



# City of San Antonio

## Legislation Details (With Text)

**File #:** 17-5007

**Type:** Public Hearing

**In control:** City Council B Session

**On agenda:** 9/20/2017

**Title:** Public Hearing for a budget reprogramming for the FY 2018 HOME Action Plan and Budget in the amount of \$1,437,000.00. [Peter Zaroni, Deputy City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services Department]

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Substantial Amendment (Reprogramming 1) Updated 09-13-2017

Date	Ver.	Action By	Action	Result
9/20/2017	1	City Council B Session		

**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Verónica R. Soto

**COUNCIL DISTRICTS IMPACTED:** Council Districts 2, 4, and 6

**SUBJECT:**

Public Hearing for Substantial Amendment #1 (Reprogramming) to the FY 2018 Action Plan and Budget in the amount of \$1,437,000.00 in HOME Investment Partnerships Program Funding

**SUMMARY:**

Public Hearing for Substantial Amendment #1 (Reprogramming) to the FY 2018 Action Plan and Budget in the amount of \$1,437,000.00 in HOME Investment Partnerships Program Funding. Staff is recommending the allocation of up to \$350,000.00 in HOME funds for the development of Lord Road Apartments; the allocation of up to \$439,000.00 in HOME Community Housing Development Organization (CHDO) funding for the development of Lenwood Heights Subdivision-Phase III; the allocation of up to \$600,000.00 in HOME CHDO funding for the development of Tarasco Subdivision; the allocation of up to \$48,000.00 in HOME CHDO Operating Expense funding for Alamo Community Group.

**BACKGROUND INFORMATION:**

On August 3, 2017, City Council approved the FY 2018 HOME Investment Partnerships Program Budget, which included \$1,250,000.00 set aside for Multi-Family Rental Housing Development and \$1,220,000.00 set aside for CHDO Single-Family New Construction Development. In addition, staff has identified \$1,437,000.00 in HOME funds for reprogramming as a result of cancelled activities.

## ISSUE:

The Neighborhood and Housing Services Department (NHSD) issued a Request for Applications (RFA) for Multi-Family Rental Housing Development, CHDO Single-Family New Construction Development, and CHDO Operating Expense Funding. Three separate panels comprised of City executives and/or senior managers evaluated the applications utilizing evaluation criteria related to the HOME Program Requirements and Affordable Housing Policy. These panels evaluated the applications based on experience of the developer, efficient use of HOME funds, project feasibility, loan terms, site characteristics, transit amenities, project readiness, resident services and each applicant's Section 3 Utilization Plan.

The schedule below provides a breakdown of the activities proposed as part of this reprogramming:

Activity Name	Activity Type	Funding Recommendation	HOME Entitlement	HOME Reprogramming
Lord Road Apartments	Multi-Family Rental Housing Development	\$1,600,000	\$1,250,000	\$350,000
Lenwood Heights Subdivision, Phase III	CHDO Single-Family New Construction	\$1,659,000	\$1,220,000	\$439,000
Tarasco Neighborhood	CHDO Single-Family New Construction	\$600,000	\$0	\$600,000
Alamo Community Group	CHDO Operating Expense Funding	\$48,000	\$0	\$48,000
	<b>Total</b>	<b>\$3,907,000</b>	<b>\$2,470,000</b>	<b>\$1,437,000</b>

More detailed information on each of the proposed activities is found below:

### Multi-Family Rental Housing Development

NHSD issued the RFA for Multi-Family Rental Housing Development on June 14, 2017, with applications due on July 12, 2017. A five-member panel evaluated four applications with funding requests totaling \$6.2 million. The highest scoring application was Lord Road Apartments with a total score of 116 points out of a possible 163 points. The NRP Group is proposing a 324 unit, \$47 million multi-family rental housing development, located at Lord Road and W.W. White Road in Council District 2. Lord Road Apartments was awarded \$1,250,000.00 in FY 2017 HOME funds via Ordinance No. 2016-09-29-0753. This development is 100% affordable and will consist of eighteen HOME-assisted housing units restricted to households at 80% of area median income (AMI) and five HOME-assisted housing units restricted to households at 50% of AMI. Staff recommends the allocation of up to \$1,600,000.00 in HOME funding (\$1,250,000 in entitlement and \$350,000.00 in reprogrammed funding) for the development of Lord Road Apartments.

### CHDO Single-Family New Construction

NHSD issued the RFA for CHDO Single-Family New Construction on May 24, 2017, with applications

due on June 14, 2017. A four-member panel evaluated two applications with funding requests totaling \$2.859 million. The highest scoring application was for Lenwood Heights Subdivision-Phase III with a total score of 168 points out of a possible 190 points. Habitat for Humanity is proposing the development of 42 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 AMI. Staff recommends the allocation of up to \$1,659,000 in HOME CHDO funding (\$1,220,000 in entitlement and \$439,000.00 in reprogrammed funding) for the development of Lenwood Heights Subdivision-Phase III. This project is designated a CHDO activity.

The second highest scoring application was for Tarasco Subdivision with a total score of 132 points out of a possible 190 points. Alamo Community Group is proposing the development of thirty single-family units located at 505 Tarasco in Council District 4. This development will assist households at or below 80% of AMI. Staff recommends an allocation of up to \$600,000.00 in HOME reprogrammed funds for the development of Tarasco Subdivision. This project is designated a CHDO activity.

#### CHDO Operating Expense Funding

NHSD issued the RFA for CHDO Operating Expense Funding on July 12, 2017, with applications due on August 23, 2017. A five-member panel evaluated three applications with funding requests totaling \$148,000.00. Alamo Community Group had a total score of 128 points out of a possible 205 points. Staff recommends an allocation of up to \$48,000.00 in reprogrammed funding for Alamo Community Group.

### **ALTERNATIVES:**

An alternative to appropriating HOME funding for Multi-Family Rental Housing development, CHDO Single-Family New Construction development, and CHDO Operating Expense funds to the recommended projects would be to reject the recommendations and issue a new Request for Applications for these activities; however, the recommended projects meet 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:**

On August 3, 2017, City Council approved the FY 2018 HOME Investment Partnerships Program Budget, which included \$1,250,000.00 set aside for Multi-Family Rental Housing Development and \$1,220,000.00 set aside for CHDO Single-Family New Construction Development and. In addition, staff has identified \$1,437,000.00 in HOME funds for reprogramming as a result of cancelled activities. There is no impact the City's General Fund.

### **RECOMMENDATION:**

Staff recommends forwarding to the full City Council consideration of Substantial Amendment #1 (Reprogramming) to the FY 2018 Action Plan and Budget in the amount of \$1,437,000.00 in HOME Investment Partnerships Program Funding. Staff is recommending the allocation of up to \$350,000.00 in HOME funds for the development of Lord Road Apartments; the allocation of up to \$439,000.00 in HOME Community Housing Development Organization (CHDO) funding for the development of Lenwood Heights Subdivision-Phase III; the allocation of up to \$600,000.00 in HOME CHDO funding for the development of

Tarasco Subdivision; the allocation of up to \$48,000.00 in HOME CHDO Operating Expense funding for Alamo Community Group.