

AGENDA ITEM NO. 44(B)
REVISED

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
HOUSING & COMMUNITY DEVELOPMENT DEPARTMENT**

TO: Mayor and City Council

FROM: Andrew W. Cameron, Director, Housing & Community Development

THROUGH: Terry M. Brechtel, City Manager

COPIES: Jelynn LeBlanc Burley, Assistant City Manager; Florencio Peña,
Development Services Department

SUBJECT: Eagle Ridge Impact Fee Waiver Request

DATE: September 25, 2003

SUMMARY AND RECOMMENDATIONS:

Councilman Julian Castro requested through the City Council Consideration Request process, that the Governance Committee place on the City Council Agenda a request for waiver of San Antonio Water Systems Water and Sewer Impact Fees for the Eagle Ridge Apartment Project in Council District 7.

City Staff is recommending approval of the impact fee waiver request.

BACKGROUND INFORMATION:

The Eagle Ridge Apartments are located at the intersection of Wurzbach and Crystal Hill Roads just west of Ingram Park Mall in City Council District 7. There are 280 units in the complex and all are reserved for low- to moderate-income families.

Eagle Ridge is being developed by the Commonwealth Housing Corporation, a registered 501C(3) Non-profit entity.

Normally, Impact Fee Waivers requests are handled by the Urban Affairs Council Committee, pursuant to City Ordinance 81974, passed April 3, 1995. The policy purpose of the ordinance is to encourage the development of affordable housing, both single-family and multi-family, within the boundaries of Loop 410.

For an application to receive consideration by staff and the Urban Affairs Council Committee, it must meet the following criteria:

1. Sale price may not exceed \$89,000 for single-family homes, and multi-family units must be priced to be available to families at 80% or below of median income;
2. Project must be located within Loop 410;
3. All financing must be secured; and
4. The applicant must have contacted SAWS for an estimate of fees or have a receipt for fees previously paid.

Applicants who do not meet all necessary criteria are not eligible for waivers or rebates under Ordinance 81974.

The Eagle Ridge Apartments, while meeting all the other criteria of Ordinance No. 81974, is located outside the boundaries of Loop 410. For this reason, it is ineligible for consideration and approval by the Urban Affairs Council Committee.

At the request of Councilman Castro, the Eagle Ridge Development request was reviewed by the Governance Committee. The Governance Committee reviewed the request and directed staff to include the item on the City Council agenda (September 25, 2003) with a recommendation from the Urban Affairs Council Committee. At its September 23, 2003 meeting, the Urban Affairs Council Committee recommended approval of this request.

The current City Council policy for Council consideration requests is governed by Ordinance No. 93921, approved May 12, 1994. Requesting the waiver of impact fees that do not meet the criteria of the Impact Fee Waiver Ordinance constitutes a deviation from the standard policy. For this reason, the item was first reviewed by the Governance Committee and subsequently referred to the City Council.

The Governance Committee reviewed and approved the request on September 17, 2003 for consideration by the full City Council on September 25, 2003.

In addition to the waivers under the current City policy, (Ordinance No. 81974), City Council has granted three other waivers of impact fees through the Six-Signature Memorandum process. The three requests were from the San Antonio Housing Authority and totaled \$1,065,182. The O'Conner Rd Senior Project was outside Loop 410 and the Mirasol HOPE VI and Springview HOPE VI developments both requested fee waivers not covered by the impact fee waiver ordinance. The three **SAHA** requests leveraged the production of 802 multi-family units and 519 single-family homes (See Table 1, below)

SAHA Project	Units	Total Fees	Council Action
Mirasol HOPE VI	258SF/370MF	\$587,798	November 19, 1999
Springview HOPE VI	261SF/282MF	\$358,034	November 19, 1999
O'Conner Rd Elderly	0SF/150MF	\$119,350	March 28, 2002
TOTAL:	519SF/802MF	\$1,065,182	

POLICY ANALYSIS:

The current impact fee waiver request is a deviation from current City policy. However, the project meets all other criteria of Ordinance 81974.

It is anticipated that the regulations and criteria of the current Impact Fee Waiver Ordinance No. 81974 will be reviewed by the Urban Affairs Council Committee during the first quarter of Fiscal Year 2003-2004. This will be an opportunity for the Urban Affairs Council Committee to make policy recommendations to the City Council that will address future project similar to Eagle Ridge.

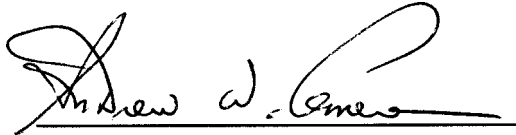
FISCAL IMPACT:

The total amount of requested water and sewer impact fee waivers is \$102,626.40 (\$40,752 in water impact fees, and \$61,874.40 in sewer impact fees).

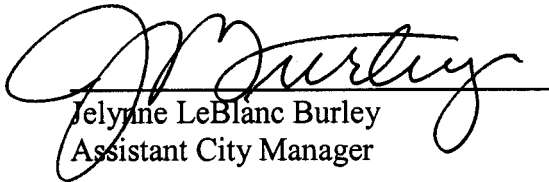
Impact Fee Revenues are not a component of the City General Fund Budget. The Impact Fee Revenues are collected by SAWS and retained by SAWS for use.

COORDINATION:

The Housing and Community Development Department has coordinated with the City Manager's Office and Development Services Department in producing this memorandum.

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Andrew W. Cameron
Director
Housing & Community Development

A handwritten signature in black ink, appearing to read "Jelynn LeBlanc Burley", written over a horizontal line.

Jelynn LeBlanc Burley
Assistant City Manager

Approved:

A handwritten signature in black ink, appearing to read "Terry M. Brechtel", written over a horizontal line.

Terry M. Brechtel
City Manager

**CITY OF SAN ANTONIO
OFFICE OF THE CITY COUNCIL**

COUNCIL CONSIDERATION REQUEST

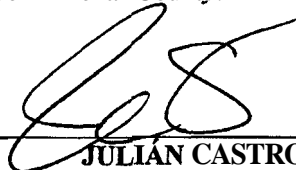
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CITY OF SAN ANTONIO
CITY CLERK

2003 AUG 28 PM 4:04

TO: Mayor and Council Members
FROM: Councilman Julián Castro, District 7
COPIES: Terry M. Brechtel, City Manager; Andy Martin, City Attorney;
Yolanda Ledesma, Acting City Clerk; Gayle McDaniel, Assistant to City Council; Files
SUBJECT: Impact Fees

DATE: August 28, 2003

I respectfully request **your** concurrence to place an item on the next City Council agenda, for staff presentation and recommendation and Council consideration, associated with the waiver of water and sewer impact fees to aid in the development of the Eagle Ridge Apartment Community, located at the intersection of Wurzbach Road and Crystal Hill Drive. This project is owned by the Commonwealth Housing Corporation, a non-profit 501 (c)(3), and will consist of 280 units for citizens that make no more than 60% of the median income level in Bexar County.



JULIÁN CASTRO
DISTRICT 7

EDWARD D. GARZA
MAYOR



ROGER O. FLORES
DISTRICT 1



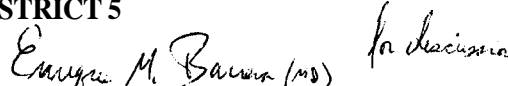
JOEL WILLIAMS
DISTRICT 2



RON H. SEGOVIA
DISTRICT 3

RICHARD PEREZ
DISTRICT 4

PATTI RADLE
DISTRICT 5

 for discussion

ENRIQUE M. BARRERA
DISTRICT 6

 discussion

ART A. HALL
DISTRICT 8

CARROLL SCHUBERT
DISTRICT 9

 (discussion)

CHIP HAASS
DISTRICT 10

What are the Public Benefits?

■ Benefits

■ Rent Reductions (100% at 60% of median income)	\$609,648
■ Issuer Compliance and Oversight Fee (paid to State)	30,000
■ Reserves (\$200/unit to insure long-term maintenance)	55,200
■ Resident Services	50,000
■ Total	744,848
■ Real Estate Taxes	<u>25,556</u>

■ Total Annual Public Benefit from Operations \$ 719,292

- Assuming a 20% savings rate, the \$487,714 in rent savings spent in the community by tenants, means another \$1,463,155/per year in local impact.
- New project impact on local economy by spending \$13,500,000 in the first 15 months on local labor and material suppliers in the Bexar County Area is \$54,000,000 given a 4 to 1 ripple impact.
- Amortizing this impact over 15 years adds another \$3,600,000/year in local benefits.

■ Total Annual Benefits of Eagle Ridge Apartments \$ 5,782,447