



City of San Antonio

Legislation Details (With Text)

File #: 15-2924

Type: Miscellaneous Item

In control: City Council A Session

On agenda: 5/21/2015

Title: An Ordinance for the Home Investment Partnership Program authorizing the reprogramming of funds in the amount of \$550,000.00 available for FY 2011, 2012, and 2014 from City-wide project completions and cancelled activities to Palo Alto Apartments project in the amount of \$500,000.00 and to Habitat For Humanity for the Hope Village project in the amount of \$50,000.00; amending the FY 2015 Annual Action Plan/Budget; authorizing the close-out and cancellation of the affected projects and the creation of new project budgets; authorizing the execution and submission of contracts and other documents as necessary; and providing payment. [Peter Zaroni, Deputy City Manager; John Dugan, Director, Planning and Community Development]

Sponsors:

Indexes: HOME Program

Code sections:

Attachments: 1. Map of Palo Alto Apartments, 2. Map of Hope Village by Habitat for Humanity, 3. Draft Ordinance, 4. Ordinance 2015-05-21-0442

Date	Ver.	Action By	Action	Result
5/21/2015	1	City Council A Session	adopted	Pass

DEPARTMENT: Department of Planning and Community Development

DEPARTMENT HEAD: John M. Dugan

COUNCIL DISTRICTS IMPACTED: 4, 6

SUBJECT:

Reprogramming of Home Investment Partnership (HOME) funds in the amount of \$550,000 to the Palo Alto Apartments in the amount of \$500,000 and Habitat for Humanity in the amount of \$50,000.

SUMMARY:

An Ordinance authorizing the reprogramming of Home Investment Partnership (HOME) funds in the amount of \$550,000 from low performing and cancelled activities to the Palo Alto Apartments in the amount of \$500,000 and Habitat for Humanity in the amount of \$50,000, substantially amending the FY 2015 Annual Action Plan/Budget.

BACKGROUND INFORMATION:

The City receives an annual award of HOME funds awarded through the U.S. Department of Housing and Urban Development (HUD). These funds are designed to meet affordable housing needs of low and moderate income households and homebuyers. On May 29, 2014, City Council adopted the FY 2015 Action Plan and Budget which allocated HOME funds for the following activities.

Funding Category	Description	Budget
Multi-family Rental Housing	Funds allocated to support financing of Multi-family Tax Credit projects and to support the Wheatley Courts	\$3,100,000
Single Family New Construction	Funding meets minimum 15% set aside requirement for Community Housing Development Organizations (CHDO') to develop new affordable housing units, as well as, provide operational support.	850,000
Homebuyer Assistance	Providing down payment and closing cost assistance to eligible homebuyers	426,925
Administration	General grant administration and oversight including legal services, compliance, and program management	480,398
	Total	\$4,857,323

On a quarterly basis, the City reviews the progress of program funding through current and prior year Action Plans to ensure timely performance of specific programs. Staff produces reprogramming recommendations from completed, cancelled, or low performing activities in an effort to advance the goals of the five year Consolidated Plan. Specifically, for the HOME Program the City is required to meet regulatory commitment and expenditure deadlines or funding is returned to HUD. On July 24, 2013, HUD issued the new HOME Program Final Rule, dictating HOME projects must be committed within one year and completed within four years of commitment. Any project not meeting the above timeliness requirements will be terminated and the City will be required to return HOME funds to HUD.

ISSUE:

City staff identified \$550,000 in HOME funds as a result of project savings from completed, cancelled, or low performing activities. To meet HUD HOME Program regulatory requirements, the City must commit available funds to eligible activities in a timely manner. While the reprogramming action recommends a redirection of existing Homebuyer and Owner Occupied Rehabilitation funds, staff has analyzed the remaining funds in these programs and determined the unexpended amounts are adequate to complete activities through the end of FY 2015. Staff is recommending the following activities to allow the City to achieve its regulatory commitment and spending requirements, as well as, meet the goals outlined in the 2010-2015 Consolidated Plan. The Quality of Life Committee voted to forward the recommendations to the full City Council on April 21, 2015.

Palo Alto Apartments (CD 4)

Staff proposes providing additional financing of \$500,000 in available HOME funds to support the new Palo Alto Apartment development located at the southwest corner of Hwy 16 and Loop 410. On October 16, 2014, City Council approved an award of FY 2015 HOME funds in the amount of \$1,087,322. Due to rising construction costs the development requested an additional \$1.1 million in City funds to fill the financing gap. On April 16, City Council approved of \$600,000 in FY2015 CDBG funds. The recommendation is to fill the remaining \$500,000 financing gap with HOME funds. The project is scheduled to close financing by July 1, 2015. Construction is scheduled to begin in the fall of 2015. When complete, the Palo Alto Apartments will have a total of 322 units available for persons at or below 60% of area median income (AMI).

Habitat for Humanity - Hope Village (CD 6)

Staff proposes providing an additional \$50,000 in available HOME funds to support the creation of two new affordable single family housing units on a 3.8 acre vacant tract of land in Edgewood REnewSA focus area. Habitat for Humanity requested \$175,000 in City funds to support the development. On April 16, City Council approved \$125,000 in FY 2015 CDBG funds to support five new affordable units. The recommendation is to fill the remaining \$50,000 gap with HOME funds for two additional units. When the development is fully complete, Hope Village will support the development of 21 affordable single family homes. Infrastructure improvements will commence in August 2015 and be completed in 2016.

ALTERNATIVES:

City Council may elect not to approve one or more of the associated Quality of Life recommendations.

FISCAL IMPACT:

This ordinance authorizes the reprogramming of Home Investment Partnership (HOME) funds in the amount of \$550,000 from low performing and cancelled activities to the Palo Alto Apartments in the amount of \$500,000 and Habitat for Humanity in the amount of \$50,000, substantially amending the FY 2015 Annual Action Plan/Budget. The reprogramming action will not have an impact on the General Fund budget. Reprogramming HOME funds to projects that are not committed by October 30, 2015 may result in a return of HOME funds to HUD.

RECOMMENDATION:

Staff recommends an Ordinance authorizing the reprogramming of Home Investment Partnership (HOME) funds in the amount of \$550,000 from low performing and cancelled activities to the Palo Alto Apartments in the amount of \$500,000 and Habitat for Humanity in the amount of \$50,000, substantially amending the FY 2015 Annual Action Plan/Budget.