



City of San Antonio

Agenda Memorandum

File Number: 17-2839

Agenda Item Number: 2.

Agenda Date: 5/12/2017

In Control: Tax Increment Reinvestment Zone 11 -- Inner City

Inner City TIRZ Board of Directors Meeting - August 11, 2017

Individual Item #2

SUBJECT

Discussion and possible action to approve a Resolution authorizing a Development Agreement with San Antonio Housing Authority in an amount not to exceed \$1,500,000.00.

BACKGROUND:

On July 22, 2016, SAHA submitted a proposal requests for \$1,500,000.00 in TIRZ #11 funding to be drawn on a reimbursement basis. The total \$1,500,000.00 will be utilized to address the utilities along Cesar Chavez Boulevard, and site and street improvement amenities for this highly-visible mixed-income project. SAHA intends to commit an additional \$6,000,000.00 in MTW/SAHA gap financing to complete the sources of funds for this much-needed development. The overall project reinvestment costs are estimated at approximately \$40,000,000.00.

The Victoria Commons Chavez at Labor Street multi-family development will provide rental housing opportunities for various income levels of working families. The breakdown is as follows:

- 28 Public Housing units at 30% of Area Median Income
- 54 tax credit units at 60% of Area Median Income
- 133 market rate units
- 215 Total units in a three and five story building

The two proposed buildings at Labor Street and Cesar Chavez Boulevard will be the gateway to the Victoria Commons area that has been in transition as a revitalized neighborhood since 2004. SAHA staff is committed to sustainability as part of its development policy, requiring new development projects to meet the 2015 energy conservation requirements set by the City of San Antonio's Development Services department. These new codes exceed BSAG level I certifications.

SAHA staff has been working closely with neighborhood residents and stakeholders since before the decision to demolish the former Victoria Courts housing property. SAHA has continued neighborhood updates with the Lavaca neighborhood Association including the partnership development in April 2016 of the Labor Street Park neighborhood volunteer park build out.

On December 9, 2016, the Inner City TIRZ Board authorized City Staff to negotiate an agreement and make necessary amendments to the TIRZ Project and Finance Plans to provide funding in an amount not to exceed \$1,500,000.00 in tax increment, subject to availability, for the Victoria Commons Multi-Family Development.

FISCAL IMPACT:

The total redevelopment cost of the Victoria Commons Multi-Family development is \$40,321,523.00 which includes all costs from acquisition, site work, pre-development soft costs, hard construction costs, contingency, and Developer related expenses. If approved, this action will provide TIRZ Board authorization of the Development Agreement that provides for the payment of up to \$1,500,000.00 from the Inner City TIRZ fund for the reimbursement of eligible expenses related to the Victoria Commons Multi-Family development between the City of San Antonio, SAHA and the Inner City TIRZ Board of Directors upon approval by City Council.

RECOMMENDATION:

Staff is recommending the TIRZ Board approve a Resolution authorizing a Development Agreement with San Antonio Housing Authority in an amount not to exceed \$1,500,000.00.