



# City of San Antonio

## Agenda Memorandum

**File Number:**16-4960

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**Agenda Item Number:** 15.

**Agenda Date:** 9/29/2016

**In Control:** City Council A Session

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**DEPARTMENT:** Center City Development and Operations Department

**DEPARTMENT HEAD:** John Jacks

**COUNCIL DISTRICTS IMPACTED:** 2

### **SUBJECT:**

Sale and disposition of the San Antonio Affordable Housing, Inc properties located at the 2800 and 2900 block of Martin Luther King Drive

### **SUMMARY:**

This ordinance authorizes the sale and disposition of 10 lots at the 2800 and 2900 block of Martin Luther King Drive from San Antonio Affordable Housing, Inc. (SAAH) to Ken Lowe and Prestige Homes for the sum of \$75,000.

### **BACKGROUND INFORMATION:**

The approximate 1.817 acre property was purchased by SAAH in December 2012 at the request of Council District 2 for \$128,000. The ten-lot property is legally described as Tract 1: Lot 27; and Tract 2: Lots 2, 3, 4, 5A, 6A, 7, 8, 9, and 10, Block 2, NCB 9552 in the City of San Antonio, Bexar County, Texas. Two of the properties (Lots 5A and 6A) are zoned R4, the remaining six properties are zoned C3. They are located in District 2, Arena District Plan Area and the Inner City TIRZ. The properties are located near the starting point of the annual Martin Luther King Parade.

Following the original acquisition by SAAH, the entire property was to be given to Merced Homes, a non-profit housing organization, for the development of a multifamily (seniors) housing project. Merced did not receive the Federal project grant and was unable to follow through with further efforts to develop the property.

SAAH has maintained the property since acquisition and solicited bids and proposals for the development of

the property. Bids for the property were received in late 2015 and early 2016 by two for-profit residential developers and one for-profit commercial developer. Five non-profit developers were directly contacted to submit proposals, but none were received. Of the for-profit residential proposals offered, the SAAH Board approved the negotiation and sale of the properties to Ken Lowe and Prestige Homes for the development of 10 single family homes.

Following approval by the City Council, the SAAH Board will approve the contract for the sale of the property to Ken Lowe and Prestige Homes for the development of new affordable single family homes. The SAAH Board meeting is scheduled for September 29, 2016. The proposal includes a purchase price for all ten lots of \$75,000.00. The disposition of the property was approved by the Planning Commission on August 24, 2016.

#### **ISSUE:**

The disposition of any property by SAAH requires City Council approval. The property has remained vacant since acquisition and SAAH wishes to dispose of the property to a developer who will provide the local community with new affordable single family homes.

#### **ALTERNATIVES:**

City Council could choose not to approve the sale of this property and request the SAAH Board solicit alternate proposals for the purchase and use of the property; however, given the thorough outreach conducted to attract the current proposals, it is unlikely that the additional time and effort to attract new bids would yield much different results.

#### **FISCAL IMPACT:**

Ken Lowe and Prestige Homes will pay \$75,000 for approximately 0.817 acres on Martin Luther King. The net proceeds will go back to San Antonio Affordable Housing, Inc. to facilitate additional infill housing in District 2.

#### **RECOMMENDATION:**

CCDO and OUR SA staff recommend approval of this ordinance authorizing the sale and disposition of the property described above to Ken Lowe and Prestige Homes for the development of ten new single family homes in Council District 2.