



City of San Antonio

Agenda Memorandum

File Number:
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Agenda Item Number: 6

Agenda Date: March 20, 2024

In Control: Governance Committee Meeting

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Council Consideration Request on the creation of a Teacher Homebuyer Assistance Program

SUMMARY:

On July 31, 2023, Councilmember Jalen McKee-Rodriguez issued a Council Consideration Request for the creation of a Teacher Homebuyer Assistance Program to offer no-interest loans to support down payment and closing costs for teachers, counselors, and support personnel.

BACKGROUND INFORMATION:

The Neighborhood and Housing Services Department (NHSD) administers Down Payment Assistance (DPA) Programs that include First Responders Housing Assistance Program (FRHAP), Home Ownership Program for Employees (HOPE), and the Housing Incentive Programs (HIP 80 and HIP 120) on a first come, first served basis. These DPA programs offer down payment and closing cost assistance to San Antonio residents and City of San Antonio employees, who are eligible first-time home buyers. Assistance is provided in the form of a forgivable loan at a 0%

interest rate and contingent on funding availability.

The Down Payment Assistance (DPA) program refers residents, including teachers, counselors, and support personnel, to appropriate HIP programs based on income eligibility and program criteria. Teachers are also connected with alternative resources including the national home-buying program known as Teacher Next Door. This program offers home-buying grants and down payment assistance for teachers, support personnel, and administration, with no income restrictions.

City of San Antonio Down Payment Assistance Programs

Program	AMI	Down Payment Amount	Home Purchase Price Limits: Existing Home/New Construction <i>within the City of San Antonio</i>	FY 24 Budget	Loan Forgiveness Terms
HIP 80	80%	Up to \$30,000	\$244,000/\$257,000	HUD Funds \$304,500	100% loan forgiveness over a 10-year period
HIP 120	120%	Up to \$15,000	\$283,200/\$301,200	General Funds \$920,000	25% of the loan will be perpetual 75% loan forgiveness over a 10-year period
FRHAP & HOPE	Full-time City employees only; No income restrictions	Up to \$40,000	No Limits	General Funds \$440,000	100% loan forgiveness over a 10-year period

ISSUE:

The DPA programs support eligible first-time homebuyers, including City of San Antonio employees. NHSD also works with mortgage lenders, such as banks and credit unions, by connecting homebuyers with a variety of financial assistance plans including closing cost assistance, down payment assistance, and flexible mortgage options to lower monthly payments. Currently, there is no funding allocation within the existing DPA programs that explicitly caters to teachers, counselors, and support personnel. However, there is capacity in Fiscal Year 2024 for additional DPA loans under the HIP-120 program guidelines. These existing resources support and broaden teachers' options when exploring homebuyer opportunities.

FISCAL IMPACT:

This item is for briefing purposes only.

ALTERNATIVES:

This item is for briefing purposes only.

RECOMMENDATION:

Teachers are currently eligible for HIP 80 and HIP 120. The programs are funded through the annual budget. If City Council desires to increase the funding allocation for these programs or create a separate program for teachers, this should be discussed as part of the FY 2025 Budget Goal Setting Session scheduled for April 18, 2024.