process:

- Download the program manual and application from the CCDO website
- Submit application and required attachments to CCDO via email
- Meet with an assigned CCDO Special Projects Manager to review the project
- Execute a CCHIP Development Incentive Agreement with the City of San Antonio

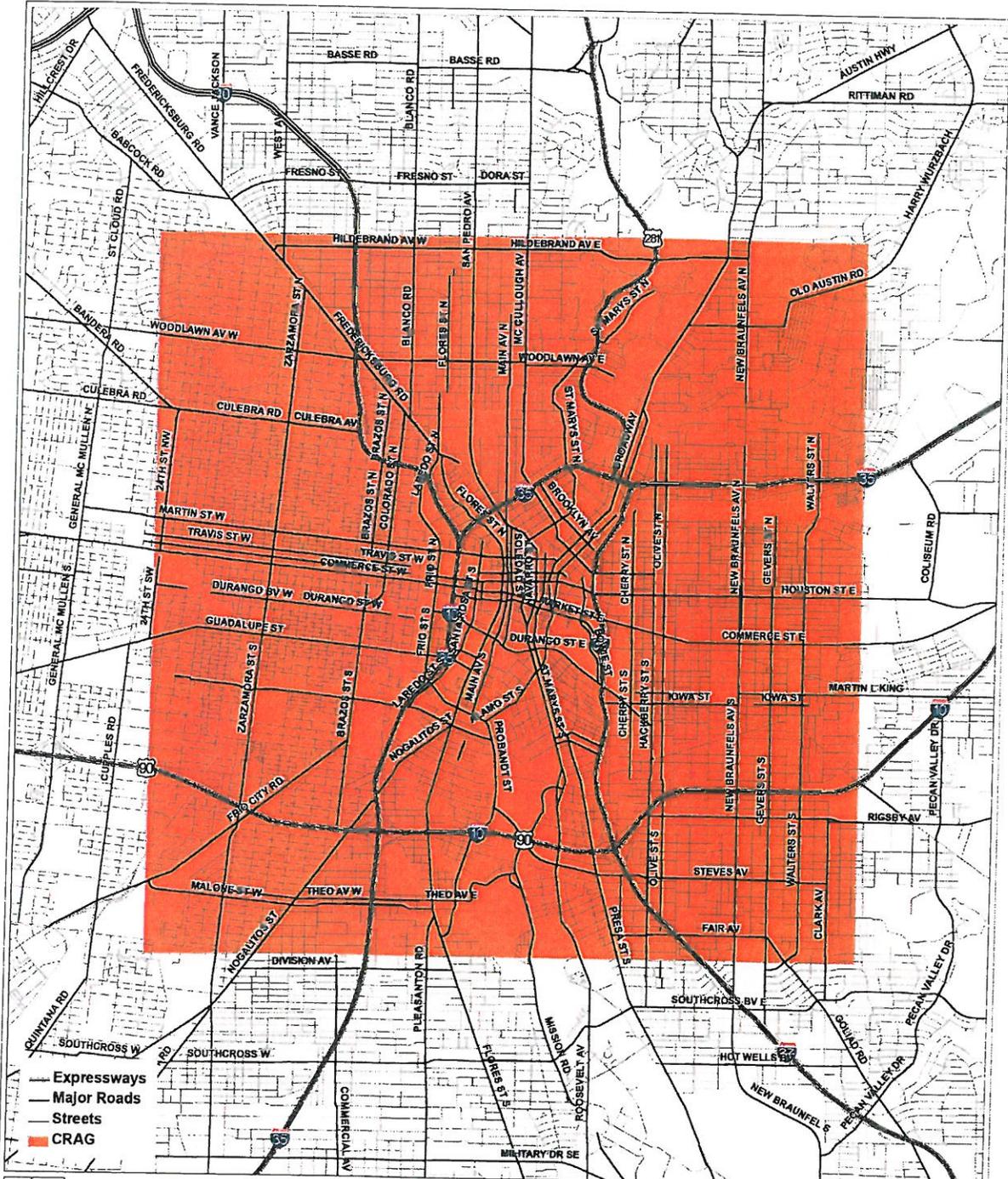
Additional Considerations:

- A program administration fee is assessed for each project entering the program.
- Fees vary based on selected incentives to be administered and monitored.
- Fees are assessed and payment is required prior to execution of the final incentive agreement.

CCHIP Monitoring Fee Schedule	Fee
City Fee Waiver	\$ 100
SAWS Fee Waiver	\$ 100
10 year tax rebate	\$ 1,500
15 year tax rebate	\$ 2,250
ICIF Loan/Mixed Use Forgivable Loan (0.1% of loan amount)	0.1% of Loan Amount

For questions regarding the Center City Housing Incentive Program, please contact:

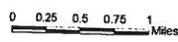
Ramiro Gonzales
Special Projects Manager
Center City Development and Operations Department
(210) 207-3960
ramiro.gonzales@sanantonio.gov (email preferred)



Community Revitalization Action Group (CRAG) Area (Original 36 Sq. Mi.)

City of San Antonio

Map Date: 10/15/2010
Map Title: Community Revitalization Action Group (CRAG) Area
Map Scale: 1" = 0.25 Miles
Map Author: City of San Antonio, Planning and Development Services Department
Map Contact: Planning and Development Services Department
Map Contact: 210.204.3400
Map Contact: 210.204.3400
Map Contact: 210.204.3400



Center City Housing Incentive Policy (CCHIP) Scoring Matrix

Minimum eligibility for all incentives: Project must be located in ICRIP and create at least two housing units under a single Certificate of Occupancy. See table below for additional eligibility requirements.

Incentive	Description	Other Eligibility Requirements	Incentive Terms															
Fee Waivers	Waiver of City of San Antonio fees and SAWS impact fees	None	Waiver of City fees as identified in the ICRIP and 100% of SAWS water and sewer impact fees															
Tax Reimbursement Grant*	Annual rebate to developer of taxes paid to the City on the improved value of the property. Rebate percentage based on TIRZ participation.**	None	<table border="1"> <tr> <td>Located in ICRIP only</td> <td>10 years</td> </tr> <tr> <td>Located in Incentive Tier</td> <td>15 years</td> </tr> <tr> <td>Brownfield or Adaptive Reuse project located in the ICRIP</td> <td>15 years</td> </tr> </table>	Located in ICRIP only	10 years	Located in Incentive Tier	15 years	Brownfield or Adaptive Reuse project located in the ICRIP	15 years									
Located in ICRIP only	10 years																	
Located in Incentive Tier	15 years																	
Brownfield or Adaptive Reuse project located in the ICRIP	15 years																	
ICIF Loan	Low interest, 7-year loan calculated per housing unit.***	Located in an Incentive Tier AND classified in at least one project category****	<table border="1"> <tr> <th>Incentive Tier</th> <th>One Category</th> <th>Two or More Categories</th> </tr> <tr> <td>Tier 1</td> <td>\$3,000</td> <td>\$6,000</td> </tr> <tr> <td>Tier 2</td> <td>\$1,500</td> <td>\$3,000</td> </tr> <tr> <td>Tier 3</td> <td>\$1,000</td> <td>\$2,000</td> </tr> <tr> <td>Tier 4</td> <td>\$500</td> <td>\$1,000</td> </tr> </table>	Incentive Tier	One Category	Two or More Categories	Tier 1	\$3,000	\$6,000	Tier 2	\$1,500	\$3,000	Tier 3	\$1,000	\$2,000	Tier 4	\$500	\$1,000
Incentive Tier	One Category	Two or More Categories																
Tier 1	\$3,000	\$6,000																
Tier 2	\$1,500	\$3,000																
Tier 3	\$1,000	\$2,000																
Tier 4	\$500	\$1,000																
ICIF Loan Bonus	Low interest, 7-year loan calculated per housing unit.	Located in an Incentive Tier AND includes structured parking AND/OR includes low impact development features	<table border="1"> <tr> <td>Includes structured parking</td> <td>\$1,000</td> </tr> <tr> <td>Includes low impact development</td> <td>\$500</td> </tr> </table>	Includes structured parking	\$1,000	Includes low impact development	\$500											
Includes structured parking	\$1,000																	
Includes low impact development	\$500																	
Mixed-Use Forgivable Loan	0%, 5-year forgivable loan for tenant finish-out improvements.*****	Located in an Incentive Tier AND includes retail and/or commercial office space on first floor.	<table border="1"> <tr> <td>Includes retail space</td> <td>\$20 per square foot</td> </tr> <tr> <td>Includes commercial office space</td> <td>\$10 per square foot</td> </tr> </table>	Includes retail space	\$20 per square foot	Includes commercial office space	\$10 per square foot											
Includes retail space	\$20 per square foot																	
Includes commercial office space	\$10 per square foot																	

* Historic Exemption Tax Credit, if applicable, to be applied in parallel - no taxes in years 1-5, 50% taxes in years 6-10. Tax Reimbursement Grant will rebate any payment made over the base during years 1-15, as applicable based on project location. Project must maintain first year rental rate for 10% of units throughout grant term.

** Projects not located in a TIRZ would receive a rebate of 66% of the taxes paid to the City. TIRZ projects would be rebated based on participation level of the TIRZ.

*** Loan rate is fixed equal to the one year LIBOR rate plus 75 basis points, with interest compounding annually.

**** Project Categories: Mixed Income, Community Use, Adaptive Reuse, Brownfield Redevelopment, Historic Rehabilitation, High-rise Residential Development, Student Housing, Transit-oriented Development within 1/4 mile of the West Side Multi-modal Center or Robert Thompson Transit Center.

***** Forgivable over 5 years at 20% per year. Loan proceeds must pass-through to tenant and space must remain leased for at least 80% of the term.

**City of San Antonio
Center City Housing Incentive Policy
(Approved by City Council June 21, 2012)**

Section 1. Background and Eligibility:

In spring 2011, the Centro Partnership San Antonio initiated the creation of a Downtown Strategic Framework Plan. In an effort to ensure the execution of the Framework Plan, the Center City Development Office created the Center City Implementation Plan.

The Center City Implementation Plan provided recommendations on how to best implement the Downtown Strategic Framework Plan through increased public investment, creation of a housing finance strategy, coordinated management, and regulation of development. The Implementation Plan recommended that the City establish a predictable housing incentive system for housing in the Center City. Such a system would assist in normalizing land values, provide greater certainty, increase the speed of approvals, and reduce the risk associated with infill development. Therefore, the Center City Development Office developed the Center City Housing Incentive Policy (CCHIP).

The CCHIP incorporates the goals and objectives of the Implementation Plan and provides greater incentives to housing projects within the Targeted Growth Areas identified in the Downtown Strategic Framework Plan and prioritizes the Downtown Core. The Policy encourages historic rehabilitation, adaptive reuse, brownfield's redevelopment, and transit oriented development. Finally, the policy rewards good urban design and encourages mixed use and mixed income development and redevelopment.

The CCHIP applies to multi-family rental and for sale housing projects (Projects) within the Community Revitalization Action Group (CRAG) Target Area. Eligible Projects will receive City Fee Waivers, SAWS Impact Fee Waivers, Real Property Tax Reimbursement Grants, Inner City Incentive Fund Loans, and Mixed Use Development Forgivable Loans based on the terms outlined in the CCHIP.

Section 2. Definitions:

Adaptive Reuse – The reuse of a building or structure, usually for a purpose different from the original. The term implies that certain structural or design changes have been made to the building in order for it to function in its new use.

Brownfields Redevelopment - Abandoned or underutilized properties where expansion, renovation or redevelopment is complicated by real or perceived environmental contamination.

Community Use - A Project that includes one or more of the following community-serving amenities: a plaza or open space that is accessible to the public and designed and maintained to the City's urban design standards; ground-floor retail space for neighborhood-supporting retail; office or other commercial space offered to non-profit organizations; or educational, health, recreational, or other essential neighborhood services.

Community Revitalization Action Group (CRAG) – defined as the San Antonio city limits prior to 1940, which is a 36 square mile area, with the center being the dome of the San Fernando Cathedral. Hildebrand Avenue to the north, Division Street to the south, Rio Grande Street to the east, and 24th Street to the west.

High-rise Residential Development – A Project that is at least 75 feet.

Historic Rehabilitation - The process of returning a property to a state of utility, through repair or alteration, which makes possible an efficient contemporary use while preserving those portions and features of the property that are significant to its historic, architectural and cultural values.

Inner City Reinvestment/Infill Policy (ICRIP) – A Policy of the City of San Antonio to promote growth and development in the heart of the City, specifically in areas that are currently served by public infrastructure and transit, but underserved by residential and commercial real estate markets. It is the intent of this policy to coordinate public initiatives within targeted areas in order to stimulate private investment in a walkable urban community that are the building blocks of a sustainable region. The ICRIP identifies a range of public incentives, including regulatory, procedural, and financing incentives.

Low Impact Development (LID) - Site development features such as rain gardens, bioswales, pervious pavement and other methods provide a functional use of vegetation or permeable surfaces to retain storm water and filter its pollutants before the water is diverted to a storm water collection system.

Market-Rate Housing – A Project in which more than 85% of the units are priced for rental or sale subject to market conditions, without temporary or permanent pricing restrictions.

Mixed Income Housing – A Project in which at least 15% of the housing units are priced for rental or sale to households or persons at or below 80% of the Area Median Income.

Project – A multifamily rental or for sale housing development within the CRAG that creates multiple new housing units (1) on a single lot; OR (2) at a density of at least 16 housing units per acre.

Structured Parking - Parking facilities that are constructed in or as part of a Project. Does not apply to surface parking.

Student Housing – A Project in which the majority of the housing units are occupied by full time students registered at an accredited post secondary institution.

Targeted Growth Areas - The Downtown Strategic Framework Plan identified 8 Targeted Growth Areas for housing redevelopment. These areas are well positioned for residential growth and mixed use development based on an assessment of market momentum, physical capacity for growth, and proximity to areas with established neighborhood character. The 8 Target Growth Areas include Midtown/River North, Downtown Core, Cesar Chavez/Hemisfair Corridor, Near River South, Medical District, Civic Core, Near East Side, and Near West Side.

Transit Oriented Development - A Project designed to maximize access to public transport. Often incorporates features to encourage transit ridership.

Section 3. Geographic Area

The level of incentives provided by the CCHIP is based on the Project's location within the CRAG (Exhibit A). The level of incentive will increase if the Project is within 1 of the 8 Targeted Growth Areas'. The 8 Targeted Growth Areas include Midtown/River North, Downtown Core, Cesar Chavez/Hemisfair Corridor, Near River South, Medical District, Civic Core, Near East Side, and West Side Multimodal/UTSA (Exhibit B).

In an effort to simplify the Policy, the Targeted Growth Areas have been re-classed into 4 Incentive Tiers. Exhibit C illustrates each of the 8 Targeted Growth Areas and the 4 Incentive Tiers and also includes a boundary description for each area.

1. Tier 1 – Downtown Core
2. Tier 2 – Near West Side, Near East Side, Civic Core, Cesar Chavez/Hemisfair, Medical District, Civic Core, and Near River South
3. Tier 3 – River North
4. Tier 4 - Midtown

Section 4. Fee Waivers

Projects within the CRAG will receive City Fee Waivers as permitted by the Inner City Reinvestment Infill Policy.

Projects within the CRAG will receive a SAWS Fee Waiver equal to 100% of their SAWS water and impact fees. The SAWS Fee Waiver is contingent upon funding availability. SAWS allocates funding on an annual basis for this incentive program.

Section 5. Real Property Tax Reimbursement Grant

Projects within the CRAG will receive a Real Property Tax Reimbursement Grant (Grant). The City's real property tax increment generated as a result of the Project is the funding source of the Grant. If a Project is within a Tax Increment Reinvestment Zone it will receive a rebate up to 100% of the previous year's real property tax increment remitted to the City over a period of time that is determined based on the Projects geographic location or type. The rebate is based on the City's participation level in the Tax Increment Reinvestment Zone where the Project is located. If a Project is not within a Tax Increment Reinvestment Zone it will receive a rebate of 66% of the previous years real property tax increment remitted to the City over a period of time that is determined based on the Project's geographic location or type.

The period over which the Grant will be disbursed will be either 10 or 15 years depending on the Project's geographic location or type. A Project will receive a Grant that is disbursed for 10 years if it is located within the CRAG. A Project will receive a Grant that is disbursed for 15 years if it is located within 1 of the 4 Tiers or if it is an Adaptive Reuse or Brownfields Redevelopment Project in the CRAG.

Additionally, if the Project qualifies for a Historic Tax Exemption or Historic Tax Credit per the Office of Historic Preservation. The Tax Rebate Grant and the Tax Credit or Exemption will be used together when possible in order to maximize the incentive.

If a Project is a market rate rental project it is required to maintain 10% of its housing units at the Project's first year rental rate per square foot, adjusted for inflation in accordance with the Consumer Price Index (CPI) for the San Antonio-New Braunfels MSA, for the term of the Grant.

Section 6. Inner City Incentive Fund Loan

Projects within 1 of the 4 Tiers qualifies for an Inner City Incentive Fund Loan (Loan) if the Project meets certain Categories. Project Categories include the following:

1. Mixed Income
2. Community Use
3. Adaptive Reuse
4. Brownfield Redevelopment
5. Historic Rehabilitation
6. High-rise Residential Development
7. Student Housing
8. Transit Oriented Development within ¼ mile of the West Side Multi-Modal Center or Robert Thompson Transit Center

The total Loan amount is calculated per housing unit and varies based on the Tier that a Project is located in and is as follows:

Tier 1 – A Project in Tier 1 will receive \$3,000 per housing unit for each of the Categories it meets and will not exceed \$6,000 per housing unit.

Tier 2 – A Project in Tier 2 will receive \$1,500 per housing unit for each of the Categories it meets and will not exceed \$3,000 per housing unit.

Tier 3 - A Project in Tier 3 will receive \$1,000 per housing unit for each of the Categories it meets and will not exceed \$2,000 per housing unit.

Tier 4 – A Project in Tier 4 will receive \$500 per housing unit for each of the Categories it meets and will not exceed \$1,000 per housing unit.

If the Project meets the Mixed Income or Student Housing Category it must remain Mixed Income or Student Housing for the term of the Real Property Tax Reimbursement Grant.

Additionally, a Project qualifies for a Loan bonus equal to \$1,000 per housing unit if it includes structured parking that accommodates the housing units and \$500 per housing unit if it incorporates Low Impact Development features. The per unit Loan bonus amount is the same for all Tiers.

Rate on the Loan is a fixed rate equal to the one year LIBOR Rate on the date the loan is executed plus 75 basis points with interest compounding annually through the repayment in year 7. The Loan will be disbursed upon proof of the following: (1) receipt of a building

permit and (2) project financing. However, Loans are contingent upon available funding. City Council allocates Inner City Incentive Funds (ICIF) through the annual budget process.

Section 7. Mixed Use Forgivable Loan

A Project will receive an 0% Inner City Incentive Fund Forgivable Loan for retail and commercial tenant finish-out improvements in an amount equal to \$20 per square foot of total first floor retail and \$10 per square foot of total commercial office space. 20% of the entire Forgivable Loan amount will be forgiven annually over a 5 year period provided the space is leased for at least 80% of the term and that the Forgivable Loan is a direct pass-through to the initial tenant of the space to be used exclusively for tenant finish-out improvements. However, Forgivable Loans are contingent upon available funding. City Council allocates Inner City Incentive Funds through the annual budget process.

Section 8. CCHIP Exceptions

Any exceptions to the CCHIP require City Council approval.

Section 9. CCHIP Review and Term

The City will initiate a housing study for the CCHIP area every three years to inventory the total number of housing units, monitor the rental rates and sales values, and identify any necessary adjustments to the policy. Unless the City Council extends and or amends the terms of the CCHIP it will expire on July 1, 2016.

Section 10. Recapture Provisions

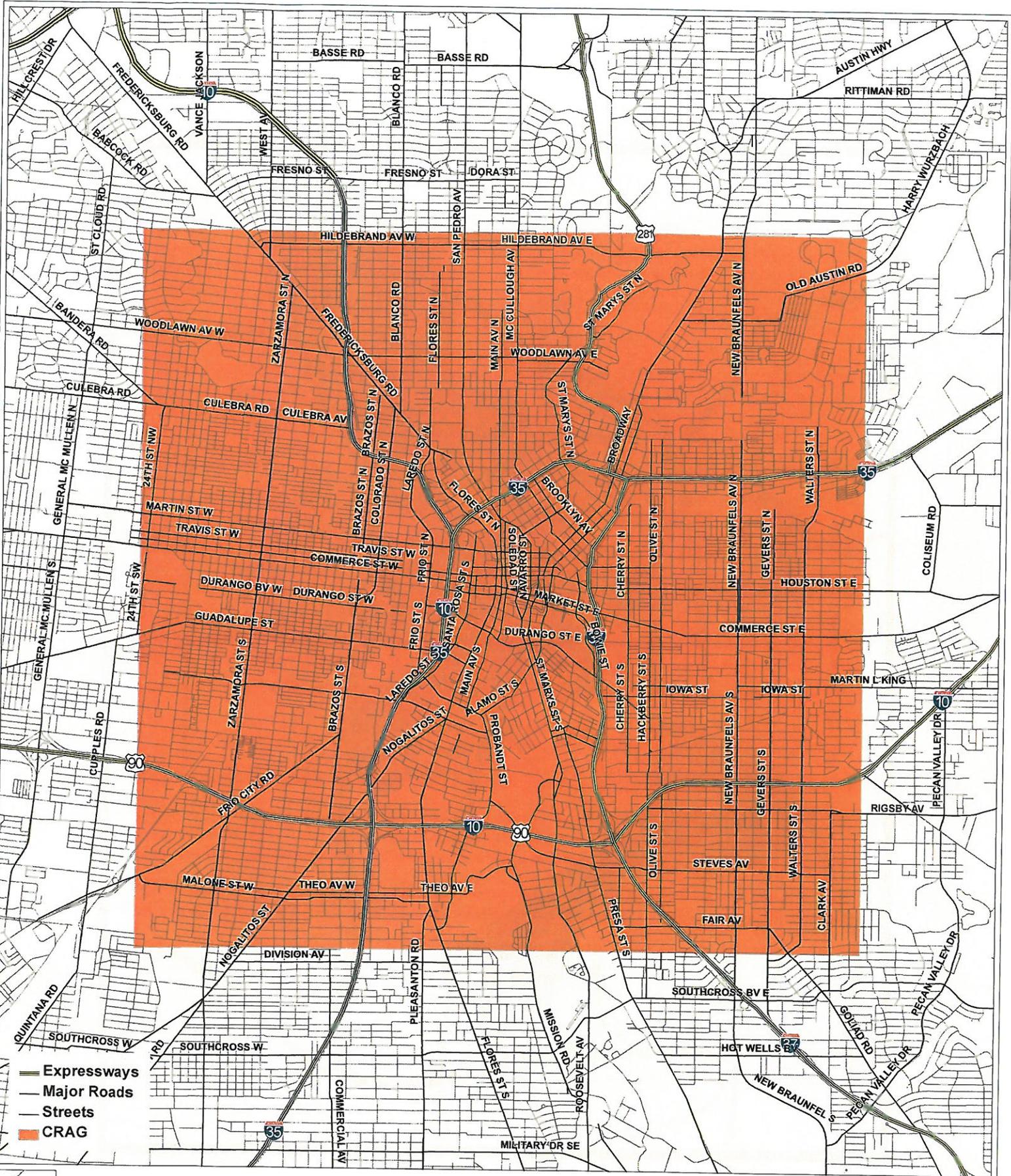
CCHIP Agreements will include a provision for the recapture of the incentives (e.g. grants and loans) in the event Agreement terms and requirements are not met. These recapture provisions will survive any subsequent assignment of the Agreement.

Section 11. Administration of the CCHIP

The Center City Development Office will administer the CCHIP.

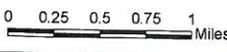
Section 12. Legal Documents

The legal documents used to officiate this policy include the CCHIP Application and the CCHIP Incentive Agreement as described in Exhibits D and E. The City Attorney's Office, in conjunction with the City Manager or her designee, may negotiate additional terms of the agreement as long as those terms do not change the total incentive amount. The City Manager or her designee will be the signatory of the agreement.



Community Revitalization Action Group (CRAG) Area (Original 36 Sq. Mi.)

City of San Antonio



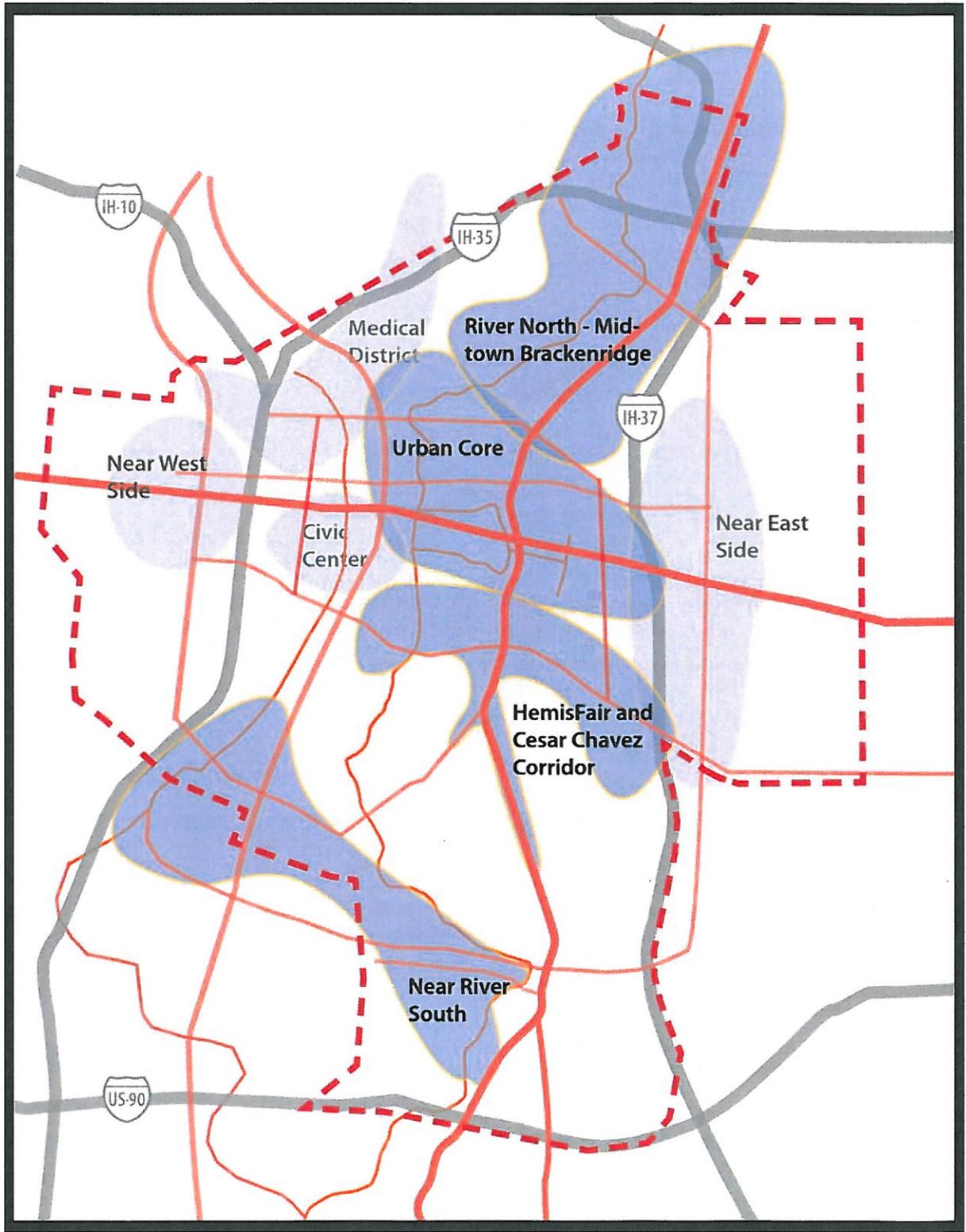
Legend

- Expressways
- Major Roads
- Streets
- CRAG

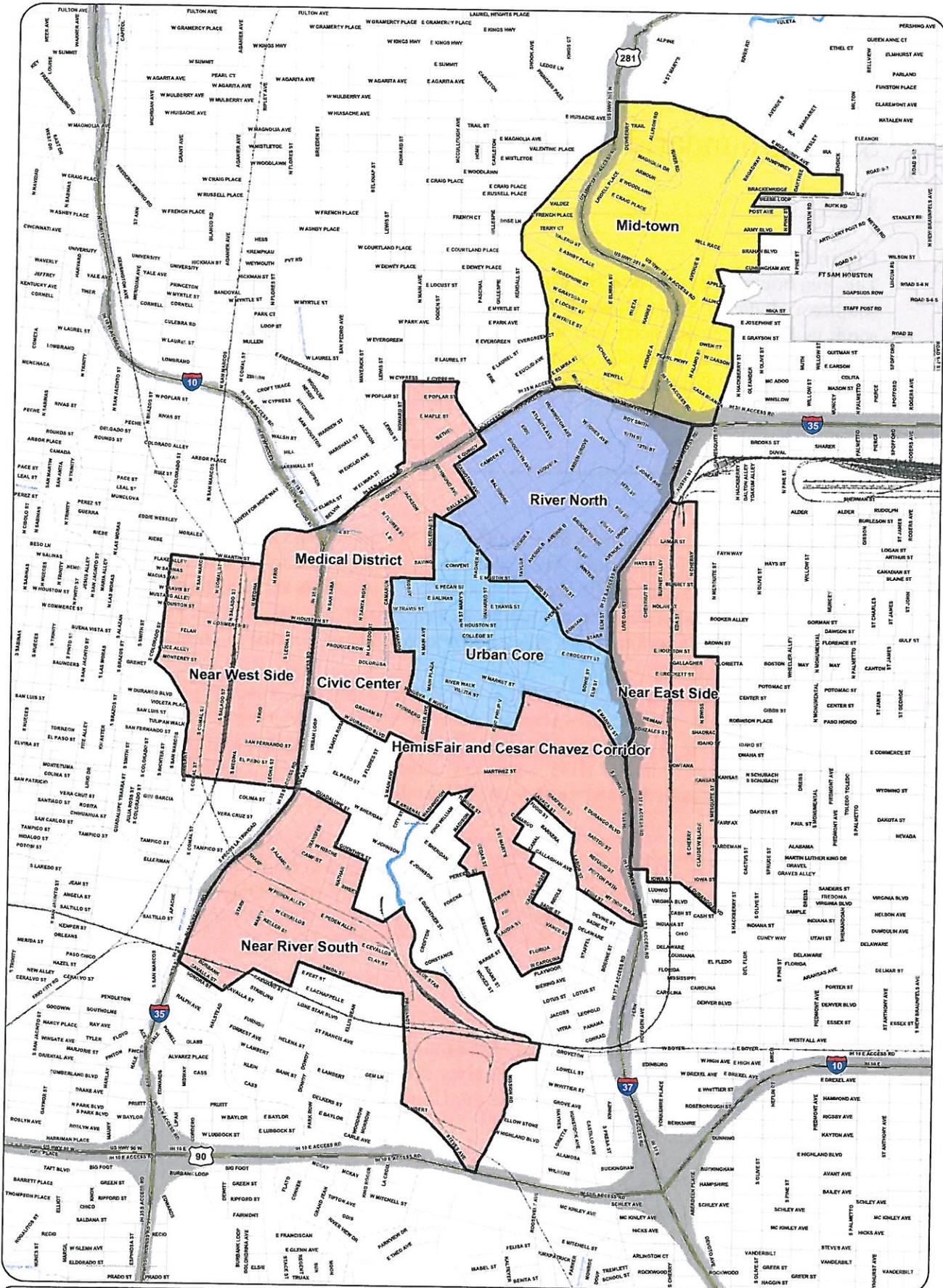
Data Source: City of San Antonio Enterprise GIS; Base Map: 3/11; Base Appraisal District: 2011; Map Date: 1/17/2019; PDF: 1-18-19-17.pdf

City of San Antonio
 Planning and Development
 Services Department
 Development and Business
 Services Center
 1801 S. Alamo
 San Antonio, TX 78204

EXHIBIT B

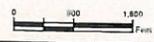


**DOWNTOWN STRATEGIC FRAMEWORK PLAN
TARGET GROWTH AREAS**



Tier 1
 Tier 2
 Tier 3
 Tier 4

City of San Antonio
 Target Growth Areas and Incentive Tiers



Street Boundaries for Housing Growth Areas

Tier 1

Urban Core

The area bounded by Navarro St. from Soledad St., southeast to E. Martin St. continuing southeast along 3rd St. to Bonham St., east along Houston St. to IH 37 / US Hwy 281, south to E. Market St., north and west along E. Market St. to S. Alamo St., south to E. Nueva St., west to S. Flores St., north to Commerce St., west to Camaron St., north to W. Martin St., east to Soledad St., and north to Navarro St.

Tier 2

Medical District

The area bounded by W. Cypress St. from Howard St., east to McCullough Ave., south to E. Quincy St., west to Lexington Ave., south to Dallas St., west to Navarro St., north to Soledad St., south to Martin St., west to Camaron St., south to W. Houston, west to N. Medina St., north to N. Frio St continuing as Perez St. to the IH 10 / IH 35 Junction, northeast along IH 35 to San Pedro Ave., north to W. Elmira St., east to Howard St., and north to W. Cypress St.

Near West Side

The area bounded by W. Martin St. from N. Colorado St., east to N. Medina St., south to W. Houston St., east to IH10 / IH35, south to Guadalupe St., west to Alazan Creek, north and west to S. Colorado St., and north to W. Martin St.

Civic Center

The area bounded by IH10 / IH35 from W. Houston St., east to Camaron St., south to W. Commerce St., east to N. Flores St., south to W. Nueva St., east to Dwyer Ave., south to Old Guilbeau St., west to S. Flores St., south to Cesar Chavez Blvd., west to IH10 / IH35, and north to W. Houston St.

Near East Side

The area bounded by N. Cherry St. from Sherman St., south to Nolan St., east to N. Mesquite St., south to E. Durango Blvd., west to Iowa St., west to Hoefgen Ave., north to Parsons, west along Parsons to IH37 / US Hwy 281, north along IH37 / US Hwy 281 to E. Jones Ave., east across Austin St. and the Union Pacific Railroad tracks to Sherman St., and east to N. Cherry St.

Hemisfair and Cesar Chavez Corridor

The area bounded by E. Nueva St. from Dwyer Ave., east to S. Alamo St., north to E. Market St., east to IH37 / US Hwy 281, south to Leigh St., west along Leigh St. to Labor St., north to Lavaca St., west to Matagorda St., southwest to Camargo St., east to San Arturo St., south to Callaghan Ave., east to Canal St., south to Leigh St., east to Eager St., south to Sadie St., east to Labor St., south to Carolina St., west to Cedar St., north to Pereida St., west to Mission St., north to S. Alamo St., east to Beauregard St., west to Madison St., northeast to Turner St., west to King William St., north to Washington St., southwest along Washington St. to Turner St., west to Washington St., southwest to E. Arsenal St., west to S. Main Ave., north to Old Guilbeau St., east to Dwyer Ave., and north to E. Nueva St.

Near River South

The area bounded by Guadalupe St. from IH10 / IH35, east to S. Flores St., south to W. Guenther St., east to S. Main Ave., south to S. Alamo St., east then north along S. Alamo St. to the San Antonio River, southeast along the San Antonio River to the Union Pacific Railroad, east to S. St. Mary's St., south to Mission Rd., west and south along Mission Rd. to IH10 / US Hwy 90, west to Steves Ave., north to Probandt St., north to Simon St., west to S. Flores St., south to W. LaChapelle St., west to Nogalitos St., south to W. Zavalla St., west to IH10 / IH35, and north and east along IH10 / IH35 to Guadalupe St.

Tier 3

River North

The area bounded by IH 35 N from McCullough Ave, north and east to the US Hwy 281 Junction, south along US Hwy 281 to E. Houston St., west to 3rd St., north and west along 3rd St. continuing west as Martin St. to Navarro St., north and west to Dallas St., east to Lexington Ave., north to E. Quincy St., east to McCullough Ave., and north to IH 35 N.

Tier 4

Midtown

The area bounded by E. Mulberry Ave from US HWY 281, east to Tendick St., south to Brackenridge Ave., west to the eastern boundary of parcel 1079569, south to the northern boundary of parcel 148441, east along the northern boundaries of parcels 148442 – 148453 to N. Pine St, south to Army Blvd, west to Haywood Ave., south to Cunningham Ave, west to Broadway, south along N. Alamo St to E. Josephine St, south along Austin St. to IH 35, west to N. St. Mary's St., north and east to US Hwy 281, and west and north along US Hwy 281 to E. Mulberry Ave.



CITY OF SAN ANTONIO
CENTER CITY
DEVELOPMENT OFFICE

Center City Housing Incentive Program (CCHIP) Application

Applicant Information

Name: _____ Title: _____

Company: _____

Project Role: _____

Address, City, ST, ZIP: _____

Phone: _____ Fax: _____ Email: _____

Project Information

Project Owner / Developer: _____

Other Associated Entities and Roles: _____

Project Name: _____

Project Site Address: _____

Start Date: _____ Completion Date: _____

Cost of public improvements: \$ _____

Estimated total project cost: \$ _____ (including public improvements)

Housing units created: _____ Rentals For Sale

Housing units per acre: _____

Target rental price per square foot: \$ _____ / Target sales price per square foot: \$ _____

Square feet of retail space: _____ Square feet of commercial office space: _____

Estimated number of new jobs to be created, if any: _____

Geographic Location

Project must be located in the CRAG. Additional consideration will be given to projects in one of the four subareas targeted for multi-family development.

- Located in CRAG and Tier 1: Urban Core
- Located in CRAG and Tier 2: Near River South, Hemisfair/Cesar Chavez, Near East Side, Near West Side, Civic Core, Medical District
- Located in CRAG and Tier 3: River North
- Located in CRAG and Tier 4: Midtown
- Located in CRAG only and no Tier
- Located in a Tax Increment Reinvestment Zone (TIRZ), specifically: None

Project Categories

- Historic Rehabilitation
- Mixed Income (80%-100% AMI)
- Adaptive Reuse
- Community Use
- Within ¼ mile of Robert Thompson Transit Center or West Side Multi Modal Center
- Brownfield Redevelopment
- High-Rise Residential Development
- Student Housing

Other Project Features

- Low Impact Development
- Mixed Use (at minimum: first floor retail/office)
- Structured Parking

Site Information

City Council District #: _____ Current Zoning: _____

Bexar County Appraisal District Information (www.bcad.org)

Property ID#: _____ Acreage: _____

Current Value: Land: \$ _____ Improvements: \$ _____

Additional Information

1. Has the project owner/developer or any of its affiliates been cited, currently under investigation, or have litigation pending for any violations of Federal, State, County and/or City laws, codes or ordinances?

- No Yes (please indicate nature/status of the violations on additional page(s))

2. SAWS Impact Fees (if seeking waiver)

Estimate of water and sewer impact fees: \$ _____ (must obtain written estimate from SAWS)

Projected time to install water/sewer services: (season and year) _____

3. Other than City incentives, what are the funding sources for the project?

- Equity
- Conventional Bank Financing
- Other: _____
- Housing Tax Credits
- HUD Loans

Required Attachments

- Cover letter describing project and summarizing details. Explain project features and categories marked above.
- Corporate Information (history, urban development experience, etc.)
- Site plans and renderings
- SAWS Impact Fee Estimate (Contact Brian Rodriguez at SAWS: 210-233-2985 or brian.rodriguez@saws.org)
- Project Proforma

WITH THE CENTER CITY HOUSING INCENTIVE POLICY.

STATE OF TEXAS § CHAPTER 380 "AS-OF-RIGHT"
 § HOUSING INCENTIVE AGREEMENT
 § OF THE CITY OF SAN ANTONIO
 COUNTY OF BEXAR § Revised 6-19-12

This Chapter 380 "As-of-Right" Housing Incentive Agreement (hereinafter referred to as this "Agreement") is made and entered into by and among the City of San Antonio (the "CITY"), a municipal corporation of the State of Texas, acting by and through its City Manager or her designee, NAME OF TIRZ Tax Increment Reinvestment Zone #__ (the "TIRZ"), acting by and through its Board of Directors and NAME OF DEVELOPER (hereinafter referred to as "DEVELOPER") and whom together may be referred to as the "Parties."

RECITALS

WHEREAS, DEVELOPER is engaged in an economic housing development project that will be located within the City limits of San Antonio and within the TIRZ and will consist of: DESCRIPTION OF PROJECT, located at ADDRESS, more specifically described in the attached Exhibit A, legal description of the property (the "Project"); and

WHEREAS, once completed, the Project is anticipated to result in the investment of approximately AMOUNT OF INVESTMENT in real and/or personal property improvements within the TIRZ no later than NUMBER OF YEARS TO COMPLETE IMPROVEMENTS () years following the Effective Date of this Agreement; and

WHEREAS, DEVELOPER is seeking economic incentives from the CITY and the TIRZ for the Project in the form of: INSERT APPLICABLE INCENTIVES (PROPERTY TAX REIMBURSEMENT/LOAN/WAIVERS etc.); and

WHEREAS, the CITY and the TIRZ have identified funds to be made available to DEVELOPER in the form of INSERT LOAN/ PROPERTY TAX REIMBURSEMENT/WAIVER, etc. for use in undertaking and completing the Project in accordance with the terms and conditions of this Agreement ("Incentives"); and

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code and Section 311.010(b) and Section 311.010 (h) of the Texas Tax Code, the CITY and the TIRZ are authorized to grant and loan funds to promote state or local economic development and to stimulate business and commercial activity in the municipality and within the TIRZ; and

WHEREAS, the City Council has authorized the City Manager or her designee to enter into this Agreement in accordance with City Ordinance No.2012-06-21-_____, passed and approved on June 21, 2012, to grant and loan certain funds as described herein and/or to waive certain fees; and

WHEREAS, the Board of Directors of the TIRZ, by resolution dated _____, 20___, has authorized the TIRZ to enter into this Agreement for the limited purpose of authorizing Tax Increment Funds ("TIF"), which, pursuant to Section 311.004, Texas Tax Code, are certain funds established by the CITY for the TIRZ, to be used as a funding source for the Incentives; **NOW THEREFORE:**

The Parties hereto severally and collectively agree, for the consideration herein set forth, and by the execution hereof are bound, to the mutual obligations herein contained and to the performance and accomplishment of the tasks hereinafter described:

ARTICLE I. AGREEMENT PURPOSE

DEVELOPER shall undertake the Project, a description of which is attached as **Exhibit __**, which is anticipated to promote local economic development and to stimulate business and commercial activity in the City of San Antonio and in the TIRZ. The CITY and TIRZ are supporting the Project through this Agreement to provide Incentives to be used to defer costs associated with the Project.

ARTICLE II. AGREEMENT PERIOD

This Agreement shall commence upon the Effective Date listed on the signature page and shall terminate upon the earlier of: (A) the payment of the Incentives by CITY and/or TIRZ to DEVELOPER in the amount of the Maximum Disbursement Amount; (B) **INSERT DATE**; or (C) termination of this Agreement as otherwise provided herein (the "Term"). Notwithstanding the Effective Date, payment of any and all Incentives set out in this Agreement is contingent upon the inclusion of the Project through an official amendment of the TIRZ Project Plan and Financing Plan by the governing body of the TIRZ and CITY.

ARTICLE III. PROJECT REQUIREMENTS

A. The Project.

1. Investment. DEVELOPER shall invest **INSERT DOLLAR AMOUNT (\$ _____)** (the "Minimum Investment") in the Project. The Minimum Investment shall be made in real and personal property improvements. The Minimum Investment shall include expenditures in: **DESCRIBE EXPENDITURES EQUALLING THE MINIMUM INVESTMENT** For purposes of this Agreement, the Minimum Investment shall include expenditures made by DEVELOPER, directly or indirectly, to develop the Project, including, architectural, engineering and surveying expenses, financing costs and fees, construction period interest, property acquisition, closing and settlement expenses, demolition, construction, site preparation, paving, landscaping and utilities and other expenses.

2. Construction. DEVELOPER shall commence construction and demolition, if applicable, at the Project Site on or before **INSERT COMMENCEMENT DATE ("Commencement Date")**, and shall use commercially reasonable efforts to complete construction no later than **INSERT COMPLETION DATE** (the "Completion Date"), subject to Force Majeure as defined in this Agreement. The Commencement Date shall be determined by the issuance of a building permit for the Project Site and CITY's receipt of correspondence from the general contractor for the Project certifying that construction has commenced. The Completion Date shall be determined by the issuance of a Certificate of Occupancy for the Project Site by CITY, not to be unreasonably withheld.

a. DEVELOPER shall provide progress reports to City on the Project and

Project Site on a quarterly basis from the Commencement Date through the Completion Date (the “Construction Period”). In addition to the quarterly progress reports, should CITY request an interim progress report during the Construction Period, DEVELOPER shall provide such progress report within fifteen (15) business days.

b. DEVELOPER shall comply with all applicable Federal, State and local laws and regulations, including federal Environmental Protection Agency (EPA), Texas Department of State Health Services (TDSHS) and Texas Commission on Environmental Quality (TCEQ) rules and regulations and all other regulations and laws relating to the environment, Asbestos Containing Materials (ACM), Hazardous Substances or exposure to ACM and Hazardous Substances as applicable and shall develop and operate the Project in accordance with the terms and conditions of this Agreement.

c. No streets, sidewalks, drainage, public utility infrastructure, or other public improvements (“Public Improvements”) with a lien still attached may be offered to the CITY for dedication. If any lien or claim of lien, whether choate or inchoate (collectively, any “Mechanic’s Lien”) is filed against DEVELOPER regarding the Public Improvements on the Project by reason of any work, labor, services or materials supplied or claimed to have been supplied by, or on behalf of, DEVELOPER, or any of its agents or Contractors, DEVELOPER shall cause the same to be satisfied or discharged of record, or effectively prevent the enforcement or foreclosure against the Project’s Public Improvements by injunction, payment, deposit, bond, court order or otherwise.

d. DEVELOPER is responsible for complying with all applicable City Code provisions, including provisions of the Unified Development Code, enforced pursuant to the CITY’s subdivision platting authority, and as amended, including, but not limited to, those provisions related to drainage, utilities, and substandard public street rights-of-ways for development and construction of the Project including the Public Improvements. In addition, DEVELOPER shall exercise commercially reasonable efforts to follow the Urban Neighborhood recommendations of the applicable Master Plan and shall consider incorporating low impact development strategies for water quality, storm water and drainage where appropriate for the Project. This Agreement in no way obligates City to approve any subsequent permits or requests for the Project as DEVELOPER is still responsible for acquiring all necessary permits and/or approvals as needed for the Project.

3. If a Project is a market rate rental project it is required to maintain 10% of its housing units at the Project’s first year rental rate per square foot, adjusted for inflation in accordance with the Consumer Price Index (CPI) for the San Antonio-New Braunfels MSA, for the term of the Grant.

ARTICLE IV. ECONOMIC DEVELOPMENT PROGRAM INCENTIVES

The Incentives offered by the CITY to the DEVELOPER in this Agreement shall be in compliance with the Center City Housing Incentive Policy in effect as of the Effective Date of the

Agreement, which Policy may be amended from time to time, Exhibit (the "Policy"). Should any financial Incentive provided in this Article exceed the maximum amount authorized in the Policy, then that award shall be automatically amended to provide only the amount authorized by the Policy.

Economic Development Program Incentives. CITY and TIRZ are providing DEVELOPER with Economic Development Program Incentives in a cumulative amount of approximately INSERT THE CUMULATIVE AMOUNT OF THE INCENTIVES (the "Maximum Disbursement Amount").

No disbursement of Incentives shall be made until the following:

- (a) Execution of the Agreement by all Parties; and
- (b) Receipt of evidence of the issuance of a building permit from the CITY of San Antonio for the Project's location on or prior to the Commencement Date; and
- (c) Commencement of construction on the Project to be evidenced by the submission and receipt of a letter confirming commencement by the general contractor to CITY on or prior to the Commencement Date; and
- (d) Receipt by the CITY of evidence in the form of a letter from a qualified financial institution confirming DEVELOPER has funds available on deposit or under an existing credit facility or construction loan sufficient to complete the Project on or prior to the Commencement Date.

A. Annual Real Property Tax Reimbursement (if applicable). If applicable, subject to the terms and conditions of this Agreement and the Payment Conditions (defined below), for each tax year commencing with the 20__ tax year (January 1, 20__) and then annually throughout the remainder of the Term of this Agreement, CITY and TIRZ shall provide DEVELOPER, no later than forty-five (45) business days following submission of a tax invoice by DEVELOPER indicating full payment of all taxes owed by DEVELOPER on the Project, an annual grant for the Term of this Agreement, whose cumulative amount shall not exceed INSERT AMOUNT OF ANNUAL PROPERTY TAX REIMBURSEMENT (\$ _____). The amount of the annual grant (the "Annual Incremental Property Tax Reimbursement") shall be equal to:

- (a) the actual amount of real property taxes paid by DEVELOPER to CITY and TIRZ with respect to the Property Site for the immediately preceding tax year, *less* _____, which represents the amount of real property taxes paid by DEVELOPER on the Project Site for the 20__ tax year; and
- (b) sixty-six percent (66%) of the personal property taxes paid by DEVELOPER to CITY on the Project Site in each tax year following the completion of the Project *less* _____, which represents the amount of real property taxes paid by DEVELOPER on the Project Site for the 20__ tax year.
- (c) Payment of the Annual Incremental Property Tax Reimbursement to DEVELOPER shall occur in accordance with the following conditions (collectively, the "Payment Conditions"):

EXHIBIT E

- (i) For each tax year during the Term of this Agreement, CITY and TIRZ shall pay the Annual Incremental Property Tax Reimbursement to DEVELOPER provided the CITY has deposited funds into the TIF for that particular tax year, pursuant to Section 311.013 of the Texas Tax Code. DEVELOPER further understands that the level of participation in the TIRZ by participating governmental entities may be less than 100%.
- (ii) For any particular tax year during the Term of this Agreement, if no tax increment is realized within the TIRZ, then the TIRZ shall defer payment of the Annual Incremental Property Tax Reimbursement that is due to DEVELOPER under this Article, during that tax year.
- (iii) For any particular tax year during the Term of this Agreement, if insufficient tax increment is realized within the TIRZ to permit the full payment of the Annual Incremental Property Tax Reimbursement due to DEVELOPER under this Article, the TIRZ shall pay as much of the Annual Incremental Property Tax Reimbursement to DEVELOPER, as possible, and the TIRZ shall defer payment of any unpaid balance of the Annual Incremental Property Tax Reimbursement due to DEVELOPER under this Article during that tax year.
- (iv) It is expressly agreed that all deferred Annual Incremental Property Tax Reimbursements (the “Deferred Amounts Due”) shall accrue without interest and shall be payable at the earliest reasonable opportunity to DEVELOPER by the TIRZ upon the availability of tax increment in the Tax Increment Fund during the Term of this Agreement.
- (v) DEVELOPER acknowledges that the TIRZ terminates on **INSERT DATE** and that, unless the TIRZ is extended, payments will cease upon termination of the TIRZ and reconciliation of all accounts. Once the TIRZ terminates, CITY instead of TIRZ will be liable for obligations regarding the Annual Property Tax Increment Reimbursement which will further be limited to the 66% that City is allowed to reimburse for property taxes.
- (vi) The DEVELOPER understands and agrees that any expenditure made by the DEVELOPER in anticipation of reimbursement from tax increments shall not be, nor shall be construed to be, financial obligations of the CITY or the TIRZ. The DEVELOPER shall bear all risks associated with reimbursement, including, but not limited to: incorrect estimates of tax increment, changes in tax rates or tax collections, changes in state law or interpretations thereof, changes in market or economic conditions impacting the Project, changes in interest rates or capital markets, changes in building and development

code requirements, changes in CITY policy, and/or unanticipated effects covered under legal doctrine of force majeure.

- (vii) Any and all amounts payable by the TIRZ under this Agreement are payable solely from the TIRZ Tax Increment Fund, and no claim for payment of any amount outside of this contribution shall be made, claimed or permitted against any other funds, properties, assets or the general credit of the TIRZ and/or the CITY.

e. Obligation to Pay Taxes. It is understood that DEVELOPER shall continue to pay all taxes owed on the Property Site as required by law. Taxes owed shall be determined by the Bexar County Appraisal District. Prior to the CITY disbursing TIRZ funds under this Agreement, DEVELOPER must provide to CITY evidence indicating that all taxes owed by DEVELOPER on the Property Site have been paid in full for the tax year for which payment of the Annual Incremental Property Tax Reimbursement is sought, subject to DEVELOPER's right to protest taxes as permitted by law. If, during the Term of this Agreement, DEVELOPER allows its ad valorem taxes due on the Property Site to become delinquent and fails to timely and properly follow the legal procedures for the protest and/or contest of the taxing value, then the CITY and TIRZ's remedies under this Agreement shall apply.

f. Property Tax Reconciliation. In no case shall grant disbursements made to DEVELOPER under this Agreement exceed the Maximum Disbursement Amount. Should such disbursements exceed the Maximum Disbursement Amount, no further disbursements shall be due to DEVELOPER and any excess funds disbursed shall be due and payable by DEVELOPER to CITY within sixty (60) days following written notice from CITY to DEVELOPER.

B. Economic Development Program Loan (if applicable). If applicable, CITY is providing DEVELOPER with an Economic Development Program Loan in a cumulative amount not to exceed INSERT CUMULATIVE LOAN AMOUNT (\$ _____) (the "Incentive Loan Funds"). The purpose of the Incentive Loan Funds is to provide an economic incentive to INSERT PURPOSE OF LOAN FUNDS for the Project. The funds made available to DEVELOPER through this Agreement are made solely from lawfully available funds that have been appropriated by CITY.

1. Disbursement. The Incentive Loan Funds shall be disbursed to DEVELOPER as follows:

If applicable, CITY shall provide DEVELOPER with up to INSERT AMOUNT OF INITIAL LOAN DISBURSEMENT (the "Initial Loan Disbursement") for LIST PURPOSE OF INITIAL LOAN DISBURSEMENT AND USE RESTRICTIONS (IF ANY).

The remaining Incentive Loan Funds shall be disbursed according to the following schedule:

INSERT DISBURSEMENT SCHEDULE

2. Use. The Incentive Loan Funds shall be used exclusively for the purpose of **INSERT PURPOSE OF LOAN FUNDS** for the Project.
3. Repayment of Loan. Should CITY disburse the Incentive Loan Funds, then DEVELOPER shall be obligated to repay CITY the Incentive Loan Funds as follows:

INSERT REPAYMENT SCHEDULE.

4. Payment of Principal and Accrued Interest. In addition to the principal amount of the Incentive Loan Funds, DEVELOPER shall also pay interest on the outstanding principal balance beginning on **INSERT DATE** ("Accrued Interest"). Accrued Interest on the outstanding loan amount shall be at a fixed-rate of **INSERT AMOUNT-percent (_ %)**, which interest shall compound annually. The amount of the Accrued Interest payment shall be referred to as an "Interest Payment."
5. Sufficient Amounts. Each payment made pursuant to Article IV(B)(3) and (4) above shall be sufficient to pay the total amount of principal and Accrued Interest on the Incentive Loan Funds becoming due and payable upon that date.
6. Acceleration of Loan Repayment. Should DEVELOPER, in the sole discretion of City, breach a material term of this Agreement and CITY terminates the Agreement in accordance with Article VIII, then, as of the date of termination of the Agreement, the entire remaining principal balance and Accrued Interest of Incentive Loan Funds shall be due and payable to CITY no later than sixty (60) days following CITY's Notice of Termination to DEVELOPER.
7. Loan Forgiveness. **INSERT CONDITIONS FOR LOAN FORGIVENESS IF APPLICABLE.**

C. Fee Waivers (if applicable). If applicable, in addition to the Annual Incremental Property Tax Reimbursement, and/or Incentive Loan Funds, the CITY is providing DEVELOPER with Fee Waivers in the amount of **INSERT AMOUNT OF FEE WAIVERS (\$ _____)** to include SAWS fees and other fee waivers as outlined in the CCHIP. The Fee Waivers are administrative in nature but are reflected in the attached Fee Waiver Letter, Exhibit _____.

ARTICLE V. CITY AND TIRZ OBLIGATIONS

- A. In consideration of full and satisfactory performance of activities required by this Agreement, CITY and TIRZ will pay DEVELOPER in accordance with Article IV above.
- B. Neither CITY nor TIRZ will be liable to DEVELOPER or any other entity for any costs incurred by DEVELOPER in connection with this Agreement.
- C. The CITY agrees to act as the fiscal agent on behalf of the TIRZ by making disbursements from

the TIF for the Project pursuant to this Agreement. Additionally, the CITY shall monitor DEVELOPER's compliance with the terms and conditions of this Agreement and provide updated information to the TIRZ regarding the progress of the Project.

ARTICLE VI. RETENTION AND ACCESSIBILITY OF RECORDS

A. DEVELOPER shall maintain the fiscal records and supporting documentation for expenditures of Incentives associated with this Agreement. DEVELOPER shall retain such records and any supporting documentation for the greater of: (1) five [5] years from the end of the Agreement period; or (2) the period required by other applicable laws and regulations.

B. DEVELOPER shall, following reasonable advance written notice from the CITY, give the CITY, its designee, or any of their duly authorized representatives, access to and the right to examine all material records related to the cost of Project (the "Records") and the expenditure of the Incentives. CITY's access to the Records will be limited to information needed to verify that DEVELOPER is and has been complying with the terms of this Agreement. Any information that is not required by law to be made public shall be kept confidential by the CITY. DEVELOPER shall not be required to disclose to the CITY or TIRZ any information that by law DEVELOPER is required to keep confidential. Should any good faith dispute or question arise as to the validity of the data provided, the CITY reserves the right to require DEVELOPER to obtain an independent firm to verify the information. This certified statement by an independent firm shall be provided at the sole cost of DEVELOPER. The rights to access the Records shall continue as long as the Records are retained by DEVELOPER. Failure to provide reasonable access to the Records to authorized CITY representatives shall be cause for CITY and/or TIRZ to provide notice of intent to suspend or terminate this Agreement as provided for herein, or any portion thereof, for reason of default. Notwithstanding Section A above, all Records shall be retained by DEVELOPER for a period of five (5) years after all performance requirements are achieved for audit purposes until such audits or other administrative, civil or criminal matters including, but not limited to, investigations, lawsuits, administrative inquiries and open record requests are completed.

ARTICLE VII. MONITORING

The CITY reserves the right to confirm DEVELOPER's compliance with the terms and conditions of this Agreement. The CITY will provide DEVELOPER with a written report of the monitor's findings. If the monitoring report notes deficiencies in DEVELOPER's performances under the terms of this Agreement, the monitoring report shall include a listing of requirements for the correction of such deficiencies by DEVELOPER and a reasonable amount of time in which to attain compliance. Failure by DEVELOPER to take action specified in the monitoring report within a reasonable amount of time may be cause for suspension or termination of this Agreement, in accordance with Articles VIII and IX herein.

ARTICLE VIII. DEFAULT/CURE PERIOD/SUSPENSION

A. Notwithstanding the provisions of Chapter 2251 of the Texas Government Code, in the event DEVELOPER fails to comply with the terms of this Agreement such non-compliance shall be deemed a default. CITY shall provide DEVELOPER with written notification as to the nature of the default (the "Notice of Default") and grant DEVELOPER a sixty (60) day period from the date of

CITY's written notification to cure such default (the "Cure Period"). Should DEVELOPER fail to cure the default within the Cure Period, CITY may, upon written notification (the "Notice of Suspension"), suspend this Agreement in whole or in part and withhold further payments to DEVELOPER. Such Notice of Suspension shall include: (1) the reasons for such suspension; (2) the effective date of such suspension; and, (3) in the case of partial suspension, the portion of the Agreement to be suspended.

B. In the case of default for causes beyond DEVELOPER's reasonable control, which cannot with due diligence be cured within the Cure Period, CITY may, in its sole discretion, extend the Cure Period provided that DEVELOPER shall: (1) immediately upon receipt of Notice of Default advise CITY of DEVELOPER's intention to institute all steps necessary to cure such default and the associated time frame; and (2) institute and thereafter prosecute to completion with reasonable dispatch all steps necessary to cure same.

C. A suspension under this Article VIII may be lifted only at the sole discretion of the CITY upon a showing of compliance with or written waiver by CITY of the term(s) in question.

D. CITY shall not be liable to DEVELOPER or to DEVELOPER's creditors for costs incurred during any term of suspension of this Agreement.

ARTICLE IX. TERMINATION

A. Should DEVELOPER fail to timely meet the Commencement Date for the Project in accordance with Article III.A.2 above, at CITY's sole discretion, and with 30 days notice to DEVELOPER, CITY may terminate the Agreement, in which instance any and all Incentives offered to DEVELOPER by CITY and TIRZ shall extinguish.

B. CITY and/or TIRZ shall have the right to terminate this Agreement for cause should DEVELOPER fail to perform under the terms and conditions herein, or should DEVELOPER fail to cure a default after receiving written notice of such default with sixty (60) days opportunity to cure. CITY and TIRZ may, upon issuance to DEVELOPER of written notice of termination (the "Notice of Termination"), terminate this Agreement for cause and withhold further payments to DEVELOPER. A Notice of Termination shall include: (1) the reasons for such termination; and (2) the effective date of such Termination.

C. Should CITY and/or TIRZ terminate this Agreement for cause, then CITY shall have the right to recapture any and all disbursed funds made under, as applicable, the Economic Development Program Annual Incremental Property Tax Reimbursement, and/or any and all disbursed Incentive Loan Funds. CITY shall be entitled to the repayment of the recaptured funds within sixty (60) calendar days from the date of the Notice of Termination.

D. In addition to the above, this Agreement may be terminated by written agreement of the Parties as follows:

1. By the CITY (with the consent of DEVELOPER) in which case the two parties shall agree upon the termination conditions, including the repayment of funds and the effective date of termination; or

- 2. By the DEVELOPER upon written notification to CITY, setting forth the reasons of such termination, a proposed pay-back plan of all funds disbursed, and the proposed effective date of such termination.

Notwithstanding the foregoing, DEVELOPER shall not be relieved of its obligation to repay any and all disbursed funds made under this Agreement, nor shall DEVELOPER be relieved of any liability to CITY for actual damages due to CITY by virtue of any breach by DEVELOPER of any terms of this Agreement.

E. Other Remedies Available. The City shall have the right to seek any remedy at law to which it may be entitled, in addition to termination and repayment of funds, if DEVELOPER defaults under the material terms of this Agreement and fails to cure such default within the cure period set forth above.

ARTICLE X. NOTICE

Any notice required or permitted to be given hereunder by one Party to the other shall be in writing and the same shall be given and shall be deemed to have been served and given if: (a) delivered in person to the address set forth herein below for the Party to whom the notice is given; (b) placed in the United States mail with postage prepaid, return receipt requested, properly addressed to such Party at the address hereinafter specified; or (c) deposited, with fees prepaid, into the custody of a nationally recognized overnight delivery service such as FedEx, addressed to such Party at the address hereinafter specified. Any notice mailed in the above manner shall be effective two (2) business days following its deposit into the custody of the United States Postal Service or one (1) business day following its deposit into the custody of such nationally recognized delivery service, as applicable; all other notices shall be effective upon receipt. From time to time, either Party may designate another address for all purposes under this Agreement by giving the other Party no less than ten (10) calendar days advance written notice of such change of address in accordance with the provisions hereof.

If intended for CITY, to:

City of San Antonio
 Attn: Director
 Center City Development Office
 P.O. Box 839966
 San Antonio, TX 78283-3966

If intended for TIRZ, to:

Planning & Community Development Dept.
 Cliff Morton Development & Business
 Service Center

Attn: Tax Increment Finance Unit

1901 S. Alamo

San Antonio, TX 78204

If intended for DEVELOPER, to: _____

Attn: _____

San Antonio, TX 782__

ARTICLE XI. SPECIAL CONDITIONS AND TERMS

A. Termination of TIRZ. The Parties agree that, in the event that the CITY, acting in accordance with State law, terminates the TIRZ or adopts an ordinance that causes the termination date of the TIRZ to occur on a date earlier than provided in the ordinance that initially established the TIRZ or by subsequent CITY ordinance, the DEVELOPER may petition the CITY to amend this Agreement, in its sole discretion, to provide for the payment of the Annual Property Tax Increment Reimbursement in accordance with the material terms and conditions of this Agreement. However, should the Project become located in another TIRZ, DEVELOPER may alternatively petition for assignment to said TIRZ in accordance with Article XXI.B.

B. Employment. DEVELOPER, in accordance with Chapter 2264 of the Texas Government Code, agrees not to knowingly employ any undocumented workers at the Project during the Term of this Agreement. If DEVELOPER is convicted of a violation under 8 U.S.C. Section 1324a (f), then DEVELOPER shall repay the CITY or TIRZ the Incentives paid under this Agreement for the tax year(s) covered under this Agreement during which such violation occurred. Such payment shall be made within 120 business days after the date DEVELOPER is notified by the CITY of such violation. The CITY, in its sole discretion, may extend the period for repayment herein. Additionally, DEVELOPER shall pay interest on the amounts due to CITY or TIRZ at the rate periodically announced by the Wall Street Journal as the prime or base commercial lending rate, or if the Wall Street Journal shall ever cease to exist or cease to announce a prime or base lending rate, then at the annual rate of interest from time to time announced by Citibank, N.A. (or by any other New York money center bank selected by the CITY) as its prime or base commercial lending rate, from the date of such violation notice until paid.

ARTICLE XII. CONFLICT OF INTEREST

A. DEVELOPER shall ensure that no employee, officer, or individual agent of CITY shall participate in the selection, award or administration of a subcontract supported by funds provided hereunder if a conflict of interest, real or apparent, would be involved. Such conflict of interest would arise when: (1) the employee, officer, or individual agent; (2) any member of his or her immediate family; (3) his or her partner; or, (4) any organization which employs, or is about to employ any of the above, has a financial or other interest in the firm or person selected to perform the subcontract and the relationship calls for payments to be made to such subcontractor on terms which are greater than those which are customary in the industry for similar services conducted on similar terms. DEVELOPER shall comply with Chapter 171, Texas Local Government Code as well as the CITY's Code of Ethics.

B. City may terminate this Agreement immediately if the DEVELOPER has offered, conferred, or agreed to confer any benefit on a City of San Antonio employee or official that the City of San Antonio employee or official is prohibited by law from accepting. Benefit means anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person

in whose welfare the beneficiary has a direct or substantial interest, but does not include a contribution or expenditure made and reported in accordance with law. Notwithstanding any other legal remedies, the City may obtain reimbursement for any expenditure made to the DEVELOPER resulting from the improper offer, agreement to confer, or conferring of a benefit to a City of San Antonio employee or official.

ARTICLE XIII. NONDISCRIMINATION AND SECTARIAN ACTIVITY

A. As a condition of entering into this Agreement, DEVELOPER represents and warrants that it will comply with the CITY's Commercial Nondiscrimination Policy, as described under Section III. C. 1. of the SBEDA Ordinance 2010-06-17-0531. As part of such compliance, DEVELOPER shall not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or other unlawful forms of discrimination in the solicitation, selection, hiring or commercial treatment of subcontractors, vendors, suppliers, or commercial customers funded in whole or in part with funds made available under this Agreement, nor shall DEVELOPER retaliate against any person for reporting instances of such discrimination. DEVELOPER shall provide equal opportunity for subcontractors, vendors and suppliers to participate in all of its public sector and private sector subcontracting and supply opportunities, provided that nothing contained in this clause shall prohibit or limit otherwise lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the CITY's relevant marketplace. DEVELOPER understands and agrees that a material violation of this clause shall be considered a material breach of this Agreement and may result in termination of this Agreement, disqualification of DEVELOPER from participating in City contracts, or other sanctions as provided by applicable law. This clause is not enforceable by or for the benefit of, and creates no obligation to, any third party.

B. None of the performances rendered by DEVELOPER under this Agreement shall involve, and no portion of the Incentives received by DEVELOPER under this Agreement shall be used in support of, any sectarian or religious activity, nor shall any facility used in the performance of this Agreement be used for sectarian instruction or as a place of religious worship.

C. DEVELOPER shall, to the best of its knowledge and belief, include the substance of this Article in all agreements entered into by DEVELOPER associated with the funds made available through this Agreement.

ARTICLE XIV. LEGAL AUTHORITY

A. Each Party assures and guarantees to the other that they possesses the legal authority to enter into this Agreement, to receive/deliver the Incentives authorized by this Agreement, and to perform their obligations hereunder.

B. The person or persons signing and executing this Agreement on behalf of each Party or representing themselves as signing and executing this Agreement on behalf of a Party, do hereby guarantee that he, she or they have been duly authorized to execute this Agreement on behalf of that Party and to validly and legally bind that Party to all terms, performances and provisions herein set

forth.

C. CITY will have the right to suspend or terminate this Agreement in accordance with Articles VIII or IX if there is a dispute as to the legal authority of either DEVELOPER or the person signing this Agreement, to enter into this Agreement, any amendments hereto or failure to render performances hereunder. DEVELOPER is liable to CITY for all Incentives it has received from CITY under this Agreement if CITY suspends or terminates this Agreement for reasons enumerated in this Article.

ARTICLE XV. LITIGATION AND CLAIMS

A. DEVELOPER shall give CITY immediate notice in writing of any action, including any proceeding before an administrative agency, filed against DEVELOPER arising out of the performance of any activities hereunder. Except as otherwise directed by CITY, DEVELOPER shall furnish immediately to CITY copies of all pertinent papers received by DEVELOPER with respect to such action or claim. DEVELOPER shall notify the CITY immediately of any legal action, known to DEVELOPER, filed against the DEVELOPER or any subcontractor thereto, or of any known proceeding filed under the federal bankruptcy code to which DEVELOPER or any subcontractor is a party. DEVELOPER shall submit a copy of such notice to CITY within 30 calendar days after receipt. No Incentives provided under this Agreement may be used in the payment of any costs incurred from violations or settlements of, or failure to comply with, federal and state regulations. The above notwithstanding, DEVELOPER is not required to notify CITY of claims or litigation which arise out of DEVELOPER's operations on the Project, including, without limitation, landlord tenant disputes, personal injury actions (e.g., slip and falls), and other operational activities or relationships.

B. DEVELOPER acknowledges that CITY is a political subdivision of the State of Texas and is subject to, and complies with, the applicable provisions of the Texas Tort Claims Act, as set out in the Civil Practice and Remedies Code, Section 101.001 *et seq.*, and the remedies authorized therein regarding claims and causes of action that may be asserted by third parties for accident, injury or death.

C. This Agreement shall be interpreted according to the Constitution and the laws of the State of Texas. Venue of any court action brought directly or indirectly by reason of this Agreement shall be in Bexar County, Texas.

ARTICLE XVI. ATTORNEY'S FEES

A. In the event DEVELOPER should default under any of the provisions of this Agreement and the CITY should employ attorneys or incur other expenses for the collection of the payments due under this Agreement or the enforcement of performance or observance of any obligation or agreement on the part of DEVELOPER herein contained, DEVELOPER agrees to pay to the reasonable fees of such attorneys and such other expenses so incurred by the CITY.

B. In the event CITY or TIRZ should default under any of the provisions of this Agreement and the DEVELOPER should employ attorneys or incur other expenses for the collection of the payments due under this Agreement or the enforcement of performance or observance of any

obligation or agreement on the part of CITY or TIRZ herein contained, CITY and TIRZ agrees to pay to the DEVELOPER reasonable fees of such attorneys and such other expenses so incurred by the DEVELOPER.

ARTICLE XVII. CHANGES AND AMENDMENTS

A. Except as provided below, any alterations, additions, or deletions to the terms of this Agreement shall be by amendment hereto in writing and executed by all Parties to this Agreement. Any amendments to this Agreement which change or increase any of the Incentives to be provided DEVELOPER by CITY and/or TIRZ must be approved by CITY ordinance, with TIRZ Board approval, and in accordance with an official amendment of the TIRZ Project Plan and Financing Plan by the governing body of the TIRZ and CITY.

B. It is understood and agreed by the Parties hereto that performance under this Agreement shall be rendered in accordance with the laws and rules governing the Economic Development Program as set forth in Texas Local Government Code Chapter 380, and the terms and conditions of this Agreement.

C. Any alterations, additions, or deletions to the terms of this Agreement required by changes in state law or regulations are automatically incorporated into this Agreement without written amendment hereto, and shall become effective on the date designated by such law or regulation.

ARTICLE XVIII. SUBCONTRACTING

A. DEVELOPER shall use reasonable business efforts to ensure that the performance rendered under subcontracts entered into by DEVELOPER complies with all terms and provisions of this Agreement as if such performance were rendered by DEVELOPER.

B. DEVELOPER, in subcontracting any of the performances hereunder, expressly understands that in entering into such subcontracts, neither CITY nor TIRZ is liable to DEVELOPER's subcontractor(s).

C. DEVELOPER assures and shall obtain assurances from all of its contractors where applicable, that no person shall, on the grounds of race, creed, color, disability, national origin, sex or religion, be excluded from, be denied the benefit of, or be subjected to discrimination under any program or activity funded in whole or in part under this Agreement.

ARTICLE XIX. DEBARMENT

By signing this Agreement, DEVELOPER certifies that it will not award any Incentives provided under this Agreement to any party which it knows to be debarred, suspended or otherwise excluded from or ineligible for participation in assistance programs by the CITY.

ARTICLE XX. RIGHTS UPON DEFAULT

It is expressly understood and agreed by the Parties hereto that, except as otherwise expressly provided herein, any right or remedy provided for in this Agreement shall not preclude the exercise of any other right or remedy under any other agreements between DEVELOPER and the CITY or

TIRZ or under any provision of law, nor shall any action taken in the exercise of any right or remedy be deemed a waiver of any other rights or remedies. Failure to exercise any right or remedy hereunder shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

ARTICLE XXI. ASSIGNMENT

A. This Agreement is not assignable by any Party without the written consent of the non-assigning Parties. Notwithstanding the foregoing, DEVELOPER may assign this Agreement to a parent, subsidiary, affiliate entity or newly created entity resulting from a merger, acquisition or other corporate restructure or reorganization of DEVELOPER. In such cases, DEVELOPER shall give CITY no less than thirty (30) days prior written notice of the assignment or other transfer. Any and all future assignees must be bound by all terms and/or provisions and representations of this Agreement as a condition of assignment. Any attempt to assign the Agreement without the notification and subsequent consent of CITY and TIRZ, if consent is required under this Article, shall release CITY and TIRZ from performing any of the terms, covenants and conditions herein. Any assignment of this Agreement in violation of this Article shall enable CITY to terminate this Agreement and exercise its rights under Article IX of this Agreement.

B. The CITY and DEVELOPER also authorize the TIRZ to assign to any other Tax Increment Reinvestment Zone ("Zone") should this Project be included in the boundaries of said Zone and the Board of said Zone agrees to the assignment of all the duties, rights and obligations of the TIRZ as evidenced by a Board resolution. City staff and/or TIRZ shall be responsible for providing DEVELOPER written notice no less than 30 days prior to the proposed assignment.

C. Any restrictions in this Agreement on the transfer or assignment of the DEVELOPER's interest in this Agreement shall not apply to and shall not prevent the assignment of this Agreement to a lending institution or other provider of capital in order to obtain financing for the Project. In no event, shall the CITY or TIRZ be obligated in any way to said financial institution or other provider of capital. The City, acting as fiscal agent for the TIRZ, shall only issue checks or any other forms of payment made payable to the DEVELOPER.

ARTICLE XXII. ORAL AND WRITTEN AGREEMENTS

All oral and written agreements among the Parties to this Agreement relating to the subject matter of this Agreement that were made prior to the execution of this Agreement have been reduced to writing and are contained in this Agreement.

ARTICLE XXIII. AUTHORIZED RELIEF FROM PERFORMANCE (*Force Majeure*)

The CITY may grant temporary relief from any deadline for performance of any term of this Agreement if the DEVELOPER is prevented from compliance and performance by an act of war, order of legal authority, act of God, or other unavoidable cause not attributed to the fault or negligence of the DEVELOPER. The burden of proof for the need for such relief shall rest upon the DEVELOPER. To obtain relief based upon *force majeure*, the DEVELOPER must file a written request with the CITY. CITY will not unreasonably withhold its consent.

ARTICLE XXIV. INCORPORATION OF EXHIBITS

Each of the Exhibits listed below is incorporated herein by reference for all purposes as an essential part of the Agreement, which governs the rights and duties of the Parties.

LIST EXHIBITS AS NECESSARY

Exhibit ___	Project Description
Exhibit	Property Description
Exhibit	Center City Housing Incentive Policy, effective [date]

DRAFT

WITNESS OUR HANDS, EFFECTIVE as of _____, 20__ (the "Effective Date"):

Accepted and executed in three duplicate originals on behalf of the City of San Antonio pursuant to Ordinance Number 2012-06-21-_____, dated June 21, 2012, and by DEVELOPER pursuant to the authority of its _____.

CITY OF SAN ANTONIO,
a Texas Municipal Corporation

DEVELOPER:

Name:
CITY MANAGER

By:
Name:
Title:

ATTEST:

ATTEST:

Name:
CITY CLERK

Name:
Title:

APPROVED AS TO FORM:

Name:
CITY ATTORNEY

**TAX INCREMENT
REINVESTMENT ZONE #___:**

ATTEST:

Name:
BOARD CHAIRPERSON

Name:
BOARD VICE-CHAIRPERSON

SAWS Impact Fee Waiver Guidelines

A. Policy Statement

It is the intent of the City and the San Antonio Water System (SAWS) to support policies that promote growth and development in targeted areas of the City, as described in the City's Inner City Reinvestment and Infill Policy (ICRIP) Target Area. The ICRIP specifically identifies areas targeted for reinvestment. It is the intent of the ICRIP to utilize SAWS incentives in combination with other City incentives within the target area in order to stimulate investment in creating walkable urban communities.

B. Program Goals

The award and distribution of SAWS impact fee waiver incentives will follow the general and specific goals outlined below.

- (1) Increase new development (housing and commercial) on vacant infill lots.
- (2) Increase redevelopment of underused buildings and sites.
- (3) Increase rehabilitation, upgrade, and adaptive reuse of existing buildings.
- (4) Increase business recruitment and expansion in the City's targeted industries.

C. Eligibility Criteria

1. The following projects are eligible under these Guidelines for a SAWS impact fee waiver equal to 1% of the total project investment. Eligible projects with a total investment of less than \$500,000 qualify for a minimum waiver of \$5,000:
 - a. All projects **within the target area**, other than those identified in Section 3 below. Maximum waiver amount of \$500,000.
 - b. Eligible projects located **outside the target area** that fall into one of the following categories. Maximum waiver amount of \$100,000:
 - i. The Project must be in a targeted industry, as defined in the City's Tax Abatement Guidelines, and must include a capital investment of at least \$50 million or create at least 500 new full-time jobs.
 - ii. A housing project that includes at least some affordable residential units that are occupied by a family whose household income does not exceed 80% of San Antonio's Area Median income, as adjusted for household size and as defined by the U.S. Department of Housing and Urban Development (HUD). For projects with less than 50% affordable residential units as defined here, the maximum waiver amount is proportional to the percentage of affordable units. For example, if a residential housing project, anywhere in the City, has a mix of 70 percent market rate and 30 percent affordable units, then the project would be eligible for a waiver of 30 percent of the SAWS impact fee, up to \$100,000.

- iii. A non-profit or public entity performing community service defined as an organization whose mission and goal is to provide community service to benefit or serve the community by offering services for the benefit of the public at no fee to its participants with the intent of improving society. Such services include: child care, education, health care, housing, mentoring, crime prevention, and public safety.
2. The following project types are not eligible for SAWS impact fee waiver incentives, either inside or outside the target area:
 - a. Projects over the Edwards Recharge or Contributing Zones.
 - b. Retail stores such as, check-cashing agencies, automotive part retailers, tire shops, non-bank financial retail outlets, nightclubs, bars, liquor stores, convenience stores, gun shops, pawnshops, gas stations, tattoo parlors, tanning salons, mobile food vendors and sexually oriented businesses.
 - c. Hotels and Motels.
 - d. Entertainment facilities, specifically theme park and destination resorts, as defined in the City's Unified Development Code.
 - e. Projects built by and funded with state or federal appropriations on federal or state land, including projects on military installations.
 - f. Sectarian or religious facilities.
 - g. Market-rate single-family or two-family dwellings are excluded, unless:
 - Project is enrolled in the City's Housing Rehabilitation Loan Program
 - Project costs are valued at fifty (50) percent or more of the latest BCAD improvement value; or
 - Project is reconstruction of structures destroyed or ruined by flooding, fire, windstorm or other natural disaster.
 3. Retail projects are generally not eligible for SAWS impact fee waivers; however, the following criteria may be used in evaluating requests for fee waivers for retail projects.
 - Retail projects must show some public benefit to the ICRIP target area such as a provider of goods or services currently not available, catalytic retail concept, blight elimination, etc.
 - Level of investment, project financing and analysis of the financial gap requiring public assistance
 - Fiscal and economic impact
 - Public improvements from the project
 - Consistency with existing master plans and/or neighborhood plans
 - Ability to improve shopping discontinuity, create critical mass of retail and retail market potential
 - Job creation
 - Alignment with policy goals as stated in Section B above.

- Geographic indicators within the ICRIP target area, such as HUB Zone, Empowerment Zone, Tax Increment Reinvestment Zone, Neighborhood Commercial Revitalization, Community Plan Areas, Texas Enterprise Zone, and HUD Neighborhood Stabilization Tracts.
- The close proximity of a retail project from one of the following educational institutions: UIW, OLLU, St. Mary's University, St. Phillip's College, UTSA-Downtown, Trinity, SAC, Palo Alto College, and the Westside Education and Training Center.

D. Administration & Additional Requirements:

- a. Applications will be received and processed through the City's Center City Development Office.
- b. The City and SAWS will jointly track the number of approved waivers to ensure the total amount of waivers approved in a given fiscal year does not exceed the allotted fiscal year budget for SAWS fee waivers.
- c. Applicants must certify the project investment for appropriate calculation of the waiver. Applicants may be required to provide proof of total project investment.
- d. Waiver requests over \$50,000 require a written fee estimate from SAWS prior to processing.
- e. All SAWS fee waivers of \$100,000 or more require City Council approval.
- f. Waivers are not retroactive for fees already paid. No reimbursements will be granted.
- g. Waivers for multifamily housing projects enrolled in the Center City Housing Incentive Policy (CCHIP) program are granted per the terms of the CCHIP policy.



Inner City Reinvestment and Infill Policy (ICRIP)

The Inner City Reinvestment and Infill Policy (ICRIP) establishes areas of the City for prioritization of reinvestment incentives (see attached program area map). It promotes growth and development in the heart of the City, specifically in areas that are currently served by public infrastructure and transit, but underserved by residential and commercial real estate markets.

The goals of the policy are to increase new development on vacant lots, increase the redevelopment, rehabilitation, upgrade, maintenance, and/or adaptive reuse of existing buildings, and increase business recruitment and assistance.

Projects within the ICRIP may be eligible for:

- Waiver of most City development fees
- Waiver of SAWS impact fees based on level of investment
- Tax abatements subject to the Tax Abatement Guidelines
- Project coordination support from the Center City Development and Operations Department (CCDO)

Projects NOT eligible for incentives include:

- a) Projects over the Edwards Recharge Zone or Contributing Zones
- b) Retail stores such as check-cashing agencies, automotive part retailers, tire shops, non-bank financial retail outlets, nightclubs, bars, liquor stores, convenience stores, gun shops, pawnshops, gas stations, tattoo parlors, tanning salons, mobile food vendors, and sexually-oriented businesses.
- c) Hotels and motels
- d) Entertainment facilities, specifically theme park and destination resorts as defined in the Unified Development Code
- e) Projects built by and funded by with state and federal appropriations on federal or state land, including projects on military installations
- f) Construction of any sectarian or religious facility

Retail projects are generally not eligible but may be evaluated individually for eligibility based on their public benefit to the ICRIP target area such as a provider of goods or services currently not available, catalytic retail concept, blight elimination, etc.

Additional Considerations:

- There is a \$100 administrative fee for each waiver granted under this program – City and SAWS
- SAWS Impact Fee Waivers are limited to 1% of the total project cost and waivers exceeding \$100,000 require City Council approval.
- There is no reimbursement for fees already paid.

- City fee waivers are valid for one year from the date of approval. Waivers can be renewed by contacting CCDO. Renewals are subject to available funding.
- SAWS fee waivers are valid for 90 days from the date of approval. Waivers can be renewed by contacting CCDO. Renewals are subject to available funding.

Application Process:

- Applications for fee waivers under the ICRIP program are accepted online at the CCDO website.
- Applications are typically processed within 72 hours
- Approved projects will receive an email confirmation with a Waiver ID which can then be used at the service counter to waive the eligible fees.

San Antonio Brownfields Program

The San Antonio Brownfields Program began in the fall of 2011 with the goal of assisting property owners and developers address the environmental concerns associated with inner-city and adaptive reuse projects. Today, City staff works with these partners to utilize all finance and incentive tools available to transform Brownfields from vacant eyesores to attractive properties and community assets.

What Are Brownfields?

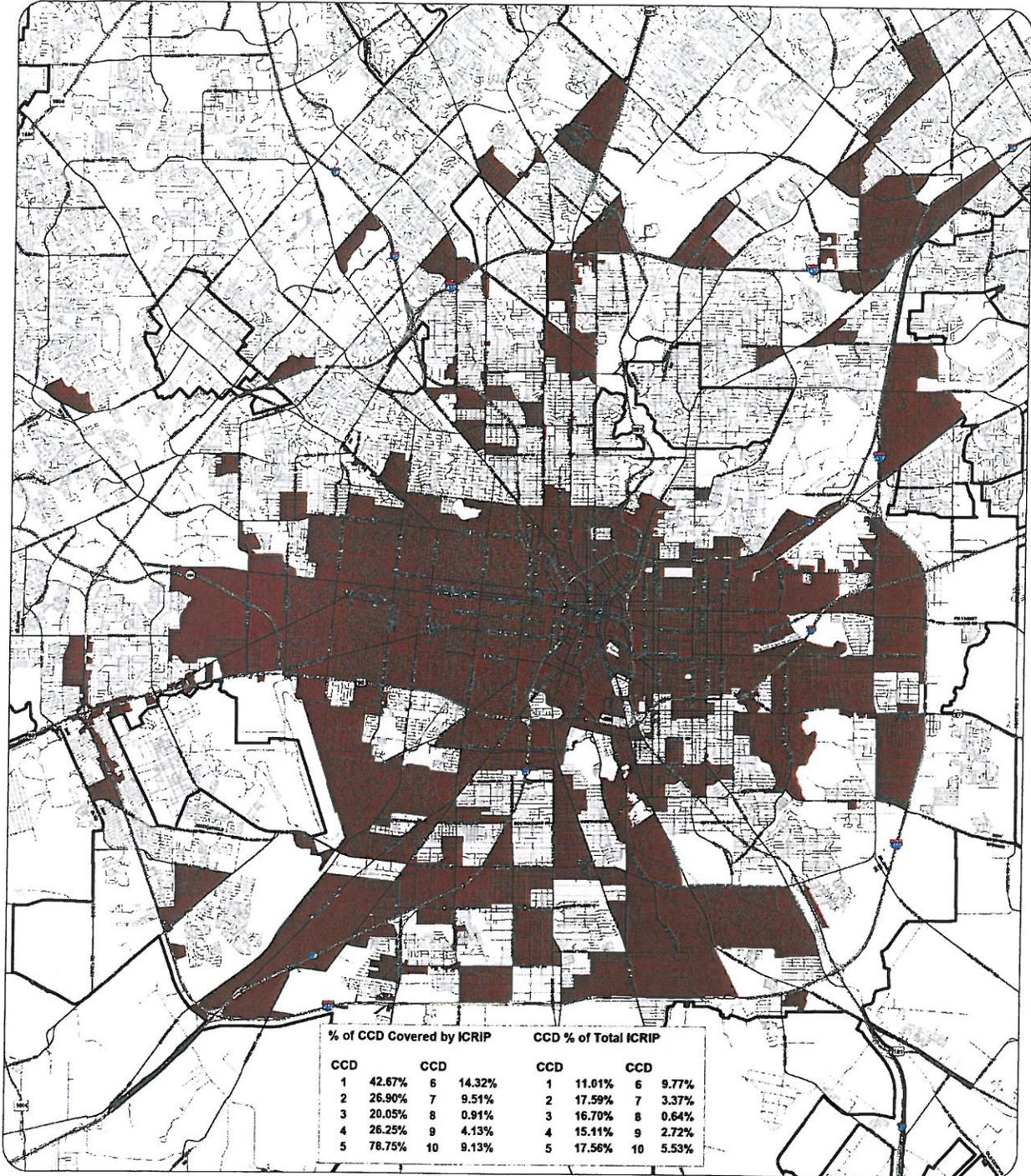
Brownfields are abandoned or underutilized properties with real or perceived environmental contamination that complicates redevelopment. Brownfields properties could include abandoned gas stations, dry cleaning facilities, junkyards, old car dealerships, old factories and landfills.

What are the Benefits of Our Brownfields Program?

- Grants for Phase I Environmental Site Assessments (ESAs)
- Technical Assistance in applying for brownfields funding from other agencies
- Coordination with other infill development incentive programs (ICRIP, CCHIP, etc.)
- Strategic planning for clean up and brownfields redevelopment

For questions regarding the Inner City Reinvestment and Infill Policy and Brownfields programs, please contact:

Jonah Katz
Senior Planner
Center City Development and Operations Department
(210) 207-3907
jonah.katz@sanantonio.gov (email preferred)



ICRIP, as Amended 1/10/2013
18.02% or 84.08 Sq. Mi. of CoSA

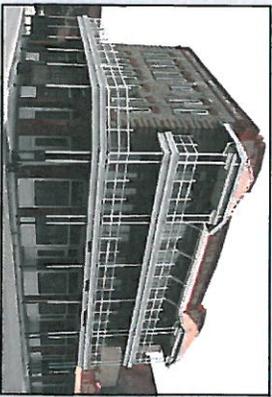


- At least 75% of the building's internal structural framework must remain in place

THE 10% OR 20% FEDERAL TAX CREDIT: WHICH ONE APPLIES?

- The 10% rehabilitation tax credit applies only to non-historic buildings built before 1936.
- The 20% rehabilitation tax credit applies only to certified historic structures.
- Only one of these two options may be applied to a given property.

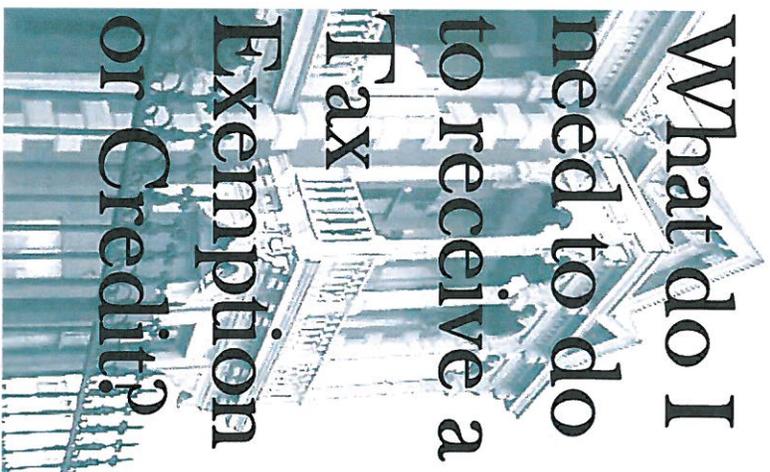
More information is available on the National Park Service website at <http://www2.cr.nps.gov/tpts/tax/brochure2.htm> or contact the Office of Historic Preservation.



Visit the

Office of Historic Preservation

at:
www.sanantonio.gov/historic
or email us at :
OHP@sanantonio.gov



Office of Historic Preservation

P.O. Box 839966
San Antonio, TX 78283
215-9274
www.sanantonio.gov/historic
OHP@sanantonio.gov

The City of San Antonio's Office of Historic Preservation reviews exterior modifications to properties that are individual historic landmarks or are located within a historic district. The Office serves as advisory staff to the Historic and Design Review Commission (HDFRC), which meets on the first and third Wednesdays of each month.

A primary responsibility of the Office is to protect San Antonio's unique historic resources by administering the City's Unified Development Code historic preservation and design provision. The Office also provides incentives to encourage preservation, including City ad valorem (property) tax exemptions for "substantial rehabilitations of historic buildings in need of repair," and for owner-occupied residences within new historic districts:

What is a "substantial rehabilitation" of a historic building in need of repair?

- The property must be a national, state, or locally designated historic landmark or located within a national or local historic district.
- The owner must invest, which can include "sweat equity" for labor provided by the property owner, substantial rehabilitation efforts that prolong the life of the building. Substantial rehabilitation can include exterior and/or interior rehabilitation work.

Substantial Rehabilitation for Residential Properties

After substantial rehabilitation of a historic property, property owners may choose one of two tax incentives:

- 1) City property taxes are frozen at the assessed value prior to the improvements for ten (10) years. The amount of City property taxes owed is determined by the assessed value prior to the improvements and is frozen at that level for ten (10) years.
- 2) No City property taxes are owed for the first five (5) years. For the next five (5) years, City property taxes are assessed at a value that is 50% of the post-rehabilitation assessed value. The property tax exemption remains with the property regardless of a change in ownership.



Substantial Rehabilitation for Commercial Properties

After substantial rehabilitation of a commercial property, no City property taxes are owed for the first five (5) years. For the next five (5) years, City property taxes are assessed at a value that is 50% of the post-rehabilitation assessed value. The property tax exemption remains with the property regardless of a change in ownership.

20% Exemption for Owner Occupied Residences in New Historic Districts

All residential properties occupied by the property owner at the time of designation receive a 20% tax exemption on City taxes for 10 years provided the owner remains in the property.

TAX EXEMPTIONS FOR HISTORIC PROPERTIES

Long-Time Resident Extension

An additional five (5) year extension is available for those receiving the 20% exemption for new historic districts that have remained in the same house for the entire 10-year period of the exemption, for a maximum of fifteen (15) years. The exemption and extension are only effective for as long as the property owner is living at the address for which the exemption is given.

Substantially Rehabilitated Low-Income Rental Properties

If 40% or more of the units in a substantially rehabilitated historic multi-family residence are offered to low-income tenants (as defined by the U. S. Department of Housing and Urban Development HOME program income limits for the San Antonio Metropolitan Statistical Area [<http://www.huduser.org/datasets/llf/mnr00hud00c.txt>]), then the property owner will owe zero (0) City taxes for ten (10) years following rehabilitation.

SUBSTANTIAL REHABILITATION TAX EXEMPTION PROCESS

- 1) Submittal of Certification application.
- 2) Approval of Certification and project plans by the Historic and Design Review Commission (HDRC).
- 3) Completion of rehabilitation construction according to plans approved by HDRC.
- 4) Submittal of Verification application.
- 5) Site visit by OHP staff member to verify that completed work matches the plans that were approved by HDRC.
- 6) Approval of Verification by HDRC.
- 7) Staff notifies the Bexar County Appraisal District of approved exemption.
- 8) Tax exemptions are effective on January 1st of the year following HDRC verification.

4

FREQUENTLY ASKED QUESTIONS

WHAT KIND OF IMPROVEMENTS QUALIFY?

Improvements that extend the life of the building, such as roof, foundation, and siding work; electrical, plumbing, and HVAC systems work; and any other improvements related to structural work, etc. Other improvements such as interior work will be considered upon commitment to complete structural work. The Office of Historic Preservation will be glad to meet with any tax exemption applicant to discuss qualification for the exemptions.

IF THE PROPERTY IS SOLD, ARE THE TAX EXEMPTIONS TRANSFERABLE?

Yes. The tax exemptions for substantial rehabilitation remain with the property regardless of ownership or sale of the property during the granted time period. This is often an incentive for purchasing a historic property.

WHY DO ONLY THE NEW HISTORIC DISTRICTS GET THE 20% TAX EXEMPTION?



A primary purpose of the tax exemption program is to reward property owners who actively assist in the formation of historic districts, rather than to reward those who move into a district after formation. Since the tax exemption is only effective as long as a property owner lives in the same home from the first day of district designation until fifteen (15) years later (10 years + 5 year extension), the exemption only applies to those who either promoted or wanted district designation or those who simply lived within the district boundary at the time of designation. The second purpose of the 20% exemption is to discourage gentrification if property values increase after historic designation.

5

WHAT IS THE DIFFERENCE BETWEEN A TAX CREDIT AND A TAX EXEMPTION?

A tax credit is applied directly to the assessed amount of taxes, while a tax exemption or deduction is applied to the amount of income or property that is eligible for taxing. For example, a 20% property tax credit is a direct 20% discount from the total tax bill, while a 20% property tax exemption means that the tax total is based on an assessed property value that is 20% less than the property's appraised value.

FEDERAL TAX CREDITS FOR HISTORIC PROPERTIES

20% FEDERAL TAX CREDIT

Applies to any project that the Secretary of the Interior designates a *certified rehabilitation* of a *certified historic structure*. A certified historic structure is a structure that is listed individually in the National Register of Historic Places OR that is located in a registered historic district and certified by the National Park Service as contributing to the historic significance of that district. A state or local historic district may qualify as a registered historic district if the district and the enabling statute are certified by the Secretary of the Interior, which is done through the Texas Historical Commission (THC). Part 1 of the Historic Preservation Certification Application must be completed and submitted to THC (512-463-6100). The 20% tax credit is equal to 20% of the project costs.



Service as contributing to the historic significance of that district. A state or local historic district may qualify as a registered historic district if the district and the enabling statute are certified by the Secretary of the Interior, which is done through the Texas Historical Commission (THC). Part 1 of the Historic Preservation Certification Application must be completed and submitted to THC (512-463-6100). The 20% tax credit is equal to 20% of the project costs.

OTHER REQUIREMENTS FOR 20% FEDERAL TAX CREDITS:

- The building must be depreciable or used in a trade or business or held for the production

6

of income. Examples include offices, commercial, industrial or agricultural enterprises, and rental housing.

- The rehabilitation must be considered substantial. During a 24-month period selected by the taxpayer, rehabilitation expenditures must exceed the greater of \$5,000 or the adjusted basis (purchase price, minus the cost of land, plus improvements already made, minus depreciation already taken). Once these requirements have been met, all qualified expenditures, including those outside of the measuring period, qualify for the credit.



- Qualified expenditures include costs associated with work on the historic building, as well as architectural and engineering fees, site survey fees, legal expenses, development fees, and other development-related costs.

10% FEDERAL TAX CREDIT

The 10% tax credit is available for the substantial rehabilitation of depreciable non-historic buildings built before 1936. Unlike the 20% credit, rental housing does not qualify because the credit is available only for non-residential use.

OTHER REQUIREMENTS FOR 10% FEDERAL TAX CREDIT:

- At least 50% of the building's walls existing at the time the rehabilitation is begun must remain in place as external walls upon completion of the work.
- At least 75% of the building's existing external walls must remain in place as either external or internal walls.

7

Programs Under Department of Planning & Community Development (DPCD)

Catalytic Project Fund – This program supports the improvement of infrastructure in targeted areas, including pedestrian connections, installation of sidewalks, landscaping, historic street signage, park improvements, street improvements, gateways, and public art installation

CDBG (Community Development Block Grant) – A flexible, formula-based grant by HUD that provides communities the resources to address a wide range of community development needs that primarily benefit low- and moderate-income households

Green & Healthy Homes – Available for income-qualified households, the City's Green & Healthy Homes program provides financial assistance for the assessment and abatement of up to 29 potential hazards, including lead-based paint in homes with children under the age of 6 and persons with asthma.

HOME (Home Investment Partnerships Program) – A formula-based grant by HUD that communities use to fund a wide range of housing-related activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership, or providing direct rental assistance to low-income households.

Homeownership Incentive Program (HIP) – Available for income-qualified households who want to purchase a home in eligible portions of central San Antonio, the Homeownership Incentive Program (HIP) assists first-time buyers with up to \$12,000 in down payment and/or closing cost assistance.

HUD Section 108 Loan Guarantee Program - Section 108 is the loan guarantee component of the Community Development Block Grant (CDBG) Program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. The Section 108 loan guarantee program allows local governments to transform a small portion of their CDBG funds into federally guaranteed loans large enough to pursue physical and economic revitalization projects capable of renewing entire neighborhoods.

Infill Housing Program – The Office of Urban Redevelopment San Antonio (OUR SA) provides affordable single-family homes which promote reinvestment and revitalization in targeted neighborhoods within the city.

Minor Repair Program - Community Development Block Grant (CDBG) funds may be used to perform minor home repairs as well as ADA modifications for senior citizens 62 years of age or older, disabled persons meeting the Census Bureau definition of disabled, or families at or below 80 percent of the AMI. Eligible repairs include mechanical, electrical, plumbing, roofing, foundation, HVAC, and any modifications to accommodate physical disabilities. Assistance is limited to less than \$5,000 per household.

Multifamily Rental Program - The City utilizes HOME funds administered by HUD for the construction or rehabilitation of affordable multifamily housing. Awarded developments in San Antonio may leverage HOME funds with the Low Income Housing Tax Credit (LIHTC) program or other affordable rental programs. Occupants of HOME-funded multifamily units are subject to income requirements, and affordable units are subject to affordability periods typically at a minimum 15 to 20 years, depending on the development type.

Operation Facelift (Façade Improvements) – This program provides commercial property owners in targeted areas with the financial assistance needed to reverse the deterioration of commercial structures, promote consistency in design, and create aesthetically pleasing environments while bringing buildings up to City Code

Owner-Occupied Housing Rehabilitation – Income-qualified homeowners in eligible areas can apply for housing rehabilitation assistance to address major repairs, including foundation and building envelope, major systems (mechanical, plumbing, and electrical), accessibility improvements, and energy efficiency. Loans up to \$25,000 are offered at 0% interest for a 10-year deferred, forgivable term.

CHDO Single Family New Construction - Non-profit affordable housing providers meeting certain Community Housing Development Organization (CHDO) eligibility requirements may utilize HUD HOME Program “CHDO” set aside funds administered by City of San Antonio to develop affordable single family housing. The resulting affordable housing must be sold to households earning up to 80 percent of the area median income, and the home will remain affordable to any subsequent homebuyers for a specified period of time, typically between five and 15 years.

Tax Increment Financing (TIF) – The future value of private investment within a tax increment reinvestment zone (TIRZ) is leveraged to finance public improvements, to enhance existing public infrastructure, and to maximize the benefits of other incentive tools. Public investment in TIRZ, using tax increment as a financing mechanism, stimulates private sector investment in areas of the City that might not otherwise attract market interest.

Glossary of Community Development Terms

Affordable housing – Housing units that families can occupy for 30 percent or less of their gross income. The federal definition of affordable housing refers to such units made affordable to households of various low- to moderate-income categories.

Brownfield – A brownfield site is property whose expansion, redevelopment, or reuse may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant

CDBG (Community Development Block Grant) – A flexible, formula-based grant by HUD that provides communities the resources to address a wide range of community development needs that primarily benefit low- and moderate-income households

Density bonus – A zoning tool that permits developers to build more housing units, taller buildings, or greater floor space than typically allowed, in exchange for a share of affordable housing units within the development.

Fair Market Rent (FMR) – A 40th percentile rent on a standard condition apartment, according to HUD. That means 40 percent of similar apartments rent for less and 60 percent rent for more. FMR varies by area and number of bedrooms, and this data is used to set reimbursement limits for programs like Section 8.

Gentrification – A process of reinvestment in previously neglected and lower-income neighborhoods by higher-income households and businesses, escalating area property values such that displacement of existing residents and businesses may occur.

HOME (Home Investment Partnerships Program) – A formula-based grant by HUD that communities use to fund a wide range of housing-related activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership, or providing direct rental assistance to low-income households.

Homestead exemption – An exemption for an owner-occupant that removes part of the value of their residential property from taxation, thus lowering taxes. The exemption only applies to the owner's principal residence. Exemptions may include school taxes, county taxes, and city taxes, as well as exemptions for elderly or disabled adults.

Housing + Transportation Index – A comprehensive view of affordability that includes the combined costs of housing and transportation. Using this measurement, affordability is defined

by combined housing and transportation costs that do not exceed 45 percent of the household budget.

Housing subsidies – Any government financial assistance to help provide housing. The largest housing subsidy in the United States is the home mortgage interest deduction.

Housing trust fund – A fund established by a city, county, or state government that receives ongoing public funding to support preservation and production of affordable housing as well as increase access to affordable housing by eligible households.

Inclusionary zoning – Ordinances that require a share of newly constructed housing to be affordable by people with low-to-moderate incomes. *Such mandates are prohibited in Texas.*

Income categories:

- **Low Income:** 50% to 80% of median family income
- **Very Low Income:** 30% to 50% of MFI
- **Extremely Low Income:** 30% of MFI or less
- **Moderate Income:** 80% to 120% of MFI
- **Middle Income:** 120% to 250% of MFI

Market rate – Unregulated rents that a landlord sets at whatever the local housing market will bear.

Rent control – Also known as rent stabilization, rent control includes regulations administered by a public entity that limit the changes that can be made to the price of rent for a housing unit. Historically, and particularly in New York, such policies have been tied to the housing unit itself, and not the occupant.

Split Rate Property Tax – A property taxation scenario in which the value of land is taxed at a different rate than that assessed on improvements to the property

Split Roll Property Tax – Certain types of property (usually residential) are taxed at lower effective tax rates than other types of property (usually commercial). In some cases, tax rates for vacant or abandoned properties are even higher.

Workforce housing – Housing units believed to be affordable to working families in the public and private service sectors. Often, the goal is to make such housing affordable to public safety officers, teachers, and medical care providers. According to the Urban Land Institute, workforce housing is defined as affordable to households with incomes between 60% and 120% of area median income.



What is EastPoint?

- EastPoint is a four square mile target area within the Promise Zone that makes up the combined footprint of the Promise and Choice Initiatives. Four major federal grants/revitalization initiatives in the footprint, totaling over \$54 million (see table below)
- San Antonio is the only city in the nation to receive these three (3) major federal grants and the Promise Zone designation
- EastPoint is a place-based revitalization initiative designed to comprehensively revitalize the Eastside by linking housing improvements with wider public services, such as high performing schools, human services, public safety and employment opportunities
- The goal is that these federal initiatives will serve as the catalyst to attract private investments to revitalize the eastside into neighborhoods of choice and opportunity

	Choice Neighborhood Initiative	Eastside Promise Neighborhood Initiative	Byrne Criminal Justice Grants for Public Safety	Promise Zone Designation
Funding	\$29.7M	\$23.7M grant	\$920K grant	
Agency	San Antonio Housing Authority (SAHA)	United Way of San Antonio	SAHA and the United Way	City of San Antonio
Goal	Redevelop the Wheatley Courts public housing complex and surrounding areas	Improve education achievements from cradle-through college-to-career	Improve public safety	Technical assistance and preference points are given to grant applicants

EastPoint Map



Incentives & Programs

The Inner City Reinvestment and Infill Policy (ICRIP) <i>Managed by CCDO</i>	Private Investment Fee Waivers and Tax Reimbursements
	Owner Occupied Rehabilitation
ReNewSA <i>Managed by DPCD</i>	Minor Repair Program
	Green and Healthy Homes
	Homeownership Incentive Program
Promise Zone <i>Managed by Office of EastPoint</i>	Technical Assistance
	Federal Grant Preference Points
	Tax Incentives* *Pending congressional approval

Bexar County Central City Multi-Family Incentive Overview

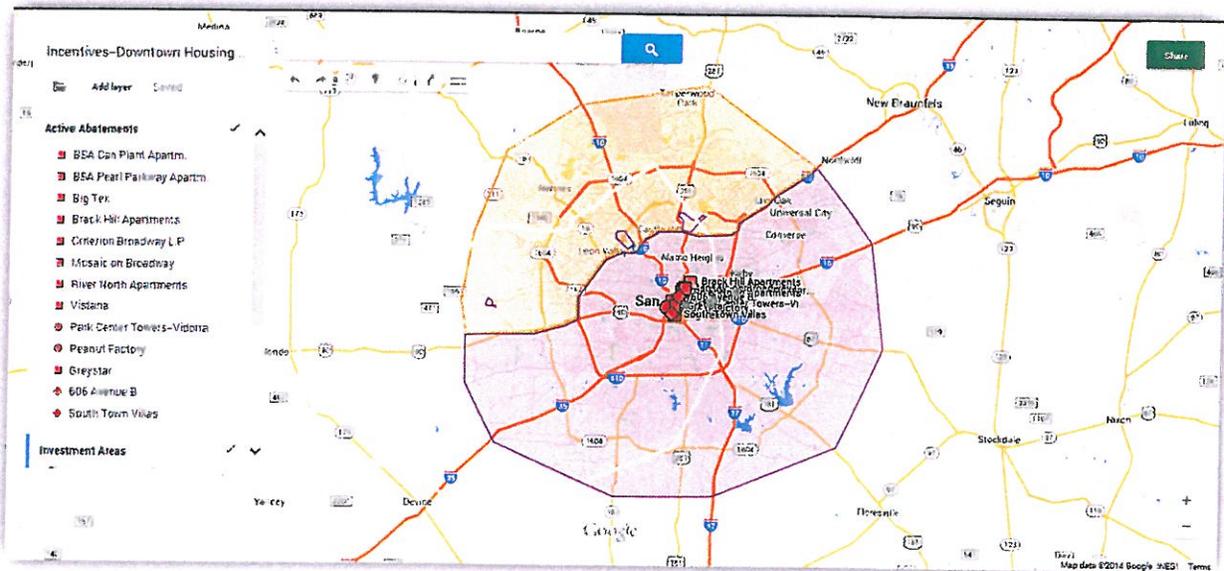
Central City Multi-Family Market-Rate Rental Housing: urban renewal, specifically the redevelopment of the Central City, is an important objective for the Commissioners Court. Additionally, job creation requirements do not apply to these housing projects.

Central City: the 36 square mile area, with the center being the dome of the San Fernando Cathedral, bordered by Hildebrand Avenue to the north, Division Street to the south, Rio Grande Street to the east, and 24th Street to the west.

INVESTMENT AREAS		
	6-Year Term	10-Year Term
Combined Real & Personal Property Investment	\$10 Million	\$1 Million
Potential Tax Abatement*	40% Real <u>or</u> Personal Property	40% Real <u>and</u> Personal Property

*Bexar County Commissioners Court may consider factors such as industry, geographic location, and blight mitigation when evaluating a potential tax abatement.

Multi-Family Projects with Active Abatements**



**The 606 Avenue B and South Town Villas Tax Abatement Contracts are pending execution by Commissioners Court

Central City Multi-Family Projects Overview:

- 13 downtown multi-family projects (2 developments pending contract execution):
- 2,601 new units
- \$380,371,418 in projected new capital investment

SAN ANTONIO HOUSING TRUST PUBLIC FACILITY CORPORATION

Expands the City's ability to provide additional incentives for public/private partnerships to facilitate and finance workforce housing developments by providing 100% property tax exemption

Low Income Tax Credit

Income limited to 60% of median income for tax credit portion of Project

1 person	\$24,720
2 people	\$28,260
3 people	\$31,800
4 people	\$35,280

Market Rate Affordable

50% of units restricted to 80% of median income, 50% are market rate

1 person	\$32,960
2 people	\$37,680
3 people	\$42,400
4 people	\$47,120

Rents restricted to 30% of 60% of median income

1 bedroom	\$662
2 bedroom	\$795

No rent restrictions



