



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** {{item.number}}

**Agenda Date:** February 14, 2024

**In Control:** Public Comment Session

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Veronica Garcia, Director

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Public Hearing for proposed Substantial Amendment #1 to the FY 2024 Annual Action Plan and Budget for the reprogramming of \$4,280,532 from the U.S. Department of Housing and Urban Development.

**SUMMARY:**

The Neighborhood and Housing Services Department (NHSD) seeks public comment on Substantial Amendment #1 for the proposed reprogramming of up to \$4,280,532 in current and prior year grant funds from the U.S. Department of Housing and Urban Development (HUD) to three affordable housing developments that will add 39 single-family and 92 multi-family housing units to the affordable housing pipeline. The recommended funding will be sourced from the HOME Investment Partnership (HOME) (\$874,500) and the Community Development Block Grant (CDBG) (\$3,406,032).

**BACKGROUND INFORMATION:**

On August 3, 2023, City Council adopted the \$26.6 million FY 2024 Annual Action Plan and Budget (AAP) for the four federal grant programs funded by the U.S. Department of Housing and Urban Development (HUD). The AAP included \$3,744,248 in HOME Investment Partnerships Program (HOME) funds and \$4,670,000 in Community Development Block Grant (CDBG) funds

set aside for 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. Affordable single-family homes should be sold to individuals at 80% or lower of the area median income (AMI). Multi-family rental projects should primarily serve households at or below 60% of the AMI, with a priority to serve those individuals or families at 30% or lower of the AMI.

On October 6, 2023, the City issued two (2) Requests for Proposals (RFP) seeking Affordable Single-Family Development Gap Funding under one solicitation and Multi-Family Development Gap Funding under the other solicitation. Contract terms will vary depending on the construction timelines associated with each project. The RFP solicitations were each advertised in the San Antonio Express-News, the City's Bidding and Contracting Opportunities website, TVSA, and vendor outreach to potential respondents.

On November 20, 2023, two single-family affordable development proposals requesting \$3,680,532 in gap funding and five multi-family affordable development proposals requesting \$14,522,496 were received. 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. The evaluation committee representatives for both solicitations consisted of Lori Houston, Assistant City Manager, City Manager's Office; Veronica Garcia, Director, Neighborhood and Housing Services Department; Veronica Gonzalez, Assistant Director, Neighborhood and Housing Services Department; Sandip Sen, Director of Service Planning & Scheduling, VIA Metropolitan Transit; Golda Obinzu, Energy Manager, Office of Sustainability; and Colton Powell, Grants Manager, Neighborhood and Housing Services Department. The committee recommended awarding funding to both proposals from the Affordable Single-Family Development Gap Funding RFP and awarding funding to the two highest-ranked proposals from the Affordable Multi-Family Development Gap Funding RFP.

A substantial amendment to the HUD FY 2024 Annual Action Plan and Budget (Substantial Amendment #1) is required to meet this funding request. The Audit and Accountability Committee received a post-solicitation briefing on January 9, 2024. The Planning and Community Development Committee received a briefing on January 23, 2024 and the San Antonio Housing Commission received a briefing on January 24, 2024 on the RFP process and recommendations.

#### **ISSUE:**

The proposed Substantial Amendment will award a total of \$4,280,532.00 in current and prior year funds to three activities.

From HOME funding:

- (a) Up to \$274,500 in HOME funding to Our Casas Resident Council for the Apache Creek Affordable Homes, a single-family homeownership development proposed at 2224 Chihuahua in Council District 5;
- (b) Up to \$600,000 in HOME funding to ALT Affordable Housing Services – Arbor Place for the Village at Perrin Beitel, a multi-family rental development proposed at 2611 NE 410 in Council

District 10;

From CDBG funding:

(c) Up to \$3,406,032 in CDBG funding to Habitat for Humanity of San Antonio, Inc. for the Chandler Road Development, a single-family homeownership development proposed at 4307 Chandler in Council District 3; and

<b>Project</b>	<b>Proposed Award</b>	<b>Source</b>	<b>Units</b>	<b>Affordability</b>
Apache Creek Homes (Our Casas Resident Council)	\$274,500.00	HOME	3 single-family units	Up to 80% AMI
Chandler Rd. (Habitat for Humanity)	\$3,406,032.00	FY24 CDBG: \$3,200,000 FY23 CDBG \$206,032	36 single-family units	Up to 80% AMI
Village at Perrin Beitel (ALT Affordable Housing Services)	\$600,000.00	HOME	92 multi-family units	30% AMI: 8 50% AMI: 32 60% AMI: 40 Market Rate: 12

**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.