



City of San Antonio

Agenda Memorandum

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Agenda Date: November 30, 2023

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: District 10

SUBJECT:

Waiving SAWS fee waivers minimum percentage requirement for the Caroline at Longhorn Quarry Housing Project.

SUMMARY:

This ordinance waives the minimum percentage of Affordable Housing Units required for the issuance of \$165,900 in SAWS fee waivers for the Caroline at Longhorn Quarry Housing Project.

BACKGROUND INFORMATION:

The Caroline at Longhorn Quarry is a 355 unit Class A multifamily housing project at the Longhorn Quarry adjacent to Morgan's Wonderland and Children's Rehabilitation Institute-Teleton (CRIT). The project is a partnership between the Morgan Group and the San Antonio Housing Trust PFC and will reserve 10% of the units for families earning 60% of the Area Median Income (AMI) and an additional 40% of the units for those earning 80% of the AMI.

The project originally proposed a unit mix providing for affordable and workforce housing that made the project eligible for SAWS fee waivers under the Fee Waiver policy in effect prior to 2021. City Council amended the fee waiver policy in 2021. The Fee Waiver policy at the time of

application was to provide 25% at 60% AMI and 25% at 80% AMI.

Based on the original construction plan, the project was awarded \$165,900 in SAWS fee waivers. However, due to financial constraints, the project was only able to provide 10% at 60% AMI and 40% at 80% AMI and was unable to maintain the original plan for the number of affordable housing units and, therefore, is no longer in compliance with the previous or current fee waiver policy. After working with the developer of the project, NHSD was able to negotiate an amicable solution that would allow the project to keep the fee waivers and would still provide much needed affordable and workforce housing for the community which is consistent with the overarching purpose of the fee waiver policy as well as the Strategic Housing Implementation Plan (SHIP).

This project requires a large number of workforce housing units within a redeveloping and growing area of the city including 50% of the units (178) at or below 80% AMI, which includes 10% specifically reserved for those earning 60% of the Area Median Income (AMI). This ordinance would waive the minimum percentage of affordable housing units under the fee waiver policy to allow the project to proceed so that the proposed affordable and workforce housing units can be provided for the area.

ISSUE:

City Council approval is required to waive the SAWS fee waiver minimum percentage requirement. The project initially applied for, and was awarded, SAWS fee waivers in the amount of \$165,000 under the fee waiver policy in effect at the time. However, the project unit mix was adjusted to make the project financially viable and under the new plan for the project, the units to be reserved would not meet the requirements of the fee waiver program. While the project does not meet the Fee Waiver Policy, the project does provide a large number of workforce housing units within a redeveloping and growing area of the city including 50% of the units (178) at or below 80% AMI, which includes 10% specifically reserved for those earning 60% of the Area Median Income (AMI).

ALTERNATIVES:

If not approved, the developer will have to repay the \$165,900 which would impact the ability of the project to be completed.

FISCAL IMPACT:

SAWS fee waivers totaling \$165,900 have already been issued under the fee waiver policy in effect at the time of the award. There is no additional impact to the general fund.

RECOMMENDATION:

Staff recommends approval of an ordinance waiving the minimum percentage of affordable housing units under the Fee Waiver policy for the Caroline at Longhorn Quarry Housing Project, allowing the project to retain the previously awarded SAWS fee waivers in the amount of \$165,900.