



City of San Antonio

Agenda Memorandum

File Number:20-2356

Agenda Item Number: 4.

Agenda Date: 3/16/2020

In Control: Planning and Land Development Committee

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: 1, 2, 3, and 5

SUBJECT:

Owner Occupied Rehabilitation Program Delivery Funding Recommendation

SUMMARY:

Consideration of a recommendation to award up to \$950,000 in Community Development Block Grant (CDBG) funding to Merced Housing Texas for the rehabilitation of 10 owner-occupied housing units.

BACKGROUND INFORMATION:

On August 8, 2019, City Council approved the \$23.6 million FY 2020 Action Plan and Budget (Action Plan) for the four federal grant programs funded by the U.S. Department of Housing and Urban Development (HUD) which includes the Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) Program. This Action Plan set aside \$3,032,000 in CDBG funding for the Owner Occupied (Single-Family) Rehabilitation and Reconstruction Program. It should be noted, including the CDBG funding, the City allocated \$5,582,000 in the FY 2020 Affordable Housing Budget for this program with a goal of completing 81 housing units. To assist the City in accomplishing this goal, the City set aside \$950,000 for award to a sub-recipient to deliver this program.

On December 6, 2019, the City issued a Request for Applications (RFA) in the amount of \$950,000 in CDBG funding for the rehabilitation of 10 owner-occupied housing units. Applications were due on January 21, 2020. The City received applications from two respondents: Merced Housing Texas and TerraGenesis, Inc. Applications were evaluated on February 11, 2020 by a panel that consisted of: Verónica R. Soto, Director,

Neighborhood and Housing Services; Edward Gonzales, Interim Assistant Director, Neighborhood and Housing Services; Laura Salinas-Martinez, Grants Administrator, Neighborhood and Housing Services; and Jennifer Buxton, Housing Production Manager, Neighborhood and Housing Services. Applications were assessed using the following criteria:

Evaluation Criteria	Maximum Points
Organizational Capacity, Financial Capacity, and Relevant Experience	60
Program Design and Scope of Work	30
Section 3 Utilization	10
Total Point Scale	100

ISSUE:

Staff recommends a total of \$950,000 in CDBG funding to Merced Housing Texas (Merced) for the rehabilitation of 10 owner-occupied housing units, located in Council District 1, 2, 3, and 5. Merced scored 87 out of 100 points and is ranked first. Merced began delivering their Owner-Occupied Repair Program in 2002 and since that time has successfully completed more than 650 housing units utilizing various funding sources to include CDBG funding. Although the City has identified the 10 housing units utilizing an equity metric, Merced, as a sub-recipient, will be responsible for determining homeowner eligibility, developing the scope of work, obtaining appropriate documentation, overseeing rehabilitation work, budget tracking, requests for payment, performance reporting and ensuring compliance with CDBG requirements.

This funding recommendation will be considered by the City Council on March 19, 2020.

ALTERNATIVES:

An alternative to awarding this funding to the recommended entity would be to reject the recommendation; however, the recommended entity has the necessary experience and capacity to assist the City in meeting the established goals set forth in the City's FY 2020 Affordable Housing Budget. In addition, any other alternative to appropriate funding would delay the timely commitment and expenditure of the federally sourced funds.

FISCAL IMPACT:

This funding recommendation awards up to \$950,000 in Community Development Block Grant funding.

RECOMMENDATION:

Staff recommends approval of a recommendation awarding up to \$950,000 in Community Development Block Grant (CDBG) funding to Merced Housing Texas for the rehabilitation of 10 owner-occupied housing units.