

**Assignment of the Ch. 380 Economic
Development Loan Agreement for
Peanut Factory Lofts**

City Council A Session
August 15, 2024



The Project

- Peanut Factory Lofts is a 102-unit apartment complex located at 939 S. Frio Street.
- The project converted a former industrial site and parking lot into housing.
- The property is being sold to a third party, and City Council approval is required for assignment of the Chapter 380 Economic Development Loan Agreement.



Background



January 2013

- COSA executed an Economic Development Loan Agreement
 - A \$400,000 loan for site work and public improvements was disbursed in September 2013.
 - Developer was obligated to repay at \$40,000/year for 10 years.
- The loan repayment was eligible for annual forgiveness based on the number of units leased to students, with full annual forgiveness at 49 units.

Background



December 2016

- City Council approved the First Amendment to the Ch. 380 Agreement.
 - Developer paid \$150,000, reducing loan balance to \$250,000
 - Repayment terms were restructured to \$25,000/year for 10 years.
- The loan repayment is eligible for annual forgiveness if 15 units are leased to current students and at least \$5,000 is spent on marketing to students.

Concurrently with the First Amendment, City Council approved an Assignment from South Frio Development LLC to 939 S. Frio Street, LLC.

Issue

- 939 S. Frio Street LLC is selling the property to San Antonio Multifamily 74 DST.
- City Council approval is required for assignment of the Chapter 380 Economic Development Loan Agreement.
- The owner is current on loan repayments and total of \$175,000 has been repaid or forgiven to date.
- The remaining \$75,000 will be repaid or forgiven at \$25,000 per year from 2025 through 2027.



Staff Recommendation



Staff recommends approval of the assignment of the Chapter 380 Economic Development Loan Agreement for Peanut Factory Lofts from 939 S. Frio Street, LLC to San Antonio Multifamily 74 DST.

THANK YOU!

