



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 42

**Agenda Date:** June 20, 2024

**In Control:** City Council A Session

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Veronica Garcia, Director

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Ordinance approving Substantial Amendment #3 to the City's adopted FY 2024 (PY 2023) Annual Action Plan and Budget

**SUMMARY:**

Ordinance approving Substantial Amendment #3 to the FY 2024 Annual Action Plan and Budget to award up to \$4,250,000.00, including up to \$1,367,640.00 in Community Development Block Grant (CDBG) and up to \$2,882,360.00 in HOME Investment Partnerships Program (HOME) funds from the U.S. Department of Housing and Urban Development (HUD) to Palladium San Antonio, a multi-family affordable housing development project.

**BACKGROUND INFORMATION:**

On August 3, 2023, through Ordinance 2023-08-03-0511, 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), which included \$3,744,248.00 in HOME Investment Partnerships Program (HOME) funds and \$4,670,000.00 in Community Development Block Grant (CDBG) funds set aside for affordable multi-family rental and single-family homeownership housing development projects.

NHSD proposes this Substantial Amendment to the FY 2024 Action Plan to award CDBG and HOME funds to one (1) affordable housing development selected through a Request for Proposals (RFP) process.

On March 1, 2024, the City issued a joint Request for Proposals (RFPs) to make available federal and Bond funds for affordable Rental Housing Production and Acquisition activities. The RFP evaluation committee recommended awarding \$4,250,000.00 in federal grant funds, including up to \$1,367,640.00 in Community Development Block Grant (CDBG) and up to \$2,882,360.00 in HOME Investment Partnerships Program (HOME) funds to the highest-ranked proposal, Palladium San Antonio. Palladium San Antonio, Ltd. is partnering with the San Antonio Housing Trust Public Facility Corporation (SAHT PFC) for the development of this project, which will include 288 affordable housing units.

The San Antonio Housing Commission received a briefing on the RFP process and recommendations on May 22, 2024.

**ISSUE:**

Substantial Amendment #3 to the City’s adopted FY 2024 (PY 2023) Annual Action Plan is required to fully award the \$4,250,000.00 in CDBG and HOME funds.

Each category was scored by a committee that included city staff and partners who have an expertise in one or more of the evaluation scoring parameters. A total of seven (7) proposals were received, requesting a total of nearly \$37.1 million in funding. The highest-ranked proposal is being recommended to receive CDBG and HOME funding. A summary of the proposed project is detailed below:

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

City Council will consider the Bond-funded awards through a companion item on June 20, 2024.

**ALTERNATIVES:**

An alternative to awarding CDBG and HOME funding would be to reject the recommended actions; however, the proposed activities are in line with the Five-Year Consolidated Plan and rejection of this award could negatively impact the viability of the project to proceed.

**FISCAL IMPACT:**

Ordinance approving Substantial Amendment #3 to the FY 2024 Annual Action Plan and Budget to award up to \$1,367,640.00 in Community Development Block Grant (CDBG) and up to \$2,882,360.00 in HOME Investment Partnerships Program (HOME) funds from the U.S. Department of Housing and Urban Development (HUD) to one (1) affordable housing development activity. There is no fiscal impact to the City's General Fund.

**RECOMMENDATION:**

Staff recommends approval.