



# City of San Antonio

## Agenda Memorandum

**File Number:**19-6364

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**Agenda Item Number:** 21.

**Agenda Date:** 9/11/2019

**In Control:** Planning Commission

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**DEPARTMENT:** Neighborhood & Housing Services

**DEPARTMENT HEAD:** Verónica R. Soto, AICP

**COUNCIL DISTRICTS IMPACTED:** 3

**SUBJECT:** Declaring as surplus and authorizing the sale of 12.38 acres of the decommissioned city-owned Southeast Service Center in NCB 10934 BLK LOT 45 located at 7402 S. New Braunfels Avenue, San Antonio, Texas.

### **SUMMARY:**

A resolution recommending the declaration as surplus of a 12.38 acre tract of city-owned property known as the decommissioned Southeast Service Center in NCB 10934 BLK LOT 45 located at 7402 S. New Braunfels Avenue and authorizing the sale of 9.38 acres to an affordable housing developer in conjunction with the 2017-2022 Neighborhood Improvement Bond Program affordable housing initiative.

### **BACKGROUND INFORMATION:**

The City owns a 12.38 acre property known as the Southeast Service Center in City Council District 3 which was formerly an old military bunker/fallout shelter. In 1963 the City took ownership of the property and the City's Public Works Department moved into this location to operate their Storm Water Operations, Street Operations and Fleet Services. In 1999 the Solid Waste Management Department joined as occupants of the site. Solid Waste Management and Public Works teams relocated operations to the newly constructed Southeast Service Center facility located at 1318 S.E. Loop 410 in January 2019 vacating the 7402 S. New Braunfels site.

Upon relocation of City Departments in January 2019, the Neighborhood Improvements Bond Program took site control of the property and completed a full site remediation.

Recent reviews of the property determined there would be maximum benefit to redevelop the site into affordable housing under the 2017-2022 Neighborhood Improvements Bond Program, so the property was presented to the Department of Transportation & Capital Improvements (TCI) Real Estate Division to coordinate a review by city departments and utilities to determine if the property can be declared as surplus and disposed of in accordance with Municipal Code. The review was completed, and the request was conditionally approved. The City will retain easements for CPS Energy, San Antonio Water System and TCI's Traffic Engineering Division.

The City issued a Southeast Service Center Affordable Housing Redevelopment Request for Proposal for the purchase and development of the Southeast Service Center on April 19, 2019 and submittals were due June 19, 2019.

The City and the highest scoring respondent for the Southeast Service Center Affordable Housing Redevelopment Request for Proposals executed the attached Contract for the Sale of Land for Private Redevelopment for the 9.38 acres of city-owned property. If City Council approves this request to declare as surplus and sell the 9.38 acres of the City's 12.38 acre tract at 7402 S. New Braunfels Avenue, the sale will be completed.

The Developer will utilize the 9.38 acre tract to develop a 292-unit multi-family affordable/Workforce Housing development.

#### 2017-2022 Neighborhood Improvements Bond Program Background

The 2017-2022 Neighborhood Improvements Bond program provides for the issuance of general obligation bonds to finance the cost of permitted activities as set forth in the Urban Renewal Plan. The \$20 million program is one component of the \$850 million Bond package approved by voters on May 6, 2017. The Neighborhood Improvements Bond program allows the City to conduct the following activities using Bond funds: Land acquisition; repair and rehabilitation of buildings and other improvements; demolition of dilapidated/unusable structures; right-of-way improvements; extension/expansion of utilities; site work; remediation of hazards such as asbestos or lead-based paint; disposition of property in the affected area; and, associated fees for the aforementioned services.

#### **ISSUE:**

This resolution recommends the city declare a 12.38 acre of city-owned property in NCB 10934 BLK LOT 45 located at 7402 S. New Braunfels Avenue, San Antonio, Texas as surplus and authorize its sale to the awarded developer for 292-unit multi-family affordable/Workforce Housing development.

The City, acting by and through OUR SA, will sell the approximately 9.38 acres to the awarded Developer to construct a 292-unit multi-family development, for the purpose of providing affordable and Workforce Housing rental opportunities. The development will consist of 2 and 3 bedroom units that will house families earning at or below 80% of the HUD AMI and below. Pricing is based on the family's income and size according to the AMI baselines set and updated annually by HUD. On-site amenities include a pool, children's play-scape area, community room, library, gym and business center along with resident services such as after school activities, health and wellness programs, food pantry and financial literacy courses. Additionally, the developer will be creating a civic park fronting S. New Braunfels Avenue that will be open to the public, along with a YMCA storefront that is currently being negotiated.

#### **ALTERNATIVES:**

The Planning Commission could elect not to recommend this item, causing the City in partnership with the Developer, to be unable to deliver affordable/Workforce Housing. Staff would have to identify new properties for development opportunities which must be located in a City Council Approved Neighborhood Improvement Area and delay delivery on the 2017-2022 Neighborhood Improvements Bond Program approved by voters.

#### **RECOMMENDATION:**

Staff recommends approval of this request to declare as surplus and dispose of 12.38 acres of the city-owned decommissioned Southeast Service Center in NCB 10934 BLK LOT 45 located at 7402 S. New Braunfels Avenue, San Antonio, Texas.