



# City of San Antonio

## Agenda Memorandum

**File Number:**16-1661

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**Agenda Item Number:** 21.

**Agenda Date:** 2/11/2016

**In Control:** City Council A Session

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**DEPARTMENT:** Planning and Community Development

**DEPARTMENT HEAD:** John Dugan

**COUNCIL DISTRICTS IMPACTED:** District 5

### **SUBJECT:**

Authorizing co-application submission of grant application to HUD and pledging match for Westside Choice

### **SUMMARY:**

This Ordinance ratifies the submission of a grant application to the U.S. Department of Housing and Urban Development (HUD) for the Choice Neighborhoods Planning Grants Program as a co-applicant with the San Antonio Housing Authority (SAHA) as the lead applicant for the Westside Choice Neighborhood and pledging \$200,000 in funds to be identified in the FY 2017 budget toward the required \$500,000 grant match to be utilized for the implementation of action activities that will be defined through a community planning process and approved by HUD. This item also authorizes an Interlocal Agreement between the City of San Antonio and San Antonio Housing Authority that outlines the responsibilities of each entity.

### **BACKGROUND INFORMATION:**

Choice Neighborhoods is HUD's signature place-based initiative designed to address struggling neighborhoods with distressed public housing and/or HUD-assisted housing through a comprehensive approach to neighborhood transformation. The Choice program helps communities transform neighborhoods by revitalizing severely distressed public and/or assisted housing and investing and leveraging investments in well-functioning services, high quality public schools and education programs, high quality early learning programs and services, crime prevention strategies, public assets, public transportation, and improved access to jobs. Choice Neighborhoods ensures that current public and assisted housing residents will be able to benefit from this transformation, by preserving affordable housing or providing residents with the choice to move to affordable and accessible housing in another existing neighborhood of opportunity. Choice Neighborhoods is focused on

three core goals:

1. **Housing:** Replace distressed public and assisted housing with high-quality mixed-income housing that is well-managed and responsive to the needs of the surrounding neighborhood;
2. **People:** Improve educational outcomes and intergenerational mobility for youth and supports delivered directly to youth and their families; and
3. **Neighborhood:** Create the conditions necessary for public and private reinvestment in distressed neighborhoods to offer the kinds of amenities and assets, including safety, good schools, and commercial activity, that are important to families' choices about their community.

To achieve these core goals, successful applicants must develop and implement a comprehensive neighborhood revitalization strategy, or "Transformation Plan." This Transformation Plan will become the guiding document for the revitalization of the public and/or assisted housing units, while simultaneously directing the transformation of the surrounding neighborhood and positive outcomes for families.

In March 2011, HUD awarded a Choice Neighborhood Planning Grant to SAHA for the purpose of creating a Transformation Plan for the City of San Antonio's historic Eastside. The community-based Transformation Plan was completed, and in April 2012 SAHA applied for and was awarded a five-year \$30 million Choice Neighborhood Implementation Grant to implement the Plan. The City of San Antonio has committed \$19.5 million toward this initiative. Implementation of the Eastside Choice Neighborhood Implementation Grant is currently underway.

## **ISSUE:**

HUD issued a Notice of Funding Availability (NOFA) for the Choice Neighborhood Planning Grants Program on November 23, 2015. The NOFA announced the availability of approximately \$10 million in funds for Choice Neighborhoods grants. According to the NOFA, HUD anticipates awarding approximately four Planning and Action Grants not to exceed \$2 million each and approximately four Planning Grants not to exceed \$500,000 each.

On Tuesday, February 9, 2016, SAHA will submit an application for a Planning and Action Grant for the near Westside area in City Council District 5 centered on Alazan-Apache Courts and requested that the City of San Antonio to be named as the co-applicant. The Westside Choice Neighborhood, as defined in the grant application, includes as its core an area coterminous with the boundaries of the FY 2016/FY 2017 REnewSA Avenida Guadalupe Target Area. The City of San Antonio has allocated \$514,857 in FY 2016 CDBG and HOME funding to support housing programs and infrastructure improvements in the Avenida Guadalupe Target Area. The Planning Department will recommend that additional funds be allocated to the Avenida Guadalupe Target Area as part of the FY 2017 CDBG and HOME budget that could potentially serve at the City's \$200,000 commitment towards the community match requirement.

This Ordinance will ratify the submission of a grant application to the U.S. Department of Housing and Urban Development (HUD) for the Choice Neighborhoods Planning Grants Program as a co-applicant with the San Antonio Housing Authority (SAHA) as the lead applicant for the Westside Choice Neighborhood and pledging \$200,000 in funds to be identified in the FY 2017 budget toward the required \$500,000 community grant match to be utilized for the implementation of Action Activities that will be defined through a community planning process and approved by HUD.

As the Lead Applicant, SAHA is the primary entity responsible for implementing the activities identified in the application. SAHA will sign the HUD Planning Grant Agreement or Planning and Action Grant Agreement and is the sole entity that will have access to HUD's Line of Credit Control System (LOCCS) in order to drawdown Choice Neighborhoods funding.

As the Co-Applicant, the City of San Antonio also will sign the HUD Planning Grant Agreement or Planning and Action Grant Agreement and be responsible for implementing the activities identified in the Transformation Plan but will not directly receive access to funding through HUD's LOCCS. However, through an Interlocal Agreement, SAHA has agreed to reimburse the City of San Antonio from Grant funds to provide staff and planning resources to assist in a wide-ranging collaborative planning process among public housing residents, neighborhood residents, business leaders, and the City and County political leadership that would result in an Alazan Neighborhood Transformation Plan within two to three years from the date of an award of a Choice Neighborhood Planning Grant.

HUD may award up to \$2 million for the Planning and Action Grant. Up to \$500,000 may be utilized for planning activities. Grant funds awarded in excess of \$500,000 must be utilized toward the implementation of Action Activities that will be defined through the planning process. Applicants are required to pledge matching funds from the community in the minimum amount of five percent of the grant amount in cash or in-kind donations by the end of the grant term. Matching funds must be used toward the implementation of Action Activities that will be defined through a community planning process and approved by HUD. SAHA has requested that the City pledge \$200,000 toward the overall \$500,000 match for the Westside Choice Planning and Action Grant.

It is anticipated that HUD will announce grant recipients in late summer of 2016.

#### **ALTERNATIVES:**

City Council could elect not to ratify the submission of a grant application to the U.S. Department of Housing and Urban Development for the Choice Neighborhoods Planning Grants Program as a co-applicant with the San Antonio Housing Authority as the lead applicant for the Westside Choice Neighborhood and not to pledge \$200,000 in funds to be identified in the FY 2017 budget toward the required grant match.

#### **FISCAL IMPACT:**

This Ordinance authorizes a pledge, upon award of the grant, in the amount of \$200,000 to be identified in the FY 2017 budget development process toward the required \$500,000 community grant match.

Through an Interlocal Agreement, SAHA has agreed to reimburse the City from Grant funds to provide staff and planning resources to assist in a wide-ranging collaborative planning process among public housing residents, neighborhood residents, business leaders, and the City and County political leadership that would result in an Alazan Neighborhood Transformation Plan.

#### **RECOMMENDATION:**

Staff recommends approval of an Ordinance ratifying the submission of a grant application to the U.S. Department of Housing and Urban Development for the Choice Neighborhoods Planning Grants Program as a co-applicant with the San Antonio Housing Authority as the lead applicant for the Westside Choice Neighborhood; pledging \$200,000 in funds to be identified in the FY 2017 budget process toward the required community grant match; and, authorizing an Interlocal Agreement between the City of San Antonio and San Antonio Housing Authority that outlines the responsibilities of each entity.