



City of San Antonio

Agenda Memorandum

File Number:15-6082

Agenda Item Number: 10.

Agenda Date: 4/14/2016

In Control: City Council A Session

DEPARTMENT: Transportation & Capital Improvements

DEPARTMENT HEAD: Mike Frisbie, P.E.

COUNCIL DISTRICTS IMPACTED: Council District 2

SUBJECT:

Developer Participation Agreement: New Leaf Homes

SUMMARY:

An ordinance authorizing the execution of a Developer Participation Agreement with New Leaf Homes whereby the City provides up to \$300,000.00 for New Leaf Homes to build sidewalks in a developing subdivision and the agreement also requires New Leaf Homes to build a total of eight infill houses in the Wheatley area in collaboration with San Antonio Affordable Housing, Inc. (SAAH).

BACKGROUND INFORMATION:

The City of San Antonio is partnering with New Leaf Homes to build infill single-family housing in the Wheatley area of the EastPoint Promise Zone and sidewalks in Council District 2. The City has set aside \$300,000.00 in Certificates of Obligation for new sidewalks in Council District 2. These funds will be provided to New Leaf Homes for installation of sidewalks in its Katy Way Subdivision. The subdivision is located at the northwest corner of St. Hedwig Road and Foster Road. The first phase of the subdivision will include 88 new homes.

As part of the agreement, New Leaf Homes will finance and build affordable infill housing units in the Wheatley area of Council District 2. For every ten homes built at Katy Way Subdivision, New Leaf Homes will build one home in the Wheatley area for a total of 8 homes. The infill housing will be built on San Antonio Affordable Housing, Inc. (SAAH) owned lots. SAAH is a non-profit urban renewal agency created by the City for the purpose of developing infill housing. SAAH routinely acquires property and collaborates with

developers for this purpose.

In this case, the infill homes will be financed and built by the developer and New Leaf Homes will market these new infill homes for \$120,000.00 or less. New Leaf Homes will begin with two SAAH owned lots located at 127 and 131 Gabriel Street (lots acquired in 2015), and the remaining six homes will be built on City owned lots for a total of eight homes. Once built, if the developer is unable to sell the home within twelve months, New Leaf Homes agrees to donate the home to SAAH. One donated home will be counted as two infill homes toward the developer's commitment of 8 infill homes.

In addition, the agreement authorizes the Director of TCI to amend the Developer Agreement in order to add up to six additional SAAH owned lots.

ISSUE:

This ordinance authorizes the execution of a Developer Participation Agreement with New Leaf Homes in the amount up to \$300,000.00 for New Leaf Homes to build sidewalks in its Katy Way Subdivision in Council District 2. The agreement also requires New Leaf Homes to build a total of eight infill houses in the Wheatley area in collaboration with SAAH.

Initially SAAH is providing two lots located at 127 and 131 Gabriel Street which New Leaf Homes will develop during the first year of the agreement. Following construction and sale of the first two homes, developer will select two additional lots to be developed each year until the developer has fulfilled its commitment of building and selling 8 infill homes. This action also authorizes the amendment of the Agreement in order to add the rest of the SAAH owned lots, once identified.

ALTERNATIVES:

City Council could choose not to approve this Developer Participation Agreement with New Leaf Homes; however, the City would lose the opportunity to partner on the Katy Way subdivision sidewalks and Wheatley infill project.

FISCAL IMPACT:

This is a one-time capital improvement expenditure in the amount of \$300,000.00 payable to New Leaf Homes from Certificates of Obligation in the 2016 sidewalk Infrastructure Maintenance Program and payable to New Leaf homes on a reimbursement basis.

RECOMMENDATION:

Staff recommends approval of this ordinance authorizing a Developer Participation Agreement between the City and New Leaf Homes in the amount of up to \$300,000.00 for construction of sidewalks in Council District 2.