

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

AN ORDINANCE

APPROVING THE SUBORDINATION AND MODIFICATION OF TWO HOME INVESTMENT PARTNERSHIPS PROGRAM LOANS FOR THE BABCOCK NORTH PHASE II APARTMENTS.

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WHEREAS, the City of San Antonio (the City) receives an annual entitlement of HOME Investment Partnerships Program (HOME) funding through the U.S. Department of Housing and Urban Development (HUD) to provide decent affordable housing to lower-income households; and

WHEREAS, on or about June 4, 2002, the City executed two HOME loans with Alamo Area Mutual Housing Association, Inc., a Texas non-profit corporation now doing business as Alamo Community Group (ACG), in the original principal amounts of \$220,000.00 and \$150,000.00 respectively for the Babcock North Expansion project also known as the Babcock North Phase II Apartments, a 72-unit rental housing development, located at 11800 Spring Shadow, in Council District 8; and

WHEREAS, ACG has received a commitment for a new HUD Section 223(f) loan to refinance and rehabilitate the existing 72-unit Babcock North Phase II Apartments; and

WHEREAS, ACG has requested the City modify the maturity dates and subordinate the HOME loans to the new HUD Section 223(f) loan; and

WHEREAS, city staff engaged National Development Corporation (NDC) to conduct an underwriting review and based on the results of underwriting, staff recommends approval of ACG's request except that staff recommends that the payment terms of the \$220,000.00 HOME loan be converted to surplus cash; **NOW THEREFORE:**

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

SECTION 1. The Director of the Neighborhood and Housing Services Department or designee, or the Grants Administrator of the Grants and Monitoring Division of the Neighborhood and Housing Services Department or designee, are each individually (not jointly) authorized to negotiate and execute any and all documents necessary to modify the City's two HOME loans with Alamo Area Mutual Housing Association, Inc., a Texas non-profit corporation now doing business as Alamo Community Group (ACG), in the original principal amounts of \$220,000.00 and \$150,000.00 respectively for the Babcock North Expansion project also known as the Babcock North Phase II Apartments, a 72-unit rental housing development, located at 11800 Spring Shadow, in Council District 8, and to subordinate said HOME loans to ACG's HUD Section 223(f) loan to allow for the refinance and rehabilitation of said apartments.

SECTION 2. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 20th day of June, 2019.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney