



City of San Antonio

Legislation Details (With Text)

File #: 17-5841

Type: Miscellaneous Item

In control: City Council A Session

On agenda: 11/9/2017

Title: An Ordinance authorizing the allocation of up to \$600,000.00 of HOME Investment Partnerships Program (HOME) funding for the Tarasco Neighborhood Subdivision project, located in Council District 4; and approving an Amendment to the FY 2018 Action Plan and Budget to reprogram the funds in the amount of \$600,000.00. [Peter Zanoni, Deputy City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]

Sponsors:

Indexes:

Code sections:

Attachments: 1. HOME Funding Schedule, 2. Fiscal Impact Form - Tarasco, 3. Draft Ordinance, 4. Ordinance 2017-11-09-0895

| Date | Ver. | Action By | Action | Result |
|-----------|------|------------------------|---------|--------|
| 11/9/2017 | 1 | City Council A Session | adopted | Pass |

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Verónica R. Soto, Director

COUNCIL DISTRICTS IMPACTED: 4

SUBJECT:

FY 2018 HOME Investment Partnerships (HOME) Program Funding Recommendation and Substantial Amendment #1B (Reprogramming) to the FY 2018 Action Plan and Budget

SUMMARY:

Consideration of an Ordinance authorizing the allocation of up to \$600,000.00 of HOME Investment Partnerships Program (HOME) funding for Tarasco Neighborhood Subdivision and approval of Substantial Amendment #1B to the FY 2018 Action Plan and Budget to reprogram said funds in the amount of \$600,000.00.

BACKGROUND INFORMATION:

On August 3, 2017, City Council approved the FY 2018 HOME Investment Partnerships Program Budget

totaling \$4,898,909.00, which included unallocated funds of \$1,250,000.00 for Multi-Family Rental Housing Development, \$1,220,000.00 in funds for Community Housing Development Organization (CHDO) Single-Family New Construction Development, and \$75,000.00 in funds for CHDO Operating Expense Funding.

These unallocated funds, as well as \$1,437,000.00 in HOME funds identified by staff for reprogramming as a result of cancelled activities and program income, were presented to the Comprehensive Plan Committee on September 20, 2017, for consideration and approval of an initial HOME funding recommendation of \$3,982,000.00. This funding recommendation included a \$600,000.00 award to Alamo Community Group (ACG) for the development of Tarasco Neighborhood Subdivision. However, it was discovered at the meeting that ACG’s application requirements conflicted directly with the HOME Program requirements. As such, staff removed the funding recommendation from the Council agenda memo in order to ensure ACG understood the federal requirements of the HOME Program.

On October 5, 2017 City Council authorized HOME funding recommendations totaling \$3,382,000.00 (Entitlement: \$2,545,000.00 / Reprogramming: \$837,000.00) for the following activities:

| Activity Name | Activity Type | HOME Unit Count | Funding Recommendation | HOME Entitlement | HOME Reprogramming |
|---|---|-----------------|------------------------|-----------------------|---------------------|
| Lord Road Apartments (D2) | Multi-Family Rental Housing Development | 23 | \$1,600,000.00 | \$1,250,000.00 | \$350,000.00 |
| Lenwood Heights Subdivision, Phase III (D6) | CHDO Single-Family New Construction | 42 | \$1,659,000.00 | \$1,220,000.00 | \$439,000.00 |
| Habitat for Humanity | CHDO Operating Expense Funding | NA | \$75,000.00 | \$75,000.00 | \$0.00 |
| Alamo Community Group | CHDO Operating Expense Funding | NA | \$48,000.00 | \$0.00 | \$48,000.00 |
| | Total | 65 | \$3,382,000.00 | \$2,545,000.00 | \$837,000.00 |

ISSUE:

Alamo Community Group had the second highest scoring application, which was for Tarasco Neighborhood Subdivision, with a total score of 132 points out of a possible 190 points. ACG has since updated their application and are still proposing a development of thirty single-family units located at 505 Tarasco St. in Council District 4. This development will assist households at or below 80% of Area Median Income (AMI), which is \$50,800 for a four person household. Staff recommends an allocation of up to \$600,000.00 in HOME reprogrammed funds for the development of Tarasco Neighborhood Subdivision after review of updated proforma. This project is designated as a Community Housing Development Organization activity.

In addition, as required by the U.S. Department of Housing and Urban Development, a 30-day public comment period was initiated on September 1, 2017 and a public hearing was held at City Council “B” Session on September 20, 2017.

ALTERNATIVES:

An alternative to allocating HOME funding set aside for CHDO Single-Family New Construction development to the recommended project would be to reject the recommendation and issue a new Request for Applications

for this activity; however, the recommended project meets the established evaluation criteria. In addition, any other alternative to appropriate funding would delay the timely commitment and expenditure of these federally sourced funds.

FISCAL IMPACT:

This ordinance authorizes the allocation of up to \$600,000.00 of HOME Investment Partnerships Program (HOME) funding for Tarasco Neighborhood Subdivision and approval of Substantial Amendment #1B to the FY 2018 Action Plan and Budget to reprogram said funds in the amount of \$600,000.00. There is no impact to the General Fund.

RECOMMENDATION:

Staff recommends approval an Ordinance authorizing the allocation of up to \$600,000.00 of HOME Investment Partnership Program (HOME) funding for Tarasco Neighborhood Subdivision and approval of a Substantial Amendment #1 to the FY 2018 Action Plan and Budget to reprogram said funds in the amount of \$600,000.00.