

CITY OF SAN ANTONIO CITY MANAGER'S OFFICE

TO: Erik Walsh, City Manager

FROM: Lori Houston, Assistant City Manager 

COPY: Mayor and City Council; San Antonio Housing Commission

SUBJECT: **3rd Quarter Report on Implementation of the Affordable Housing Business Plan**

DATE: July 19, 2019

This provides you an update on our progress implementing the City's Affordable Housing Business Plan through the end of the third quarter of FY 2019. The FY 2019 Affordable Housing Business Plan is attached to this memo for reference.

The FY 2019 Adopted Budget includes \$25 million for Affordable Housing initiatives including \$17 million in new funding. The \$25 million budget includes \$11.7 million for housing preservation and repair, \$3.2 million for homebuyer assistance, \$1.4 million to develop a coordinated housing system, \$7.7 million for gap financing, and a \$1 million housing Risk Mitigation Fund. In November, the City received a \$1 million private sector donation for additional funding for our Under 1 Roof program.

Below is a table that summarizes the implementation status of activities for the 10 major housing-related activities that are included in the FY 2019 Affordable Housing Business Plan.

| Activity | 3 rd Quarter Status |
|---|--|
| Housing Trust & PFC Strategic Plan Development | Ahead of Schedule |
| Affordable Housing Coordination Across All Housing Entities | Ahead of Schedule |
| Under 1 Roof Program Delivery | Ahead of Schedule 305 of 300 Roofs Completed |
| Owner Occupied Rehabilitation | On Schedule 5 of 4 Homes Completed 33 of 66 Homes Under Contract |
| Homebuyer Assistance & Counseling Programs | Behind Schedule 197 of 207 Clients Completed |
| Develop a Housing Risk Mitigation Fund Policy | Completed |
| Gap Financing Awards for New Affordable Rental and Homeownership Development Projects | Completed |
| Consolidate City Housing Staff into the Neighborhood and Housing Services Department (NHSD) | Completed |
| Reconstitute the Housing Commission | Completed |
| LISC Support Contract Execution | Completed |

Strategic Plan/Review of Housing Trust & Public Facility Corporation:

Ahead of Schedule. NHSD reviewed and collected background documentation for the San Antonio Housing Trust (SAHT) and Public Facility Corporation (PFC). Staff also notified the SAHT and PFC Board of Directors to ensure they understood and were committed to the organizational review process. Both Boards were supportive of the review. The recommended consultant that was selected through a Request for Proposals process to assist in this effort was approved by City Council on January 17 and began working in January. The first deliverable produced was a benchmarking analysis that was submitted for review to NHSD in April. The benchmarking analysis included a collection of studies, reports, and information relevant to the SAHT and PFC and compared the agencies to similar agencies across the country. The Strategic Assessment and Executive Summary were presented to the City Council Comprehensive Plan Committee and Housing Commission in June. The final report will be completed by mid-July.

Coordinated Housing System:

Ahead of Schedule. The City of San Antonio was one of three cities awarded the ForEveryoneHome Anti-Displacement grant. As part of the Anti-Displacement Action Plan, NHSD is currently analyzing displacement near the UTSA downtown area and near-westside. Additionally, the tri-chairs of the Removing Barriers to Affordable Housing Committee met on May 29 to discuss upcoming meetings and the Committee's first full meeting was held in June. The Committee will meet once a month through the end of 2019 and is charged with evaluating the Unified Development Code and other tools to encourage and increase the development of affordable housing. Staff developed a draft of the affordable housing dashboard and it was shared with the Housing Commission at their meeting on June 26. Staff hosted Resident Owned Communities USA (ROCUA) at the June 25 Coordinated Housing System meeting to discuss long-term ownership of mobile home communities and is researching community land trusts in order to produce possible solutions in the City's anti-displacement strategy. The team also is creating a draft Neighborhood Empowerment Zone policy.

Under 1 Roof:

Ahead of Schedule. A total of 305 roofs have been replaced through the end of the third quarter. This is five more than the target of 300 roofs year to date. The FY 2019 goal has been changed from 400 roofs completed to 530 roofs completed because of a \$1 million donation. The Under 1 Roof program is on pace to meet the modified goal of 530 roofs completed by the end of FY 2019.

Owner Occupied Rehabilitation:

On Schedule. NHSD has completed the construction of five homes through the end of the third quarter. This is one more than the goal of four homes year to date. NHSD expects 11 homes to be completed in July. Thirty-three homes are under contract. This is 33 less than the target of 66 year to date. Nine of the 33 homes will start construction in July. NHSD expects that 50 OOR projects will be completed by September 30, 2019. The remaining 31 are anticipated to be completed by December 31, 2019 which will fulfill the FY 2019 target of 81 rehabilitations.

Homebuyer Assistance & Counseling Programs:

Behind Schedule. NHSD staff has provided first-time housing down payment financial assistance to 197 residents through the end of the third quarter. This is 10 less than the target of 207 year to date. Staff has met with realtors, developers and Community Housing Development Organizations to increase the pipeline of first-time homebuyers. NHSD has received a total of 1,644 applications through the end of the third quarter. Eleven clients are pending closing in July.

Risk Mitigation Fund:

Completed. The Risk Mitigation Policy was approved by the City Council on March 21. The Risk Mitigation Policy provides guidelines for the utilization of the FY 2019 \$1 million Housing Risk Mitigation Fund providing housing relocation and emergency assistance to qualifying families. NHSD assisted 156 families through the end of the third quarter. This is 57 more than the planned total of 99 residents assisted year to date. Staff will analyze data to enhance the policy one year from adoption or sooner as needed.

Gap Financing:

Completed. Two Requests for Applications were released for gap financing of new affordable housing units for Rental Housing and Homeownership Housing developments. The Rental and Homeownership development projects will yield over 380 new affordable housing units which are 269 more units than planned. The Rental Housing Development projects were approved by City Council on December 6 and the Homeownership Development Projects were approved by City Council on January 10. The Rental Units will be for those at or below 60% AMI and the Homeownership Units will be for those at or below 80% AMI.

Consolidate staff:

Completed. As part of a two-year City reorganization of all housing activities into NHSD, housing related services that were administered by the Office of EastPoint and the Department of Human Services were consolidated into NHSD. A total of 11 positions were transferred to NHSD in late September, eight from the Human Services Department and three from the Eastpoint offices.

Reconstitute the Housing Commission:

Completed. City Council approved the restructuring of the San Antonio Housing Commission by updating the name, composition, charge, and appointment terms. The new Housing Commission is comprised of nine members. Five of the nine members were at large appointments and were approved by City Council on Thursday, January 17. The remaining four are the CEOs, or their designee, of VIA Metropolitan Transit, San Antonio Housing Authority, San Antonio Economic Development Foundation, and the San Antonio Housing Trust. Lourdes Castro-Ramirez was selected as the Chair of the Housing Commission. The Commission has met six times since February, and among other accomplishments, provided recommendations to improve the Risk Mitigation Fund Policy. The recommendations were included within the final policy approved by City Council.

LISC Contract Execution:

Completed. The FY 2019 \$250,000 contract with LISC was fully executed in early October 2018. With this contract, LISC will support at least 396 units of affordable housing over the year. This contract requires LISC to submit quarterly reports to NHSD. For the third quarter, LISC staff provided over 150 hours of technical assistance which covered lending, capacity building, and programming to non-profit organizations in San Antonio. LISC is currently working on one leverage loan estimated at \$4.1 million, two acquisition loans estimated at \$2.8 million, and one construction loan estimated at \$488,000 million. This totals \$7.4 million, which represents 106 housing units and 150,000 square feet of commercial space.

Attachment:

FY 2019 Affordable Housing Business Plan