



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 20

Agenda Date: August 15, 2024

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Development Agreement Amendment - YWCA Women's Live and Learn Campus

SUMMARY:

Ordinance authorizing an amendment to the Development Agreement between the City of San Antonio and the YWCA of San Antonio for the Women's Live and Learn Campus to incorporate the partnership between YWCA San Antonio and its affiliated entity YWCA San Antonio Support Corporation, and authorizing staff to negotiate and execute all other documents necessary for the YWCA San Antonio Support Corporation's application for New Markets Tax Credits; and authorizing staff to negotiate and execute all supporting documents necessary for closing on the New Markets Tax Credits and completion of the Women's Live and Learn Center Project

BACKGROUND INFORMATION:

The YWCA Women's Live and Learn Campus (YWCA WLLC) is located at 2318 Castroville Rd in Council District 5. The first phase of the project will provide transitional housing to women ages 18-25 and their children (up to two children ages 8 and under) who are at-risk of becoming homeless, fleeing domestic violence, "opportunity" youth, or aging out of foster care. The project

will serve households earning at or below 150% of the Federal Poverty Level or 30% AMI for at least 40 years.

On May 4, 2023, through Ordinance 2023-05-04-0282, City Council approved several incentives for Phase 1 of the project. The incentives include up to \$2,320,000 consisting of up to \$1,400,000 from CDBG funds, a \$670,000 forgivable loan from the Inner City Incentive Fund, up to \$50,000 in City fee waivers, and up to \$200,000 in SAWS fee waivers. Phase 1 is underway, on schedule, and expected to be completed by December 2024.

ISSUE:

The YWCA of San Antonio is pursuing New Markets Tax Credits to finance upcoming phases of the project. New Markets Tax Credits require that a separate entity be created to own the underlying land. The YWCA San Antonio Support Corporation was established in 2024 as a 501(c)3 nonprofit entity. The Support Corporation operates exclusively for the benefit of the YWCA, its sole member. After the YWCA and the Support Corporation closes on the conveyance of the property by the YWCA to the YWCA San Antonio Support Corporation and the New Markets Tax Credits, the Support Corporation will enter into a lease agreement with the YWCA San Antonio, through which the YWCA San Antonio will complete the construction of the development and operate the Live and Learn Center as required by the City's Development Agreement. None of the terms of the Development Agreement governing the project will be changed by the amendment to the agreement.

The ICIF loan is secured by a Deed of Trust, which gives the City certain remedies in the unlikely case of default. Due to the change in ownership of the land, the city will need to convert the Deed of Trust that is currently against the fee simple real property to a Leasehold Deed of Trust which will be applicable to the Project, with a new lien against the YWCA's leasehold interest in the property. The amendments to the Development Agreement will not add the city as a party to the YWCA San Antonio's lease with the Support Corporation.

Staff is requesting City Council approval to amend the Development Agreement to allow the sale of the land to the Support Corporation, to release the Deed of Trust and Real Estate Lien currently recorded with the County property records, and record a Leasehold Deed of Trust and New Lien Note to secure the city's rights to the YWCA's leasehold interest in the Property in the event of future default.

ALTERNATIVES:

Not approving the amendment to the Development Agreement and new security documents would negatively impact the financing of the project.

FISCAL IMPACT:

There is no fiscal impact.

RECOMMENDATION:

Staff recommends authorizing an amendment to the Development Agreement between the City of San Antonio and the YWCA of San Antonio for the Women's Live and Learn Campus to incorporate the partnership between YWCA San Antonio and its affiliated entity YWCA San Antonio Support Corporation, and authorizing staff to negotiate and execute all other documents necessary for the YWCA San Antonio Support Corporation's application for New Markets Tax Credits; and authorizing staff to negotiate and execute all supporting documents necessary for closing on the New Market Tax Credits and completion of the Women's Live and Learn Center Project.