

**HOUSING COUNCIL COMMITTEE
MEETING MINUTES
WEDNESDAY, MAY 31, 2017
11:00 A.M.
MUNICIPAL PLAZA BUILDING**

Members Present:	Councilmember Mike Gallagher, <i>Chair, District 10</i> Councilmember Roberto Treviño, <i>District 1</i> Councilmember Rey Saldaña, <i>District 4</i> Councilmember Ron Nirenberg, <i>District 8</i>
Members Absent:	Councilmember Cris Medina, <i>District 7</i>
Staff Present:	Peter Zaroni, <i>Deputy City Manager</i> ; Lori Houston, <i>Assistant City Manager</i> ; Edward Guzman, <i>Deputy City Attorney</i> ; Caroline Cho, <i>Assistant City Attorney</i> ; Scott Zimmerer, <i>Assistant City Attorney</i> ; Michael Shannon, <i>Director, Development Services Department</i> ; Bridgett White, <i>Director, Department of Planning and Community Development</i> ; Edward Gonzales, <i>Assistant Director, Department of Human Services</i> ; Denice F. Trevino, <i>Office of the City Clerk</i>
Others Present:	John Butchkosky, <i>Community Liaison, Texas Alliance for Human Needs</i> ; Debra Guerrero, <i>Vice President-Development, The NRP Group</i> ; Jose Mascorro, <i>Director of Operations, Prospera HCS</i> ; Ben Olivo, <i>Reporter, Foto Media</i>

Call to Order

Chairman Gallagher called the meeting to order.

1. Approval of Minutes from the April 26, 2017 Housing Committee Meeting

Councilmember Treviño moved to approve the minutes of the April 26, 2017 Housing Council Committee Meeting. Councilmember Saldaña seconded the motion. The motion carried unanimously by those present.

Briefing and Possible Action on:

- 2. Consideration of a Recommendation Authorizing a Substantial Amendment to the FY 2017 Housing & Urban Development Annual Action Plan to Reprogram Community Development Block Grant (CDBG) Funds in an Amount not to Exceed \$7,460,326.55 and HOME Investment Partnerships Program Funds in an Amount not to Exceed \$1,918,490.28.** [Peter Zaroni, Deputy City Manager; Bridgett White, Director, Planning and Community Development]

Bridgett White stated that staff identified \$7,460,326.55 in CDBG Funds as a result of program income, program savings, and cancelled activities. She noted that in order to utilize these

available funds, the City must allocate available resources to eligible activities consistent with the Five Year Consolidated Plan through a substantial amendment to the FY 2017 Annual Action Plan. She stated that the following were recommended for allocation:

PROJECT	CD	AWARD
SMP/CDBG Swap-Canadian St. Reclamation (N. New Braunfels to N. Palmetto)	2	\$ 186,183.23
SMP/CDBG Swap-St. James Reconstruction (Burnet to Hays St.)	2	\$ 146,103.20
SMP/CDBG Swap-St. Charles Reconstruction (Lamar to Burnet)	2	\$ 313,531.20
Lamar Street Reconstruction (Austin to N. New Braunfels)-Supplemental Funding	2	\$ 700,281.13
Shirley Street Reconstruction (E. Carson to Hood St.)-Supplemental Funding	2	\$ 233,000.00
Mosscircle Drive Sidewalks (Glengarden to Cul-De-Sac)-Supplemental Funding	4	\$ 20,250.00
Ferncircle Drive Sidewalks (Glengarden to Cul-De-Sac)-Supplemental Funding	4	\$ 15,500.00
Zarzamora/IH-35 Gateway Project-Supplemental Funding	4	\$ 10,000.00
S. Calaveras Pedestrian Safety Improvements (Brady to Mercedes)-Supplemental Funding	5	\$ 19,347.79
District 5 Additional Streetlight Improvement Project	5	\$ 200,000.00
Alamo Community Group-Calcasieu Apartments Rehabilitation	1	\$ 812,500.00
HUD Section 108 Additional Loan Payment	NA	\$4,803,000.00
TOTAL	-	\$7,460,326.55

Ms. White stated that staff identified \$1,918,490.28 in HOME Funds as a result of program income. She noted that to utilize these available funds, the City needed to allocate available resources to eligible activities consistent with the Five Year Consolidated Plan through a substantial amendment to the FY 2017 Annual Action Plan. She stated that the following were recommended for allocation:

PROJECT	CD	AWARD
Easterling Culebra Apartments	6	\$1,200,000.00
Owner Occupied Rehabilitation/Reconstruction Program	CW	\$ 438,490.28
Homebuyer Incentive Program	CW	\$ 280,000.00
TOTAL	-	\$1,918,490.28

Ms. White stated that the projects recommended for allocation were ready to go. She noted that HUD would conduct an expenditure timeliness test on August 1, 2017. She stated that the allocations would enable the city to meet its expenditure ratio for this year and next year.

Chairman Gallagher asked of examples of unallowed functions. Ms. White stated that for example, the Showcase of Homes was eligible at the time of allocation but later became ineligible.

Councilmember Saldaña asked of the decrease in funding and number of projects for 2012, 2013, 2014, and 2015. Ms. White stated that CDBG funds have decreased over the last several years. Peter Zanoni added that \$2-4 million annually was committed to the East Meadows Project in said years. Councilmember Saldaña asked of the original amount of the HUD 108 Loan. Ms. White stated that the original amount of the HUD 108 Loan was \$57 million and \$36.2 million remained. She noted that said loan was to be paid by 2026.

Councilmember Treviño moved to recommend and forward a substantial amendment to the FY 2017 Annual Action Plan to reprogram CDBG Funds in an amount not to exceed \$7,460,326.55 and HOME Investment Partnerships Program Funding in an amount not to exceed \$1,918,490.28 to the full City Council for consideration. Councilmember Saldaña seconded the motion. The motion carried unanimously by those present.

- 3. A Briefing on the FY 2018 Action Plan and Budget for the Four Federal Grant Programs funded by the U.S. Department of Housing and Urban Development (HUD) which Include the Community Development Block Grant (CDBG) in the amount of \$12,018,904.00, Home Investment Partnerships Program (HOME) in the amount of \$4,844,357.00, HEARTH Emergency Solutions Grant (HESG) in the amount of \$1,047,124.00, and Housing Opportunities for Persons with AIDS (HOPWA) Program in the amount of \$1,244,429.00; and Authorizing a Staff Complement of 45 Positions.** [Peter Zanoni, Deputy City Manager; Bridgett White, Director, Planning and Community Development]

Bridgett White stated that the City of San Antonio was commencing in the development of the FY 2018 Action Plan and Budget, which was the third year plan under the FY 2016-2020 Consolidated Plan. She noted that the city anticipated receiving approximately \$19.2 million in Federal Entitlements awarded through the U.S. Department of Housing and Urban Development (HUD). She stated that these grants included the Community Development Block Grant (CDBG), HOME Investment Partnerships Program, HEARTH Emergency Solutions Grant (HESG), and Housing Opportunities for Persons with AIDS (HOPWA) Program. She noted that in order to determine the most pressing needs and develop effective, place-based market driven strategies to meet these needs; HUD required the development of a FY 2016-2020 Consolidated Plan. She stated that in developing the Consolidated Plan, the city gathered information through a number of methods. She noted that this process formed the basis of the strategic plan element of the Consolidated Plan. She stated that the Annual Action Plan identified all actions to be taken by the city in FY 2018 and noted that activities must align with the FY 2016-2020 Consolidated Plan Goals. She provided the following FY 2016-2020 estimated sources of grant funds:

SOURCE OF FUNDS	5 YEAR ESTIMATE (MILLIONS)
CDBG	\$57.5
HOME	\$21.1

HESG	\$5.1
HOPWA	\$6.1
TOTAL	\$89.8

She provided the following FY 2016-2020 uses of grant funds:

USES	PERCENTAGE
Programs (\$52.4 million)	58%
Section 108 Loan (\$23.9 million)	27%
Administration (\$13.5 million)	15%

She reviewed the following FY 2016-2020 Consolidated Plan Priority Disbursement:

PRIORITY	DISBURSEMENT
Housing	45%
Neighborhoods	30%
Special Needs	14%
Homeless Needs	9%
Economic Development	2%

Ms. White stated that President Trump signed the Federal FY 2017 Appropriations Bill into law on May 5, 2017. She noted that the Appropriations Act directed HUD to announce formula allocation amounts within 60 days of enactment. She stated that the city anticipated FY 2018 (HUD's FY 2017) formula allocations no later than July 5, 2017. She noted that HUD's Federal FY 2017 appropriations fund the city's FY 2018 Budget and reviewed the following annual year over year budget:

GRANT	FY 2017 BUDGET	FY 2018 BUDGET	VARIANCE
CDBG	\$13,247,418	\$12,018,904	(\$1,228,514)
HOME	\$7,544,357	\$4,844,357	(\$2,700,000)
ESG	\$1,047,124	\$1,047,124	
HOPWA	\$1,244,429	\$1,244,429	
TOTAL	\$23,083,328	\$19,154,814	(\$3,928,514)

Ms. White reviewed the Year 3 (FY 2018) Action Plan for the CDBG, HOME, ESG, and HOPWA Grants. She stated that two public hearings would be held; one on June 14, 2017 and one on August 2, 2017. She noted that the FY 2018 Action Plan and Budget would be brought before the full City Council on August 3, 2017 or August 10, 2017 for consideration. She stated that said budget was due to HUD on August 16, 2017.

Councilmember Nirenberg asked of the terms of the HUD 108 Loan. Ms. White stated that the loan payments were \$4.8 million per year and began in 2006 and would end in 2026. Councilmember Nirenberg asked how the loan payments would be made if the budgets were cut.

Ms. White replied that other line items would have to be reduced. Mr. Zanoni mentioned that staff was considering refinancing the loan.

Councilmember Saldaña moved to recommend and forward the funding strategy for the FY 2018 Action Plan and Budget for the CDBG, HOME, HESG, and HOPWA Grants funded by HUD to the full City Council for consideration. Councilmember Treviño seconded the motion. The motion carried unanimously by those present.

Adjourn

There being no further discussion, the meeting was adjourned at 11:25 a.m.

Respectfully Submitted,

Mike Gallagher, Chair

*Denice F. Trevino
Office of the City Clerk*