



City of San Antonio

Agenda Memorandum

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Agenda Date: 3/21/2019

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Verónica R. Soto, AICP

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Approval of the Risk Mitigation Policy

SUMMARY:

Ordinance approving the Risk Mitigation Policy for the \$1 million Risk Mitigation Fund included in the FY 2019 Adopted General Fund Budget establishing guidelines for housing relocation assistance and emergency housing assistance funding as a result of certain conditions.

BACKGROUND INFORMATION:

The FY 2019 Adopted Budget includes \$25 million for Affordable Housing initiatives including \$17 million in new funding. The 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.

There has been an extensive public outreach effort to develop the recommended policy. Nearly 1,700 individuals, many of them have experienced displacement; in all 10 City Council Districts have been involved in public outreach efforts. The engagement included five public meetings with at least one in each geographic quadrant of the city. The meetings were professionally facilitated and focused on gathering input on community priorities and shared ideas through participatory exercises. All meetings were live streamed on Facebook.

Additionally, surveys were used to obtain policy input and feedback. The surveys, in both English and Spanish,

were made available online and paper copies were distributed to City Council Offices, Senior Centers, Haven for Hope, San Antonio Housing Authority, and COPS Metro offices. Over 230 surveys were completed and returned for consideration in the policy development. Staff also convened three technical working group meetings with developers, housing service providers and property management companies. In addition, over 10 one-on-one small focus group discussions were held to gather specific concerns from families, service/non-profit providers, and social service agencies impacted by displacement.

The Risk Mitigation policy was reviewed by the Comprehensive Plan Committee (CPC) on December 12, 2018, January 16, 2019, and again on February 20, 2019. The CPC recommended to move the Policy to the full City Council for consideration of approval.

The San Antonio Housing Commission held a special meeting met on March 12 to review the proposed Risk Mitigation Policy. During the meeting, the Housing Commission members heard from numerous residents, had extensive dialogue regarding the process, proposed policy and discussed how this policy aligns with the comprehensive recommendations advanced by the Mayor's Housing Policy Task Force (MHPTF) under Action #4 Protect and Promote Neighborhoods. After much discussion, the Housing Commission ultimately unanimously approved the proposed Risk Mitigation Policy with four revisions. The four revisions are as follows:

1. Add an introduction to the Risk Mitigation Policy that connects the Policy to the MHPTF's policy priority on preventing, mitigating and minimizing displacement particularly in vulnerable neighborhoods. The Housing Commission clarified that the Risk Mitigation Fund was proposed as one of four strategies to assist residents impacted by displacement and asked staff not to lose sight of protecting neighborhoods.
2. Add language in the Policy regarding additional expectations of property owners and developers including any current provisions that the City has in place regarding preservation of affordable housing or displacement prevention. These provisions are currently in place in the CCHIP and the City's 2017 Neighborhood and Housing Bond.
3. Ensure that data is collected to help measure how the Policy is being implemented. Make it clear that this is a new pilot policy that will be improved by analyzing data collected from residents who use the services provided through this policy. Staff will analyze data to make adjustments to the policy one year from adoption or sooner as needed. The Commission also asked for regular reports on the status of implementation.
4. Further elaborate on the City's outreach plan for the Risk Mitigation Policy especially for those residents that are experiencing direct/indirect displacement. The Commission suggested that there be a targeted effort to provide information to residents living in neighborhoods identified by the City's Vulnerable Community Assessment.

NHSD incorporated the recommended changes to the Risk Mitigation Policy as attached to this memo. Staff also presented four options to prioritize displacement prevention in FY 2019 which would delay programs currently ongoing in the Affordable Housing Business Plan. The commission did not recommend any preference on the four options that were offered by staff to reprioritize the Business Plan to address the root causes of displacement in FY2019 rather than in FY 2020. However, it was suggested by the Commission that the four options be reviewed in further detail at the next Housing Commission meeting.

ISSUE:

The purpose of this policy is to establish guidelines for housing relocation assistance and emergency housing assistance funding. This is not a displacement prevention policy. The City's approach to displacement prevention will be to expand beyond current rehabilitation/preservation dollars, address rising property taxes

through legislative efforts, and conduct a city-wide outreach campaign to educate residents on homeownership tax exemptions, predatory homebuyers tactics and fair housing rights. Other displacement prevention policies being explored by NHSD include Neighborhood Empowerment Zones, Homestead Preservation Districts and community land trusts.

The majority of displacement prevention efforts will be worked on in Fiscal Year 2020 as outlined in the Affordable Housing Business Plan. However, staff has developed four options to prioritize displacement prevention in FY 2019 which would delay programs currently ongoing in the Affordable Housing Business Plan. The four options include 1. Delay By-Right Zoning policy development; 2. Delay Fee-Exemptions for affordable housing development; 3. Delay the Coordinated Housing System Dashboard and Annual Report; or, 4. Redirecting funding from existing housing programs to hire a consultant to complete a displacement prevention plan.

The Risk Mitigation Policy recommends two main assistance programs: 1) housing relocation assistance and 2) emergency funding for housing costs.

- 1) Relocation assistance will be used to provide financial assistance and housing counseling services to individuals and families impacted by a notice to vacate caused by redevelopment or a code enforcement action against the owner of the multifamily development or mobile home park in which they reside. This policy also seeks to provide relocation assistance to individuals and families impacted by significant increase in rental housing costs of the multifamily development or mobile home park in which they reside that may make the home unaffordable to them. Residents who are at or below 100% of the Area Median Income (AMI) as defined by HUD annually are eligible for assistance.
- 2) Emergency assistance will be used to provide short term financial assistance and housing counseling services to mitigate the potential compounding effects of hardships on vulnerable households. This fund will provide one-time emergency financial assistance payments for rent and/or utilities. Both renters and homeowners who are at or below 100% AMI are eligible.

NHSD also is planning to partner with the private sector and service providers to pilot a rental incentive fund that will be used to remove barriers to safe, decent, sanitary and affordable housing. The City will enter into an agreement with the South Alamo Regional Alliance for the Homeless (SARAH), which has already received match funding from USAA, and could include the San Antonio Apartment Association (SAAA) and the San Antonio Housing Authority (SAHA). Data will be collected through the course of the two-year pilot which will help inform the possibility of future expansion.

NHSD staff will also be coordinating with other City Departments including Center City Development and Operations and Economic Development to include language in their incentive policies that would make projects causing direct displacement ineligible for funding. This language currently is included in the Council-approved Center City Housing Incentive Program (CCHIP) and Urban Renewal Plan that guides the Housing Bond.

Funding for the Risk Mitigation Fund is included in the FY 2019 Adopted General Fund Budget and is planned to be allocated in the following amounts: \$650,000 for the Relocation Assistance Program, \$300,000 for the Emergency Assistance Program and \$50,000 for an agreement with the South Alamo Regional Alliance for the Homeless (SARAH).

FISCAL IMPACT:

This ordinance authorizes approval of the Risk Mitigation Policy intended to guide the utilization of the \$1 million Risk Mitigation Fund by establishing guidelines for relocation and emergency housing assistance funding as a result of certain conditions. Funding for the Risk Mitigation Fund is included in the FY 2019 Adopted General Fund Budget and is planned to be allocated in the following amounts: \$650,000 for the Relocation Assistance Program, \$300,000 for the Emergency Assistance Program and \$50,000 for an agreement with the South Alamo Regional Alliance for the Homeless (SARAH).

RECOMMENDATION:

Staff recommends approval of the Risk Mitigation Policy.