

THIS IS A PROPOSED DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED ORDINANCE OR RESOLUTION ADOPTED BY CITY COUNCIL.

AN ORDINANCE

AUTHORIZING A CHAPTER 380 ECONOMIC DEVELOPMENT FORGIVABLE LOAN AGREEMENT WITH TERRAMARK URBAN HOMES FOR A CUMULATIVE AMOUNT OF \$240,000.00 FOR WHEATLEY INFILL, A DEVELOPMENT PARTNERSHIP WITH SAHA TO INCLUDE 24 AFFORDABLE/WORKFORCE SINGLE-FAMILY HOMES IN CITY COUNCIL DISTRICT 2.

* * * * *

WHEREAS, as part of U.S. Department of Housing and Urban Development’s (HUD) Choice Neighborhood Initiative, the San Antonio Housing Authority (SAHA) acquired a series of vacant lots on the East Side with the intention of collaborating with private sector partners to develop affordable homes near East Meadows, the mixed-income redevelopment of the former Wheatley Courts public housing complex; and

WHEREAS, SAHA issued a Request for Proposals in 2018, seeking developer interest in offering affordable for-sale housing on these lots and awarded the project to Terramark Urban Homes (“Terramark”); and

WHEREAS, as part of its agreement with SAHA, Terramark will construct 12 homes within the Wheatley infill development by November 2019, and construct an additional 12 homes prior to 2021; and

WHEREAS, the City is engaged in revitalizing and supporting economic development activities to reactivate the near East Side of San Antonio as well as address the need for workforce and affordable housing citywide; and

WHEREAS, the City continues to encourage and incentivize residential and commercial development, specifically in the EastPoint area where the City and partner organizations have increased investments in public infrastructure and other improvements; and

WHEREAS, pursuant to Chapter 380 of the Texas Local Government Code, the City of San Antonio (the “City”) is authorized to establish and provide for the administration of one or more programs, including programs for making grants of public money to promote state or local economic development and to stimulate business and commercial activity in the municipality; and

WHEREAS, in accordance with City Ordinance No. 100684, the City created an Economic Development Program (the “Program”) for the purpose of making grants available for economic development projects that the City finds will accomplish the purpose and goals of Chapter 380; and

WHEREAS, in order to incentivize Terramark to undertake and complete the development, the City is offering Terramark a \$240,000.00 forgivable loan in accordance with Chapter 380 of the Texas Local government Code; and

WHEREAS, the City finds that the goals of Chapter 380 will be met by assisting Terramark in undertaking and completing the Project and has identified economic development funds for use in carrying out this purpose; **NOW THEREFORE**:

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

SECTION 1. The City Council approves the terms and conditions of a Chapter 380 Economic Development Forgivable Loan Agreement with Terramark Urban Homes in a cumulative amount of \$240,000.00.

SECTION 2. The City Manager or his designee is authorized to execute a Chapter 380 Economic Development Forgivable Loan Agreement in accordance with the terms and conditions of this Ordinance. A copy of the Agreement, in substantially final form, is attached to this Ordinance as Exhibit A. The final agreement shall be filed with this Ordinance upon execution.

SECTION 3. Funding for this ordinance in the amount of \$240,000.00 is available in Fund 29104000, Cost Center 1909010001 and General Ledger 5201040 as part of the Fiscal Year 2019 Budget.

SECTION 4. Payment not to exceed the budgeted amount is authorized to Terramark Urban Homes for construction of 24 affordable single-family homes.

SECTION 5. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 6. This ordinance shall become effective immediately upon its passage by eight (8) votes or more and upon ten (10) days following its passage if approved by fewer than eight (8) votes.

PASSED and **APPROVED** this ____ day of May, 2019.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney