



City of San Antonio

Legislation Details (With Text)

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In control: Audit and Accountability Committee

On agenda: 2/16/2021

Title: Affordable Rental and Homeownership Housing Development Gap Funding [Lori Houston, Assistant City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services Department]

Sponsors:

Indexes:

Code sections:

Attachments: 1. Post Solicitation Presentation - Rental and Homeownership Housing Development

Date	Ver.	Action By	Action	Result
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CITY OF SAN ANTONIO NEIGHBORHOOD AND HOUSING SERVICES DEPARTMENT INTERDEPARTMENTAL CORRESPONDENCE

TO: Erik Walsh, City Manager

FROM: Verónica R. Soto, FAICP, Director, Neighborhood and Housing Services Department

COPY: Audit and Accountability Committee; Ben Gorzell, Jr., CPA, Chief Financial Officer; Lori Houston, Assistant City Manager; Kevin Barthold, City Auditor; Troy Elliott, CPA, Deputy Chief Financial Officer

SUBJECT: Post-Solicitation Briefing for Affordable Rental and Homeownership Housing Development

DATE: February 16, 2021

On August 13, 2020, City Council approved the \$22.4 million FY 2021 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 amended Annual Action Plan includes \$2.5 million in HOME funding and \$3,000,000 in CDBG funding funds set aside for affordable rental and homeownership housing development. Funds may be used for acquisition, pre-development, construction, clearance, and site improvements. Staff is also recommending utilizing \$3,401,669 in available HOME funds from program income and savings from completed projects to fund affordable rental and homeownership development with an additional amendment to the Action Plan.

On October 23, 2020, the City issued Request for Proposals for both Affordable Rental and Homeownership

Housing Development. Pre-submittal conferences were held for each RFP on November 3 and 4, 2020. On December 11, 2020, the City received three homeownership housing development proposals and seven rental housing development proposals. One respondent withdrew two out of three rental housing development proposals that were submitted due to new tax credit legislation which eliminates their previous financial gap. Remaining total funding requests were \$3,626,669 in homeownership housing development proposals and \$5,150,000 in rental housing development proposals.

The evaluation committee representatives were Lori Houston, Assistant City Manager, City Manager's Office; Verónica R. Soto, Director, Neighborhood and Housing Services Department; Edward Gonzales, Assistant Director, Neighborhood and Housing Services Department; Ian Benavidez, Assistant Director, Neighborhood and Housing Services Department; and Patricia Santa Cruz, Interim Grants Administrator, Neighborhood and Housing Services Department.

The evaluation committee reviewed remaining proposals on January 26, 2021 and agreed that additional information was needed for a more comprehensive review. City staff obtained the additional information and the evaluation committee reconvened to discuss and score all proposals on January 29, 2021. In addition, Neighborhood and Housing Services Department's on-call underwriting consultant conducted a preliminary underwriting review of the rental development applications to ensure the projects are feasible and gap funding requests were necessary. The committee utilized the Rental and Homeownership Housing Development evaluation criteria approved by City Council on September 12, 2019 (Ordinance 2019-09-12-0725). The proposals were assessed using the following:

Evaluation Criteria	Maximum Points
Experience and Capacity	15
Project Readiness	20
Project Site Characteristics and Amenities	25
HUD Regulatory Conditions	5
Efficient Use of Funds	5
Underwriting	30
Total Point Scale	100

The committee recommends awarding a contract to the three homeownership housing developments and the five rental housing developments. Staff is also recommending up to \$125,000 in HOME funding for on-call environmental, underwriting, and labor compliance consultant services needed to carry out affordable housing development activities separate from the awards to the developments. These funding recommendations were considered by the Planning and Community Development Committee on February 8, 2021 and are scheduled for City Council consideration on February 18, 2021.