



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 20

**Agenda Date:** May 29, 2025

**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:**

Affordable Single-Family Housing Development Gap Funding

**SUMMARY:**

This ordinance authorizes the award of one contract for Affordable Single-Family Housing Development Gap Funding Services to Habitat for Humanity of San Antonio, Inc. for a value of \$1,900,000 for a term based on the development schedule. Funding is available from CDBG and HOME for these activities in the FY 2025 (PY 2024) HUD Annual Action Plan.

**BACKGROUND INFORMATION:**

Submitted for City Council consideration and action is the proposal submitted by Habitat for Humanity of San Antonio, Inc. to provide Affordable Single-Family Housing Development Gap Funding services for the Neighborhood & Housing Services Department (NHSD).

NHSD sought proposals from organizations that need gap funding for projects involving the development of new construction and/or rehabilitation of affordable single-family homes. The City of San Antonio (City) has allocated up to \$5,000,000 in CDBG and HOME funding specifically for these activities in the FY 2025 (PY 2024) HUD Annual Action Plan.

On August 8, 2024, through Ordinance 2024-08-08-0560, City Council adopted the \$27.8 million FY 2025 Annual Action Plan (AAP) and Budget which allocated approximately \$15,669,404.00 in CDBG and \$7,795,948.27 in HOME funds. A Substantial Amendment is required for the City to utilize this funding in a manner different than the AAP details.

The City issued the Request for Proposals (RFP) for “Affordable Single-Family Housing Development Gap Funding” (RFP 25-032, RFX 6100018693) on December 10, 2024 with a submission deadline of January 24, 2025. The RFP was advertised in the HartBeat, TVSA channel, the City’s Bidding & Contracting Opportunities Website, the San Antonio e-Procurement System and an email notification was released to a list of potential Respondents. Five proposals were received, two were deemed non-responsive for failing to meet the requirements specified in RFP document, one was disqualified for Campaign Contribution made during the Black Out period and two were deemed responsive for evaluation.

The evaluation committee consisted of representatives from the City Manager’s Office, NHSD, Public Works Department and Development Services Department. The Finance Department, Procurement Division assisted by ensuring compliance with City procurement policies and procedures. The evaluation of each proposal was based on a total of 100 points: 15 points allotted for Development Experience; 10 points allotted for Non-Profit Status; 15 points allotted for Gap Request, Project Readiness, and Underwriting Review, 15 points allotted for Design Priorities, Project Timeline, and Sustainability, 10 allotted for Displacement, Location, and Equity, 30 points allotted for Affordability and 5 points allotted for the Veteran-Owned Small Business (VOSB) Preference Program. Additional categories of consideration included references and financial qualifications.

The evaluation committee met to discuss and score the two proposals on March 3, 2025. The panel recommended both firms for award. On May 7, 2025, one of the recommended proposals was disqualified for prohibited campaign contributions. The remaining qualified firm, Habitat for Humanity of San Antonio, Inc., is recommended for award.

A pre-solicitation briefing was presented to the Audit Committee on December 4, 2024 prior to the solicitation being released. In addition, a post-solicitation briefing was presented to the Audit Committee on May 13, 2025, with staff’s recommendation for Council award.

A letter of preliminary award will be provided to the selected Respondent. The Respondent will have two weeks to provide written acknowledgment of the award and all conditions which must be met prior to the issuance of a binding commitment. The terms of the preliminary award with the City will be performance driven based on the requested closing date, the required underwriting review, the required environmental review, the construction timeline, and other items or special conditions imposed by the City in its sole discretion.

Three (3) Requests for Proposals (RFPs) were released on April 7, 2025, for the remaining Gap Funding for the following: 1) Rental Housing Production, Rehabilitation, Preservation, and Acquisition Gap Funding; 2) Permanent Supportive Housing; and 3) Affordable Single-Family Housing Development Gap Funding. The recommendations from these RFPs are scheduled for City Council consideration on June 26, 2025.

A Substantial Amendment #2 to the City’s adopted FY 2025 (PY 2024) HUD Annual Action Plan is required to reprogram funds and award \$1,900,000.00 in projects supporting the development of affordable homeownership opportunities. A required 30-day public comment period was initiated on April 1, 2025 and closed on April 30, 2025 with a public hearing in City Council Chambers at the Municipal Plaza Building.

**ISSUE:**

This contract will assist NHSD with meeting their established housing goals from the FY 2025 Annual Action and Budget Plan and the Strategic Housing Implementation Plan.

Substantial Amendment #2 to the City’s adopted FY 2025 (PY 2024) Annual Action Plan is required to reprogram funds and award \$1,900,000.00 in projects supporting the development of affordable homeownership opportunities.

<b>Project</b>	<b>Council District</b>	<b>Total Units</b>	<b>Affordability</b>	<b>Affordability Covenant</b>	<b>Funding Recommendation</b>
Habitat for Humanity of San Antonio	5	28	Affordable for households up to 80% AMI	20 years	\$1,000,000 FY 2025 CDBG \$690,000 FY 2025 HOME \$210,000 Reprogrammed HOME
<b>TOTALS</b>		<b>28</b>			<b>\$1,900,000</b>

The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived as the SBEDA Program cannot be applied on projects funded through the CDBG and HOME federal grants.

These awards are an exception to the Local Preference Program (LPP). LPP was not applicable to these contracts as grant does not expressly mandate or encourage geographic preference.

The Veteran-Owned Small Business Preference Program applied to this contract. However, the recommended firm is not a veteran-owned small businesses.

This vendor has acknowledged to comply with the Heat Illness Prevention Ordinance, approved on August 31, 2023, through Ordinance #2023-08-31-0585.

**ALTERNATIVES:**

City Council could choose not to approve this recommended award and sub; however, the City would not meet the established affordable housing goals in alignment with the FY 2025 Annual Action and Budget Plan and Strategic Housing Implementation Plan (SHIP). The proposed activity is 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:**

This ordinance will approve Substantial Amendment #2 to the FY 2025 HUD Annual Action Plan and Budget to reprogram \$210,000.00 in HOME funds made available through prior year program savings to Affordable Homeownership Housing Development. Along with \$1,000,000 in CDBG funds and \$690,000 in HOME Funds, this ordinance also awards a contract with Habitat for Humanity of San Antonio, Inc. for Affordable Single-Family Housing Development Gap Funding Services in the estimated value of \$1,900,000 for a term based on to-be negotiated development schedule. Funding is available from CDBG and HOME funding specifically for these activities in the FY 2025 (PY 2024) Annual Action Plan.

**RECOMMENDATION:**

Staff recommends approval.

These contracts were procured by means of a Request for Proposals and Contracts Disclosure Forms are required.