



# City of San Antonio

## Agenda Memorandum

**File Number:** 16-2357

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**Agenda Item Number:** 21.

**Agenda Date:** 4/14/2016

**In Control:** City Council A Session

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**DEPARTMENT:** Department of Planning and Community Development

**DEPARTMENT HEAD:** John M. Dugan

**COUNCIL DISTRICTS IMPACTED:** City Wide

### **SUBJECT:**

A Public Hearing and Consideration of a recommendation authorizing a substantial amendment to the FY 2016 Annual Action Plan and Budget by authorizing the reprogramming of Community Development Block Grant funding for the Indian Creek CentroMed Clinic and the exchange of Certificates of Obligation to the S. Medina Street Extension

### **SUMMARY:**

This item presents to the City Council a substantial amendment to the FY 2016 Annual Action Plan and Budget by authorizing the reprogramming of Community Development Block Grant (CDBG) funds in the amount of \$472,000 for the development of the Indian Creek CentroMed Clinic and authorizes the exchange of Certificates of Obligation in the amount of \$450,000 to the S. Medina Street Extension. This will also serve as a public hearing as required by the U.S. Department of Housing and Urban Development, when conducting a substantial amendment to the FY 2016 Action Plan and Budget.

### **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:

<b>Funding Category</b>	<b>CDBG Activity Description</b>	<b>Budget</b>
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

**ISSUE:**

The City of San Antonio awarded \$450,000 in Certificates of Obligation to the Indian Creek CentroMed Clinic. The City could not utilize the Certificates of Obligation for this project because the property involved does not belong to the City. Staff is recommending utilizing the \$450,000 in Certificates of Obligation for an eligible public infrastructure activity called S. Medina Street Extension. In exchange, staff has identified \$160,000 in CDBG funds as a result of program income generated from prior CDBG investments and the previously awarded CDBG funding of \$312,000 for the S. Medina Street Extension, for a total of \$472,000 in CDBG funding for the Indian Creek CentroMed Clinic. The increased funding request is attributed the cost of the completion of an Environmental Review, which is a federal requirement of CDBG funding. 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.

CentroMed is a non-profit organization with over 40 years of providing medical, dental, behavioral health, social and nutritional services to economically disadvantaged, homeless and medically underserved persons through programs operating at 21 sites throughout Bexar and Comal Counties. CentroMed will be utilizing CDBG funds to develop a 15,000 square foot single-story, multi-disciplinary clinic, located with services such as family medicine, pediatrics, women’s health and pharmacy was determined to be the best approach to addressing the medical needs of area patients. In addition, the facility will include an 18,000 square foot fitness center. The total development costs for this development is \$8.1M. The clinic is anticipated to serve over 16,500 patients annually. The construction is anticipated to begin in March of 2017 and be completed in March 2018.

This item was presented to the Housing Committee on March 23, 2016. The Housing Committee recommended forwarding this item to the full City Council.

**ALTERNATIVES:**

City Council may elect not to approve the staff recommendation.

**FISCAL IMPACT:**

This recommendation substantially amends the FY 2016 Annual Action Plan and Budget by authorizing the reprogramming of Community Development Block Grant (CDBG) funds in the amount of \$472,000. In addition, the Certificates of Obligation previously awarded to the development of the Indian Creek CentroMed Clinic will now be awarded to the S. Medina Street Expansion.

**RECOMMENDATION:**

Staff recommends approval of the reprogramming of Community Development Block Grant (CDBG) funds in the amount of \$472,000 available from program income (\$160,000) and the S. Medina Street Expansion (\$312,000); substantially amending the FY 2016 Annual Action Plan and Budget. In addition, staff recommends that the \$450,000 in Certificates of Obligation previously awarded to the development of the Indian Creek CentroMed Clinic be awarded to the S. Medina Street Expansion.