

Housing Commission July Regular Meeting

July 31, 2019



CITY OF SAN ANTONIO
**NEIGHBORHOOD & HOUSING
SERVICES DEPARTMENT**

Verónica R. Soto, AICP
Director

Agenda

Item 1: Approval of Minutes for June 26, 2019 Meeting

Item 2: Director's Report

Item 3: Briefing on the FY 2020 Affordable Housing Budget Policy Update

Item 4: Briefing and Possible Action on the HUD FY 2020 Action Plan Update

Item 5: Briefing and Possible Action on the Evaluation Criteria for HUD Funded Affordable Housing

Item 6: Discussion and Possible Action on Future Agenda Items



Item 1: Approval of Minutes for June 26, 2019 Meeting



Item 2: Director's Report



Item 3: Briefing on the FY 2020 Affordable Housing Budget Policy Update



Item 4: Briefing and Possible Action on the HUD FY 2020 Action Plan Update



Item 5: Briefing and Possible Action on the Evaluation Criteria for HUD Funded Affordable Housing



Item 6: Discussion and Possible Action on Future Agenda Items



Potential Agenda Items for the August Meeting

- Dashboard/ Housing Portal
- Committee Updates
- One Stop Update
- Presentation on Board Roles, Structure and Legal Restrictions
- Discussion of Opportunity Index: 19-4702



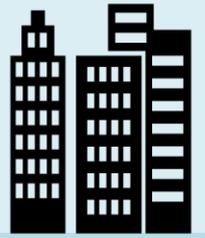
Housing Commission July Regular Meeting

July 31, 2019



CITY OF SAN ANTONIO
**NEIGHBORHOOD & HOUSING
SERVICES DEPARTMENT**

Verónica R. Soto, AICP
Director

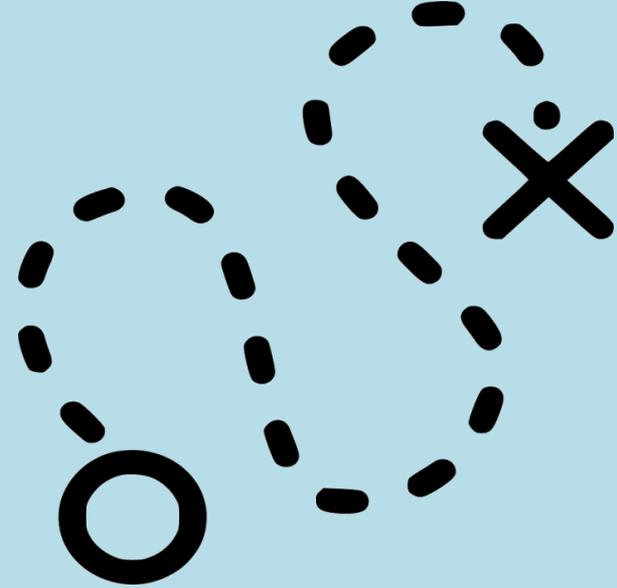


FY2020 Funding Plan

Affordable Housing Strategy

Presented by:

Lori Houston, Assistant City Manager



FY 2019 Program Results

Taskforce Priority	Program	Budget	Affordable Units
Production	Gap Financing	\$7,750,000	578
Rehab and Preservation	Owner Occupied Rehab Strategy	\$7,031,889	72
	Minor Repair/Lead/Lets Paint	\$400,000	111
	Under 1 Roof	\$5,250,000	309
Down Payment Assistance	Homebuyer Assistance	\$3,251,736	165
Risk Mitigation Fund	Risk Mitigation (Clients)	\$1,000,000	200
Coordinated Housing	Coordinated Housing System (SAHT, SAHA, LIHTC, TIRZ, Tax Rebates)	\$1,448,325	3,025
TOTAL		\$26,131,950	4,460

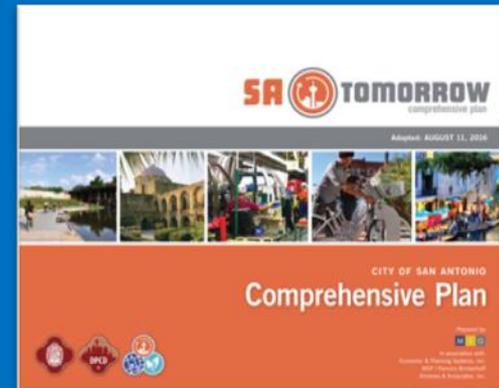
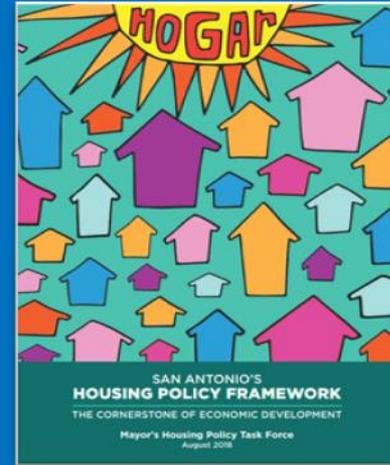
FY2019 Accomplishments

- Executed a contract with LISC for technical support services
- Developed the Risk Mitigation Policy
- Completed the draft SAHT Assessment that is currently under review by various stakeholders
- Grounded Solutions Network Grant
- Initiated the needs assessment for the Anti-Displacement Strategy
- Local Housing Solution Initiative

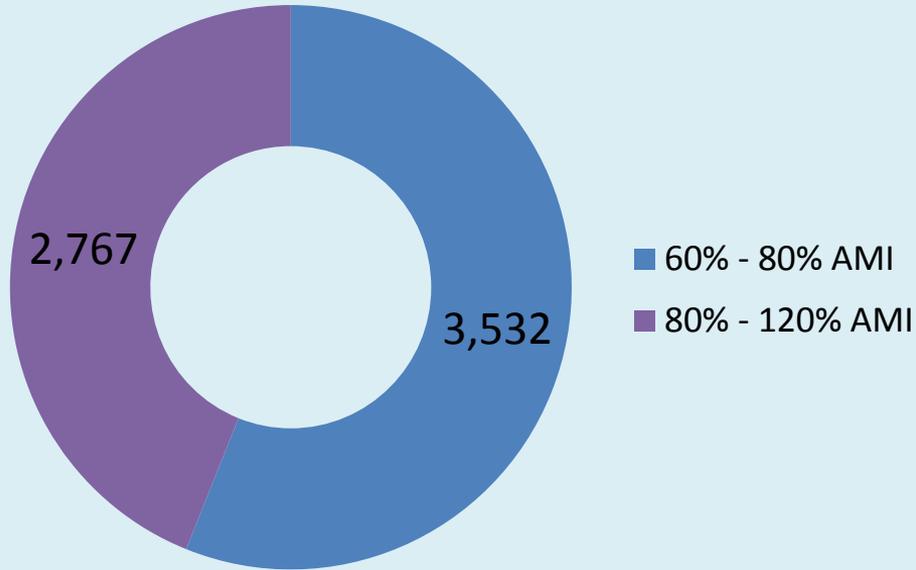


Coordinated Housing System

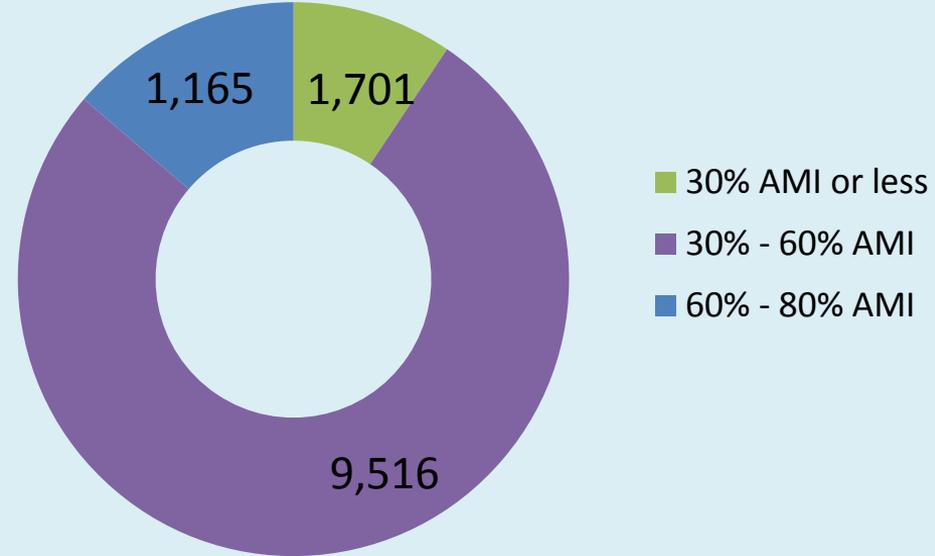
- Internal and External Collaboration
- Non-Profit Capacity Building
- Affordable Housing Policy built on Taskforce recommendations and in alignment with other policies and strategies.



Owner Occupied (6,299 Units)



Renter Occupied Units (12,382 Units)



18,681 Affordable Units Needed Over the Next 10 Years

2019 Income Limits Effective June 28, 2019								
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30% LIMIT	\$14,950	\$17,050	\$19,200	\$21,300	\$23,050	\$24,750	\$26,450	\$28,150
50% LIMIT	\$24,850	\$28,400	\$31,950	\$35,500	\$38,350	\$41,200	\$44,050	\$46,900
60% LIMIT	\$29,820	\$34,080	\$38,340	42,600	\$46,020	\$49,440	\$52,860	\$56,280
80% LIMIT	\$39,800	\$45,450	\$51,150	\$56,800	\$61,350	\$65,900	\$70,450	\$75,000
Area Median Income	\$49,700	\$56,800	\$63,900	\$71,000	\$76,680	\$82,360	\$88,040	\$93,720
120% LIMIT	\$59,650	\$68,150	\$76,700	\$85,200	\$92,000	\$98,850	\$105,650	\$112,450

Housing System Pipeline

Owner Occupied Production, Rehabilitation, and Preservation

Owner Occupied Production, Rehabilitation, and Preservation

AMI	10 Year Target	Total Pipeline	2019 Projects	% of 10-Year Target	% met by FY2019 pipeline
60%-80%	3,533	703	553	20%	16%
80%-120%	2,766	766	401	28%	14%
Totals	6,299	1,469	954	23%	15%

Owner Occupied Production, Rehabilitation, and Preservation

Type	10 Year Target	Total Pipeline	2019 Projects	% of 10-Year Target	% met by FY2019 Pipeline
Down Payment Assistance	1,643	165	165	10%	10%
Production	2,342	844	329	36%	13%
Rehabilitation	2,314	460	460	20%	20%
Totals	6,299	1,469	954	23%	15%

Housing System Pipeline

Rental Production, Rehabilitation, and Preservation

Rental Unit Production, Rehabilitation, and Preservation

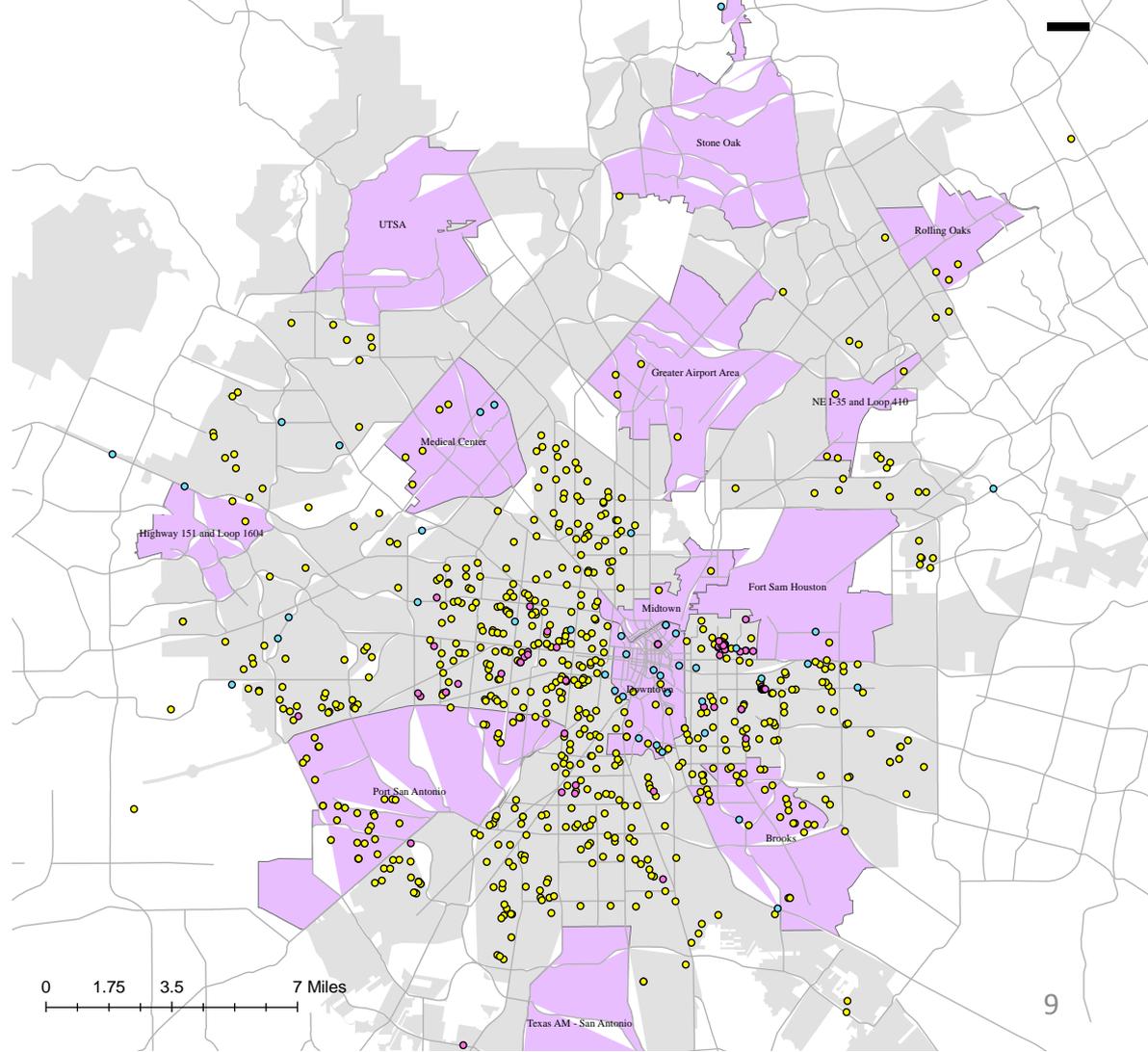
AMI	10 Year Target	Adjusted Target	Total Pipeline	2019 Projects	% of 10-Year Target	% met by FY2019 Pipeline
< 30% AMI	1,701	-	152	87	9%	5%
30%-50% AMI	9,516	6,344	497	316	8%	5%
50%-60% AMI		3,172	4,608	2,760	145%	87%
60%-80% AMI	1,165	-	940	143	81%	12%
Totals	12,382	-	6,197	3,360	50%	26%

Rental Occupied Production, Rehabilitation, and Preservation

Type	10 Year Target	Total Pipeline	2019 Projects	% of 10-Year Target	% met by FY2019 pipeline
Rehab/Preservation	3,884	260	260	7%	7%
Production	8,498	5,937	2,745	70%	36%

Housing System Pipeline

- Rental Properties
- Owner Occupied
- Owner Rehab
- Regional Centers
- COSA City Limits



Financing & Incentives

	Affordable Housing	CCHIP
Total Investment	\$ 1.5 B	\$971 M
Total Projects	92	56
Unit Mix by AMI		
30%	152	112
50%	497	324
60%	4,608	-
80%	1,167	9
100%	60	-
120%	557	-
Market Rate	1,751	4,179
Total Units	8,792	4,680

	Affordable Housing	CCHIP
City General Fund	\$ 670K	\$2.6M
City Fee Waivers	1.9M	2.9M
City Tax Rebates	4.8M	67.6M
TIRZ	93.2M	-
2017 Bond Program	7.5M	10.9M
CDBG & HOME	14.7M	-
SAWS	7M	-
PFC Bond	286M	-
PFC Tax Exemption	299M	-
State LIHTC	373M	-
Total	1.09B	84M
Incentive per Unit	124K	18K

Strategic Housing Initiatives



Rental housing opportunities for those at or below 30% AMI & 30-50% AMI



Rehab Existing Housing for those at or below 30% AMI



Preserve Single Family Housing Stock



Develop New Infill Homes



Increase Rental Units within Regional Centers & Transportation Corridors



Encourage Supply of Market Rate Housing



Update 4% Tax Credit Requirements



Encourage more units for 30% - 50% AMI with Income Averaging

NHSD, Housing Trust, SAHA, & Affordable Housing Developers

No Additional Funding Needed



Redevelop Existing Public Housing



Focus on Alazan, Cassiano,
and Lincoln Heights

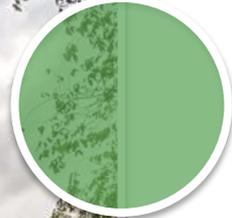
Department of Human
Services, NHSD, SAHA

City Funding: \$150,000

SAHA Funding: \$150,000



Support At-Risk Funding



Identify expiring
affordable properties

NHSD, SAHA & Affordable
Housing Developers



Develop Single Family Rehab Pilot



Acquire unoccupied
single family homes

OHP, LISC, & OURSA

City Funding: \$832,693

LISC Funding: \$1.25M

Neighborhood Empowerment Zones & Community Land Trusts



Develop pilot programs

OURSA, Planning, DSD, & NHSD

City Funding: \$100,000



Single Family Infill Housing



OURSA will acquire vacant lots for home construction

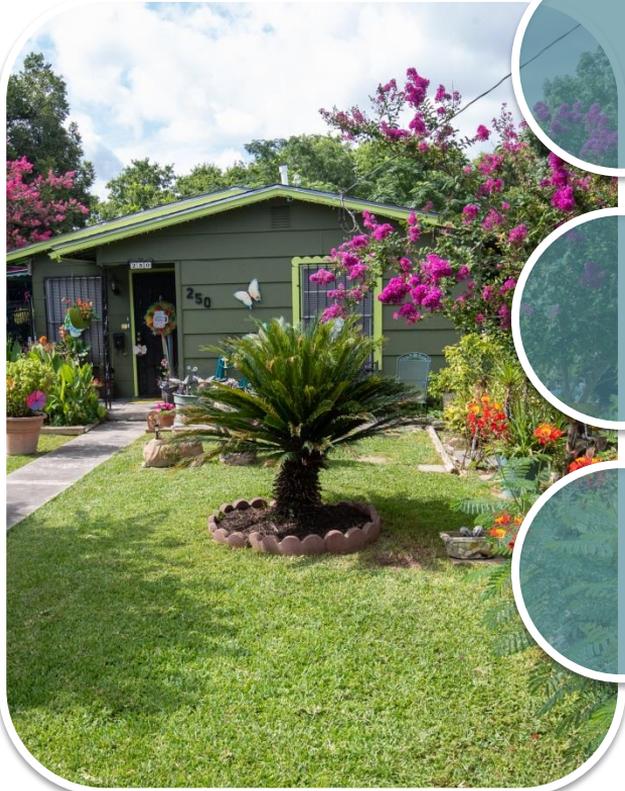
LISC, OURSA, OHP & Developers

City Funding: \$650,000

LISC Funding: \$1.25M



Property Acquisition for SF Homes



City provides land through RFP for affordable SF homes



OURSA & Affordable Housing Developers

City Funding: \$1.5M

Accessory Dwelling Unit Pilot



Create program to incentivize affordable ADU development

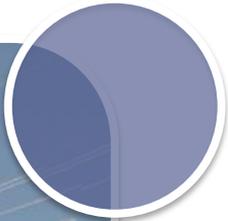
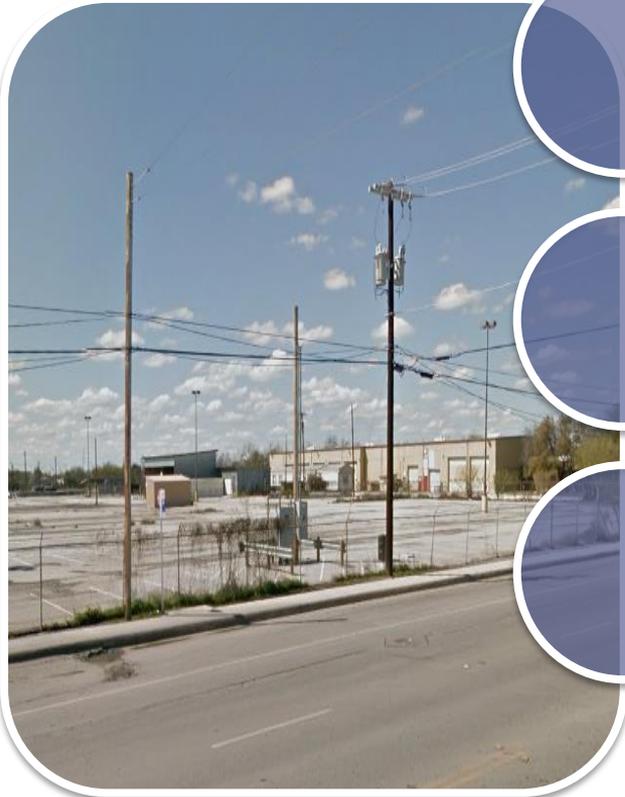
NHSD, LISC, OHP, & Development Services

City Funding: \$50,000

LISC Funding: \$100,00



Leverage City Owned Property



Solicit projects through RFP to build affordable housing



NHSD, Center City Development, & OHP



Will yield up to 450 units

Land Acquisition for MF Housing



City will acquire property in targeted areas for affordable housing



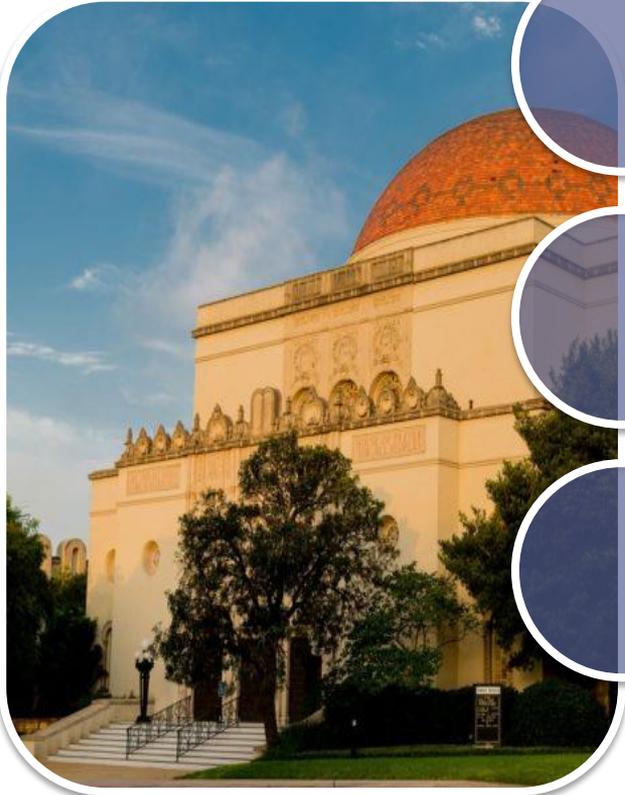
NHSD, CCDO, Planning, & Affordable Housing Developers



City Funding: \$1.5M



Partner with Faith-Based Organizations



Identify faith-based properties that can accommodate development

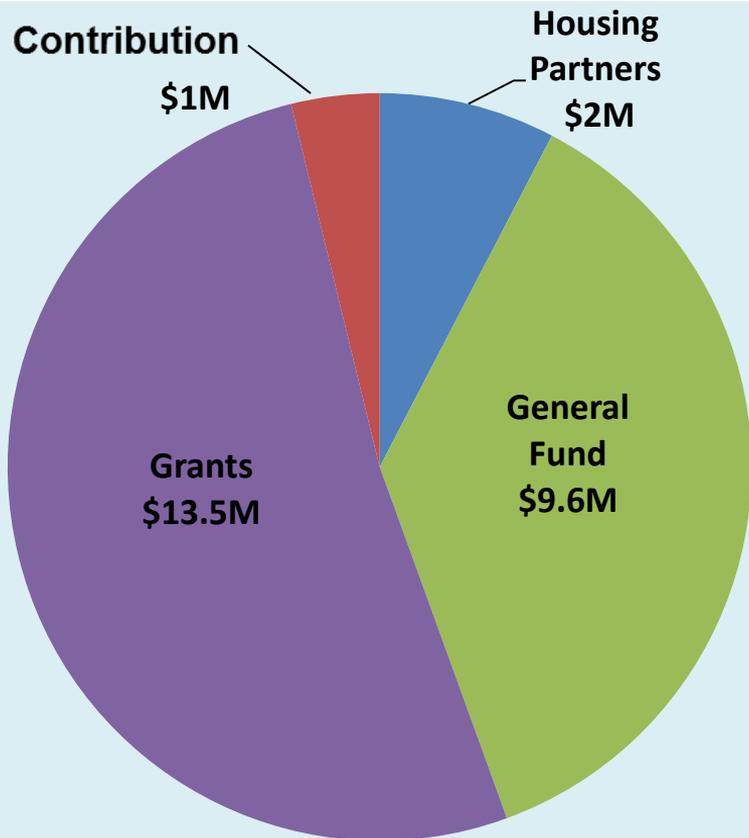


City will partner with LISC, faith-based organizations, & Developers

City Funding: \$300,000

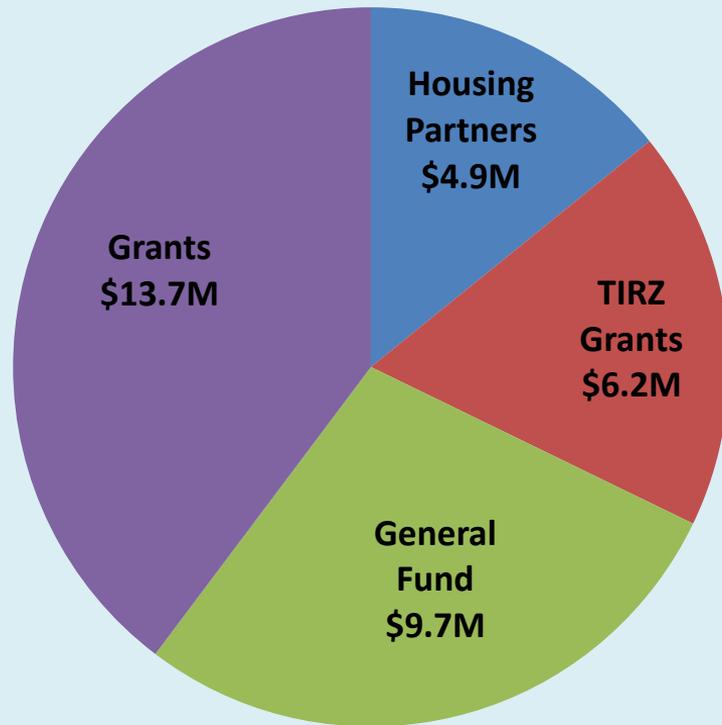
FY 2019 Budget

\$26.1 M



FY 2020 Funding Plan

Coordinated through the City's Budget, Housing Partners, and Leveraged Funds.



*Plus 4 City properties that will facilitate 450 housing units.

FY 2020 Housing Production

Taskforce Priorities				
	FY 2019 Budget	FY 2020 Funding Plan	FY 2019 Actuals	FY 2020 Goals
Production	\$ 7,750,000	\$13,352,693	3,603	4,529
Rehabilitation & Preservation	\$12,681,889	\$15,770,693	492	571
Down Payment Assistance	\$3,251,736	\$2,786,073	165	165
Risk Mitigation Fund	\$1,000,000	\$1,000,000	200	200
Coordinated Housing	\$1,448,325	\$1,448,325	-	-
Total	\$26,131,950	\$34,537,784	4,460	5,465

Rental Unit Production, Rehabilitation, and Preservation			
AMI	Annual Target	FY 2019 Actuals	FY 2020 Goals
Less than 30% AMI	170	87	209
30% - 50% AMI	634	316	651
50% - 60% AMI	317	2,760	1,926
60% - 80% AMI	117	143	1,320
Total	1,238	3,306	4,106

Owner Occupied Production, Rehabilitation, and Preservation			
AMI	Annual Target	FY 2019 Actuals	FY 2020 Goals
60% - 80% AMI	353	553	690
80% - 120%	277	401	469
Total	630	954	1,159



FY 2020 Initiatives

Strengthen the
Coordinated
Housing System

SAHT
Assessment

Affordable
Housing Policy

Anti-
Displacement
Strategy

One Stop
Housing Center
Concept

Legislative
Strategy

Charter
Amendment

Housing
Production

Taskforce Priority	Program	Production
Production	Gap Financing (owner and rental)	4,529
	LIHTC 9%	
	LIHTC 4%	
	PFC	
	Housing Bond	
	Single Family Infill Housing Program	
	Property Acquisition/Disposition for Single Family Construction	
	Ancillary Dwelling Unit Pilot Program	
	Housing Partnership with Religious Institutions	
	Leverage City Owned property for Multi-Family Development	
Rehabilitation and Preservation	Owner Occupied Rehab	571
	Minor Repair/Lead/Lets Paint	
	Under 1 Roof	
	Single Family Rehabilitation Pilot Program	
	Redevelopment Strategies for Alazan, Cassiano, an Lincoln Heights	
	At Risk Funds	
	Community Land Trust and Neighborhood Empowerment Zone	
Down Payment Assistance	Homebuyer Assistance	165
Risk Mitigation Fund	Risk Mitigation (clients)	200
TOTAL		5,465



Mayor's Housing Task Force

- ✓ Taskforce identified five housing policy priorities:

Increase City Investment in Housing

Accountability to Public

Develop coordinated housing system

Protect and Promote Neighborhoods

Increase Affordable Housing Production, Rehabilitation and Preservation

- ✓ 10 Year funding plan to address housing policy priorities



NATIONAL
ASSOCIATION FOR
LATINO
COMMUNITY
ASSET
BUILDERS

Organizational Assessment and Strategic Recommendations for the San Antonio Housing Trust and Associated Entities

July 23, 2019

Who We Are



NALCAB strengthens the economy by advancing economic mobility in Latino communities



NALCAB is a national, non-profit organization that provides technical assistance and policy support to non-profits and units of government in 40 states, DC and Puerto Rico.

Our Areas of Expertise



Equitable
Neighborhood
Development



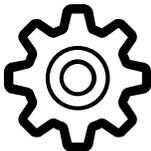
Small
Business
Investment



Family
Financial
Capability

What We Do

Organizational Capacity Building



Grant Making
Technical Assistance
Training
Leadership Dev.

Policy and Field Building



Research
Influencing Policy-
Makers
/Institutions

Impact Investing



Lending
Asset Management

Mercedes Marquez, Esq.

- Assistant Secretary for Community Planning and Development for US HUD - \$7 Billion
- General Manager of the Los Angeles Housing Department. Developed and maintained increased funding for the Affordable Housing Trust Fund

Brian Lawlor, Esq.

- Commissioner of the New York State Division of Housing and Community Renewal - President/CEO of both the New York State Housing Finance Agency of New York Mortgage Agency
- Director of Housing Policy and Community Development for the City of New Orleans



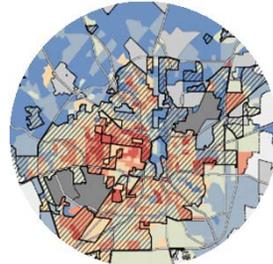
Relevant Experience in San Antonio



Currently assisting COSA and SAHA to jointly develop an **Analysis of Impediments to Fair Housing** (2018)



Supported and facilitated the strategic planning efforts of the San Antonio **Mayor's Housing Policy Task Force** (2018)



Developed the City's first **Housing Vulnerability Analysis** (2017-2018)



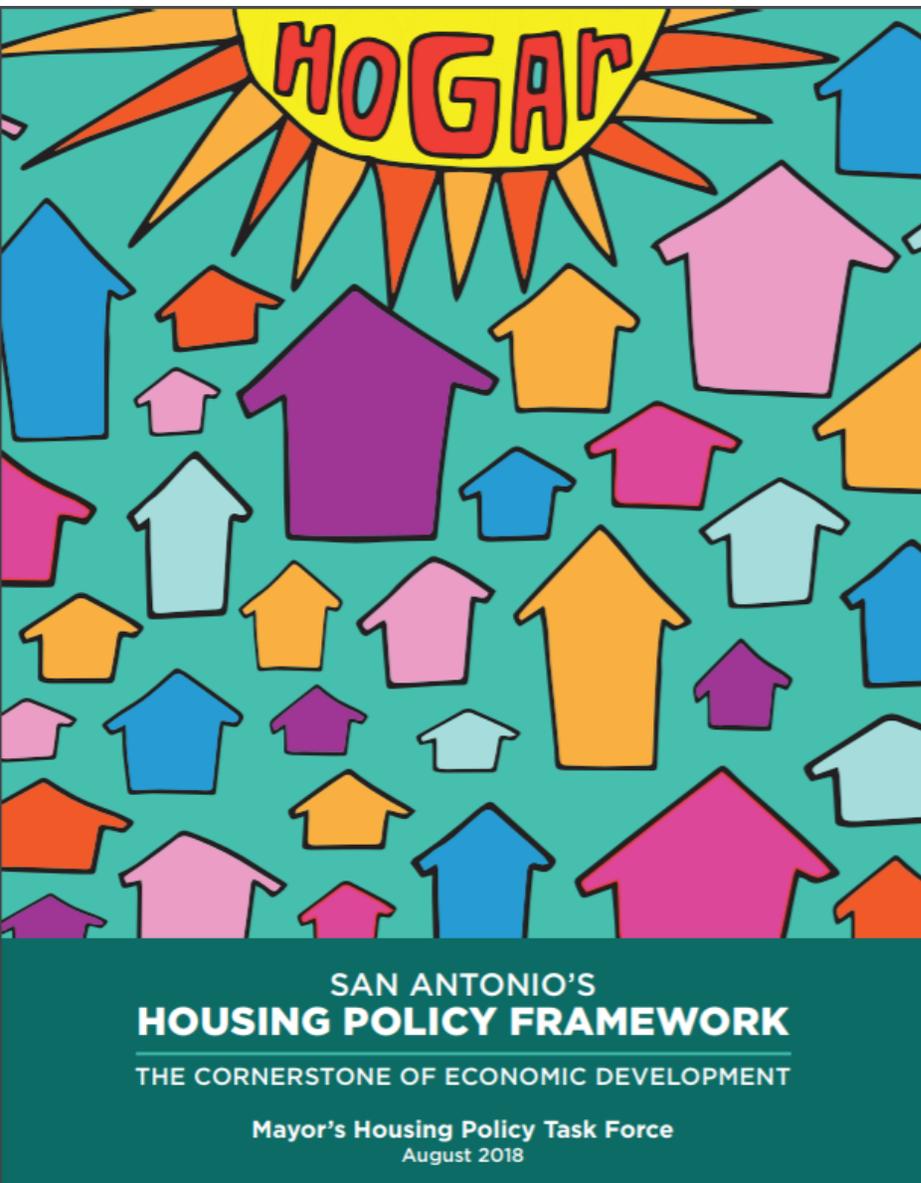
Assessed the **Eastside Promise Neighborhood Initiative** and developed a Strategic Plan for Sustainability (2016-2018)



Assisted COSA to assess City housing programs and develop the **5-Year HUD Consolidated Plan** (2014-2015)

An aerial photograph of San Antonio, Texas, showing a dense urban landscape with various buildings, streets, and green spaces. A light blue grid is overlaid on the entire image. The text is centered in the middle of the image.

**Executive Summary: Organizational
Assessment & Strategic Recommendations
for the San Antonio Housing Trust (SAHT)**



Background

- Appointed in the summer of 2017, the Mayor's Housing Policy Task Force undertook a broad public engagement process and in-depth technical examination of housing affordability in San Antonio.
- In August 2018, the City Council overwhelmingly accepted the Housing Policy Framework produced by the Task Force.
- Conducting an assessment of the SAHT and affiliated entities was a key recommendation in the Housing Policy Framework.
- NALCAB was engaged through a competitive RFP process and began work in January 2019.

Project Scope

01

Perform a national benchmarking review of best practices for municipal housing finance entities.

02

Conduct an organizational assessment of the SAHT and affiliated entities.

03

Develop strategic recommendations for strengthening the SAHT and affiliated entities.

Process

Timeline

- Assessment Began - January 2019
- Executive Summary – June 10, 2019
- Final Report – End of July 2019

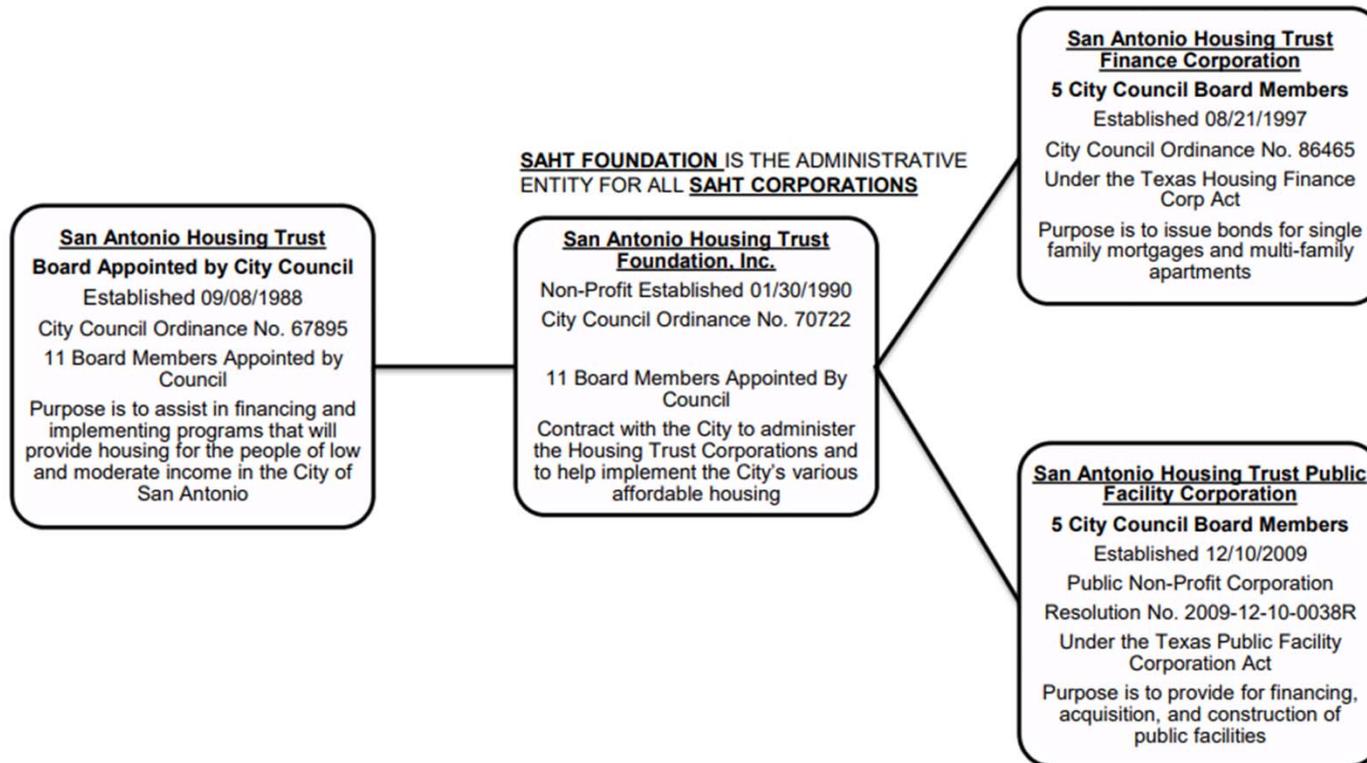
Interviews and Benchmarking

- SAHTF, SAHTFC, SAHTPFC Board Members, Legal Counsel & SAHT Staff
- 6 Cities that Operate Trust Funds
- National Housing Investors
- Local and State Affordable Housing Providers/Stakeholders

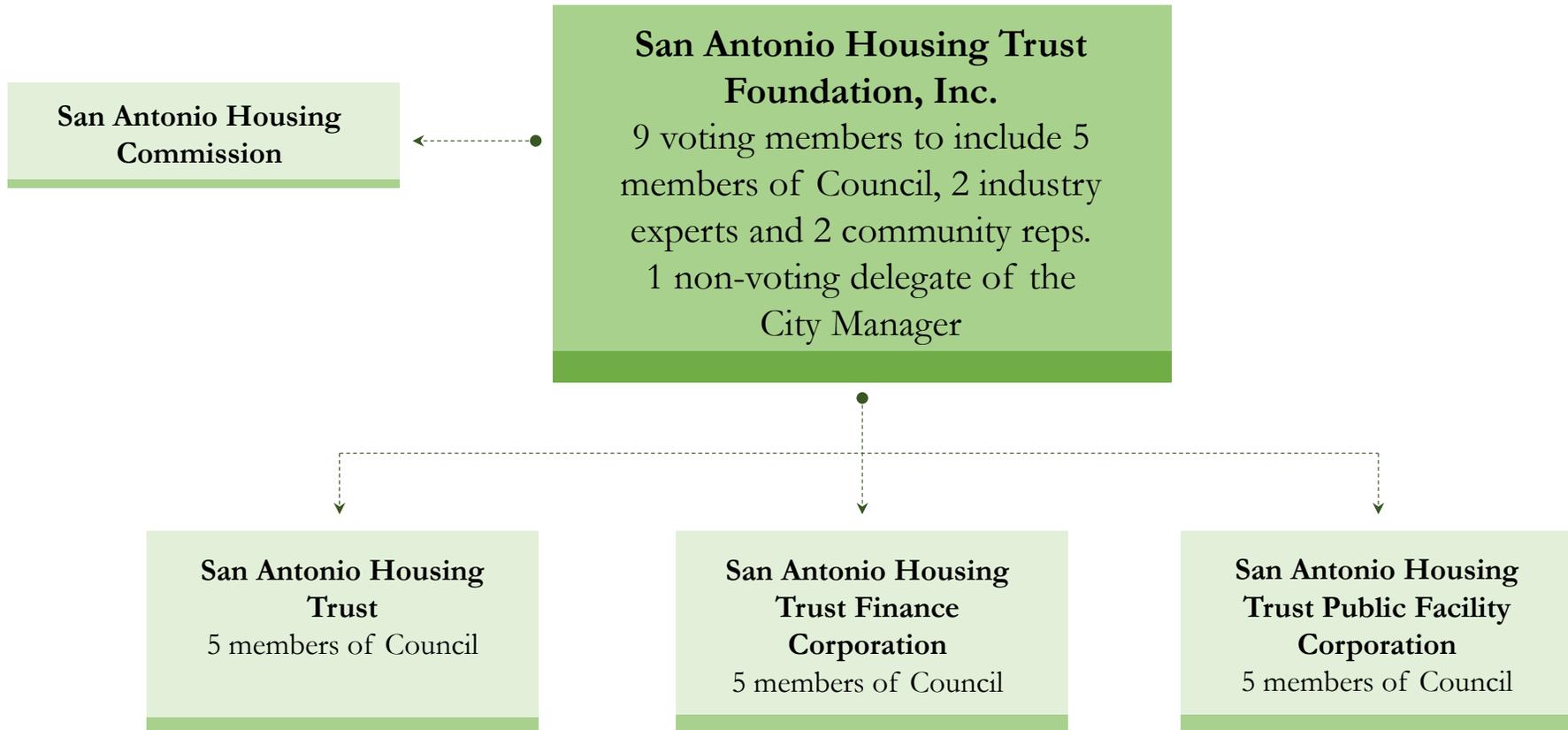
Governance

- The composition of the SAHTF Board of Directors should include the five (5) City Council Members that make up the SAHT-FC/ SAHT-PFC, two (2) members with expertise in banking/finance and/or housing development/management, and two (2) community representatives. A delegate of the City Manager should fill a non-voting seat to ensure coordination with other City agencies. The City Council should not limit participation on the Boards of the housing trust entities to Councilmembers representing Districts 1, 2, 3, 4, and 5.
- The composition of the Board of Directors of the SAHT should be altered to mirror the Boards of the SAHT-FC and SAHT-PFC.
- Revise the Executive Director job description and compensation package to reflect a Chief Executive Officer (CEO) who is a high-level expert in housing development and finance.

Current Governance Structure



Recommended Governance Structure



Policy, Planning and Coordination

- The City Council should adopt a housing policy, based on the existing Housing Policy Framework, to guide all City departments and delegate agencies and provide a foundation for coordination among them.
- The newly re-aligned SAHTF should adopt policies that align with the City's overarching housing policy to clarify how the housing trust entities will utilize and prioritize their legal authorities and resources.
- The re-aligned Board of Directors of the SAHTF and the new CEO should lead a strategic planning process and assess the staffing structure.
- SAHTF, SAHA, and CoSA NHSD should develop an MOU or other coordinating document, that defines the appropriate roles of the agencies in the housing market and joint participation in housing deals.

Public Engagement & Transparency

Public Engagement and Communication

- SAHTF should establish a regular process for public engagement and communication. The re-aligned SAHTF Board of Directors should include community representatives.

Public Solicitation

- In order to maximize engagement with for-profit and non-profit housing developers, the SAHTF should utilize an RFP, RFQ or other public solicitation process to communicate priorities. To the extent that an RFP or RFQ are not appropriate for a given project, the SAHTF should identify opportunities to ensure reasonable transparency.

Underwriting

- The SAHTF should establish written financial and policy underwriting criteria for all of the housing trust entities so that potential developer-partners understand, in advance, the terms on which these public resources can be accessed and the public benefit that they are expected to create. Transparent underwriting criteria will also be critical for building public trust.
- The SAHTF should ensure that at least one staff member has the capacity to financially underwrite an affordable housing development project.

Compliance and Operating Procedures

- SAHTF should establish an internal monitoring function to ensure that the covenants are being complied with in a manner that most effectively meets the agency's mission and policy priorities.
- The SAHTF should establish written policies for personnel, financial operations and procurement. All third-party contractors should be procured through a competitive process, including bond counsel, general counsel and independent auditors.

Capitalization

- After strengthening the capacity of the SAHTF with appropriate changes to governance, organization and staffing, policy and procedural development, the City of San Antonio should consider the appropriateness of contributing to the SAHT financial corpus.
- The SAHTF should explore utilizing the resources in the SAHT to leverage private capital in a structured housing investment fund.

Questions?





NATIONAL
ASSOCIATION FOR
LATINO
COMMUNITY
ASSET
BUILDERS

