


**CITY OF SAN ANTONIO  
CITY MANAGER'S OFFICE**

**TO:** Sheryl Sculley, City Manager

**FROM:** Peter Zaroni, Deputy City Manager 

**COPY:** Mayor and City Council

**SUBJECT:** 1st Quarter Report on Implementation of the Affordable Housing Business Plan

**DATE:** January 8, 2019

This provides you an update on our progress implementing the City's Affordable Housing Business Plan for the first quarter of FY 2019. The FY 2019 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 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 for the 10 housing-related activities that are included in the FY 2019 Affordable Housing Business Plan. Following the table are summary paragraphs that provide updates on each activity.

Activity	1st Quarter Status
Consolidate City Housing Staff into the Neighborhood and Housing Services Department (NHSD)	Completed
Affordable Housing Coordination across all Housing Entities	On Schedule
Reconstitute the Housing Commission	On Schedule
LISC Support Contract Execution	Completed
Under 1 Roof Program Delivery	Ahead of Schedule
Owner Occupied Rehab Program Delivery	Behind Schedule 61 of 62 Clients Qualified
Homebuyer Assistance & Counseling Programs	Behind Schedule 25 of 37 Clients Completed
Housing Trust & PFC Strategic Plan Development	On Schedule
Gap Financing awards for new Affordable Rental and Homeownership Development Projects	On Schedule
Develop a Risk Mitigation Fund Policy	On Schedule

**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.

**Coordinated Housing System:**

*On Schedule.* The Coordinated Housing System has a total of eight employees that will coordinate with over 30 housing partners in the community to coordinate information and strategies for affordable housing in San Antonio. Six of the eight positions have been filled and have begun engaging with the partner agencies to coordinate affordable housing strategies. The Affordable Housing Administrator position will be filled by early February. The final position will be advertised and filled in the last quarter of FY 2019 as scheduled in the affordable housing business plan.

**Reconstitute the Housing Commission:**

*On Schedule.* 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 will be at large appointments and will be considered for approval by City Council on Thursday, January 17. The remaining four are the CEO, or their designee, of VIA Metropolitan Transit, San Antonio Housing Authority, San Antonio Economic Development Foundation, and the San Antonio Housing Trust.

**LISC Contract Execution:**

*Completed.* The FY 2019 \$250,000 contract with LISC was fully executed in early October. With this contract, LISC will support at least 396 units of affordable housing over the year. This contract will require LISC to submit quarterly reports to NHSD. The first quarter report will be submitted no later than Tuesday, January 15. For the first quarter, LISC is required to provide at least 75 hours of Technical Assistance to at least six non-profit and/or governmental agencies, to invest \$182,000 in Capacity Building funding to non-profit organizations engaged in community development work in San Antonio, and to commit at least \$1.5 million in capital to support community development real estate projects in San Antonio.

**Under 1 Roof:**

*Ahead of Schedule.* A total of 67 roofs have been replaced in the first quarter of FY 2019. This is two more than the target of 65 roofs. The City received a \$1 million contribution in November 2018 and will replace an additional 80 roofs in FY 2019 over the initial scheduled target of 320 roofs. This will bring the total number of roofs replaced to 400 roofs in FY 2019.

**Owner Occupied Rehabilitation:**

*Behind Schedule.* NHSD has qualified 61 residents for the Owner Occupied Rehabilitation which is one less than the target of 62. The final resident will be qualified in mid-January. Construction of homes will begin in the second quarter of FY 2019. Rehabilitation of the homes will be done in a staggered approach starting in February 2019. All 62 total home rehabilitations will be completed by the end of September 2019.

**Homebuyer Assistance & Counseling Programs:**

*Behind Schedule.* NHSD staff has assisted 25 residents close on a mortgage loan through the first quarter of FY 2019. This is 12 less than the target of 37. Staff has scheduled meetings with realtors, developers and Community Housing Development Organizations to increase the pipeline of first time homebuyers. NHSD also has 24 residents prequalified for the program who are currently searching for a home to buy.

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

*On Schedule.* NHSD staff has begun reviewing and collecting background documentation for the San Antonio Housing Trust (SAHT) and Public Facility Corporation (PFC). Staff also has notified the SAHT and PFC Board of Directors to ensure they understand and are committed to the organizational review process. Both Boards are supportive. The recommended consultant that was selected through a Request for Proposals process will be considered by City Council on January 17 and begin their work in January 2019.

**Gap Financing**

*On Schedule.* 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 will be considered 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.

**Risk Mitigation Fund:**

*On Schedule.* The Risk Mitigation policy is on schedule and will be reviewed by the Comprehensive Plan Committee on January 16. The Risk Mitigation policy will provide guidelines for the utilization of the \$1 million Risk Mitigation Fund included in the FY 2019 Budget for the displacement of residents in San Antonio. Since October, staff has held six community input meetings in order to develop a draft risk mitigation policy frame work. Staff will hold four additional community meetings in January to receive feedback on the draft risk mitigation policy.

I hope this information is helpful. Please let me or Verónica Soto know if you have any questions.

**Attachment:**

FY 2019 Affordable Housing Business Plan

## City of San Antonio Recommended 10 Year Affordable Housing Business Plan

	FY 2019				FY 2020				FY 2021	FY 2022 through FY 2028
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	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	TBD
Homebuyer Assistance & Counseling Programs	Hire 1 Intake Staff (1 FTE)		\$3.2M: 265 Clients		\$2.32M in General Fund: 172 Clients Pending HUD Entitlement Award				TBD	TBD
Housing Trust Strategic Plan	Consultant for Operational Analysis & Strategic Plan		Finalize Strategic Plan (\$200K)		If recommended, provide dedicated revenue source to fund Housing Trust					

- Staff
- Programs
- Leveraged Resources

Three-Year Ramp Up

Seven-Years at Full Capacity

## City of San Antonio Recommended 10 Year Affordable Housing Business Plan

	FY 2019				FY 2020				FY 2021	FY 2022 through FY 2028
Activity	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
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	TBD
Evaluate Dedicated Revenue Source(s) to fund affordable housing						Complete Study: Implement in FY 2021, if practical				
Develop a Risk Mitigation Fund Policy (Mitigate Private or Public Funded Projects)	1 Sr. Analyst Assigned	Complete Risk Mitigation Policy								
Create a Risk Mitigation Fund to offset some portion of mitigation costs	Fund \$1M in the Risk Mitigation Fund				Fund \$1M in the Risk Mitigation Fund				\$1M	TBD
Implement a City-Wide Public Education Campaign & Develop Recs for 2021 Housing Bond										
2021 City Housing Bond and Subsequent Bond Programs										

Staff  
 Programs

Three-Year Ramp Up

Seven-Years at Full Capacity

## City of San Antonio Recommended 10 Year Affordable Housing Business Plan

	FY 2019				FY 2020				FY 2021	FY 2022 through FY 2028
Activity	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
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										

Policies

Three-Year Ramp Up

Seven-Years at Full Capacity