

AN ORDINANCE      2012-06-07-0411

**AUTHORIZING AN AMENDMENT TO AN AGREEMENT WITH THE URBAN RENEWAL AGENCY FOR THE CITY OF SAN ANTONIO d/b/a THE OFFICE OF URBAN REDEVELOPMENT SAN ANTONIO (OUR-SA) PROVIDING FOR OUR-SA TO CONDUCT ACTIVITIES IN CONJUNCTION WITH THE CITY'S INFILL PILOT PROGRAM.**

\* \* \* \* \*

**WHEREAS**, a Memorandum of Understanding (MOU) between the City of San Antonio acting through the Department of Housing and Neighborhood Services and the San Antonio Development Agency (SADA) was approved by City Council on December 6, 2006; and

**WHEREAS**, this MOU provided for the City of San Antonio (City) to manage and conduct all of SADA's projects, business and financial activities; and

**WHEREAS**, City Council approved an Ordinance on February 4, 2010, which established the Inner City Reinvestment / Infill Policy and outlined a goal to establish a land bank for the City; and

**WHEREAS**, on September 16, 2010, City Council passed the FY 2011 budget which included funds for establishing a land bank and conducting land banking activities; and

**WHEREAS**, SADA was renamed the Office of Urban Redevelopment San Antonio (OUR-SA) and via an MOU was given the responsibility of managing the City's land banking activities, and acquiring land bank properties with \$1.5 million in City-provided funds; and

**WHEREAS**, this Amendment to the MOU, presented for Council approval, will allow OUR-SA to work with the City in developing and utilizing Chapter 380 grants and loans to stimulate economic development and activity related to the construction and purchase of affordable housing in conjunction with the City's Infill Pilot Program; **NOW THEREFORE:**

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

**SECTION 1.** The City Manager or her designee, or the Director of the Center City Development Office or his designee is hereby authorized to execute an amendment to an agreement with the Urban Renewal Agency for the City of San Antonio d/b/a the Office of Urban Redevelopment San Antonio (OUR SA) which provides for OUR-SA to conduct activities in conjunction with the City's Infill Pilot Program. A copy of the amendment to the agreement is attached hereto and incorporated herein for all purposes as **Attachment I**.

**SECTION 2.** The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

EG/efg  
06/07/12  
Item #16

**SECTION 3.** This ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED this 7<sup>th</sup> day of June, 2012.



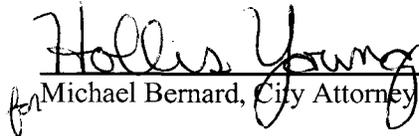
M A Y O R  
Julián Castro

**ATTEST:**

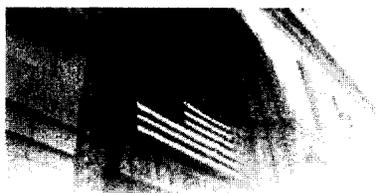


\_\_\_\_\_  
Leticia M. Vacek, City Clerk

**APPROVED AS TO FORM:**

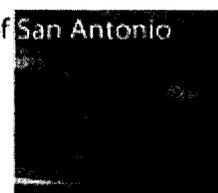


\_\_\_\_\_  
for Michael Bernard, City Attorney



Request for  
**COUNCIL  
ACTION**

City of San Antonio



## Agenda Voting Results - 16

<b>Name:</b>	16, 17A, 17B						
<b>Date:</b>	06/07/2012						
<b>Time:</b>	10:14:46 AM						
<b>Vote Type:</b>	Motion to Approve						
<b>Description:</b>	An Ordinance authorizing an amendment to an agreement with the Urban Renewal Agency for the City of San Antonio dba the Office of Urban Redevelopment San Antonio to conduct activities in conjunction with the City's Infill Pilot Program. [Pat DiGiovanni, Deputy City Manager; Mark Brodeur, Director, Center City Development Office]						
<b>Result:</b>	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x				
Ivy R. Taylor	District 2		x				
Leticia Ozuna	District 3		x				
Rey Saldaña	District 4		x				
David Medina Jr.	District 5		x				
Ray Lopez	District 6		x			x	
Cris Medina	District 7		x				
W. Reed Williams	District 8		x				
Elisa Chan	District 9		x				x
Carlton Soules	District 10	x					

**AMENDMENT TO  
MEMORANDUM OF UNDERSTANDING**

This amendment is entered into by and between the City of San Antonio, a Texas Municipal Corporation, (hereinafter referred to as “City”) acting by and through its City Manager, pursuant to Ordinance No. 2012-06-07-\_\_\_\_\_ passed and approved on June 7, 2012, and the URBAN RENEWAL AGENCY FOR THE CITY OF SAN ANTONIO d/b/a the OFFICE OF URBAN REDEVELOPMENT SAN ANTONIO, and formerly known as the San Antonio Development Agency (hereinafter referred to as “OUR SA”), a Texas body corporate and politic, and SAN ANTONIO AFFORDABLE HOUSING, INC. (“SAAH”), a Texas non-profit corporation, both acting by and through each entity’s Board Chair, hereto duly authorized, all of which may be referred to herein collectively as the “Parties”. All references to OUR SA in this amendment, including its exhibits, will include and address any and all related entities of OUR SA, including SAAH. The Memorandum of Understanding being amended was executed by the Parties on May 11, 2011.

**WHEREAS**, City Council approved Ordinance No. 2010-02-04-0084 on February 4, 2010, which established the Inner City Reinvestment/Infill Policy (“ICRIP”) and outlined a goal to establish a land bank for the City; and

**WHEREAS**, on September 16, 2010, City Council passed the FY 2011 budget which included funds for establishing a land bank and conducting land banking activities; and

**WHEREAS**, the San Antonio Development Agency was renamed the Urban Renewal Agency for the City of San Antonio d/b/a the Office of Urban Redevelopment San Antonio (OUR SA) and via a revised Memorandum of Understanding (“MOU”) passed and approved by City Council on April 7, 2011 and executed by the parties on May 11, 2011, was given the responsibility of managing the City’s land banking activities, and acquiring land bank properties with \$1.5 million in City-provided funds: and

**WHEREAS**, the MOU anticipated land banking activities permitted by Chapter 379E of the Texas Government Code as amended by revisions requested by the City of San Antonio during the 2011 State legislative session; and

**WHEREAS**, the amendments requested by the City were not approved in the 2011 legislative session and consequently the Land Bank Statute, Texas Government Code §379E remained as written, eliminating some anticipated use of the \$1.5 million for land bank activities; and

**WHEREAS**, the City and OUR SA have identified using some of the funds provided to OUR SA for land bank activities for 380 grants and loans to stimulate job creation and the construction of homes in areas identified in the City’s Infill Pilot Program and ICRIP; and

**WHEREAS**, the Infill Pilot Program was created to manage the identification, acquisition, disposition and development of vacant properties for the purposes of affordable housing, as part of the policy goals of the ICRIP for the reinvestment and development of vacant properties in targeted areas of the city; and

**WHEREAS**, it is in the best interest of the City that an amendment of the MOU now be executed; **NOW THEREFORE**:

City and OUR SA agree to amend the MOU as follows:

1. Article V is amended by adding Section 5.3 as follows:

5.3 CITY will develop and execute 380 loan and grant agreements consistent with the City's Infill Pilot Program (which will include the identification, acquisition, disposition and development of vacant properties for the purposes of affordable housing) and the ICRIP (as set out in detail in Ordinance No. 2010-0204-0084) utilizing funds allocated to OUR SA through this MOU, and Ordinance No. 2011-04-07-0267, upon approval and authorization by OUR SA and City Council, as appropriate.

2. Article VII, Section 7.1 is amended as follows:

7.1 OUR SA, in accordance and compliance with the terms, provisions and requirements of this MOU, shall:

- A) Undertake land banking activities on behalf of CITY to acquire, maintain, and dispose of real estate in conformity with all applicable state and local laws, including any applicable CITY plans, goals, and policies approved by CITY. OUR SA understands and agrees that if state and local laws, including CITY plans, goals and policies are amended or revised, it shall comply with them or otherwise immediately notify CITY pursuant to the provisions of Article XXI of this MOU; and
- B) Design and implement programs to create jobs and stimulate construction of affordable homes in designated areas utilizing 380 grants and loans, as developed and executed by (or in conjunction with) CITY, or other economic development tools, consistent with the City's Infill Pilot Program (which will include the identification, acquisition, disposition and development of vacant properties for the purposes of affordable housing) and the ICRIP (as set out in detail in Ordinance No. 2010-0204-0084).
- C) Review, consider and approve the use of funds allocated to OUR SA through this MOU, and Ordinance No. 2011-04-07-0267, by CITY for 380 loans and grants.

3. Article VIII, Section 8.2 is amended as follows:

8.2 Notwithstanding any other provision of this MOU, the total of all expenditures and other obligations made or eligible costs incurred by OUR SA for activities hereunder

## Attachment I

shall not exceed the sum of One Million Five Hundred and Seventy-Five Thousand and No/100 Dollars (\$1,575,000.00).

4. Article XV is renumbered and amended as follows:

15.1 Except when the terms of this MOU expressly provide otherwise, any alterations, additions, or deletions to the terms hereof shall be by amendment in writing, executed by both parties, and as applicable, approved by the City Council of the City of San Antonio.

15.2 Notwithstanding the above, the parties agree that the CITY and OUR SA shall have the authority to execute an amendment of this MOU or its Exhibits without the necessity of seeking any further approval by the City Council of the City of San Antonio or OUR SA Board approval, if permitted by all applicable local, state and federal laws, and only in the following limited circumstances:

- a) when such written amendment solely increases funding of this MOU in an amount not exceeding the lesser of: (a) twenty-five percent (25%) of the total amount of this MOU or (b) \$25,000.00;
- b) when such written amendment seeks to modify the Work Statement (Exhibit A) consistent with the general scope and intent of this agreement, as approved by the CITY, and there is no change to the budget or funding set out within this MOU; or
- c) when such written amendment seeks to modify the budget of this MOU by adjusting line items within the budget as agreed to by both CITY and OUR SA and such modification does not change the total value of the Agreement or increase the total monetary obligation of CITY.

15.3 OUR SA shall neither make transfers between nor among line items approved within the budget categories set forth in the Budget Summary incorporated within Exhibit "C" nor shall OUR SA alter, add to or delete from the Budget Detail likewise incorporated within said Exhibit "C." Instead, OUR SA shall request budget revisions in writing and in a form prescribed by CITY; such request for revisions, however, shall not increase the total monetary obligation of CITY as provided for pursuant to this MOU, nor shall said revisions significantly change the nature, intent, or scope of the Project funded hereunder.

15.4 CITY shall have the authority to make or suggest line item and budget revisions upon consultation and agreement with OUR SA so long as such budget revisions do not increase the total monetary obligation of CITY as provided for pursuant to this MOU, and the revisions do not significantly change the nature, intent, or scope of the Project(s) funded hereunder.

15.5 In the event that the level of funding for OUR SA is significantly altered, OUR SA shall submit, immediately upon request by CITY, a revised budget and Project information so as to enable re-evaluation by CITY of the original funding levels set forth in Exhibit "C."

15.6 It is understood and agreed by the parties hereto that changes in local, state and federal rules, regulations or laws applicable hereto may occur during the term of this MOU and that any such changes shall be automatically incorporated into this MOU without written amendment hereto, and shall become a part hereof as of the effective date of the rule, regulation or law.

5. Exhibit A (Work Statement) is replaced in its entirety with the document attached hereto and incorporated herein, as Attachment I.
6. Exhibit C (Budget) is replaced in its entirety with the document attached hereto and incorporated herein, as Attachment II.
7. All other terms, conditions, covenants and provisions of the Agreement are hereby continued and shall remain in effect in their original form, except for the provisions modified by this Amendment.

**EXECUTED** this the \_\_\_\_\_ day of \_\_\_\_\_.

**CITY OF SAN ANTONIO**

**URBAN RENEWAL AGENCY FOR  
THE CITY OF SAN ANTONIO D/B/A  
THE OFFICE OF URBAN  
REDEVELOPMENT SAN ANTONIO**

By: \_\_\_\_\_

Pat DiGiovanni

Title: Deputy City Manager

By: \_\_\_\_\_

Title: Chair, Board of Commissioners

**SAN ANTONIO AFFORDABLE  
HOUSING, INC.**

By: \_\_\_\_\_

Title: Chair, Board of Directors

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney

Exhibit "A"  
Work Statement

Items on this exhibit are subject to the specific terms of the MOU.

I. City Obligations.

- 1.1 CITY will assist OUR SA by providing staff support and other technical assistance for the operation and management of OUR SA in all of its activities, including its urban renewal activities, by:
- A. Directly engaging one (1) contract staff member as a Real Estate Manager to provide assistance to OUR SA in all economic development, urban renewal, and OUR SA Board financial and management efforts, including but not limited to the following:
    - i. Managing acquisition and disposition of properties associated with the Historic Gardens project;
    - ii. Managing any on-going rehabilitation projects;
    - iii. Reporting to the OUR SA Board of Commissioners on all business performed on behalf of OUR SA;
    - iv. Reporting to the OUR SA Board of Commissioners on any projects or properties that are ready for sale;
    - v. Managing any current administrative contracts or matters for OUR SA, including but not limited to, the termination or cancellation of contracts or matters as needed; and
    - vi. Managing any current financial matters for OUR SA, including but not limited to review and payment of fees, invoices, and costs associated with OUR SA;
  - B. Assisting and coordinating with OUR SA in engaging two (2) staff support positions to provide assistance to OUR SA as follows: a) Financial Accountant; and b) Senior Management Analyst; and
  - C. Allocating funding to OUR SA to secure other staff and technical support as CITY may deem appropriate and necessary.

II. OUR SA Obligations.

2.1 OUR SA will provide the following services and support as set out in the MOU and as further outlined below:

- A. OUR SA agrees that staff identified in section 1.1(B) above, engaged by OUR SA, will be provided a salary and an allowance for benefits commensurate with those provided for a comparable CITY employee or position; and
- B. OUR SA will manage the Infill Pilot Program and any other economic development programs that promote City of San Antonio goals, policies, and plans as agreed by both OUR SA and CITY.

## EXHIBIT C

## Land Bank Activities Budget FY 2011-2012

Description	Lots		Total
	Cost	20	
Beginning Balance			1,494,990
General Fund Allocation for FY 2012 Budget			90,000
Sales ( # of lots * \$4000)		20	80,000
Total Available Funds			1,664,990
<b>Gross Acquisition Costs</b>			
<b>Lots Acquisition (Lot Purchase Price ONLY):</b>			210,884
FP Area	-	8	
SS Area	91,596	8	
LJ Area	119,288	12	
<b>Infrastructure and Soft Costs: (SIDEWALKS, CURBS, APPROACHES; UTILITIES)</b>			173,437
FP Area	-	8	
SS Area	66,666	8	
LJ Area	106,771	12	
Additional Closing Costs (FEES, CLOSING COSTS, APPRAISALS; ENGINEERING)	-	20	
FP Area	-	8	
SS Area	-	8	
LJ Area	-	12	
<b>Lot Acquisition: Land Bank Activities</b>			183,000
<b>Gross Acquisition/Cost of Sale Total Costs</b>			567,321
<b>Chapter 380 Loans and Grants</b>			
Economic Development Loan - 8 homes \$77,000 per home	77,000	8	616,000
Economic Development Grants - up to \$14,500 per Home(LJ and SS)	14,500	8	116,000
Economic Development Construction Reduction Grants 7 homes - up to \$10,000 per Home (Five Points)	10,000	7	70,000
Economic Development Construction Reduction Grants 7 home - up to \$4143 per Home (Five Points)	4,143	7	29,000
Economic Development Construction Reduction Grants 1 home - up to \$20,000 per Home (Five Points)	20,000	1	20,000
<b>Chapter 380 Loans and Grants Total for ALL Areas</b>			851,000
<b>Fees to Professional</b>			
Builder Ready Costs - SEE INFRASTRUCTURE COSTS	-	-	-
Demolition - SEE SOFT COSTS	-	-	-
Mowing, & Trash Removal - SEE SOFT COSTS	-	-	-
<b>Projected G. Total Acquisition Costs</b>			\$ 1,418,321
<b>Personnel Cost</b>			90,000
<b>Advertising , Publication &amp; Marketing</b>			6,000
<b>Postage</b>			500
<b>Legal (for legislation revisions)</b>			70,000
<b>Legal (billed to SADA to be moved to General Fund)</b>			38,409
<b>Wireless Data Communication</b>			1,000
<b>Transportation , Travel &amp; Food</b>			1,500
			207,409
<b>Contingency Fund</b>			39,260
<b>Total Projected Expenses</b>			\$ 1,664,990