

**CITY OF SAN ANTONIO
NEIGHBORHOOD ACTION DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

FROM: David D. Garza, Director, Neighborhood Action Department

SUBJECT: Acceptance of Fannie Mae Foundation Grant

DATE: January 6, 2005

SUMMARY AND RECOMMENDATION

This ordinance would ratify the submission and authorize the acceptance of a grant in the amount of \$40,000 from the Fannie Mae Foundation to the San Antonio Housing Trust Foundation, Inc. for the purpose of supporting the San Antonio Housing Trust homebuyer counseling activities and the Neighborhood Action Department's Homebuyer's Club Program.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

In December 2003, the San Antonio Housing Trust Foundation, Inc. (SAHTF) received a \$50,000 grant to support homebuyer counseling activities provided by the Trust and homebuyer education classes provided by the City's Neighborhood Action Department. This period of the grant was from December 1, 2003 to November 30, 2004. In July 2004, the Fannie Mae Foundation requested that the SAHTF reapply for the same grant to further support these services. On November 22, 2004, the SAHTF received notification of an award of a \$40,000 grant from the Fannie Mae Foundation for the period of October 1, 2004 through September 30, 2005.

In an effort to minimize foreclosure rates throughout San Antonio, the SAHTF proposes to provide credit and homeownership counseling for 30 families throughout the grant period. The Neighborhood Action Department is proposing to provide homebuyer's classes for 500 families during the same period. Sixty-five of the families which receive homebuyer counseling are projected to purchase a home during the grant period. These grant funds will be utilized for homebuyer training materials, security during evening classes, marketing materials and brochures, credit report and staff training.

POLICY ANALYSIS

In its role as the Board of the San Antonio Housing Trust Foundation, it is necessary for the City Council to approve this action. The San Antonio Housing Trust will administer this grant. The


City will be sending all invoices for services through this grant directly to the SAHTF for payment. The attached Agreement between the City and the SAHTF details the processes for reimbursement and expenditures.


FISCAL IMPACT

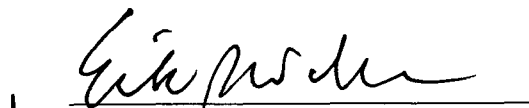
The grant provides \$40,000 for credit counseling and homebuyer counseling activities which will be provided by the San Antonio Housing Trust Foundation and the Neighborhood Action Department's Homebuyer's Club Program. The funds will be provided to the SAHTF and all funding activities will be administered through the SAHTF in coordination with the Neighborhood Action Department.

COORDINATION

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


David D. Garza, Director
Neighborhood Action


Jelynn LeBlanc Burley
Assistant City Manager


J. Rolando Bono
Interim City Manager

**SAN ANTONIO HOUSING TRUST FOUNDATION, INC.
AND**

**CITY OF SAN ANTONIO
NEIGHBORHOOD ACTION DEPARTMENT**

GRANT AGREEMENT

(\$20,000.00 in connection with the Fannie Mae Foundation Grant)

This Agreement for Trust Assistance (hereinafter called "Agreement") is made between the SAN ANTONIO HOUSING TRUST FOUNDATION, INC. (hereinafter called "FOUNDATION"), as the administrative and fiscal agent for the City of San Antonio Housing Trust, and CITY OF SAN ANTONIO acting by and through its Neighborhood Action Department (hereinafter called "SPONSOR"), according to the terms provided below and as evidenced by the signatures below:

WHEREAS, pursuant to Ordinance No. 67895 passed September 8, 1988, the City dedicated certain funds through a Declaration of Trust to the City of San Antonio Housing Trust for the promotion of affordable housing projects and programs; and

WHEREAS, under Board of Trustees Resolution No. _____, passed _____, and City Council Ordinance No. _____, passed January 6, 2005, the City of San Antonio Housing Trust Foundation, Inc. approved acceptance of a grant from the Fannie Mae Foundation in the amount of Forty Thousand and No/100 Dollars (\$40,000.00) as a grant award in coordination with the SPONSOR for Twenty Thousand and No/100 Dollars (\$20,000) to support homebuyer counseling activities, hereinafter called "the Project" and under the terms and conditions as described below; and

WHEREAS, under an Administrative and Fiscal Contract with the City of San Antonio, authorized by City Council Ordinance No. 99798, passed September 23, 2004, the San Antonio Housing Trust Foundation, Inc. was created and is funded to assist with the City's revitalization strategy and provide funding support to residential projects which could not be addressed by the standard HUD program funds due to eligibility requirements; and where the FOUNDATION is authorized to participate with SPONSOR in accepting funds from institutions to further revitalization efforts, as approved by the Board of Trustees of the City of San Antonio Housing Trust Foundation Resolution F0208-03; and

NOW THEREFORE: The FOUNDATION and SPONSOR agree as follows:

I. PROJECT DEVELOPMENT AND OPERATION REQUIREMENTS

1.1 EFFECTIVE PERIOD. The SPONSOR'S substantial compliance with the terms of this Agreement will begin upon the date of execution of this Agreement. This Agreement will continue in effect for the term of said Project of one year ending November 30, 2005.

1.2 APPROVED PROJECT. The funds provided under this Agreement are to be used solely for the following purposes and under the following conditions:

- (A) Project. The Project (hereinafter referred to as the "Project") to be assisted pursuant to this Agreement shall consist of the allocation of Twenty Thousand and No/100 Dollars (\$20,000.00) as a grant award to provide funds to the SPONSOR to implement the Homebuyers Club Program (hereinafter referred to as "HBC") which provides 8-hours of training for individuals interesting in buying a home.

1.3 TYPE OF ASSISTANCE. The Grant Award in the amount of Twenty Thousand and No/100 Dollars (\$20,000.00) to SPONSOR under this Agreement will be made as an allocation (the "Allocation") by the FOUNDATION to the SPONSOR on the terms and conditions set forth in this Agreement. Neither the City of San Antonio Housing Trust nor the San Antonio Housing Trust Foundation, Inc., nor its subsidiaries, will be obligated to make any additional disbursements to the SPONSOR under this Agreement.

1.4 PROCEDURES FOR ACCESSIBILITY OF FUNDS. Upon request by SPONSOR with proper documentation, the FOUNDATION shall disburse said funds on behalf of the SPONSOR in accordance herewith. The SPONSOR shall submit invoices or requests for reimbursement for supplies and materials as outlined in Attachment A entitled the Adopted Budget for Fannie Mae Grant Agreement for the City's Homebuyers Club Program.

1.5 APPROVALS. Unless otherwise provided, any approval of the FOUNDATION required herein shall be made in writing by the Executive Director of the FOUNDATION without further action or resolution of the Board of Directors of the FOUNDATION. Unless otherwise expressly provided herein, the FOUNDATION shall have no obligation to grant any such approval and may withhold or condition any such approval in the sole discretion of the FOUNDATION.

II. GENERAL PROVISIONS

2.1 GRANT ASSISTANCE. The funds provided under this Agreement must be used within the purposes of the grant provisions provided by Fannie Mae Foundation as submitted through the grant application, incorporated herein by reference.

2.2 CONTRACT AUTHORITY. The SPONSOR represents and guarantees that it possesses the legal authority, pursuant to any proper, appropriate and official motion,

resolution or action passed or taken, to enter into this Agreement and to perform the responsibilities herein required.

2.3 EXECUTION AUTHORITY. The signer of this Agreement for SPONSOR represents and guarantees that he or she has full legal authority to execute this Agreement on behalf of SPONSOR and to bind SPONSOR to all terms, performances and provisions herein contained. Said same provisions apply for the signer of this Agreement for FOUNDATION.

2.4 SUSPENSION OR TERMINATION. In the event a dispute arises as to the legal authority to enter into this Agreement of either the SPONSOR or the person signing on behalf of the SPONSOR, the FOUNDATION will have the right, at its option, to either temporarily suspend or permanently terminate this Agreement.

2.5 COMPLIANCE. The SPONSOR understands that the funds provided it under this Agreement are funds that have been made available through the Fannie Mae Foundation. The SPONSOR will comply with all rules, regulations, policies, and procedures applicable to these funds.

2.6 ANTI-WAIVER. Previous breach of any of the terms or conditions of this Agreement shall not constitute a waiver or preclude the FOUNDATION's termination right for successive breach of the same condition.

2.7 USE OF FUNDS. The SPONSOR shall use the funds disbursed hereunder exclusively for the purpose and in the manner set forth in this Agreement. Any modification of the use of funds proposed by SPONSOR shall require prior written approval of the FOUNDATION.

2.8 FRAUD AND ABUSE OF FUNDS. The SPONSOR shall establish and use internal program management procedures to preclude theft, embezzlement, improper inducement, obstruction of investigation or other criminal action, and to prevent fraud and program abuse.

2.9 PUBLICITY. Subject to the approval of Fannie Mae, any publications, press releases or announcements, signs and other publications used to publicize the Project by SPONSOR, if any, shall include a statement similar to the following:

This project/program is supported by funding from the Fannie Mae Foundation.

2.10 POLITICAL ACTIVITY. None of the performance rendered under this Agreement shall involve, and no portion of the funds received hereunder shall be used, directly or indirectly, for any political activity including, but not limited to, an activity to further the

election or defeat of any candidate for public office or for any activity undertaken to influence the passage, defeat or final content of local, state or federal legislation.

2.11 CONFLICT OF INTEREST. The SPONSOR, any member of its governing body or its staff shall not have any interest directly or indirectly that would conflict in any manner or degree with the performance of services required to be performed under this Agreement. Persons having such interest may not be employed or serve as a member of its governing body or of its staff.

2.12 CONTRACTS WITH TRUSTEES OR DIRECTORS. The SPONSOR shall not contract directly or indirectly with any officer, employee or member of the Board of Trustees of the City of San Antonio Housing Trust or the Board of Directors of the San Antonio Housing Trust Foundation, Inc.

2.13 COMMUNITY RELATIONS. The SPONSOR shall provide individuals and organizations who may be interested in or affected by the Project or program supported with funds under this Agreement a fair and reasonable opportunity for review and comment on its plans or proposals.

2.14 EFFECTIVE DATE. This Agreement shall be effective upon the proper execution of this Agreement by the authorized representatives of the FOUNDATION and SPONSOR.

2.15 NO THIRD PARTY BENEFICIARIES. The FOUNDATION shall not be obligated to any third parties by virtue of this Agreement, including without limitation, the Eligible Homebuyers who may qualify to receive financing assistance hereunder.

2.16 RECORDS. The SPONSOR agrees to maintain records that shall provide accurate, current, separate and complete disclosure of the status of any funds received pursuant to this Agreement. The SPONSOR shall:

(A) Maintain relevant records in compliance with all terms, provisions and requirements of this Agreement and use generally accepted accounting principles and practices for financial management; and

(B) Maintain sufficient documentation to provide in detail full support and justification for each expenditure using funds provided under this Agreement.

2.17 MONITORING ACCESS. The Executive Director of the FOUNDATION, or his or her duly authorized representative, may monitor, provide fiscal control, and evaluate SPONSOR's performance and operations under this Agreement. The FOUNDATION may request excerpts, transcripts and copies of data relating to the utilization of funds for the Project, subject to the terms and conditions of the Loan and Security Agreement with Fannie Mae. This may include the following:

(A) On-site Inspections. The SPONSOR agrees that during the term of this Agreement any duly authorized representatives of the FOUNDATION may conduct on-site inspections at reasonable times, and interview personnel and clients, for the purpose of evaluating and monitoring the SPONSOR's operations for compliance with this Agreement.

(B) False Information. The submission of falsified information by SPONSOR or the failure to submit information by SPONSOR as requested by FOUNDATION shall be grounds for termination of this Agreement.

(C) Attendance. Any designated representative of the FOUNDATION may attend any of SPONSOR's board, executive or staff or other meetings if any item relating to this Agreement shall, or is reasonably anticipated to be discussed.

2.18 AUDIT CONDITIONS AND REQUIREMENTS. Upon request, the SPONSOR shall submit to the Executive Director of the FOUNDATION a copy of the SPONSOR'S Comprehensive Annual Financial Review.

2.19 LAWS. The SPONSOR understands and agrees to abide by and adhere to all applicable federal, state, and local laws, rules, ordinances, and regulations.

2.20 CHANGES AND AMENDMENTS. Except when the terms of this Agreement expressly provide otherwise, any alterations, additions, or deletions to the terms of this Agreement shall be made in writing executed by both the FOUNDATION and the SPONSOR.

2.21 ASSIGNMENTS. The SPONSOR shall not transfer, pledge or otherwise assign this Agreement, any interest in and to this Agreement, or any claim arising under this Agreement, without first obtaining written approval of FOUNDATION. Any unauthorized attempt by SPONSOR to transfer, pledge or assign this Agreement shall be void and shall confer no right upon any third person. The FOUNDATION may transfer, pledge or otherwise assign this Agreement, any interest in and to this Agreement, or any claim arising under this Agreement, only to the City of San Antonio in the interests of the City of San Antonio Housing Trust.

2.22 SEVERABILITY OF PROVISIONS. If any clause or provision of this Agreement is held invalid, illegal or unenforceable under present or future laws, then it is the intention of the parties hereto that such invalidity, illegality or unenforceability shall not affect any other clause or provision hereof and that the remainder of this Agreement shall be construed as if such invalid, illegal or unenforceable clause or provision was never contained herein; it is also the intention of the parties hereto that in lieu of each clause or provision of this Agreement that is invalid, illegal or unenforceable, there be added as a

part of the Agreement a clause or provision as similar in terms to such invalid, illegal or unenforceable clause or provision as may be possible, legal, valid and enforceable.

2.23 ENTIRE AGREEMENT. This Agreement, including any and all exhibits and attachments cited above, constitutes the final and entire Agreement between the parties hereto and contains all of the terms and conditions agreed upon. No other agreements, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind the parties hereto unless same be in writing, dated subsequent to the date hereof, and duly executed by said parties.

2.24 NOTICES. For purposes of this Agreement, all official communications and notices among the parties hereto will be deemed sufficient if in writing and mailed, registered or certified mail, postage prepaid, to the addresses set forth below:

FOUNDATION: Executive Director
San Antonio Housing Trust Foundation, Inc.
P.O. Box 15915
San Antonio, Texas 78212

SPONSOR: Director, Neighborhood Action Department
City of San Antonio
P.O. Box 839966
San Antonio, Texas 78283-3966

Notice of changes of address by any party set forth hereinabove must be made in writing delivered to the other parties' last known respective addresses within five (5) business days prior to the effective date of the change.

2.25 GENDER. Words of any gender used in this Agreement will be held and construed to include any other gender, and words in the singular number will be held to include the plural, unless the context otherwise requires.

2.26 CAPTIONS. The captions and headings contained in this Agreement are for convenience of reference only and in no way limit or enlarge the terms or conditions of this Agreement.

THIS AGREEMENT IS EXECUTED to be effective as of the _____ day of _____, 2005.

SAN ANTONIO HOUSING TRUST
FOUNDATION, INC.,
A Texas non-profit corporation,
the duly authorized agent for
the San Antonio Housing Trust

CITY OF SAN ANTONIO,
a Texas municipal corporation

By: _____
John M. Kenny
Executive Director

By: _____
David D. Garza, Director
Neighborhood Action Department

Attest:

City Clerk

Approved as to Form:

City Attorney