



# City of San Antonio

## Agenda Memorandum

**File Number:**19-3291

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**Agenda Item Number:** 9.

**Agenda Date:** 5/2/2019

**In Control:** City Council A Session

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**DEPARTMENT:** Transportation & Capital Improvements

**DEPARTMENT HEAD:** Razi Hosseini, P.E., R.P.L.S.

**COUNCIL DISTRICT IMPACTED:** 3

### **SUBJECT:**

Disposition on behalf of the Neighborhood and Housing Services Department: Declare as surplus and sell 17 vacant City-owned properties

### **SUMMARY:**

An ordinance declaring 17 vacant City-owned properties located in Council District 3 as surplus to the needs of the City of San Antonio and authorizing their sale to GSoto Investments, LLC for a total disposition fee of \$207,000.00.

### **BACKGROUND INFORMATION:**

On behalf of the Neighborhood and Housing Services Department, the Transportation & Capital Improvements Department is requesting to declare as surplus and sell the following 17 vacant City-owned properties, located in Council District 3, as shown on Exhibit "A": 6515, 6519, 6523, and 6527 Alsbrook Drive; 6506 Woodstock Drive; 4026 and 4022 Anton Drive; 4007 and 4002 Salado Bluff; 4003 Adair Bluff; 615 Kenswick View; 6727, 6731 and 6735 Tehama Gate; 6751, 602 and 606 Kenswick View.

Under Municipal Code, all City-owned property must be declared as surplus prior to the disposition (sale) of the property. The request to declare property as surplus must be submitted to Transportation & Capital Improvements, Real Estate Division, then the request and exhibits are sent to departments and public utilities that provide services to, or construct infrastructure on the properties. City departments and Public Utilities respond if there is a need for the property or if the property may be disposed. There was no opposition to the disposition of the 17 subject properties by City departments or utilities during the canvassing process.

About six years ago, on March 28, 2013, the City purchased the 17 residential lots as part of the *Affordable Showcase of Homes Program* located in southeast San Antonio in the Highland Heights Subdivision for a total fee of \$203,377.94 with General Fund dollars. The initial efforts to contract with a non-profit housing provider to develop the lots with residential homes were not successful as originally intended due to the topography of the lots making it difficult for developers to provide a finished product that would be affordable. The *Affordable Showcase of Homes Program* no longer exists as of March 2014 and the City has no further need for the properties. The department of Neighborhood and Housing Services has spent \$50,354.46 over the past five years in General Fund dollars maintaining these lots.

The subject lots were advertised for sale in the Multiple Listing Service (MLS) with Kuper Sotheby's International Realty for 68 days before receiving a single bid. All 17 lots were listed at a sales price of \$250,000.00. The property value was established by utilizing the broker's market evaluation based on previous lot sales and marketability of lots due to topographical issues on many of the lots. The property is approximately 3.06 acres. Ten properties are zoned R-5 Residential Single-Family and seven properties are zoned MF-33 Multi-Family District. Although seven properties are zoned multi-family, the Highland Heights Bluff Homeowners Association restricts use of the properties to only allow construction of residential single-family homes.

The City of San Antonio received a single bid for the sale of the property. GSoto Investments, LLC, a San Antonio investment group, placed the bid for \$207,000.00. GSoto Investments, LLC, will build single-family homes in the price range of \$190,000.00 to \$200,000.00 on all the properties beginning construction in June 2019, or as feasible with approvals from the City of San Antonio and the Highland Heights Bluff Home Owners Association.

## **ISSUE:**

This ordinance declares as surplus to the needs of the City of San Antonio and authorizes the conveyance/sale of 17 vacant City-owned properties to GSoto Investments, LLC for a fee of \$207,000.00.

The subject lots were advertised for sale in the Multiple Listing Service (MLS) with Kuper Sotheby's International Realty for 68 days. All 17 lots were listed at a sales price of \$250,000.00. The property is approximately 3.06 in total acreage. Ten properties are zoned R-5 Residential Single-Family and seven properties are zoned MF-33 Multi-Family District. The City of San Antonio received a single bid for the sale of the property. Although seven properties are zoned multi-family, the Highland Heights Bluff Homeowners Association restricts use of the properties to only allow construction of residential single-family homes.

GSoto Investments, LLC, a San Antonio investment group, placed the bid for \$207,000.00. GSoto Investments, LLC, will build single-family homes in the price range of \$190,000.00 to \$200,000.00 on all the properties beginning construction in June 2019, or as feasible with approvals from the City of San Antonio and the Highland Heights Bluff Home Owners Association.

This action is consistent with City Code and Ordinances, which require City Council approval for the sale or disposition of City-owned or controlled real property.

## **ALTERNATIVES:**

City Council could choose not to declare the 17 subject properties as surplus and not approve the disposition of

these properties; however, the Neighborhood and Housing Services Department would continue to be responsible for regular maintenance of the lots. In addition, this would prevent the properties from being placed on the tax rolls and would not generate revenue for the City nor any other taxing entity.

#### **FISCAL IMPACT:**

An ordinance declaring 17 vacant City-owned properties located in Council District 3 as surplus to the needs of the City and authorizing the conveyance/sale of the 17 subject properties to GSoto Investments, LLC for a total disposition fee of \$207,000.00. Funds generated by this sale will be deposited into the General Fund.

In the aggregate, the 17 vacant City-owned properties were listed at a sale price equal to their cumulative fair market value of \$250,000.00. The fair market value of the 17 unimproved City-owned properties was determined utilizing Bexar Appraisal District assessed land values as provided by Chapter 37, Section 2(g)(ii) of the City Code.

The property will be placed on the tax rolls, which will generate revenue for the City of San Antonio as well as other taxing entities.

#### **RECOMMENDATION:**

On behalf of the Neighborhood and Housing Services Department, TCI staff recommends approval of the ordinance to declare as surplus, authorize the conveyance/sale of 17 vacant City-owned properties to GSoto Investments, LLC for \$207,000.00 in Council District 3.

The City of San Antonio's Planning Commission recommended approval for the properties to be declared as surplus property at its regular meeting on November 18, 2015.