

2008-08-14-0699

AN ORDINANCE

**AUTHORIZING THE SUBMISSION OF A GRANT APPLICATION, AND ACCEPTANCE OF GRANT FUNDS UPON AWARD, FROM THE FEDERAL HOME LOAN BANK OF DALLAS THROUGH A LOCAL SPONSOR BANK, FOR TWO GRANTS IN THE AMOUNT OF \$500,000.00 EACH, FOR THE HOUSING AND NEIGHBORHOOD SERVICES DEPARTMENT'S MINOR HOUSING REPAIR AND HOME OWNERSHIP INCENTIVE PROGRAMS FOR THE PERIOD OCTOBER 1, 2008 THROUGH SEPTEMBER 30, 2011.**

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**WHEREAS**, in March of 2006, the Housing and Neighborhood Services Department (HNSD) applied for and received a grant from the Federal Home Loan Bank (FHLB) in the amount of \$350,000.00 for the purpose of implementing a Minor Repair program. The purpose of this program was to provide needed repairs to owner-occupied properties in order to address health and safety concerns; and

**WHEREAS**, the current program has been completed and all \$350,000.00 in grant funds have been fully expended; and

**WHEREAS**, the Home Ownership Incentive Program (HIP) offers assistance to citizens who are ready to make the transition to home ownership by providing assistance with funds for down payment, closing costs or prepaid interest, and provides additional assistance by requiring participation in a Homebuyer Education class that provides participants with a better understanding of the purchase process, credit requirements, and home maintenance; and

**WHEREAS**, the current HIP program is funded by a combination of HOME funds and other grants; and as entitlement programs continue to be reduced, the HIP is forced to look for other alternatives to provide the funding necessary to continue to provide the type of assistance afforded by this program; and

**WHEREAS**, the City's Housing and Neighborhood Services Department desires to submit a grant application and, upon award, accept two grants of up to \$500,000.00 each for continuation of the Minor Repair and HIP programs ; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The City Manager or her designee, or the Director of Housing and Neighborhood Services or his designee is hereby authorized to submit a grant application, and accept grant funds upon award from the Federal Home Loan Bank of Dallas (FHLB) through a local sponsor bank, for two (2) grants in the amount of \$500,000.00 each for the Minor Housing Repair and Home Ownership Incentive Programs (HIP) for the period October 1, 2008 through September

30, 2011. A copy of said application is on file with the Department of Housing and Neighborhood Services.

**SECTION 2.** The City Manager, or her designee or the Director of Housing and Neighborhood Services or his designee is further authorized to execute any and all necessary documents to effectuate said application and acceptance.

**SECTION 3.** Fund 26014000 entitled "HOME Program - 14th Year" is hereby designated for use in the accounting for the fiscal transaction in the acceptance of this grant and should funding be awarded, the sum of \$1,000,000.00 from the FHLB will be appropriated in said fund. A formal final budget which will include Internal Order numbers and General Ledger numbers will be submitted by the department upon award.

**SECTION 4.** The financial fiscal allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

**SECTION 5.** This ordinance shall become effective on and after August 24, 2008.

PASSED AND APPROVED this 14th day of August, 2008.

  
M A Y O R

ATTEST:   
City Clerk

APPROVED AS TO FORM:   
for City Attorney

<b>Agenda Item:</b>	<b>19</b>						
<b>Date:</b>	08/14/2008						
<b>Time:</b>	03:39:41 PM						
<b>Vote Type:</b>	Motion to Approve						
<b>Description:</b>	An Ordinance authorizing the submission of a grant application, and acceptance of grant funds upon award from the Federal Home Loan Bank of Dallas through a local sponsor bank, for two grants in the amount of \$500,000.00 each for the Housing and Neighborhood Services Department's Minor Housing Repair and Home Ownership Incentive Programs for the period October 1, 2008 through September 30, 2011. [T.C. Broadnax, Assistant City Manager; David D. Garza, Director, Housing and Neighborhood Services]						
<b>Result:</b>	Passed						
<b>Voter</b>	<b>Group</b>	<b>Not Present</b>	<b>Yea</b>	<b>Nay</b>	<b>Abstain</b>	<b>Motion</b>	<b>Second</b>
Phil Hardberger	Mayor		x				
Mary Alice P. Cisneros	District 1		x				
Sheila D. McNeil	District 2	x					
Jennifer V. Ramos	District 3		x				
Philip A. Cortez	District 4		x				
Lourdes Galvan	District 5		x				
Delicia Herrera	District 6		x			x	
Justin Rodriguez	District 7	x					
Diane G. Cibrian	District 8		x				x
Louis E. Rowe	District 9		x				
John G. Clamp	District 10		x				



**CITY OF SAN ANTONIO**  
**Request for Council Action**

Agenda Item # 19  
Council Meeting Date: 8/14/2008  
RFCA Tracking No: R-3005

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**DEPARTMENT:** Housing and Neighborhood Services

**DEPARTMENT HEAD:** David D Garza

**COUNCIL DISTRICT(S) IMPACTED:**  
City Wide

**SUBJECT:**  
Grant Application to the Federal Home Loan Bank

**SUMMARY:**

This item is an ordinance authorizing the submission of an application to the Federal Home Loan Bank of Dallas (FHLB), through a local sponsor Bank, for two (2) grants in the amount of \$500,000.00 each, for Minor Housing Repair and Home Ownership Incentive Program (HIP). This ordinance would also authorize acceptance of the grant, if awarded, for continuation of the Housing & Neighborhood Services Department's (HNSD) Minor Housing Repair program, previously funded by an FHLB grant in the amount of \$350,000.00; and would also provide for additional assistance through HNSD's existing HIP, through a new FHLB grant.

**BACKGROUND INFORMATION:**

In March of 2006, HNSD applied for and received a grant from the FHLB in the amount of \$350,000.00 for the purpose of implementing a Minor Repair program. The purpose of this program was to provide needed repairs to owner-occupied properties in order to address health and safety concerns. Items addressed under this program may include repairs to plumbing, electrical and roofing, non-working utilities, and damaged/broken windows and doors, which expose the interior of the home to the elements. In order to participate in the program, properties must be owner-occupied, the applicants must be over the age of 57 and/or disabled, and the total household income should not exceed 30% of the Area Median Income.

The grant requirements called for a total of 78 units to be assisted through this program with an average unit cost of \$4,500.00. The current program has been completed with a total of 80 units completed and all \$350,000.00 in grants funds fully expended.

The Homeownership Incentive Program (HIP) assists eligible persons who are buying a new or existing home within the city limits of San Antonio. Buyers must have stable employment, good credit and the ability to afford a mortgage payment. The amount of assistance provided through the HIP program may not exceed \$12,000.00 per eligible household and the funds may be used to cover the required down payment, closing costs and prepaid interest.

In order to be eligible for the HIP program, you must be a first-time homebuyer, or someone who has not owned any residential property within the last three (3) years. The maximum sales price of the home cannot exceed the \$110,000.00, "Affordable Home Price" as established by San Antonio City Council. The home must be located within the San Antonio city limits. Applicants must be able to qualify for an FHA 203B, FHA 203K, VA, or conventional loan from a legitimate institutional lender and total gross household income cannot exceed 80% of the area median income.

**ISSUE:**

Both the Minor Repair Program and HIP, provide much needed assistance to citizens of San Antonio. The Minor Repair Program provides assistance to those individuals who require needed repairs, but are unable to make those repairs on their own. The program assists individuals who are seeking to make specific repairs to items such as plumbing, electrical, roofing, etc., but do not have the need or desire for a full rehabilitation, which is offered through other programs of HNSD.

The HIP offers assistance to citizens who are ready to make the transition to homeownership by providing assistance with funds for down payment, closing costs or prepaid interest, and provides additional assistance by requiring participation in a Homebuyer Education class that provides participants with a better understanding of the purchase process, credit requirements, and home maintenance.

**ALTERNATIVES:**

The HNSD Minor Repair Program was being funded by an existing FHLB grant of \$350,000.00, which was awarded in March of 2006. All work being performed under this grant has been completed, and all funds have been expended. The award of this grant would allow us to continue with this much needed program and the \$500,000.00 grant amount, would provide enough resources to assist an additional 83 owner-occupied single family homes at an average cost of \$6,000.00 per home. If the grant is not awarded, the program would be concluded, as all current projects have been completed and all previous grant funds have been expended, as indicated above.

The current HIP program is funded by a combination of HOME funds and other grants; and as entitlement programs continue to be reduced, the HIP is forced to look for other alternatives to provide the funding necessary to continue to provide the type of assistance afforded by this program. The award of this grant would allow us reach more families who are ready to make the transition to homeownership, would provide additional resources to assist an additional 41 families with up to \$12,000.00 in down payment assistance. If the grant is not awarded, the HIP would continue to provide assistance as long as funds remain available and would continue to seek other resources to leverage existing funds.

**FISCAL IMPACT:**

There is no impact to the General Fund with this grant request.

**RECOMMENDATION:**

Staff recommends approval of the grant application and acceptance upon award for the continuation of the Minor Housing Repair and Home Ownership Incentive Programs.

**ATTACHMENT(S):**

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File Description	File Name
<a href="#">Voting Results</a>	
<a href="#">Ordinance/Supplemental Documents</a>	200808140699.pdf

**DEPARTMENT HEAD AUTHORIZATIONS:**

Dionne L. Roberts Assistant Director Housing and Neighborhood Services

**APPROVED FOR COUNCIL CONSIDERATION:**

T.C. Broadnax Assistant City Manager