



Legislation Details (With Text)

File #: ID 14-0513 **Version:** 1 **Name:**

Type: Action Item

File created: 8/29/2014 **In control:** City Council

On agenda: 9/16/2014 **Final action:**

Title: Consider adoption of an ordinance of the City Council of the City of Denton, Texas, approving a funding agreement between the City of Denton and the Denton Affordable Housing Corporation; providing for the terms of said contract; authorizing the City Manager to execute the agreement and to expend Home Investment Partnership Program funds with respect to the agreement; and providing for an effective date.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Exhibit 1 - Funding Agreement, 2. Exhibit 2 - Ordinance

Date	Ver.	Action By	Action	Result
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Agenda Information Sheet

DEPARTMENT: Planning and Development/Community Development

CM/ ACM: John Cabrales, Jr.

Date: September 16, 2014

SUBJECT

Consider adoption of an ordinance of the City Council of the City of Denton, Texas, approving a funding agreement between the City of Denton and the Denton Affordable Housing Corporation; providing for the terms of said contract; authorizing the City Manager to execute the agreement and to expend Home Investment Partnership Program funds with respect to the agreement; and providing for an effective date.

BACKGROUND

The Denton Affordable Housing Corporation (DAHC) is a locally-certified Community Housing Development Organization (CHDO). Home Investment Partnership Program (HOME) requirements state that 15% of a participating jurisdiction's funding must be allocated to CHDO-administered programs. On an annual basis, the City of Denton allocates a minimum of 15% of the City's HOME allocation to DAHC for various affordable housing programs. The 2014-15 HOME allocation of \$100,000 will provide DAHC with \$81,446 in funding for the purchase, rehabilitation and sale of single-family housing units under the Affordable Housing Opportunity Program (AHOP). Down payment and closing costs assistance will also be available for homebuyers. It will be required that all units be brought up to local building codes. The remaining \$18,554 will assist DAHC with operating costs. Funds remaining from the 2012 and 2013-year budgets will provide an additional \$48,312.80

for AHOP projects and \$16,360.00 for operating costs. HOME funds will be reimbursed to DAHC as projects are completed, inspected and appropriate documentation received by the Community Development Division.

OPTIONS

- Approval of City's funding agreement with DAHC;
- Request revisions to the funding agreement for future review.

RECOMMENDATION

Staff recommends approval of the funding agreement with DAHC.

ESTIMATED SCHEDULE OF PROJECT

"Section 1, Term" of the funding agreement states that all funds shall be expended and all projects completed on or before December 31, 2015, unless adjusted by the City. The Agreement and required compliance with HOME Program regulations will terminate after ALL funded projects have met the required "affordability period" as stated in 24 CFR Part 92 Subpart F.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

The Community Development Advisory Committee recommended approval of funding DAHC's AHOP. Funding for the program was included in the City's *2014 Action Plan for Housing and Community Development*. City Council approved the Action Plan on May 6, 2014.

FISCAL INFORMATION

Funding for the proposed projects will be reimbursed to DAHC from the City's 2012, 2013 and 2014 HOME allocations. HOME funding is allocated to the City of Denton by the U.S. Department of Housing and Urban Development. City staff costs for program monitoring are paid primarily from the HOME and Community Development Block Grant (CDBG) programs. The CD Administrator position is funded through the general fund.

BID INFORMATION

N/A

EXHIBITS

1. Funding Agreement
2. Ordinance

Respectfully submitted:
Brian Lockley

Director of Planning & Development

Prepared by:
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