



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: {{item.number}}

Agenda Date: June 12, 2024

In Control: Public Comment Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Public Hearing for proposed Substantial Amendment #3 to the FY 2024 Annual Action Plan and Budget for the reprogramming of \$4,250,000 from the U.S. Department of Housing and Urban Development (HUD)

SUMMARY:

The Neighborhood and Housing Services Department (NHSD) seeks public comment on Substantial Amendment #3 for the proposed reprogramming of up to \$4,250,000.00 in U.S. Department of Housing and Urban Development (HUD) funding to Palladium San Antonio, Ltd for the affordable multi-family housing development, Palladium San Antonio. The recommended funding will be sourced from \$2,882,360.00 in HOME Investment Partnerships Program (HOME) and \$1,367,640.00 in Community Development Block Grant (CDBG).

BACKGROUND INFORMATION:

On August 3, 2023, City Council adopted the \$26.6 million FY 2024 Annual Action Plan and Budget for the four federal grant programs funded by the U.S. Department of Housing and Urban Development (HUD). The Annual Action Plan included \$3,744,248.00 in HOME Investment Partnerships Program (HOME) funds and \$4,670,000.00 in Community Development Block Grant.

(CDBG) funds affordable multi-family rental and single-family homeownership housing development projects in need of gap funding. All projects should meet the intent of the HOME Final Rule to provide safe, decent, and affordable housing to lower-income persons. Multi-family rental projects should primarily serve households at or below 60% of the Area Median Income (AMI), with a priority to serve those individuals or families at 30% or lower of the AMI.

On March 1, 2024, the City issued a Request for Proposals (RFPs) for Affordable Housing Gap Funding in Rental Housing Production and Acquisition. As part of this solicitation, seven (7) proposals were received on April 22, 2024, requesting \$37,098,707 in gap funding.

All proposals were deemed responsive to move forward for evaluation. Each RFP proposal was scored by a committee that included City staff and partners who have expertise in the RFP category areas. During the evaluation process, all proposals for new construction completed a displacement impact assessment and this information was considered as part of the evaluation process. The evaluation committee representatives consisted of Lori Houston, Assistant City Manager, City Manager's Office; Mark Carmona, Chief Housing Officer, City Manager's Office; Veronica Gonzalez, Assistant Director, Neighborhood and Housing Services Department; Cathleen Crabb, Senior Architect, Public Works Department; Abigail Kinnison, Director of Capital Programs, VIA Metropolitan Transit; Rudy Nino, Assistant Director, Planning Department; Amelia Guzman, Citizens Bond Committee Member; Peter Onofre, Citizens Bond Committee Member.

The evaluation committee met to discuss and score all seven responsive proposals on May 6, 2024. The committee recommended awarding funding to the highest-ranked proposal from the Affordable Housing Gap Funding in Rental Housing Production and Acquisition RFP. The evaluation committee recommended awarding up to \$4,250,000.00 in federal funds to Palladium San Antonio. Palladium San Antonio, Ltd. is partnering with the San Antonio Housing Trust Public Facility Corporation (SAHT PFC) for the development of 288 affordable housing units. This item is scheduled for City Council consideration on June 20, 2024.

A Substantial Amendment to the HUD FY 2024 Annual Action Plan and Budget (Substantial Amendment #3) is required to meet this funding request.

ISSUE:

This public hearing is for consideration of Substantial Amendment #3 and the recommendation to award up to \$4,250,000.00 in HOME and CDBG funds to the Palladium San Antonio project. The proposed funding recommendation for Palladium San Antonio is in alignment with the adopted Strategic Housing Implementation Plan (SHIP) parameters and goals. The SHIP also outlines the need to serve households in our community with the fewest resources. The recommended project will produce 288 multi-family housing units. Of these units, 44 will be deeply affordable and reserved for households at or below 30% of the Area Median Income (AMI).

Affordable Multi-Family Development Gap Funding

Project	Developer	Total Units	30% AMI	50% AMI	60% AMI	70% AMI	80% AMI	Funding Recommendation
Palladium San Antonio	Palladium USA International, Inc. & San Antonio Housing Trust PFC	288	44	29	158	27	30	\$4,250,000.00
TOTALS		288	44	29	158	27	30	\$4,250,000.00

ALTERNATIVES:

The City is required to undergo this process for federally funded programs.

FISCAL IMPACT:

This item will not have an impact on the City’s General Fund Budget.

RECOMMENDATION:

No action required.