



City of San Antonio

Legislation Details (With Text)

File #:	19-7269		
Type:	Staff Briefing - Without Ordinance	In control:	Planning and Community Development Committee
On agenda:	10/14/2019		
Title:	Consideration of the proposed Program Policies for HUD-Funded Affordable Housing Activities as required by the US Department of Housing and Urban Development. [Lori Houston, Assistant City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. Program Policies for HUD-Funded Affordable Housing Activities (2019 Update), 2. Program Policies Q and A		

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: City-Wide

SUBJECT:
Program Policies for HUD-Funded Affordable Housing Activities

SUMMARY:
Consideration of the proposed Program Policies for HUD-Funded Affordable Housing Activities as required by the US Department of Housing and Urban Development.

BACKGROUND INFORMATION:
The City of San Antonio (the City) receives federal entitlement funding from the U.S. Department of Housing and Urban Development (HUD) to include the Community Development Block Grant, HOME Investment Partnerships Program and Neighborhood Stabilization Program (one time award). As such, the City is required to develop policies that will dictate programmatic requirements for activities funded with the following:

Community Development Block Grant (CDBG)

The Community Development Block Grant has been in existence since 1974. The primary objective of the CDBG program is to improve communities by providing decent housing, providing a suitable living

environment, and expanding economic opportunities. The primary beneficiary of CDBG funds must benefit low to moderate-income persons, aid in the prevention or elimination of slums or blight, or meet an urgent need.

HOME Investment Partnerships Program (HOME)

The HOME Investment Partnership Program has been in existence since 1990. The goals of the HOME program are to provide decent affordable housing to lower-income households, expand the capacity of nonprofit housing providers, strengthen the ability of state and local governments to provide housing, and leverage private sector participation. HOME funds may be utilized for rental activities, homebuyer activities, and homeowner rehabilitation activities. All HOME funds must benefit persons of low and moderate income.

Neighborhood Stabilization Program (NSP)

The Neighborhood Stabilization Program was authorized under Division B, Title III of the Housing and Economic Recovery Act of 2008 (HERA) to help communities recover from the effects of foreclosures, abandoned properties, and declining property values.

ISSUE:

The existing Program Policies for HUD-Funded Affordable Housing Activities (Program Policies) were approved by the City Council on January 18, 2018. Utilizing HUD guidance, national best practices and stakeholder input, the City initiated a review and update of the Program Policies in order to:

- Ensure that the City's policies are comprehensive and in compliance with HUD regulations;
- Provide streamlined, consistent guidelines for federally-funded affordable housing activities;
- Align with the needs of our community.

The proposed Program Policies are attached to this agenda memo and include the following significant changes:

Section: Owner-Occupied Rehabilitation/Reconstruction Program & Minor Repair Program	Page: 2
1. Addition of the CDBG-Funded Owner-Occupied Rehabilitation/Reconstruction Program (OORRP) for rehabilitation and \$130,000 for reconstruction. 3. The covenant period term is on a sliding scale. 4. The Minor Repair Program for assistance amounts of \$15,000 and above. 5. Given the significant costs of homeownership, including property taxes, insurance, and maintenance, it is important for homeowners to carry homeowner's insurance and be current on real estate taxes to protect the home and ensure the safety of the community. It is important to note that the Minor Repair Program, Under One Roof Program and the Let's Pay for It Program will be eligible for the Commuter Benefit Program. 6. Homebuyers that participate in the Homebuyer Incentive Program will be eligible for the Commuter Benefit Program. 7. The loan fee caps were updated. 8. The Program Policies will be updated to reflect the changes in the OORRP.	

Section: Homebuyer Activities	Page: 5
1. The amount of assistance for acquisition only increased from \$12,000 to \$15,000. 2. The terms of the loan were updated. 3. The maximum sales price increased to align with HUD HOME Homeownership Value. 4. The homebuyer agreement between the City and the homebuyer for Homeownership Housing Development was updated. 5. The front end ratio and 45% total debt ratio. 6. The loan fee caps were updated. 7. The Program Policies will be updated to reflect the changes in the Homebuyer Activities.	

Section: Rental Housing Development Activities	Page: 12
1. The definition of surplus cash was updated to align with HUD FHA definition. 2. The CDBG p below 60% of Area Median Income.	

Section: Loan Servicing Policy	Page: 32
This section is new in its entirety.	

Section: Appendix A: Other Federal Requirements	Page: 35
This section was reformatted for ease of use.	

Section: Appendix F: Lead Based Pain Requirements	Page: 52
This section was taken directly from federal guidelines.	

Section: Appendix G: Environmental Requirements	Page: 55
This section includes a provision that all Environmental Reviews must be prepared by a City-retai must have completed HUD HEROS training.	

Section: Appendix I: Underwriting and Subsidy Layering Policy for Affordable Housing Development Activities	Page: 60
This section includes a provision that for homeownership housing development, a developer fee r property will be negotiated during the underwriting process.	

The City initiated a public input campaign on August 26, 2019 thru September 10, 2019. In addition, the City met with held stakeholder input sessions on September 3 and 4, 2019. The questions/comments received during the Stakeholder public input campaign are attached to this agenda memo. Staff considered the input, provided responses and made edits to the Program Policies where necessary.

The proposed Program Policies were presented to the Housing Commission on September 25, 2019 and will be considered by the City Council on October 31, 2019.

ALTERNATIVES:

The City could retain its existing Program Policies for HUD-Funded Affordable Housing Activities but they are currently outdated.

FISCAL IMPACT:

This item will have no impact to the City's General Fund.

RECOMMENDATION:

Staff recommends forwarding to the full City Council for Consideration approval of the proposed Program Policies for HUD-Funded Affordable Housing Activities.

