



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 26

Agenda Date: June 20, 2024

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: District 4

SUBJECT:

U.S. Department of Housing and Urban Development (HUD) Preservation and Reinvestment Initiative for Community Enhancement (PRICE) Main Grant Program.

SUMMARY:

The Neighborhood & Housing Services Department (NHSD) requests authorization to:

- Submit a grant application, and accept funds upon award, for the HUD PRICE Main Grant Program in the amount of \$20,700,000, with a total match requirement of \$12,257,835 of which a \$2,271,500 cash match is proposed from the 2022 Housing Bond and \$9,986,334 will be provided in-kind by third parties.
- Execute agreements contingent upon award in an amount up to \$18,500,000 to ROC USA, \$1,054,149 to Next Step Network, and a Partnership Agreement with the San Antonio Housing Trust Public Facility Corporation for the purposes of implement the HUD PRICE Main Grant.
- Negotiate and execute of any and all necessary documents and a grant contract to effectuate the application and acceptance of this grant, and to execute contract amendments pertaining to the grant when approved by HUD, to include; a) carry-over funds; b) line item budget revisions; c) modifications to the performance measures so long as the terms stay within the general parameters of the intent of the grant; d) no cost extensions; and e) changes in regulations.

BACKGROUND INFORMATION:

City Council adopted the Strategic Housing Implementation Plan (SHIP) in December 2021, which identifies the preservation and protection of mobile homes as a priority, as they serve as a vulnerable source of affordable housing within the community. Additionally, the SHIP also prioritizes strategies to ensure lasting affordability through a Community Land Trust and cooperative ownership structures such as those managed by Resident Owned Communities (ROC USA).

The HUD PRICE Main Grant seeks to issue 25 awards in amounts between \$5,000 and \$75 million for the protection, preservation and/or creation of low- and moderate-income manufactured housing homeowners. The deadline for the grant application is July 10, 2024.

The Neighborhood & Housing Services Department (NHSD) requests authorization to apply for the HUD PRICE Main Grant in the amount of \$20,700,000, with a total match requirement of \$12,257,835 of which a \$2,271,500 cash match is proposed from the 2022 Housing Bond and \$9,986,334 will be provided in-kind by third parties.

The \$32.9 million grant proposal includes the acquisition of the 134-unit Lakeside Villages Mobile Home Community located at 5627 Sherry Dr., in City Council District 4, in partnership with ROC USA and the San Antonio Housing Trust Public Facility Corporation (SAHT-PFC). This community has 127 active leases and can house up to 134 households. The community is currently for-sale, which could result in closure, redevelopment, and/or market rate rent increases. ROC USA, a non-profit entity which specializes in resident-owned community conversions, has put the property under contract for the purposes of this grant application and will partner with the SAHT-PFC to obtain a tax exemption on the property for a minimum of 40 years.

The PRICE Main Grant funding will support low- and moderate-income homeowners within manufactured housing communities with critical investments such as acquisition, repairs, infrastructure improvements, upgrades to increase resilience, services like eviction prevention and housing counseling, and planning activities such as those needed to transition to resident-managed communities.

If awarded, the proposed cash match in the amount of \$2,271,500 from the 2022 Housing Bond will contribute to homeownership preservation for replacement of up to 14 high-performing climate resilient manufactured homes in partnership with Next Step Network, a non-profit entity focused on quality, affordable, sustainable and climate resilient manufactured homes.

ISSUE:

NHSD is requesting City Council authorization to:

- Submit a grant application, and accept funds upon award, for the HUD PRICE Main Grant Program in the amount of \$20,700,000, with a total match requirement of \$12,257,835 of which a \$2,271,500 cash match is proposed from the 2022 Housing Bond and \$9,986,334 will be provided in-kind by third parties.
- Execute agreements contingent upon award in an amount up to \$18,500,000 to ROC USA, \$1,054,149 to Next Step Network, and Partnership Agreement to the San Antonio

Housing Trust Public Facility Corporation for the purposes of implementing the HUD PRICE Grant.

- Negotiate and execute of any and all necessary documents and a grant contract to effectuate the application and acceptance of this grant, and to execute contract amendments pertaining to the grant when approved by HUD, to include; a) carry-over funds; b) line item budget revisions; c) modifications to the performance measures so long as the terms stay within the general parameters of the intent of the grant; d) no cost extensions; and e) changes in regulations.

ALTERNATIVES:

If this ordinance is not approved, the City will not submit an application to the HUD PRICE Main Grant Program and the Lakeside Village Mobile Home Community will return to market for sale.

FISCAL IMPACT:

This ordinance authorizes a grant application, and the acceptance of funds upon award, for the HUD PRICE Main Grant Program, for the term October 1, 2024 through September 30, 2030, in the amount of \$20,700,000, with a total match requirement of \$12,257,835 of which a \$2,271,500 cash match is proposed from the 2022 Housing Bond and \$9,986,334 will be provided in-kind by third parties.

This ordinance also authorizes agreements contingent upon award in an amount up to \$18,500,000 to ROC USA, \$1,054,149 to Next Step Network, and a Partnership Agreement with the San Antonio Housing Trust Public Facility Corporation for the purposes of implement the HUD PRICE Main Grant.

There is no fiscal impact to the City's General Fund.

RECOMMENDATION:

Staff recommends approval.