

CITY OF EL PASO, TEXAS
AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM

DEPARTMENT: Community and Human Development

AGENDA DATE: August 27, 2013

CONTACT PERSON/PHONE: Jane Tomchik/541-4377

DISTRICT(S) AFFECTED: Districts 6 & 7

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

Discussion and action on a resolution that City Council amend the Neighborhood Stabilization Program (NSP) by adding an activity to the NSP; and that the City Manager be authorized to take any actions necessary to accomplish the intent of the resolution, upon approval by the City Attorney's Office and the Director of Community and Human Development. The proposed activity would provide for the rental and possible future sale of two (2) of the residential properties acquired and rehabilitated with NSP funding to residents with incomes at or below 120% of the AMI. It is the intent of the Department to transfer title to the properties and property management responsibilities to The El Paso Collaborative for Community and Economic Development under a contract which will be brought to Council for approval subsequent to the official approval of this amendment by the Department of Housing and Urban Development.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

The City of El Paso was awarded \$3,032,465 in NSP funds by the Department of Housing and Urban Development (HUD) for the purpose of stabilizing neighborhoods with high foreclosure rates and neighborhoods that are likely to have such rates. The City of El Paso utilizes its NSP funds to purchase, at a discount, tax-foreclosed, mortgage-foreclosed and abandoned properties in targeted areas with the City for demolition and/or rehabilitation and redevelopment; then sell or rent the units to income-qualified individuals or families. Targeted areas are those in which more than 51% of the people had incomes with less than 120% of Area Median Income, as defined by HUD, in the year 2000.

The City of El Paso initially targeted neighborhoods in the Chamizal Neighborhood Revitalization Strategy Area (NRSA) – Census Tracts 26.00, 28.00 and 29.00; the Lower Dyer NRSA – Census Tract 8.00; the Segundo Barrio Neighborhood Revitalization – Census Tracts 17.00, 18.00, 19.00, 20.00 and 21.00; East El Paso – Census Tracts 103.13 and 103.15; and the Ysleta Neighborhood – Census Tracts 39.01, 39.02 and 40.02.

On May 25, 2010, City Council approved its first amendment to the NSP by expanding the list of eligible Census Tracts (by an additional 45 Census Tracts) for acquisition, rehabilitation and homebuyer assistance activities based upon meeting three or more of the following criteria:

1. The estimated number of foreclosures equals 30 or more.
2. The estimated foreclosure rate equals 5% or more.
3. The number of all loans made between 2004 and 2006 that are high-cost as of 2008 equals 50 or more.
4. The estimated high-cost loan rate equals 50% or more.
5. The estimated risk of foreclosure and abandonment equals 8 or more.

On October 10, 2011, Council approved the second amendment to the City's by again adding to the list of eligible Census Tracts for acquisition, rehabilitation and homebuyer assistance activities by including Census Tract 39.03, for the purpose of building a multifamily project with approximately 12-15 units that, at this time, has met three or more of the criteria mentioned above.

A Notice of this proposed Amendment was posted on the City's website for a period of 15 days for public comment but no comments were received.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

Amendments to the City's approved Annual Action Plans are common occurrences.

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

The City's NSP is budgeted in account number(s):

Department: 71150034

Fund: 07901

Project/Grant: G71NSP0, 10 and 20

This amendment is budget neutral.

BOARD / COMMISSION ACTION:

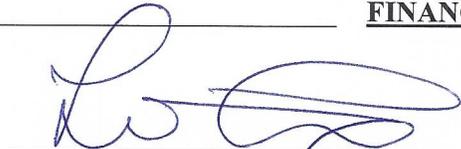
Enter appropriate comments or N/A

N/A

*******REQUIRED AUTHORIZATION*******

LEGAL: (if required) _____ **FINANCE:** (if required) _____

DEPARTMENT HEAD:



(Example: if RCA is initiated by Purchasing, client department should sign also)
Information copy to appropriate Deputy City Manager

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That City Council amend the Neighborhood Stabilization Program (NSP) by adding a program activity to allow the following: 1) the future transfer of title to two NSP properties acquired and rehabilitated with NSP funding (the Properties) and property management responsibilities of said Properties to The El Paso Collaborative for Community and Economic Development upon future Council approval, under a contract to be approved by the Department of Housing and Urban Development, and 2) the rental and possible future sale of the Properties to residents with incomes at or below 120% of the AMI; and that the City Manager be authorized to take any actions necessary to accomplish the Housing and Urban Development approval of this program activity, upon approval by the City Attorney's Office and the Director of Community and Human Development.

ADOPTED this _____ day of August, 2013.

CITY OF EL PASO

Oscar Leeser,
Mayor

ATTEST:

Richarda Duffy-Momsen,
City Clerk

APPROVED AS TO FORM:



Kristen I. Hamilton
Assistant City Attorney

APPROVED AS TO CONTENT:

William L. Lilly, Director
Community and Human Development

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CITY CLERK DEPT.