



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 49

Agenda Date: December 15, 2022

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Interim Director

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

An Ordinance approving 14 Development Agreements as part of the Fall 2022 Affordable Housing Request for Proposals utilizing 2022-2027 Housing Bond and Federal HOME, CDBG and NSP funding sources; and granting a one-time extension of up to one year to existing funding awards or incentives.

SUMMARY:

An Ordinance authorizing 14 individual Development Agreements totaling \$43,853,447 million in awards from 2022 Housing Bond, Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), and Neighborhood Stabilization Program (NSP) funding sources that will produce or preserve a total of 2,532 affordable housing units; and granting a one-time extension of up to one year to existing funding awards or incentives. 834 of the 2,532 units produced or preserved (or 33%) will be deeply affordable units reserved for families below 50% of the Area Median Income (AMI) for rental and below 80% AMI for homeownership. Of all homes, a total of 552 units will be public housing/income-based housing.

BACKGROUND INFORMATION:

2022-2027 Housing Bond

On May 7, 2022, voters approved the 2022 Housing Bond of \$150 million to create and preserve affordable housing. The funding will be used to facilitate development of single-family, multi-family or mixed-use housing for the public purpose of safe, quality, and affordable housing. The City will not construct affordable housing but rather will use non-profit and private sector housing developers and builders to construct and/or rehabilitate the affordable housing to meet the public purpose. The funding will be utilized across five categories:

- Homeownership Rehabilitation and Preservation- \$45M
- Rental Housing Acquisition, Rehabilitation and Preservation- \$40M
- Rental Housing Production and Acquisition- \$35M
- Housing with Permanent Onsite Supportive Services- \$25M
- Homeownership Production- \$5M

The City Council appointed Housing Community Bond Committee developed the categories, along with a set of housing bond parameters. City Council approved the categories, parameters and Bond on February 10, 2022.

CDBG and HOME Affordable Housing Development Gap Funding

On August 4, 2022, City Council approved the \$26.4 million FY 2023 HUD Action Plan and Budget (Action Plan) for the four federal grant programs funded by the U.S. Department of Housing and Urban Development (HUD). The Action Plan includes \$4.1 million in HOME Investment Partnerships Program (HOME) funds and \$3.6 million in Community Development Block Grant (CDBG) funds set aside for affordable rental and homeownership housing development. All projects should meet the HOME goal of providing safe, decent, and affordable housing to lower-income persons. Affordable single-family homes should be sold to individuals at 80% or lower of the area median income (AMI). Multifamily rental projects should primarily serve households at or below 60% AMI.

Procurement

On August 19, 2022 the City issued the three (3) Requests for Proposals (RFP) for Homeowner Production, Rental Production, and Rental Preservation, Rehabilitation, and Acquisition. A total of \$43.9 million was made available from Bond, CDBG, HOME, and NSP funding sources. The RFPs were each 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 RFPs and how to apply. The City held three pre-submittal conferences, one for each RFP, on August 30, 2022. On October 4, 2022, a total of 29 proposals were received, requesting nearly \$96 million in funding. Each RFP category was 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 evaluation meetings on October 19, 20, 25 and 28, 2022 and evaluated proposals utilizing the Council-approved scoring criteria.

Scoring Committees		
Homeownership Production (\$4.8M)	Rental Production (\$19M)	Rental Rehabilitation (\$20M)

Lori Houston, CMO	Lori Houston, CMO	Lori Houston, CMO
Mark Carmona, CHO	Mark Carmona, CHO	Ian Benavidez, NHSD
Veronica Gonzalez, NHSD	Veronica Garcia, NHSD	Deborah Scharven, OEI
Golda Obinzu, OS	Cathleen Crabb, PWD	Cory Edwards, OHP
Lori Hall, LISC San Antonio	Lori Hall, LISC San Antonio	Chris Ryerson, Planning
Abigail Kinnison, VIA	Abigail Kinnison, VIA	Lawson Picasso, D2 Bond Committee Representative
Rudy Nino, Planning	Zenon Solis, Planning	Stephanie McGowen, D2 Bond Committee Representative
Thad Rutherford, D3 Bond Committee Representative	Amelia Guzman, D3 Bond Committee Representative	
Lori Tipps, D10 Bond Committee Representative	Peter Onofre, D4 Bond Committee Representative	

The San Antonio Housing Commission received a briefing on the RFP process and recommendations on November 9, 2022 and City Council received a briefing at B-Session on November 30, 2022.

ISSUE:

These funding recommendations total \$43,853,447 made available from Bond, CDBG, HOME, and NSP funding sources and will provide for the development of 14 projects totaling 2,532 total units of which 834 of the units produced or preserved (or 33%) will be deeply affordable units reserved for families below 50% of the Area Median Income (AMI) for rental and below 80% AMI for homeownership. Of all homes, a total of 552 units will be public housing/income-based housing.

Homeownership Production						
Project Name	Developer	Total Units	20%-80% AMI	60% AMI	60-80% AMI	Funding Recommendation
Rancho Carlota	Habitat for Humanity	63	63			\$4,382,366 (\$1,650,000 CDBG & \$2,732,366 Bond)
Westside Reinvestment Initiative	Opportunity Home	5		5		\$218,655

Westside Affordable Homes	Our Casas	3			3	\$225,000 (\$225,000 HOME)
Total		71	63	5	3	\$4,826,021

Rental Production								
Project Name	Developer	Total Units	Public Housing	30% AMI	50% AMI	60% AMI	70% AMI	Funding Recommendation
Alazan Expansion	Opportunity Home	88	88	88	0	0	0	\$8,227,426
Viento Apartments	NRP	324	0	49	0	161	114	\$4,000,000 (\$942,054 NSP, \$1,000,000 HOME & \$2,057,946 Bond)
Cattleman Square Lofts	Alamo Community Group	138	0	21	14	103	0	\$2,000,000
Fiesta Trails	NRP	60	0	18	12	30	0	\$1,500,000 (\$1,500,000 CDBG)
Vista at Silver Oaks	Atlantic Pacific	76	0	8	22	46	0	\$3,300,000
Total		686	88	184	48	340	114	\$19,027,426

Rental Rehabilitation									
Project Name	Developer	Total Units	Income Base	30% AMI	50% AMI	60% AMI	80% AMI³	Market	Funding Recommendation
Spanish Pecan	Pico Union	254	0	39	0	215	0	0	\$4,275,894
Winston Roselawn	Pico Union	206	0	31	0	175	0	0	\$4,750,894
Arbors at West Avenue	Prospera	234	43 ²	17	124	60 ²	33	0	\$2,000,000
Cottage Creek	Opportunity Home	449	268 ²	228 ²	39 ²	0	1 ²	181	\$1,740,069
Pecan Hill	Opportunity Home	100	100 ²	0	0	0	100	0	\$438,431
Woodhill	Opportunity Home	532	53 ¹	53 ¹	0	0	479	0	\$6,794,712
Total		1,775	464	368	163	450	613	181	\$20,000,000

¹Income-Based Housing Units - units where the rent is set and adjusted based on 30% of the household's actual income through the project's reserve funding or voucher subsidy.

²Place-based housing vouchers

³The SHIP outlines the need to preserve 2,046 rental units for families at 61-80% AMI.

The Strategic Housing Implementation Plan (SHIP) outlines the need to serve households in our community with the fewest resources. Furthermore, the Community Bond Committee prioritized deeper affordability, public housing/income-based housing, and housing for vulnerable populations. During the review process, all proposals for new construction completed a displacement impact assessment and this information was considered as part of the scoring process. The proposed funding recommendations are in alignment with the adopted bond parameters. In total, 834 units produced or preserved (or 33%) will be deeply affordable units reserved for families below 50% of the Area Median Income (AMI) for rental and below 80% AMI for homeownership. Of all homes, a total of 552 units will be public housing/income-based housing.

The San Antonio Housing Commission received a briefing on the RFP process and recommendations at the special meeting on November 9, 2022 and City Council received a briefing at B-Session on November 30, 2022.

ALTERNATIVES:

An alternative to awarding this funding to the recommended projects would be to reject the recommendations; however, the recommended projects meet the established affordable housing goals set forth in the 2022-2027 Housing Bond and parameters/evaluation framework, the HUD FY 2023 Action Plan and Budget (federal funds) and the City's FY 2023 Affordable Housing Budget. The projects are in line with the Strategic Housing Implementing Plan (SHIP) to increase affordable housing production and preservation. In addition, any other alternative to appropriate funding would delay the timely commitment and expenditure of the federally sourced funds.

FISCAL IMPACT:

This funding recommendation awards up to \$43,853,447 total in funding for affordable housing activities. The \$43,853,447.00 is comprised of \$38,536,393.00 in General Obligation (G.O.) Bonds from the 2022-2027 Housing Bond, \$3,150,000.00 Community Development Block Grant (CDBG) funding, \$1,225,000.00 in HOME Investment Partnerships Program (HOME) funding, and \$942,054 in Neighborhood Stabilization Program (NSP) funding. There is no impact to the General Fund and all funding is included in the FY2023 adopted budget.

These funds will be awarded to the following projects:

Project Name	Developer	Total Units	Funding Amount & Source(s)
Rancho Carlota	Habitat Humanity for	63	\$4,382,366 (\$1,650,000 CDBG & \$2,732,366 Bond)
Westside Reinvestment Initiative	Opportunity Home	5	\$218,655
Westside Affordable Housing	Our Casas	3	\$225,000 (\$225,000 HOME)

Alazan Expansion	Opportunity Home	88	\$8,227,426
Viento	NRP	324	\$4,000,000 <i>(\$942,054 NSP, \$1,000,000 HOME & \$2,057,946 Bond)</i>
Cattleman Square Lofts	Alamo Community Group	138	\$2,000,000
Fiesta Trails	NRP	60	\$1,500,000 <i>(\$1,500,000 CDBG)</i>
Vistas at Silver Oaks	Atlantic Pacific	75	\$3,300,000
Spanish Pecan	Pico Union	254	\$4,275,894
Winston Roselawn	Pico Union	205	\$4,750,894
Arbors at West Avenue	Prospera	234	\$2,000,000
Cottage Creek	Opportunity Home	449	\$1,740,069
Peacan Hill	Opportunity Home	100	\$438,431
Woodhill	Opportunity Home	532	\$6,794,712
Total		2,532	\$43,853,447

These recommendations were procured by means of three separate Requests for Proposals and the Contract Disclosure Forms are attached.

RECOMMENDATION:

Staff recommends entering into Development Agreements and awarding up \$43,853,447.00 in funding to the 14 proposed affordable housing projects. The \$43,853,447.00 is comprised of \$38,536,393.00 in General Obligation (G.O.) Bonds from the 2022-2027 Housing Bond, \$3,150,000.00 Community Development Block Grant (CDBG) funding, \$1,225,000.00 in HOME Investment Partnerships Program (HOME) funding, and \$942,054 in Neighborhood Stabilization Program (NSP) funding; and granting a one-time extension of up to one year to existing funding awards or incentives.