



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 29

Agenda Date: April 11, 2024

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

U.S. Department of Housing and Urban Development (HUD) funding to Legacy-San An New Braunfels LP (Cornerstone Housing Group) for the Legacy Senior Residences, an affordable multi-family rental development.

SUMMARY:

Consideration of the recommendation to award up to \$4,000,000.00 in HUD funding to Legacy-San An New Braunfels LP (Cornerstone Housing Group) for the Legacy Senior Residences project and approval of a Substantial Amendment #2 to the City's adopted HUD FY 2024 Annual Action Plan and Budget.

BACKGROUND INFORMATION:

On August 3, 2023, City Council adopted the \$26.6 million FY 2024 Annual Action Plan and Budget for the four federal grant programs funded by the U.S. Department of Housing and Urban Development (HUD). The Annual Action Plan included \$3,744,248.00 in HOME Investment Partnerships Program (HOME) funds and \$4,670,000.00 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. Multi-

family rental projects should primarily serve households at or below 60% of the Area Median Income (AMI), with a priority to serve those individuals or families at 30% or lower of the AMI.

On October 6, 2023, the City issued a Request for Proposals (RFP) for Affordable Multi-Family Development Gap Funding, which sought proposals for multi-family housing projects in need of gap funding. The RFP solicitation was 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, five (5) multi-family affordable development proposals requesting a total of \$14,522,496.00 were received. All proposals were deemed responsive to move forward for evaluation. Each RFP proposal was scored by a committee that included city staff and partners who have expertise in the RFP category areas. During the evaluation process, all proposals for new construction completed a displacement impact assessment and this information was considered as part of the evaluation process. The evaluation committee representatives 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 committee recommended awarding funding to the two highest-ranked proposals from the Affordable Multi-Family Development Gap Funding RFP. On February 15, 2024, one of the recommended projects (Village at Perrin Beitel) was approved by City Council, however, the second recommended project (Rainbow Lofts) withdrew their proposal prior to City Council consideration.

The evaluation committee recommended awarding up to \$4,000,000.00 to the next highest-ranked proposal from Legacy-San An New Braunfels LP (Cornerstone Housing Group). Legacy-San An New Braunfels LP (Cornerstone Housing Group) is partnering with the San Antonio Housing Trust Public Facility Corporation (SAHT PFC) for the development of this senior independent living project to be located in City Council District 3. The recommended federal funding for this project is in addition to \$2,100,000.00 in City Housing Bond funds preliminarily awarded in June 2023, as well as \$250,000.00 in SAWS fee waivers provided by the City. A Substantial Amendment to the HUD FY 2024 Annual Action Plan and Budget (Substantial Amendment #2) is required to meet this funding request.

ISSUE:

Consideration of Substantial Amendment #2 and the recommendation to award up to \$4,000,000.00 in HOME and CDBG funds to the Legacy Senior Residences project. The proposed funding recommendation for Legacy Senior Residences is in alignment with the adopted Strategic Housing Implementation Plan (SHIP) parameters and goals. The SHIP also outlines the need to serve households in our community with the fewest resources. The recommended project will produce 180 multi-family housing units. Of these units, 18 will be deeply affordable and reserved

for households at or below 30% of the Area Median Income (AMI).

Affordable Multi-Family Development Gap Funding					
Project	Developer	Total Units	30% AMI	60% AMI	Funding Recommendation
Legacy Senior Residences	Legacy-San An New Braunfels LP (Cornerstone Housing Group)	180	18	162	\$4,000,000.00
TOTALS		180	18	162	\$4,000,000.00

ALTERNATIVES:

An alternative to awarding this funding to the recommended project would be to reject this recommendation; however, the recommended project meets the established affordable housing goals set forth in the HUD FY 2024 Annual Action Plan and Budget and the City's FY 2024 Affordable Housing Budget. Additionally, this recommendation is in line with the SHIP goal to increase affordable housing production in the community. Any other alternative would delay the timely commitment and expenditure of these federally sourced funds.

FISCAL IMPACT:

This funding recommendation awards up to \$4,000,000.00 to Legacy-San An New Braunfels LP (Cornerstone Housing Group) A Substantial Amendment (#2) to the City's adopted HUD FY 2024 Annual Action Plan and Budget is a required process for federally funded programs. There is no fiscal impact to the City's General Fund.

Funding Source	Recommended Award
CDBG	\$1,744,000.00
HOME	\$2,256,000.00
TOTAL	\$4,000,000.00

RECOMMENDATION:

Staff recommends approval.

This recommendation was procured by means of a Requests for Proposals and the Contract Disclosure Form is attached.

