



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 24

**Agenda Date:** April 20, 2023

**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:**

Funding Awards for Permanent Supportive Housing Developments

**SUMMARY:**

Consideration of an ordinance approving awards for two (2) Permanent Supportive Housing Development projects in an amount not to exceed \$23,087,158 resulting from the Permanent Supportive Housing Development Request for Proposals; and authorizing the negotiation and execution of the Development Agreements with developers of the projects. Funding of \$13,501,036 is from the 2022-2027 Bond Program and included in the FY 2023 to FY 2028 Capital Improvement Program and \$9,586,122 from the Federal HOME-ARP for a total of \$23,087,158.

**BACKGROUND INFORMATION:**

Voters approved the \$150 million 2022-2027 Housing Bond in May 2022. The funding included \$25 million to facilitate development of Permanent Onsite Supportive Services (PSH) projects. The City Council appointed Housing Community Bond Committee developed the funding categories and housing bond parameters. City Council approved the categories, parameters, and Bond on February 10, 2022.

Through the Strategic Plan to Respond to Homelessness in San Antonio and Bexar County as well as the Strategic Housing Implementation Plan (SHIP) the importance of permanent supportive housing (PSH) as an effective and needed intervention in our community has been identified. Together with our partners we have set a goal to produce 1,000 PSH units over the next 10 years.

Permanent Supportive Housing primarily serves chronically homeless individuals and households with onsite supportive services to live independently while easily accessing those services they need. All applicants were required to provide a Housing First approach which connects people experiencing homelessness to safe, secure, and permanent housing without any preconditions or barriers to entry. Applicants were also required to utilize the Coordinated Entry System (CES) as a resident referral system for available housing. Housing Bond funds were leveraged with other available City and County funding sources in a joint solicitation. The process also included the local continuum of care, South Alamo Regional Alliance for the Homeless (SARAH), to ensure coordination with annual services funding that becomes available.

### **Procurement**

On November 28, 2022, the City issued a joint Request for Proposals (RFP) for Permanent Supportive Housing with Bexar County and in coordination with the SARAH. A total of \$42.9 million was made available from both City and County funding including Bond, City and Bexar County HOME-ARP and Bexar County Coronavirus State and Local Fiscal Recovery Funds (SLRF) funding sources. The RFP was advertised via the San Antonio Express-News, City's Bidding and Contracting Opportunities website, TVSA, and outreach notices were sent notifying potential respondents of the RFP and how to apply. On January 23, 2023, a total of 5 proposals were received, requesting nearly \$69.8 million in funding. The RFP proposals were scored by a committee that included 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. The scoring committees held an evaluation meeting on Feb 22, 2023 and evaluated proposals utilizing the Council-approved scoring criteria.

The scoring committee recommended funding 3 projects for a total \$31,250,000 made available from both City and County funding including the City Housing Bond, City HOME-ARP, Bexar Country HOME-ARP and Bexar County Coronavirus State and Local Fiscal Recovery Funds (SLRF).

The San Antonio Housing Commission received a briefing on the RFP process and recommendations on March 22, 2023, and City Council received a briefing at B-Session on April 12, 2023.

The remaining funds that are not awarded in this round for Permanent Supportive Housing projects will be utilized for a future funding round and leveraged with any other available funding. The scoring committee included:

Lori Houston	Assistant City Manager (City Manager's Office)
Mark Carmona	Chief Housing Officer (City Manager's Office)
Ian Benavidez	Deputy Director (Neighborhood & Housing Services)
Chris Ryerson	Planning Administrator (Planning Department)

Melody Woosley	Director (Dept. of Human Services)
Rotella Galos	Bexar County
Laura Montanez	Bexar County
Robert Reyna	Bexar County
Kammy Horne	VIA
Katie Vela	Citizen Bond Committee Rep. & South Alamo Regional Alliance for the Homeless
Kayla Miranda	Citizen Bond Committee Rep. (District 5)

**ISSUE:**

The 3 projects were recommended for approval and are expected to provide a total of 301 units, including 288 PSH units and 13 Rapid Rehousing units when completed.

A total of \$23,087,158 million is available from City of San Antonio funding sources including the Affordable Housing Bond and Federal HOME-ARP. The remaining funding for these projects will be provided from Bexar County Coronavirus State and Local Fiscal Recovery Funds (SLRF) and HOME-ARP in the amount of \$8,162,842 and will be considered by County Commissioners Court at a later date.

These funds will provide funding for construction as well as two years of funding for on-site services. Additional ongoing funding for services will be available through various Federal and local sources including our local continuum of care, SARA.

A summary of the 3 project recommendations is below:

<b>Project &amp; Developer</b>	<b>Funding Recommendation</b>	<b>Funding Sources</b>	<b>PSH Units</b>	<b>On-Site Services</b>
Towne Twin Village, Housing First Community Coalition	\$12,000,000	\$5,723,878 – CoSA Housing Bond \$6,276,122 – CoSA HOME-ARP	<ul style="list-style-type: none"> <li>• 41 PSH units at 30% AMI</li> <li>• Includes funding for community kitchen, laundry facility, maintenance building, community spaces &amp; infrastructure for Future Multi-family Phase</li> </ul>	Recommendation includes \$2.1M for case management services
The Commons at Acequia Trails, SAMMinistries	\$15,000,000	\$7,777,158 – CoSA Housing Bond \$3,310,000 – CoSA HOME-ARP \$3,912,842 – Bexar County SLRF	<ul style="list-style-type: none"> <li>• 70 PSH units at 30% AMI</li> <li>• 130 PSH units at 60% AMI</li> </ul>	Recommendation includes \$1M for case management services

The Hudson Apartments, SAMMinistries	\$4,250,000	\$2,162,842 – Bexar County HOME-ARP \$2,087,158 – Bexar County SLRF	• 47 PSH units at 30% AMI • 13 Rapid Rehousing units at 50% AMI	Recommendation includes \$684k for case management services
<b>Total</b>	<b>\$31,250,000</b>		<b>288 PSH units</b> <b>13 Rapid Rehousing units</b>	

*\* All respondents will utilize coordinated entry, follow housing first approach, and trauma-informed care standards*

**ALTERNATIVES:**

Alternatives to awarding this funding to the recommended projects would be to reject the recommendations and resolicit the funding. However, delaying these awards would delay the delivery of this critically important housing as called for in the Strategic Plan to Respond to Homelessness in San Antonio and Bexar County and the Strategic Housing Implementing Plan (SHIP). Delay could also negatively impact timely commitment and expenditure of the federally sourced funds.

**FISCAL IMPACT:**

An ordinance approving awards for two (2) Permanent Supportive Housing Development projects in an amount not to exceed \$23,087,158 resulting from the Permanent Supportive Housing Development Request for Proposals; and authorizing the negotiation and execution of the Development Agreements with developers of the projects. Funding of \$13,501,036 is from the 2022-2027 Bond Program and included in the FY 2023 to FY 2028 Capital Improvement Program and \$9,586,122 from the Federal HOME-ARP for a total of \$23,087,158.

Bexar County will have separate Development Agreements with SAMMinistries of \$4,250,000.00 for The Hudson Apartments and \$3,912,842.00 for The Commons at Acequia Trails.

**RECOMMENDATION:**

Staff recommends approval of an Ordinance authorizing the negotiation and execution of two Development Agreements in an amount not to exceed \$23,087,158 as part of the Permanent Supportive Housing Development Request for Proposals.