



# City of San Antonio

## Agenda Memorandum

**File Number:**19-2015

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**Agenda Item Number:** 4.

**Agenda Date:** 2/20/2019

**In Control:** Comprehensive Plan Committee

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Verónica R. Soto, AICP, Director

**COUNCIL DISTRICTS IMPACTED:** City-Wide

### **SUBJECT:**

Substantial Amendment #1 (Reprogramming) to the FY 2019 Action Plan and Budget

### **SUMMARY:**

Consideration of a recommendation to approve Substantial Amendment #1 to the FY 2019 Action Plan and Budget to reprogram Community Development Block Grant (CDBG) Funds in an amount not to exceed \$2,701,242.90 to the following eligible activities consistent with the Five Year Consolidated Plan; (a) up to \$1,300,000.00 for Zarzamora Service Center Environmental Remediation; (b) up to \$500,000.00 for the Air Conditioning Partnership for Public Housing Residents; (c) up to \$250,000.00 for House of Neighborly Services Facility Improvements; (d) up to \$200,000.00 for East Meadows Infrastructure Improvements; (e) up to \$200,000.00 for the Short-Term Emergency Rental Assistance Program; and (f) up to \$251,242.90 for Public Infrastructure Improvements Supplemental Funding.

### **BACKGROUND INFORMATION:**

The City of San Antonio (the City) receives an annual entitlement of Community Development Block Grant (CDBG) 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.

On August 2, 2018, through Ordinance 2018-08-02-0540, City Council approved the FY 2019 Action Plan and Budget which allocated \$12.99 million in CDBG Funding.

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.

## ISSUE:

On February 18, 2019 staff issued a public notice initiating the public comment process for Substantial Amendment #1 to the FY 2019 Action Plan and Budget, which proposes reprogramming \$2,701,242.90 in Community Development Block Grant (CDBG) Funding to eligible activities consistent with the Five Year Consolidated Plan.

### Community Development Block Grant

As a result of program savings, cancelled activities and program income, staff has identified \$2,701,242.90 in CDBG funds and recommends reprogramming funding to the following activities:

#### Zarzamora Service Center Environmental Remediation (District 5)

Staff recommends up to \$1,300,000.00 in funding for environmental remediation at the former Zarzamora Service Center located at 4503, 4531, and 4719 South Zarzamora Rd. The City closed and moved the service center to the City's new Northwest Service Center at Callaghan and W. Commerce in the summer of 2013, leaving the Zarzamora Service Center vacant and available for redevelopment. The City has already conducted a Phase I and Phase II Environmental Site Assessment, as well as an Asbestos Survey to determine the level of contamination on the property. The City is also requiring cleanup for historic firefighter foam impacts beyond Texas Commission on Environmental Quality (TCEQ) requirements. The total estimated cost to remediate this site is \$3.2 million. The proposed funding represents the first phase of this funding.

#### Air Conditioning Partnership for Public Housing Residents (City-Wide)

Staff recommends up to \$500,000.00 in funding to the San Antonio Housing Authority (SAHA) for air conditioning equipment and installation across 22 public housing developments that do not currently have air conditioning as a standard rental feature. Lack of air conditioning in the summer puts vulnerable populations (children, the elderly and disabled persons) at risk of heat related illnesses. The City's funding will be leveraged/matched by up to \$500,000 from the San Antonio Housing Authority and the private/non-profit sector for a total program amount of \$1.5M that will provide AC units to over 2,000 housing units.

#### House of Neighborly Services (District 5)

Staff recommends up to \$250,000.00 in funding to the House of Neighborly Services (HNS) for facility improvements including renovations to the roof and community center. The center is located at 407 N. Calaveras Street. HNS is a non-profit multi-service center that provides health and wellness services, child care services, a food pantry and other social services to seniors and low-income families.

#### East Meadows Infrastructure Improvements (District 2)

Staff recommends up to \$200,000.00 in funding to SAHA to complete the final phase of the redevelopment of the former Wheatley Courts, now known as East Meadows. The \$200,000.00 recommendation is sourced from savings from FY 2018 CDBG funding for Eastpoint Infrastructure Improvements and will be used for streets and side walk improvements around the final phase of East Meadows which will have 119 affordable rental housing units.

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

Staff recommends up to \$200,000.00 in funding for short-term rental assistance and related case management services to individuals and families at risk of homelessness.

#### Public Infrastructure Improvements - Supplemental Funding (CD 1, 4, and 6)

##### Irma Ave. Reconstruction (CD 6)

Staff recommends up to \$183,323.56 in supplemental funding for Irma Ave Reconstruction (SW 42nd St. to the Cul-de-Sac). This project has already been awarded \$299,600.10 in FY 2017 reprogrammed CDBG funds for infrastructure activities in REnew SA (Strategic Catalytic) areas. This project has an approved environmental review; this supplemental funding is comes from an existing target area award; and this supplemental funding is necessary to fully fund and complete the activity.

##### Ferncircle Drive Sidewalks (CD 4)

Staff recommends up to \$33,295.63 in supplemental funding for Ferncircle Drive Sidewalks (Glengarden to Cul-De-Sac). This project has already been awarded \$89,500.00 in FY 2017 CDBG Strategic Catalytic funding. This project has an approved environmental review; this supplemental funding is comes from an existing target area award; and this supplemental funding is necessary to fully fund and complete the activity.

##### Stephanie St. Sidewalks (CD 6)

Staff recommends up to \$22,260.71 in supplemental CDBG funding for Stephanie St. Sidewalks (SW 36th to SW 37th). This project has already been awarded \$173,100.00 in FY 2017 CDBG Strategic Catalytic funding. This project has an approved environmental review; this supplemental funding is comes from an existing target area award; and this supplemental funding is necessary to fully fund and complete the activity.

##### San Pedro Park Improvements (CD 1)

Staff recommends up to \$12,363.00 in supplemental funding for San Pedro Park Improvements. This project has already been awarded \$119,000.00 in FY 2016 CDBG Strategic Catalytic funding. This project has an approved environmental review; this supplemental funding is comes from an existing target area award; and this supplemental funding is necessary to fully fund and complete the activity.

Staff has scheduled the first public hearing for Wednesday, March 6, 2019 at 6 p.m. in the Central Library and the second public hearing for Wednesday, March 20, 2019 at 6 p.m. in the City Council Chambers. Staff will accept comments through the date of the second public hearing. This item will be considered by the City Council on Thursday, March 21, 2019.

#### **ALTERNATIVES:**

An alternative to appropriating CDBG 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 #1 to the FY 2019 Action Plan and Budget reprograms \$2,701,242.90 in Community Development Block Grant (CDBG) Funding to eligible activities consistent with the Five Year Consolidated Plan. There is no impact to the City's General Fund.

## **RECOMMENDATION:**

Staff recommends forwarding to the full City Council consideration of a recommendation to approve Substantial Amendment #1 to the FY 2019 Action Plan and Budget to reprogram Community Development Block Grant (CDBG) Funds in an amount not to exceed \$2,701,242.90 to the following eligible activities consistent with the Five Year Consolidated Plan; (a) up to \$1,300,000.00 for Zarzamora Service Center Environmental Remediation; (b) up to \$500,000.00 for the Air Conditioning Partnership for Public Housing Residents; (c) up to \$250,000.00 for House of Neighborly Services Facility Improvements; (d) up to \$200,000.00 for East Meadows Infrastructure Improvements; (e) up to \$200,000.00 for the Short-Term Emergency Rental Assistance Program; and (f) up to \$251,242.90 for Public Infrastructure Improvements Supplemental Funding.