MAYOR'S HOUSING POLICY TASK FORCE

City Council B Session Presentation

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June 20, 2018

CONTENT OVERVIEW

- Overview and process
- Problem statements
- Actions and recommendations
- 10-year funding target
- Request

COMMUNITY PROCESS OVERVIEW

COMPASSIONATE

MHPTF VISION

A place of **opportunity** for all current and future residents…

…meaningful **participation** in decisions that impact where people live

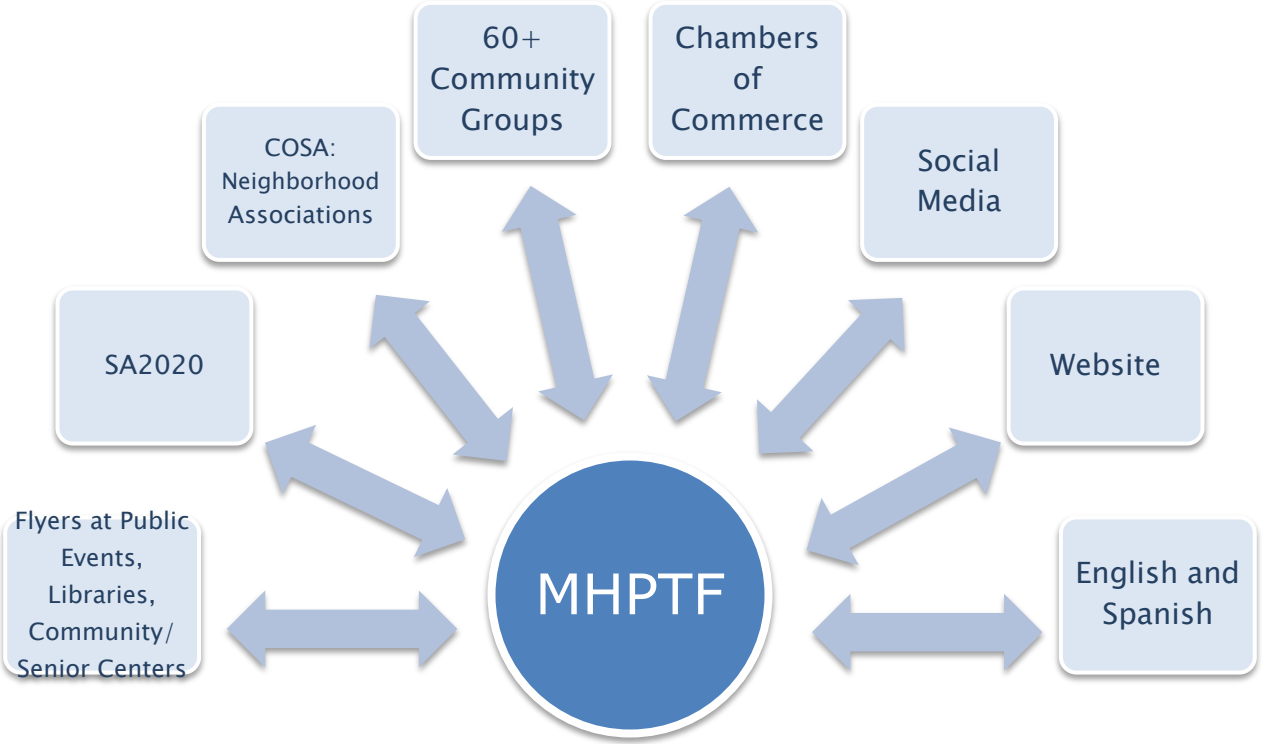
Everyone will have **a place to call home**.

…healthy neighborhoods, connected communities, and **shared prosperity**.

Housing…safe, affordable, and stable delivered through a **sustainable system**.

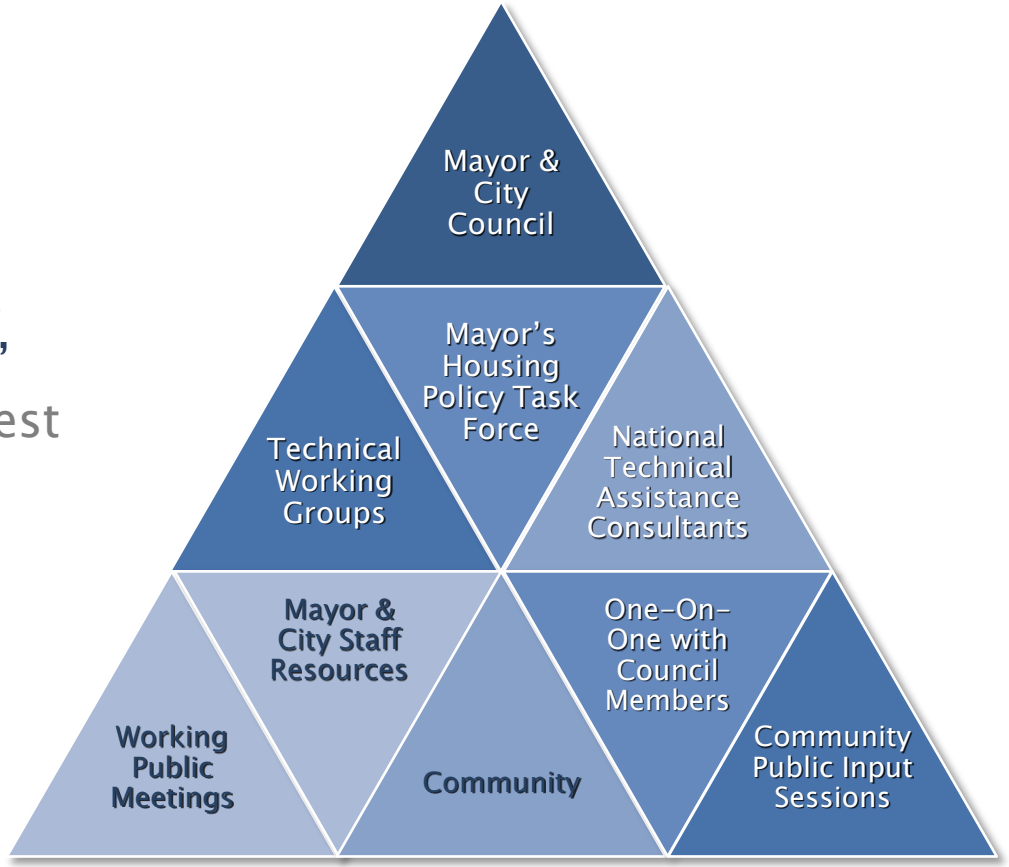
INCLUSIVE

EXTENSIVE OUTREACH AND MEANINGFUL COMMUNITY ENGAGEMENT



COMPREHENSIVE & COMPASSIONATE

Bottom Up, **Inclusive**, Informed by **Community**, **Data-Driven**, National Best Practices



PUBLIC INPUT: COMPREHENSIVE. COMPASSIONATE. ACTION DRIVEN.

PUBLIC WORKING MEETINGS: INFORM, EDUCATE, AND ELEVATE HOUSING.

TECHNICAL WORKING GROUPS

- Coordinated Housing System
- Resilient Neighborhoods
- Barriers to Development
- Funding and Financing
- Special Populations

NATIONAL & LOCAL EXPERTISE

COMMUNITY PROCESS RESULTS

CATEGORIES OF RECOMMENDATIONS

FUNDING | BARRIERS | SPECIAL POPULATIONS | COORDINATED SYSTEMS | RESILIENT NEIGHBORHOODS

FUNDING

- Land acquisition (land banking)
- Incentives (gap closure for bonds)
- Property tax relief
- Services
- Down payment assistance
- Risk mitigation funds
- Rehabilitation / home repair

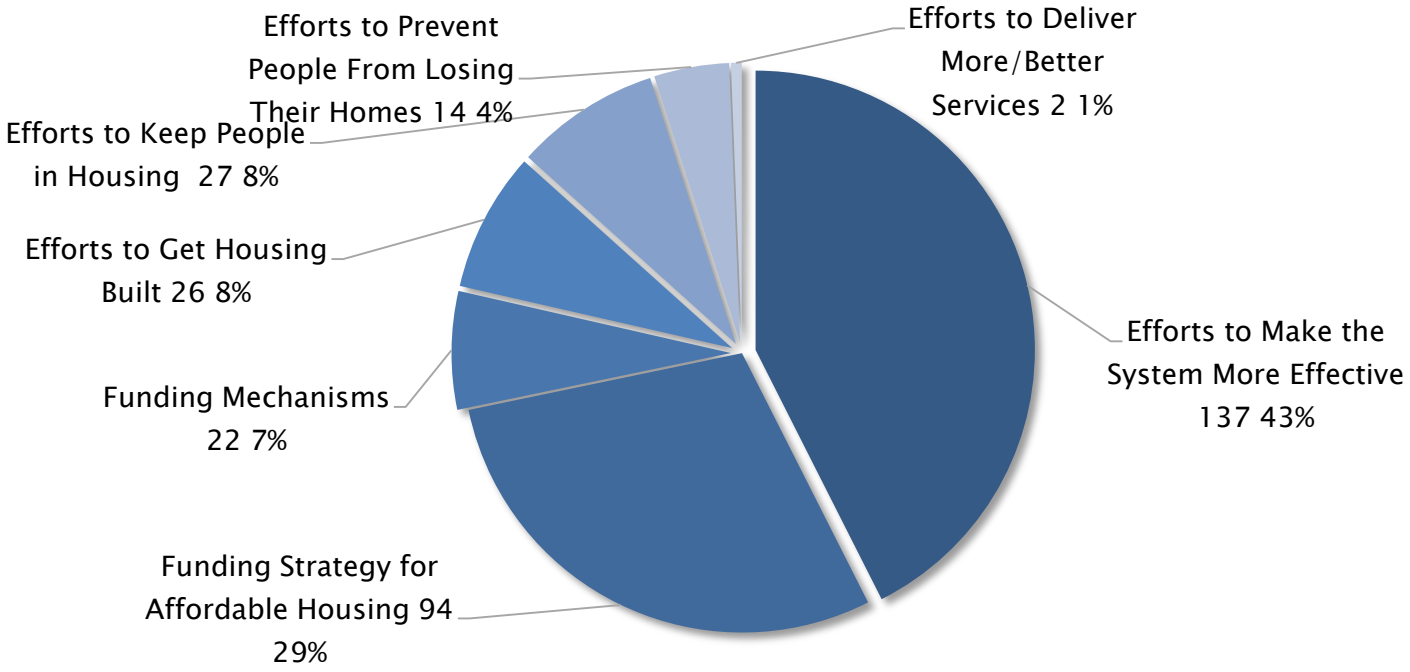
SYSTEMS

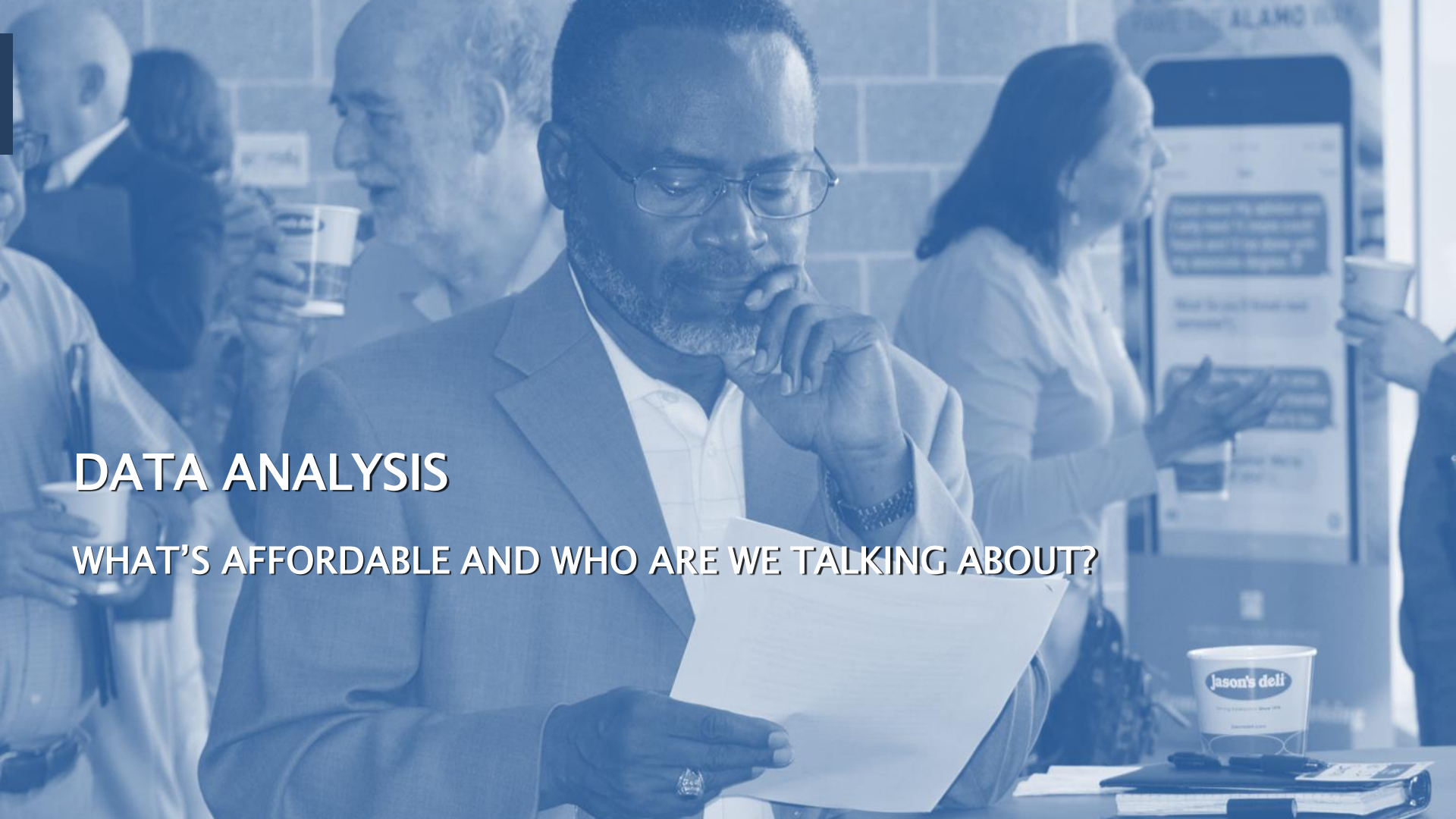
- Coordinated system
- Digital platform
- Oversight / accountability
- City charter amendments
- State legislative changes
- Local land use regulation changes
- Future land use planning

MAYOR'S HOUSING POLICY TASK FORCE

ACTION-DRIVEN

TECHNICAL WORKING GROUP RECOMMENDATIONS





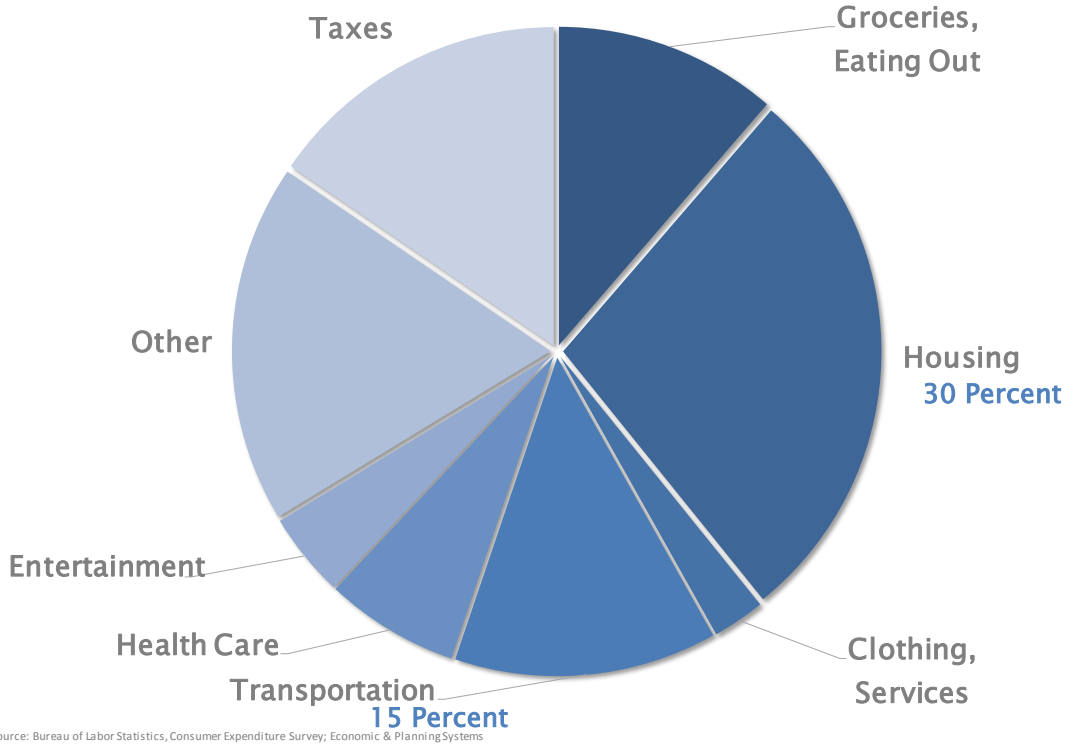
DATA ANALYSIS

WHAT'S AFFORDABLE AND WHO ARE WE TALKING ABOUT?

HOUSING AFFORDABILITY

DEFINITION

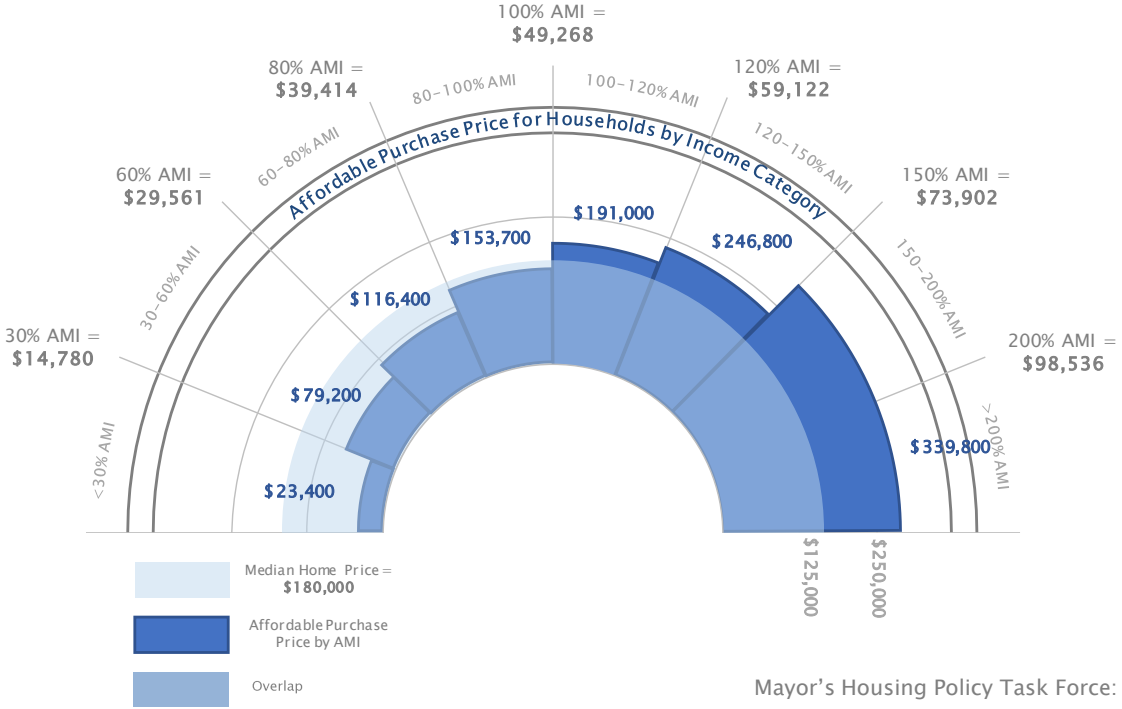
A household spends **no more than 30 percent** of income on housing



Source: Bureau of Labor Statistics, Consumer Expenditure Survey; Economic & Planning Systems

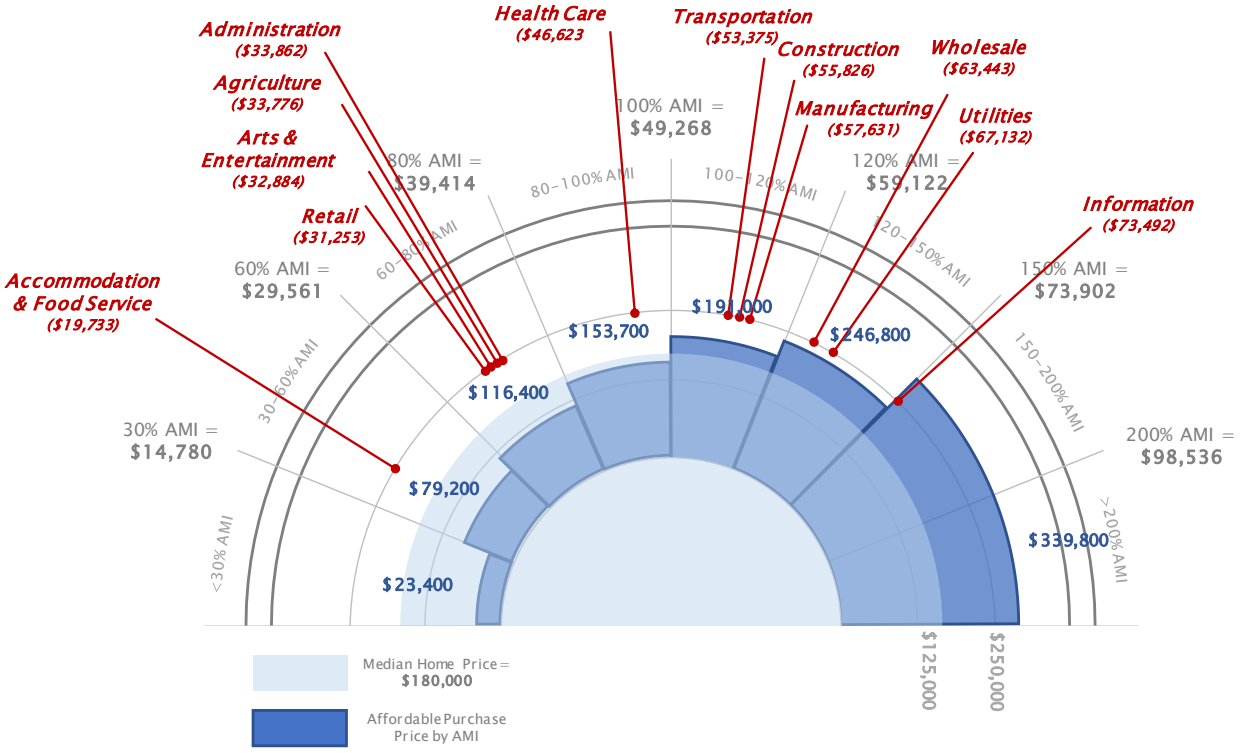
WHEN IS IT NOT AFFORDABLE?

165,000 HOUSEHOLDS ARE COST-BURDENED (SPENDING ≥ 30% OF INCOME)



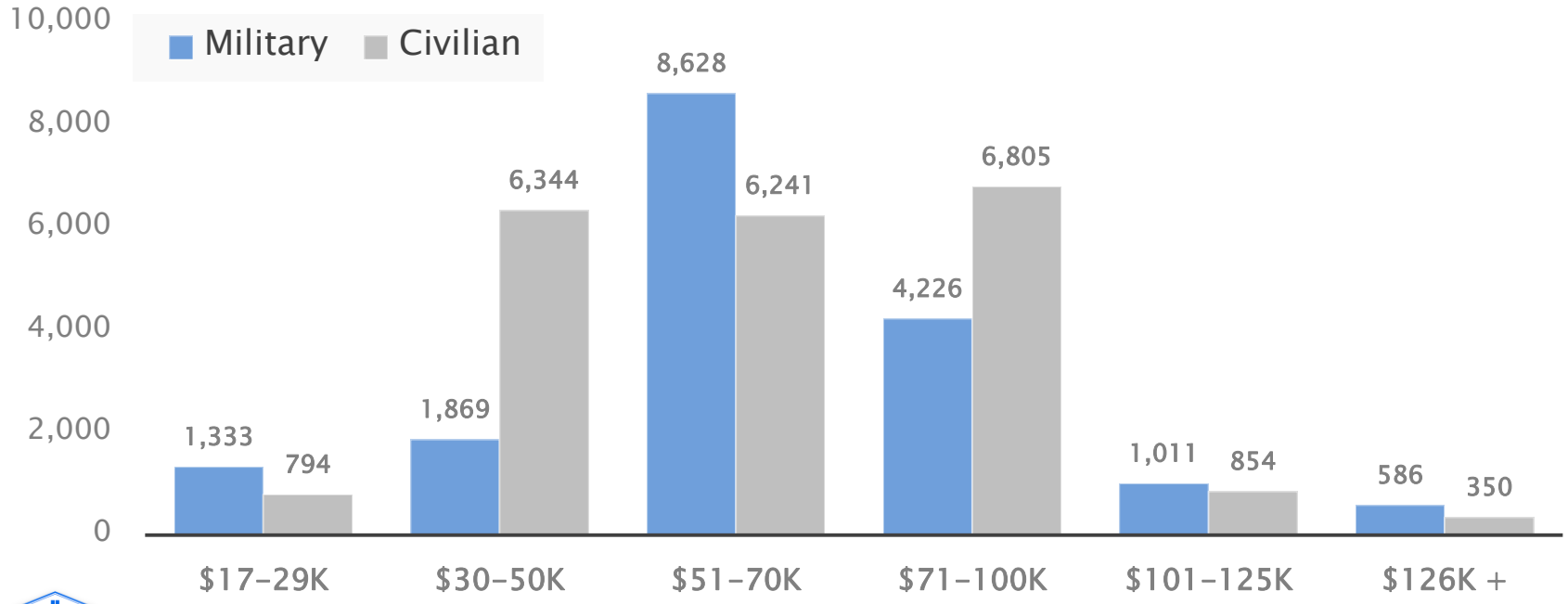
WHAT'S AFFORDABLE TO WHOM?

OCCUPATION BY INCOME & AFFORDABLE PURCHASE PRICE



JOINT BASE SAN ANTONIO (2018)

NUMBER OF EMPLOYEES BY SALARY DISTRIBUTION



WHY ARE WE HERE?

THE DATA

NARRATIVE CONTEXT

GENERAL TRENDS

Since 2005, the city has grown by an average of…

- 14,900 jobs / year
- 25,000 people / year
- 6,500 hhs / year
  - Renters: 5,761 / year *2,856 cb'd / year*
  - Owners: 777 / year *-214 cb'd / year*
- 6,600 units / year

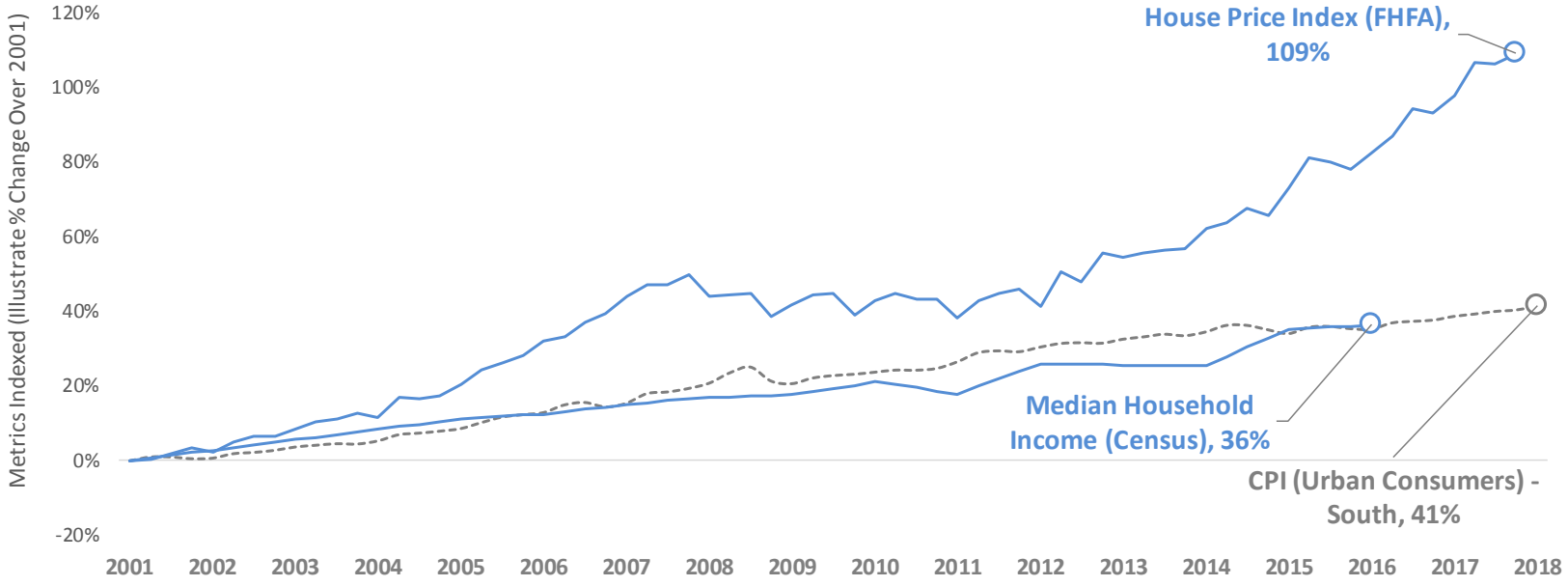
Nearly 1 to 1

***2.3** to 1*
(jobs to housing)

National Average
1 to 1

HOUSING COSTS OUTPACING INCOMES

HOUSING PRICES & MEDIAN INCOMES, 2001–18



Source: U.S. Census ACS, HUD, FHFA, BLS; Economic & Planning Systems

H:\173118-San Antonio TX Housing Policy Framework\Data\[173118-Indexes-031918.xlsx]TABLE 1 - Index Summary

BEXAR COUNTY NEW HOME ANALYSIS

METROSTUDY - BEXAR COUNTY HISTORICAL ANALYSIS - METROSTUDY							
Year	SAN ANTONIO MARKET Annual Starts TOTAL	BEXAR COUNTY Annual Starts Market % of SA	BEXAR COUNTY Annual Starts TOTAL	BEXAR COUNTY Annual Starts Detached	BEXAR COUNTY Annual Starts Attached	BEXAR COUNTY Future Lots	BEXAR COUNTY New Home Median Price
2001	8,790	82%	7,243	7,243	0	10,172	$127,009
2002	9,922	81%	7,999	7,999	0	14,030	$126,661
2003	11,445	80%	9,144	9,041	103	26,452	$135,037
2004	12,960	81%	10,452	10,328	124	28,183	$138,565
2005	16,679	82%	13,629	13,378	251	69,106	$142,193
2006	19,349	81%	15,648	15,364	284	74,984	$160,656
2007	12,827	78%	10,015	9,827	188	77,304	$175,807
2008	8,877	78%	6,930	6,814	116	73,170	$182,840
2009	7,364	77%	5,684	5,645	39	72,878	$175,964
2010	7,627	78%	5,913	5,789	124	74,250	$184,350
2011	6,972	78%	5,427	5,365	62	76,383	$191,292
2012	8,092	78%	6,294	6,191	103	75,447	$194,544
2013	8,432	73%	6,170	6,136	34	82,053	$209,007
2014	9,348	70%	6,567	6,490	77	87,709	$224,656
2015	9,654	70%	6,799	6,783	16	90,157	$240,521
2016	10,178	70%	7,150	7,089	61	87,326	$253,707
2017	11,069	69%	7,622	7,557	65	88,681	$249,272

SOURCE: METROSTUDY - For more information please contact Jack Inselmann @ (210) 525-9549.

This information can only be utilized or published with written permission from Jack Inselmann.

MAYOR'S HOUSING POLICY TASK FORCE

COMBINED NEW & EXISTING HOME SALES

BEXAR COUNTY

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Existing Homes	3,505	5,033	4,408	4,784	7,219	9,571	8,898	8,613	10,352	12,674	13,987	15,946	17,418	17,634
New Homes	10,452	13,629	15,648	10,015	6,930	5,684	5,913	5,427	6,294	6,170	6,567	6,799	7,150	7,622
Total	13,957	18,662	20,056	14,799	14,149	15,255	14,811	14,040	16,646	18,844	20,554	22,745	24,568	25,256
Percent New Homes	**75%**	73%	78%	68%	49%	37%	40%	39%	38%	33%	32%	30%	29%	**30%**
Homes Produced Below $150,000	7,500	8,500	7,983	3,800	2,200	2,100	1,800	1,538	1,700	800	500	200	180	10

SUPPLY | DEMAND MISMATCH

DEMAND: HOUSEHOLD GROWTH, 2005-16

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2005-16 Total Δ	2005-16 Ann. Δ
Demand (Households by Tenure by AMI)														
Owner														
Less than 30% AMI	19,471	22,511	18,981	20,957	20,460	18,420	16,521	18,973	19,948	19,420	19,230	19,520	49	4
31% to 60% AMI	30,956	31,248	30,606	31,429	34,419	30,960	28,857	33,048	29,480	31,875	32,641	30,578	-379	-34
61% to 80% AMI	21,850	23,984	23,206	21,308	21,688	22,670	25,730	21,308	21,230	22,769	22,247	23,810	1,960	178
81% to 120% AMI	48,169	46,678	42,895	42,197	44,756	42,801	45,760	41,756	44,377	41,680	41,846	46,106	-2,063	-188
Greater than 120% AMI	138,061	146,096	147,094	151,166	151,322	147,953	149,154	149,283	147,220	148,643	140,325	147,044	8,984	817
Subtotal Owner	**258,507**	**270,517**	**262,783**	**267,057**	**272,645**	**262,804**	**266,021**	**264,368**	**262,256**	**264,388**	**256,288**	**267,058**	**8,551**	**777**
Renter														
Less than 30% AMI	40,884	39,423	38,176	45,858	41,623	46,049	45,100	47,038	49,062	47,850	44,586	45,058	4,174	379
31% to 60% AMI	38,102	36,897	42,149	40,975	45,374	45,241	53,358	48,871	50,891	50,641	51,591	50,547	12,445	1,131
61% to 80% AMI	21,632	23,614	26,190	21,562	24,218	25,696	24,922	26,171	28,041	29,744	29,665	28,012	6,380	580
81% to 120% AMI	30,217	35,031	35,883	33,570	34,537	38,448	38,591	40,145	42,319	35,841	43,386	43,660	13,443	1,222
Greater than 120% AMI	36,885	39,263	39,171	38,084	43,886	51,986	54,791	54,099	60,533	64,476	68,828	63,819	26,934	2,449
Subtotal Renter	**167,720**	**174,229**	**181,569**	**180,049**	**189,638**	**207,419**	**216,762**	**216,325**	**230,846**	**228,552**	**238,056**	**231,096**	**63,376**	**5,761**
Total Households	**426,227**	**444,746**	**444,352**	**447,106**	**462,283**	**470,223**	**482,783**	**480,693**	**493,102**	**492,940**	**494,344**	**498,154**	**71,927**	**6,539**

Source: U.S. Census, ACS DP-4, B25118; Economic & Planning Systems

H:\173118- San Antonio TX Housing Policy Framework\Data\[173118- Housing Gaps.xlsx]TABLE 2 - Hist Gaps

SUPPLY | DEMAND MISMATCH

SUPPLY: HOUSING INVENTORY GROWTH, 2005-16

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2005-16 Total Δ	2005-16 Ann. Δ
Supply (Housing Units by Tenure by AMI)														
Owner														
Less than 30% AMI	1,823	1,735	696	2,478	2,591	2,464	2,654	3,234	5,765	6,054	4,231	3,127	1,304	119
31% to 60% AMI	40,574	38,126	32,926	29,471	28,196	30,288	28,673	41,739	36,005	37,605	41,974	42,946	2,372	216
61% to 80% AMI	62,655	63,037	58,592	52,883	55,708	57,970	56,095	59,816	58,388	57,407	54,575	52,619	-10,037	-912
81% to 120% AMI	90,017	86,608	82,364	85,847	90,246	81,382	86,909	78,086	78,872	70,798	75,200	75,653	-14,364	-1,306
Greater than 120% AMI	63,437	81,010	88,205	96,378	95,904	90,699	91,690	81,493	83,227	92,524	80,307	92,713	29,275	2,661
Subtotal Owner	**258,507**	**270,517**	**262,783**	**267,057**	**272,645**	**262,804**	**266,021**	**264,368**	**262,256**	**264,388**	**256,288**	**267,058**	**8,551**	**777**
Renter												0		
Less than 30% AMI	12,798	12,081	11,107	11,219	9,226	12,499	12,922	12,213	11,813	11,105	12,245	13,029	230	21
31% to 60% AMI	52,159	53,130	53,194	48,851	49,602	54,989	49,059	54,489	56,145	41,726	52,297	48,181	-3,978	-362
61% to 80% AMI	53,496	50,377	55,395	54,211	56,741	60,369	60,023	63,719	66,713	67,902	70,556	67,877	14,381	1,307
81% to 120% AMI	34,422	39,824	42,932	46,365	51,297	55,709	65,114	54,381	64,980	74,045	72,146	68,507	34,085	3,099
Greater than 120% AMI	8,363	10,261	8,850	12,007	15,968	16,031	19,396	20,146	22,788	25,802	21,744	24,642	16,279	1,480
Subtotal Renter	**167,720**	**174,229**	**181,569**	**180,049**	**189,638**	**207,419**	**216,762**	**216,325**	**230,846**	**228,552**	**238,056**	**231,096**	**63,376**	**5,761**
Total Housing Units	**426,227**	**444,746**	**444,352**	**447,106**	**462,283**	**470,223**	**482,783**	**480,693**	**493,102**	**492,940**	**494,344**	**498,154**	**71,927**	**6,539**

Source: U.S. Census, ACS DP-4, B25118; Economic & Planning Systems

H:\173118- San Antonio TX Housing Policy Framework\Data\[173118- Housing Gaps.xlsx]TABLE 2 - Hist Gaps

SUPPLY | DEMAND MISMATCH

THE "GAPS" BETWEEN SUPPLY & DEMAND

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2005-16 Total Δ	2005-16 Ann. Δ
Gaps														
Owner														
Less than 30% AMI	-17,649	-20,776	-18,284	-18,479	-17,869	-15,956	-13,867	-15,739	-14,183	-13,366	-14,999	-16,393	1,255	114
31% to 60% AMI	9,618	6,878	2,319	-1,958	-6,224	-672	-184	8,691	6,525	5,729	9,334	12,368	2,750	250
61% to 80% AMI	40,806	39,053	35,386	31,575	34,021	35,300	30,365	38,507	37,157	34,638	32,329	28,809	-11,997	-1,091
81% to 120% AMI	41,848	39,930	39,468	43,650	45,490	38,582	41,150	36,330	34,494	29,118	33,354	29,547	-12,301	-1,118
Greater than 120% AMI	-74,623	-65,085	-58,889	-54,788	-55,418	-57,254	-57,464	-67,790	-63,994	-56,119	-60,018	-54,331	20,292	1,845
Subtotal Owner	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Renter														
Less than 30% AMI	-28,086	-27,343	-27,070	-34,639	-32,397	-33,551	-32,178	-34,825	-37,249	-36,745	-32,341	-32,030	-3,944	-359
31% to 60% AMI	14,057	16,233	11,045	7,876	4,228	9,748	-4,299	5,617	5,253	-8,915	706	-2,366	-16,423	-1,493
61% to 80% AMI	31,864	26,763	29,205	32,649	32,523	34,674	35,101	37,548	38,672	38,159	40,891	39,865	8,001	727
81% to 120% AMI	4,205	4,793	7,049	12,795	16,760	17,262	26,522	14,236	22,661	38,203	28,760	24,847	20,642	1,877
Greater than 120% AMI	-28,523	-29,002	-30,322	-26,077	-27,918	-35,955	-35,394	-33,953	-37,745	-38,674	-47,085	-39,178	-10,655	-969
Subtotal Renter	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Gap in Units	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: U.S. Census, ACS DP-4, B25118; Economic & Planning Systems

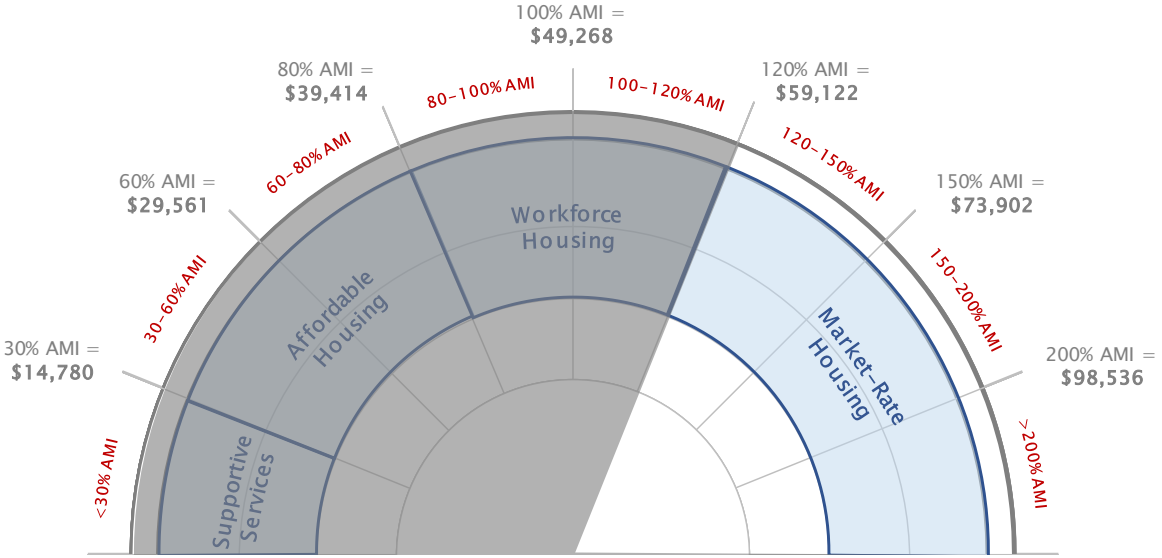
H:\173118- San Antonio TX Housing Policy Framework\Data\[173118- Housing Gaps.xlsx]TABLE 2 - Hist Gaps

HOUSEHOLDS SPENDING TOO MUCH ON HOUSING

165,000 HOUSEHOLDS ARE COST-BURDENED (SPENDING ≥ 30% OF INCOME)

- 21% homeowners
- 48% renters

51,000 hhs (<30% AMI)
51,500 hhs (30-60% AMI)
27,000 hhs (60-80% AMI)
17,700 hhs (80-100% AMI)
6,000 hhs (100-120% AMI)
12,200 hhs (<120% AMI)



CITY IS LOSING HOMEOWNERS

NEW OWNER INVESTMENT DECLINE, OWNERSHIP RATE DECLINE

30-year fixed rate mortgage declined from **5.8 percent** to **3.6 percent** between 2005 and 2016.

The portion of **owner households with a mortgage** dropped from **67 to 60 percent**.

The ownership rate dropped from 61 to 54 percent.

PROJECTION OF TRENDS

OVER THE NEXT 10 YEARS…

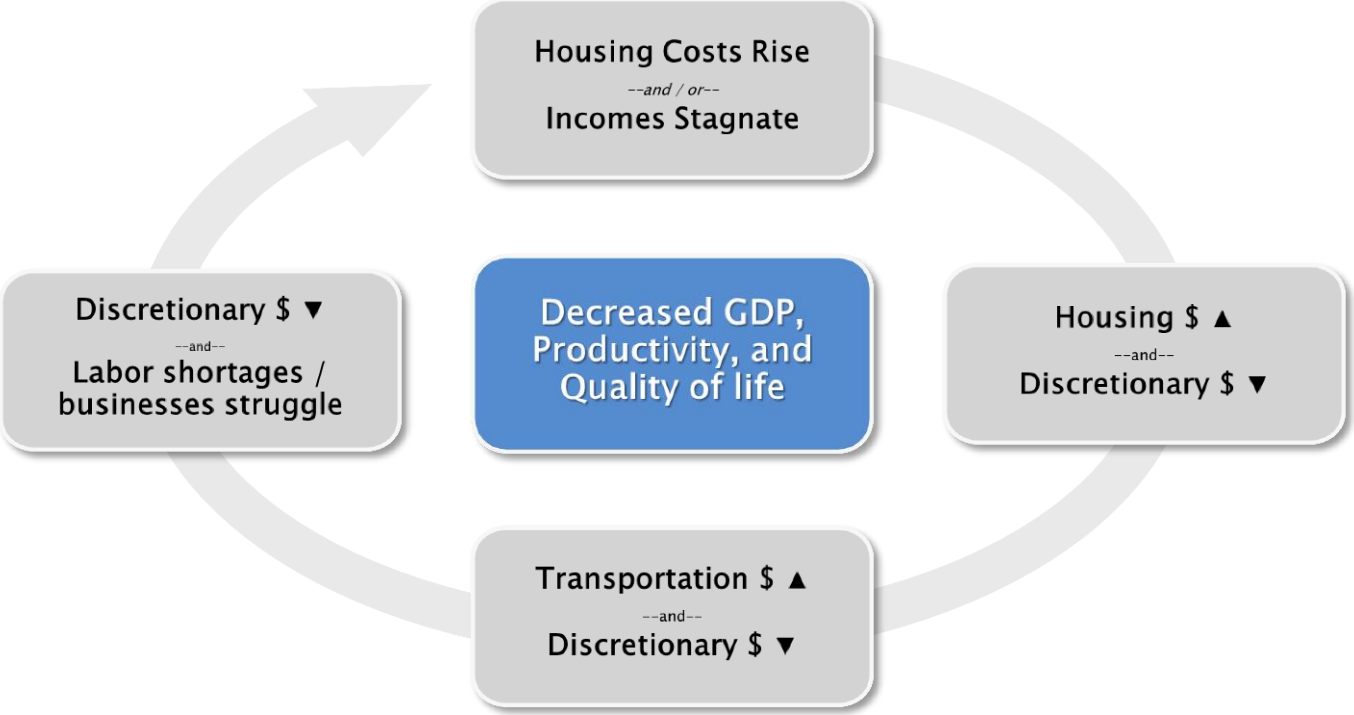
- Continued **decline** of federal assistance
- **34,300 more cost-burdened renter** households
- Mortgage **interest rates will rise**
- Further **owner disinvestment**
- The supply of housing for renters <60% AMI and for owners <80% AMI will fall short of demand by another **29,400 units**
- Homelessness and need for services will increase

WHY IS THIS IMPORTANT?

Source: Housingwire

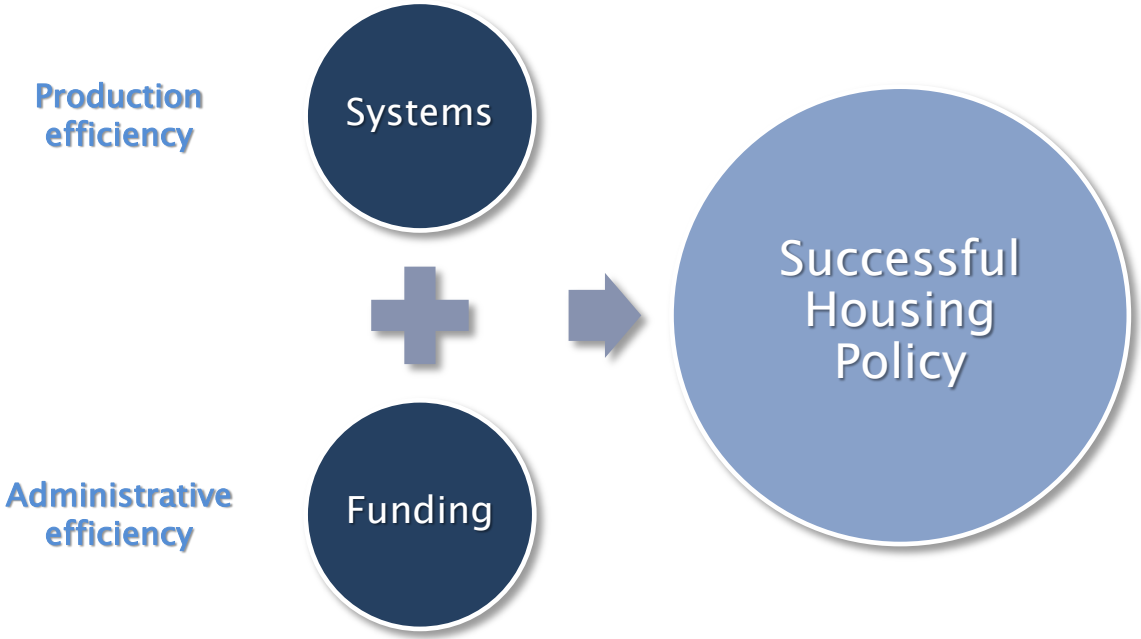
HOW DO HOUSING COSTS IMPACT THE ECONOMY?

SPENDING ON SHELTER & TRANSPORTATION INCREASES ⇨ ECONOMIC IMPACTS



ACTIONS, POLICIES, & RECOMMENDATIONS

ECONOMIC PRINCIPLES



OVERARCHING ACTIONS

1) DEVELOP A COORDINATED HOUSING SYSTEM

2) INCREASE AFFORDABLE HOUSING PRODUCTION, REHABILITATION, AND PRESERVATION

3) PROTECT AND PROMOTE NEIGHBORHOODS

4) ENSURE ACCOUNTABILITY TO THE PUBLIC

5) INCREASE CITY INVESTMENT IN HOUSING

1) DEVELOP A COORDINATED HOUSING SYSTEM

PRIORITY: Prioritize housing and neighborhoods in City organizational structure

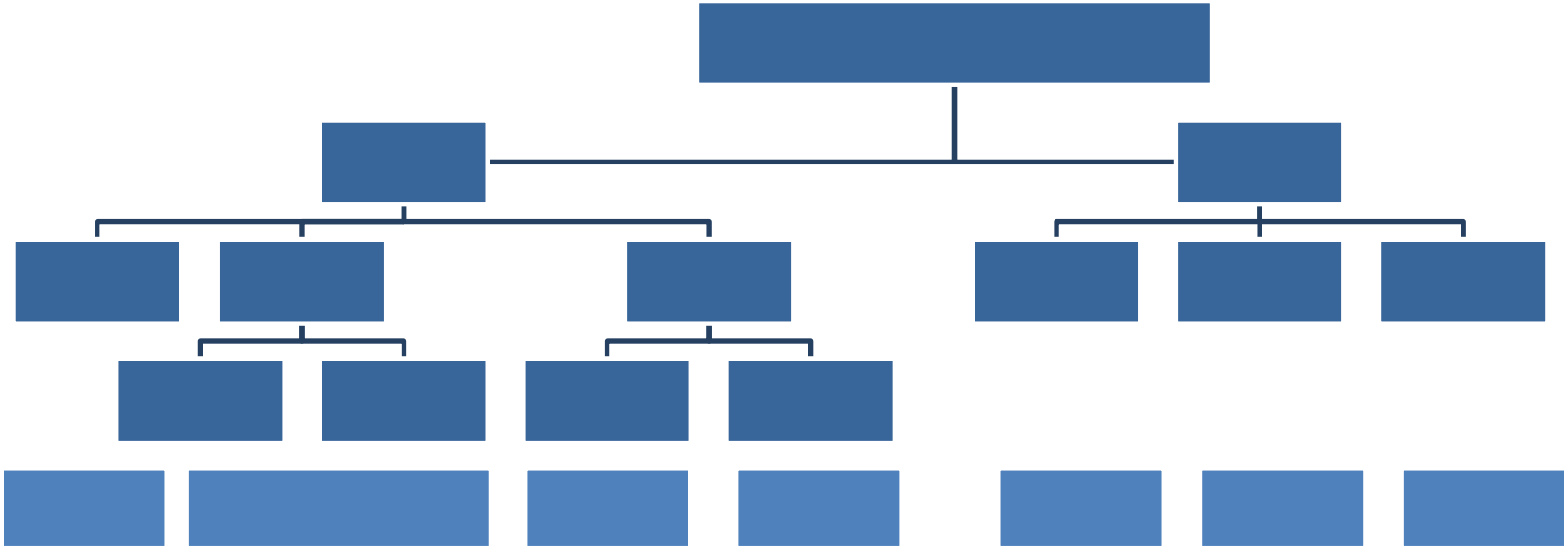
Executive position in City Manager's Office

Fully resource and staff NHSD

PRIORITY: City should take a leadership role in coordinating community-wide housing system with housing and service providers

Fund a One-Stop Housing Center, including an online portal

HYPOTHETICAL NHSD ORGANIZATIONAL CHART



18 New Positions

2) INCREASE AFFORDABLE HOUSING PROD., REHAB., PRES.

PRIORITY: Stabilize homeownership rate by increasing production, rehabilitation, and preservation of affordable homes

- Prioritize city funding / incentives on units affordable to households up to 120% AMI
- Increase funding for down payment assistance and homebuyer counseling
- Increase funding for housing rehabilitation programs, incl. but not limited to Owner-Occupied Rehab, Under One Roof, Minor Repair

PRIORITY: Increase production, rehabilitation, and preservation of affordable rental units

- Funding / incentives on units affordable to households up to 60% AMI, with graduated reduction in funding from 61% to 80% AMI
- Prioritize funding for new rental housing in all communities that are linked with transportation, jobs, and cultural assets

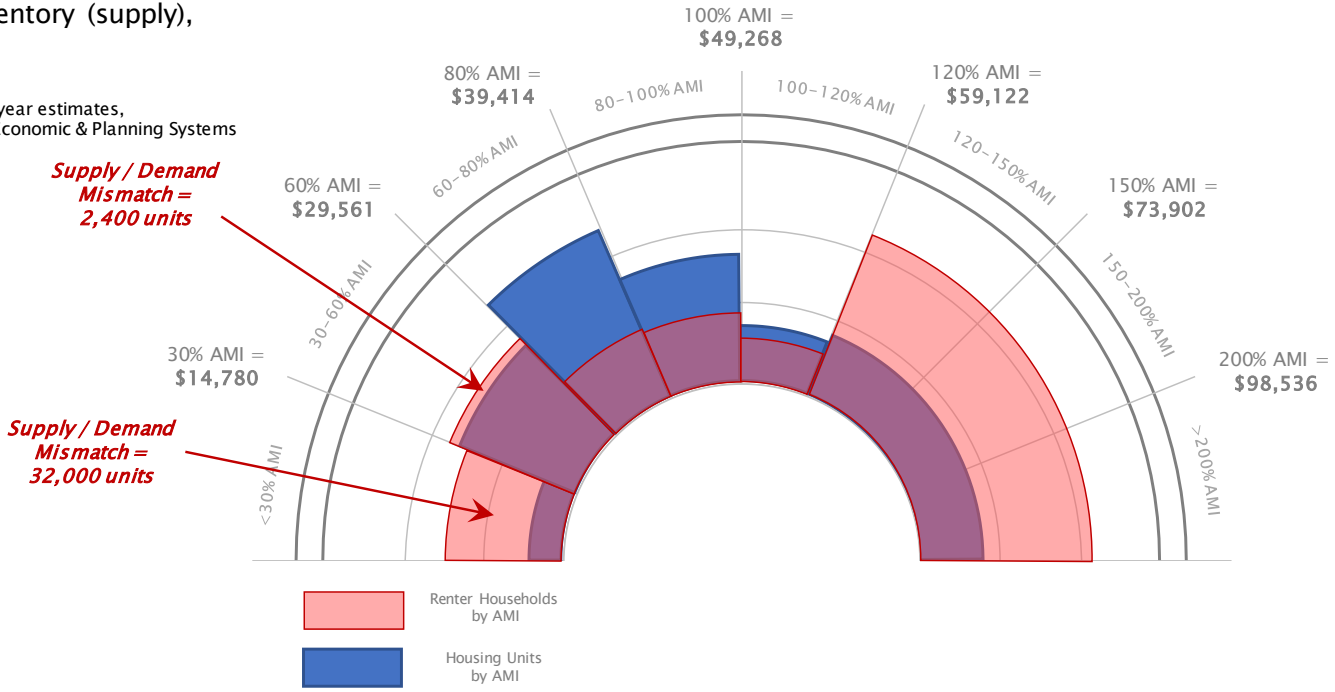
MAYOR'S HOUSING POLICY TASK FORCE

INCENTIVES

RECOMMENDATIONS MENTION 60% AMI OR LOWER MORE THAN 12 TIMES

Renter households (demand) and rental housing inventory (supply), 2016

Source: U.S. Census ACS 1-year estimates, B19019, B25063, B25118; Economic & Planning Systems



2) INCREASE AFFORDABLE HOUSING PROD., REHAB., PRES. (CONT'D)

PRIORITY: Create housing opportunities for the most vulnerable residents (including but not limited to homeless, seniors, youth aging out of the foster care system, and people with disabilities)

- Increase funding for service-enriched housing

PRIORITY: Remove barriers to housing production

- Undertake an inclusive public process to determine standards and criteria to allow by-right zoning in which at least 50% of units are affordable
- Exempt affordable housing from SAWS impact fees
- Revise the UDC to remove regulatory barriers to affordable housing

3) PROTECT AND PROMOTE NEIGHBORHOODS

PRIORITY: Address the impact of rising property taxes on affordability

- Immediately implement affordable housing tax and appraisal protections, such as tax exemptions, preservation districts, and TIFs

PRIORITY: Prevent and mitigate displacement

- Require public agencies to conduct a displacement impact assessment for projects receiving ≥$15M public investment, and budget for mitigation
- Create a fund to mitigate impacts of displacement, incl. relocation assistance for households ≤80% AMI, rapid re-housing, housing navigators
- Fund proactive outreach and counseling to low- and moderate-income households experiencing housing vulnerability

MAYOR'S HOUSING POLICY TASK FORCE

3) PROTECT AND PROMOTE NEIGHBORHOODS (CONT'D)

PRIORITY: Reduce housing discrimination and expand opportunity

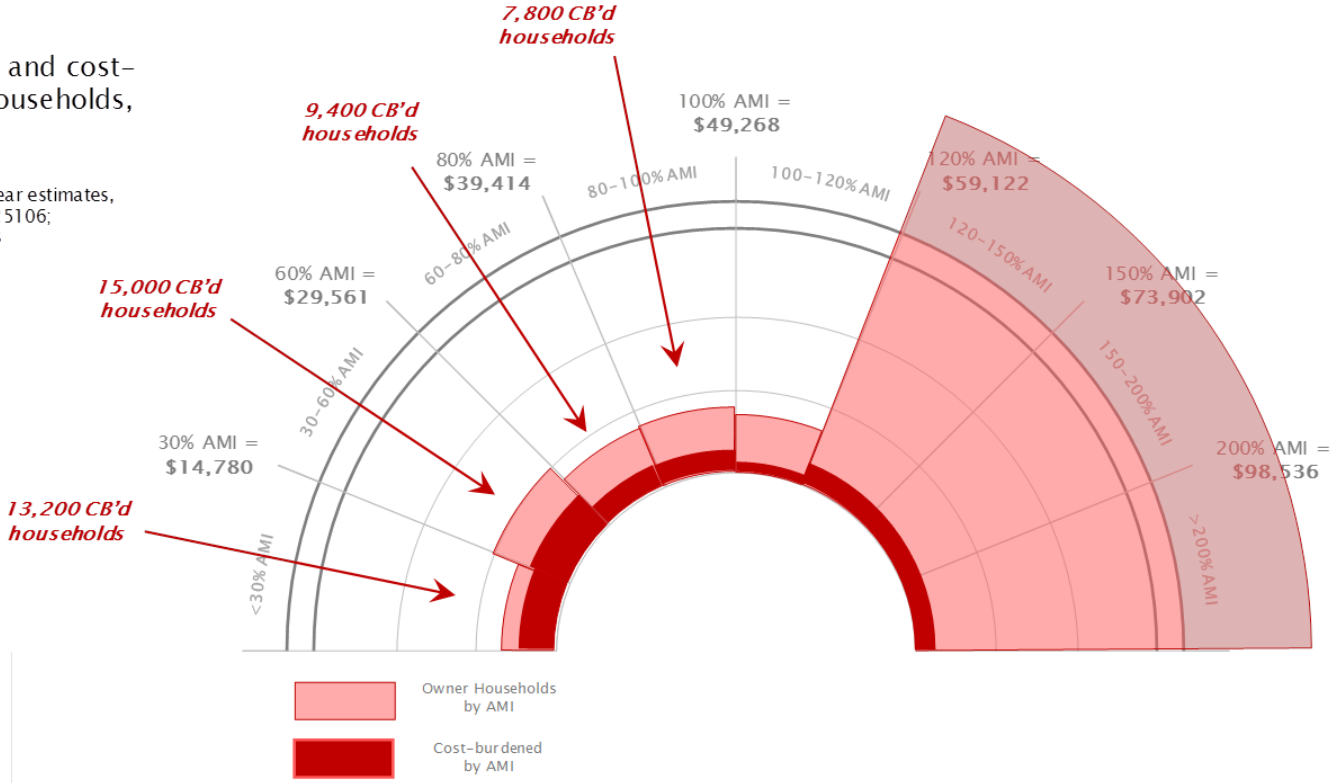
Implement a city-wide public education and outreach campaign about the importance of housing

PROPERTY TAX RELIEF

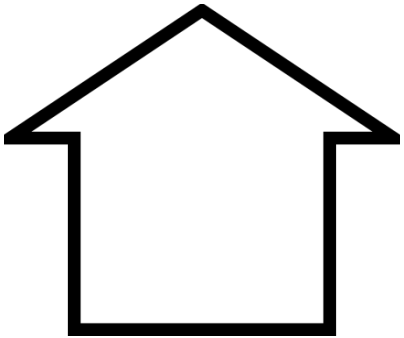
OWNER HOUSEHOLD COST-BURDEN

Owner households and cost-burdened owner households, 2016

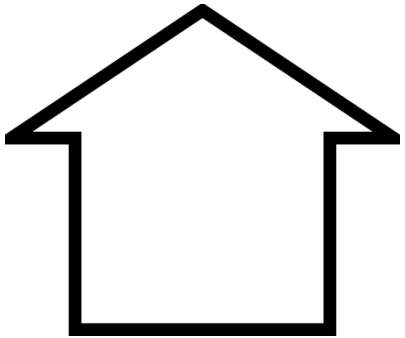
Source: U.S. Census ACS 1-year estimates, B19019, B25063, B25118, B25106; Economic & Planning Systems



IMPACT OF TAXES



Average Appraisals and Resulting Tax
+ Increase of 36 Percent =
Over 5 Years



$150,000 Home
Existing Payment

Mortgage Taxes & Insurance $1,220

Required Yearly Income
$49,000

Additional
$1,350 in Taxes

This homeowner is now spending 33 percent gross income on housing and is cost-burdened.

$204,000 Home
Payment

New Mortgage Taxes & Insurance $1,331

Required Yearly Income
$53,400

VULNERABLE NEIGHBORHOODS

Top Twenty-Five Block Groups with the Greatest Increase in Property Appraisal in Bexar County, 2011 – 2016

Neighborhood	Block Group ID	2011 Avg. Appraised Value	2016 Avg. Appraised Value	Percent Change 2011-2016	Median Household Income
Dignowity Hill	480291919005	$61,790	$139,659.59	130%	$25,102
Tobin Hill /Downtown	480291109001	$68,389	$154,518.42	130%	$58,438
Dignowity Hill	480291919001	$47,162	$99,303.71	110%	$59,464
Lone Star	480291501001	$50,108	$101,219.33	100%	$41,053
Five Points/Downtown	480291101003	$60,054	$121,185	100%	$47,988
Dignowity Hill/Government Hill	480291919004	$40,992	$78,556.67	92%	$27,083
Dignowity Hill/Jefferson Heights	480291919003	$39,048	$74,218.52	90%	$24,125
Tobin Hill /Downtown	480291101001	$160,701	$303,178.75	89%	$31,314
Bel Meade /The Towers on Park Lane	480291204006	$217,538	$409,308.62	88%	$56,667
Dignowity Hill	480291108002	$149,578	$280,825.00	88%	$14,531
Tobin Hill	480291919002	$46,440	$86,825.54	87%	$25,556
Collins Garden	480291501004	$42,754	$77,595.71	81%	$30,529
Five Points/Uptown NA	480291107001	$52,929	$95,905.07	81%	$13,323
Walzem/Gibbs Sprawl*	480291215082	$30,656	$53,981.73	76%	$27,455
Tobin Hill	480291902002	$107,942	$188,500.79	75%	$48,229
Government Hill /Downtown	480291110002	$61,381	$107,035.87	74%	$53,611
Government Hill /Downtown	480291110001	$69,101	$119,122.29	72%	$20,119
Uptown NA	480291901004	$54,422	$92,081.59	69%	$28,250
Tobin Hill	480291108001	$118,654	$200,459.17	69%	$31,319
Lone Star	480291205022	$49,650	$83,317.58	68%	$27,177
Lone Star	480291501002	$45.582	$76,403.72	68%	$28,352
Government Hill /Downtown	480291110003	$45,249	$75,671.36	67%	$37,031
Austin Highway/410	480291205025	$51,319	$85,729.15	67%	$12,354
Tobin Hill	480291108003	$151,922	$250,592.16	65%	$39,271
Lone Star/Collins Garden	480291620032	$55,590	$91,307.94	64%	$41,397

* The Gibbs Sprawl/Walzem Census Block Group falls outside the City of San Antonio city limits in unincorporated Bexar County.

4) ENSURE ACCOUNTABILITY TO THE PUBLIC

PRIORITY: Create a governance structure for oversight and public engagement

- Redefine the Housing Commission as a public oversight board to guide the implementation of the MHPTF's recommendations and engage the public
- Develop an annual report to track and publicly report results of the full housing system

5) INCREASE CITY INVESTMENT IN HOUSING

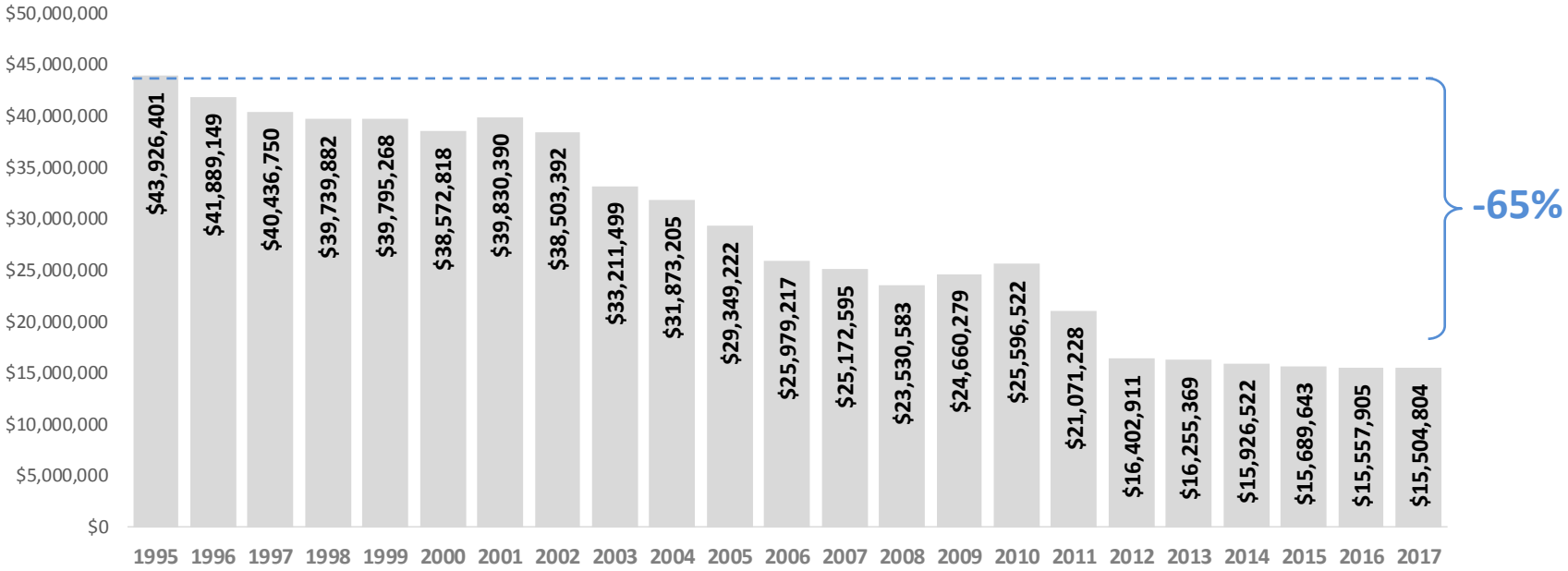
- **PRIORITY: Develop a 10-year financing plan for affordable housing production and preservation**
- Increase General Fund revenue substantially
- Create dedicated revenue source(s)
- Establish financial leverage as a top priority in utilization of public funds, incl. private, nonprofit, philanthropic, and sweat equity
- Conduct comprehensive assessment of Housing Trust and provide dedicated revenue
- Revise City charter to allow bond revenue to be used for affordable housing

PICKING A FUNDING STRATEGY

Source: Housingwire

METHOD 1: REPLACE WHAT'S LOST (AND WILL BE)

CDBG/HOME AWARDS (IN 2017 DOLLARS)



Source: HUD; Economic & Planning Systems

METHOD 2: ADDRESSING INVENTORY MISMATCH

SUPPLY | DEMAND MISMATCH

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2005-16 Total Δ	2005-16 Ann. Δ
Gaps														
Owner														
Less than 30% AMI	-17,649	-20,776	-18,284	-18,479	-17,869	-15,956	-13,867	-15,739	-14,183	-13,366	-14,999	-16,393	1,255	114
31% to 60% AMI	9,618	6,878	2,319	-1,958	-6,224	-672	-184	8,691	6,525	5,729	9,334	12,368	2,750	250
61% to 80% AMI	40,806	39,053	35,386	31,575	34,021	35,300	30,365	38,507	37,157	34,638	32,329	28,809	-11,997	-1,091
81% to 120% AMI	41,848	39,930	39,468	43,650	45,490	38,582	41,150	36,330	34,494	29,118	33,354	29,547	-12,301	-1,118
Greater than 120% AMI	-74,623	-65,085	-58,889	-54,788	-55,418	-57,254	-57,464	-67,790	-63,994	-56,119	-60,018	-54,331	20,292	1,845
Subtotal Owner	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Renter														
Less than 30% AMI	-28,086	-27,343	-27,070	-34,639	-32,397	-33,551	-32,178	-34,825	-37,249	-36,745	-32,341	-32,030	-3,944	-359
31% to 60% AMI	14,057	16,233	11,045	7,876	4,228	9,748	-4,299	5,617	5,253	-8,915	706	-2,366	-16,423	-1,493
61% to 80% AMI	31,864	26,763	29,205	32,649	32,523	34,674	35,101	37,548	38,672	38,159	40,891	39,865	8,001	727
81% to 120% AMI	4,205	4,793	7,049	12,795	16,760	17,262	26,522	14,236	22,661	38,203	28,760	24,847	20,642	1,877
Greater than 120% AMI	-28,523	-29,002	-30,322	-26,077	-27,918	-35,955	-35,394	-33,953	-37,745	-38,674	-47,085	-39,178	-10,655	-969
No cash rent														
Subtotal Renter	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Gap in Units	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: U.S. Census, ACS DP-4, B25118; Economic & Planning Systems

H:\173118-San Antonio TX Housing Policy Framework\Data\Affordability and Income\[173118-Housing Gaps.xlsx]TABLE 2 - Hist Gaps

METHOD 3: ELIMINATING "OVERSPENDING"

COST-BURDENED HOUSEHOLDS BY AMI (CITY), 2005-16

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2005-16 Total Δ	2005-16 Ann. Δ
Cost-Burdened Households														
Owner														
Less than 30% AMI	14,344	17,468	14,866	15,623	15,503	13,558	12,081	15,076	13,738	15,189	14,543	13,214	-1,130	-103
31% to 60% AMI	14,333	17,364	15,795	15,401	15,767	14,923	14,970	14,790	14,109	15,308	14,986	14,973	640	58
61% to 80% AMI	9,542	11,453	11,470	10,064	10,742	10,948	12,476	9,314	9,045	9,731	8,746	9,366	-176	-16
81% to 120% AMI	11,929	15,217	13,476	13,615	14,789	11,476	16,452	12,391	10,052	10,855	9,782	11,279	-650	-59
Greater than 120% AMI	9,312	10,958	11,857	13,963	12,571	12,620	12,016	9,842	10,524	9,953	6,589	8,269	-1,042	-95
Subtotal Owner	**59,460**	**72,460**	**67,464**	**68,666**	**69,372**	**63,525**	**67,995**	**61,413**	**57,467**	**61,035**	**54,646**	**57,101**	**-2,359**	**-214**
Renter														
Less than 30% AMI	32,522	28,554	29,785	31,726	33,042	34,340	36,578	36,461	39,944	37,937	36,618	36,885	4,363	397
31% to 60% AMI	26,576	25,154	26,130	28,086	29,301	30,167	33,125	32,524	35,597	37,605	36,598	36,515	9,939	904
61% to 80% AMI	10,058	12,739	13,721	15,407	16,252	17,055	19,099	17,247	19,072	22,273	17,839	17,769	7,711	701
81% to 120% AMI	6,072	7,704	7,273	7,776	8,819	9,905	10,841	8,900	10,678	10,119	11,388	12,459	6,387	581
Greater than 120% AMI	950	1,420	1,055	833	2,102	2,418	2,509	2,983	3,073	3,091	3,584	3,969	3,019	274
Subtotal Renter	**76,179**	**75,571**	**77,964**	**83,828**	**89,516**	**93,886**	**102,152**	**98,115**	**108,364**	**111,025**	**106,028**	**107,598**	**31,419**	**2,856**
Total Households	**135,639**	**148,031**	**145,428**	**152,494**	**158,888**	**157,411**	**170,147**	**159,528**	**165,831**	**172,060**	**160,674**	**164,699**	**29,060**	

Source: U.S. Census; Economic & Planning Systems

H:\173118- San Antonio TX Housing Policy Framework\Data\Affordability and Income\[173118- Housing Gaps.xlsx]TABLE 5 - Cost Burden by AMI

METHOD 4: CATCH UP WITH THE "LOSSES"

LOSS OF INVENTORY BY AMI (CITY), 2005-16

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2005-16 Total Δ	2005-16 Ann. Δ
Supply (Housing Units by Tenure by AMI)														
Owner														
Less than 30% AMI	1,823	1,735	696	2,478	2,591	2,464	2,654	3,234	5,765	6,054	4,231	3,127	1,304	119
31% to 60% AMI	40,574	38,126	32,926	29,471	28,196	30,288	28,673	41,739	36,005	37,605	41,974	42,946	2,372	216
61% to 80% AMI	62,655	63,037	58,592	52,883	55,708	57,970	56,095	59,816	58,388	57,407	54,575	52,619	-10,037	-912
81% to 120% AMI	90,017	86,608	82,364	85,847	90,246	81,382	86,909	78,086	78,872	70,798	75,200	75,653	-14,364	-1,306
Greater than 120% AMI	63,437	81,010	88,205	96,378	95,904	90,699	91,690	81,493	83,227	92,524	80,307	92,713	29,275	2,661
Subtotal Owner	**258,507**	**270,517**	**262,783**	**267,057**	**272,645**	**262,804**	**266,021**	**264,368**	**262,256**	**264,388**	**256,288**	**267,058**	**8,551**	**777**
Renter												0		
Less than 30% AMI	12,798	12,081	11,107	11,219	9,226	12,499	12,922	12,213	11,813	11,105	12,245	13,029	230	21
31% to 60% AMI	52,159	53,130	53,194	48,851	49,602	54,989	49,059	54,489	56,145	41,726	52,297	48,181	-3,978	-362
61% to 80% AMI	53,496	50,377	55,395	54,211	56,741	60,369	60,023	63,719	66,713	67,902	70,556	67,877	14,381	1,307
81% to 120% AMI	34,422	39,824	42,932	46,365	51,297	55,709	65,114	54,381	64,980	74,045	72,146	68,507	34,085	3,099
Greater than 120% AMI	8,363	10,261	8,850	12,007	15,968	16,031	19,396	20,146	22,788	25,802	21,744	24,642	16,279	1,480
No cash rent	6,482	8,555	10,092	7,396	6,803	7,822	10,248	11,377	8,407	7,972	9,068	8,861	**2,379**	**216**
Subtotal Renter	**167,720**	**174,229**	**181,569**	**180,049**	**189,638**	**207,419**	**216,762**	**216,325**	**230,846**	**228,552**	**238,056**	**231,096**	**63,376**	**5,761**
Total Housing Units	**426,227**	**444,746**	**444,352**	**447,106**	**462,283**	**470,223**	**482,783**	**480,693**	**493,102**	**492,940**	**494,344**	**498,154**	**71,927**	**6,539**

Source: U.S. Census, ACS DP-4, B25118; Economic & Planning Systems

H:\173118- San Antonio TX Housing Policy Framework\Data\Affordability and Income\[173118- Housing Gaps.xlsx]TABLE 2 - Hist Gaps

METHOD 5: KEEP UP WITH CURRENT CONDITION

"DON'T LET THE CONDITIONS GET WORSE" – F&F USED THESE DATA POINTS

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total Δ	Ann. Δ
Gaps													
Owner													
Less than 30% AMI	-16,393	-16,279	-16,165	-16,051	-15,937	-15,823	-15,709	-15,594	-15,480	-15,366	-15,252	1,141	143
31% to 60% AMI	12,368	12,618	12,868	13,119	13,369	13,619	13,869	14,119	14,369	14,619	14,869	2,500	313
61% to 80% AMI	28,809	27,718	26,628	25,537	24,447	23,356	22,265	21,175	20,084	18,994	17,903	-10,906	-1,363
Subtotal Owner	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Renter													
Less than 30% AMI	-32,030	-32,388	-32,747	-33,105	-33,464	-33,822	-34,181	-34,539	-34,898	-35,257	-35,615	-3,586	-448
31% to 60% AMI	-2,366	-3,859	-5,352	-6,845	-8,338	-9,831	-11,324	-12,817	-14,310	-15,803	-17,296	-14,930	-1,866
61% to 80% AMI	39,865	40,593	41,320	42,047	42,775	43,502	44,230	44,957	45,684	46,412	47,139	7,274	909
81% to 120% AMI	24,847	26,723	28,600	30,477	32,353	34,230	36,106	37,983	39,859	41,736	43,613	18,766	2,346

Source: U.S. Census, ACS DP-4, B25118; Economic & Planning Systems

\\EPSDC02\Proj\173118- San Antonio TX Housing Policy Framework\Data\Affordability and Income\[173118- Housing Gaps.xlsx]TABLE 3 - Projection of Gaps

HOW MUCH DO THEY COST?

- Method 1: Compensating for deterioration of HUD funding
  - **$200 M –$400 M over 10 years** (depending on rate of decline)
- Method 2: Catching up with mismatch in supply/demand (34,000 rental units under 60% AMI)
  - **$1.36 B** (at $40K / unit) to catch up
- Method 3: Eliminating household "overspending" (165,000 cb'd households)
  - **$657 M per year** (a single year of "overspending")
- Method 4: Catching up with "losses" of inventory (28,400 owner and renter units)
  - **$1.1 B** (at $40K / unit) to catch up
- Method 5: Keep up; i.e. avoid future "losses" of inventory (29,400 owner and renter units)
  - **$1.2 B over 10 years** (at $40K / unit)
- Services
  - Eg. 3,600 renter households (under 30% AMI) from Method 5 data
  - **$29 M annually** (at $8K / unit)

WHY IS THIS IMPORTANT?

IMPACT ON CITY'S GROSS REGIONAL PRODUCT

Don't Let the Problem Get Worse =

$1.2 billion

1) More $ circulate in region, not to Wall St.

2) Generate over 4,000 more jobs / year

GRP ▲$1 billion
(over 10 years)
+ Quality of Life Impacts

Addressing 50% of Problem with $500 million of public funds

Leverages private investment at a 4-to-1 ratio

RECOMMENDATIONS

HOUSING AS INFRASTRUCTURE

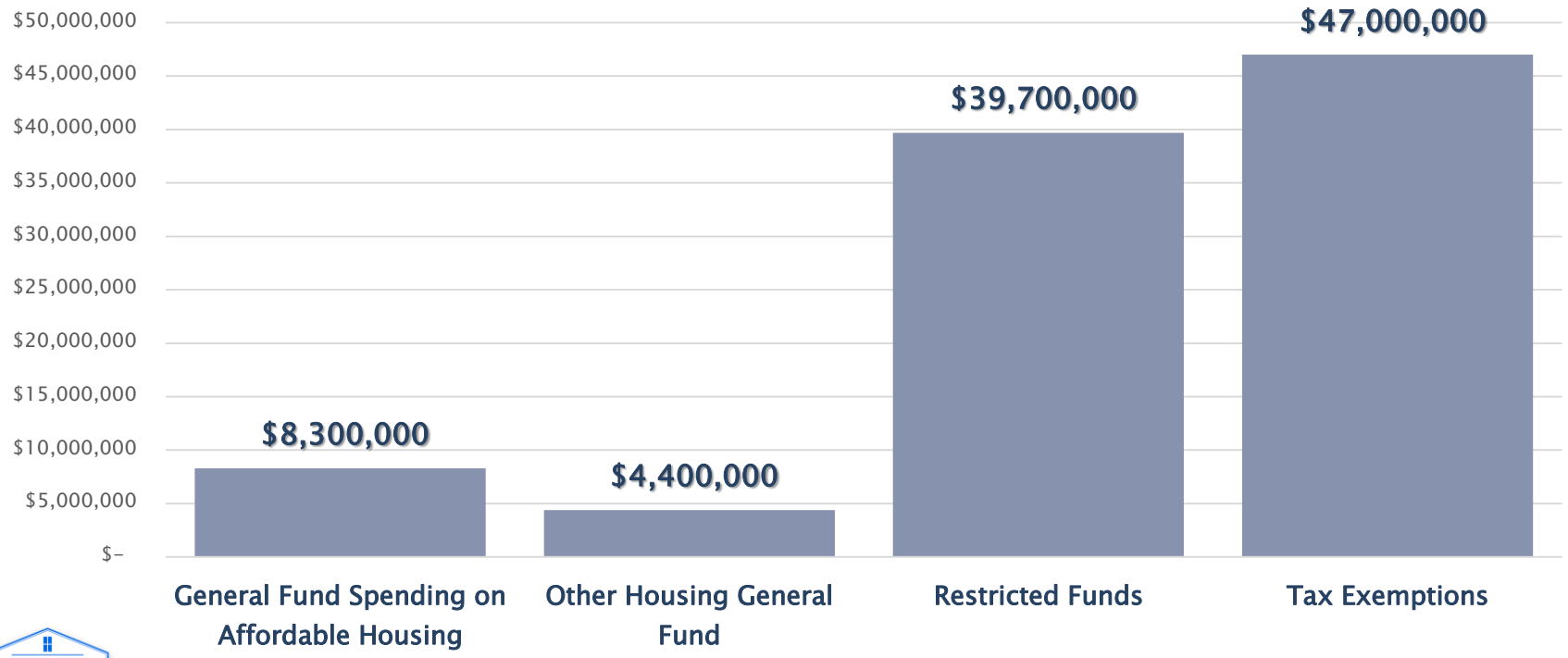
PILLARS OF ECONOMIC INFRASTRUCTURE

WATER

TRANSPORTATION

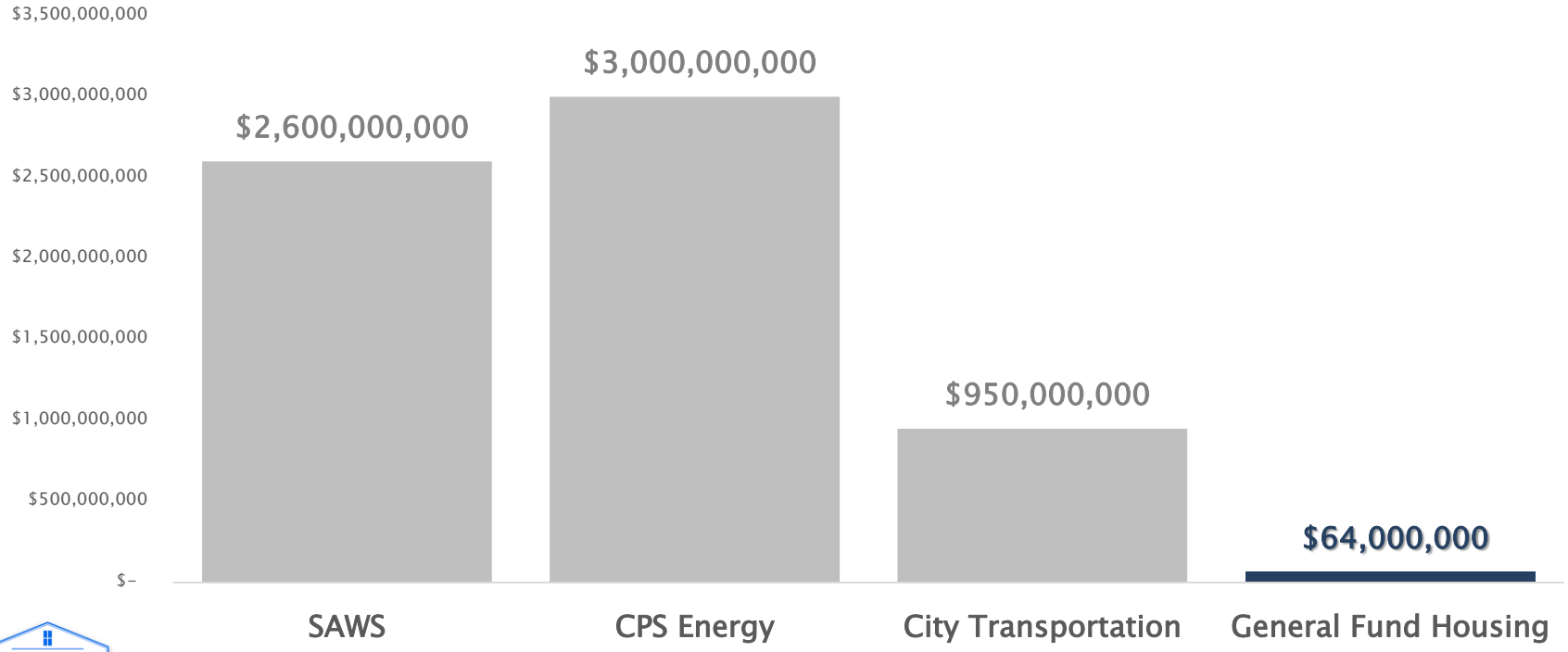
HOUSING

CURRENT CITY HOUSING FUNDING



PROJECTED 5-YEAR SPENDING

WATER, ENERGY, CITY TRANSPORTATION AND HOUSING

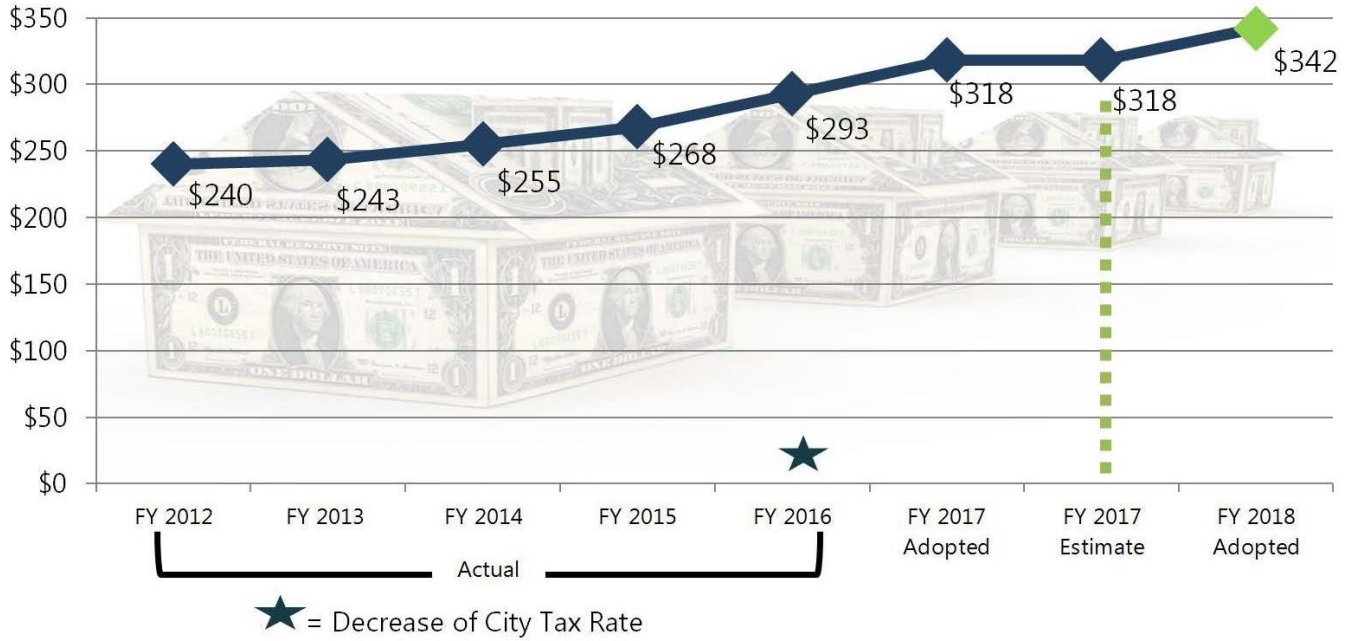


WE DON’T HAVE A RESOURCE PROBLEM

WE HAVE A PRIORITY PROBLEM

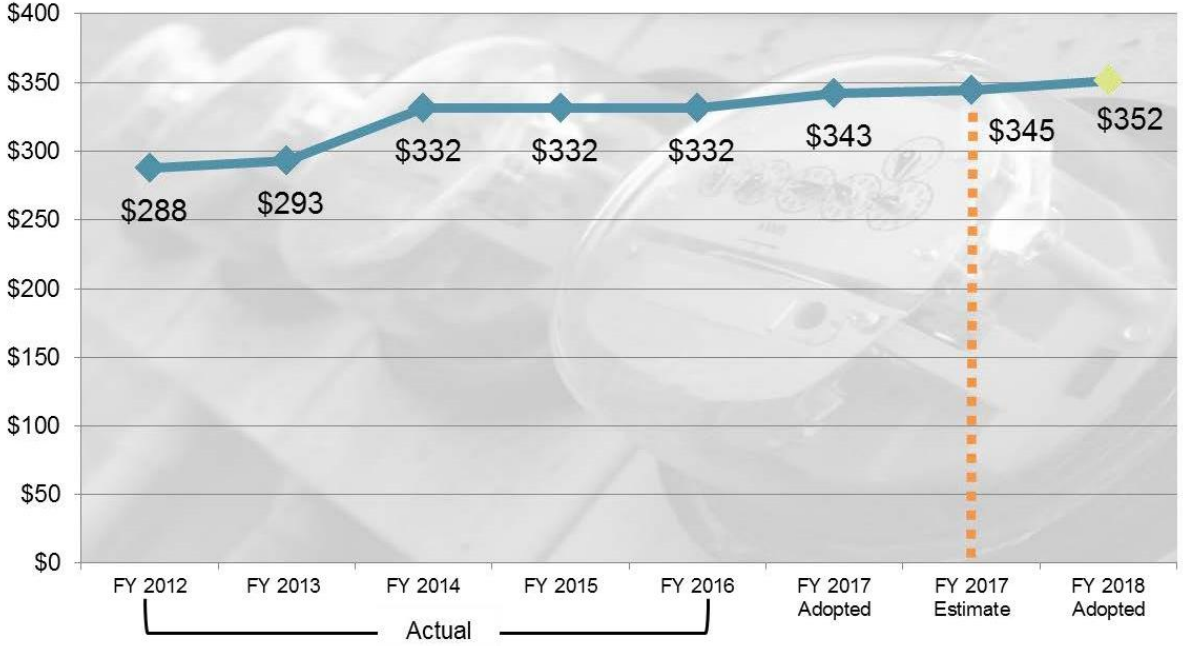
AD VALOREM REVENUE

PROPERTY TAX REVENUES ($ IN MILLIONS)



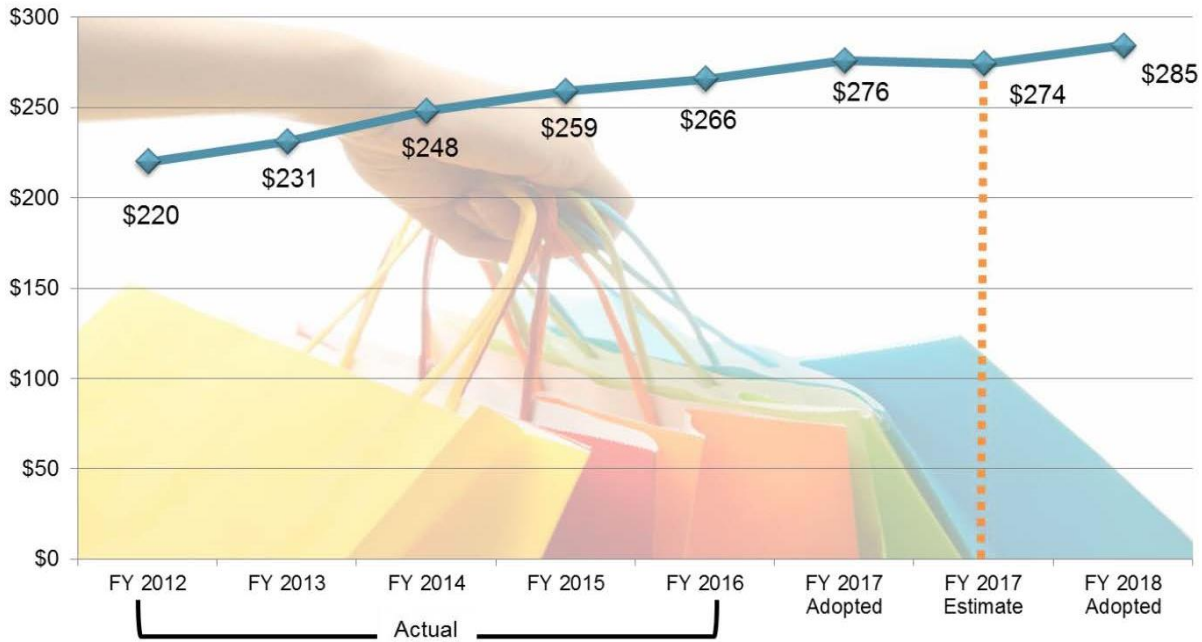
CPS ENERGY REVENUE

$ IN MILLIONS



SALES TAX REVENUES

$ IN MILLIONS



10-YEAR FUNDING PLAN

AND REQUIREMENTS

NEW FUNDING FLOW CHART

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Existing General Fund	$12M	$12M	$12M	$12M	$12M	$12M	$12M	$12M	$12M	$12M
New General Fund	$20M	$30M	$35M	$40M	$40M	$40M	$40M	$40M	$40M	$40M
TOTAL	$32M	$42M	$47M	$52M	$52M	$52M	$52M	$52M	$52M	$52M
Bond				**$125M**					**$125M**	

- $485 million of General Fund spending over 10 years.
- $250 million in Bond money.
- Leveraged @ 3 to 5:1 for $2.2 billion to $3.7 billion in Affordable Housing Relief.
- Projected $12 billion of General Fund Revenue over 10 years.
- Total spending request is 4 percent of City projected General Fund Revenue.

CITY BOND ALLOCATIONS

WHAT OTHER CITIES ARE DOING

	Austin	Seattle	Portland	Los Angeles	Denver
Bond or Funding Components					
Housing construction					
Rental housing development assistance	$39,000,000	$201,000,000	$258,400,000	$0	$123,000,000
Operating & maintenance (O&M support for levy-supported rental projects)	$0	$42,000,000	$0	$0	$0
Acquisition-oriented					
Acquisition & development ownership	$18,000,000	$0	$0	$0	$13,500,000
Land acquisition	$10,000,000	$0	$0	$0	$0
Acquisition & preservation (short-term loans, land, preservation of bldgs)	$0	$30,000,000	$0	$0	$0
Repair-oriented					
Home repair	$18,000,000	$9,500,000	$0	$0	$0
Homelessness					
Homelessness prevention	$0	$11,500,000	$0	$1,200,000,000	$0
Total	**$85,000,000**	**$294,000,000**	**$258,400,000**	**$1,200,000,000**	**$150,000,000**
**Program Administration		Typically 8-9% of funding total			
Production targets	n/a	2,150	1,300	10,000	6,000
$ / unit investment	$20,000	$136,744	$198,769	$120,000	$25,000

Source: Economic & Planning Systems

CITY CHARTER AMENDMENT

USE OF BOND REVENUE FOR HOUSING (11 MENTIONS)

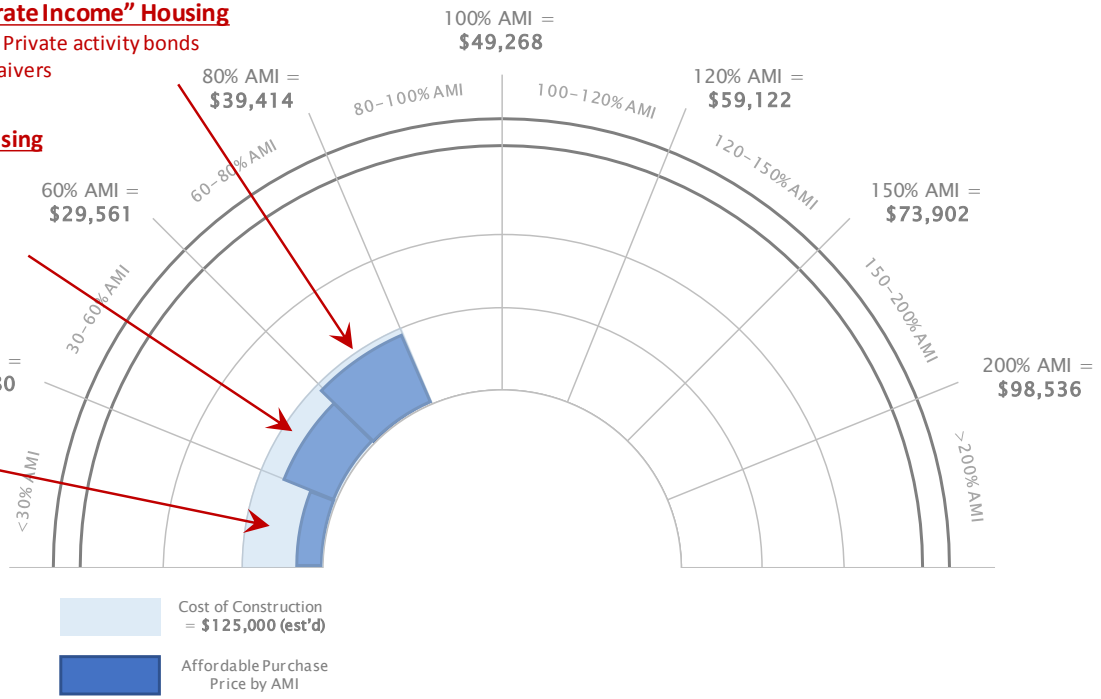
Sources of gap closure

Source: Economic & Planning Systems

"Low-Moderate Income" Housing
- LIHTC (4%), Private activity bonds
- Local fee waivers

"Very-Low Income" Housing
- Construction subsidies
- HOME, CDBG
- LIHTC (9%)
- State grants
- Local fee waivers

Supportive Services
- Construction subsidy
- Operational subsidy
- HOME, CDBG
- Vouchers
- LIHTC (9%)
- State grants
- Immense local resources

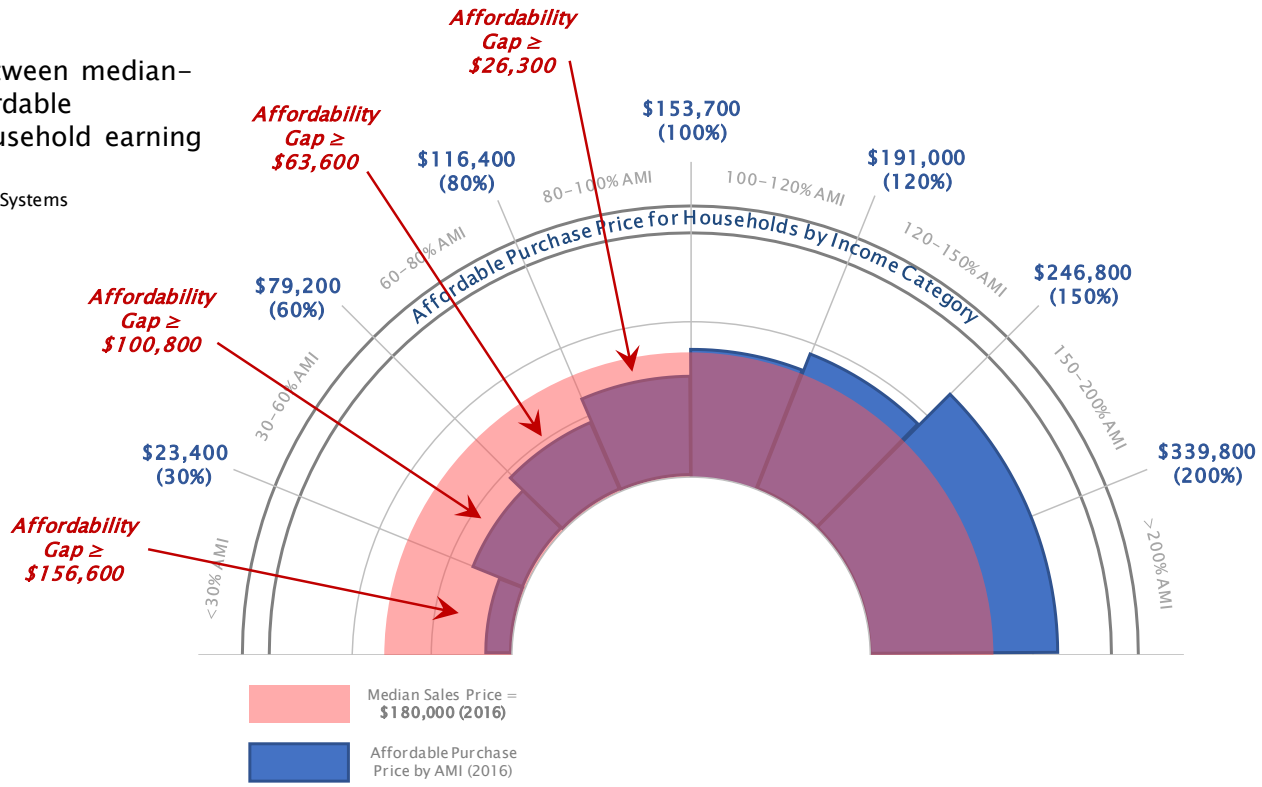


DOWN PAYMENT ASSISTANCE

AFFORDABILITY GAP

"Affordability Gap" between median-priced home and affordable purchase price for household earning 100% AMI (2016)

Source: MLS; Economic & Planning Systems



EXAMPLE: FUNDING ALLOCATION MODEL

$125 MILLION

Inputs & Outputs Worksheet

Construction Assumptions	Unit Size	Hard Costs / SQFT	Soft Costs as % of HC	Total Cost / Unit	
Rental Units	800 sqft	$130 / sqft	35%	$215,000	
Ownership Units	900 sqft	$140 / sqft	35%	$255,000	
Federal Funding	**Historic Δ**	**Projected Δ**	**Net (1st Year)**	**Net (10th Year)**	**Net (10 Years)**
CDBG (Available for Rehab. / Pres. / Acq. Only)	-4.6%	-4.0%	$0.00	$0.00	$0.00
HOME (Available for New Construction or Rehab. / Pres. / Acq.)	-8.4%	0.0%	$1.12	$1.12	$11.23
Total Federal Sources (millions)			**$1.12**	**$1.12**	**$11.23**
New Local Funding Sources	**Source**	**Fee p/sqft if Linkage**	**Amount (1st Year)**	**Amount (10th Year)**	**Total (10 Years)**
Administrative Expenses for All New Sources	8.0%				
New Source #1	$20.0 million		$18.40	$18.40	$184.00
New Source #2	None	$22.00 / sqft	$0.00	$0.00	$0.00
Total Local Sources (millions)			**$18.40**	**$18.40**	**$184.00**
Total All Sources (millions)			**$19.52**	**$19.52**	**$195.23**
Supportive Services	**Option**	**$ / unit / year**			
Supportive Services for 21% to 30% AMI	No	$7,800			
Ongoing Supportive Services Funding (No = One-Time Funding Only)	No				
One-Time Supportive Services	Yes				

10-Year Production & Cost Summary

Federal & New Local Funding	# Units	% Units	Funding (millions)	Funding Allocation B:	Funding $ per Unit
1) Production					
Owner **(New Construction)**					
Less than 20% AMI	0	0%	$0.00	0%	$0
21% to 30% AMI	0	0%	$0.00	0%	$0
31% to 60% AMI	0	0%	$0.00	0%	$0
61% to 80% AMI	0	0%	$0.00	0%	$0
81% to 120% AMI (Production Target = 95% AMI)	1,546	23%	$18.09	9%	$11,700
Greater than 120% AMI	0	0%	$0.00	0%	$0
Subtotal Owner	**1,546**	**23%**	**$18.09**	**9%**	**$11,700**
Renter (New Construction)					
Less than 20% AMI (Includes One-Time Supportive Services Only)	941	14%	$54.88	28%	$58,318
21% to 30% AMI	694	10%	$28.02	14%	$40,374
31% to 60% AMI	2,748	41%	$64.33	33%	$23,411
61% to 80% AMI	745	11%	$13.52	7%	$18,153
81% to 120% AMI (Production Target = 95% AMI)	0	0%	$0.00	0%	$0
Greater than 120% AMI	0	0%	$0.00	0%	$0
Subtotal Renter	**5,127**	**77%**	**$160.74**	**82%**	**$31,349**
2) Funding for Supportive Services (See Note 1)					
Less than 30% AMI	941	---	$7.34	4%	$7,800
Total (Includes One-Time Supportive Services Only)	**6,674**	**100%**	**$178.84**	---	**$26,797**

FY 2019 BUDGET REQUEST: $20 MILLION

- $2 million: Increase City Staff and Build Capacity (Housing Innovation)
- $2 million: Increase Funding for Under One Roof Program
- $2 million: Increase Funding for Minor Home Repair Program
- $1 million: Establish Risk Mitigation Fund
- $5 million: Homebuyer Down Payment Assistance Program
- $8 million: Neighborhood Improvements and Gap Financing for Affordable Housing (Rental)

NEXT STEPS

July 2018

Task Force issues Executive Su

Housing Policies, Problem State
Implementation Strategy & Action S
and Best Practices

August 2018

Comprehensive Report Released

Council considers and deliberates

ACTION ITEMS

Develop a coordinated system

Prioritize housing and neighborhoods in City organizational structure

- Executive position in City Manager's Office
- Resource and staff NHSD

City take leadership role in coordinating community-wide housing system with housing and service providers

- One-Stop Housing Center, incl. online portal

Increase affordable housing production, rehabilitation, and preservation

Stabilize homeownership rate by increasing production, rehabilitation, and preservation of affordable homes

- Prioritize city funding / incentives on units affordable to households up to 120% AMI
- Down payment assistance and homebuyer counseling
- Increase funding for housing rehabilitation programs, incl. but not limited to Owner-Occupied Rehab, Under One Roof, Minor Repair

Increase production, rehabilitation, and preservation of affordable rental units

Funding / incentives on units affordable to households up to 60% AMI, with graduated reduction in funding from 61% to 80% AMI

- Funding for new rental housing linked with transportation, jobs, and cultural assets

Create housing opportunities for the most vulnerable residents (including but not limited to homeless, seniors, youth aging out of the foster care system, and people with disabilities)

Funding for service-enriched housing

Remove barriers to housing production

Inclusive public process to determine standards and criteria to allow by-right zoning in which at least 50% of units are affordable

Exempt affordable housing from SAWS impact fees

Revise the UDC to remove regulatory barriers to affordable housing

Protect and promote neighborhoods

Address the impact of rising taxes on affordability

Immediately implement affordable housing tax and appraisal protections, such as tax exemptions, preservation districts, and TIFs

Prevent and mitigate displacement

Require public agencies to conduct a displacement impact assessment for projects receiving ≥$15M public investment, and budget for mitigation

Create a fund to mitigate impacts of displacement, incl. relocation assistance for households ≤80% AMI, rapid re-housing, housing navigators

Fund proactive outreach and counseling to low- and moderate-income households experiencing housing vulnerability

Reduce housing discrimination and expand opportunity

Implement a city-wide public education and outreach campaign about the importance of housing

Ensure accountability to the public

Priority: Create a governance structure for oversight and public engagement

Redefine the Housing Commission as a public oversight board to guide the implementation of the MHPTF's recommendations and engage the public Develop an annual report to track and publicly report results of the full housing system

Increase city investment in housing

Develop a 10-year financing plan for affordable housing production and preservation

Substantially increase General Fund revenue

Create dedicated revenue source(s) Establish financial leverage as a top priority in utilization of public funds, incl. private, nonprofit, philanthropic, and sweat equity Conduct comprehensive assessment of Housing Trust and provide dedicated revenue

Revise City charter to allow bond revenue to be used for affordable housing

MAYOR'S HOUSING POLICY TASK FORCE