

CONSENT AGENDA  
ITEM NO. 46A

**CITY OF SAN ANTONIO  
INTERDEPARTMENTAL MEMORANDUM  
NEIGHBORHOOD ACTION DEPARTMENT**

**TO:** Mayor and City Council

**FROM:** David D. Garza, Director of Neighborhood Action

**THROUGH:** Terry M. Brechtel, City Manager

**COPIES TO:** Rolando J. Bono, Deputy City Manager; Jelynn LeBlanc Burley, Assistant City Manager; Denise Monday, City Attorney's Office; Andrew Cameron, Housing and Community Development; Rebecca Waldman, Asset Management Department; File

**SUBJECT:** Memorandum of Agreement with the Greater San Antonio Builders Association

**DATE:** June 24, 2004

**SUMMARY AND RECOMMENDATION**

This ordinance authorizes the execution of a Memorandum of Agreement (MOA) between the City of San Antonio and the Greater San Antonio Builders Association/Greater San Antonio Education Foundation (GSABA/GSAEF), which stipulates responsibilities of each organization and the relationship between the two organizations agreed upon for the implementation of the Arroyo Vista Affordable Showcase of Homes project.

Staff recommends the approval of this ordinance.

**BACKGROUND**

The Affordable Showcase of Homes program was created to serve as a catalyst for private investment in the revitalization and expansion of housing in the inner city and surrounding neighborhoods. The previous four Affordable Showcase of Homes developments, which include Coliseum Oaks, Villas de Esperanza, Historic Gardens and Pasadena Heights have been successful in providing high-quality affordable homeownership opportunities for many of San Antonio's families.

The proposed MOA outlines the conditions of the partnership between the City of San Antonio and the Greater San Antonio Builders Association/Greater San Antonio Education Foundation (GSABA/GSAEF). As in the previous four Affordable Showcase of Homes projects, the City utilizes CDBG funds to conduct pre-development activities such as project planning, land acquisition, subdivision design, construction of infrastructure, and utility installation. The buildable lots are sold by the City to GSABA/GSAEF at a reduced rate. The lots are then sold to their participating member builders. The builders are responsible for constructing residential homes that will meet HUD's affordability guidelines on the city-developed lots. GSABA/GSAEF will use proceeds from the sale of the properties for the marketing of the homes to prospective low and moderate-income homebuyers.

**POLICY ANALYSIS**

The approval of this ordinance will assist the Affordable Showcase of Homes program in its goal to provide affordable homeownership opportunities for low and moderate-income families. These additional homes will improve property tax values for that area and provide a good use of City surplus property.

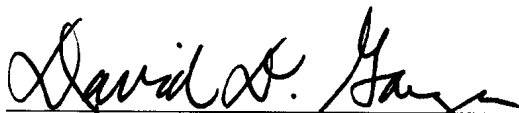
The attached Memorandum of Agreement (MOA) will provide the opportunity to expand the City's partnership with GSABA/GSAEF. The attached MOA includes components such as the City responsibilities of land assembly and public involvement; GSABA's purchase price for each of the lots in the amount of \$1,500; and selection process for participating builders. The MOA also defines deed restrictions which include the sale price of lot to builders; design guidelines and standards; affordability limits; owner-occupancy requirements; homeowner's association dues; and energy star rating and requirements. The MOA also includes goals of the marketing efforts. GSABA will use the proceeds from the sale of the properties (\$130,000) for implementation of the marketing plan and associated budget in connection with the Arroyo Vista project.

**FISCAL IMPACT**

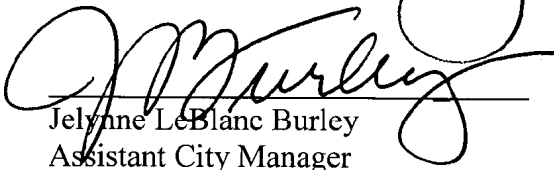
The approval of the execution of the proposed Memorandum of Agreement has no financial impact to the City's general fund. Construction of single-family homes will likely increase taxable value of the subject properties and surrounding homes.

**COORDINATION**

This item was coordinated with the Asset Management Department, Housing and Community Development Department and City Attorney's Office.

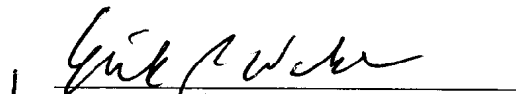


David D. Garza  
Director of Neighborhood Action



Jelynn LeBlanc Burley  
Assistant City Manager

Approved:



Terry M. Brechtel  
City Manager

MEMORANDUM OF AGREEMENT

Between the City of San Antonio  
Neighborhood Action Department and the  
Greater San Antonio Education Foundation/Greater  
San Antonio Builders Association  
in connection with the  
Arroyo Vista 2004 Affordable Showcase of Homes

- 1) For the Arroyo Vista 2004 Affordable Showcase of Homes the City of San Antonio shall be responsible for all land acquisition, environmental research, public involvement, topographic and flood plain research, infrastructure design, and infrastructure construction.
- 2) The City of San Antonio (the "City") shall convey, in one certain warranty deed (the "Warranty Deed"), each residentially platted lot to the Greater San Antonio Education Foundation/Greater San Antonio Builders Association ("GSAEF/GSABA") for the price of \$1,500 per lot.
- 3) GSAEF/GSABA shall make available, to all homebuilders who wish to participate in the District 6 2004 Affordable Showcase of Homes, an 4 equal opportunity to membership into the Greater San Antonio Builders Association.
- 4) GSAEF/GSABA shall choose builders for the District 6 2004 Affordable Showcase of Homes according to a lottery system. Said lottery system shall be defined as a drawing of names of interested builders conducted by GSAEF/GSABA. GSAEF/GSABA shall be responsible for advertising the participation opportunity to its entire membership.
- 5) GSAEF/GSABA shall submit a marketing plan that is satisfactory to the City, within City's sole discretion, within thirty (30) calendar days of the execution of this Memorandum of Agreement. Said plan shall provide that 100% of the difference between the price paid by GSAEF/GSABA for the lots and the price paid by the individual builders for the lots shall be utilized by GSABA for marketing of the Arroyo Vista 2004 Affordable Showcase of Homes.
- 6) GSAEF/GSABA shall include or shall ensure that the following deed restrictions are included in all instruments securing interests in the lots sold in connection with the Arroyo Vista Affordable Showcase of Homes:
  - a. GSAEF/GSABA shall convey each residentially platted lot to individual builders for the price of \$4,000 per lot.
  - b. GSAEF/GSABA shall adopt the following urban design standards by board resolution upon the Arroyo Vista Steering Committee's final recommendation approved by the City, and said standards shall be incorporated into each and every deed as a restriction and a covenant running with the land for a period of five (5) years. Said approved urban design standards shall include:
    - i. Housing specifications regarding number of bedrooms, baths, garages, etc.;
    - ii. Development preferences of the resident focus group as identified in the development plan provided by the City;

- iii. Elements of housing which interface with the character of the existing neighborhood;
- iv. Design standards identified in the housing market analysis provided by GSABA;
- v. Secure energy star rating for all homes; and
- vi. Design guidelines developed by the Builder Committee.
- c. GSAEF/GSABA shall require all homebuilders to sell the developed land to potential homebuyers at a price that shall not exceed \$4,000 as per the deed restriction in the Warranty Deed which should be recorded with the Bexar County Appraisal District. Should the builder decide not to build a home on any of the lots in this development, he cannot sell the individual lot to the buyer for more than \$4,000. GSAEF/GSABA shall require all homebuilders to give a written Statement of Value to the homebuyer on the lot value and that amount shall not exceed \$4,000. Nor can the builder sell one of the lots in this development for more than \$4,000.
- d. The final sales price as stated in any purchase agreement or sales agreement for the purchase of said homes in the Arroyo Vista Affordable Showcase event shall not exceed \$89,000, which shall include the price of the developed land. In order to maintain HUD's area benefit requirements, no more than 49% of the homes shall exceed \$89,000.
- e. Homes shall not be sold as investment properties within the first 2 years of construction.
- f. Homeowners shall be members of the Arroyo Vista Homeowner's Association and pay membership dues of \$10 on a monthly basis or \$120 on an annual basis, or as may be changed by the Board of Directors of the Association from time to time. The primary purpose for these dues will be used to maintain the playground, open space and the development and distribution of an annual neighborhood newsletter. Any remaining funds may also be used for general administrative costs associated with the Homeowner's Association, pursuant to the adopted by-laws.

Enter and executed on this the \_\_\_\_ day of \_\_\_\_\_, 2004.

City of San Antonio

Greater San Antonio Builders Association  
Greater San Antonio Education  
Foundation

\_\_\_\_\_  
City Manager

Approved as to Form:

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