



## Legislation Text

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**File #:** Res. 2018-69R, **Version:** 1

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### **AGENDA CAPTION:**

Receive a staff presentation and hold a Public Hearing to receive comments for or against Resolution 2018-69R, approving Substantial Amendment No. 6 to the Community Development Block Grant-Disaster Recovery ("CDBG-DR") Action Plan to include the Reconstruction On City-Owned Property ("RCOP") Program to enable qualified residents affected by the 2015 floods to construct new homes on city-owned lots; approving the allocation of CDBG-DR funds to projects and activities under the RCOP program; authorizing the City Manager or his designee to act as the official representative of the City in matters related to the CDBG-DR program and action plan; and declaring an effective date; and consider approval of Resolution 2018-69R.

**Meeting date:** May 1, 2018

**Department:** Planning and Development Services

### **Amount & Source of Funding**

**Funds Required:** Not Applicable

**Account Number:** [Click or tap here to enter text.](#)

**Funds Available:** [Click or tap here to enter text.](#)

**Account Name:** [Click or tap here to enter text.](#)

### **Fiscal Note:**

**Prior Council Action:** Council has approved the CDBG DR Action Plan and 5 subsequent amendments to the Plan. This amendment will allow use of CDBG funds to be utilized to build the homes that are in the floodway or own home but not property.

### **City Council Strategic Initiative:**

Workforce Housing & Storm Water

### **Comprehensive Plan Element (s):**

- ☐ Economic Development - Choose an item.
- ☒ Environment & Resource Protection - Choose an item.
- ☐ Land Use - Choose an item.
- ☒ Neighborhoods & Housing - Protected Neighborhoods in order to maintain high quality of life and stable property values

☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

**Master Plan:**

Flood Protection Master Plan

**Background Information:**

The City of San Marcos was awarded \$33,794,000 to address the impact of the floods of 2015. Substantial Amendment No. 6 to the Community Development Block Grant - Disaster Recovery Action Plan will expand the Housing Program under the Owner-Occupied Rehab/Reconstruction Program to include the Reconstruction on City-Owned Property Program (RCOP) which provides an opportunity for Applicants that would otherwise not be eligible (ex. being located in the floodway or own home but not the lot) for the CDBG-DR program to receive benefits in the form of a no cost to Applicant City Owned Residential Lot and a CDBG-DR financed stick built home. Key concepts of the RCOP include:

- The Applicant will surrender all rights to existing property
- The Applicant will be required to sign a deferred forgivable loan for a period of 30 years
- The applicant will be required to sign a Land Use Restriction Agreement that generally will:
  - Provide a First Right of Refusal to the City if Owner desires to sell for 30 years
  - Limit the sale of the Property to Low-to-Moderate Income Households for 30 years and get approval of sale by the City
  - Require a payback to the City for any years where a Low-Moderate Income Household does not occupy the home
  - Establishes a mechanism for approving the sale price of the Property
- Require that insurance and taxes remain current on the Property
- Require that the Owner provide proof that they not only own but also occupy the Property

**Council Committee, Board/Commission Action:**

**This item was presented to the Affordable Housing Committee.**

**Workforce Housing**

**Alternatives:**

**CDBG-DR funds could be utilized to purchase lots for the program.**

**Recommendation:** Staff recommends approval.