

**THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL,
SIGNED ORDINANCE ADOPTED BY THE CITY COUNCIL.**

ORDINANCE

APPROVING AND ALLOCATING FUNDING FOR FOUR AFFORDABLE HOUSING PROJECTS AS PART OF THE SECOND ROUND OF PERMANENT SUPPORTIVE HOUSING REQUEST FOR PROPOSALS AND THIRD ROUND OF AFFORDABLE RENTAL HOUSING REQUESTS FOR PROPOSALS UTILIZING THE 2022-2027 AFFORDABLE HOUSING BOND, FEDERAL HOME AND CDBG FUNDS; AUTHORIZING DEVELOPMENT AGREEMENTS AND OTHER NECESSARY DOCUMENTS FOR THE APPROVED PROJECTS; AND APPROVING THE EXTENSION OF ELIGIBLE CITY AND SAWS FEE WAIVERS THROUGH CONSTRUCTION COMPLETION FOR THESE PROJECTS.

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WHEREAS, on December 16, 2021, the City adopted the Strategic Housing Implementation Plan (SHIP), a comprehensive policy created to implement the City's Housing Policy Framework goals developed through the work of the Mayor's Housing Policy Task Force; and

WHEREAS, as recommended by the SHIP, on May 7, 2022, voters approved the City's 2022 Capital Improvements Bond, which included funds in the amount of \$150 million to create and preserve affordable housing in the City of San Antonio (**Housing Bond**); and

WHEREAS, on August 3, 2023, City Council approved the FY 2024 United States Department of Housing and Urban Development (**HUD**) Action Plan and Budget; and

WHEREAS, funding from these sources will be used to facilitate development of permanent supportive, multi-family or mixed-use housing for the public purpose of providing safe, quality, and affordable housing for the citizens of San Antonio; and

WHEREAS, on March 1, 2024, after a pre-solicitation briefing to City Council on February 27, 2024, the City issued three (3) Request for Proposals (**RFP**) for Permanent Supportive Housing; Rental Production; and Rental Preservation, Rehabilitation, and Acquisition, announcing that a funding was available from the 2022-2027 Housing Bond, Community Development Block Grant (**CDBG**), and HOME Investment Partnerships Program (**HOME**) sources; and

WHEREAS, at the conclusion of the RFP evaluation process and a post-solicitation briefing to City Council on June 13, 2024, staff recommended approval of and award of funds to 4 projects in accordance with the terms prescribed in the RFPs; and

WHEREAS, if the funds are awarded to the 4 recommended projects, these projects are expected to produce or preserve approximately 929 affordable housing units, including 200 permanent

supportive homes that were previously funded by the Affordable Housing Bond and federal funding, 81 new permanent supportive units, and 424 units for families earning at or below 50% of the Area Median Income (AMI); and

WHEREAS, the projects recommended for City Council approval meet the established affordable housing goals set forth in the City's 2022-2027 Housing Bond parameters/evaluation framework, the City's HOME-ARP allocation Plan and Budget, and the City's FY 2023 Affordable Housing Budget and are in line with the SHIP by increasing affordable housing production and preservation in San Antonio; and

WHEREAS, all 4 recommended projects have previously been awarded project waivers through the City of San Antonio Fee Waiver Program and other incentive programs to support, among other City goals, the creation and preservation of affordable housing citywide; **NOW THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS:

SECTION 1. The City Council approves the allocation and award of funds for the projects identified in the charts below (**Projects**) with the associated projected AMI levels, in the amounts, and from the funding sources specified:

Funding Category	Project	Developer	Total Units	30% AMI	50% AMI	60% AMI	70% AMI	80% AMI	Recommended Award
Rental Production	Palladium San Antonio	Palladium USA International, Inc.	288	44	29	158	27	30	\$6,250,000
Rental Rehab	Preserve at the Port	Port SA Redevelopment, LP	360	36	34	129	-	161	\$5,524,995
Permanent Supportive Housing (PSH)	Town Twin Village (Phase 3)	Housing First Community Coalition, Inc.	80 (PSH)	80 (PSH)	-	-	-	-	\$6,488,636
PSH	Commons at Acequia Trails	SAMMinistries	201 (PSH)	201 (PSH)	-	-	-	-	\$3,260,328*
TOTALS			929	361	63	287	27	191	\$21,523,959
*If additional funds become available in the PSH category, funding could increase to a total amount of up to \$5,530,409									

SECTION 2. The City Manager or their designee, or the Director of Neighborhood and Housing Services or their designee, or the Grants Administrator of the Division of Grants Monitoring and Administration, are hereby authorized to initiate, negotiate, and execute any and all documents and contracts (**Contracts**), that are necessary for: (a) ensuring the completion of the Projects in accordance with the requirements of the Housing Bond and each Project's respective RFP; (b) implementation of the funding awards as set forth in this Ordinance; and (c) compliance with the HUD rules, regulations, and procedures, and to submit all certifications and such other information to and as required by HUD for projects receiving federal funds as identified in this Ordinance. Staff may adjust or align budgets and plans as necessary and consistent with this Ordinance without further action of the City Council.

SECTION 3. Execution of the Contracts for the Projects approved in this Ordinance shall be contingent upon final negotiations between the City and the project developer(s), the successful completion of underwriting for each project, staff's approval of all construction plans, and the developer's receipt of all required permits, along with all other requirements of each individual contract which, in staff's discretion, are necessary to ensure successful completion of each Project.

SECTION 4. The City Manager, or their designee, the Director of Neighborhood and Housing Services or their designee, or the Grants Administrator of the Division of Grants Monitoring and Administration are each authorized to: (a) in the event that line item costs overrun or are anticipated, approve budget adjustments within project allocations to conform with actual expenditures; and (b) adjust the number of units being constructed or the number of units assigned to an AMI category under the Contracts as necessary to adhere to underwriting requirements or through final Contract negotiations.

SECTION 5. The City Manager, or their designee, or the Director of Neighborhood and Housing Services, or their designee, are each authorized to extend project waivers for the Projects without further action from Council through construction completion for each respective project, or through an earlier date that does not surpass construction completion for that project.

SECTION 6. Funding for each Contract is hereby appropriated and payments are authorized for the Projects listed in the amounts specified for each project in Section 1 of this Ordinance. All authorized payments are limited to the amounts budgeted in the Operating and/or Capital Budget funding sources identified. All expenditures will comply with approved operating and/or capital budgets for current and future fiscal years.

SECTION 7. Funds in the amount of \$2,736,729.13 are authorized to be reprogrammed from multiple CDBG sources.

SECTION 8. Funds in the amount of \$2,882,360.00 are authorized to be reprogrammed from Fund 25099112 and Internal Order 157000000320.

SECTION 9. Funds in the amount of \$2,000,000.00 are available in Fund 45099000, Project 23-04050, WBS Element 23-04050-12-05-02-01 and GL Account 5201140.

SECTION 10. Funds in the amount of \$2,882,360.00 are available in Fund TBD, Internal Order TBD and GL Account TBD.

SECTION 11. Funds in the amount of \$1,367,640.00 are available in Fund TBD, Internal Order TBD and GL Account TBD.

SECTION 12. Funds in the amount of \$5,524,995.00 are available in Fund 45099000, Project 23-04048, WBS Element 23-04048-13-05-02-01 and GL Account 5201140.

SECTION 13. Funds in the amount of \$6,488,636.00 are available in Fund 45099000, Project 23-04049, WBS Element 23-04049-04-05-02-01 and GL Account 5201140.

SECTION 14. Funds in the amount of \$3,260,328.00 are available in Fund 45099000, Project 23-04049, WBS Element 23-04049-03-05-02-01 and GL Account 5201140.

SECTION 15. Payment not to exceed \$3,260,328.00 is authorized to be encumbered with a purchase order and made payable to SAMMinistries.

SECTION 16. Payment not to exceed \$6,488,636.00 is authorized to be encumbered with a purchase order and made payable to Housing First Community Coalition, Inc.

SECTION 17. Payment not to exceed \$5,524,995.00 is authorized to be encumbered with a purchase order and made payable to Brass Development.

SECTION 18. Payment not to exceed \$2,000,000.00 is authorized to be encumbered with a purchase order and made payable to Palladium USA International, Inc.

SECTION 19. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Fund Numbers, Project Definitions, WBS Elements, Internal Orders, Fund Centers, Cost Centers, Functional Areas, Funds Reservation Document Numbers, and GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 20. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED AND APPROVED on this 20th day of June, 2024.

M A Y O R
Ron Nirenberg

AH
06/20/2024
Item No.

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney

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