

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

TO: Mayor and City Council

THROUGH: Terry M. Brechtel, City Manager

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

COPIES: Frances A. Gonzalez, Assistant City Manager; Finance Department; City Attorney's Office; File

SUBJECT: Ordinance authorizing the execution of a Housing Assistance Payments Contract for up to \$298,848 with the San Antonio Housing Authority for continuation of the Dwyer Avenue Center Single Room Occupancy Program

DATE: March 25, 2004

SUMMARY AND RECOMMENDATIONS

This ordinance authorizes the execution of a Housing Assistance Payment (HAP) contract with the San Antonio Housing Authority (SAHA) for continuation of the rental subsidy program for Single Room Occupancy (SRO) units at the Dwyer Avenue Center. One year funding of up to \$298,848 will be provided by SAHA to support this program for the contract period of September 17, 2003 to September 16, 2004.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

When the City of San Antonio opened the Dwyer Avenue Center in 1992, the City and SAHA entered into a ten-year contract through which SAHA would provide project-based rental subsidies for homeless singles residing at the City operated Dwyer Avenue Center. That initial ten-year contract, which expired in September 2002, was renewed from September 2002 to September 2003 for one year as authorized by Housing and Urban Development (HUD.)

Pursuant to Ordinance No. 97431 passed and approved on April 10, 2003, City Council accepted funds from SAHA and authorized the expenditure of \$288,573 during Fiscal Year (FY) 2003 for the provision of rental subsidies for SRO units. The proposed agreement will be the second one-year contract and will continue the collaborative agreement between SAHA and the City until September 16, 2004.

Delays in SAHA's contractual process with HUD subsequently delayed their agreement with the City. SAHA has been paying the City at the FY04 reimbursement rate since the onset of the new contract period, despite the expiration of the previous contract. The FY04 contract, which began on September 17, 2003, was not received from SAHA until February 2004.

The Dwyer Avenue Center is operated with federal grant funds (HUD), income from residents and the SAHA. These funds are deposited in Dwyer Center Rental Income Trust. Occupants of the Center are assessed a monthly rental fee based on their adjusted gross income, with the SAHA funds reimbursing the Center for the balance of the monthly rental fee. In addition to transitional housing, the Dwyer Avenue Center staff also provides a wide array of supportive services to homeless singles and families in San Antonio. There are 88 Single Room Occupancy (SRO) units at the Dwyer Avenue Center with a current occupancy rate of 86% and an average length of stay of 12 months. This translates to 27,623 resident days over the term of the HAP contract. Vacancy periods are due, in part, to delays in the intake process that involve income eligibility, criminal background checks, review of any SAHA payment history, routine room repairs and required facility inspections by SAHA. The HAP contract reimburses the City for the actual number of resident days of occupancy. Also housed at the Dwyer Avenue Center are 16 family units designated for transitional housing and 20 units for women and their young children designated for emergency shelter.

City staff, along with staff at collaborative agencies such as Family Violence Prevention Services, the Food Bank and CentroMed provide SRO residents with:

- substance abuse and mental health counseling
- life skills classes and financial literacy training
- medical care
- emergency assistance
- job training

One such job training program, the Culinary Arts Training Program, began in October 2003 and teaches homeless individuals the skills necessary to work in a commercial kitchen. The six-week program instructs homeless individuals in skills such as cooking, baking, dishwashing, and dressing properly. Four individuals have graduated to date; a total of 16 graduates are projected through the end of year.

Services provided at the Center are designed to assist homeless individuals accomplish the three goals developed by the U.S. Department of Housing and Urban Development:

- achieve residential stability
- increase skill levels and/or incomes
- obtain greater self-determination (achieve 1 or more goals on their Individual Service Plan)

DCI staff estimate that 94% of SRO participants will achieve residential stability (remain in permanent housing six months after leaving the program); 25% will increase their skill level; and 48% will increase their level of self-determination (transition into permanent housing after exiting the program). Participants' progress toward reaching these goals is measured through caseworker reviews. SRO residents may reside at the Dwyer Avenue Center for up to 24 months and follow up is provided for six months after leaving the facility.

POLICY ANALYSIS

This ordinance continues existing City policy of providing safety net services through the provision of transitional housing and comprehensive services to homeless people. It also continues the City's collaborative relationship with SAHA in support of homeless singles.

FISCAL IMPACT

Payments by SAHA during FY04 are projected to increase over FY03 due to the increased occupancy rate of 86% (27,623 resident days) as compared to 74% (23,768 resident days) experienced during FY03.

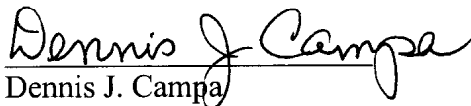
In the proposed contract, HUD has increased the fair market rental rate for SRO units from \$273 per unit (FY03) to \$283 for FY04, which SAHA is currently paying while the HAP contract is being finalized. There is no general fund commitment.

COORDINATION

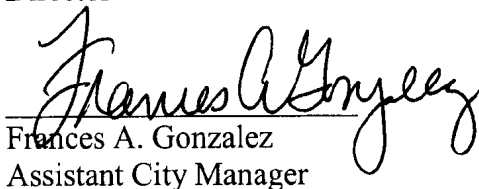
Coordination has taken place with the Finance Department, City Attorney's Office, Office of Management and Budget and the San Antonio Housing Authority.

SUPPLEMENTARY COMMENTS

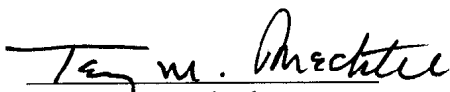
Requirements of the City's Ethics Ordinance do not apply.


Dennis J. Campa

Director


Frances A. Gonzalez
Assistant City Manager

Approved:


Terry M. Brechtel
City Manager

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Community Planning and Development

SECTION 8 MODERATE REHABILITATION
SINGLE ROOM OCCUPANCY PROGRAM
FOR HOMELESS INDIVIDUALS

RENEWAL OF HAP CONTRACT

1. BACKGROUND

Previously, the PHA entered into a HAP contract with the owner under the Section 8 Moderate Rehabilitation Single Room Occupancy (SRO) Program for Homeless Individuals. The HAP contract provided for Section 8 housing assistance payments by the PHA to the owner. The HAP contract identified covered contract units and specified the term of the HAP contract for such units.

The term of the HAP contract expires on 9/16/04. Under section 524(a)(1) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998 (Public Law 105-65, 111 Stat. 1344, approved October 27, 1997) (1998 Act), HUD is authorized to renew expiring Section 8 SRO contracts. This renewal contract is entered in accordance with section 524(a)(1).

The contract renewal shall be for a term of one year and shall commence on the day after the HAP contract expires. The commencement date is specified in the "contract information" attached as an exhibit to this renewal contract.

(For HAP contracts that expire in stages, the term of the one year renewal for each stage commences on the day after expiration of the HAP contract for each stage. The exhibit of contract information separately specifies the commencement date for renewal of each HAP contract stage expiring in federal fiscal year 1998, and identifies the number of units, number of bedrooms, and contract rent of the contract units included in each stage.)

2. **DEFINITIONS**

Commencement date. The beginning of the one year renewal term. (The commencement date is specified in the contract information exhibit.)

Contract information. An exhibit attached to and made a part of this renewal contract. The exhibit specifies the amount of budget authority, commencement date of the renewal term, number of units, number of bedrooms and contract rent.

Contract units. The units covered by this renewal contract.

HAP contract. Section 8 Housing Assistance Payments Contract.

HUD. The U.S. Department of Housing and Urban Development.

One year. 365 days.

PHA. Public Housing Agency (also called a "housing agency" or "HA").

Public Housing Agency (PHA). The agency that has entered this renewal contract with the owner.

Section 8. Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

3. **TERM OF RENEWAL**

The expiring HAP contract is renewed for a period of one year (365 days) beginning on the commencement date. (For HAP contracts that expire in stages, the contract information exhibit separately specifies the commencement date for the one year renewal term of each stage.)

4. **CONTRACT RENT**

During the renewal term, the monthly contract rents for the contract units described in the exhibit of contract information shall be the amounts specified in the exhibit. The owner shall not receive any other payment or compensation for rental of the units.

Notwithstanding the amounts of the contract rents specified in the exhibit of contract information, contract rents shall in no event exceed the rent levels permitted by section 524(a)(1) and 24 CFR 402.4. Such rent levels shall be calculated in accordance with HUD instructions.

During the renewal term, the following provisions of the expiring HAP contract do not apply:

- a. Provisions concerning annual and special adjustments of contract rent.
- b. Provisions concerning base rent.

If the renewal term commences on a date other than the first day of a calendar month, or ends on a date other than the last day of a calendar month, contract rent shall be pro-rated.

5. RENEWAL OF OTHER TERMS

Except as provided in section 4 of this renewal contract, all terms of the expiring HAP contract are renewed.

6. MAXIMUM PAYMENT

Notwithstanding any other provision of the expiring HAP contract or this renewal contract, aggregate payments by the PHA to the owner under this renewal contract shall in no event exceed the amount of budget authority specified in the exhibit of contract information.

(For a HAP contract renewed in stages, aggregate payments for all stages under this renewal contract, shall in no event exceed such amount.)

7. OWNER RESPONSIBILITY

Physical condition standards. The owner warrants that the contract units comply with HUD's physical condition standards for housing that is decent, safe and sanitary and in good repair, and will so comply at all times during the term of this renewal contract.

Conditions for housing assistance payments. Unless the owner complies with the HAP contract and this renewal contract, the owner does not have a right to receive housing assistance payments.

8. EXCLUSION OF THIRD PARTY RIGHTS

The PHA does not assume any responsibility for injury to, or any liability to, any person injured as a result of the owner's action or failure to act in connection with the implementation of the HAP contract or renewal contract, or as a result of any other action or failure to act by the owner.

Nothing in the HAP contract or renewal contract shall be construed as creating any right of an assisted family or other third party (other than HUD) to enforce any provision of the HAP contract or renewal contract, or to assert any claim against HUD, the PHA or the owner under the HAP contract or renewal contract.

In accordance with section 8(c)(8)(A) of the United States Housing Act of 1937, as amended, the owner shall provide, at a minimum, a one year written notice to the PHA, HUD and each assisted individual about the termination of this contract. The term "termination" means the expiration of the contract or an owner's refusal to renew the contract. The notice shall comply with HUD regulations and other requirements, including any amendments or changes in the law or HUD requirements.

Signatures:

San Antonio Housing Authority
Print Name of PHA: 122

Signature

Melvin L. Braziel, President and CEO
Print Name and Title of Signatory

Date

OWNER

The City of San Antonio RE: (Dwyer Center)

Print Name of Owner

By: _____

Signature

Print Name and Title of Signatory

Date

CONTRACT INFORMATION

Contract Number: TX59 K 006-006
Project Name: THE DWYER CENTER

Address: 307 DWYER AVE
City and State: SAN ANTONIO, TEXAS 78204

Budget authority amount \$ 298,848.00

Commencement date: 9/17/03

| Number of Units | Number of Bedrooms | Contract Rent (Per month) |
|-----------------|--------------------|---------------------------|
| 88 | 1 bdrm | \$283.00 |

88 units X \$283.00 X 12 mos = \$298,848.00

Moderate Rehabilitation Program
Renewal of HAP contract

Page 5 of 5

Signatures:

PUBLIC HOUSING AGENCY

SAN ANTONIO HOUSING AUTHORITY