


# CITY OF SAN ANTONIO

## CITY MANAGER'S OFFICE

**TO:** Erik Walsh, City Manager

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

**COPY:** Mayor and City Council; San Antonio Housing Commission

**SUBJECT:** February 2019 Report on Implementation of the Affordable Housing Business Plan

**DATE:** March 8, 2019

This provides you an update on our progress implementing the City's Affordable Housing Business Plan through February 2019. The FY 2019 Affordable Business Plan is attached to this memo for reference. For this report, the Business Plan has been updated to better reflect the City's housing displacement prevention work plans.

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. Following the table are summary paragraphs that provide updates on each activity not completed to date.

Activity	2019 Status (October thru February)
Under 1 Roof Program Delivery	On Schedule 146 of 146 Roofs Completed
Owner Occupied Rehab Program Delivery	On Schedule 6 of 6 Home under Contract
Affordable Housing Coordination across all Housing Entities	On Schedule
Housing Trust & PFC Strategic Plan Development	On Schedule
Develop a Housing Risk Mitigation Fund Policy	On Schedule
Homebuyer Assistance & Counseling Programs	Behind Schedule 54 of 97 Clients 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

**Homebuyer Assistance & Counseling Programs:**

*Behind Schedule.* NHSD staff assisted 54 residents to close on a mortgage loan through the month of February. This is 43 less than the target of 97 year to date. Staff has met with realtors, developers and Community Housing Development Organizations to increase the pipeline of first-time homebuyers. Twenty-three clients are pending closing in March 2019. Recent marketing efforts have contributed to a substantial increase of online Homebuyer Incentive Program applications with a total of 331 applications received during the month of February. Staff is processing 260 applications to determine eligibility. NHSD's lending partners have pre-qualified 76 residents for mortgage loans. All 76 of the pre-qualified residents currently are searching for a home to purchase.

**Under 1 Roof:**

*On Schedule.* A total of 146 of the targeted 146 roofs have been replaced since October 1, 2018. In order to achieve the target goal, NHSD coordinated with the City Attorney's Office to develop and implement a new process to expedite the qualifying of program applicants. The new qualifying process proved very effective resulting in a total of 63 roofs being replaced in February.

**Owner Occupied Rehabilitation:**

*On Schedule.* NHSD has six approved contracts for the Owner Occupied Rehabilitation (OOR) Program which meets the target goal of six for the month of February. All six homes will begin construction in mid-March. NHSD expects that 50 OOR projects will be completed by September 30, 2019. The remaining 31 should be completed by December 31, 2019.

**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 in April 2019. The final position will be advertised and filled in the last quarter of FY 2019 as scheduled in the Affordable Housing Business Plan.

**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 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 their work began in January. The Strategic Plan is expected to be presented to the City Council Comprehensive Plan Committee in June 2019.

**Risk Mitigation Fund:**

*On Schedule.* A proposed Risk Mitigation Policy that was approved by the Comprehensive Plan Committee on February 20 will be presented to the Housing Commission on March 12 and is scheduled to be considered for approval by the City Council on March 21. Currently, staff is working to ensure that all organizations, key stakeholders, and Councilmembers are informed of the proposed policy prior to Council consideration. The Risk Mitigation Policy will provide guidelines for the utilization of the FY 2019 \$1 million Housing Risk Mitigation Fund providing housing relocation and emergency assistance to qualifying families. The Fund and policy address and minimize the effects of housing displacement—they do not address the root causes of displacement.

## City of San Antonio Recommended Three-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
- Displacement Prevention Plan/Action

Three-Year Ramp Up

Seven-Years at Full Capacity

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	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
- Displacement Prevention Plan/Action

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	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

Displacement Prevention Plan/Action

Three-Year Ramp Up

Seven-Years at Full Capacity