

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
NEIGHBORHOOD ACTION DEPARTMENT**

**CONSENT AGENDA
ITEM NO. 12**

TO: Mayor and City Council

FROM: David D. Garza, Neighborhood Action Director

THROUGH: Terry M. Brechtel, City Manager

COPIES: Jelynn LeBlanc Burley, Assistant City Manager; File

SUBJECT: ACCEPTANCE OF GRANT FUNDS FOR NEIGHBORHOOD ACTION
DEPARTMENT PROGRAMS

DATE: March 11, 2004

SUMMARY AND RECOMMENDATION

This ordinance acknowledges the acceptance of an \$8,000 award from Citigroup Foundation and \$3,500 from Bank One to the City of San Antonio Neighborhood Action Department through the San Antonio Housing Trust Foundation who acts as fiscal agent for such funds. The \$8,000 from Citigroup Foundation will be to support Operation Facelift projects within the Neighborhood Commercial Revitalization Program. The \$3,500 from Bank One will support the Homebuyers Club Program which provides homebuyer counseling activities.

Staff recommends the approval of this ordinance.

BACKGROUND

The San Antonio City Council approved the creation of the NCR Program in 1998 to empower community groups to restore productivity of underused neighborhood urban retail and business areas. The goals of the NCR Program are to support economic reinvestment in business corridors of San Antonio's urban core, create economic and employment opportunities in the inner city, and improve the physical appearance of these areas. Modeled after the successful National Main Street Program, the NCR Program works with community-based nonprofit organizations that successfully compete to participate. The participant organizations develop and implement economic development plans with strategies in four major areas of effort which include 1) promoting and marketing the business district to potential customers, 2) preserving and maximizing the districts' unique physical assets through design and planning of private and public improvements, 3) providing assistance to promote business retention and attraction, and 4) organizing together in order to recapture the economic vitality which once characterized the areas. Working as partners, the NCR Program and its participating organizations create and implement self-directed economic development plans that: promote the competitive advantages of the inner city; enhance the unique historic and architectural assets of the business district;

provide technical assistance to small businesses currently located in the target areas; recruit new businesses to the area based on identified unmet consumer need; facilitate public and private physical and infrastructure to increase economic feasibility and investment in the target areas.

Through the NCR Program, the City funds organizations at two levels: Partnership Project which makes \$5,000 available to groups interested in building organizational capacity to undertake full-fledged revitalization program. The full Revitalization Project provides \$370,000 over a six-year period to Partnership Project organizations that demonstrate their ability to implement a full-time economic development program. NCR Revitalization Project areas are eligible to participate in Operation Facelift.

Operation Facelift is the NCR Program's façade improvement grant program. It was created as an incentive for businesses to invest in their properties' appearance and to further the NCR Program goals. The scope of the improvements vary but are all highly visible projects that send a signal to shoppers, potential businesses, investors and residents that something positive is happening. The purpose of Operation Facelift is to stimulate new, private investment and economic growth; promote consistency in design that is complimentary and sympathetic to the existing design and architectural character of the area, assist property owners with the appropriate exterior rehabilitation of their buildings and bring them up to code and invest in historic preservation and rehabilitation.

Grants are awarded from \$500 to \$15,000 and are accepted on a first come first serve basis throughout the year, as funds are available. The business or property owner must match the grant amount equally, dollar for dollar. Total project costs may exceed \$30,000, however, the maximum City reimbursement for a project will be \$15,000. The reimbursement of funds is conducted with original proof of payment(s) and released upon satisfactory completion, inspection and acceptance of all work. Owners of vacant buildings are encouraged to apply and improve their property as a catalyst for future occupancy. Tenants are eligible to apply with a signed lease and the property owner's approval. Mixed use buildings with retail/commercial uses in the storefront may also be considered. Currently, properties not eligible for consideration include those used primarily as residences and non-profit organizations.

The first contribution is from Citigroup Foundation. These funds will be used to support the City's Operation Facelift. Operation Facelift is the NCR Programs facade improvement grant program. Operation Facelift funds fixed or permanent façade improvement projects. Eligible improvements can include complete façade rehabilitation; replacement of broken window panes and broken storefront glass; scraping, priming and painting of window frames, cornice and storefront; painting of brick facades where brick has been previously painted; repair or replace deteriorating signage and brackets when attached to the building; repair or replace worn canopies or awnings; removal of metal slipcovers to expose original materials; rehabilitation of the upper façade and display areas if street level improvements are improved; and other repairs when incidental to overall façade improvements (roof repair, exterior lighting, detached signage, and certain security elements).

The second contribution is from Bank One. These funds will be used to support the City's Homebuyers Club (HBC) Program. HBC classes are offered on a monthly basis and provide homebuyer education for individuals preparing to purchase a home. The funds will be used to

purchase books for the program. These books are available for the participants to purchase. The classes for the program are free and open to the public.

POLICY ANALYSIS

Operation Facelift is currently funded from a combination of Community Development Block Grant (CDBG) and General Fund monies. CDBG funded projects must meet CDBG eligibility criteria by being located within a Census tract block with 51% of households at low to moderate income. There are some properties within target areas that are not CDBG eligible and such projects are funded through the General Fund. CDBG and General Fund monies are subject to annual budget constraints.

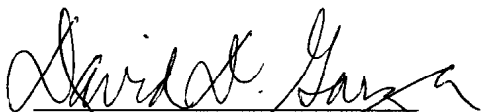
In an effort to partner with local lending institutions and assist them in their efforts to fulfill Community Revitalization Act (CRA) requirements, the San Antonio Housing Trust accepts these funds on behalf of the City. Through the annual contract between the City of San Antonio and the San Antonio Housing Trust Foundation, Inc., the Trust has the authority to act as fiscal agent and accept donations on the City's behalf to support neighborhood and housing revitalization efforts.

FISCAL IMPACT

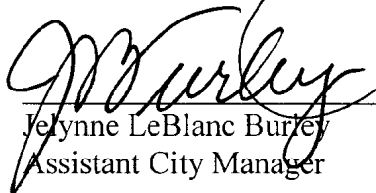
There is no fiscal impact to the General Fund with this item.

COORDINATION

This item has been coordinated with the City Manager's Office, City Attorney's Office, and San Antonio Housing Trust Foundation, Inc.



David D. Garza, Director
Neighborhood Action Department



Jelynn LeBlanc Burley
Assistant City Manager

Approved:



Terry M. Brechtel
City Manager