



City of San Antonio

Agenda Memorandum

File Number:17-5032

Agenda Item Number: 16.

Agenda Date: 4/12/2018

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Verónica R. Soto, Director

COUNCIL DISTRICTS IMPACTED: Council Districts 1-10

SUBJECT:

Substantial Amendment #2 (Reprogramming) to the FY 2018 Action Plan and Budget

SUMMARY:

Consideration of a recommendation authorizing Substantial Amendment #2 to the FY 2018 Action Plan and Budget to reprogram \$908,000 in Community Development Block Grant (CDBG) Funding; \$1,820,000 in HOME Investment Partnerships Program (HOME) Funding; and \$465,000 in Neighborhood Stabilization Program (NSP) Funding to eligible activities consistent with the Five Year Consolidated Plan.

BACKGROUND INFORMATION:

The City of San Antonio (the City) receives an annual entitlement of Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funding through the U.S. Department of Housing and Urban Development (HUD). CDBG funds are designed to meet the needs of persons of low and moderate income and to preserve and redevelop low-income communities. HOME funds are designed to meet affordable housing needs of low and moderate income households and homebuyers. In addition, the City received a one-time award of \$8.6 million in Neighborhood Stabilization Program (NSP) funding from HUD in March 2009 for the redevelopment of abandoned and foreclosed homes and residential properties in six NSP Target Areas. Although the City met the NSP expenditure deadline in December 2013, the City generated program income that can be programmed to eligible activities.

On August 3, 2017, through Ordinance 2017-08-03-0521, City Council approved the FY 2018 Action Plan and Budget which allocated \$12.2 million in CDBG Funding and \$4.9 million in HOME Funding.

ISSUE:

As a recipient of entitlement funding, in order to award funding to new activities, the City must undergo a substantial amendment process that includes a public notice, a 30-day public comment period and a public hearing prior to any City Council action. On October 5, 2017 and November 9, 2017, the City Council approved Substantial Amendment #1 to the FY 2018 Action Plan and Budget which reprogrammed \$1,437,000 in HOME funding.

On March 12, 2018 staff issued a public notice initiating the public comment process for Substantial Amendment #2 to the FY 2018 Action Plan and Budget, which proposes reprogramming \$908,000 in Community Development Block Grant (CDBG) Funding; \$1,820,000 in HOME Investment Partnerships Program (HOME) Funding; and \$465,000 in Neighborhood Stabilization Program (NSP) Funding to eligible activities consistent with the Five Year Consolidated Plan.

Community Development Block Grant

Staff has identified \$908,000 in CDBG funds as a result of program savings and cancelled activities and recommends funding the following activities:

Short-Term Emergency Rental Assistance Program (City-Wide)

The City's Department of Human Services proposes utilizing \$542,000 in CDBG funding to administer and provide emergency rental assistance for low income persons for two months. Up to \$70,000 will be used for staff salaries and other administrative expenses.

Lead-Based Paint Program (City-Wide)

The City's Neighborhood and Housing Services Department proposes utilizing \$150,000 in CDBG funding as match for a new round of Lead Hazard Reduction Demonstration Grant (Green and Healthy Homes Grant) funding to assist low to moderate income households, with children under the age of six, in pre-1978 housing, by addressing lead-based paint hazards across San Antonio. Funding will be utilized for comprehensive lead inspections/risk assessments, addressing lead hazards through a combination of interim controls and abatement, temporarily relocating families into a lead safe place, and conducting clearances for re-occupancy.

Respite Care Lead Based Paint Remediation Project (Council District 1)

The City is proposing utilizing \$60,000 in CDBG funding for Respite Care of San Antonio to address lead hazards through interim controls and abatement, create an Occupant Protection Plan and perform clearances at Davidson Respite House. Respite Care of San Antonio is a safe haven for children with special needs and/or complex medical conditions. Children placed by the Texas Department of Family and Protective Services reside at the Davidson Respite House while awaiting a placement with a family member or a foster family.

Code Enforcement Activities (Council District 3)

The City's Development Services Department proposes utilizing \$55,000 in CDBG funding to support code enforcement sweeps in CDBG-eligible areas along Commercial Avenue and Pleasanton Avenue, in Council District 3. This budget does not provide for the cost of correcting code violations. CDBG funds will be used for staff salaries and other administrative expenses. This is supplemental funding to the \$187,749 awarded through the FY 2018 Action Plan and Budget process and is a result of program savings from FY 2017.

Summer Youth Program (Council Districts 1-7)

The City's Parks and Recreation Department proposes utilizing \$50,000 in CDBG funding for the Summer Youth Program, which is an eight-week, structured, supervised program offered at 20 Community Centers which features recreation-themed activities, active games, sports and more. A weekly enrichment program will also instruct participants with advanced art projects and science experiments along with a fitness and wellness component. Participants are grouped according to age and staff conducts age-appropriate recreation activities. CDBG funds will be used for staff salaries and other administrative expenses. This is supplemental funding to the \$208,282 awarded through the FY 2018 Action Plan and Budget process.

Late Night Hoops Program (Council Districts 2, 3, 5, and 6)

The City's Parks and Recreation Department proposes utilizing \$41,000 in CDBG funding for the Late Night Hoops Program which provides structured basketball leagues for teens and young adults during late evening hours on Fridays and Saturdays. This program will offer an outlet for physical activity in a safe environment during hours in which crime rates are higher. CDBG funds will be used for staff salaries and other administrative expenses.

Community Centers Extended Hours (Council Districts 1-7)

The City's Parks and Recreation Department proposes utilizing \$10,000 in CDBG funding to support staff salaries at 20 community centers during extended hours of operation from 5:00 p.m. to 9:00 p.m. Monday through Thursday and Saturday 10:00 a.m. - 4:00 p.m. during the summer months. This is supplemental funding to the \$64,140 awarded through the FY 2018 Action Plan and Budget process.

HOME Investment Partnerships Program

Staff has identified \$1,820,000 in HOME funds as a result of program savings and program income and recommends funding the following activities:

East Meadows Phase II (Wheatley Multi-Family Phase IV) Multi-Family Rental Housing Development (Council District 2)

The San Antonio Housing Authority, in partnership with McCormack Baron Salazar, is proposing a \$25.5 million, 119 unit multi-family rental housing development, called East Meadows Phase II (Wheatley Multi-Family Phase IV), located at 1911 N. Walters, in Council District 2. The East Meadows Phase II project was previously awarded \$2.5 million in FY 2017 HOME funds. Staff proposes awarding an additional \$1.5 million in HOME funding to address the unanticipated gap caused by increased construction costs, the recently implemented Tax Cut and Jobs Bill, and lack of availability of the SAWS impact fee waiver. HOME funds will be provided as a loan and are fully repayable. This development will consist of 95 units restricted to households at 60% or below of area median income (AMI) and 24 will be unrestricted. Of the 95 restricted units, the City will receive 31 HOME-assisted housing units, of which 24 will be restricted to households at 60% of AMI and 7 will be further restricted to households at 50% of AMI.

Homebuyer Incentive Program (City-Wide)

The City's Neighborhood and Housing Services Department proposes utilizing \$320,000 in HOME funding to assist low-to-moderate income homebuyers seeking to purchase decent, safe affordable housing. Specifically, the program will provide down payment and closing cost assistance to ensure homes are both affordable and sustainable to the homebuyer. This is supplemental funding to the \$364,018 awarded (and already expended) through the FY 2018 Action Plan and Budget process.

Neighborhood Stabilization Program

Staff has identified \$465,000 in NSP funds as a result of program savings and program income and

recommends funding the following activities:

Cross Timber Homes (Council Districts 1-5, 7 and 9)

Cross Timber Homes, a non-profit partner organization of Habitat for Humanity, is proposing utilizing \$455,000 to acquire land and install infrastructure for 30 infill single-family housing development in NSP Target Areas, partially contained in Council Districts 1 through 5, 7 and 9. Cross Timber Homes will be assisting 30 households at or below 120% of area median income and the sales price of these homes will range from \$149,500 to \$160,000.

NSP Monitoring and Administration

The City's Neighborhood and Housing Services Department proposes utilizing \$10,000 for contract labor to assist in the monitoring and administration of the NSP acquisition, rehabilitation and resale program.

Staff has scheduled a public hearing for Wednesday, April 11, 2018 at 6pm in the City Council Chambers and will accept comments until then. This item was considered and approved by the Comprehensive Plan Committee on Wednesday, March 21, 2018.

ALTERNATIVES:

An alternative to appropriating CDBG, HOME and NSP funding would be to reject the recommendations; however, the proposed activities are in line with the Five Year Consolidated Plan and will assist in the timely commitment and expenditure of these federally sourced funds.

FISCAL IMPACT:

Substantial Amendment #2 to the FY 2018 Action Plan and Budget reprograms \$908,000 in Community Development Block Grant (CDBG) Funding; \$1,820,000 in HOME Investment Partnerships Program (HOME) Funding; and \$465,000 in Neighborhood Stabilization Program (NSP) Funding to eligible activities consistent with the Five Year Consolidated Plan. There is no impact to the City's General Fund.

RECOMMENDATION:

Staff recommends approval of Substantial Amendment #2 to the FY 2018 Action Plan and Budget to reprogram Community Development Block Grant (CDBG) Funds in an amount not to exceed \$908,000; HOME Investment Partnerships Program (HOME) Funds in an amount not to exceed \$1,820,000; Neighborhood Stabilization Program (NSP) Funds in an amount not to exceed \$465,000 to eligible activities consistent with the Five Year Consolidated Plan.