



# City of San Antonio

## Agenda Memorandum

**File Number:**  
**{{item.tracking\_number}}**

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**Agenda Item Number:** 4

**Agenda Date:** December 6, 2023

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

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Veronica Garcia, Director

**COUNCIL DISTRICTS IMPACTED:** District 4

**SUBJECT:**

Authorizing payment of Invoice #2 to Lennar Homes of Texas Land and Construction, LTD, for a total amount of \$4,099,479.11 in allowable reimbursable expenses within the approved Development Agreement.

**SUMMARY:**

After Board approval, the Developer of record, Lennar Homes of Texas Land and Construction, LTD, shall receive up to \$4,099,479.11 for invoice #2 in future increment.

**BACKGROUND INFORMATION:**

The Somerset Grove TIRZ is approximately 129 acres and is located northwest of the intersection of Interstate 35 and Somerset Road in City Council District 4. The project will bring development of a master-planned residential community consisting of 603 single family detached homes.

The project will consist of:

- 302 single family homes to be affordable housing and will fall within the 100%-120% Area Median Income (AMI).

- At least 50% of single-family homes having a two (2) car garage, and all other single-family homes containing a driveway of adequate length and width to accommodate at least 2 standard size vehicles.

The total development costs for Somerset Grove are estimated at \$77,049,819 with a maximum eligible reimbursement from the TIRZ of \$21,701,910 for public improvements. Examples of proposed public improvements include engineering/testing/surveying, platting fees, streets/sidewalks, grading/soil mitigation, drainage, water off site/on site, sewer off site/on site, electric/streetlights/conduit, and Storm Water Pollution Prevention (SWPP). Somerset Grove is entirely contained within the South San Antonio Independent School District ("South San ISD"). A school district is not required to pay into the tax increment fund any of its tax increment produced from property located in a reinvestment zone unless they enter into an agreement to do so. Somerset Grove will not have an agreement with the South San ISD.

#### **ISSUE:**

Board consideration is requested to authorize payment of Invoice #2 to Lennar Homes of Texas Land and Construction, LTD, seeking reimbursement for allowable expenses for a total amount of \$4,099,479.11.

#### **FISCAL IMPACT:**

Lennar Homes of Texas Land and Construction, LTD, is seeking reimbursement for allowable expenses for a total amount of \$4,099,479.11. There is no fiscal impact to the General Fund. The funds come from the Somerset Grove TIRZ increment fund.

#### **ALTERNATIVES:**

The Board could decide to not authorize payment of Invoice #2 to Lennar Homes of Texas Land and Construction, LTD, for allowable expenses for a total amount of \$4,099,479.11. This would result in delays or lead to the cancelation of the TIRZ.

#### **RECOMMENDATION:**

Staff recommends approval of the Resolution authorizing payment of Invoice #2 to Lennar Homes of Texas Land and Construction, LTD, for a total amount of \$4,099,479.11 from future increment for allowable reimbursable expenses within the approved Development Agreement.

