



# City of San Antonio

## Legislation Details (With Text)

**File #:** 17-1979

**Type:** Miscellaneous Item

**In control:** City Council A Session

**On agenda:** 3/30/2017

**Title:** An Ordinance authorizing a Development Agreement with MLK Garden Homes, LLC in an amount not to exceed \$300,000.00 for infrastructure improvements necessary to facilitate the development of 12 single-family residences within the TIRZ #11 boundary. [Peter Zanoni, Deputy City Manager; Bridgett White, Director, Planning]

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. T11 2016-12-09 Resolution MLK Garden Homes, 2. T11 2017-02-10 Resolution MLK Garden Homes, 3. 2016-09-29-0733 Authorizing the Sale of 10 Lots, 4. MLK Garden Homes Site Plan, 5. MLK Garden Homes Site Plan - Architects Rendering, 6. MLK TABLE OF CONTENTS, 7. MLK Garden Homes K Schedule, 8. CPPR-Form\_and\_Requirements 2pg, 9. PREVAILING WAGE RATES, 10. 180.001 MLK Garden Homes Plat\_20170227, 11. T11 MLK Development Agmt (FINAL DRAFT), 12. Project Status Report - final, 13. Draft Ordinance, 14. Ordinance 2017-03-30-0193

Date	Ver.	Action By	Action	Result
3/30/2017	1	City Council A Session		

**DEPARTMENT:** Planning and Community Development

**DEPARTMENT HEAD:** Bridgett White

**COUNCIL DISTRICTS IMPACTED:** Council Districts 1, 2 and 5

### SUBJECT:

Consideration of an Ordinance authorizing a Development Agreement with MLK Garden Homes, LLC in an amount not to exceed \$300,000.00.

### SUMMARY:

Consideration of an Ordinance authorizing a development agreement in an amount not to exceed \$300,000.00 between the City of San Antonio, the Inner City TIRZ Board of Directors and MLK Garden Homes, LLC., within the Inner City Tax Increment Reinvestment Zone (TIRZ) #11.

### BACKGROUND INFORMATION:

On November 17, 2016, MLK Garden Homes, LLC submitted a funding request to the Board of Directors of the Inner City TIRZ. After negotiations, Staff recommended to the Board an amount up to \$300,000.00 in TIRZ #11 funding, to be drawn on a reimbursement basis upon successful completion of infrastructure

improvements. The \$300,000.00 will be utilized to address utility, sidewalk, and street improvements necessary to facilitate the development of twelve (12) single-family residences. The completion of this project will provide new, affordable housing stock in the TIRZ #11 boundary.

MLK Garden Homes, LLC was successful in acquiring ten surplus lots from the City of San Antonio at a cost of \$75,000.00, per Ordinance 2016-09-29-0733. Additionally, they are under contract to acquire two additional parcels necessary to assemble the land required to complete the project.

## **ISSUE:**

On December 9, 2016, the Inner City TIRZ Board approved a Resolution awarding up to \$300,000.00 of TIRZ funding to MLK Garden Homes, located at Martin Luther King Drive and Aurelia Street, and authorized staff to negotiate any necessary agreements.

On February 10, 2017, the Inner City TIRZ Board considered and approved a Resolution authorizing the execution of a Development Agreement, in substantial form, for up to \$300,000.00 in TIRZ funding with MLK Garden Homes, LLC.

This Ordinance authorizes the execution of the Development Agreement between the City of San Antonio, the Inner City TIRZ Board of Directors and MLK Garden Homes, LLC, to support the public infrastructure improvements necessary, specifically utility, sidewalk, and street improvements to facilitate the construction of 12 single family homes at the project site. Although the homes will be priced at market rate, it is anticipated that the actual sales price the market will bear will classify these homes within the affordable range. The Developer anticipates the sales price of the homes to be priced between \$135,000.00 and \$155,000.00.

The requested \$300,000.00 in TIRZ funding is necessary to ensure that the project will be economically feasible.

MLK Garden Homes, LLC has also applied for SAWS Impact Fee waivers through the ICRIP in the amount of approximately \$80,119.50.

The total development cost of the MLK Garden Homes development is approximately \$2,000,000.00 which includes costs for acquisition, site work, pre-development soft costs and hard construction costs.

## **ALTERNATIVES:**

If the City does not approve the TIRZ Board of Director's recommendations, the Developer will be unable to implement and complete the public infrastructure improvements.

## **FISCAL IMPACT:**

If approved, this action will authorize the payment of up to \$300,000.00 from the Inner City TIRZ fund for the reimbursement of eligible expenses related to the MLK Garden Home. The funds will be paid solely from the Inner City TIRZ fund and will have no impact on the City's General Fund.

## **RECOMMENDATION:**

Staff recommends approval of an Ordinance authorizing a Development Agreement with MLK Garden Homes, LLC. in an amount not to exceed \$300,000.00.