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

DEPARTMENT: **Community and Human Development**

AGENDA DATE: **October 18, 2011**

CONTACT PERSON/PHONE: **Art Gloria/541-4697**

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) component of the City's 2008-2009 Annual Action Plan of the Consolidated Plan for 2005-2010 by 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 12-15 unit multifamily project with $1,763,653 in NSP funds, based upon established criteria; 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 Director of Community and Human Development Department.

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?

On January 15, 2009, 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.

City Council is now being asked to approve a second amendment to the City's NSP 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 will also meet three or

more of the criteria mentioned above. NSP funds in the amount of $1,763,653 will be utilized towards the development of the multifamily project.

A Notice was placed in the El Paso Times and El Diario newspapers on September 20, 2011 to allow a 15-day period for public comment ending October 6, 2011. Any citizen comments received after the submittal of this request for council action will be forwarded to City Council for consideration.

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: G71NSP
A budget transfer within the grant line items will be required.

BOARD / COMMISSION ACTION:
Enter appropriate comments or N/A

N/A

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

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

DEPARTMENT HEAD: Anthony C. Shearer W. Litz

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

APPROVED FOR AGENDA:

CITY MANAGER: _____ **DATE:** _____

RESOLUTION

WHEREAS, on November 18, 2008, the City Council for the City of El Paso amended its Annual Action Plan (2008-2009) for the Consolidated Plan 2005-2010, by adding a Neighborhood Stabilization Program (NSP) component to the Community Development Block Grant (CDBG) Program by adding NSP-funded activities to stabilize specific El Paso neighborhoods identified as having the greatest need based on the U.S. Department of Housing and Urban Development's (HUD) criteria, and approving the International Building Code (IBC) definition for "blighted structure" for the purposes of NSP activities, whenever applicable, to comply with HUD's directive for such a definition; and

WHEREAS, on May 25, 2010, the City Council first amended its NSP by expanding the list of eligible Census Tracts for acquisition, rehabilitation and homebuyer assistance activities; and

WHEREAS, the City Council, based on the recommendation of the Director of the Community and Human Development Department and Department staff, now desires a second amendment to the NSP component of the Annual Action Plan (2008-2009) by again adding to the list of eligible Census Tracts for acquisition and development activities; and

WHEREAS, on September 20, 2011, the City of El Paso published in the El Paso Times and El Diario newspapers public notice and allowed a 15-day public comment period regarding the proposed amendment to the NSP component of the Annual Action Plan (2008-2009) and City Council has duly considered public comment, if any; and

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

1. That the NSP component of the Annual Action Plan (2008-2009) is hereby amended as follows:

   Expand the list of eligible Census Tracts for acquisition, rehabilitation and homebuyer assistance activities by adding Census Tract 39.03, for the purpose of building a multi-family project with approximately 12-15 units that will meet three or more of the following criteria:
   - The estimated number of foreclosures equals 30 or more.
   - The estimated foreclosure rate equals 5% or more.
   - The number of all loans made between 2004 and 2006 that are high-cost as of 2008 equals 50 or more.
   - The estimate high-cost loan rate equals 50% or more.
   - The estimated risk of foreclosure and abandonment equals 8 or more.

   NSP funds in the amount of $1,763,653 will be allocated towards the development of the multi-family project **(Districts 6 & 7)**; and

2. 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 Director of Community and Human Development Department.

ADOPTED this _____ day of _____, 2011.

CITY OF EL PASO

_____
John F. Cook
Mayor

ATTEST:

_____
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

_____
Marie A. Taylor
Assistant City Attorney

APPROVED AS TO CONTENT:

Anthony C. Shaar
_____
for William L. Lilly, Director
Community and Human Development