



City of San Antonio

Agenda Memorandum

File Number:
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Agenda Item Number: {{item.number}}

Agenda Date: October 19, 2022

In Control: Tax Increment Reinvestment Zone No. 38 - Somerset Grove Meeting

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Interim Director

COUNCIL DISTRICTS IMPACTED: District 4

SUBJECT:

Discussion and possible action to approve Lennar Homes of Texas Land and Construction, Ltd.
Invoice #1

SUMMARY:

The Somerset Grove Development by Lennar Homes of Texas Land and Construction, Ltd. comprises 129 acres on the southwest side of San Antonio. The project will bring the development of a master-planned residential development consisting of 603 single-family homes.

BACKGROUND INFORMATION:

Somerset Grove is a Petition-Initiated Tax Increment Reinvestment Zone (TIRZ) located in the southwest section of the City of San Antonio. The Somerset Grove TIRZ is located Northwest of the intersection of Interstate 35 and Somerset Road. The development is entirely contained within the South San Antonio Independent School District.

Somerset Grove TIRZ was designated on June 17, 2021. Somerset Grove project comprises of 129 acres, and the property is currently undeveloped land. The project will consist of three hundred and two (302) single-family homes to be affordable housing and will fall within the 100%-120% Area Median Income (AMI). The project will provide approximately 603 single-family homes: approximately 151 homes will have a starting range of \$175,000 - \$224,000, 151 homes will have a starting price range of \$225,000 - \$240,000, and 150 homes will have a starting price range of \$241,000 - \$265,000, the remaining 151 homes will have a starting price range of \$266 and above.

The Public Improvements for this project consists of the following: streets and sidewalks, grading and soil mitigation, drainage, water off-site and on-site, sewer off-site and on-site, CPS Energy and streetlights, entry, landscape and parkway, Storm Water Pollution Prevention, engineering and platting fees, geotechnical, environmental, cultural assessment, and project contingency.

The project is estimated to commence in July 2021 and be completed by December 2040

The developer submitted invoice #1 for review to the TIF program. TIF staff have reviewed the support documentation in full.

ISSUE:

Somerset Grove is a Petition-Initiated TIRZ. The Board is being asked to consider and take action to approve the Lennar Homes of Texas Land and Construction, Ltd. Invoice #1.

FISCAL IMPACT:

There is no immediate fiscal impact to the City's General Fund. Funding for reimbursement of eligible expenses comes from the increment generated within the TIRZ.

ALTERNATIVES:

The Somerset Grove board could choose not to authorize payments of the invoices; however, this will negatively affect the project.

RECOMMENDATION:

Staff recommends the Board approve invoices #1 for this Development. With that authority, TIF Staff will reimburse for eligible expenses up to the approved amount in accordance with the terms of the Development Agreement.