



City of San Antonio

Agenda Memorandum

File Number:19-6127

Agenda Item Number: 4.

Agenda Date: 8/28/2019

In Control: Housing Commission

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Verónica R. Soto, AICP, Director

COUNCIL DISTRICTS IMPACTED: City-Wide

SUBJECT:

Evaluation Criteria for Affordable Rental and Homeownership Housing Development Funding from U.S. Department of Housing and Urban Development Entitlement Grants

SUMMARY:

Consideration of an Ordinance adopting the proposed Evaluation Criteria utilized to award U.S. Department of Housing and Urban Development Entitlement Grants federal funding to Affordable Rental and Homeownership Housing Developments.

BACKGROUND INFORMATION:

The City of San Antonio (the City) is a recipient of funding from the U.S. Department of Housing and Urban Development (HUD), which includes the Community Development Block Grant (CDBG) and the HOME Investment Partnerships Program (HOME). The City undergoes an Annual Action Plan process to set aside funding for affordable housing and community development activities. The City has developed Evaluation Criteria that will be utilized as a decision making tool to assess and prioritize requests for Federal funding set aside for the creation or preservation of affordable rental and homeownership housing. HOME funds can be used for acquisition, new construction or rehabilitation and CDBG funds can be used for acquisition, site clearance, infrastructure improvements and rehabilitation and/or reconstruction of affordable rental and homeownership housing.

This Evaluation Criteria was compiled using HUD regulatory requirements, national best practices, alignment with the Housing Policy Framework, and input from Community Housing Development Organizations (CHDO) and affordable housing developers.

ISSUE:

The proposed Evaluation Criteria (attached) will allow for a transparent process whereby all applications for federal funding are evaluated in the following three phases:

- Phase I - Threshold Requirements
- Phase II - Project Prioritization and Underwriting
- Phase III - Evaluation Panel Review

Phase I will include a review of the applications by City staff to confirm completeness and ensure threshold requirements are met. Eligible applications will then be assessed utilizing the Project Prioritization Evaluation Criteria outlined in Phase II. The maximum point score is 100 and the categories are outlined below:

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

Concurrently, applications will undergo an Underwriting Review to determine financial viability, confirm the applicant's capacity to complete the project, certify the project is cost reasonable, ensure return to applicant is reasonable and verify that the gap financing is necessary to complete the project. The third phase includes a review by an Evaluation Panel, consisting of leadership team members who will rank the applications and make funding recommendations.

In addition, the City's affordable housing partners have requested that this action include a waiver from the restriction on communication during any properly-noticed public meetings. This will be applicable to all funding solicitations. The City Attorney's Office has confirmed that the City Council can authorize such a waiver.

The Evaluation Criteria will be presented to the Housing Commission on August 28, 2019 and considered by the City Council on September 5, 2019. The Request for Applications for Affordable Rental Housing Development is anticipated to be issued on September 6, 2019 and Affordable Homeownership Housing Development is anticipated to be issued on September 13, 2019.

ALTERNATIVES:

The City could retain its existing Evaluation Criteria for Rental Housing Developments what are outdated. In addition, there are no existing council-approved Evaluation Criteria for Homeownership Housing Developments.

FISCAL IMPACT:

This item will not have an impact on the General Fund Budget.

RECOMMENDATION:

Staff recommends approval.