

**THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL,
SIGNED ORDINANCE ADOPTED BY THE CITY COUNCIL.**

ORDINANCE

APPROVING A SECOND AMENDMENT TO THE CONTRACT FOR SALE OF LAND FOR PRIVATE REDEVELOPMENT AGREEMENT BETWEEN THE CITY OF SAN ANTONIO AND FRANKLIN DEVELOPMENT PROPERTIES, LTD., INCREASING THE FUNDING IN AN AMOUNT OF \$4,826,210.78 FOR A TOTAL CONTRACT AMOUNT UP TO \$7,476,210.78 FOR THE FOUR25 SAN PEDRO PROJECT, A 2017 NEIGHBORHOOD IMPROVEMENTS BOND PROJECT LOCATED IN COUNCIL DISTRICT 1; AND AUTHORIZING UP TO \$1,025,000.00 IN GAP FUNDING FROM THE SAN ANTONIO HOUSING TRUST TO FRANKLIN DEVELOPMENT PROPERTIES, LTD. FOR THE PROJECT.

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WHEREAS, on February 11, 2021, in Ordinance No. 2021-02-11-0094, City Council approved a Contract for Sale of Land for Private Redevelopment (“**Contract**”) between the City of San Antonio, acting through the Urban Renewal Agency of the City of San Antonio, doing business as the Office of Urban Redevelopment San Antonio (“**OUR SA**”), and Franklin Development Properties, Ltd. (“**Redeveloper**”), which sold two adjoining parcels located at 419 and 425 San Pedro Avenue in the Near West-Five Points Neighborhood Improvement Area in Council District 1; and

WHEREAS, by the same Ordinance, City Council authorized \$2,650,000.00 for the development of “Four25 San Pedro,” an 80-unit affordable housing project, of which at least 25 units will be permanent supportive homes, to be completed as part of the 2017 Neighborhood Improvements Bond Program and in accordance with the City of San Antonio’s Urban Renewal Plan; and

WHEREAS, on January 5, 2023, the OUR SA Board of Commissioners approved a first amendment to the Contract to adjust the project construction completion date to December 31, 2025 and provide for Redeveloper to transfer the property to the San Antonio Housing Trust; and

WHEREAS, interest rate increases, construction cost increases and the additional development costs of permanent supportive housing, have resulted in the Project requiring total gap funding of \$8,500,000 to complete; and

WHEREAS, the City’s Neighborhood and Housing Services Department (“**NHSD**”) staff, acting by and through OUR SA, recommend investing available funds to ensure the completion of the Project and have secured additional financial support from the San Antonio Housing Trust (“**SAHT**”); and

WHEREAS, on April 17, 2024, OUR SA, approved the Second Amendment to the Contract for Sale of Land for Private Redevelopment (“**Second Amendment**”), attached to this Ordinance as Attachment “1,” providing additional City assistance of \$4,826,210.78 to the Project; the Second Amendment was approved by the City Council’s Planning and Community Development Committee on April 24, 2024; and

WHEREAS, if approved by the full City Council, the additional City funding, when combined with the previously approved funds, will equal a total award of \$7,476,210.78 in City funds towards the Project;

WHEREAS, on April 19, 2024, the Board of Directors for the San Antonio Housing Trust Foundation, Inc., a Texas nonprofit charitable corporation (“**Foundation**”), organized to be the designated administrative and fiscal agent of the SAHT for the disbursement of awards of trust assistance to projects that will fulfill the purposes and best interests of SAHT, passed and approved Resolution No. _____ providing up to \$1,025,000 for use in completing the Project and found that the Project aligns with the goals and purposes of the Foundation; and

WHEREAS, if authorized by City Council, the Foundation’s award of \$1,025,000, when combined with \$7,476,210.78 in City funds will equal the amount necessary for the Project to be completed;
NOW THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. Additional City funding in the amount of \$4,826,210.78 is allocated and authorized to be paid to Franklin Development Properties, Ltd. for use in development of the Project pursuant to the Contract, as amended.

SECTION 2. The Second Amendment is approved, attached to this Ordinance as Attachment “1” and incorporated here for all purposes.

SECTION 3. The action of City staff, acting by and through OUR SA, related to the subject matter of this Ordinance, including all attachments, are hereby ratified and the City Manager or his designee, as well as City staff and OUR SA, are authorized to execute all documents and take all necessary actions to close and finalize all transactions and to carry out the purposes of this Ordinance.

SECTION 4. San Antonio Housing Trust Foundation Resolution No. _____, awarding \$1,025,000 to the Project according to the terms and conditions described in, attached to this Ordinance as Attachment “2” and incorporated here for all purposes, is approved.

SECTION 5. Payment not to exceed \$7,476,210.78 is authorized to be encumbered with a purchase order and made payable to Franklin Development Properties, Ltd. for the Four25 San Pedro Project using Project 23-01738, Neighborhood Improvements, WBS 23-01738-13-05-02-01 and GL Account 5201140. Funding is provided by previously appropriated and newly appropriated General Obligation Neighborhood Improvements bond funds and the FY 2024 - FY 2029 CIP Budget is amended from this contract amendment.

SECTION 6. The acquisition of surplus property, if any, must be coordinated through the city's Finance Department to assure the addition of these assets into the City's financial records and to record the proper accounting transactions.

SECTION 7. Funds in the amount of \$106,251.44 are authorized to be appropriated in Fund 45910105, Project GO-00282, WBS Element GO-00282-01-01-02 and GL Account 6102100.

SECTION 8. Funds in the amount of \$408,501.65 are authorized to be appropriated in Fund 45910205, Project GO-00282, WBS Element GO-00288-01-01-02 and GL Account 6102100.

SECTION 9. Funds in the amount of \$620,185.22 are authorized to be appropriated in Fund 45910305, Project GO-00282, WBS Element GO-00294-01-01-02 and GL Account 6102100.

SECTION 10. Funds in the amount of \$2,647,924.21 are authorized to be appropriated in Fund 29623000, Internal Order 39000000xxxx and GL Account 6102100.

SECTION 11. Funds in the amount of \$106,251.44 are authorized to be appropriated in Fund 45099000, Project 23-01738, WBS Element 23-01738-90-01-17-01 and GL Account 6101100.

SECTION 12. Funds in the amount of \$408,501.65 are authorized to be appropriated in Fund 45099000, Project 23-01738, WBS Element 23-01738-90-01-17-02 and GL Account 6101100.

SECTION 13. Funds in the amount of \$620,185.22 are authorized to be appropriated in Fund 45099000, Project 23-01738, WBS Element 23-01738-90-01-17-03 and GL Account 6101100.

SECTION 14. Funds in the amount of \$2,647,924.21 are authorized to be appropriated in Fund 45099000, Project 23-01738, WBS Element 23-01738-90-01-14-03 and GL Account 6101100.

SECTION 15. Funds in the amount of \$1,043,348.26 are authorized to be reduced in Fund 45099000, Project 23-01738, WBS Element 23-01738-05-06 and GL Account 5201140.

SECTION 16. Funds in the amount of \$4,826,210.78 are authorized to be appropriated in Fund 45099000, Project 23-01738, WBS Element 23-01738-13-05-02-01 and GL Account 5201140.

SECTION 17. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific

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Item No. ____

Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 18. This ordinance is effective immediately upon the receipt of eight or more affirmative votes; otherwise, it is effective on the tenth day after passage.

PASSED AND APPROVED this ____ day of _____, 2024.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney