

CITY OF SAN ANTONIO

NEIGHBORHOOD & HOUSING SERVICES

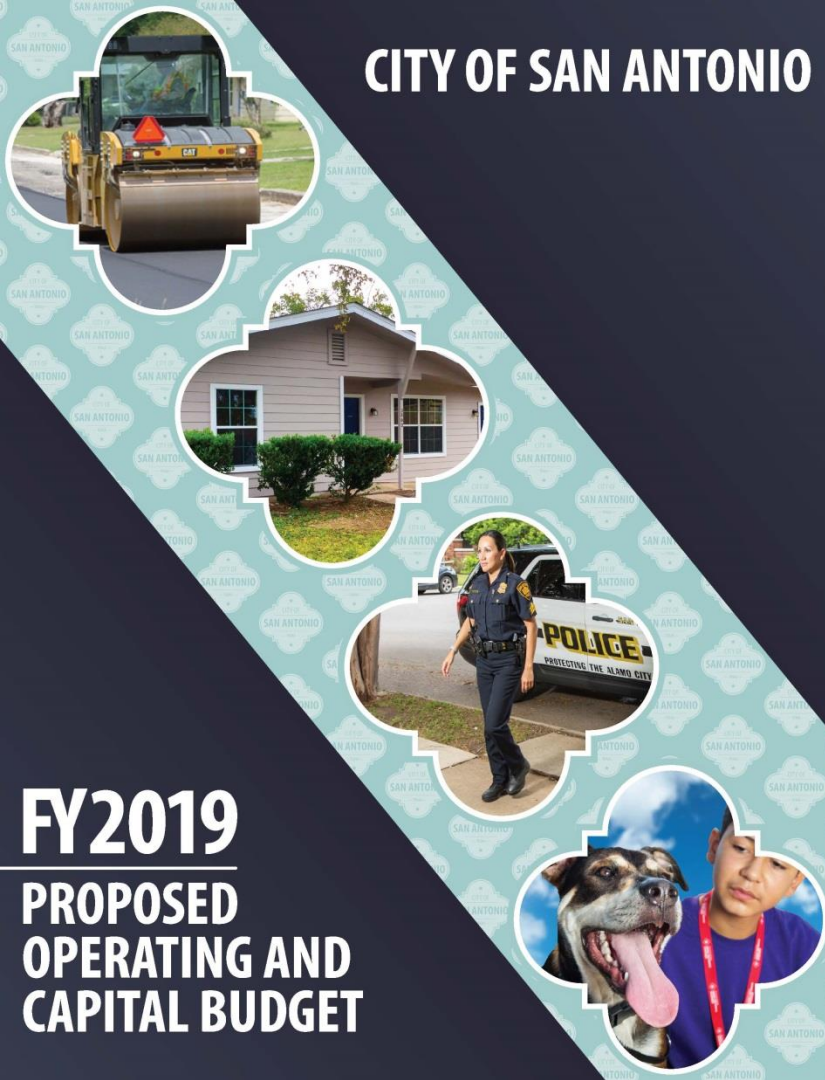


Presented by:

Verónica R. Soto, AICP, Director

August 21, 2018

FY2019
PROPOSED
OPERATING AND
CAPITAL BUDGET



Neighborhood & Housing Services Department



Our Mission

Create **stable** and **diverse neighborhoods** through the delivery of programs focused on providing **safe** and **affordable housing** for our community.



Neighborhood & Housing Services Department

- Department created in 2017 with reorganized housing positions to build on City's commitment to stronger neighborhoods





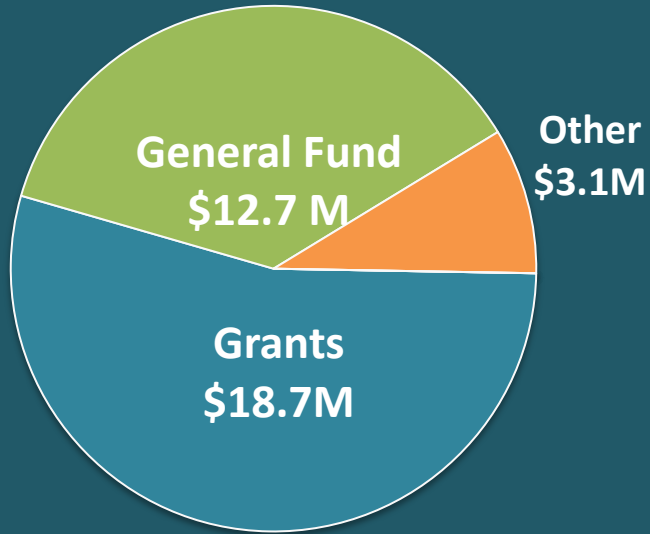
Neighborhood & Housing Services Department

- Interface with Neighborhoods
 - ✓ Communication
 - ✓ Support
 - ✓ Education
- Implement 2017-2022 Neighborhood Improvements Bond Program and other housing related programs



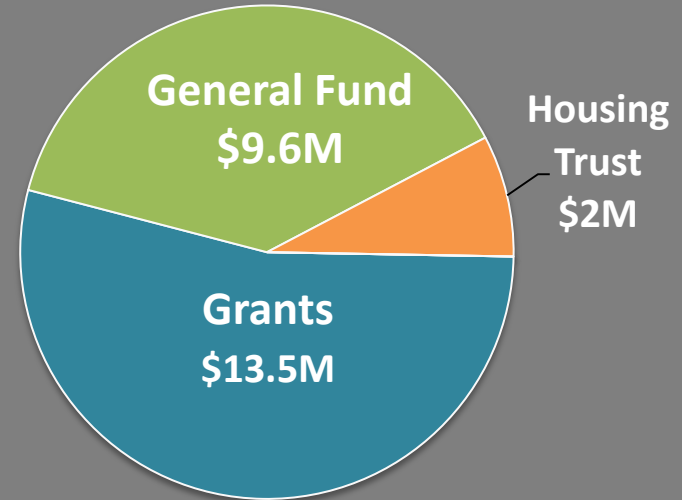
2019 Proposed Budget

Department Budget - \$34.5 Million



	FY 2018	FY 2019	Increase
Positions	55	79	24

Housing Budget - \$25.1 Million



	FY 2018	FY 2019	Increase
General Fund	\$2.1	\$9.6	\$7.5
Grants	4.6	13.5	8.9
Housing Trust	1.3	2.0	0.7
Total	\$8.0	\$25.1	\$17.1

Major Programs



Neighborhood Engagement



Housing Program Delivery



Coordinated Housing System



Housing Bond



Grants Administration



Fair Housing & Navigators



Tax Increment Financing

Equity

“The Neighborhood & Housing Services Department improves the quality of life for residents by ensuring everyone lives with dignity in healthy and affordable neighborhoods.”



Neighborhood Engagement

- Community liaisons providing information on City policies, events, and initiatives
- Staff: Neighborhood Engagement Administrator & three Officers
- Develops and delivers workshops and presentations for neighborhoods on housing topics:
 - HOA Rights
 - Neighborhood Leadership Academy



40 GRADUATES



Equity

“ The Neighborhood Engagement initiative improves the quality of life of residents by building trust with the community. ”

Short Term

- Residents know how to use NHSD's programs and services
- NHSD staff is aware of residents' needs and concerns with regards to housing and neighborhoods



Long Term

- Residents trust that the City is honest, proactive and consistently responsive

Neighborhood Improvements Bond

- \$20 Million affordable housing program
- Purchases distressed properties in one or more of 12 eligible areas
- Makes properties shovel-ready for housing development
- Competitively bids to contract with nonprofit and private developers to build housing
- Half of the housing must serve 80% AMI or below



Neighborhood Improvements Bond

- Participation is voluntary
- No use of eminent domain
- No family displacement/relocation
- City does not construct the housing units
- Proceeds from sale reinvested in Neighborhood Improvements program
- Will ensure compatibility with surrounding neighborhood



Neighborhood Improvements Bond

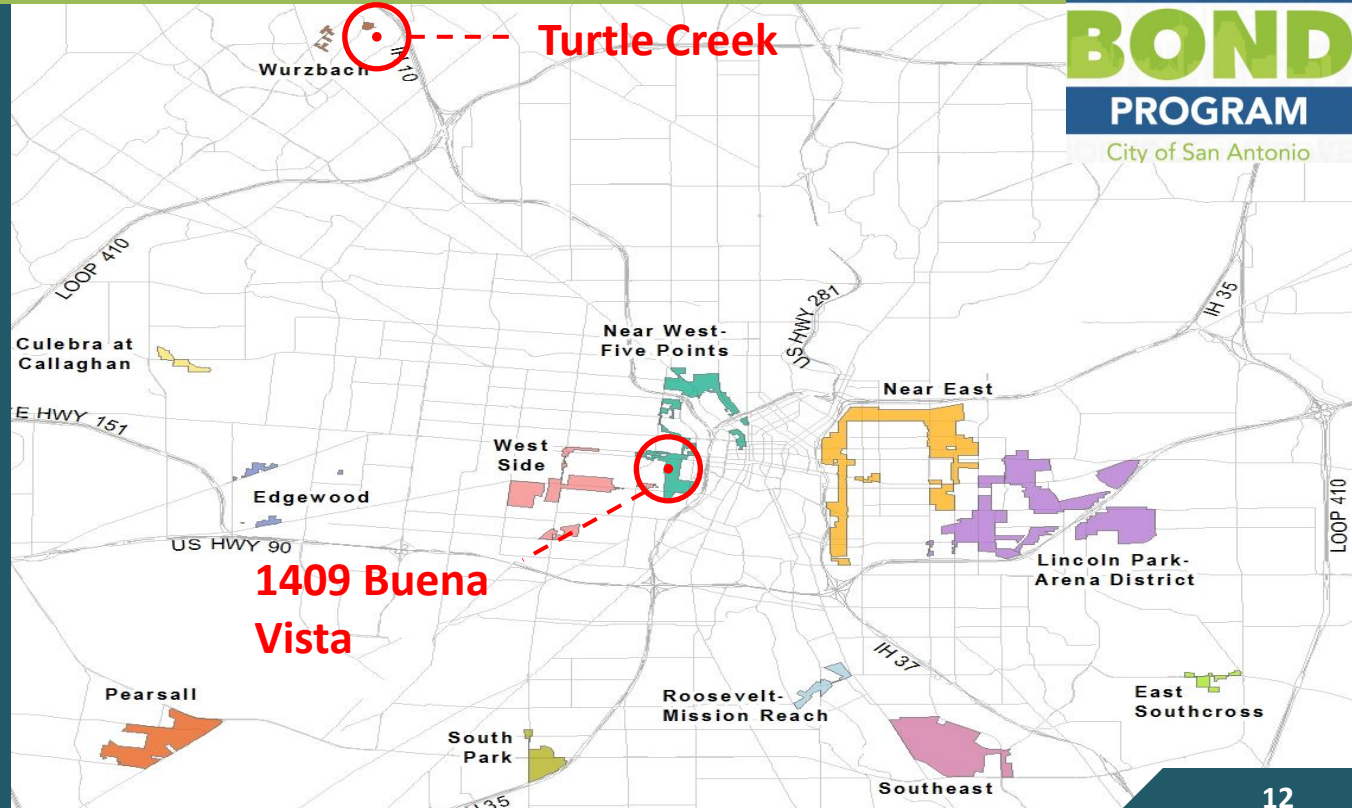
Neighborhood Improvement Areas

2017-2022

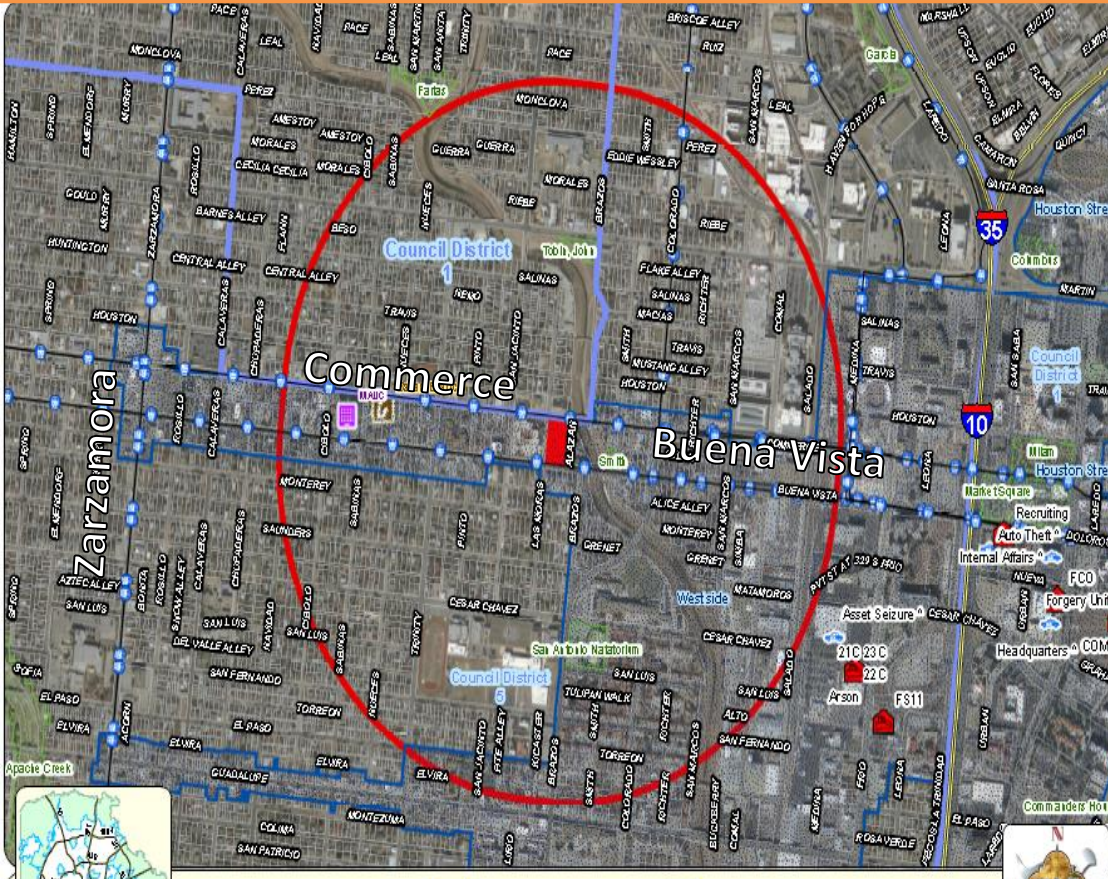
BOND
PROGRAM

City of San Antonio

- 2 Sites Under Contract
- 1 developer RFP to be issued this month



1409 Buena Vista Street



1409 Buena Vista Street

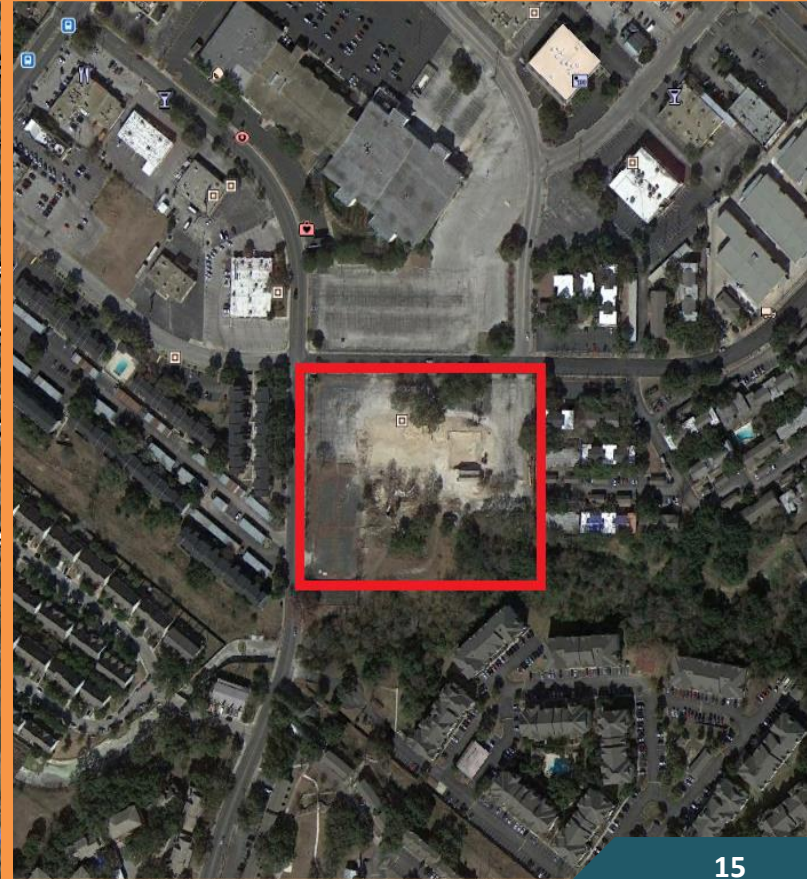
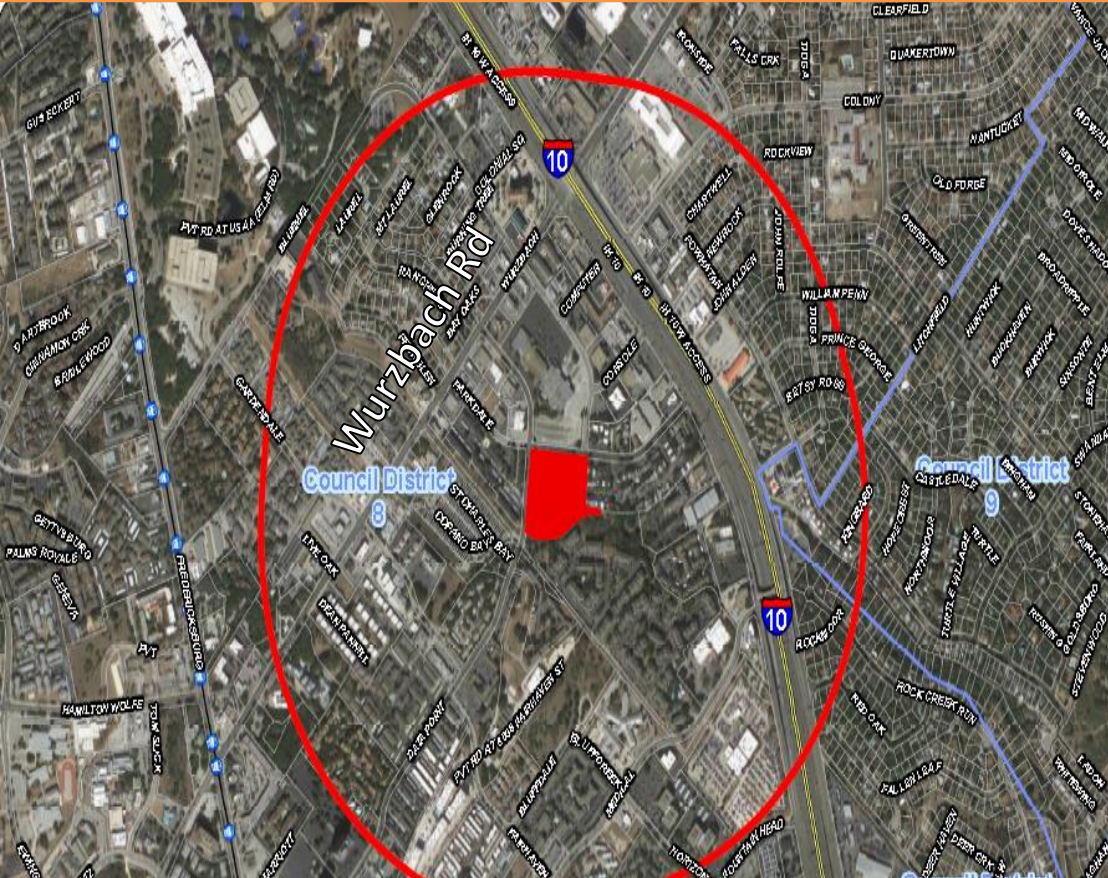
Proposed Development

- Council District 5
- Multi-Family – approx. 60 units
- Under Contract - RFP to be issued in this Friday

Property Facts

- 1.71 acres total
- 2.1 miles to downtown and 1.6 miles to a grocery store
- Natatorium, Bazan Branch Library, and Smith Park

Turtle Creek



Turtle Creek

Proposed Development

- In Council District 8
- Multi-Family – approx. 200 units
- Under Contract - RFP to be issued September 2018

Property Facts

- 7.1 acres total
- Within Medical Center Regional Center

Housing Program Delivery & Housing Entity Partnerships

■ Delivery of housing programs

- Let's Paint/ Minor Home Repair
- Owner Occupied Rehab
- Under 1 Roof

■ Coordinate Housing Partnerships

- San Antonio Housing Trust
- San Antonio Housing Authority (SAHA)
- LISC San Antonio
- Community Housing Development Organizations (CHDO)



Grants Administration & Fair Housing & Navigators

■ HUD Compliance & Fiscal Administration

- HUD funded programs
- CDBG and HOME funds

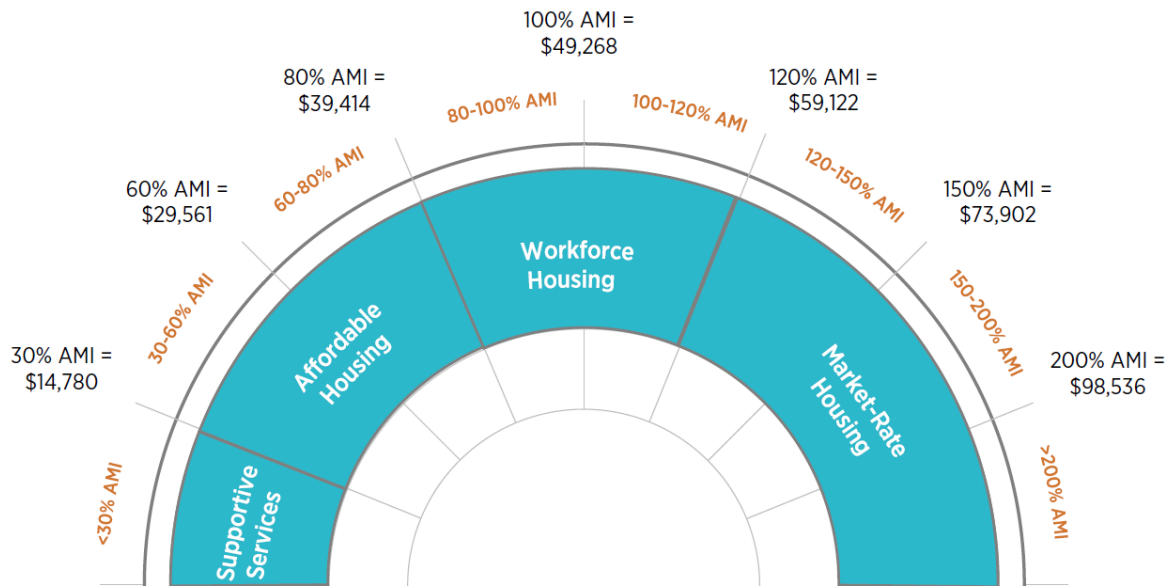
■ Fair Housing Program

- Tenant and landlord mediation
- Loan modifications/counseling for homeowners to avoid foreclosure
- Rental Assistance to keep families housed
- Housing Navigator assistance



What is 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 the San Antonio area is **\$39,414**

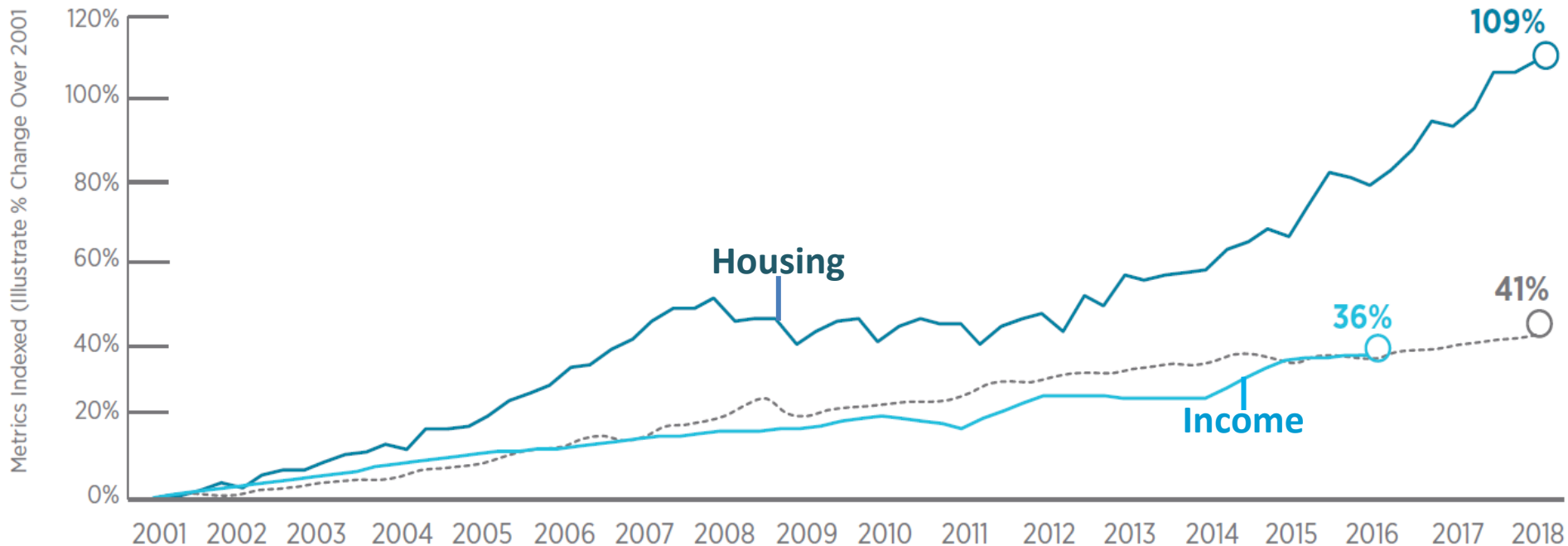


Source: U.S. Census ACS 1-year estimates, 819019; Economic & Planning Systems

Housing Affordability Core Issues

- Housing costs are outpacing incomes
- Growing housing affordability gap
- Households spending more of their income on housing
- Supply-demand mismatch
- Drop in home ownership rate
- Neighborhood change

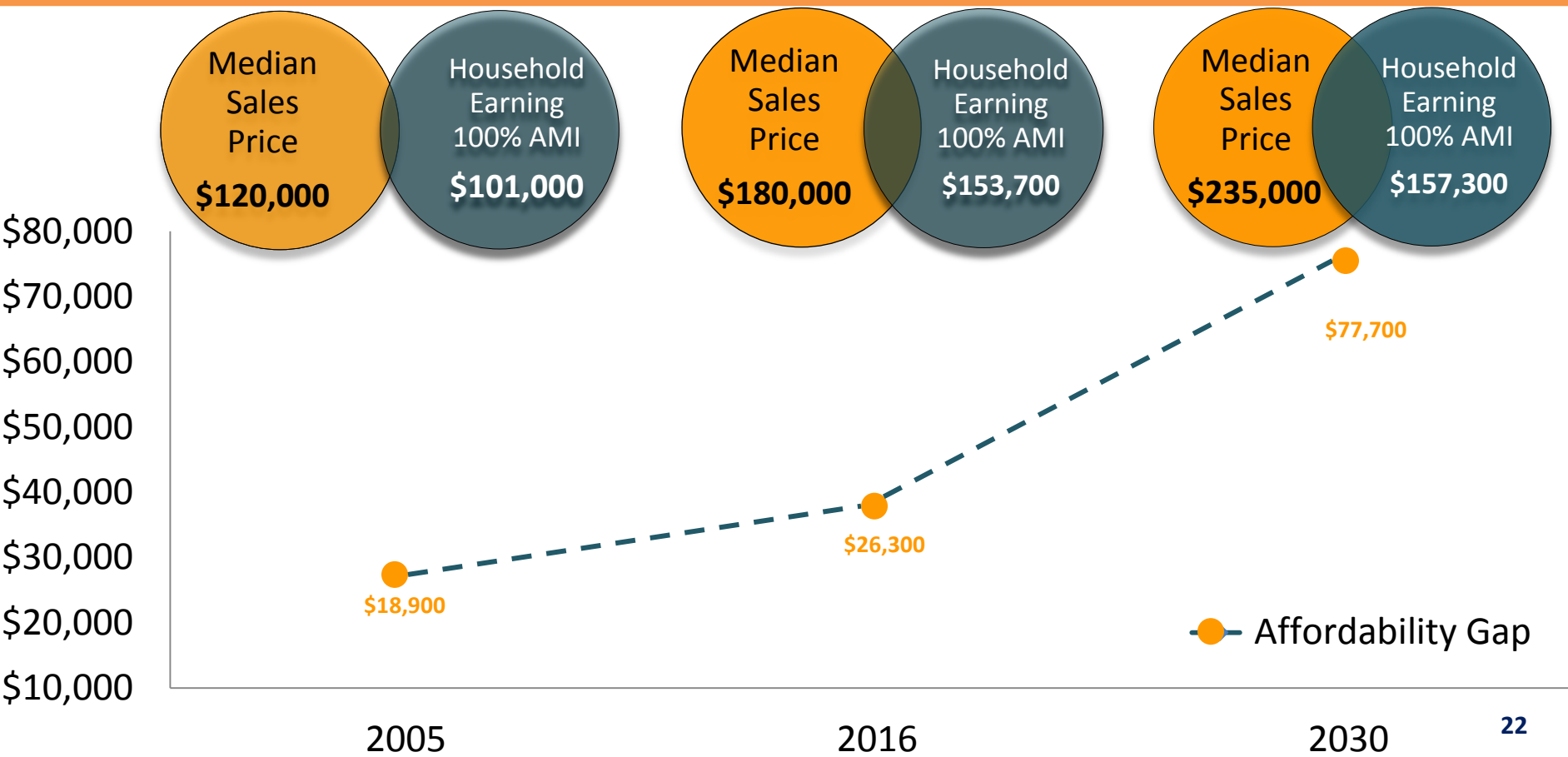
Housing Cost vs. Income



CPI (Urban Consumers) - South
Median Household Income (Census)
House Price Index (FHFA)

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

Growing Affordability Gap

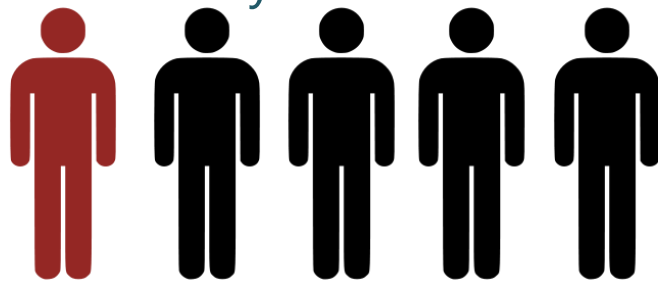


Spending More on Housing

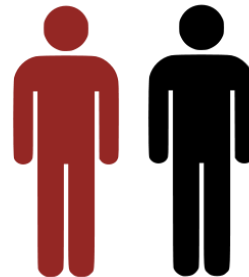
- 165,000 of 498,000 total households spending more than **30% of income** on housing
- Cost burdened households spending on average **\$330 more per month** on housing than they should

Cost Burdened Households

1 of every 5 home owners



1 of every 2 renters



Supply-Demand Mismatch

- Supply/demand mismatch of **34,000** affordable **rental** housing units for households earning 30% or below AMI
- Supply/demand mismatch of **16,400** affordable **owner households** units for households earning 30% or below AMI



Drop in Home Ownership & Neighborhood Change

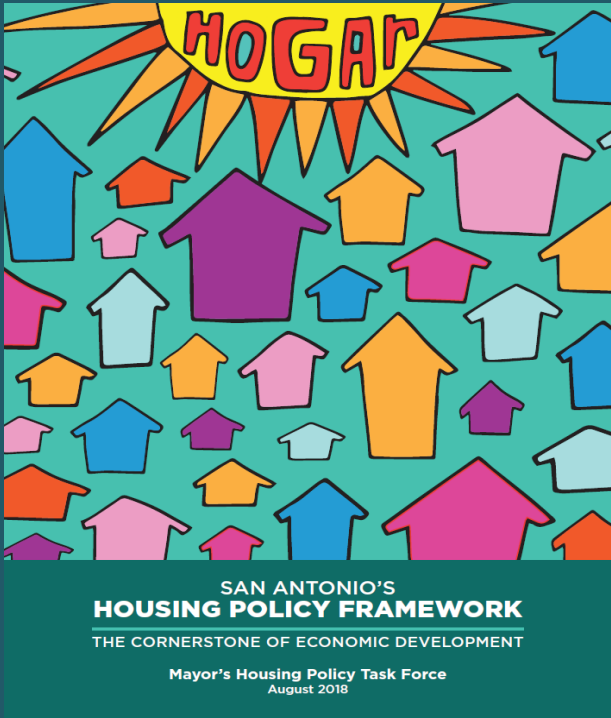
- Over 10-year period (2005 – 2016), City's home ownership rate declined from **61%** to **54%**
- Displacement pressures from redevelopment and investment in neighborhoods



Budget Recommendations Consistent with Mayor's Housing Policy Task Force



June City Council “B” Session
Recommendations



August 2018 Report

Task Force Priorities

- 1. Increase City Investment in Housing**
- 2. Develop Coordinated Housing System**
- 3. Ensure Accountability to the Public**
- 4. Increase Affordable Housing Production, Rehabilitation and Preservation**
- 5. Protect and Promote Neighborhoods**

**\$25.1
Million**

Funding for
Affordable
Housing



**\$8 Million
Base Budget**

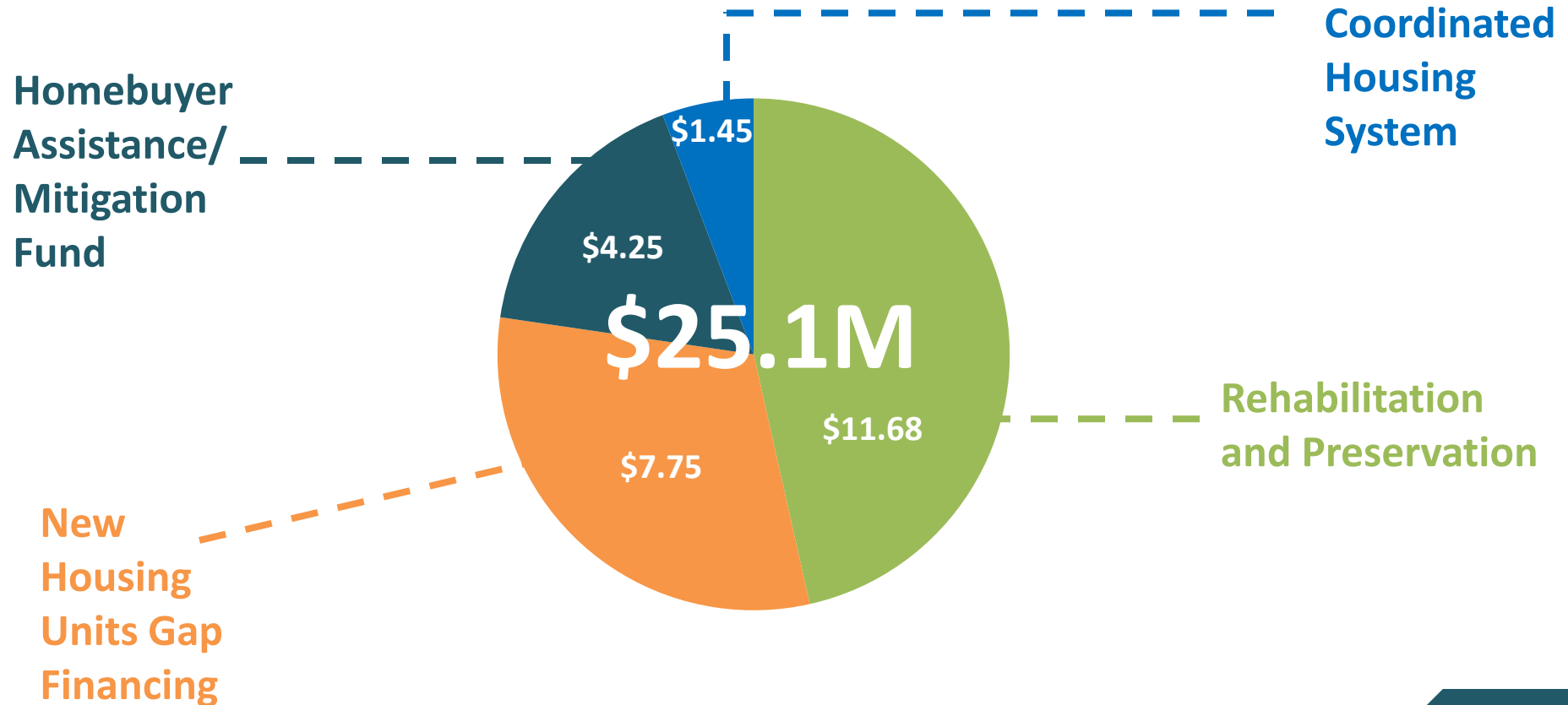


**\$17.1 Million
New Funding**

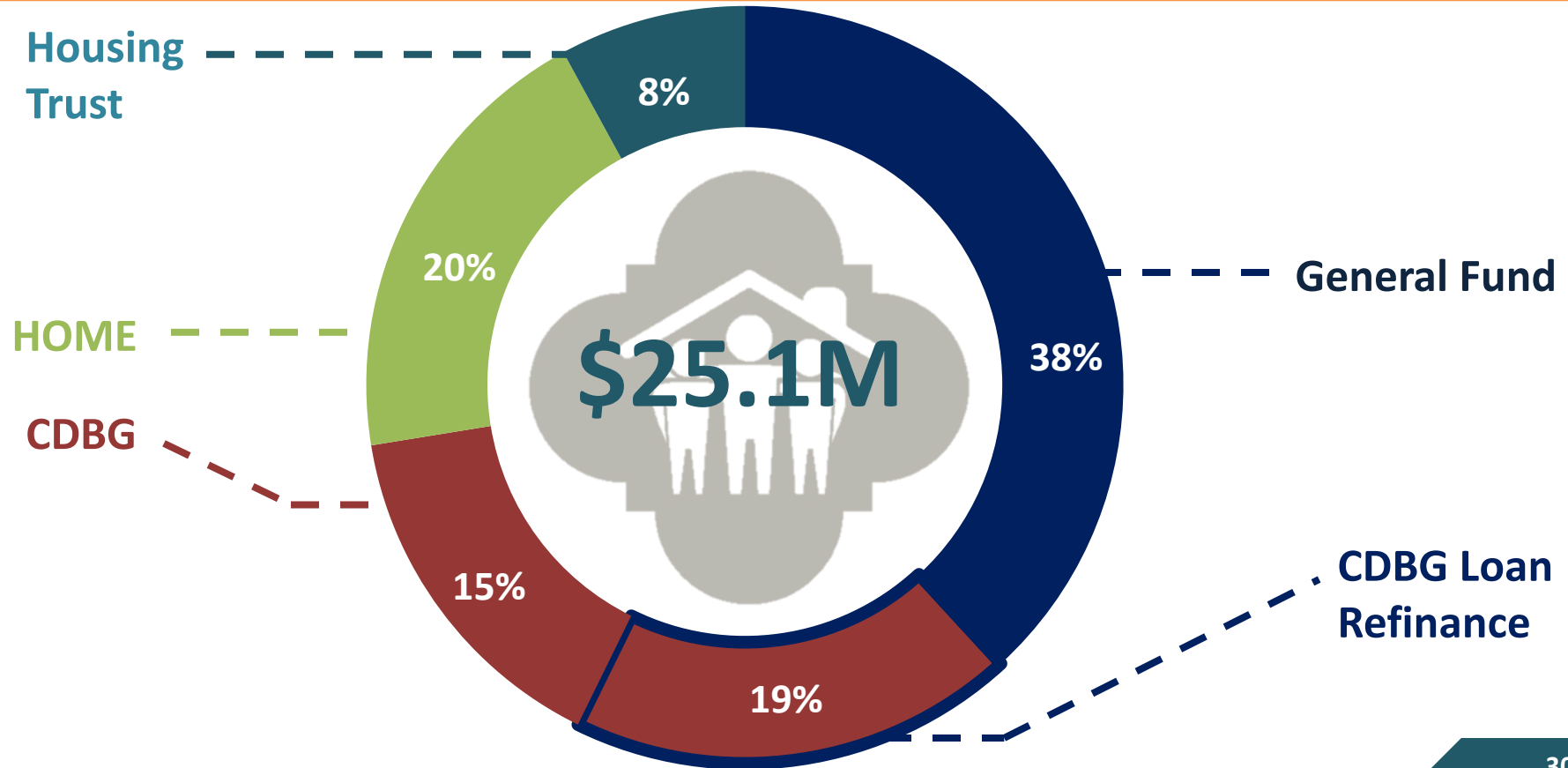


**13 New Positions
11 Reorg Positions**

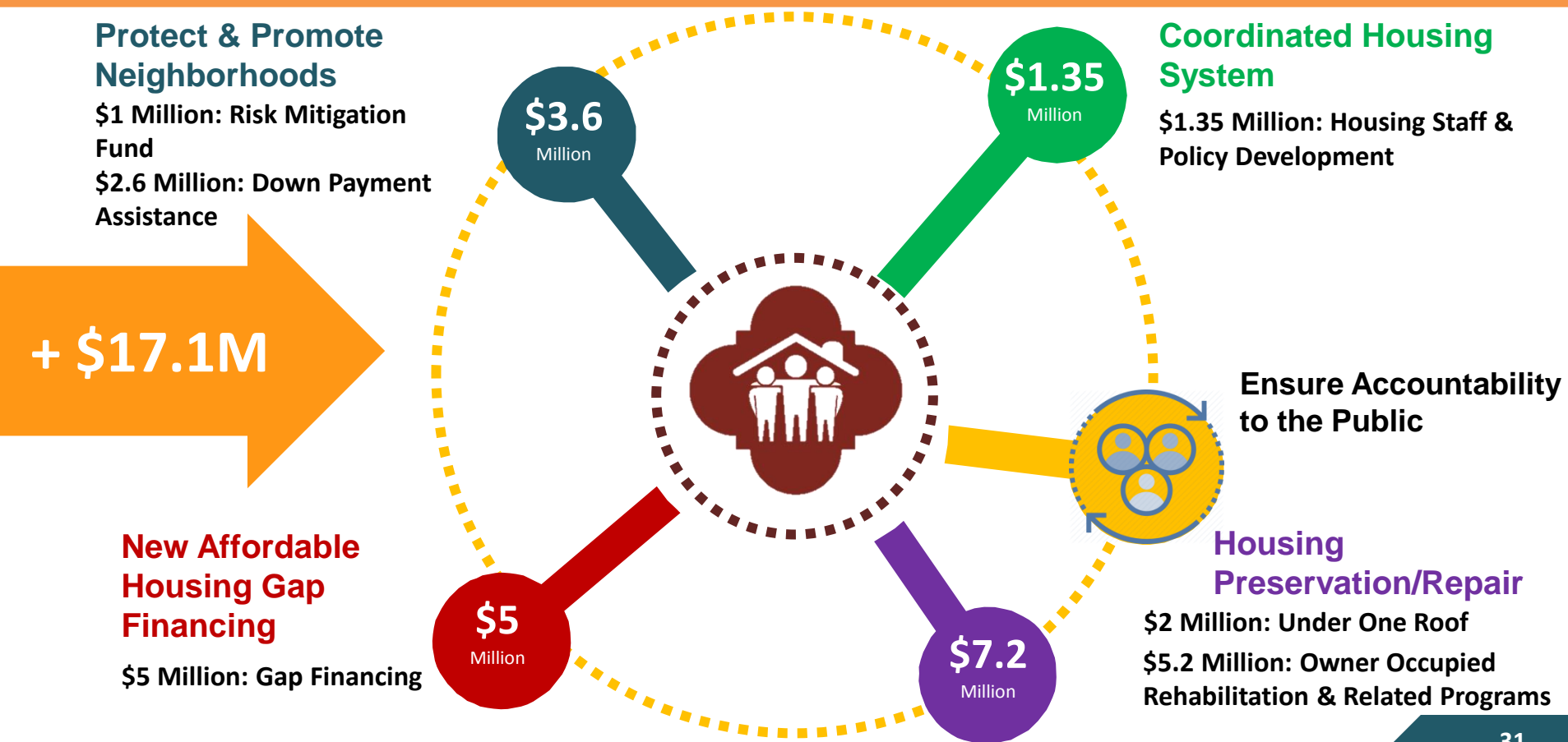
FY 2019 Proposed Budget Summary



FY 2019 Proposed Budget Summary



\$17.1M in New Funding Aligns with Task Force 5 Priority Areas



Coordinated Housing System

- **New staff team to:**
 - Coordinate information with **30 Housing Entities**
 - Meet new housing production goals
 - Housing navigators
- **Online Housing Accountability Dashboard**
- **Create recommendations for New Housing Policies**



Owner Occupied Rehab

\$6.5 M

- ❑ Assists homeowners with rehabilitation of substandard homes
- ❑ Up to \$75,000 for rehabilitation and \$95,000 for reconstruction
- ❑ Eligibility: $\leq 80\%$ AMI
- ❑ Equity-based Lottery
 - ❑ Lottery #1 deadline September 14th
 - ❑ Lottery #2 opens October 1

FY 2018

FY 2019

18 Homes

63 Homes

81 Homes



Under 1 Roof

\$4.25 M

- ❑ Replaces worn and damaged roofs with new, energy-efficient roofs.
- ❑ Assistance is provided as a one-time grant up to \$14,000
- ❑ City-wide
- ❑ Eligibility: $\leq 80\%$ AMI; Veteran; Disabled; Over 65
- ❑ Equity-based Qualifications being developed

FY 2018

161 Roofs

FY 2019

321 Roofs



Minor Home Repair & Let's Paint

	Minor Home Repair	Let's Paint
Program Description	One-time Grant up to \$25,000 for Minor Repairs	One-time Grant up to \$7,000 for exterior repair and painting
Eligibility	$\leq 80\%$ AMI; City-wide	$\leq 80\%$ AMI; Districts 4 & 5
Application Process	<i>first-come, first served</i>	
Units Produced FY 2019	6 Units	64 Units



New Housing Units Gap Financing (\$7.75M)

- ☐ New Units Built by Developer
 - Request for Application Procurement
- ☐ Affordable Housing and Rental Housing for Household income below 80% AMI
- ☐ Forgivable Low Interest Loan to Developer
- ☐ Eligible Cost include Acquisition, Site Prep, & Construction Costs

FY2018	FY2019
35 Units	111 Units

- ☐ Includes \$250K for LISC San Antonio



Homebuyer Assistance & Risk Mitigation



Provides down payment and closing cost assistance to eligible first-time homebuyers.



Fund to mitigate displacement impacts by providing relocation assistance, rapid re-housing and housing navigators.

FY 2018	FY 2019
48 Homeowners	243 Homeowners
\$689,018	\$3.25 M



Affordable Housing Policy Priorities

FY 2019

San Antonio Housing Trust

Displacement Mitigation

Fee waiver

By-Right Zoning



SAHA



FY 2020

Fee Waiver

By-Right Zoning

Housing Bond Charter Amendment

One-stop Housing Center

Analyze Gap Financing Funding Sources

Evaluate Dedicated Revenue Sources

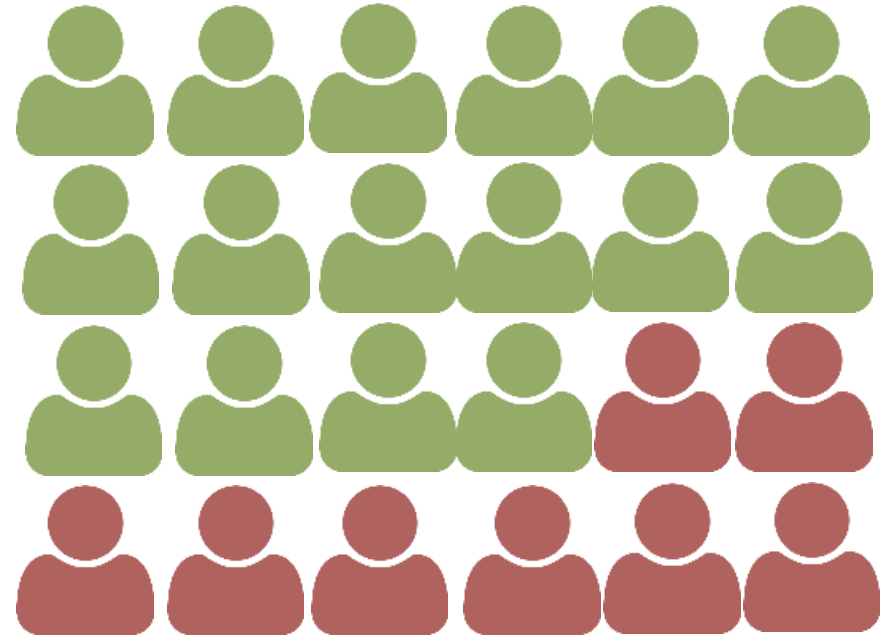
Housing Bond Funding Strategy

Legislative Strategy (property taxes)

Department Staff Enhancements

- **13 New Positions**
- **11 Reorganized**
 - 8 DHS (Fair Housing)
 - 3 EastPoint

24



 *General Fund*  *Grant Funded*

Three Year Business Plan

	FY 2019				FY 2020				FY 2021
Activity	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Consolidate City Housing Staff into NHSD	Reorg Staff	Evaluate Staff for Efficiencies							
Affordable Housing Coordination across all Housing Entities & Policy Development	Hire Housing Administrator, 2 Sr. Analysts, & 2 Admin Staff (5 FTEs)			Hire Sr. Housing Coordinator (1 FTE)	Hire Sr. Analyst (1 FTE)		Develop Team; Coordinate Housing		
Restructure Housing Commission	Work with Mayor to Accomplish								
Establish Financial Leverage: LISC Support	LISC (\$250K)								
Housing Preservation: Under 1 Roof	\$2.25M in General Fund: 161 Units \$2M in SA Housing Trust Request: 140 Units				\$2.25M in General Fund: 161 Units \$2M in SA Housing Trust Request: 140 Units				TBD
Housing Preservation: Owner Occupied Rehab	Hire Intake, Accounting, & Contract Staff (3 FTE)		\$6.5M: 81 Units		\$2M in General Fund: 23 Units Pending HUD Entitlement Award				TBD
Homebuyer Assistance & Counseling Programs	Hire 1 Intake Staff (1 FTE)		\$3.25M: 265 Clients		\$2.32M in General Fund: 172 Clients Pending HUD Entitlement Award				TBD

Three Year Business Plan (Continued)

	FY 2019				FY 2020				FY 2021
Activity	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Housing Trust Strategic Plan	Consultant for Operational Analysis & Strategic Plan		Finalize Strategic Plan (\$200K)		If recommended, provide dedicated revenue source to fund Housing Trust				
Accountability Dashboard & Annual Report					Design, Develop and Implement (\$200K)				
City Charter Amendment for Housing Bond					Nov. 2019 Election				
One-Stop Housing Center					Feasibility Study (If practical, implement in FY 2021)				
Add Gap Financing Funding in General Fund to Leverage Housing Units					\$3M to \$4M				\$3M to \$4M
Evaluate Dedicated Revenue Source(s) to fund affordable housing						Complete Study: Implement in FY 2021, if practical			

Three Year Business Plan (Continued)

	FY 2019				FY 2020				FY 2021
Activity	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Develop a Risk Mitigation Fund Policy (Mitigate Private or Public Funded Projects)	1 Sr. Analyst Assigned	Complete Displacement Policy							
Create a Risk Mitigation Fund to offset a portion of mitigation costs	Fund \$1M in the Risk Mitigation Fund				Fund \$1M in the Risk Mitigation Fund				\$1M
Implement a City-Wide Public Education Campaign & Develop Recs for 2021 Housing Bond									
2021 City Housing Bond and Subsequent Bond Programs									
Evaluate policy for exempting fees for affordable housing						Fund Fee Waiver Programs, if practical			
Evaluate By-Right Zoning Policy for Affordable Housing									
Develop a legislative strategy and lobbying efforts to address rising property taxes on housing									

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