



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 4.

Agenda Date: 4/20/2016

In Control: Housing Committee

SUBJECT:

Briefing on Infill Housing Programs administered by the Office of Urban Renewal of San Antonio (OURSA) and San Antonio Affordable Housing Inc. (SAAH)

SUMMARY:

This item is a briefing on the activities of OURSA and SAAH to develop infill affordable housing through programs such as the Infill Pilot Program, the Neighborhood Stabilization Program, and REnewSA.

BACKGROUND INFORMATION:

OURSA is the urban renewal agency of the City of San Antonio. It was originally created by voter referendum in 1957 to eliminate slum and blight in areas of urban disinvestment designated by the City as Urban Renewal Plan Areas. It was originally named the San Antonio Development Agency (SADA) but subsequently renamed to OURSA in 2010. It is a separate legal entity whose board is appointed by the Mayor, with the consent of City Council.

The City created SAAH in 1995 as a non-profit 501(c)(3) to facilitate the development of affordable housing, improve existing housing stock, and promote the welfare of low- and moderate-income persons through related housing programs. The Articles of Incorporation were amended in 1996 to include technical and economic assistance in public infrastructure, historic conservation and preservation, as well as business and commercial development. The SAAH board is comprised of the same members as the OURSA board.

The functions of OURSA and SAAH are similar in that they both include the negotiation, acquisition, disposition, demolition, and rehabilitation of real property and all that it entails. Unique to OURSA, however, is its shared power with the City to acquire property by eminent domain.

Although similar in function, SAAH was created to provide more flexibility through which the City could achieve its affordable housing goals. Unlike OURSA, which can only operate within established Urban Renewal Plan areas and whose activities are limited by state statute, SAAH can operate with maximum flexibility to achieve its goals anywhere within the City limits with minimal statutory limitations.

Both SAAH and OURSA are parallel organizations that operate under the oversight of the Center City

Development and Operations Department and are currently engaged in the development of single family affordable housing through three infill housing programs - the Infill Pilot Program (IPP), the Neighborhood Stabilization Program (NSP), and an initiative under REnewSA. SAAH is the primary organization leading the City's infill housing efforts due to its maximum operating flexibility. OURSA's role is limited to contributing properties in its existing inventory to these programs.

To date, across all three programs, 26 new affordable homes have been built, 12 affordable homes have been rehabilitated and sold (with another two in the pipeline), and 14 lots have been acquired for future development of affordable single family homes in the next 2 years (with another five in the pipeline). This represents a total of 59 properties in the Center City which will have been converted from vacant infill lots or foreclosed properties into quality affordable single family homes. During the next two years, the NSP Program expects to acquire and rehabilitate an additional 12 homes, and the REnewSA Program hopes to acquire 15 vacant lots for the development of affordable housing.

Below is a summary of each program and its performance in target areas:

- **Infill Pilot Program**

The Infill Pilot Program was created in 2011 with a budget of \$1.5 million from the General Fund. Through the IPP, vacant lots are acquired by SAAH and sold to builders for the construction of new energy efficient, affordable homes. Interim financing and grants are provided to the builder to ensure affordability. Since the program's inception in 2011, 26 new affordable homes will have been constructed and sold to eligible families in the following areas by summer 2016:

- 8 homes in Five Points (District 1)
- 8 homes in Sunny Slope (District 3)
- 10 homes in Los Jardines (District 6)

- **Neighborhood Stabilization Program (NSP) Land Banking Program**

Through the Neighborhood Stabilization Program (NSP) Land Banking Program, created in 2013 with a budget of \$670,000 from the General Fund, SAAH acquires and rehabilitates foreclosed homes in targeted areas for sale to qualified families with incomes below 120% of the local average median income. Properties are acquired from banks, the Department of Housing and Urban Development, FHA, and other lending institutions by SAAH. Since 2013, 12 homes have been rehabilitated and sold, with another two in the pipeline.

- Council District 1 - 2 homes
- Council District 2 - 2 homes
- Council District 3 - 3 homes
- Council District 5 - 2 homes
- Council District 6 - 1 homes
- Council District 7 - 4 homes

- **REnewSA Program**

REnewSA is a new City initiative for organizing and strategically deploying community development tools to create value from vacant, neglected, and underutilized properties. Similar to the IPP, SAAH (through REnewSA) will acquire vacant infill lots and sell to builders for the construction of new energy efficient, affordable homes. Since inception in 2013, 14 lots have been acquired for future construction of affordable homes with another five lots in the pipeline for acquisition.

- 4 vacant lots - Council District 2 (Wheatley)
- 1 vacant lot - Council District 3 (Harlandale)
- 2 vacant lots - Council District 5 (University/Blueridge and Las Palmas)
- 7 vacant lots - Council District 6 (Edgewood)

Additionally, on April 14 2016, Council approved a Developer Participation Agreement between the City, SAAH, and developer New Leaf Homes. In exchange for \$300,000 in public infrastructure improvements from the Transportation and Capital Improvements Department for their master planned development located at Foster Road and St Hedwig in District 2, New Leaf Homes will construct up to eight infill homes on the Eastside. SAAH will provide the lots from its inventory upon which New Leaf Homes will build the infill homes. The first two lots will be located at 127 and 131 Gabriel Street on which New Leaf Homes will finance and build affordable homes during the first year of the agreement. Following construction and sale of the first two homes, SAAH will provide two additional infill lots to be developed each year until the commitment of building and selling eight infill homes is fulfilled.

ISSUE:

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ALTERNATIVES:

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FISCAL IMPACT:

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RECOMMENDATION:

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