



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 34

**Agenda Date:** June 12, 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:**

Recommended Awards for Rental Housing Projects from the FY 2025 Affordable Housing Development Gap Funding Request for Proposals

**SUMMARY:**

Ordinance approving the recommendation of two (2) awards from the release of the FY 2025 Affordable Housing Development Gap Funding solicitations for Rental Housing Production and Acquisition and Rental Housing Acquisition, Rehabilitation and Preservation (Rental Housing) funding categories for a total value of \$12 million.

**BACKGROUND INFORMATION:**

Submitted for City Council consideration and action are two (2) proposals submitted by Cesar Chavez Foundation and Union Development Holdings, LLC for Rental Housing. Cesar Chavez Foundation will be awarded funding from the Rental Housing Acquisition, Rehabilitation and Preservation category and Union Development Holdings, LLC will be awarded funding for Rental Housing Production and Acquisition category.

**2022 – 2027 Housing Bond**

In May 2022, voters approved the 2022 - 2027 Affordable Housing Bond for \$150 million. The City Council appointed a Housing Citizens Bond Committee to develop categories with a set of housing bond parameters. City Council approved the categories, parameters, and Bond funding on February 10, 2022.

### **Procurement**

The Neighborhood and Housing Services Department (NHSD) released three Request for Proposals (RFPs) on April 7, 2025 for Affordable Housing Gap Development Funding in four of the five approved Bond funding categories: Rental Housing Production and Acquisition, Rental Housing Acquisition, Rehabilitation and Preservation (Rental Housing), Homeownership Production and Permanent Supportive Housing (PSH) utilizing the 2022 – 2027 Affordable Housing Bond, Federal HOME Investment Partnerships Program (HOME) and Community Development Block Grant (CDBG).

The RFPs were advertised in the Express-News, TVSA channel, the City's Bidding & Contracting Opportunities website, the San Antonio eProcurement System (SAePS), and an email notification was released to a list of potential Respondents. Responses were due on April 28, 2025. As part of these solicitations, nineteen (19) Rental Housing affordable housing development proposals requesting \$115,851,560, two (2) Homeownership Production affordable housing development proposals requesting \$3,264,519 and one (1) Permanent Supportive Housing (PSH) affordable housing development proposal requesting \$935,428 in gap funding were received. All proposals received were deemed responsive for evaluation.

The responses were discussed and evaluated by the evaluation committees which included representatives from the City Manager's Office, NHSD, Department of Human Services, Public Works Department, Planning Department, Office of Historic Preservation, Development Services Department, Office of Sustainability, VIA Metropolitan Transit, and Community Bond Committee Members. The Finance Department, Procurement Division, assisted by ensuring compliance with City procurement policies and procedures.

A pre-solicitation briefing was presented at City Council B-Session on December 4, 2024, prior to the solicitations being released.

### **ISSUE:**

A total of \$21.4 million was available from Affordable Housing Bond for this round of RFPs for the Rental Housing category. This category 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.

Up to \$12 million in Housing Bond funding is recommended for City Council award across two (2) affordable housing development projects.

The evaluation committee met to discuss and score the proposals on May 21, 2025. The panel recommended six firms for award. On June 5, 2025, seven proposals, of which impacted two award recommendations, were disqualified for prohibited campaign contributions. The remaining

four top ranked firms are recommended for award.

The evaluation committee based its decision on several weighted factors, including those of Development Experience, Affordability, 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 and the Veteran-Owned Small Business Preference Program.

This Council action is to award up to two (2) of the highest-ranked proposals as shown on chart below:

<b>Funding Category</b>	<b>Project</b>	<b>Developer</b>	<b>Total Units</b>	<b>30% AMI</b>	<b>50% AMI</b>	<b>60% AMI</b>	<b>70% AMI</b>	<b>Recommended Award</b>
Rental Housing (Rental Rehab)	Sacred Heart Villas	Cesar Chavez Foundation	89	48	40	1*		Up to \$6,000,000
Rental Housing (Rental Production)	Central at Commerce	Union Development/ Annex Group	279	42	31	67	139	Up to \$6,000,000
<b>TOTALS</b>			368	90	71	68	139	\$12,000,000.00

\*Includes one manager's unit

The recommended projects will support 368 units to the community. Of these units, 161 will be for families earning at or below 50% of the Area Median Income (AMI).

Additional projects with Rental Housing developments seeking their 9% Competitive Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA) are scheduled for City Council consideration on June 26, 2025, or later.

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

The San Antonio Housing Commission received a briefing on the process and recommendations on June 4, 2025.

#### **ALTERNATIVES:**

None.

#### **FISCAL IMPACT:**

This ordinance approves funding recommendation awards up to \$12,000,000 in 2022 – 2027 Housing Bond funding across two (2) affordable housing development projects. The funding for recommended awards is shown below:

<b>Funding Category</b>	<b>Project</b>	<b>Developer</b>	<b>Funding Source</b>	<b>Total Award</b>	<b>Total Units</b>	<b>Deeply Affordable Units (&lt;=)</b>
Rental Rehab	Sacred Heart Villas	Cesar Chavez Foundation	2022 Bond	\$6,000,000	89	88
Rental Production	Central at Commerce	Union Development/Annex Group	2022 Bond	\$6,000,000	279	73
<b>TOTALS</b>				<b>\$12,000,000</b>	<b>368</b>	<b>161</b>

#### **RECOMMENDATION:**

Staff recommends approval of up to \$12,000,000 in Housing Bond funding awards across two (2) affordable housing development projects.

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