



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 1

**Agenda Date:** August 10, 2022

**In Control:** City Council B Session

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Veronica Garcia, Interim Director

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Staff pre-solicitation briefing and possible action on the 2022-2027 Housing Bond and Displacement Impact Assessment (DIA) pilot.

**SUMMARY:**

A pre-solicitation briefing and possible action on the development of the 2022-2027 Housing Bond solicitation process, to include an update on the Request for Proposal (RFP) scoring criteria, timeline, scoring committees and Displacement Impact Assessment (DIA) Pilot.

**BACKGROUND INFORMATION:**

**2022-2027 Housing Bond Program**

On May 7, 2022, voters approved six propositions for the City's 2017-2022 Bond Program totaling \$1.2 billion. Proposition F, the Housing Bond, authorizes the City to issue bonds in the amount of \$150 million to create and preserve affordable housing in five (5) priority categories, depicted below. 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 consistent with the Housing Bond Committee's parameters and Housing Commissions Bond Evaluation Framework. 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.

- 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.

The five categories of the Housing component incorporate multiple initiatives as outlined in the Strategic Housing Implementation Plan (SHIP). SHIP creates a Housing Policy Framework that set 10-year target housing production goals that are intended to meet the current and data-determined future needs of the residents of San Antonio. City Council adopted the SHIP on December 16, 2021.

### **Displacement Impact Assessment (DIA) Pilot**

In 2021, though the development of the 2022-2027 Housing Bond, the Community Bond Committee included a requirement for all projects to undergo a displacement assessment at the time of project submission.

Over the last month, NHSD held four public informational meetings regarding the Bond RFP process and DIA pilot. All meetings were held in English with Spanish translation available. American Sign Language interpretation was available at two meetings. The slides from the virtual meeting and recordings are posted online in Spanish and English.

A SA Speak Up Survey, available in English and Spanish, opened July 9, 2022 and closed July 30, 2022. The survey asked the public to select the indicators they believed are the most and least helpful in assessing the risk of displacement in the area surrounding the proposed development. Participants were able to suggest additional indicators as well. Staff will use results to potentially weight indicators or remove them to simplify the tool.

### **ISSUE:**

Staff will provide a pre-solicitation briefing on the development of the 2022-2027 Housing Bond solicitation process, to include an update on the Request for Proposal (RFP) scoring criteria, timeline and scoring committees.

Briefings were given to the San Antonio Housing Commission on July 27, 2022 and the Planning and Community Development Committee (PCDC) on August 1, 2022. The Housing Commission will also have a workshop on August 8th to further review the scoring criteria process. Additionally staff engaged over 40 various community stakeholders including Community Housing Development Organizations (CHDO), non-profit developers and builders, San Antonio Housing Trust, San Antonio Housing Authority (SAHA), Low-Income Housing Tax Credit Developers,

neighborhood associations and organizations, housing advocacy groups, COPS Metro, San Antonio Apartment Association (SAAA), and San Antonio Board of Realtors (SABOR), through briefings. Staff also held four community meetings to share information on the Housing Bond, project selection process, and the Displacement Impact Assessment.

Based on feedback received by the Housing Commission and Planning & Community Development Council Committee (PCDC), staff has revised several aspects of the RFPs to include removing school performance ratings and increasing points for a project's affordability mix (projects with more deeply affordable units will receive more points). Another change staff made is approximately half of the funding will be made available for the Fall 2022 solicitation processes, which reserves bond funding for future project awards and provides more time to develop and implement innovative affordable housing strategies.

The high-profile RFPs will be published on the City's procurement website starting in August with City Council consideration anticipated for December. Additionally, the Housing Commission will receive a presentation of the staff recommended projects to ensure alignment with the Evaluation Framework prior to City Council consideration.

The timeline for releasing and scoring the RFPs is below.

	<b>Rental Housing Production &amp; Acquisition</b>	<b>Homeownership Production</b>	<b>Rental Housing Rehabilitation, Preservation &amp; Acquisition</b>
<b>RFP Release:</b>	8/19/2022		
<b>Pre-Submittal Conference:</b>	8/30/2022		
<b>Proposal Due:</b>	10/4/2022		
<b>Scoring Committee:</b>	Week of October 17, 20022		
<b>Housing Commission:</b>	Early November 2022		
<b>B-Session:</b>	Late November 2022		
<b>City Council Consideration:</b>	Early December 2022		

The Permanent Supportive Housing RFP is expected to be released in late September with City Council Consideration in January 2023.

The scoring committees are comprised of internal City staff and external stakeholders, which will include two Housing Community Bond Committee Members. The scoring committee will evaluate projects on scoring criteria that reflects the City Council adopted parameters as well as the Housing Commission's evaluation framework.

### **Proposed Scoring Criteria**

#### **Rental Housing Production and Acquisition**

- Development Experience – 15 points

- Non-Profit Status – 15 points
- Gap Request, Project Readiness, and Underwriting Review – 10 points
- Unit Specifications, Construction Priorities, Equity, Location Priority, Project Site Plan and Timeline, and Sustainability – 15 points
- Displacement and Resident Protections, Amenities/Resident Services – 10 points
- Affordability – 35 points

### **Homeownership Production**

- Development Experience – 15 points
- Non-Profit Status – 15 points
- Gap Request, Project Readiness, and Underwriting Review – 10 points
- Design Priorities and Sustainability – 15 points
- Displacement, Location and Equity – 15 points
- Affordability – 30 points

### **Rental Housing Acquisition, Rehabilitation and Preservation**

- Development Experience – 10 points
- Non-Profit Status – 15 points
- Gap Request, Project Readiness, and Underwriting Review – 10 points
- Property Improvements and Construction Priorities, Timeline, Sustainability, Equity, and Location – 10 points
- Displacement, Temporary Relocation Plan and Resident Protections, and Amenities/Resident Services – 5 points
- Affordability – 25 points
- Small Business Economic Development Advocacy Program – 10 points
- Local Preference – 10 points
- Veteran Owned Small Business Program – 5 points

### **Permanent Supportive Housing**

- Development Experience – 15 points
- Permanent Supportive Services – 40 points
- Gap Request, Project Readiness, and Underwriting Review – 10 points
- Design & Construction Priorities, Equity, Location, Project Site Plan, and Timeline – 15 points
- Displacement, Resident Protections, Amenities/Resident Services and Sustainability – 15 points
- Veteran Owned Small Business Program – 5 points

As part of the Housing Bond RFP's a Displacement Impact Assessment (DIA) will be released as a limited pilot. While the initial release of the DIA is specifically piloted for bond-funded, new construction projects, the assessment could be applied to more project types and funding sources in future years.

The proposed DIA will assess the risk of residential displacement and the mitigation strategies of proposed developments. The assessment will consist of two parts: an initial three-question initial

screening and a more detailed, secondary screening, if necessary. The secondary screening will likely include indicators across six categories:

- Socioeconomic profile
- Housing Inventory Profile
- Tax Exemptions & Affordability
- Built Environment
- Market Activity Profile
- Eviction and Foreclosure

The answers to the questions in the assessment tool will equip staff, City Council, and the public with information about the possible residential displacement risk in the area surrounding a proposed development prior to the City's commitment to fund that development.

### **ALTERNATIVES:**

This item is for briefing purposes only.

### **FISCAL IMPACT:**

This item is for briefing purposes only.

### **RECOMMENDATION:**

This item is for briefing purposes only.