


# 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:** August Report on Implementation of the Affordable Housing Business Plan

**DATE:** September 4, 2019

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

The FY 2019 Adopted Budget includes \$25 million for Affordable Housing initiatives, of which \$17 million is new funding. The \$25 million budget consists of \$11.7 million for housing preservation and repair, \$7.7 million for gap financing, \$3.2 million for homebuyer assistance, \$1.4 million to develop a coordinated housing system, and a \$1 million housing Risk Mitigation Fund. In November 2018, 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	2019 Status (October through August)
Affordable Housing Coordination Across All Housing Entities	On Schedule
Housing Trust & PFC Strategic Plan Development	On Schedule
Owner Occupied Rehabilitation	Behind Schedule 19 of 38 Homes Completed 37 Homes Under Contract
Under 1 Roof Program Delivery	Behind Schedule 348 of 433 Roofs Completed
Homebuyer Assistance & Counseling Programs	Behind Schedule 202 of 227 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

**Coordinated Housing System:**

*On Schedule.* The Coordinated Housing System hosted a housing education session on August 28 where NALCAB and other national housing experts presented on municipal housing policy and finance. The next meeting will be held in October and will initiate discussion over unit targets and goals for the Coordinated Housing System. The City's Housing Tax Credit Policy is being updated for FY 2020 to encourage deeper affordability. Staff will continue to meet with stakeholder groups and solicit feedback using SA SpeakUp throughout the policy adoption process. The Removing Barriers Working Group held their third meeting on August 12, where they established three subcommittees to focus on Public Outreach, Accessory Dwelling Units, and Regulatory Cost Burdens. The three subcommittees will hold their first meetings in September.

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

*On Schedule.* The Strategic Assessment and Executive Summary were presented to both the City Council Comprehensive Plan Committee and the Housing Commission in June. An updated draft of the final report was submitted to NHSD staff on August 26. Based off of feedback, staff modified the language regarding the title of the executive director of the Trust and increased the recommended number of community members on the Foundation Board. Staff presented the recommendation to the San Antonio Housing Trust Public Facility Corporation at their August 28 meeting.

**Owner Occupied Rehabilitation:**

*Behind Schedule.* NHSD has completed the construction of 19 homes through the end of August. There are 37 homes under construction, with 13 of the homes expected to be completed in September. The remaining 49 will be completed or under construction by December 31, 2019, which will fulfill the FY 2019 target of 81 rehabilitations.

**Under 1 Roof:**

*Behind Schedule.* The FY 2019 goal changed from 400 roofs completed to 530 roofs completed because of a \$1 million donation. A total of 348 roofs have been replaced through the end of August. There are 132 files in progress. The Under 1 Roof program is on pace to meet the modified goal of 530 roofs completed or in the pipeline by the end of FY 2019.

**Homebuyer Assistance & Counseling Programs:**

*Behind Schedule.* NHSD has provided first-time housing down payment and closing costs financial assistance to 202 residents through August. This is 25 less than the target of 227 year to date. NHSD has received a total of 1,847 applications through the end of August. Staff has met with realtors, home builders and Community Housing Development Organizations to increase the pipeline of first-time homebuyers.

**Risk Mitigation Fund:**

*Completed.* The Risk Mitigation Policy was approved by 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 217 families through the end of August with risk mitigation funds. This is 52 more than the planned total of 165 families assisted year to date. Staff has developed an evaluation strategy and will begin surveying recipients of risk mitigation funds at six- and twelve-month intervals in order to enhance the policy. During the preliminary phases of assessing the Risk Mitigation Policy, staff identified the need to consider addressing evictions and more funding for emergency assistance.

**Attachment:**

FY 2019 Affordable Housing Business Plan

# City of San Antonio Recommended Three-Year Affordable Housing Business Plan

Activity	FY 2019				FY 2020				FY 2021	FY 2022 through FY 2028
	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



# City of San Antonio Recommended Three-Year Affordable Housing Business Plan

Activity	FY 2019				FY 2020				FY 2021	FY 2022 through FY 2028
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Accountability Dashboard & Annual Report					Design, Develop and Implement (\$200K)					
City Charter Amendment for Housing Bond									May 2021 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

Three-Year Ramp Up

Seven-Years at Full Capacity

# City of San Antonio Recommended Three-Year Affordable Housing Business Plan

Activity	FY 2019				FY 2020				FY 2021	FY 2022 through FY 2028
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
Evaluate policy for exempting fees for affordable housing										
Evaluate By-Right Zoning Policy for Affordable Housing										
Develop a legislative strategy and lobbying efforts to address rising property taxes on housing										
Establish Neighborhood Empowerment Zones										
Anti-Displacement Strategic Plan										
Analyze UTSA downtown										
Analyze existing anti-displacement Reports										
Update Vulnerable Communities Data										
Housing navigators to assist seniors with tax exemptions										
Land title remediation & homeowner legal assistance										

Three-Year Ramp Up

Seven-Years at Full Capacity