



City of San Antonio

Legislation Details (With Text)

File #: 15-4721

Type: Miscellaneous Item

In control: City Council A Session

On agenda: 9/17/2015

Title: An Ordinance authorizing the reprogramming of Home Investment Partnerships funds in the amount of \$600,000.00 available from FY 2014 Multi-family Set Aside to support the CHDO New Construction Set Aside, substantially amending the FY 2015 Annual Action Plan/Budget; authorizing the closeout and cancellation of affected projects and the creation of new project budgets; authorizing the execution and submission of contracts and other documents as necessary; and providing for payment. [Peter Zaroni, Deputy City Manager; John Dugan, Planning and Community Development]

Sponsors:

Indexes: HOME Program

Code sections:

Attachments: 1. Fiscal Attachment 9-17-15, 2. Draft Ordinance, 3. Ordinance 2015-09-17-0815

Date	Ver.	Action By	Action	Result
9/17/2015	1	City Council A Session	adopted	Pass

DEPARTMENT: Department of Planning and Community Development

DEPARTMENT HEAD: John M. Dugan

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Reprogramming of Home Investment Partnerships (HOME) funds in the amount of \$600,000 to Community Housing Development Organization (CHDO) single family new construction set-aside fund.

SUMMARY:

An Ordinance authorizing the reprogramming of Home Investment Partnerships (HOME) funds in the amount of \$600,000 available from FY 2014 Multi-family Set Aside to support the CHDO New Construction Set Aside, 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 in accordance with the FY 2010-2015 Consolidated Plan.

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	\$3,600,000*
Single-family New Construction	Funding meets the HUD minimum 15% set aside requirement for Community Housing Development Organizations (CHDO's) to develop new affordable housing units, as well as, provide operational support.	\$900,000*
Homebuyer Assistance	Providing down payment and closing cost assistance to eligible homebuyers	\$426,925
Administration	General grant administration and oversight including legal services, loan servicing, compliance, and grant management.	\$480,398
	Total	\$5,407,323

*Includes May 21, 2015 Council approved amendment

Quarterly, 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:

The City is required by HUD to meet statutory commitment deadlines to obligate HOME funds by October 31, 2015 to specific projects or uncommitted funding shall be recaptured by HUD. The amount of funding at risk for recapture is approximately \$600,000. This is due to the cancellation of the Merchants Ice Lofts multi-family project. Staff is recommending reprogramming \$600,000 from the Merchants Ice Lofts project to the CHDO Set Aside fund, thus allowing an award of CHDO funds to be appropriated to an eligible single family development project that will be able to commit funds by the HUD deadline.

ALTERNATIVES:

City Council may elect not to approve the reprogramming action.

FISCAL IMPACT:

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 \$600,000 available from FY 2014 Multi-family Set Aside to support the CHDO New Construction Set Aside, substantially amending the FY 2015 Annual Action Plan/Budget.