



# City of San Antonio

## Agenda Memorandum

**File Number:**  
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**Agenda Item Number:** 4

**Agenda Date:** January 23, 2024

**In Control:** Planning and Community Development Committee

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Veronica Garcia, Director

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Briefing and possible action on the recommendations from the Affordable Single-Family & Multi-Family Gap Funding Request for Proposals (RFP) funded with United States Department of Housing and Urban Development (HUD) grant funds.

**SUMMARY:**

The Neighborhood and Housing Services Department (NHSD) solicited proposals for projects from developers of affordable single-family homeownership housing development and affordable multi-family rental housing development projects that have a development budget funding gap. After evaluation of the seven (7) proposals received, \$7,024,532 in federal grant funding is recommended for award across four (4) affordable housing development projects. The recommended funding will be sourced from HOME Investment Partnership (HOME) funding (\$1,874,500) and Community Development Block Grant (CDBG) funding (\$5,150,032). The recommended projects will add 39 single-family units and 151 multi-family housing units to the community. Of these units, 109 will be deeply affordable and reserved for families below 50%

of the Area Median Income (AMI) for multi-family rental and below 80% AMI for single-family homeownership.

## **BACKGROUND INFORMATION:**

On August 3, 2023, through Ordinance 2023-08-03-0511, City Council adopted the \$26.6 million FY 2024 HUD Annual Action Plan and Budget (AAP) for the four federal grant programs funded by the U.S. Department of Housing and Urban Development (HUD). The AAP included \$3,744,248 in HOME Investment Partnerships Program (HOME) funds and \$4,670,000 in 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. Affordable single-family homes should be sold to individuals at 80% or lower of the area median income (AMI). Multi-family rental projects should primarily serve households at or below 60% of the AMI, with a priority to serve those individuals or families at 30% or lower of the AMI.

On October 6, 2023, two Request for Proposals (RFP) solicitations were released seeking Affordable Single-Family Development Gap Funding under one solicitation and Multi-Family Development Gap Funding under the other solicitation. Contract terms will vary depending on the construction timelines associated with each project. The RFP solicitations were each advertised in the San Antonio Express-News, the City's Bidding and Contracting Opportunities website, TVSA, and vendor outreach to potential respondents.

On November 20, 2023, two single-family affordable development proposals requesting \$3,680,532 in gap funding and five multi-family affordable development proposals requesting \$14,522,496 were received. All proposals were deemed responsive to move forward for evaluation. Each RFP proposal was scored by an evaluation committee that included city staff and partners who have expertise in the RFP scoring parameters. The evaluation committee representatives for both solicitations consisted of Lori Houston, Assistant City Manager, City Manager's Office; Veronica Garcia, Director, Neighborhood and Housing Services Department; Veronica Gonzalez, Assistant Director, Neighborhood and Housing Services Department; Sandip Sen, Director of Service Planning & Scheduling, VIA Metropolitan Transit; Golda Obinzu, Energy Manager, Office of Sustainability; and Colton Powell, Grants Manager, Neighborhood and Housing Services Department. The evaluation committee met to discuss and score all seven responsive proposals on December 12, 2023. 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 committee recommended awarding funding to both proposals from the Affordable Single-Family Development Gap Funding RFP and awarding funding to the two highest-ranked proposals from the Affordable Multi-Family Development Gap Funding RFP. A substantial amendment to the HUD FY 2024 Annual Action Plan and Budget (Substantial Amendment #1) is required to meet this funding request.

The Audit and Accountability Committee received a post-solicitation briefing on January 9, 2024 and the Housing Commission will receive a briefing on the RFP process and recommendations

on January 24, 2024. The funding recommendations and Substantial Amendment #1 are scheduled for City Council consideration on February 1, 2024.

**ISSUE:**

Consideration of a recommendation to award up to \$5,150,032 in Community Development Block Grant (CDBG) funding and up to \$1,874,500 in HOME Investment Partnerships Program (HOME) funding to four (4) affordable housing development activities:

From HOME funding:

(a) Up to \$274,500 in HOME funding to Our Casas Resident Council for the Apache Creek Affordable Homes, a single-family homeownership development proposed at 2224 Chihuahua in Council District 5;

(b) Up to \$600,000 in HOME funding to ALT Affordable Housing Services – Arbor Place for the Village at Perrin Beitel, a multi-family rental development proposed at 2611 NE 410 in Council District 10;

From CDBG funding:

(c) Up to \$3,406,032 in CDBG funding to Habitat for Humanity of San Antonio, Inc. for the Chandler Road Development, a single-family homeownership development proposed at 4307 Chandler Rd in Council District 3; and

From CDBG & HOME Funding:

(d) Up to \$1,000,000 in HOME funding and up to \$1,744,000 in CDBG funding to the NRP Group for Rainbow Lofts, a multi-family rental development proposed at 15838 San Pedro in Council District 9.

<b>Project</b>	<b>Developer</b>	<b>Project Type</b>	<b>Proposed Award</b>	<b>Funding Source</b>	<b>Units</b>	<b>Deeply Affordable Units</b>
Apache Creek Affordable Homes	Our Casas Resident Council	Single-Family	\$274,500.00	HOME	3	3
Chandler Road Development	Habitat for Humanity of San Antonio	Single-Family	\$3,406,032.00	CDBG	36	36
Rainbow Lofts	NRP Group	Multi-Family	\$2,744,000.00	CDBG & HOME	59	30
Village at Perrin Beitel	ALT Affordable Housing Services, Inc. – Arbor Place	Multi-Family	\$600,000.00	HOME	92	40

<b>TOTALS</b>			\$7,024,532.00		190	109
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In total, the recommended projects are projected to add 190 units to the community with 178 of those units considered affordable. Of these units, 109 will be deeply affordable for families at or below 50% of the Area Median Income (AMI) for rental and at or below 80% AMI for homeownership.

#### **FISCAL IMPACT:**

This funding recommendation awards up to \$5,150,032 in Community Development Block Grant (CDBG) funding and up to \$1,874,500 in HOME Investment Partnerships Program (HOME) funding. Total funding for recommended affordable housing projects is \$7,024,532.

#### **ALTERNATIVES:**

An alternative to awarding this funding would be to reject these recommendations; however, the recommended projects meet the established affordable housing goals set forth in the FY 2024 Annual Action Plan and Budget and the City's FY 2024 Affordable Housing Budget. Additionally, these recommendations are in line with the Strategic Housing Implementation Plan (SHIP) goal to increase affordable housing production in the community. Any other alternative to appropriate funding differently would delay the timely commitment and expenditure of these federally sourced funds.

#### **RECOMMENDATION:**

Staff recommends forwarding these four (4) affordable housing development projects with an estimated total value of \$7,024,532 to City Council consideration on February 1, 2024.