

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

TO: Mayor and City Council

FROM: David D. Garza, Neighborhood Action Director

SUBJECT: ACCEPTANCE OF CONTRIBUTIONS FROM FANNIE MAE AND BANK OF AMERICAL FOR HOMEBUYER COUNSELING PROGRAM

DATE: February 9, 2006

SUMMARY AND RECOMMENDATIONS

This ordinance authorizes the acceptance awards in the amount of \$5,000 from the Fannie Mae's Housing and Community Development Division; \$10,000 from Bank of America; and \$5,000 from JP Morgan Chase for a total of \$20,000 to support homebuyer counseling activities provided for the citizens of San Antonio. These funds are to be accepted by the San Antonio Housing Trust Foundation, Inc. to serve as fiscal agent on behalf of the City of San Antonio Neighborhood Action Department.

Staff recommends the approval of this ordinance.

BACKGROUND INFORMATION

The Neighborhood Action Department administers the Homebuyers Club (HBC) Program. The HUD-certified Program provides classes on a monthly basis and educates families on the homebuying process. In addition to the 8-hour course, the City also provides one-on-one counseling for individuals. The funds from Fannie Mae will be used for the counseling activities which include exporting credit reports to work with the families to address their respective issues towards homeownership.

The funds from Bank of America and JP Morgan Chase will be used for the resources necessary to implement the Program which includes purchasing books, supplies, and promotional materials. Contributions such as these provide tremendous financial support the Program and allow the City to continue to provide these free classes which are available to the public. These efforts continue to serve as the Department's fundraising campaign.

POLICY ANALYSIS

The City works with all lenders to promote homebuyer education. Bank of America invited the City to submit a proposal for a contribution to the HBC Program. Bank of America would like to partner with the City to provide homebuyer counseling for their clients who are in the process of qualifying for a mortgage that need more one-on-one counseling. This partnership is still being explored.

JP Morgan Chase, formerly Bank One, is a supporter of the City's Homebuyers Club Program. Fannie Mae, through its Community Development Division, also asked the City to apply for special funding to support credit counseling by providing funds for the costs associated with credit reports.

In an effort to partner with local lending institutions and assist them in their efforts to fulfill Community Revitalization Act (CRA) requirements by making contributions to non-profits, the San Antonio Housing Trust Foundation, Inc. will accept these funds on behalf of the City. The City enters into an administrative services agreement with the SAHTF which provides them the authority to accept funds on the City's behalf.

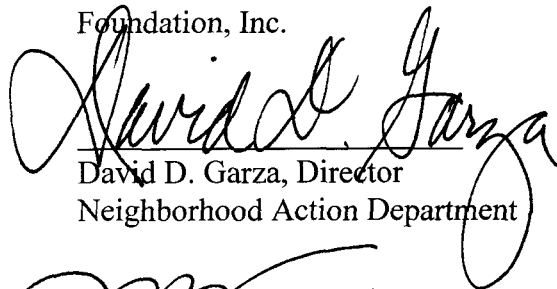
The three full-time employees who conducted the 30 HBC classes are funded from the Department's CDBG administrative allocation. There were 544 families who attended the 8-hour class during FY 2004-05. There were also 113 families who attended 12 Orientation Classes in FY 2004-05. These 1-hour classes provide basic information for families regarding down payment assistance and homebuying processes.

FISCAL IMPACT

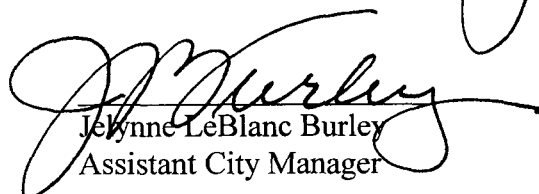
There is no fiscal impact to the General Fund with this item. The funds in the amount of \$20,000 will be deposited with the San Antonio Housing Trust Foundation, Inc and all payment for services and supplies will be made directly by the SAHTF.

COORDINATION

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

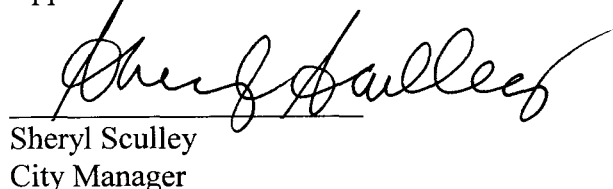


David D. Garza, Director
Neighborhood Action Department



Jelynn LeBlanc Burley
Assistant City Manager

Approved:



Sheryl Sculley
City Manager