



City of San Antonio

Agenda Memorandum

File Number:

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Agenda Date: January 16, 2025

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

HOME-American Rescue Plan (HOME-ARP) Allocation Plan - Substantial Amendment

SUMMARY:

Consideration of an ordinance approving a Substantial Amendment to the HOME-American Rescue Plan (HOME-ARP) Allocation Plan to reprogram a total of \$1,000,000 in HOME-ARP grant funds from the U.S. Department of Housing and Urban Development (HUD) to eligible affordable housing development activities.

BACKGROUND INFORMATION:

As part of the American Rescue Plan Act (ARPA), the U.S. Department of Housing and Urban Development (HUD) received \$5 billion to allocate and assist individuals or households who are homeless, at risk of homelessness, survivors of domestic violence, and other vulnerable populations, by providing housing, rental assistance, supportive services, and non-congregate shelter, to reduce homelessness and increase housing stability across the country. These grant funds will be administered through HUD's HOME Investment Partnerships Program (HOME).

The \$5 billion in HOME-ARP funds were allocated to cities, counties, and states, through a formula allocation, and the City of San Antonio received \$20 million.

On February 17, 2022, City Council approved staff’s recommended allocation plan and the submission thereof to HUD for the use of HOME-ARP funds received.

On November 28, 2022, the City issued a joint Request for Proposals (RFP) for Permanent Supportive Housing with Bexar County, for the consideration of funding awards to include City Housing Bond funds, HOME-ARP funds, and Bexar County federal funding, to support housing for chronically homeless individuals.

RFP proposals were scored by a committee that included City staff and partners who have expertise in the bond scoring parameters, as well as members of the Community Bond Committee.

Of the three (3) projects recommended for award, The Commons at Acequia Trails was awarded funding through City of San Antonio Housing Bond and HOME-ARP. Funds were approved to provide for the development of affordable rental housing, as well as funding for supportive services.

On September 14, 2023, City Council revised the funding award for the City’s Housing Bond from \$7,777,158 to \$3,587,158 and for HOME-ARP from \$3,310,000 to \$7,500,000, resulting in no net change in total approved funding for the development.

The table below describes the current funding breakdown of the project and the proposed reprogramming.

Funding Sources	Funding Award – September 14, 2023	– Revised Award – January 16, 2025
COSA Housing Bond	\$3,587,158	\$3,587,158
COSA HOME-ARP (development of affordable rental housing)	\$6,500,000	\$7,500,000
COSA HOME-ARP (supportive services)	\$1,000,000	\$0
Bexar County SLRF	\$3,912,842	\$3,912,842
Total	\$15,000,000	\$15,000,000

ISSUE:

The HOME-ARP Allocation Plan identified the types of projects and activities that the City would fund through the City’s approved \$20,042,085 funding award. It is proposed that the \$1,000,000 in HOME-ARP funds awarded to The Commons at Acequia Trails initially for supportive services, instead be used for the development of affordable rental housing. The project will close in January 2025 and needs capital funding to build the development. The developer is committed, and contractually obligated, to provide the supportive services through other funding sources.

The table below describes the current funding breakdown of the City of San Antonio HOME-ARP Allocation Plan, as well as, the proposed reprogramming.

City of San Antonio HOME-ARP funding Allocation			
	Original Funding Amount	Proposed Reprogramming	Proposed Revised Amount
Supportive Services	\$6,342,085	(-) \$1,000,000	\$5,342,085
Acquisition and Development of Non-Congregate Shelters	\$0		\$0
Tenant Based Rental Assistance (TBRA)	\$5,200,000		\$5,200,000
Development of Affordable Rental Housing (acquisition and development)	\$6,500,000	(+) \$1,000,000	\$7,500,000
Non-Profit Operating	\$0		\$0
Non-Profit Capacity Building	\$0		\$0
Administration and Planning	\$2,000,000		\$2,000,000
Total HOME ARP Allocation	\$20,042,085		\$20,042,085

ALTERNATIVES:

City Council may reject this recommendation; however, delaying the reprogramming of awarded funds would delay the delivery of this critical housing development as called for in the Strategic Plan to Respond to Homelessness in San Antonio and Bexar County and the Strategic Housing Implementing Plan (SHIP). Delay could also negatively impact timely commitment and expenditure of the federally sourced funds. Additionally, the developer would be unable to identify an alternative capital funding source to complete the project.

FISCAL IMPACT:

This ordinance authorizes a Substantial Amendment to the HOME-American Rescue Plan (HOME-ARP) Allocation Plan . This would reprogram funding in the amount of \$1,000,000 from Supportive Services to the Development of Affordable Rental Housing category. Approval of the requested reprogramming allow for and result in the \$7,500,000 of HOME-ARP funding awarded for the Commons at Acequia Trails project to be used entirely for the development/construction of said project.

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

RECOMMENDATION:

Staff recommends approval.

