



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 2

Agenda Date: June 4, 2025

In Control: San Antonio Housing Commission Meeting

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Affordable Housing Development Gap Funding Request for Proposals

SUMMARY:

The Neighborhood and Housing Services Department (NHSD) will present a post-solicitation briefing on the recommendations from the Request for Proposals (RFPs) for Rental Housing Production, Rehabilitation, Preservation and Acquisition (Rental Housing), Homeownership Production, and Permanent Supportive Housing (PSH) with funding from the 2022 - 2027 Affordable Housing Bond, HOME, HOME-ARP and CDBG programs. This briefing will allow an opportunity for input from the Commissioners.

BACKGROUND INFORMATION:

2022 - 2027 Housing Bond Program

On May 7, 2022, voters approved six propositions for the City's 2022 – 2027 Bond Program totaling \$1.2 billion. Proposition F, the Affordable Housing Bond, authorizes the City to issue

bonds in the amount of \$150 million to create and preserve affordable housing in five (5) funding priority categories. The funding will be used to facilitate development of single-family, multi-family or mixed-use housing for public purpose of safe, quality, and affordable housing consistent with the Housing Bond Committee's parameters and the Housing Commissions Bond Evaluation Framework.

Four separate rounds of Affordable Housing Bond funds have been distributed to projects that will preserve and build affordable housing in the community.

CDBG and HOME Affordable Housing Development Gap Funding

On August 8, 2024, City Council adopted the nearly \$27.8 million FY 2025 Annual Action Plan and Budget for the four federal grant programs funded by the U.S. Department of Housing and Urban Development (HUD). The Annual Action Plan included HOME Investment Partnerships Program (HOME) funds and 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. Multi-family rental projects should primarily serve households at or below 60% of the Area Median Income (AMI), with a priority to serve those individuals or families at 30% or lower of the AMI.

On April 7, 2025, the City released a Request for Proposals (RFP) for federal funding and the remaining Affordable Housing Bond funding for the production and preservation of housing. Funding for Rental Production & Acquisition and Rental Housing Acquisition, Rehabilitation and Preservation was combined into a single solicitation to streamline the procurement process. The combined, single solicitation for Rental Housing Production, Rehabilitation, Preservation and Acquisition and the Permanent Supportive Housing (PSH) solicitation made available federal and Affordable Housing Bond funds. A solicitation was also released for Homeownership Production projects with federal funding.

After evaluation of 22 eligible proposals received among three categories, up to \$21.4 million in Affordable Housing Bond funding and up to \$7.5 million in Federal funding is recommended for Council consideration across 8 affordable housing development projects.

ISSUE:

A total of \$25.7 million is available from Affordable Housing Bond and Federal funding sources for the RFPs for the Rental Housing category, a total of \$5.1 million is available from Affordable Housing Bond funding for the RFP for the Permanent Supportive Housing (PSH) category and a total of \$3.3 million is available from Federal funding for the RFP for Homeownership Production.

A total of 22 eligible proposals were received, requesting over \$120 million in gap funding. Nineteen (19) eligible Rental Housing proposals requesting \$115,851,560, two (2) eligible Homeownership Production proposals requesting \$3,261,519 and one (1) eligible Permanent Supportive Housing proposal requesting \$935,428 in gap funding were received on April 28, 2025.

Each RFP was scored by a committee including City staff and partners who have expertise in the bond scoring parameters as well as members of the Community Bond Committee who developed

the parameters and funding categories. Evaluation committees included representatives from the City Manager's Office, Neighborhood and Housing Services Department, the Development Services Department, the Planning Department, Diversity, Equity, Inclusion & Accessibility (DEIA) Department, Office of Historic Preservation, Office of Sustainability, VIA Metropolitan Transit, TDA Consulting Underwriters and Housing Commission. The evaluation committee for PSH also includes a representative from Close to Home.

The evaluation committee based its decision on several weighted factors, including those of Development Experience, Affordable Housing or Permanent Supportive Housing, Gap Request, Project Readiness, and Underwriting Review, Design & Construction Priorities, Equity, Location, Project Site Plan and Timeline, Displacement, Resident Protections, Amenities/ Resident Services and Sustainability, Non-Profit Status, the Small Business Enterprise (SBE) Prime Contract Program, the Minority Women-Owned Business Enterprise (M/WBE) Prime Contract Program, the Local Preference Program, and the Veteran-Owned Small Business Preference Program.

After evaluation of the proposals, up to \$21.4 million in Affordable Housing Bond funding and up to \$7.5 million in Federal funding is recommended for Council consideration across eight (8) affordable housing development projects. No awards are being recommended for funding in the PSH category.

Project Type	Recommended Award	No. of Recommended Projects	Proposed Total Units	30% AMI	50% AMI	60% AMI	70% AMI	80% AMI
Rental Housing	\$25,701,903.54	6	686	144	133	270	139	0
Homeownership Production	\$3,261,519.00	2	51	0	0	0	0	51
TOTALS	\$28,963,422.54	8	737	144	133	270	139	51

The recommended projects will support 737 homes to the community. Of these units, 277 rental homes will be deeply affordable for families earning at or below 50% of the Area Median Income (AMI) and 51 homeownership units will be deeply affordable for families earning up to 80% AMI.

Any remaining Affordable Housing Bond funding or funding that is returned from projects unable to continue will be allocated towards creating funding to support SHIP implementation with a focus on strategic land acquisition for affordable rental housing and permanent supportive housing.

Recommendations for the Rental Housing category funded by the Affordable Housing Bond are scheduled to be presented at City Council for award consideration on June 12, 2025. Homeownership Production developments and Rental Housing developments seeking their 9% Competitive Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA) are scheduled to be presented at City Council for award on June 26, 2025, or later.

FISCAL IMPACT:

There is no fiscal impact at this time.

ALTERNATIVES:

This item is for briefing and discussion only.

RECOMMENDATION:

This item is for briefing and discussion only.