



AGENDA MEMORANDUM

Future Item for the City Council Meeting of October 14, 2014
Action Item for City Council Meeting October 28, 2014

DATE: 8/26/2014

TO: Ronald L. Olson, City Manager

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Approve the FY2014-2015 HOME Program set-aside funds.

CAPTION:

Motion to approve the FY2014-2015 HOME Program set-aside funds.

PURPOSE:

Purpose of the motion is for City Council to approve the FY2014-2015 HOME Program set-aside funds for two projects which have received Texas Department of Housing and Community Affairs (TDHCA) Housing Tax Credits in the amount of \$1,818,000.

BACKGROUND AND FINDINGS:

On February 18, 2014, the City Council passed a Resolution in support of the proposed affordable housing projects known as Lexington Manor Apartments and Riverstone Apartments who were both requesting local support from the U.S. Department of Housing and Urban Developments (HUD) HOME Program funds.

On June 17, 2014, City Council approved to set-aside HOME FY2014 funds for affordable housing projects which were also applying for TDHCA Housing Tax Credits. The TDHCA Board of Directors met on July 31, 2014 for a discussion on the proposed Housing Tax Credit projects. TDHCA awarded Housing Tax Credits to the Lexington Manor Apartments and the Riverstone Apartments projects.

Due to the reimbursement to HUD for the LULAC Oasis at the Park project which was determined to be in non-compliance, the City requested a \$150,000 reduction of the \$974,920 of HOME entitlement funds. With the entitlement reduction, the City will receive \$824,920 in FY2014 HOME funds. The adopted request of HOME Administration of \$97,492 will change to the new recommendation of \$82,492 which is the 10% allowed for

administrative costs.

The City will be receiving \$320,000 in program income funds due to a loan repayment as well as \$250,000 of the funds paid to HUD for the LULAC project in which the City will be able to keep to further affordable housing. Along with \$600,000 from prior years of recaptured and reprogrammed funds, the HOME Program is expected to have \$1,994,920 of total funds available for the FY2014 program year.

ALTERNATIVES:

None

OTHER CONSIDERATIONS:

None

CONFORMITY TO CITY POLICY:

Council approval is required.

EMERGENCY / NON-EMERGENCY:

This item is non-emergency

DEPARTMENTAL CLEARANCES:

Legal

Finance – Federal Grants and Office of Management and Budget

FINANCIAL IMPACT: Not applicable

Fiscal Year: 2014-2015	Project to Date Expenditures (CIP only)	Current Year	Future Years	TOTALS
Line Item Budget				
Encumbered / Expended Amount				
This item				
BALANCE				

Fund(s):

Comments: None

RECOMMENDATION:

HCD requests the passing of the motion.

LIST OF SUPPORTING DOCUMENTS:

Attachment D FY2014 HOME