



# City of San Antonio

## Agenda Memorandum

**File Number:**20-1321

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**Agenda Item Number:** 34.

**Agenda Date:** 1/30/2020

**In Control:** City Council A Session

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**DEPARTMENT:** Neighborhood and Housing Services

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

**COUNCIL DISTRICTS IMPACTED:** 5, 6, and 7

### **SUBJECT:**

Substantial Amendment #1 (Reprogramming) to the FY 2020 HUD Action Plan and Budget

### **SUMMARY:**

Consideration of an Ordinance approving Substantial Amendment #1 (Part 2) to the FY 2020 HUD Action Plan and Budget reprogramming Community Development Block Grant (CDBG) funding in an amount not to exceed \$960,000 to the following eligible activities consistent with Five Year Consolidated Plan; (a) up to \$75,000 for the Avenida Guadalupe Master Plan; (b) up to \$250,000 for Project MEND Facility Development; and (c) up to \$635,000 for Tarasco Gardens; and to reprogram Emergency Solutions Grant (ESG) funding in an amount not to exceed \$182,001 for Street Outreach.

### **BACKGROUND INFORMATION:**

On August 8, 2019, City Council approved the \$23.6 million FY 2020 Action Plan and Budget for the four federal grant programs funded by the U.S. Department of Housing and Urban Development (HUD) which include the Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) Program.

As a recipient of entitlement funds, 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 December 20, 2019, staff issued a public notice initiating the public comment process for Substantial Amendment #1 to the FY 2020 Action Plan and Budget, which proposes reprogramming \$960,000 in Community Development Block Grant (CDBG) Funding and \$182,001 in Emergency Solutions Grant (ESG) funding to the following eligible activities consistent with the Five Year Consolidated Plan:

### Avenida Guadalupe Master Plan | Council District 5

Staff recommends an award of \$75,000.00 in CDBG funding for the Avenida Guadalupe Master Plan. The Avenida Guadalupe area is located in the historic Westside of San Antonio. This area is rich in cultural significance including many historic landmarks and older housing stock, but has been impacted by disinvestment over the years. As areas such as Avenida Guadalupe near the urban core become more desirable, the community has asked that a plan be put in place to protect the culturally significant areas while also connecting them with the future planned growth. This plan will provide an overall development concept that reflects community needs through urban design and place-making principles. *This funding was committed during the FY 2020 Operating and Capital Budget process.*

### Project MEND Facility Development | Council District 7

Staff recommends an award of \$250,000.00 in CDBG funding to Project MEND for the development of a new facility which will be located on Wurzbach and Crystal Run, in Council District 7. Project MEND is a non-profit organization established in 1993 that provides medical equipment and assistive technology to individuals who cannot afford the items they need or are faced with gaps in their insurance coverage. Project MEND receives donated medical equipment from individuals and health organizations and repairs, refurbishes, and sanitizes this equipment to distribute to persons in need so they may maintain their mobility, independence, and quality of life. Project MEND serves an average of 1500 clients per year, and approximately 1350 of those clients have income at or below 80% of the AMI.

### Tarasco Gardens | Alamo Community Group | Council District 6

Alamo Community Group (ACG) has an existing award of \$600,000 in HOME funding (Ordinance 2017-11-09-0895) for the development of 30 homeownership housing units, called Tarasco Gardens (previously Tarasco Neighborhood Subdivision), located at 505 Tarasco Dr., in Council District 6. At the request of ACG, staff proposes canceling the \$600,000 in HOME funding and awarding \$635,000 in CDBG funding as a development subsidy. This development will benefit households at 80% or below of AMI. The estimated sales price for a three bedroom, two bath single-family 1,200 square foot home is about \$149,000. The monthly house payment, including taxes and insurance, is about \$1,250. A preliminary underwriting review was conducted to determine the funding recommendation, but a final underwriting review will be completed prior to the execution of a funding agreement.

### Emergency Solutions Grant Street Outreach | City-wide

Staff has identified \$182,001 in ESG Prevention funds (approved in the FY 2020 HUD Action Plan and Budget) and recommends converting to Street Outreach. The funds will be used to enhance current street outreach efforts and service coordination for the unsheltered homeless population. The funds will be used to support vehicles for street outreach staff, supplies to engage clients, transportation assistance for clients, ID Recovery, and to procure a mobile application software, Outreach Grid, which will improve collaboration and coordination of resources across street outreach entities. Funds will also be used to support a personnel complement of two (2) FTE outreach staff.

Community Input Session (Public Hearing #1) took place on January 15, 2020 at 6:00pm in Neighborhood and Housing Services Department - Main Conference Room A (1400 S. Flores). Citizens to be heard (Public Hearing #2) will take place at 6:00pm on January 29, 2020 in the City Council Chambers.

Substantial Amendment #1 to the FY 2020 HUD Action Plan and Budget includes two separate ordinances being considered on January 30, 2020.

#### **ALTERNATIVES:**

An alternative to awarding this funding to the recommended projects would be to reject the recommendations; however, the recommended projects are in line with the FY 2020 Action Plan and Budget. In addition, any other alternative to appropriate funding would delay the timely commitment and expenditure of the federally sourced funds.

#### **FISCAL IMPACT:**

This ordinance approves Substantial Amendment #1 to the FY 2020 HUD Action Plan and Budget reprogramming Community Development Block Grant (CDBG) funding in an amount not to exceed \$960,000 to the following eligible activities consistent with Five Year Consolidated Plan; (a) up to \$75,000 for the Avenida Guadalupe Master Plan; (b) up to \$250,000 for Project MEND Facility Development; and (c) up to \$635,000 for Tarasco Gardens; and to reprogram Emergency Solutions Grant (ESG) funding in an amount not to exceed \$182,001 for Street Outreach. There is no impact to the City's General Fund.

#### **RECOMMENDATION:**

Staff recommends an Ordinance approving Substantial Amendment #1 (Part 2) to the FY 2020 Action Plan and Budget reprogramming Community Development Block Grant (CDBG) funding in an amount not to exceed \$960,000 to the following eligible activities consistent with Five Year Consolidated Plan; (a) up to \$75,000 for the Avenida Guadalupe Master Plan; (b) up to \$250,000 for Project MEND Facility Development; and (c) up to \$635,000 for Tarasco Gardens; and reprogramming Emergency Solutions Grant (ESG) funding in an amount not to exceed \$182,001 for Street Outreach.