



# City of San Antonio

## Agenda Memorandum

**File Number:**15-1709

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**Agenda Item Number:** 15.

**Agenda Date:** 3/5/2015

**In Control:** City Council A Session

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**DEPARTMENT:** Department of Planning and Community Development

**DEPARTMENT HEAD:** John M. Dugan

**COUNCIL DISTRICTS IMPACTED:** District 2

### **SUBJECT:**

Appropriation of additional NSP Program Income for the Oscar Eason Senior Apartments

### **SUMMARY:**

An Ordinance authorizing an appropriation of \$100,000 in Neighborhood Stabilization Program (NSP) program income funds to the Oscar Eason Senior Apartments Complex.

### **BACKGROUND INFORMATION:**

The City of San Antonio City received a one-time Neighborhood Stabilization Program (NSP) Grant in 2009 from the U.S. Department of Housing and Urban Development (HUD). NSP funds were utilized for a myriad of affordable housing stabilization activities to assist in stabilizing communities that have suffered from foreclosures and abandonment.

On February 20, 2014, through Ordinance 2014-02-20-0104, City Council authorized an appropriation of NSP funds to Merced Housing Texas, in the amount of \$600,000 for the Oscar Eason Senior Apartment redevelopment project located at 1602 E. Commerce within the Denver Heights Neighborhood in City Council District 2. The affordable housing complex involves the demolition of a blighted structure and will provide 33 new one bedroom units for seniors who are at or below 50% AML. The project is participating in the HUD 202 Supportive Housing for the Elderly Program. The units will include handicap-accessible features and provide for supportive services in order to assist seniors with independent living.

**ISSUE:**

Over the past year, the U.S. Department of Housing and Urban Development has relocated their Multi-family Rental Hub from San Antonio to Fort Worth. The relocation has caused delays in the processing of HUD multifamily applications. Due to the length of time necessary for HUD to issue the firm commitment through the HUD 202 program, the cost of construction materials has increased, thereby increasing the project financing gap by \$100,000. Merced Housing Texas, the developer, is requesting an additional \$100,000 in NSP funding to close the financial gap. HUD issued a firm commitment on January 16, 2015 and requires the closing of all financing by March 17, 2015.

The project design is being completed. The project will be ready to start construction in April 2015 and shall be completed within 12 months.

**ALTERNATIVES:**

City Council may elect not to approve the allocation of additional NSP Program Income for the Oscar Eason Apartments.

**FISCAL IMPACT:**

This ordinance authorizes an additional appropriation of \$100,000 in Neighborhood Stabilization Program (NSP) program income funds to the Oscar Eason Apartments for a total appropriation of \$700,000 in NSP funds. This proposed action will have no impact on the General Fund budget and will be funded with NSP funds.

**RECOMMENDATION:**

Staff recommends approval of an Ordinance authorizing the appropriation of \$100,000 in Neighborhood Stabilization Program (NSP) program income funds to the Oscar Eason Apartments.