

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
DEPARTMENT OF COMMUNITY INITIATIVES**

CONSENT AGENDA
MEM NO. 46 A, B

TO: Mayor and City Council

FROM: Dennis J. Campa, Director, Department of Community Initiatives

THROUGH: Terry M. Brechtel, City Manager

COPIES: Frances A. Gonzalez, Assistant City Manager; City Attorney's Office; Department of Housing and Community Development; Finance Department; Office of Management and Budget; Neighborhood Action Department; File

SUBJECT: RATIFYING THE SUBMISSION OF GRANT APPLICATIONS AND AUTHORIZING THE ACCEPTANCE OF A GRANT AWARD AND EXECUTION OF CONTRACTS FOR \$39,176 FROM THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) TO FUND A NEW PROGRAM TO PROVIDE PREDATORY LENDING EDUCATION AND PREVENTION

DATE: December 18, 2003

SUMMARY AND RECOMMENDATIONS

- A. This ordinance ratifies the submission of a grant application to the U.S. Department of Housing and Urban Development (HUD). This ordinance also authorizes the acceptance of the grant funding, when awarded, and the subsequent execution of a contract in an amount up to \$39,176 from HUD by the Fair Housing Program for the period October 1, 2003 through September 30, 2004 to provide predatory lending education and prevention services, and approves a budget and personnel complement.
- B. This ordinance ratifies the submission of a grant application to the U.S. Department of Housing and Urban Development (HUD). This ordinance also authorizes the acceptance of the continuation grant funding, when awarded, and the subsequent execution of a contract in an amount up to \$76,937 between HUD and the City of San Antonio's Housing Counseling Program for the period October 1, 2003 to September 30, 2004 to provide fair housing education and counseling services, and approves a budget and personnel complement.

Staff recommends approval of these ordinances.

BACKGROUND INFORMATION

The U.S. Department of Housing and Urban Development (HUD) requires local compliance with the Fair Housing Act (Public Law 90-824), as amended, and Executive Order 12259, to further fair housing. In its annual application for Community Development Block Grant (CDBG) entitlement funds, the City must certify that it will continue to implement necessary actions to increase and enhance housing opportunities.

The Fair Housing Program consists of two sections, Fair Housing and Housing Counseling, funded from different grants and integrated to provide comprehensive housing services. The City's Fair Housing Program investigates and mediates tenant-landlord complaints, monitors housing

discrimination practices, and encourages voluntary compliance with the city, state, and federal fair housing laws through education and outreach. The Fair Housing Program has been engaged in housing counseling since June of 1972, offering both fair housing and comprehensive housing counseling services to the residents of Bexar County and surrounding areas. As a Housing and Urban Development (HUD) Certified Housing Counseling Agency since 1979, the Housing Counseling Program has continued to offer housing services to potential homebuyers and renters of HUD insured, HUD assisted, and conventional housing to the residents of San Antonio and Bexar County.

POLICY ANALYSIS

Anti-Predatory Lending Program

This ordinance accepts grant funds to implement a new initiative to provide anti-predatory lending services through education and public awareness. Predatory lending occurs when there is a financial agreement for a home purchase, refinance, or improvement where the lender utilizes overly aggressive, deceptive and/or fraudulent sales and financing tactics to take unfair advantage of unsophisticated borrowers.

For the period October 1, 2003 through September 30, 2004, the Fair Housing Program will provide direct services to approximately 1,236 families in San Antonio and Bexar County (Attachment A). The services will include: (1) group workshops on predatory lending issues; (2) one-on-one counseling to predatory lending victims; (3) outreach and educational presentations on identifying and avoiding predatory lending, including distribution of materials; (4) financial literacy classes to area high school students, to include information about the City's IDA program; and (5) education for working families on prime and sub-prime loans. One additional Caseworker II will be added for this program.

Housing Counseling Program

The Housing Counseling section will provide direct services to approximately 2,540 families in San Antonio and Bexar County during the period October 1, 2003 through September 30, 2004 (Attachment B). The services will include: (1) counseling services to default homeowners and to reverse mortgage applicants; (2) educating tenants and landlords of their rights; (3) community education presentations; (4) pre- and post- purchase and/or occupancy counseling; (5) homebuyer education; (6) delinquent renter counseling; (7) tenant/landlord mediation; and (8) public awareness of predatory lending practices. Two additional Caseworker II's will be added for this program.

These ordinances continue existing City policy adopted by City Council to utilize grant funds to provide comprehensive housing services to the residents of San Antonio and Bexar County. It is a continuation of the Department's efforts to provide leadership, maximize resources, and improve the quality of life within our community. These funds will enhance the Department's goals of family strengthening and human development.

FISCAL IMPACT

- A. This a new grant will provide the Fair Housing Program with \$39,176 to support anti-predatory lending education and prevention services. There is no General Fund commitment.
- B. This continuation grant will provide the Department of Community Initiatives with \$76,937 for comprehensive housing counseling services over a one year period? It will be for a one-year period beginning October 1, 2003 and ending September 30, 2004. This grant represents a 60% increase in funding by HUD from the previous grant award. Funding for the program has averaged \$30,000.00 for each twelve-month period for the past two years. There is no General Fund commitment.

Funding Summary:

Funding Period	Funding Received
FY 2003/04	\$76,937.00
FY 2002/03	\$27,854.00
FY 2001/02	\$30,433.00


COORDINATION

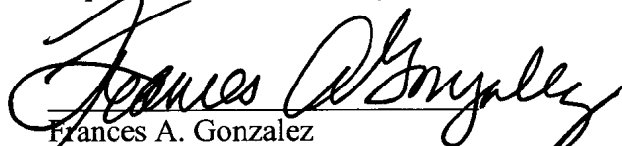
Coordination has occurred with the City Attorney's Office, the Housing and Community Development Department, the Finance Department, the Office of Management and Budget and the Neighborhood Action Department (NAD). DCI and NAD coordinate services and referrals in order to prevent any duplication of services: NAD serves only first time homebuyers, whereas DCI investigates and resolves tenant and landlord complaints and provides counseling to default mortgage clients, reverse mortgage applicants and predatory lending victims.

SUPPLEMENTARY COMMENTS

Provisions of the Ethics Ordinance do not apply.

- Proposed Accountability Measures for the Predatory Lending Education and Prevention Program are included as Attachment A.
- Proposed Accountability Measures for the Housing Counseling Program are included as Attachment B.


Dennis J. Campa, Director
Department of Community Initiatives


Frances A. Gonzalez
Assistant City Manager

Approved:


Terry M. Brechtel
City Manager

ATTACHMENT A

**Anti-Predatory Lending Education and Prevention Program
Proposed Accountability Measures**

FY 2003/04

Anti-Predatory Lending Counseling - # of Households Served	24
# of High School Education Presentations	12
# of Families Provided with Educational Presentations	1,200
Total Number of Units	1,236

ATTACHMENT B

**Housing Counseling Program
Proposed Accountability Measures
(Number of Households Served)**

FY 2003/04

Default Mortgage Counseling	375
Mortgage Financial Assistance	110
Reverse Mortgage Counseling	125
Tenant/Landlord Counseling	1,918
Fair Housing Inquiries	12
Total Number of Units	2,540

COMMUNITY ACTION DIVISION
FAIR HOUSING PROGRAM
FY 04 FUNDING CHART

Funding Source	Program	Amount of Funding
U.S. Dept. of Housing and Urban Development	Housing Counseling Grant	\$ 76,937
U.S. Dept. of Housing and Urban Development	Predatory Lending Grant	\$ 39,176
U.S. Dept. of Housing and Urban Development	Emergency Shelter Grant	\$ 30,000
U.S. Dept. of Housing and Urban Development	Community Development Block Grant	<u>\$ 230,444</u>
		\$ 376,557

Community Action Division
Anti-Predatory Lending Counseling Program
26-054114
October 1, 2003 - September 30, 2004

061630	REVENUES:		
	HUD	\$	39,176
	TOTAL REVENUES	\$	39,176

EXPENDITURES:			
38-12-34			
INDEX CODE		OBJ CODE	
559559	Reg Salaries	01-010	\$ 28,193
559583	Language Skill Pay	01-019	\$ 600
561134	FICA	01-030	\$ 2,114
561142	TMRS	01-040	\$ 3,156
561159	Flex Benefits	01-050	\$ 4,870
561167	Life Insurance	01-051	\$ 243
	TOTAL EXPENDITURES		\$ 39,176

Fund Only Index Code: 009901

**Community Action Division
Anti-Predatory Lending Counseling Program
26-xxxxxx
Personnel Complement**

<u>No. of Positions</u>	<u>Positions</u>	<u>Job Class No.</u>
1	Caseworker II	0971
1	TOTAL POSITIONS	

**Community Action Division
Housing Counseling Program
26-054113
October 1, 2003 - September 30, 2004**

	REVENUES:	Budget
049056	HUD	\$ 76,937.00
	TOTAL REVENUES	\$ 76,937.00

**EXPENDITURES:
38-12-33**

INDEX CODE		OBJ CODE	
608232	Reg Salaries	01-010	\$ 55,039.00
608240	Language Skill Pay	01-019	\$ 1,200.00
608257	FICA	01-030	\$ 4,127.00
608265	TMRS	01-040	\$ 6,162.00
608273	Flex Benefits	01-050	\$ 9,740.00
608489	Life Insurance	01-051	\$ 669.00
	TOTAL EXPENDITURES		\$ 76,937.00

Fund Only Index Code: 000493

**Community Action Division
Housing Counseling Program
26-xxxxxx
Personnel Complement**

<u>No. of Positions</u>	<u>Positions</u>	<u>Job Class No.</u>
2	Caseworker II	971
2	TOTAL POSITIONS	

Attachment I

HUD Grant Award Letter

DCI is still awaiting receipt
(HUD website has notice of awards, but official letter
forthcoming)

Attachment II

HUD Grant Agreement

DCI is still awaiting receipt
(The Grant Agreement will accompany the Grant
Award)