

City of San Antonio, Texas

City Council Goal Setting Session for the FY 2019 Budget Budget Policy Issues Overview

Presented by: City Manager Sheryl Sculley
May 30, 2018



Budget Policy Issues Overview



Streets
Sidewalks
Transportation



Affordable
Housing



Property Tax
Analysis



Public
Safety

City of San Antonio, Texas

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City Council Budget Goal Setting Session for the FY 2019 Budget

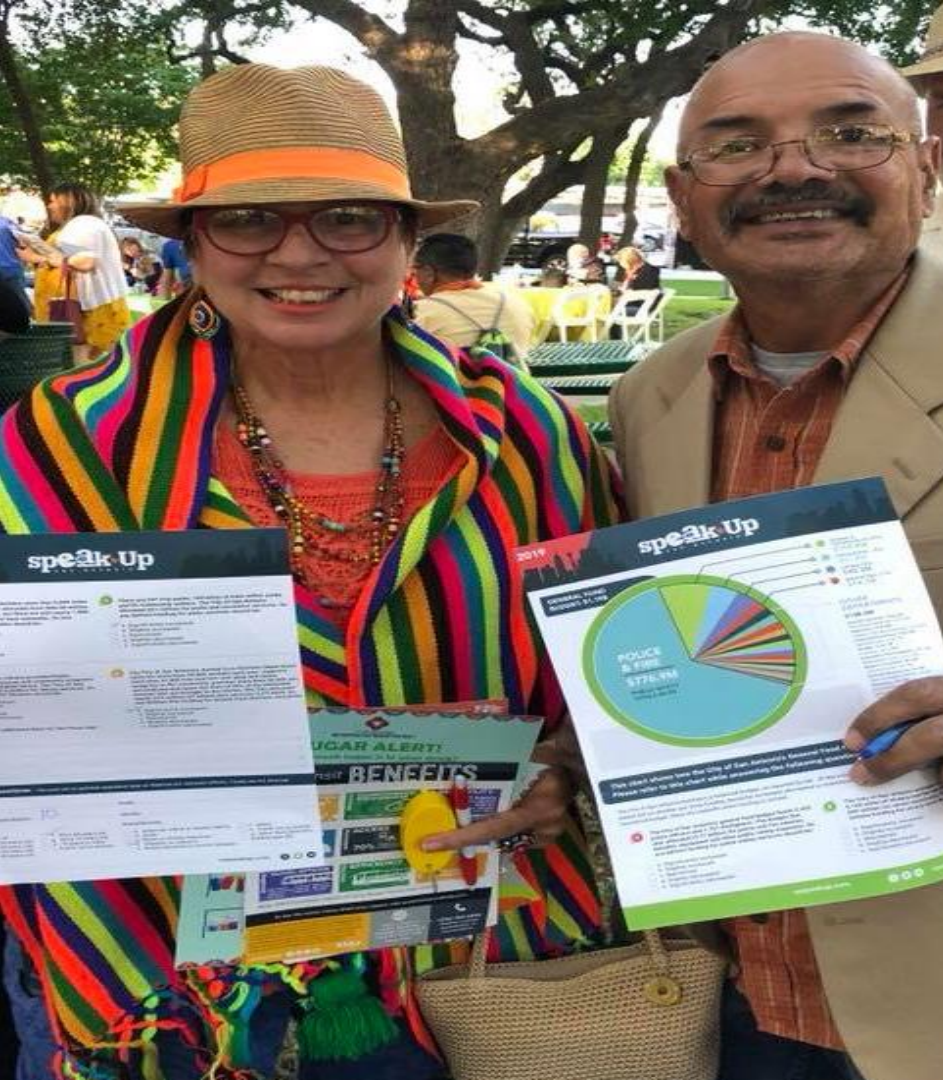
FY 2019 SASpeakUp Results

Presented by: Jeff Coyle
Government and Public Affairs

May 30, 2018



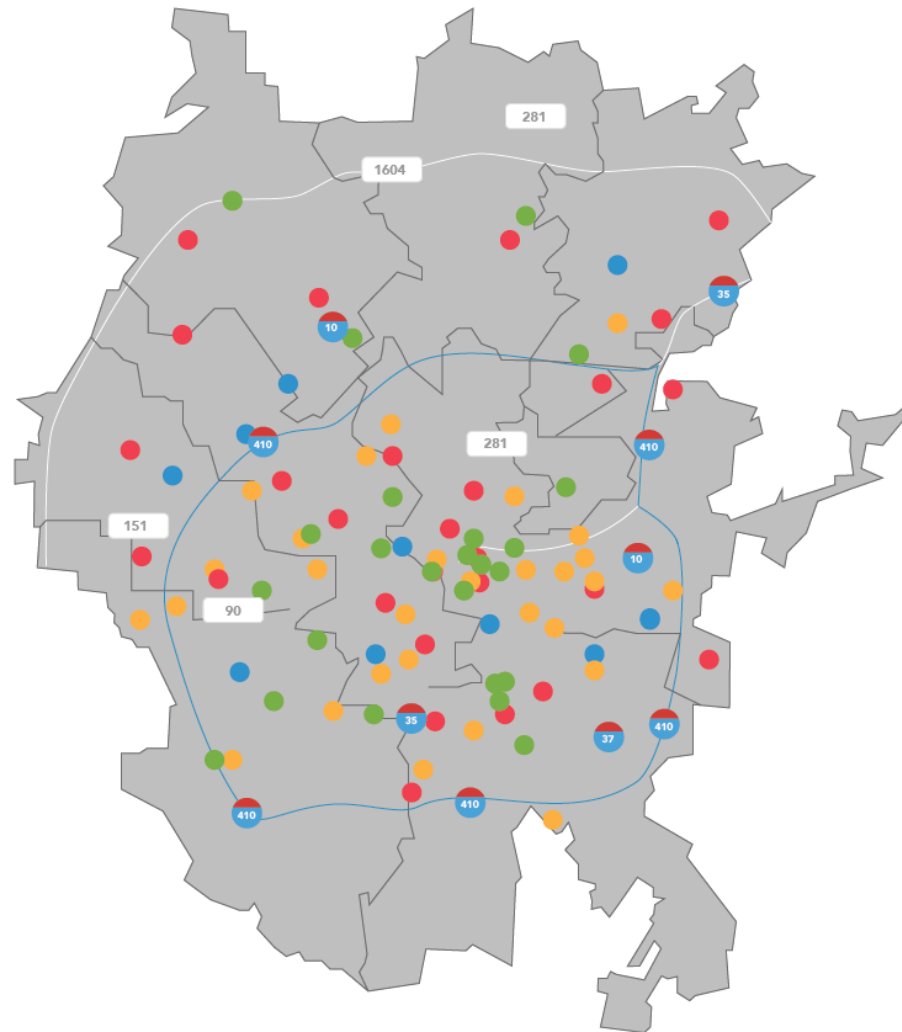
SASpeakUp identifies community priorities to establish equitable budget policies that address the needs of our residents.



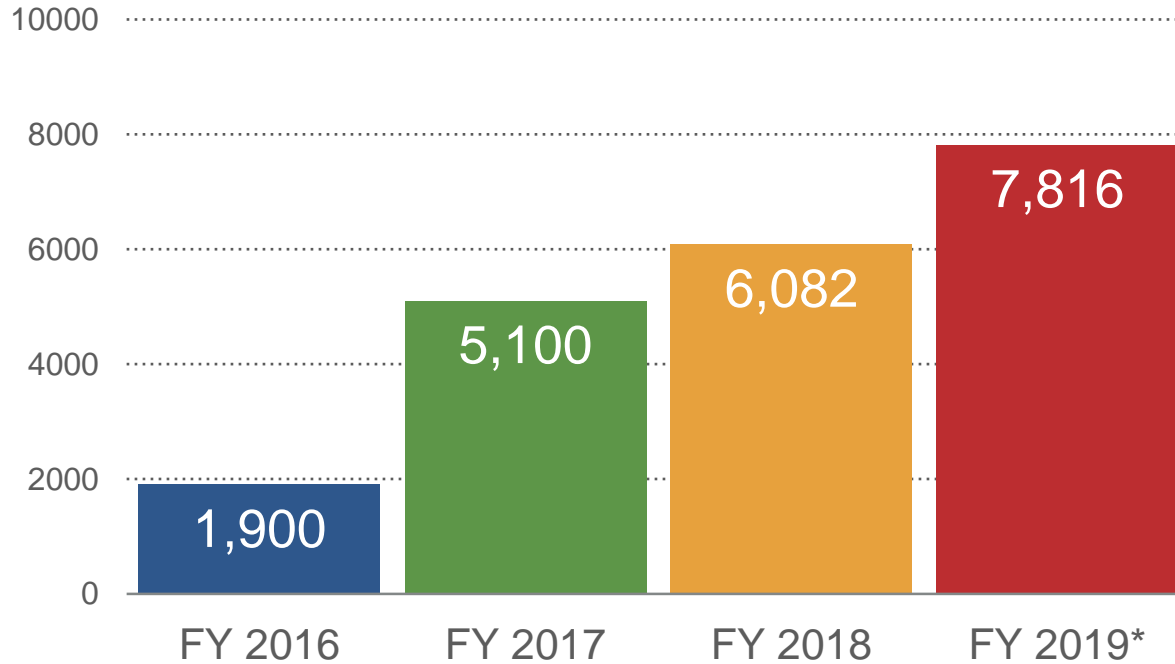
EQUITY IMPACT ASSESSMENT: short-term outcomes

- Residents are aware of the scope of City services, the budget process (including how community needs and priorities are incorporated)
- Residents know when and how to participate in opportunities to provide input on their needs and priorities;
- Departments are aware of community needs and priorities at the appropriate time in the budgeting process; and
- City Council is aware of the purpose and timeline of SASpeakUp

OUTREACH EFFORTS

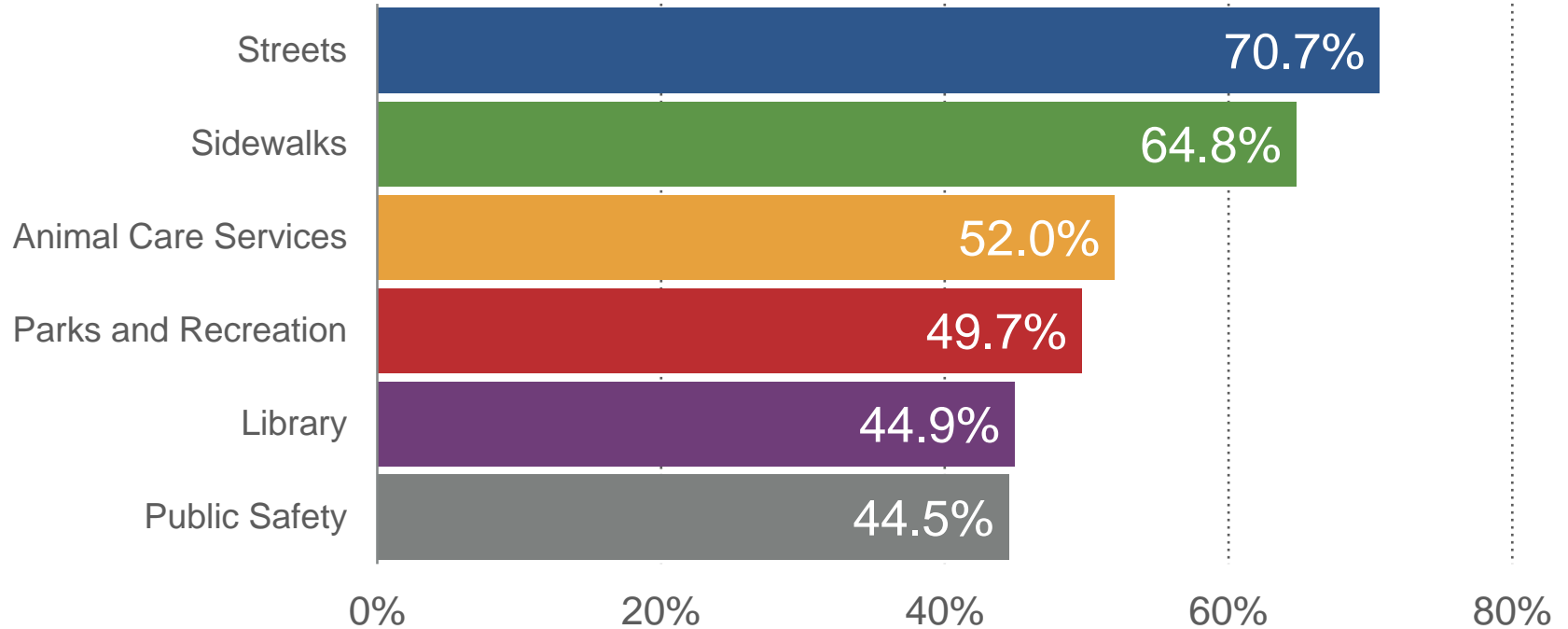


SASPEAKUP PARTICIPATION



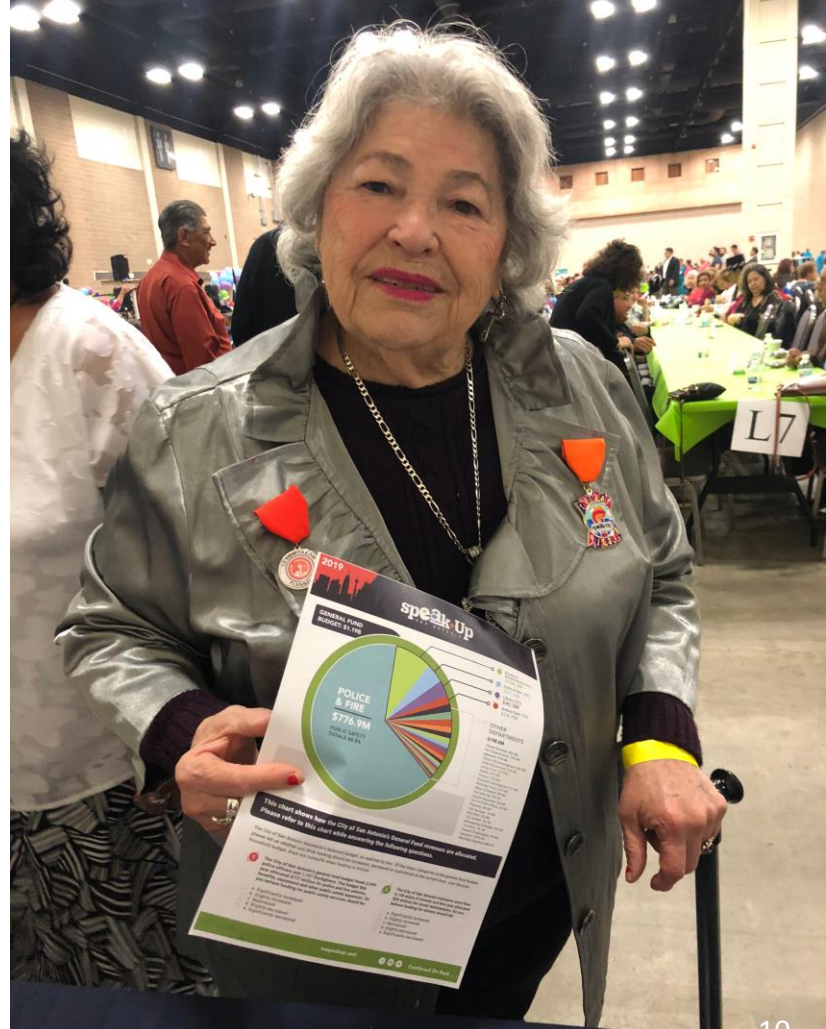
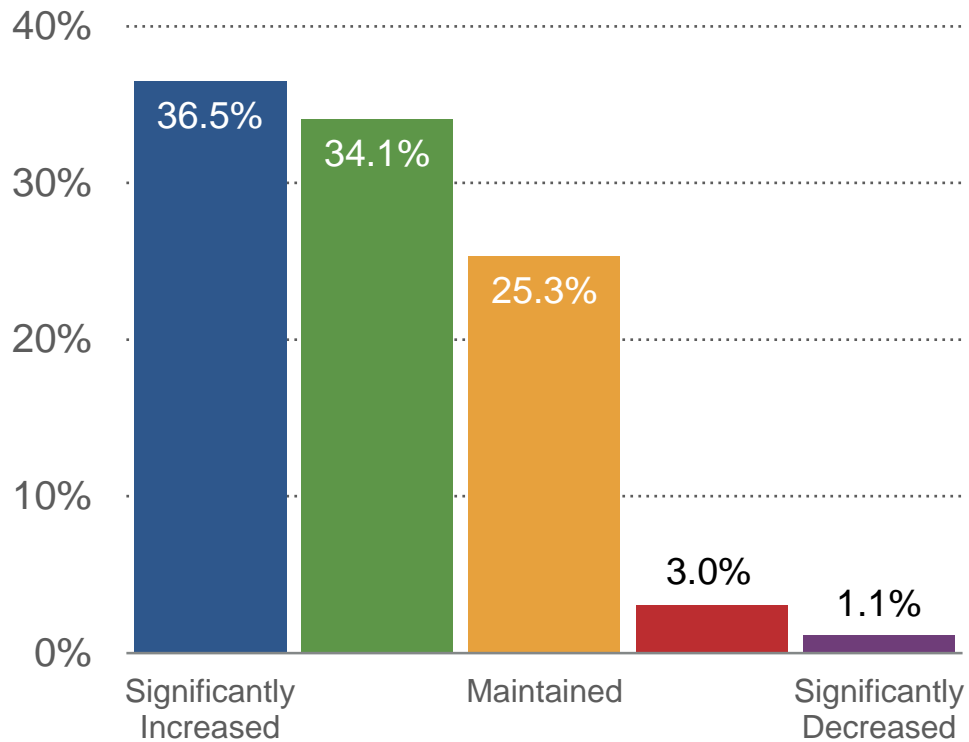
*10,141 total
participants

SERVICE AREAS IDENTIFIED FOR INCREASE*

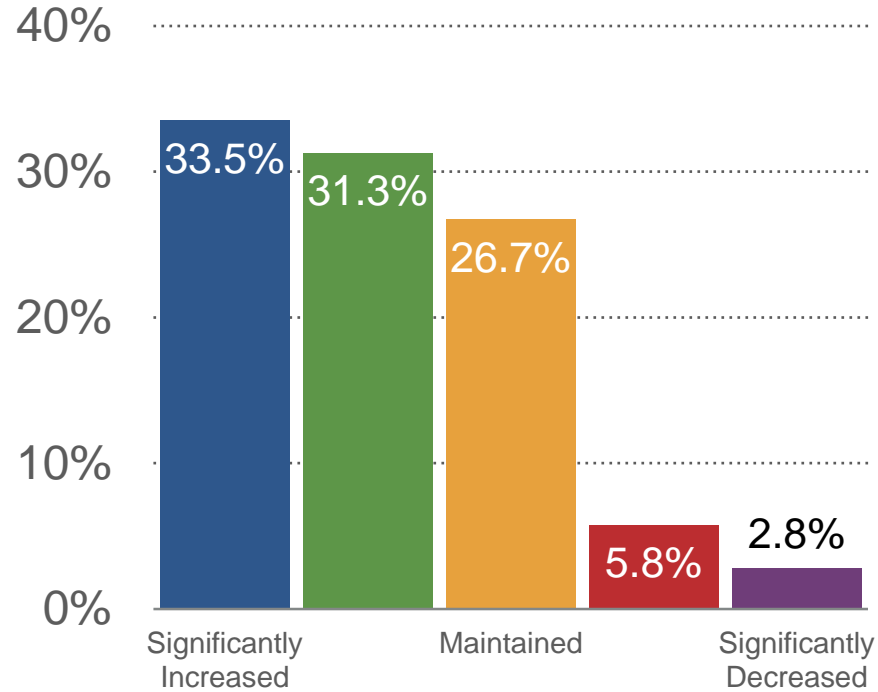


*Significantly + slightly increase

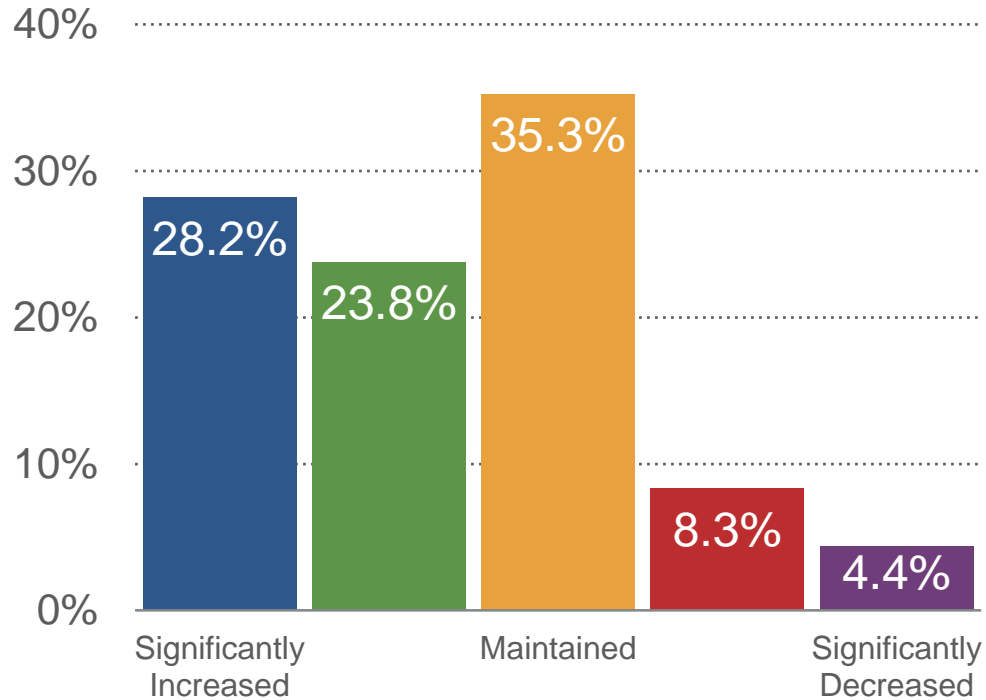
STREETS



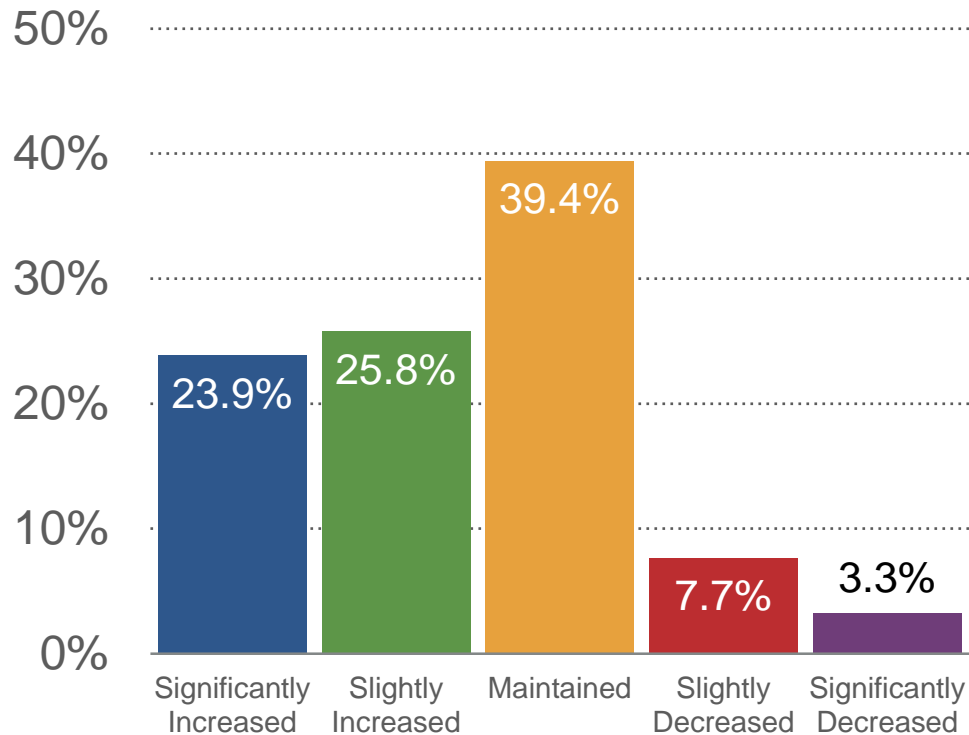
SIDEWALKS



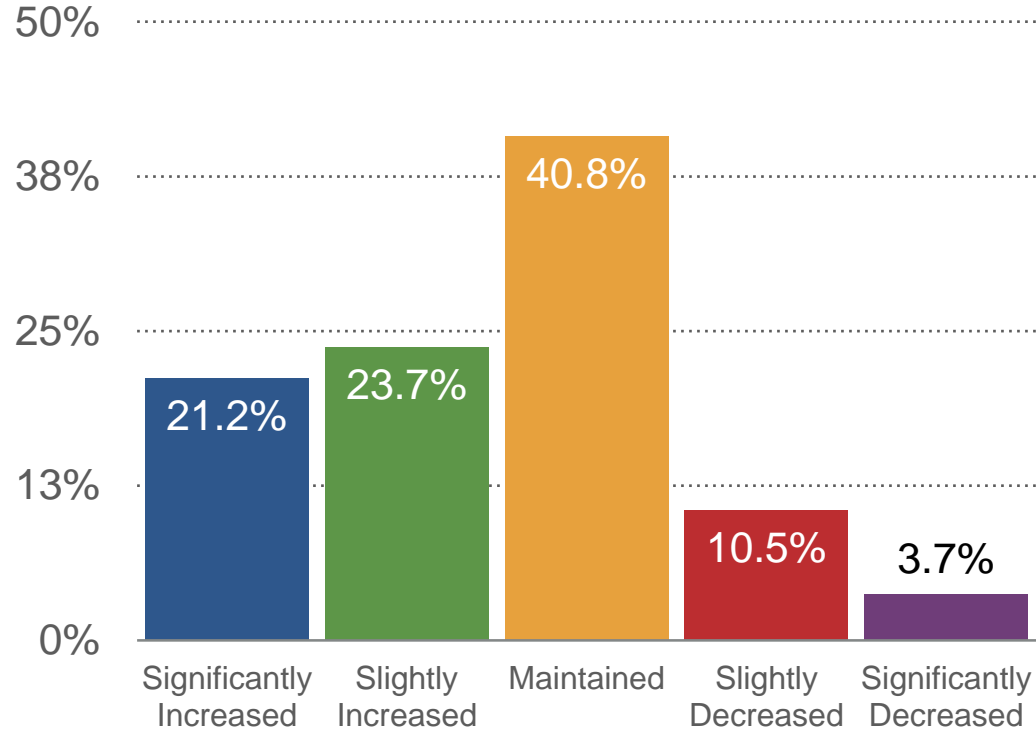
ANIMAL CARE SERVICES



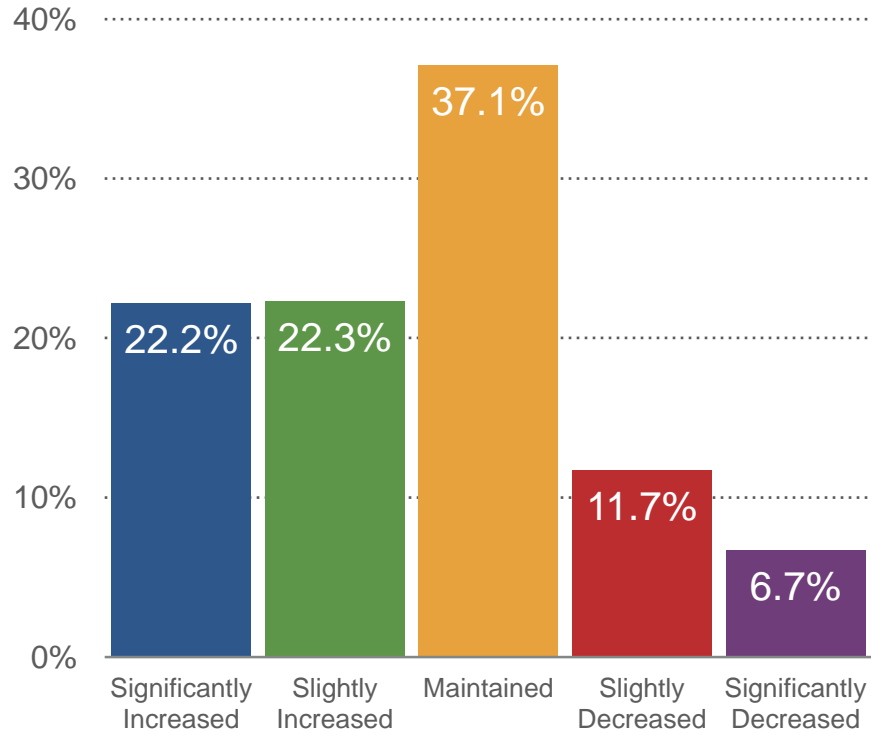
PARKS AND RECREATION



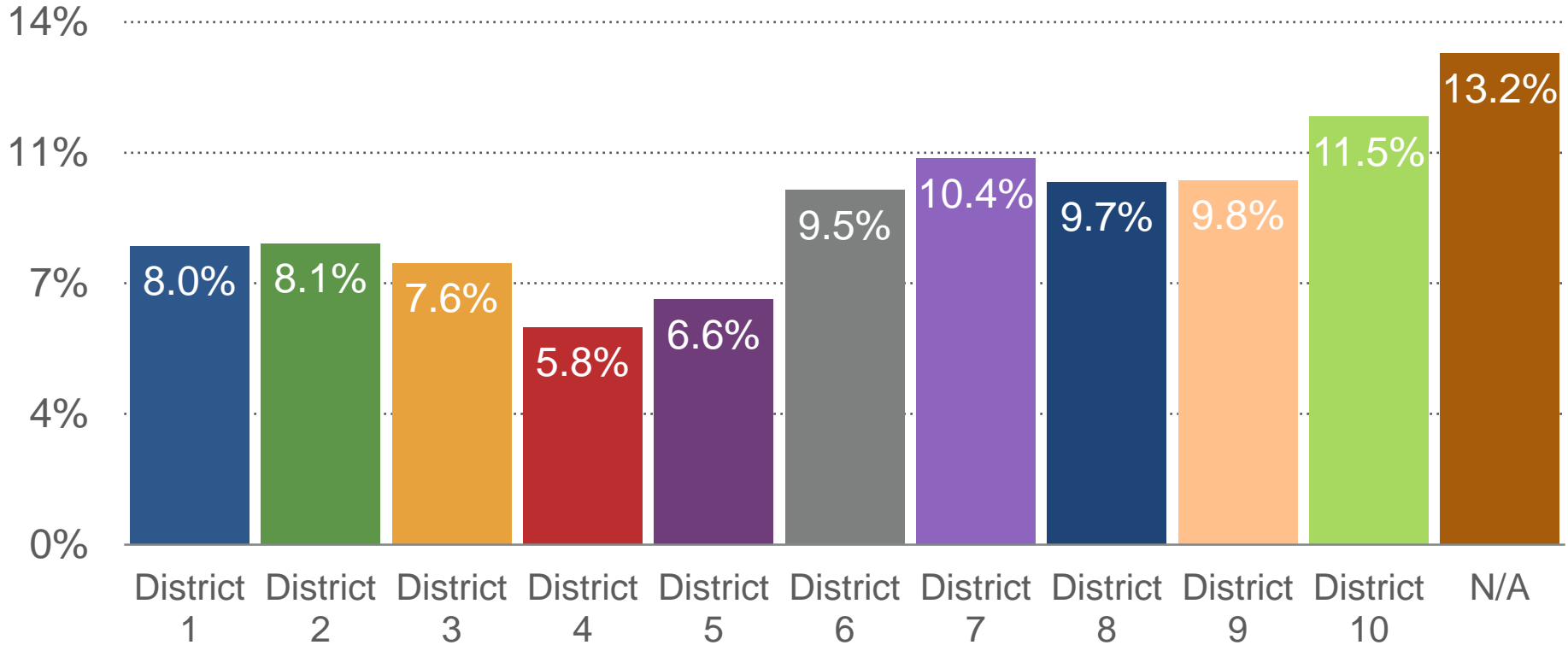
LIBRARY



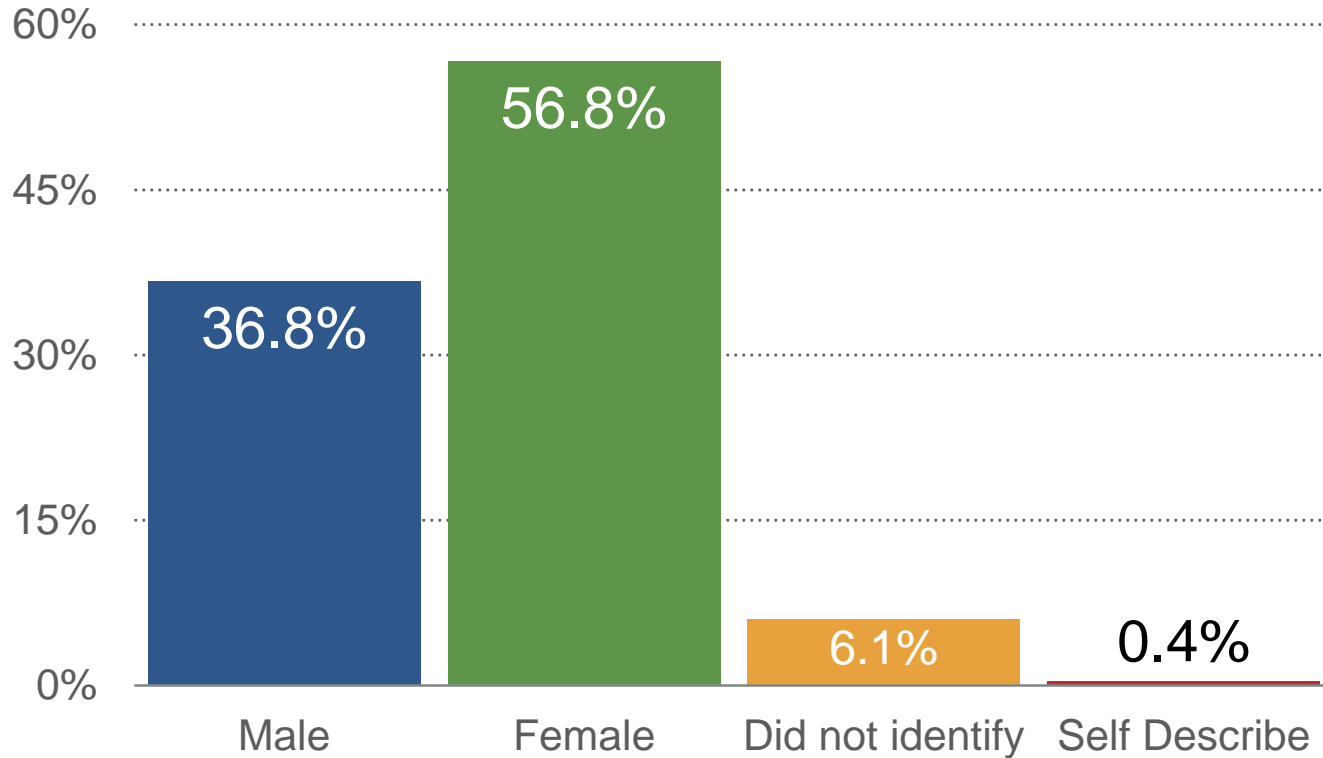
PUBLIC SAFETY



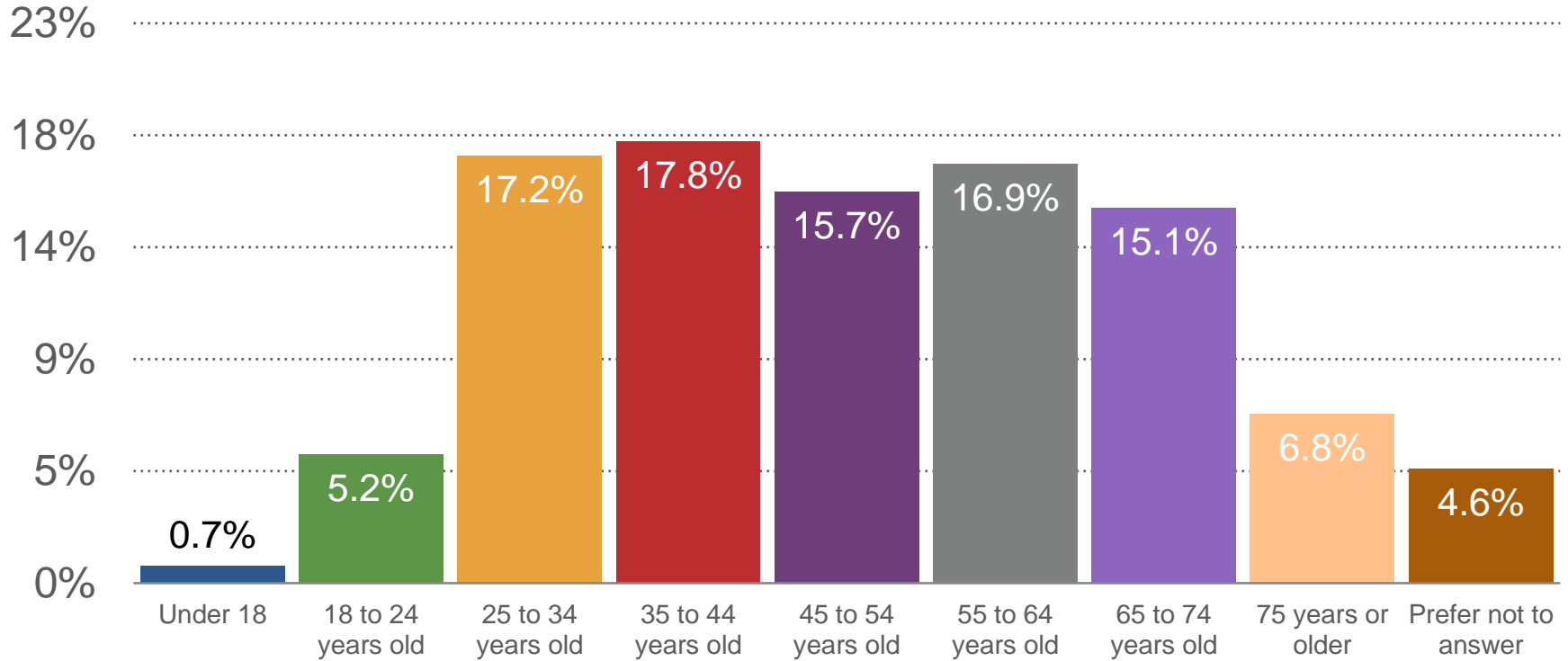
COUNCIL DISTRICT



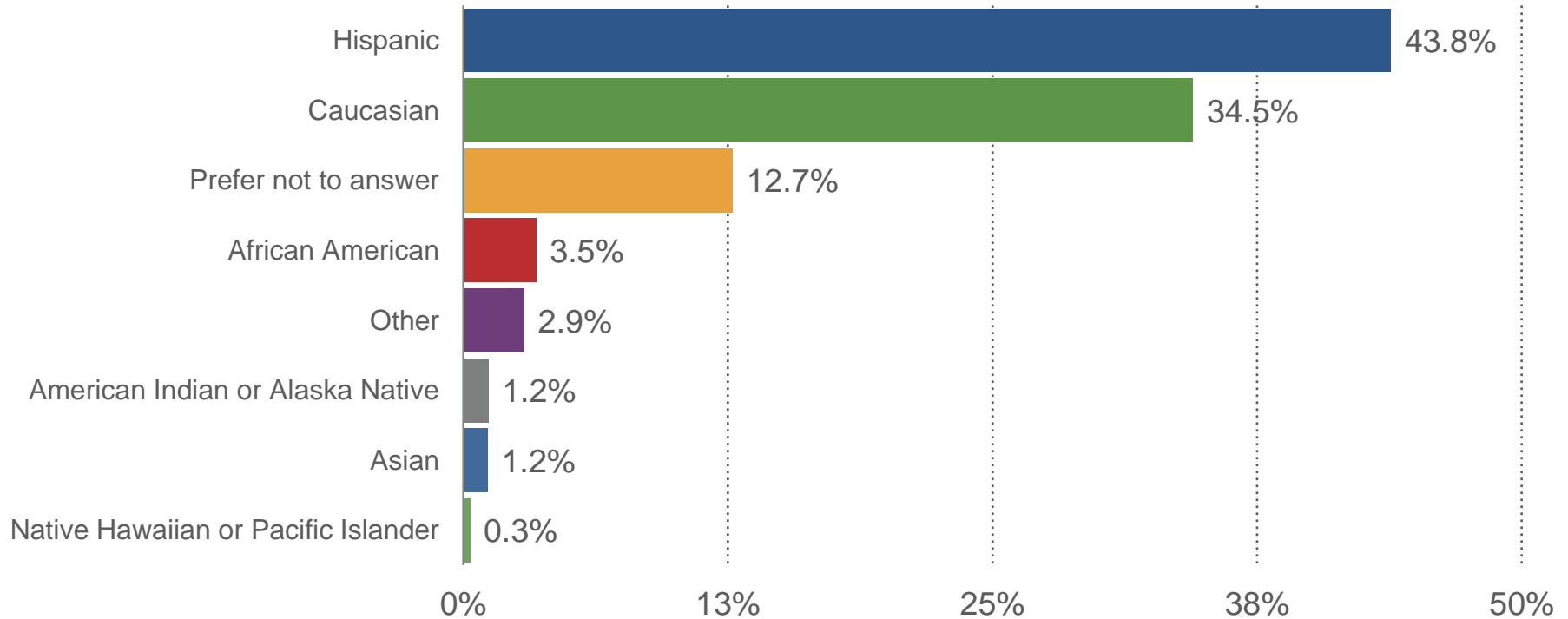
GENDER



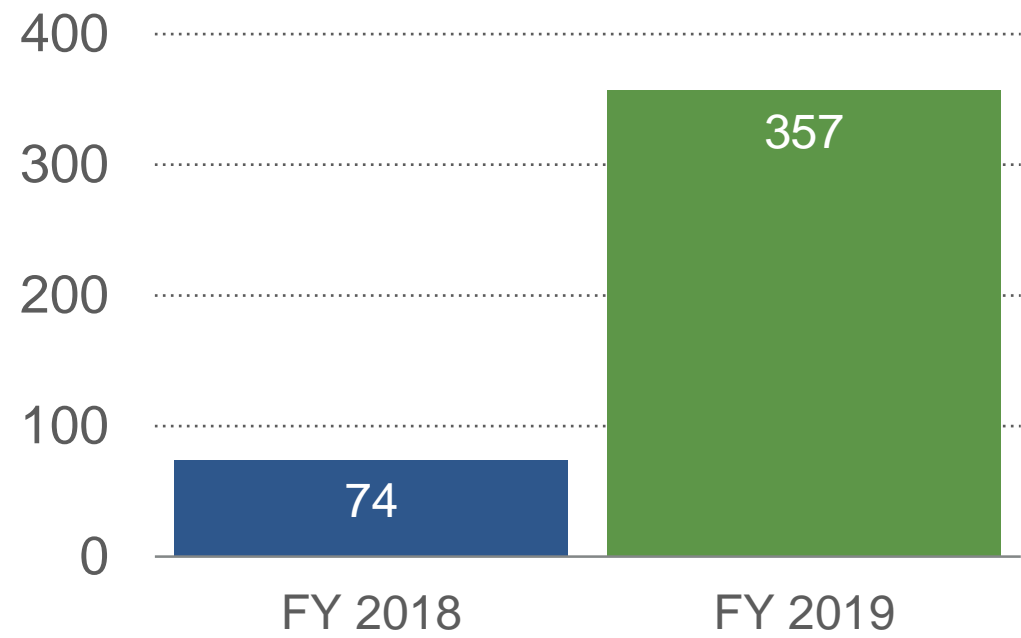
AGE



RACE AND/OR ETHNICITY



SPANISH SURVEY COMPLETION



No data available prior to FY 2018





City Council Budget Goal Setting Session for the FY 2019 Budget

FY 2019 SASpeakUp Results

Presented by: Jeff Coyle
Government and Public Affairs

May 30, 2018

City of San Antonio, Texas

City Council Goal Setting Session for the FY 2019 Budget Budget Update

Presented by:

María Villagómez, Assistant City Manager

May 30, 2018



Overview



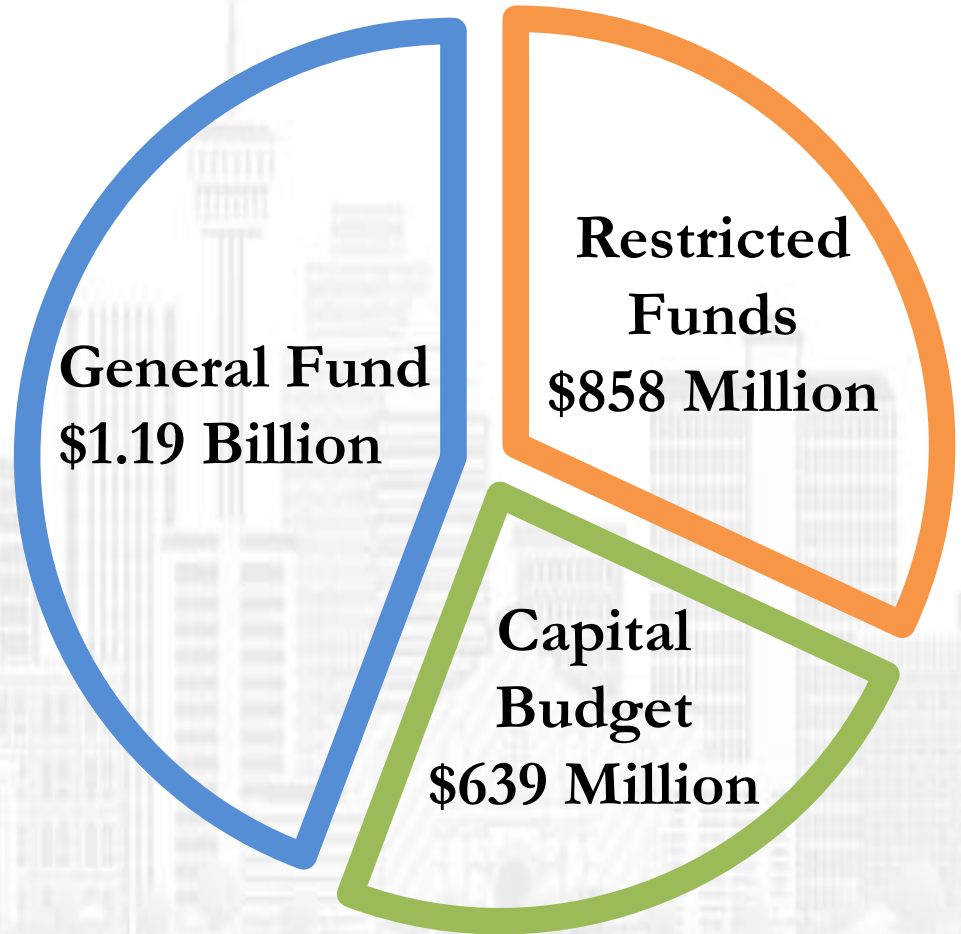
General Fund Update



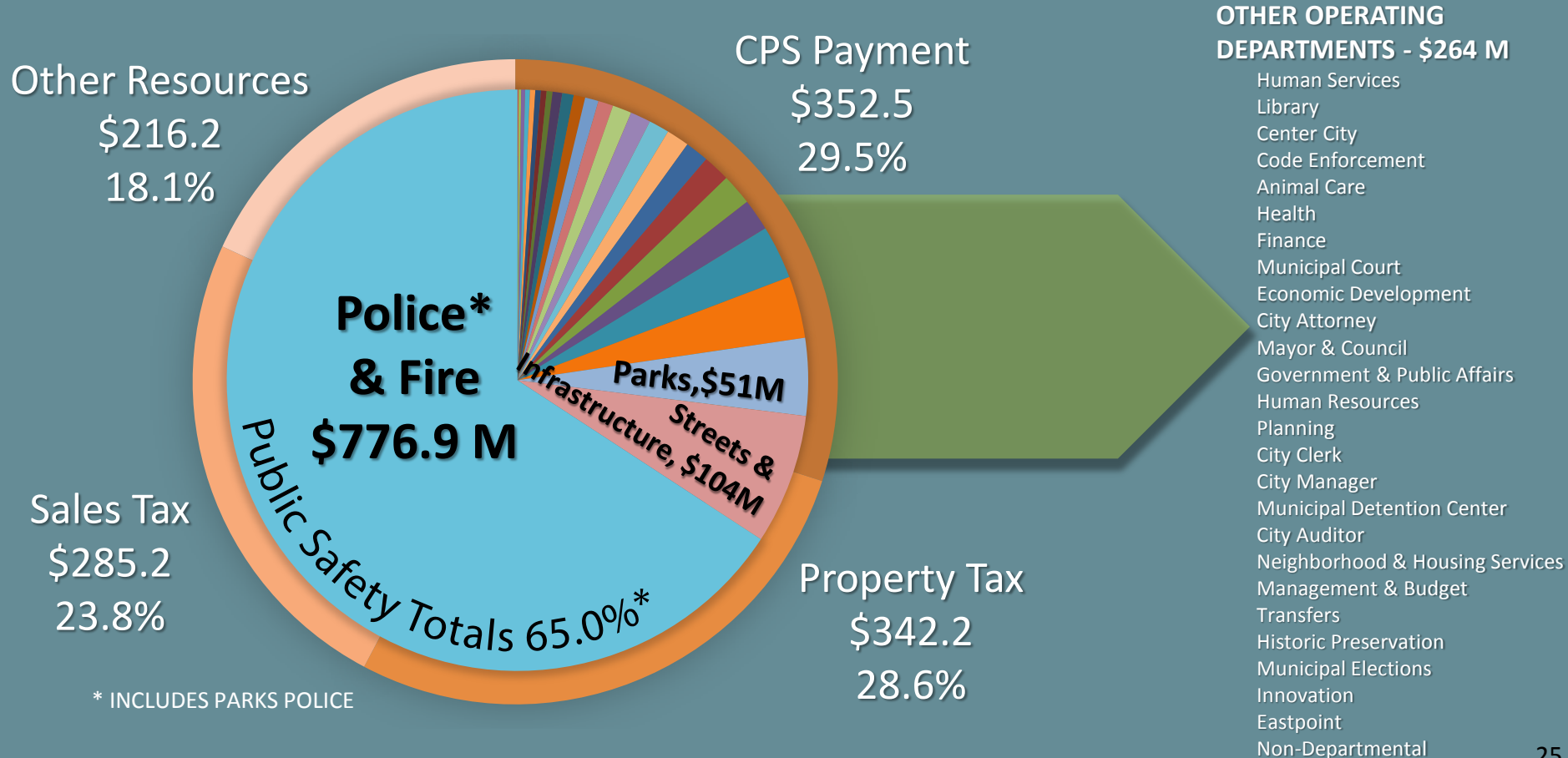
Five Year Financial
Forecast

FY 2018 Total City Budget

**\$2.7
Billion**



FY 2018 General Fund Budget: \$1.19B



General Fund

FY 2018

Six Plus Six
Projections

**Overall Projections
\$13.2M better or 1.1%
of General Fund
Budget**

**Since April
Presentation Revenues
are up \$1M**

Financial Forecast



Financial Forecast is not a budget







Early financial outlook for budget development



Initiates Council Policy discussions for budget

General Fund Assumptions

-  Maintains current level of service
-  Reflects City Council Approved Financial Policies
-  Increases funding to VIA from \$4.3M to \$10M
-  Includes Operations and Maintenance Costs for FY 2017 Bond Program

General Fund Assumptions



Continues implementation of SA Tomorrow



Step Pay Plan Employees: Entry Wage of \$15, Step Pay Plan of 2% to 4% increase, 1% Cost of Living



Professional and Managerial Employees: 3% Wage equivalent performance pay and 1% Cost of Living



Reflects Collective Bargaining Agreement with Police and Evergreen for Fire

General Fund Five Year Financial Forecast

Forecast is structurally balanced before policy issues

(\$ in Millions)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Projected Resources ^a	\$1,299	\$1,323	\$1,359	\$1,394	\$1,431
Projected Expenses ^b	1,299	1,323	1,359	1,394	1,431
<i>Balance</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>
Policy Issues	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<i>Streets – Achieve \$110 M Annually ^c</i>	22.8	33.2	36.5	41.8	39.0
<i>Police – 25 New Officers every year</i>	0.3	3.1	6.0	9.2	12.5
<i>Fire – 1 EMS Unit, 2 Ladders, & 42 New Firefighters</i>	0.0	1.8	4.7	5.8	7.2
<i>Adjustment required to fund policy issues</i>	<i>[\$23.2]</i>	<i>[\$38.1]</i>	<i>[\$47.2]</i>	<i>[\$56.8]</i>	<i>[\$58.7]</i>

a: Includes Use of Reserves from Prior Fiscal Year

b: Includes Set Aside of Reserves for following Fiscal Year

c: Options for additional funding will be studied during the summer to include certificates of obligation and capital project balances.

City of San Antonio, Texas

City Council Goal Setting Session for the FY 2019 Budget Budget Update

Presented by:

María Villagómez, Assistant City Manager

May 30, 2018



City Council Budget Goal Setting Session for the FY 2019 Budget

Streets, Sidewalks & Transportation

Presented by:

Mike Frisbie, P.E., Director/City Engineer

May 30, 2018



Transportation & Capital Improvements



“Through **innovation** and **dedication**, we **build** and **maintain** San Antonio's Infrastructure.”

Department's Role

TCI works to ensure residents have **safe, multi-modal access** and **connections** to **community destinations**. Is responsible for the planning of **infrastructure needs** and is **responsive** and **accountable** to its residents.

Street Maintenance



WHY Statement

Street Maintenance Program improves quality of life of residents by ensuring the safety of the community.

Program Outcomes

1. Residents are safe during everyday travel;
2. Residents are safe during and after natural disasters;
3. Community trusts TCI is responsive and accountable.

Community Results



Transportation



Civic Engagement



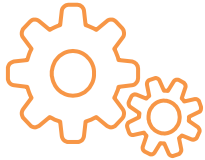
Neighborhoods

Street Maintenance



Goal

In two-year period increase street condition to 70 and sustain in every District.



Programs

- ✓ Pavement Preservation
 - Crack, Fog & Slurry Seal
 - Microsurfacing
- ✓ Rehabilitation
 - Mill & Overlay
 - Full Depth Reclamation
 - Reconstruction



Prioritization

- ✓ Pavement Condition
- ✓ Equitable Funding Distribution

4,121
CENTERLINE MILES

FY 2018
\$99M
YEAR 1 SMP

FY 2019
\$99M
YEAR 2 SMP

STREET CONDITION TO 70 | PERCENTAGE OF COMPLETION

45%
FY 2018

85%
FY 2019

100%
FY 2020

Additional Funding

FY2019
\$110 MILLION

\$11 MILLION

Options

- Address oldest areas of each District (equity)
- Divide using rough proportionality
- Support affordable housing projects

5,037

SIDEWALK MILES

1,897

GAP MILES

\$5M

FY 2018 ATD FUND

\$16M

2012 & 2017 BOND

73%

COMPLETED

40%

COMPLETED

Sidewalks

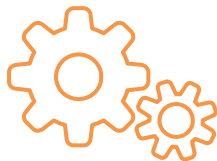
\$21 MILLION

FY 2018



Goal

Fill all sidewalk gap miles citywide in prioritized areas.



Programs

- ✓ 5-Yr Infrastructure Management Program (IMP)
- ✓ City's Bond Program
- ✓ Neighborhood Access Mobility Program (NAMP)
- ✓ Community Development Block Grant (CDBG)
- ✓ Sidewalk Cost-Sharing Program



Prioritization

- ✓ Fill gaps near schools, bus stops healthcare and community spaces.

Sidewalk Master Plan Development

Prioritization Criteria	Max. Points
1. Pedestrian Safety	30
2. Schools	20
3. Transit Access	20
4. Arterial Roadway Access	12.5
5. Clinics & Hospitals	10
6. Other Destinations	7.5

Score	Priority	Total Gap Miles
80 - 100	1	3
60 - 80	2	39 (2%)
40 - 60	3	141 (7%)
20 - 40	4	779 (41%)
0 - 20	5	935 (49%)

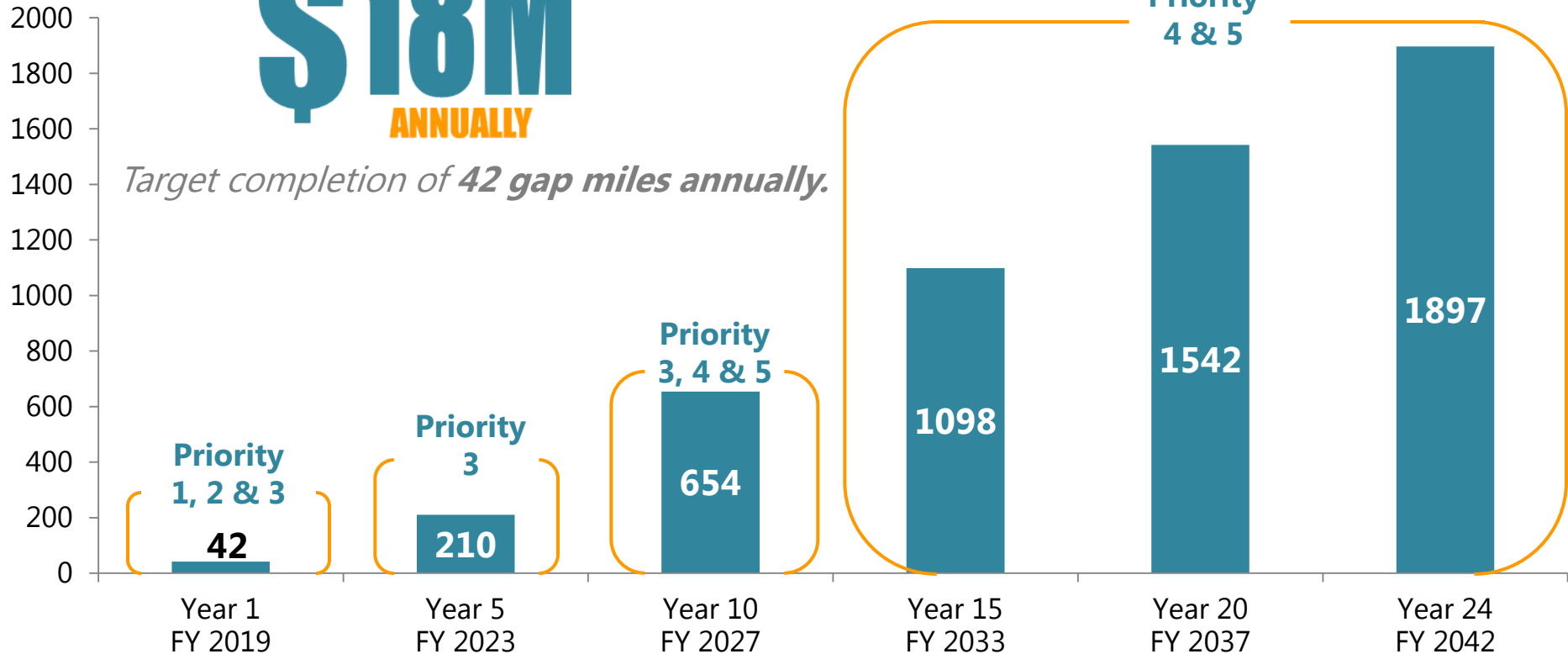
Anticipated Outcomes

- Refine scoring and prioritization criteria
- Adopt annual implementation plan

Proposed Sidewalk Master Plan for Gaps

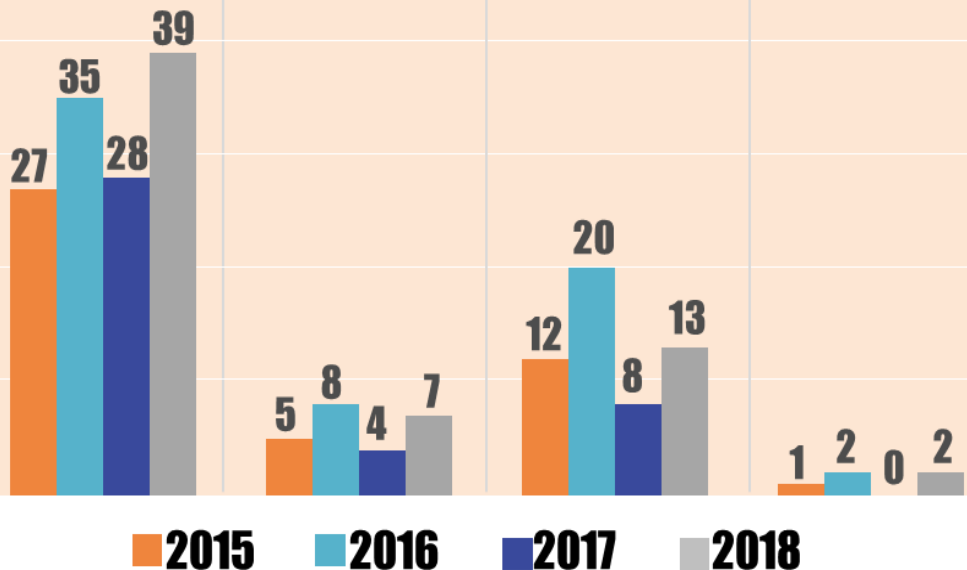
\$18M
ANNUALLY

Target completion of 42 gap miles annually.



SAN ANTONIO

FATALITY DATA | January – April 2018



SAN ANTONIO

Drive safe. Bike safe. Walk safe.

GOAL: Zero fatalities in City of San Antonio because every life matters.

\$1 MILLION
FY 2015-2019

Pedestrian Safety Enhancements

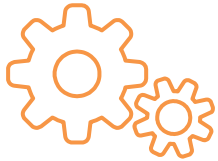
- Education & Outreach
- Crash Data Research
- Engineering Projects

School Pedestrian Safety



Goal

Continue to fund school pedestrian safety facilities to provide and maintain reliable and safe access to schools.



Programs

New / Upgrade / Maintenance of:

- ✓ Flashing Beacons
- ✓ Sign Upgrades
- ✓ Crosswalks



Prioritization

- ✓ School Zones

4th Year

\$1 MILLION
FY 2015-2019

- **8** new school zone flashing beacons
- **205** school flashing beacons maintained
- **210** school zones sign upgrades
- **800** school zone crosswalks remarked

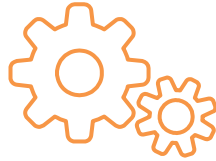
Traffic Calming

NEIGHBORHOOD TRAFFIC CALMING



Goal

Improve street features to reduce speeding and traffic volume to enhance pedestrian and bicyclist safety.



Program

- ✓ Signage
- ✓ Pavement Markings
- ✓ Curb Extensions
- ✓ Street Closure
- ✓ Medians
- ✓ Speed Humps



Prioritization

- ✓ Neighborhoods
- ✓ Traffic Evaluations (speed, volume, crash history & pedestrian activity)

6
Projects
Completed

6
Projects
Under Design

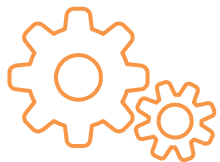
9
Radar
Speed Trailers
Purchased

Pavement Markings



Goal

Improve pavement street markings to 3-5 year cycle.



Program

- ✓ Arterials
- ✓ Collector
- ✓ Local
- ✓ Central Business District

3-4 Years
Service Life



Goal:

Communicate City's transportation strategy for the future through development of improvements that address all modes of transportation to increase livability and accommodate City growth.



Corridor Mobility Planning

CoSA 20% Match
Proposed \$4M Project

Multimodal Plan Implementation

Perform research, analysis and continue
implementation of 5 Year Action Plan

UDC Amendment Prep

Prepare amendments and facilitate
collaboration with agencies



City Funding to VIA Bus Service

\$4.3M
FY 2018

Phase 1 Jan 2018

#502 Thousand Oaks	30 Minute Service
#602 North Star/Med Center	
#607 Med Center/Ingram	
#611 Valley Hi/Kel-Lac	
#613 Heritage NW/Kel-Lac	
#615 Kel-Lac/Heritage Park	
#616 Sky Harbour/Kel-Lac	
#617 Kel-Lac/Rainbow Hills	
#618 Ingram/Westlakes	
Martin Luther King Corridor	12 Minute Service
New Braunfels Corridor	

Phase 2 May 2018

San Pedro Corridor	12 Minute Service
W. Commerce Corridor	
E. Houston Corridor	

\$10M
FY 2019

Phase 3 Jan 2019

S. Flores Corridor	12 Minute Service
Pleasanton Corridor	
Culebra Corridor	
Bandera Corridor	

VIA

City Council Budget Goal Setting Session for the FY 2019 Budget

Streets, Sidewalks & Transportation

Presented by:

Mike Frisbie, P.E., Director/City Engineer

May 30, 2018





City Council Budget Goal Setting Session for the FY 2019 Budget

Affordable Housing

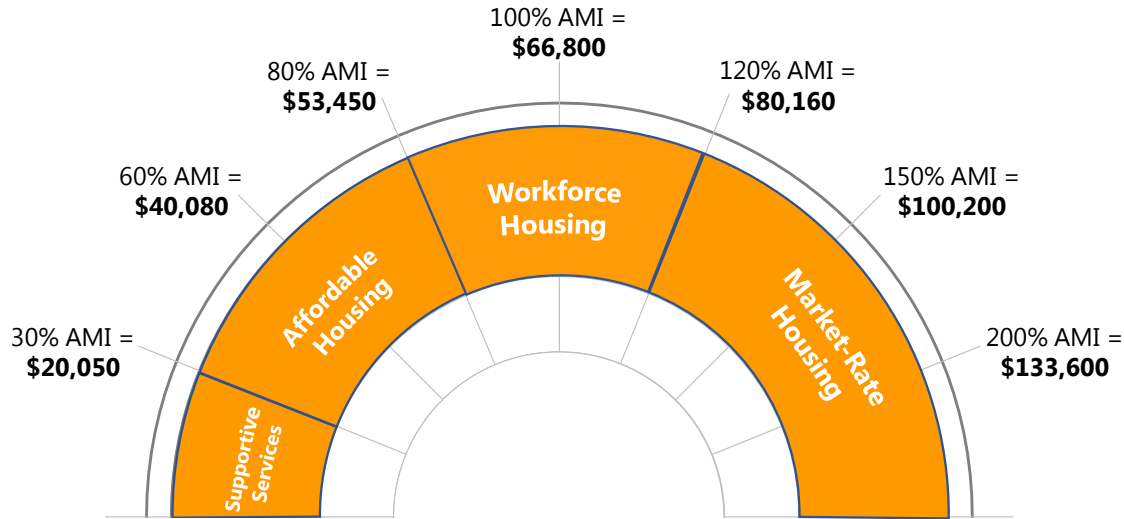
Presented by:

Peter Zanoni, Deputy City Manager

May 30, 2018

Definition of Affordable Housing

- ✓ Housing is affordable when no more than 30% of household income goes to housing costs
- ✓ Affordable housing serves families earning less than or at 80% of the Area Median Income (AMI)
- ✓ 80% AMI for a family of four is \$53,450



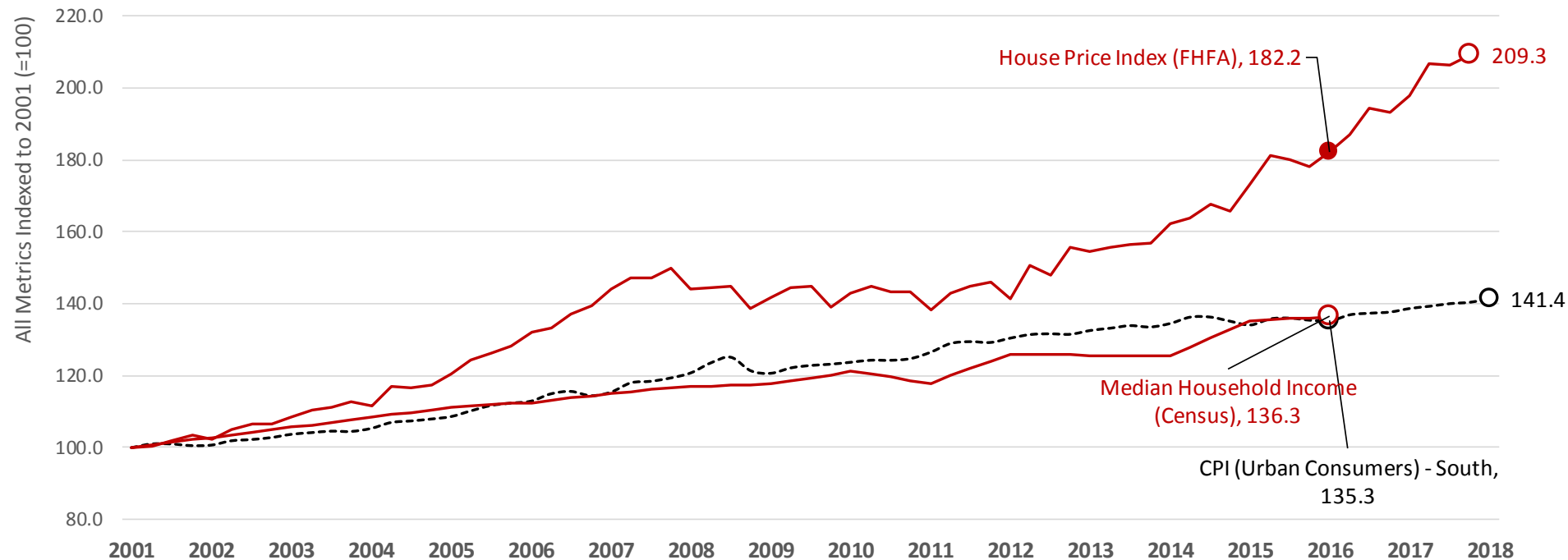
SAT Affordable Housing Core Issues

- ✓ 165,000, or 33%, of 498,000 total households are cost burdened
 - 21% of home owners are cost-burdened
 - 48% of renters are cost-burdened
- ✓ Cost burdened households spending on average \$330 more per month on housing than they should
- ✓ Income levels are not keeping pace with soaring housing prices



Housing Costs Outpacing Incomes

Trends in Incomes and Housing Prices Diverging, 2001-16 (18)



Source: U.S. Census ACS, HUD, FHFA, BLS; Economic & Planning Systems

\\EPSDC02\Proj\173118-San Antonio TX Housing Policy Framework\Data\173118-Indexes-031918.xlsx]TABLE 1 - Index Summary

Affordability Gap for Renters

Number of Cost Burdened Renter Households

<30% AMI 36,900

30-60% AMI 36,500

60-80% AMI 17,800

80-120% AMI 12,500

✓ 48% of renters are cost burdened



Supply and Demand Gap Increasing

- ✓ Renter Housing gaps, under 30% AMI
 - 2005: 28,000 units
 - 2016: 32,000 units
- ✓ Renter housing gaps between 30-60% AMI
 - 2005: **SURPLUS** of 14,000 Units
 - 2016: **GAP** of 2,300 Units



Affordability Gap for Homeowners

Number of Cost Burdened Owner Households

<30% AMI **13,214**

30-60% AMI **14,973**

60-80% AMI **9,366**

80-120% AMI **11,279**



✓ 21% of home owners are cost-burdened

Affordability Gap for Homeowners

	2005	2016
Median Income	\$40,100	\$49,300
Median Home Price	\$120,000	\$180,000
What a Median Household Can Afford	\$101,000	\$153,500
Affordability Gap	\$19,000	\$26,500

Supply and Demand Gap Increasing

From 2005 to 2016

- ✓ For households at 60 to 80% AMI, 10,000 affordable units lost
- ✓ For households at 80 to 120% AMI, 12,000+ affordable units lost



City Losing Homeowners

- ✓ From 2005 to 2016
 - 6,500 new households annually produced in City but only 800 annually were owner households
- ✓ Bexar County unincorporated areas absorbing 87% of all new owner households
- ✓ City's ownership rate declined from 61% to 54%



Mayor's Housing Policy Task Force

August 2017 Mayor Nirenberg created task force to develop comprehensive housing policy recommendations

- ✓ Lourdes Castro Ramirez, Chair
- ✓ Gene Dawson, Principal, Pape Dawson Engineer,
- ✓ Jim Bailey, Architect, Alamo Architects
- ✓ Noah Garcia, Sr. Vice President, Vantage Bank
- ✓ Maria Antonietta Berriozabal, Former Council Member

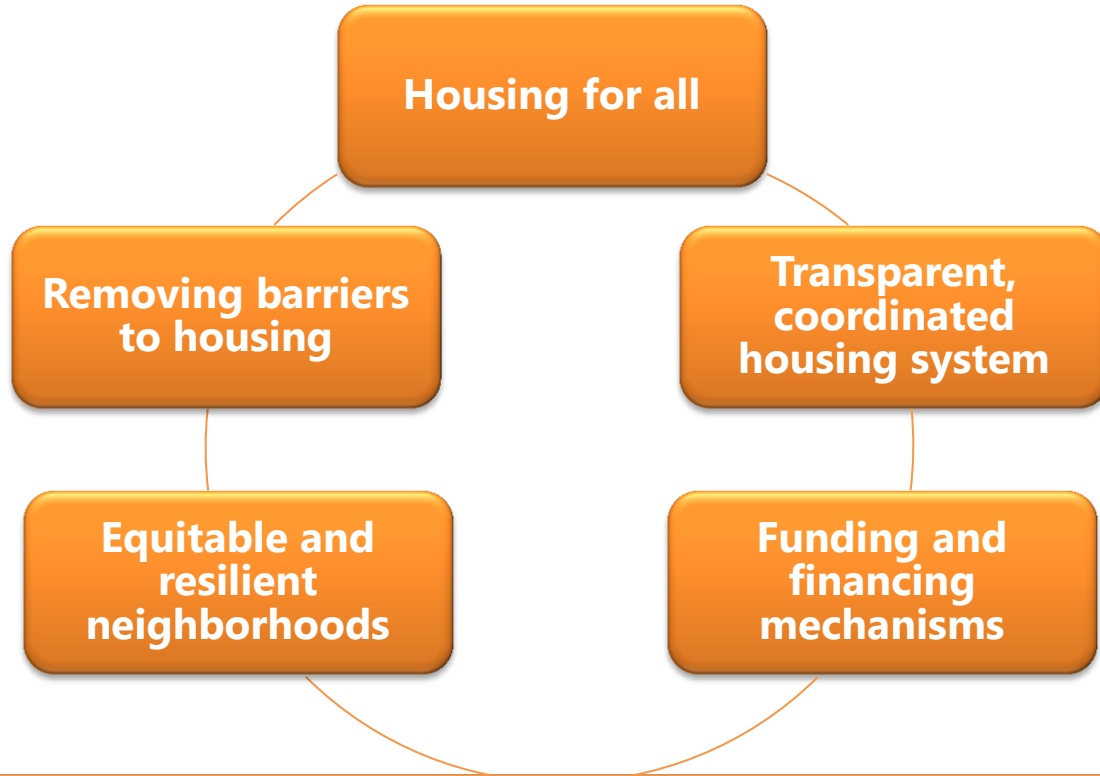


Task Force Mission and Goal

- ✓ Lead a policy recommendation process grounded in community engagement, data, and best practices addressing the full spectrum of housing
- ✓ Taskforce identified five housing policy priorities



Technical Working Groups



Task Force Results

✓ 8 public meetings

- October 3, 10 and 30, 2017 & November 14, 2017
- January 9 and 23 & February 20, 2018
- March 20, 2018

✓ 2 public workshops

- December 9, 2017 | Our Lady of the Lake University
- April 7, 2018 | Sam Houston High School
- June 2, 2018 | Palo Alto College Performing Arts Center

✓ Comprehensive Plan Committee: June 11, 2018

✓ Council B Session: June 20, 2018



Task Force Next Steps

- ✓ June: Task Force Finalizes recommendations and identifies priority budget items
- ✓ June/July: Executive Report & Implementation Plan to the Mayor & Council
- ✓ August: Final Report released and Hearing





City Council Budget Goal Setting Session for the FY 2019 Budget

Affordable Housing
Presented by:

Peter Zanoni, Deputy City Manager

May 30, 2018



City Council Budget Goal Setting Session for the FY 2019 Budget

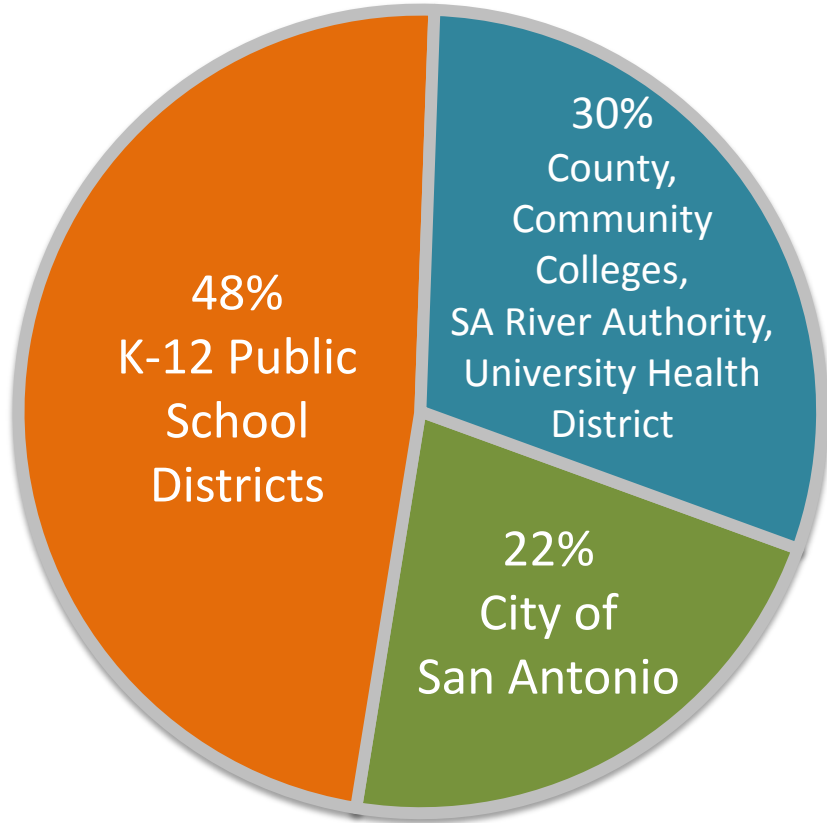
Property Tax Analysis

Presented by:

Ben Gorzell, Chief Financial Officer

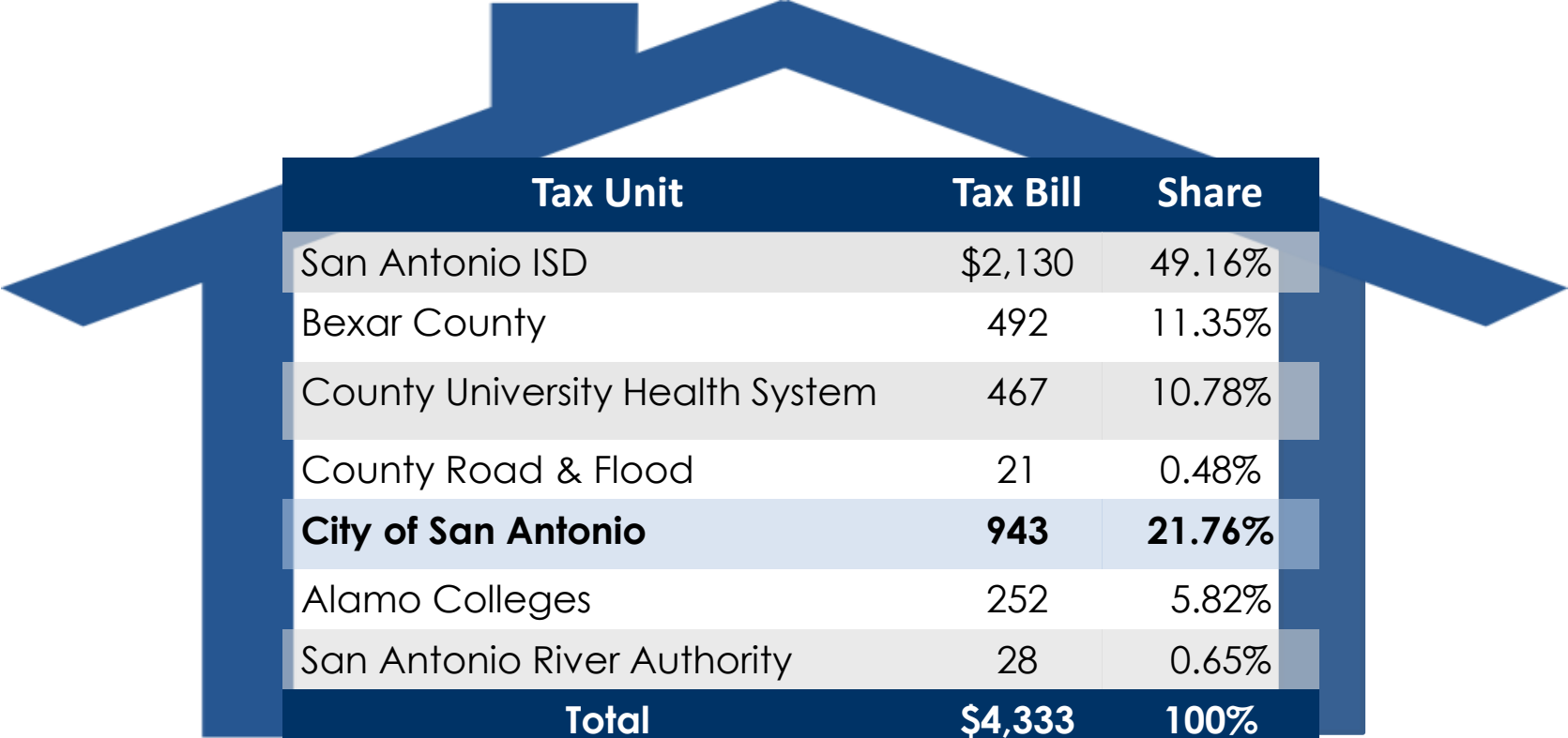
May 30, 2018

Distribution of Property Tax Bill



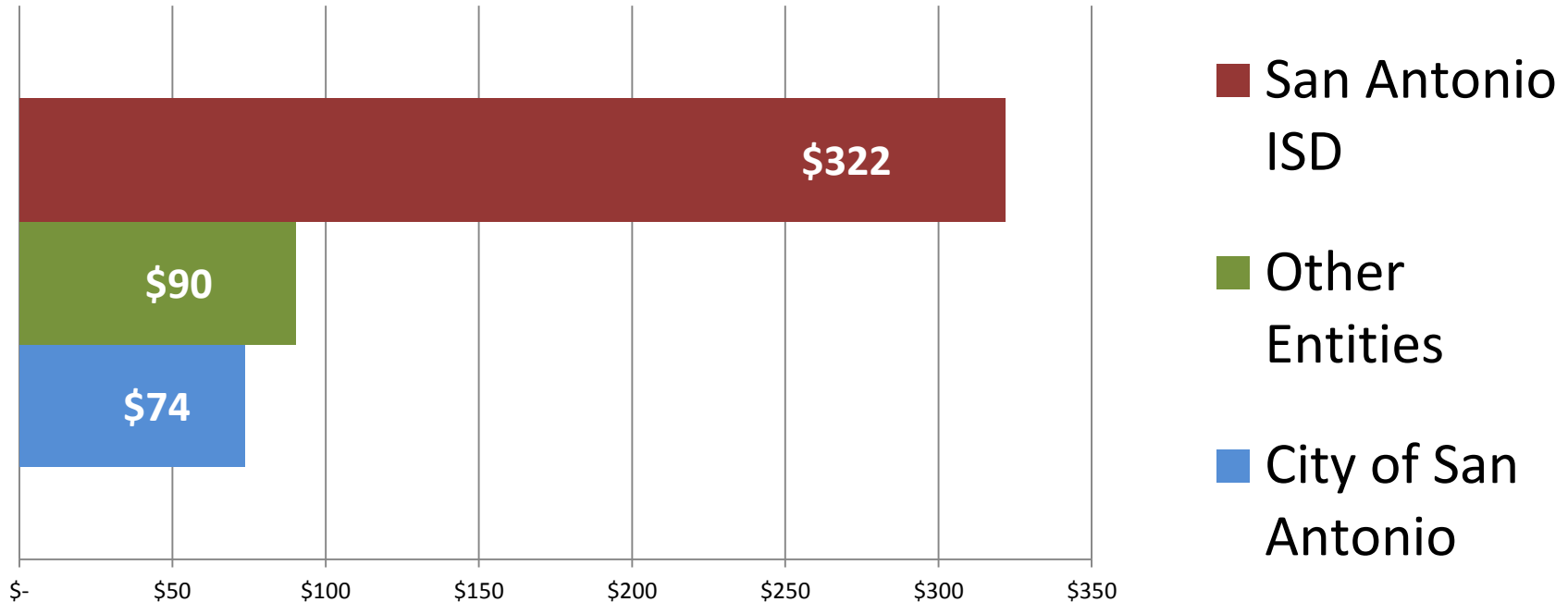
The City of San Antonio receives approximately 22% of the property tax bill

Property Tax Bill for Average Homestead: \$168,963

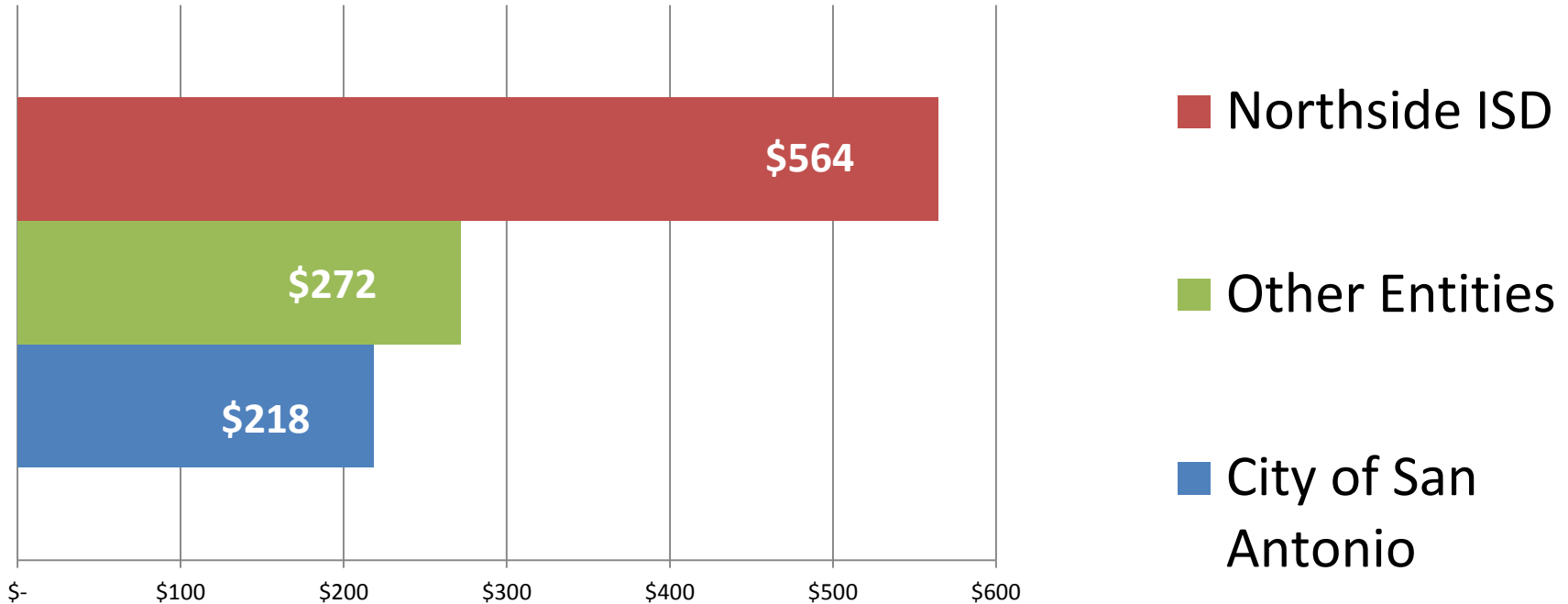


Tax Unit	Tax Bill	Share
San Antonio ISD	\$2,130	49.16%
Bexar County	492	11.35%
County University Health System	467	10.78%
County Road & Flood	21	0.48%
City of San Antonio	943	21.76%
Alamo Colleges	252	5.82%
San Antonio River Authority	28	0.65%
Total	\$4,333	100%

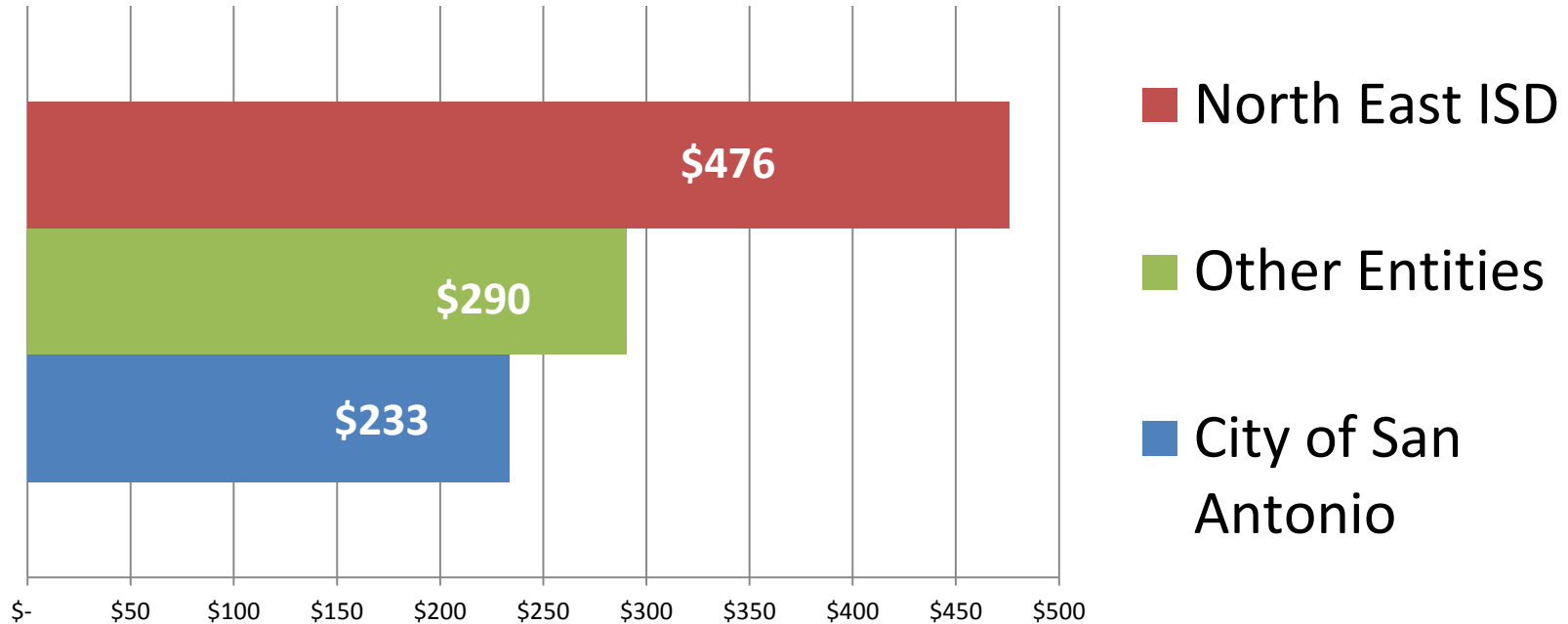
Tax Bill Increase for Average Homestead in SAISD for 2013-2017



Tax Bill Increase for Average Homestead in Northside ISD for 2013-2017



Tax Bill Increase for Average Homestead in North East ISD for 2013-2017



San Antonio Property Tax Statistics

FY 2018

Total Assessed Valuation:	\$124.3 Billion
Less: Exemptions	<u>16.7 Billion</u>
Total Taxable Valuation	\$107.6 Billion

Residential	\$49.0 Billion
Commercial	\$30.5 Billion
Multi-Family	\$12.6 Billion
Personal Property	\$10.4 Billion
Other	\$5.1 Billion

San Antonio Property Tax Statistics FY 2018

472,048

Parcels on City
Property Tax
Rolls

230,210

Homesteads

Optional Exemptions with Tax Freeze

✓ **92,847** Over-65

✓ **8,624** Disabled Persons

Statutory Exemptions

✓ **29,500** Disabled Veteran

Residential Homestead Properties ¹

Years In Home ²	Number of Homesteads ³	% of HS With Over-65 & Disabled
< 10	93,769	25%
11 to 20	72,052	37%
21 to 30	34,124	71%
> 30	31,118	94%
Total	231,063	45%

¹ Data from Bexar Appraisal District 2018 Preliminary Roll (May 10, 2018).

² Includes residences that submitted Residence Homestead Exemption application to BCAD.
Number of years based on initial qualification year for the homestead exemption.

³ Properties include single family residences and mobile homes that are qualified homesteads.

Residential Homestead Properties

65,000

Owned Homes

Over 20 Years

82% Receive Over-65 or Disabled
Persons exemption with Tax Freeze

53,392 - Homes

Residential Homestead Properties

166,000

Owned Homes

**20 Years
or Less**

30% Receive Over-65 or Disabled
Persons exemption or Tax Freeze

50,185 - Homes

Homestead Exemption

Estimated Annual Tax Savings to Homeowner

Homestead Value	Total Tax Bill	COSA Tax Bill	\$5K Exemption	5% Exemption	10% Exemption	20% Exemption
\$100,000	\$2,436	\$558	\$28	\$28	\$56	\$112
\$200,000	\$5,251	\$1,117	\$28	\$56	\$112	\$223
\$300,000	\$8,066	\$1,675	\$28	\$84	\$167	\$335
\$500,000	\$13,696	\$2,791	\$28	\$140	\$279	\$558

Average

\$168,963	\$4,333	\$943	\$28	\$47	\$94	\$189
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Impact to General Fund

\$3,760,405 \$7,113,180 \$13,816,935 \$27,431,122

Impact to Debt Service

2,293,525 4,338,431 8,427,148 16,730,635

Total Impact

\$6,053,930 \$11,451,611 \$22,244,083 \$44,161,757

Tax Rates and Local Option Exemption

Jurisdiction	Taxable Valuation (\$ In Billions)	FY 2018 Rate	Local Homestead	Over-65 Exemption	Disabled Exemption	Senior Tax Freeze	Revenue Foregone ¹ (\$ In Millions)
Houston	\$231.13	0.58421	20%	\$160,000	\$160,000	N	\$177.31
Austin	\$138.78	0.44480	8%	\$85,500	\$85,500	N	\$30.78
Dallas	\$118.31	0.78040	20%	\$90,000	\$90,000	N	\$115.60
San Antonio	\$107.59	0.55827	0	\$65,000	\$12,500	Y	\$47.00
Fort Worth	\$60.95	0.80500	20%	\$40,000	\$40,000	Y	\$56.05
El Paso	\$34.09	0.80343	.01%	\$40,000	\$40,000	N	\$19.33
Corpus Christi	\$20.31	0.60626	10%	\$50,000	\$50,000	Y	\$17.52

¹ Includes over-65 and disabled exemptions, tax freeze, and local homestead. Does not include disabled veteran exemptions.

Values and Exemptions

San Antonio & Austin

	San Antonio	Austin
Tax Rate	\$0.55827	\$0.44480
Total Assessed Valuation	\$124.3 Billion	\$160.9 Billion
Number of Parcels	472,048	263,263
Average Taxable Homestead Value	\$168,963	\$281,069
Average Tax Bill	\$943	\$1,250
Over-65 Exemptions	92,847	35,505
Number of Disabled Persons Exemptions	8,624	2,387
Tax Freeze	Yes	No
Optional Homestead Exemption	0%	8%
Revenue Foregone Due to Over-65/Disabled Persons/Tax Freeze/Homestead Exemptions	\$47 Million	\$30.8 Million
Number of Veterans	107,359	37,451
Number of Disabled Veterans Exemptions	29,500	4,269
Revenue Foregone Due to Disabled Veterans Exemptions	\$7.8 Million	\$1.3 Million
Total Revenue Foregone Due to Exemptions & Tax Freeze	\$54.8 Million	\$32.1 Million
Value Loss as a % of Total Assessed Value	7.9%	4.5%

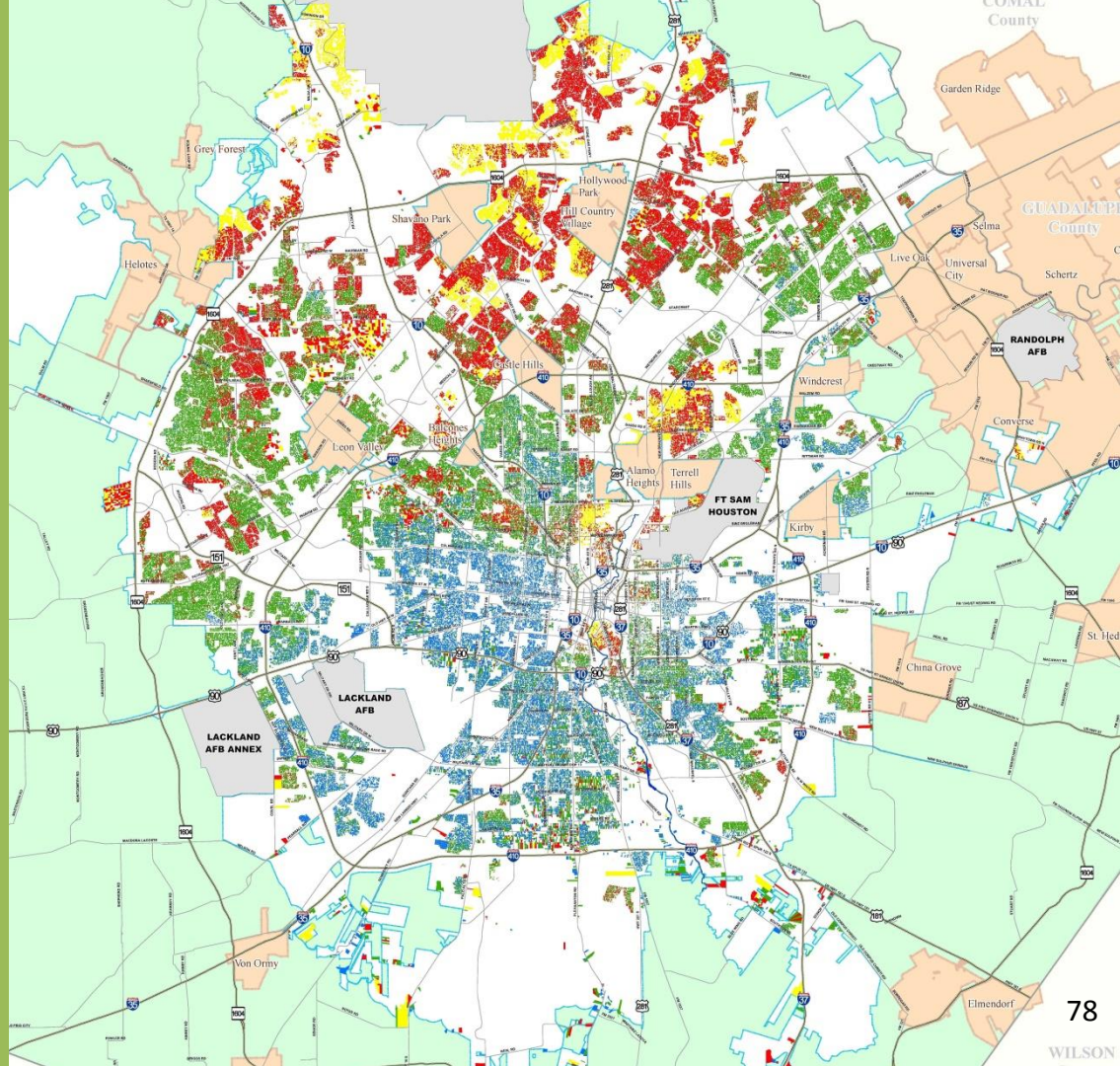
Other Considerations

State Legislative Session

- 2019 Legislative Session will likely include consideration of revenue cap legislation
- Governor Abbott's Recent Tax Proposal reduces property tax rollback rate from 8% to 2.5%

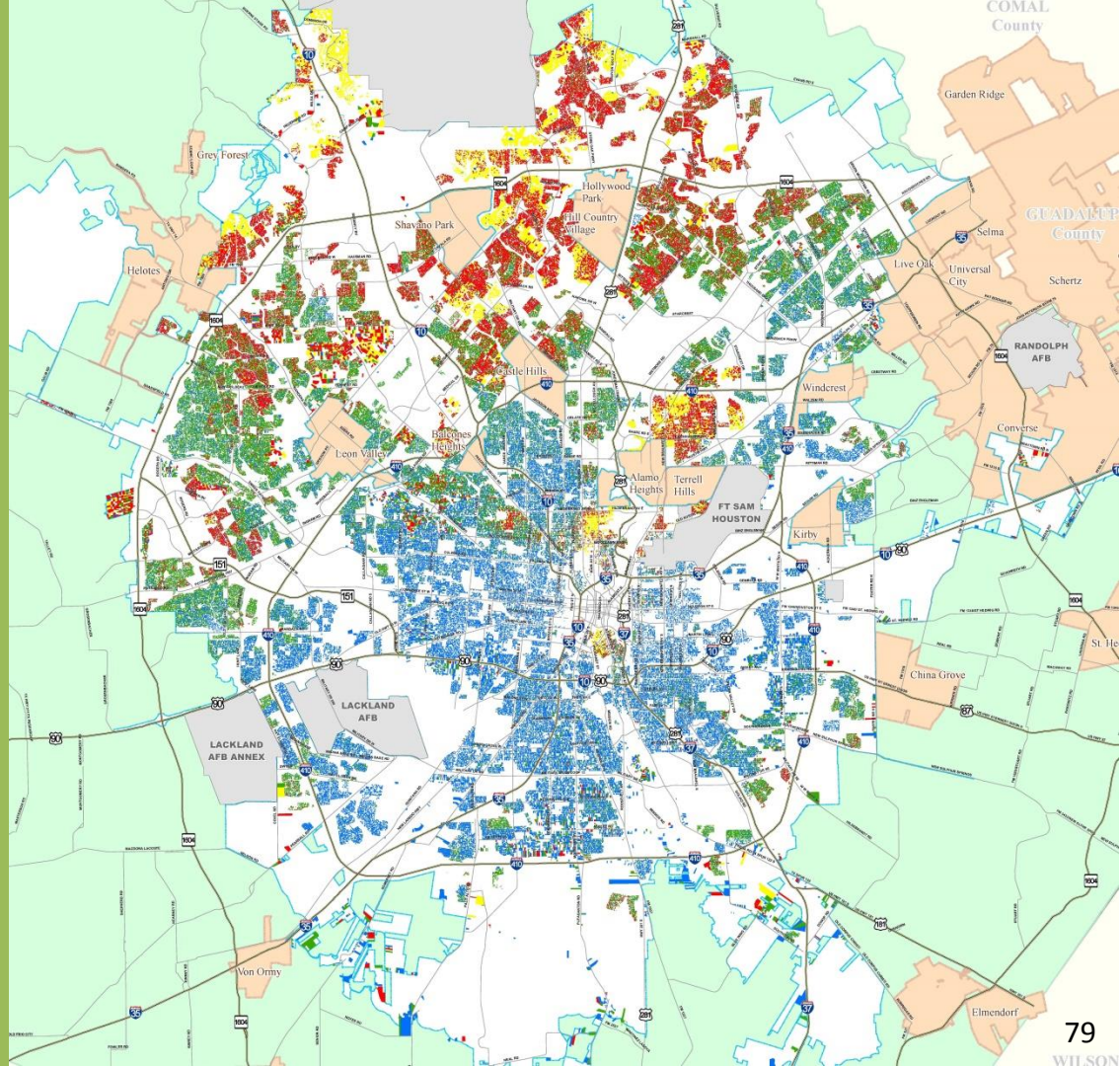
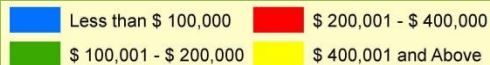
Potential Federal Budget Impacts

Market Value



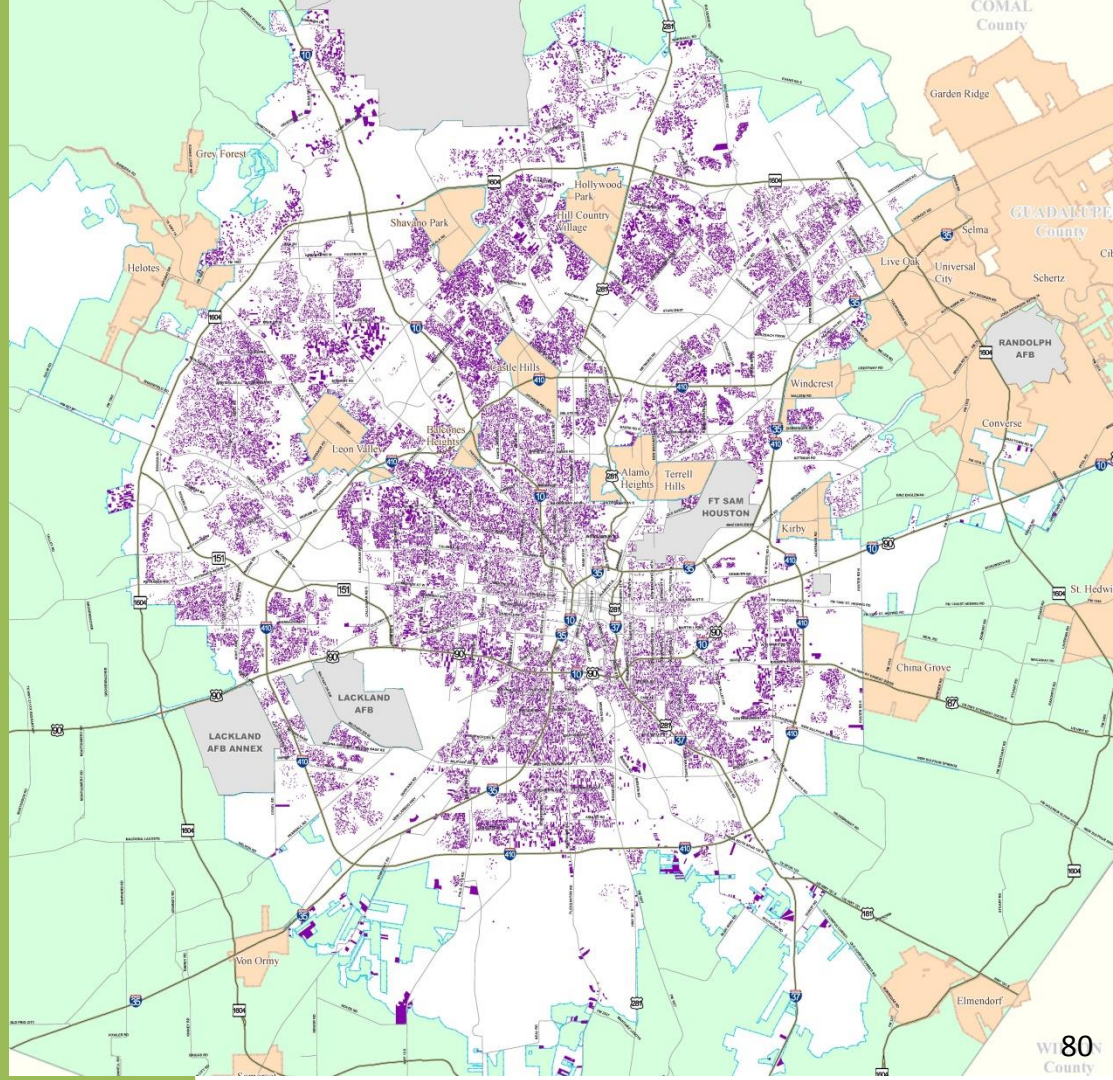
Homesteads

Taxable Value



Homesteads

Over-65 Exemption





City Council Budget Goal Setting Session for the FY 2019 Budget

Property Tax Analysis

Presented by:

Ben Gorzell, Chief Financial Officer

May 30, 2018






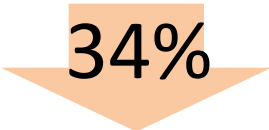
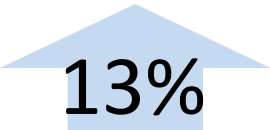
City Council Budget Goal Setting Session for the FY 2019 Budget

Public Safety

Presented by:
Erik Walsh, Deputy City Manager

May 30, 2018

SAPD Current Outcomes

- Crime  24%
- Calls for Service  9%
- Emergency Response Time  3%
- Use of Force Incidents  34%
- Arrests  13%

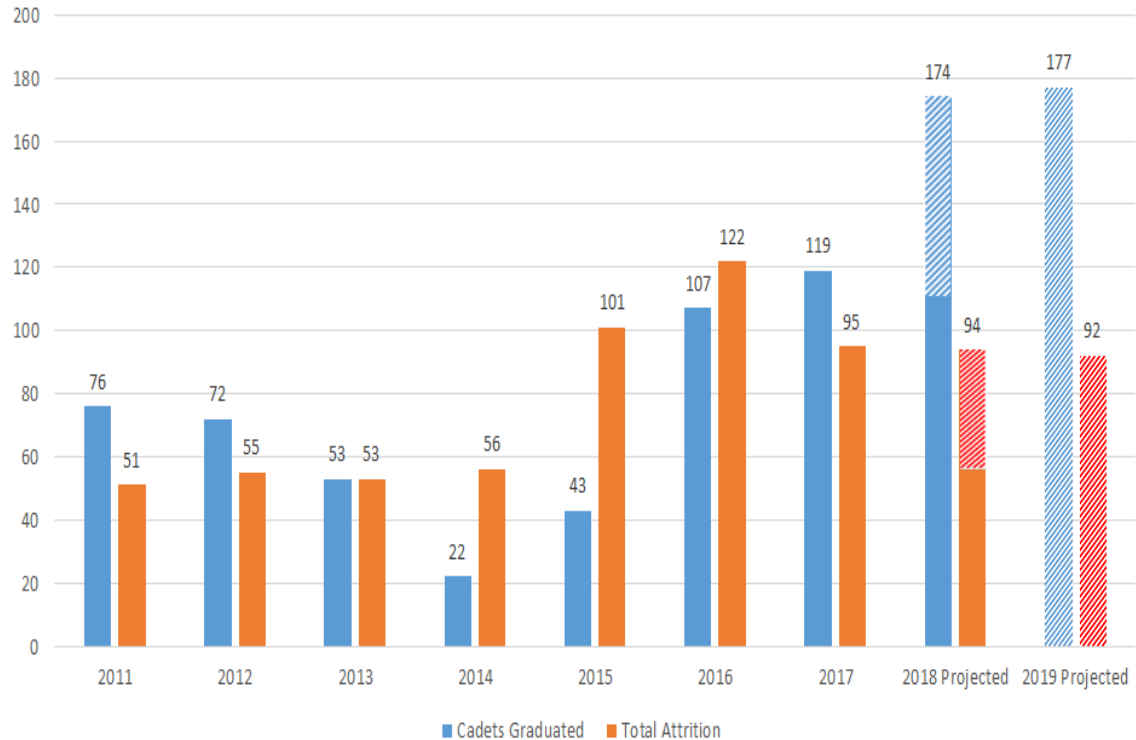
Cadet Appointments & Attrition

FY 19 Cadet Classes

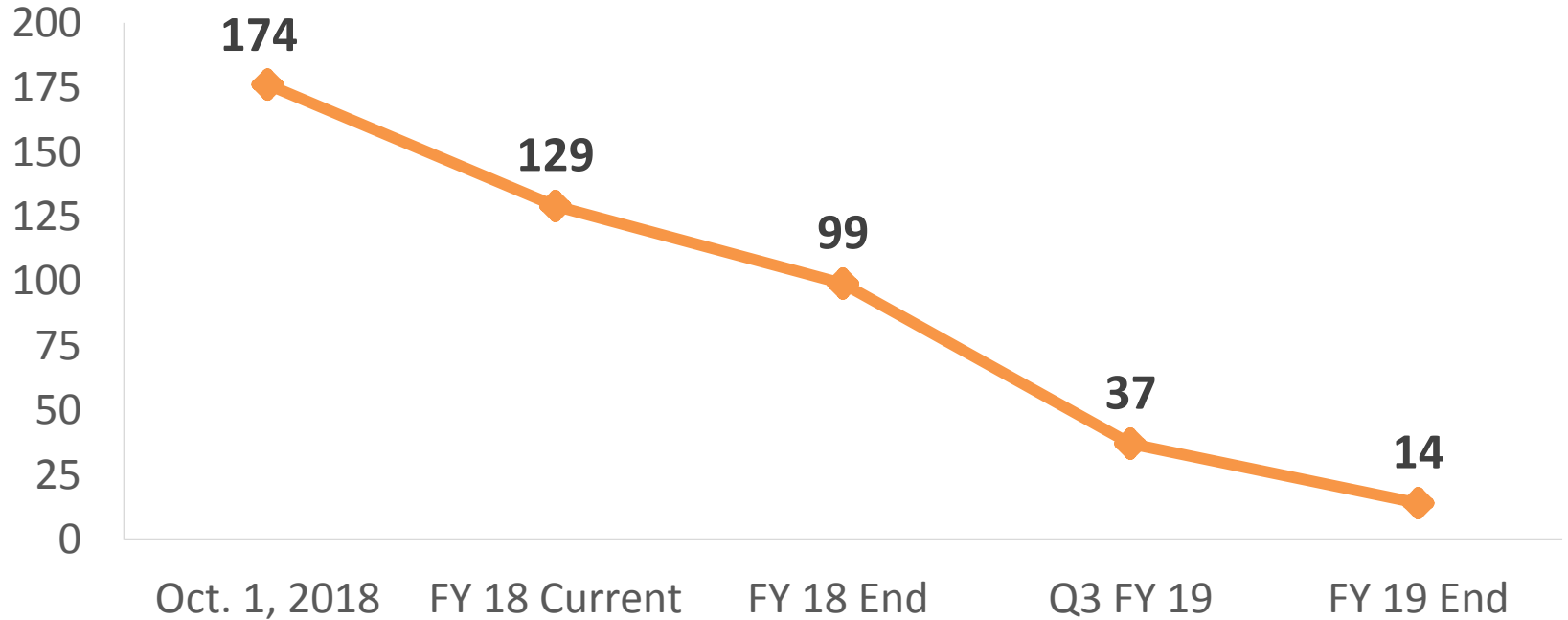
✓ 4 Cadet Classes

- 225 Projected Appointments
- 177 Projected Graduates

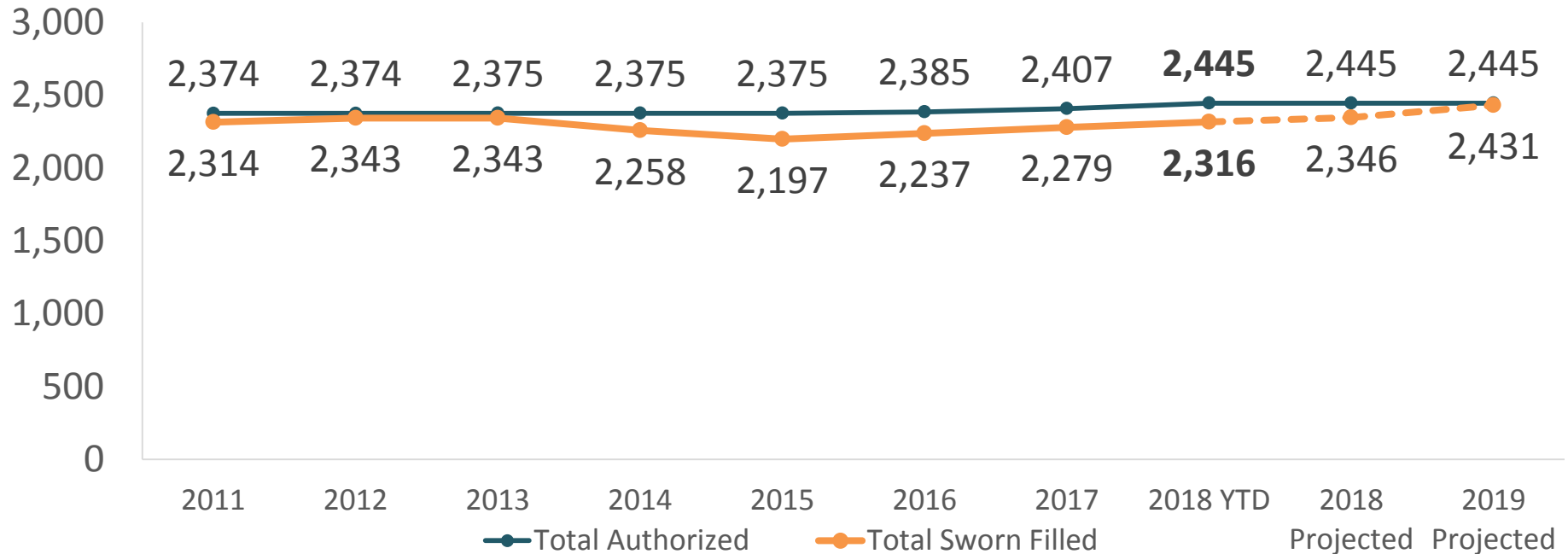
FY 2011-2019 Cadets Graduated and Total Attrition



Vacancy Outlook



FY 2011-2019 Authorized vs. Actual Strength





City Council Budget Goal Setting Session for the FY 2019 Budget

Public Safety

Presented by:
Erik Walsh, Deputy City Manager

May 30, 2018

City of San Antonio, Texas

City Council Goal Setting Session for the FY 2019 Budget

Equity Strategy Update

Presented by:

Alex Lopez, Interim Chief Equity Officer

May 30, 2018

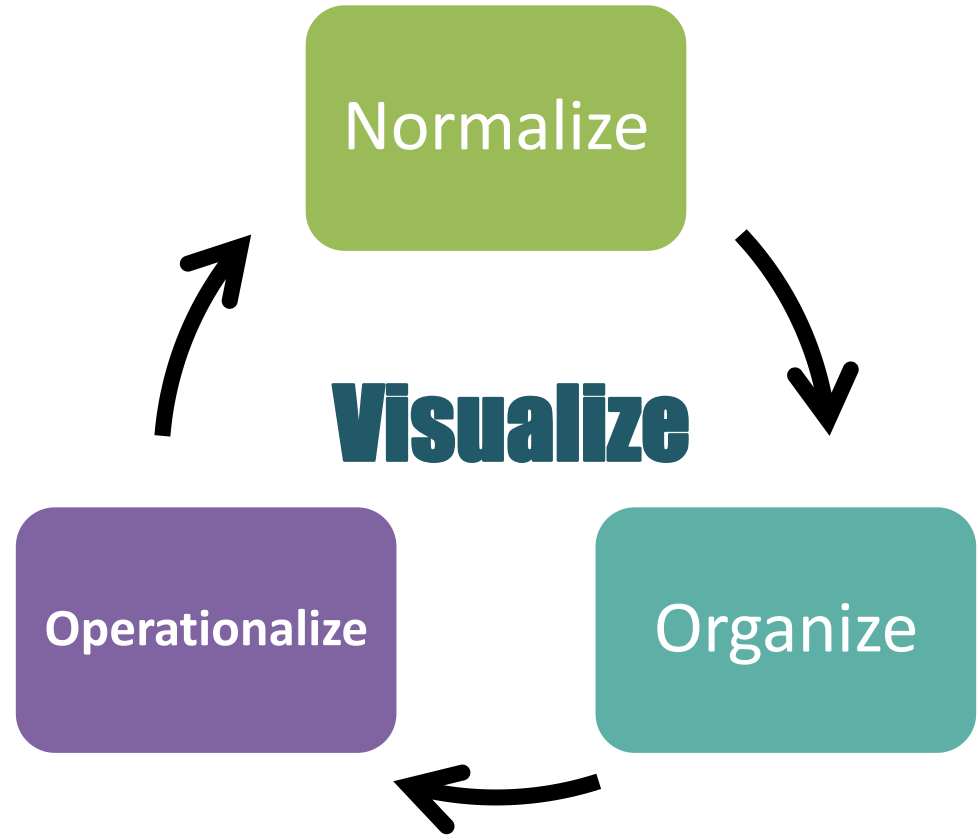


Presentation Overview

- Update on FY 2018 Equity Strategy: 6 High Impact Initiatives
- Embedding Equity in the FY 2019 Budget Process
- Continuing Commitment to Equity in FY 2019

**How do we make the
greatest possible
impact?**

Equity Approach



Source: [The Government Alliance on Race and Equity](#)

Normalize

Training

- ✓ Over 100 Staff
 - Implicit bias
 - Role of local government
 - Communication



Equity Impact Assessment

1

- Discover the Why

2

- Define Outcomes

3

- Analyze Data & Community Engagement

4

- Identify Performance Measures

5

- Develop the Plan

6

- Evaluate and Report

Organize – FY 2018 Initiatives



Delegate Agency Funding



Streets



Neighborhood Engagement



SASpeakUp!



Planning: Land Use



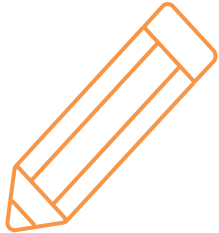
Smart Cities

Equity in the FY 2019 Budget



“Why” Statements

- ✓ All City Departments



Equity Impact Assessments

- ✓ For proposed program changes



Focus on Outcomes

- ✓ Short term, Mid-term, Long Term

Next Steps

- Continue training of 20+ Departments in FY 2019
- Continue collaboration with community partners to maximize community results
- Operationalize and scale the Equity Strategy across the City organization

City of San Antonio, Texas

City Council Goal Setting Session for the FY 2019 Budget

Equity Strategy Update

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May 30, 2018

