



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 18

Agenda Date: June 8, 2023

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Ordinance approving Substantial Amendment #2 to the City's adopted FY 2023 (PY 2022) Annual Action Plan and Budget

SUMMARY:

Ordinance approving Substantial Amendment #2 to the FY 2023 Annual Action Plan and Budget to award up to \$500,000.00 in Community Development Block Grant (CDBG) and up to \$2,586,154.00 in HOME Investment Partnerships Program (HOME) funds from the U.S. Department of Housing and Urban Development (HUD) to four (4) affordable housing development activities.

BACKGROUND INFORMATION:

On August 4, 2022, through Ordinance 2022-08-04-0543, City Council adopted the FY 2023 Annual Action Plan and Budget which included \$3,650,000.00 in CDBG and \$4,156,053.00 in HOME funds set aside for affordable rental and homeownership housing development.

NHSD proposes this Substantial Amendment to the FY 2023 Action Plan to award CDBG and HOME funds to four (4) affordable housing developments selected through a Request for

Proposals (RFP) process.

On February 3, 2023, the City issued a joint RFP to make available federal and Bond funds for affordable housing under three categories: Homeowner Production, Rental Production, and Rental Preservation, Rehabilitation, and Acquisition. Responses were due on March 20, 2023.

The City Council appointed Housing Community Bond Committee developed the categories, along with a set of evaluation parameters. City Council approved the categories, parameters, and Bond on February 10, 2022. The first round of funding was approved December 15, 2022 to 14 projects totaling \$43,853,447.00, including \$4,375,000.00 in CDBG and HOME awards, that will produce or preserve a total of 2,532 affordable housing units.

The San Antonio Housing Commission received a briefing on the round two RFP process and recommendations on May 10, 2023.

ISSUE:

A total of \$33.7 million in CDBG, HOME, and Bond funding was made available through the RFP. Substantial Amendment #2 to the City's adopted FY 2023 (PY 2022) Annual Action Plan is required to fully award the 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 bond scoring parameters as well as members of the Housing Community Bond Committee. A total of 21 proposals were received, requesting a total of nearly \$77.5M in funding. A summary of the overall round two recommendation is below:

	\$ Amount Available	\$ Amount Recommended for Award	Total Units	# Deeply Affordable Units	# Public Housing/Income Based Units
Homeowner Production	\$4,859,064	\$3,252,165 (3 Projects)	88	88	N/A
Rental Production	\$11,870,382	\$11,870,382 (6 Developments)	920	166	0
Rental Rehabilitation	\$17,000,000	\$17,000,000 (5 Developments)	1,130	305	414
Total	\$33,729,446	\$32,122,547	2,138	559	414

Of the 14 projects recommended for funding, four (4) were identified to receive CDBG or HOME funding. A summary of those projects is below:

Developer	Project	Total Units	Funding Award
Habitat for Humanity of San Antonio	BuildSA – Yucca St. Subdivision	22	\$500,000.00 (CDBG)
Opportunity Home San Antonio	Westside Reinvestment Initiative	20	\$801,144.00 (HOME)
Alamo Community Group	Cattleman Square Lofts	138	\$1,000,000.00 (HOME)
San Antonio Alternative Housing	Memorial Apartments	30	\$785,010.00 (HOME)
Total		210	\$3,086,154.00

City Council will consider the Bond-funded awards through a companion RFCA on June 8, 2023.

ALTERNATIVES:

An alternative to awarding CDBG and HOME funding would be to reject some or all of the recommended actions; however, the proposed activities are in line with the Five-Year Consolidated Plan and rejection of these awards could negatively impact the viability of impacted projects to proceed.

FISCAL IMPACT:

Ordinance approving Substantial Amendment #2 to the FY 2023 Annual Action Plan and Budget to award up to \$500,000.00 in Community Development Block Grant (CDBG) and up to \$2,586,154.00 in HOME Investment Partnerships Program (HOME) funds from the U.S. Department of Housing and Urban Development (HUD) to four (4) affordable housing development activities. This item will not have an impact on the City's General Fund Budget.

RECOMMENDATION:

Staff recommends approval of Substantial Amendment #2 to the FY 2023 Annual Action Plan and Budget.