



City of San Antonio

Agenda Memorandum

File Number: 15-6293

Agenda Item Number: 17.

Agenda Date: 1/14/2016

In Control: City Council A Session

DEPARTMENT: Department of Planning and Community Development

DEPARTMENT HEAD: John M. Dugan

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

A Public Hearing and consideration of an Ordinance substantially amending the FY 2016 Annual Action Plan and Budget by authorizing the reprogramming of FY 2004-2010 Community Development Block Grant (CDBG) funds in the amount of \$3,541,831.12 to nine infrastructure projects, one community facility project, and comprehensive planning; and authorizing the reprogramming of \$993,500 in HOME Investment Partnerships Program (HOME) funds from two cancelled projects to one Community Housing Development Organization (CHDO) Single-Family New Construction project and two Rental Housing Development Gap Financing projects.

SUMMARY:

Public Hearing and Consideration of a recommendation authorizing the reprogramming of Community Development Block Grant funding and Home Investment Partnerships Program funding for certain housing and community development related activities.

BACKGROUND INFORMATION:

Community Development Block Grant

The City of San Antonio receives an annual entitlement of Community Development Block Grant funds awarded through the U.S. Department of Housing and Urban Development (HUD). These funds are designed to meet the needs of persons of low and moderate income and to preserve and redevelop low-income communities.

On August 6, 2015, City Council adopted the FY 2016 Action Plan and Budget which allocated CDBG funds for the following activities:

Funding Category	CDBG Activity Description	Budget
Debt Service	Required annual Section 108 loan repayment	\$4,778,301
Neighborhood Revitalization	Strategic catalytic improvements, façade improvements, code enforcement, EastPoint, and brownfield remediation	\$3,457,578
Special Needs Population	Parks and Recreation community center extended hours and a summer youth program	\$272,422
Affordable Housing	Fair housing, improvements for low income residents requiring residential minor repairs including major systems, code violations, and accessibility improvements, and housing rehabilitation program delivery costs	\$946,784
Economic Development	Financial education program	\$200,000
Administration	Grant administration, program management and legal services	\$2,197,044

HOME Investment Partnerships Program

The City receives an annual award of HOME Investment Partnerships Program 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 August 6, 2015, City Council adopted the FY 2016 Action Plan and Budget which allocated HOME funds for the following activities:

Funding Category	HOME Activity Description	Budget
Affordable Housing	Single Family Rehabilitation and Reconstruction	\$1,446,425
Affordable Housing	Multifamily rental set-aside	\$1,100,000
Affordable Housing	CHDO single family housing new construction	\$1,000,000
Affordable Housing	CHDO operating expense set-aside	\$100,000
Affordable Housing	Homebuyer Incentive Program	\$300,000
Administration	Grant administration, program management and legal services	\$438,491

ISSUE:

CDBG Reprogramming

Staff has identified \$3,541,831.12 in CDBG funds as a result of program income generated from prior CDBG investments. To utilize these available funds, the City needs to allocate available resources to eligible activities consistent with the five year Consolidated Plan through a substantial amendment to the FY 2016 Annual Action Plan and Budget. The recommendations are as follows:

SMP/CDBG Swap

Staff proposes swapping \$1,334,921.24 in CDBG funding for City of San Antonio SMP funds, thereby allowing the City to fund a deficit resulting from disallowed costs in the local CDBG account. CDBG funds will be used for two CDBG-eligible projects previously proposed for SMP funding. The two projects are: 1) the reconstruction of Shirley Street from Hood to Carson (\$385,241.45), and 2) the reconstruction of Lamar Street from Austin to North New Braunfels (\$949,679.79). Both SMP/CDBG Swap projects are located in CD 2.

Infrastructure Improvements (CD 1 through CD 7)

Staff proposes providing \$1,406,000 in available CDBG funds for City's Transportation and Capital Improvement Department to undertake seven public infrastructure improvement projects in the six RENEWSA Target Areas and a legacy urban redevelopment area. These infrastructure improvements include construction of new sidewalks and full depth reconstructions of sidewalks, curbs and driveway approaches and a street extension involving associated property acquisition and engineering work. The project descriptions and budgets are found in the accompanying attachment, entitled "CDBG Reprogramming Infrastructure Projects."

Family Service - The Neighborhood Place (CD 5)

The Neighborhood Place is a community hub that brings together services and resources to empower families in the economically-challenged and often-forgotten Westside of San Antonio. The Neighborhood Place is housed in a re-purposed 64,000 square foot elementary school campus that Family Service has leased from Edgewood Independent School District since 2007. Staff proposes providing \$250,000 in available CDBG funds to Family Services for the purchase of The Neighborhood Place facility from Edgewood ISD and to renovate restrooms, replace flooring and repair the roof, and make the facility ADA compliant.

Comprehensive Plan (Citywide)

Staff recommends utilizing \$550,909.88 in CDBG funds for the SA Tomorrow comprehensive planning process currently being undertaken by the City. Funding will be utilized for community outreach, completing the Comprehensive Plan document and development of a detailed plan for a growth center identified in the Comprehensive Plan.

HOME Reprogramming

The Department of Planning and Community Development issued a Request for Applications for Multi-Family Rental Housing Development and CHDO Single-Family New Construction on June 19, 2015. Applications were due on July 17, 2015. Two separate panels comprised of City executives and senior managers evaluated the applications utilizing preset evaluation and scoring criteria. Each panel evaluated and ranked applications with funding requests totaling \$5.9 million for Rental Housing Development Gap Financing and funding requests \$2.2 million for CHDO Single Family New Construction. The highest scoring Rental Housing Development application was the 322-unit Acme Road Apartments (\$43.2 million), which had requested \$1.9 million in HOME funds and was awarded the \$1,100,000.00 available at that time. The highest scoring CHDO Single Family New Construction was the Lenwood Heights Subdivision project, which requested \$1.89 million in HOME assistance and was awarded the \$1,000,000 available at the time. Subsequently, City Council awarded an additional \$600,000 in FY 2015 reprogrammed HOME funds to Lenwood Heights.

The HOME reprogramming recommendation utilizes the rankings of the earlier FY 2016 application process results and recommends additional funding for two projects and first time funding for the second highest ranked Multi-family Housing Development project. The recommendations are:

Acme Road Apartments (CD 6)

The NRP Group is proposing a 322 unit rental housing development, located on S. Acme Road at Prosperity Drive in Council District 6. This development will consist of 318 housing units restricted to households at 60%

of area median income (AMI) and four housing units restricted to households at 50% of area median income. Staff is recommending that the Acme Road Apartments be provided with an additional \$150,000 in HOME gap financing, bringing the total HOME financing for the \$43.2 million project to \$1,250,000.

Artisan at Judson Park (CD 10)

Franklin Development Properties, Ltd. is proposing a 126 unit rental housing development, located east of the Intersection of O'Conner Road and North Loop 1604 East, in Council District 10. This development will consist of 62 housing units restricted to households at 60% of area median income (AMI) and 64 housing units restricted to households at 50% of area median income. Staff is recommending a first time award to Artisan at Judson Park for \$484,400 in HOME gap financing for this \$20.9 million project.

Lenwood Heights (CD 6)

Habitat for Humanity is proposing the development of 55 single-family units located at 259 S. Acme Road (south of Commerce) in Council District 6. This development will assist households at or below 80% of area median income (AMI). Staff is recommending an additional \$359,100 for the Lenwood Heights project, bringing the total HOME financing to \$1,959,100 for this \$5.8 million project.

ALTERNATIVES:

City Council may elect not to approve one or more of the staff recommendations.

FISCAL IMPACT:

This recommendation substantially amends the FY 2016 Annual Action Plan and Budget by authorizing the reprogramming of FY 2004-2010 Community Development Block Grant (CDBG) funds in the amount of \$3,541,831.12 and authorizing the reprogramming of \$993,500.00 in HOME Investment Partnerships Program.

RECOMMENDATION:

The Housing Committee recommends forwarding to the full City Council approval of the reprogramming of Community Development Block Grant (CDBG) funds in the amount of \$3,541,831.12 available from FY 2004-2010 to nine infrastructure projects, a community facility project, and comprehensive planning; and authorizing the reprogramming of \$993,500 in HOME Investment Partnerships Program (HOME) funds from two cancelled projects to one CHDO Single-Family New Construction project and two Rental Housing Development Gap Financing projects; substantially amending the FY 2016 Annual Action Plan and Budget.