



# City of San Antonio

## Agenda Memorandum

**File Number:**15-2082

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**Agenda Item Number:** 5.

**Agenda Date:** 3/17/2015

**In Control:** Quality of Life Committee

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

**DEPARTMENT HEAD:** John M. Dugan

**COUNCIL DISTRICTS IMPACTED:** City Wide

**SUBJECT:**

Reprogramming of CDBG Funds and Establishing a Revolving Fund for the Land Bank Program

**SUMMARY:**

This item presents to the Quality of Life Committee a recommendation to reprogram Community Development Block Grant (CDBG) funding for housing and community development related activities and to establish a revolving fund with Neighborhood Stabilization Program (NSP) revenues to support redevelopment efforts in NSP Targeted Areas.

**BACKGROUND INFORMATION:**

*Community Development Block Grant*

The City of San Antonio receives an annual entitlement of Community Development Block Grant funds awarded through the U.S. Department of Housing and Urban Development (HUD). These funds are designed to meet the needs of persons who are low and moderate income and to preserve and redevelop low-income communities.

On May 29, 2014, City Council adopted the FY 2015 Action Plan and Budget which allocated CDBG funds for the following activities:

Funding Category	Description	Budget
Debt Service	Required annual Section 108 loan repayment	\$ 4,764,493

Neighborhood Revitalization	Strategic catalytic improvements, façade improvements, code enforcement, Spruce Up and Alamo Brush Up Programs	\$3,174,886
Public Infrastructure	Improvements to street and sidewalks, community parks, and establishing railroad quiet zones.	\$1,280,000
Housing	Improvements for low income residents requiring residential minor repairs including major systems, code violations, and accessibility improvements. Program expenses related to the delivery of Green and Healthy Homes Initiative, Spruce Up Program, and Minor Repair activities.	\$590,000
Public Services	Parks and Recreation initiatives for residents in low income communities, including access to summer outdoor pools, community center extended hours, and a summer youth program	\$474,145
Administration	Fair housing administration, legal services, and grant administration and program management	\$2,421,722

Quarterly, the City identifies available funds from completed and cancelled activities and provides City Council with recommendations to utilize these funds for eligible community development and affordable housing activities that address a myriad of actions necessary to advance the goals of the five year Consolidated Plan.

#### *Neighborhood Stabilization Program*

The City of San Antonio received an allocation of \$8,635,899 in Neighborhood Stabilization Program (NSP) funds in March, 2009. These funds were authorized nationwide under Division B, Title III of the Housing and Economic Recovery Act of 2008 (HERA) and administered by the Department of Housing and Urban Development (HUD) for assistance in the redevelopment of abandoned and foreclosed homes and residential properties.

For the San Antonio program, NSP funds are authorized for use in six target areas. These areas were chosen based on the results of a citywide foreclosure analysis, due to the high concentration of foreclosures.

On November 1, 2012, through Ordinance 2012-11-01-0859, City Council allocated \$1,240,000 to San Antonio Affordable Housing, Inc. (SAAH, Inc.), a non-profit entity, to establish a land bank for the purpose of maintaining, assembling, facilitating redevelopment, marketing, and disposing of abandoned or foreclosed residential properties. A land bank is a governmental or nongovernmental nonprofit entity established, at least in part, to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging re-use or redevelopment of urban property.

## **ISSUE:**

#### *CDBG Reprogramming*

Staff has identified \$1,425,474.72 in CDBG funds as a result of project savings from completed/cancelled activities. To utilize these available funds, the City needs to allocate available resources to eligible activities consistent with the five year Consolidated Plan through a substantial amendment to the FY 2015 Annual Action Plan. Recommendations will be provided at the Quality of Life meeting.

#### *Neighborhood Stabilization Program*

During the implementation of the Land Bank activity, SAAH, Inc. has acquired, maintained, and repaired 12 foreclosed single family homes. To date, five homes have been sold to income-eligible households generating

revenues in the amount of \$386,416.33. SAAH, Inc. requests the establishment of a Revolving Fund to utilize revenues generated from the sale of residential properties acquired through the Land Bank in order to acquire additional foreclosed and abandoned properties.

**RECOMMENDATION:**

Staff recommends forwarding to the full City Council for consideration, a substantial amendment to the FY 2015 Action Plan and Budget to include the reprogramming of CDBG funds and to establish a revolving fund with NSP revenues to support redevelopment efforts in NSP Targeted Areas.