



City of San Antonio

Agenda Memorandum

File Number:16-4830

Agenda Item Number: 37.

Agenda Date: 9/29/2016

In Control: City Council A Session

DEPARTMENT: Department of Planning & Community Development

DEPARTMENT HEAD: Bridgett White, Director

COUNCIL DISTRICTS IMPACTED: Council Districts 2, 5, and 6

SUBJECT:

A Public Hearing on the Substantial Amendment to the FY 2016 Annual Action Plan (Reprogramming) and an Ordinance approving HOME Investment Partnerships Program Funding Recommendations for FY 2017.

SUMMARY:

A Public Hearing is required by the U.S. Department of Housing and Urban Development (HUD) for a Substantial Amendment to the FY 2016 Annual Action Plan to reprogram an amount not to exceed \$484,400 in HOME Investment Partnerships Program (HOME) funding from Franklin Development for Artisan at Judson Park, a Multi-Family Rental Housing Development project, to Lenwood Heights Subdivision-Phase II, a Community Housing Development Organization (CHDO) Single-Family New Construction project.

An Ordinance approving the allocation of up to \$1,250,000 in FY 2017 HOME Investment Partnerships Program (HOME) funds for the development of Lord Road Apartments, up to \$174,400 in FY 2017 HOME CHDO funds for the Our Casas Resident Council Scattered Sites project; and up to \$1,045,600 in FY 2017 HOME CHDO funds for the development of Lenwood Heights Subdivision-Phase II project; and the reprogramming of up to \$484,400 in FY 2016 HOME funds for the development of Lenwood Heights Subdivision-Phase II project.

BACKGROUND INFORMATION:

HUD requires a 30-day public comment period, which was initiated on Monday, August 29, 2016, and a city-wide Public Hearing in order to complete a Substantial Amendment to the City's FY 2016 Annual Action Plan. On January 16, 2016, City Council approved \$484,400 in HOME gap financing to Franklin Development for

Artisan at Judson Park, a 126-unit multi-family rental housing tax credit development restricted to households with incomes at or below 60% of area median income. During pre-contract discussions, Franklin Development indicated that they would be unable to accept and utilize the City's HOME funding due to time constraints related to HUD's environmental review requirements. City staff proposes a reprogramming action in an amount not to exceed \$484,400 in HOME funds from a Multi-Family Rental Housing Development project to a Community Housing Development Organization (CHDO) Single-Family New Construction project.

On August 4, 2016, City Council approved the FY 2017 HOME Investment Partnerships Funding Budget, which included \$1,250,000 set aside for Multi-Family Rental Housing Development and \$1,220,000 set aside for CHDO Single-Family New Construction development. In addition, \$484,400 in FY 2016 HOME funding is being reprogrammed for CHDO Single-Family New Construction development.

ISSUE:

The Department of Planning & Community Development issued a Request for Applications for Multi-Family Rental Housing Development and CHDO Single-Family New Construction on June 16, 2016. Applications were due on July 15, 2016. Two separate panels comprised of City executives and senior managers evaluated the applications utilizing evaluation and scoring criteria. This panel 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.

Multi-Family Rental Housing Development

A five-member panel evaluated four applications with funding requests totaling \$3.5 million. The highest scoring application was Lord Road Apartments with a total score of 128 points out of a possible 163 points. The NRP Group is proposing a 324 unit, \$49 million multi-family rental housing development, located at Lord Road and W.W. White Road in Council District 2. This 100% affordable development will consist of eight HOME-assisted housing units restricted to households at 80% of area median income (AMI) and three HOME-assisted housing units restricted to households at 50% of AMI.

CHDO Single-Family New Construction

A six-member panel evaluated two applications with funding requests totaling \$1.9 million. The highest scoring application was for Lenwood Heights Subdivision-Phase II with a total score of 170 points out of a possible 181.5 points. Habitat for Humanity is proposing the development of 15 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.

The second highest scoring application was for Our Casas Residential Council Scattered Site Project with a total score of 141 points out of a possible 181.5. Our Casas is proposing the development of five single-family units located in Council District 5. This development will assist households at or below 80% of AMI.

This item was recommended for briefing and possible action by the Housing Committee on Thursday, August 25, 2016.

ALTERNATIVES:

An alternative to appropriating HOME funding set aside for Multi-Family Rental Housing development and CHDO Single-Family New Construction development 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 4, 2016, City Council approved the FY 2017 HOME Investment Partnerships Funding Budget, which included \$1,250,000 set aside for Multi-Family Rental Housing Development and \$1,220,000 set aside for CHDO Single-Family New Construction development. In addition, \$484,400 in FY 2016 HOME funding is being reprogrammed for CHDO Single-Family New Construction development. There is no impact the City's General Fund.

RECOMMENDATION:

Staff recommends approval of a \$1,250,000 allocation in FY 2017 HOME funds to Lord Road Apartments, located Lord Road and W.W. White Road in Council District 2; a \$1,045,600 allocation in FY 2017 HOME CHDO funding along with \$484,400 in FY 2016 HOME funds being reprogrammed as HOME CHDO funds for the Lenwood Heights-Phase II Project located at 259 S. Acme Road (south of Commerce) in Council District 6; and a \$174,400 allocation in FY 2017 HOME CHDO funding to Our Casas Scattered Site Project located in Council District 5.