



City of San Antonio

Agenda Memorandum

File Number:
{{item.tracking_number}}

Agenda Item Number: 5

Agenda Date: January 26, 2022

In Control: San Antonio Housing Commission Meeting

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Verónica R. Soto

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Director to report updates on Neighborhood and Housing Services Department Programs

SUMMARY:

Each month the Director prepares a report on program updates directly affecting the Housing Commission and its charge.

BACKGROUND INFORMATION:

Topics to be discussed are: (a) Follow-up questions asked during the Housing Commission Meeting on November 17, 2021; (b) Strategic Housing Implementation Plan (SHIP) update; (c) Housing Bond Update; (d) HOME/ARP update; (e) GMA Funding update; (f) EHAP update; (g) Upcoming meetings.

ISSUE:

Topics to be discussed are: (a) Follow-up questions asked during the Housing Commission Meeting on November 17, 2021; (b) Strategic Housing Implementation Plan (SHIP) update; (c) Housing Bond Update; (d) HOME/ARP update; (e) GMA Funding update; (f) EHAP update; (g) Upcoming meetings.

a) **Follow Up Questions:** During the November 17, 2021 meeting, the Commission requested common types of permits requested from the Development Services Department (DSD). The following information was provided by DSD:

Rank	Inside Loop 410	Number	Percent of Total of all Permit Types Inside 410
1	Trade Permits	18,615	51%
2	Residential Repair Permit	2,775	8%
3	Re-Roof Permit	2,386	6%
4	Foundation Repair Permit	1,937	5%
5	Residential New Building Permit	1,275	3%
	<i>Total of all Permit Types Inside Loop 410</i>	36,749	

Rank	Total	Number	Percent of Total of all Permit Types
1	Trade Permits	47,206	50%
2	Residential New Building Permit	6,159	7%
3	Residential Repair Permit	4,917	5%
4	Re-Roof Permit	4,673	5%
5	Solar - Photovoltaic Permit	3,804	4%
	<i>Total of all Permit Types</i>	93,733	

b) **Strategic Housing Implementation Plan (SHIP):** City Council adopted the Strategic Housing Implementation Plan (SHIP) on December 16, 2021. The SHIP will be presented to the San Antonio Housing Authority's board for approval in February. The SHIP will be presented to the new San Antonio Housing Trust in February and is expected to be approved in the spring. Bexar County will consider the SHIP in spring as well.

Staff continues to accept sign-ups from the public to help with individual SHIP strategies. Sign-ups are through SA Speak Up. People interested in helping develop strategies will be reached out to when work on the strategy starts.

In the coming months, staff will work with subcommittees to develop and implement workplans

based on the SHIP strategies beginning in 2022.

c) **Housing Bond Update:** The Housing Community Bond Committee appointed by the Mayor and City Council to serve in an advisory capacity to develop the City's Proposed 2022 – 2027 Bond Program presented their project recommendations totaling \$150 million to City Council at the January 12, 2022 "B" Session. The Community Bond Committee recommendations were developed within a two-month-long public input process that included four meetings and tour. The Community Bond Committees recommended:

Adopted Housing Bond Funding Categories and Amounts

1. Homeownership rehabilitation and preservation to include minor repair and remediation of code violations with a priority for homes at risk for demolition for households making up to 50% prioritizing 30% of the Area Median Income and below.	\$45 M
2. Rental housing acquisition, rehabilitation, and preservation to prioritize public housing & income-based housing for households making up to 30% of the Area Median Income.	\$40 M
3. Permanent Supportive Housing for people experiencing homelessness to facilitate a housing first approach in line with HUD guidance.	\$25 M
4. Rental housing production and acquisition to prioritize public housing/income-based housing for households making up to 50% AMI with a priority for 30% of the Area Median Income.	\$35 M
5. Homeownership production for households making up to 80% of the Area Median Income prioritizing households making 60% and below of the Area Median Income.	\$5 M

Council will review the recommendations for the Proposed 2022 Bond Program and call for an election during the February 10, 2022, City Council Meeting. The Housing Commission's Evaluation Framework adopted in October 2021 will be applied to the review and selection of projects upon passage of the proposed 2022-2027 Housing Bond.

d) **HOME-ARP Funding Allocation Plan Update:** As part of the American Rescue Plan Act (ARPA), the City was allocated \$20,042,085 in grant funds from the U.S. Department of Housing and Urban Development's (HUD) HOME Investment Partnerships Program (HOME). This is referred to as HOME-ARP. Funds can be used on a range of activities including rental assistance, non-congregate shelter, affordable housing development, and supportive services. The City has sought a range of stakeholder input on the use of HOME-ARP funds from November 29, 2021 to January 10, 2022, and staff will seek City Council approval of the Funding Plan at their February 10, 2022 meeting.

Based on feedback from stakeholders, the Department of Human Services (DHS) and Neighborhood and Housing Services Department (NHSD) recommend the City's HOME-ARP allocation be used as follows:

Project	Amount	Estimated Clients Served
Permanent Supportive Housing	\$10,500,000	85
<i>Property Acquisition and Rehabilitation</i>	<i>\$6,500,000</i>	
<i>Supportive services</i>	<i>\$4,000,000</i>	
Tenant-based Rental Assistance*	\$5,200,000	275
Homelessness Prevention and Case Management	\$2,342,085	285
Administration	\$2,000,000	N/A
TOTAL	\$20,042,085	

*Priority for survivors of domestic violence and people experiencing chronic homelessness

**g) Grants, Monitoring, and Administration Funding Round Update:
FY 2022 Affordable Housing Development Gap Funding Recommendations**

On August 12, 2021, City Council approved the \$27.4 million FY 2022 HUD Action Plan and Budget (Action Plan) for the four federal grant programs funded by the U.S. Department of Housing and Urban Development (HUD). The Action Plan includes \$5.5 million in HOME Investment Partnerships Program (HOME) funds and \$1.9 million in Community Development Block Grant (CDBG) funds set aside for affordable rental and homeownership housing development. The recommendation also includes \$1,632,602 in additional CDBG and HOME funds resulting from program income, loan payoffs, and savings from completed projects.

The City issued two separate Requests for Proposals (RFP) for Affordable Rental Housing Development and Affordable Homeownership Housing Development. Both solicitations sought proposals from organizations or developers that need gap financing for the development or rehabilitation of affordable multifamily rental projects or the construction or rehabilitation of affordable single-family homes. All projects should meet the HOME goal of providing safe, decent, and affordable housing to lower-income persons. Affordable single-family homes must be sold to individuals at 80% or lower of the area median income (AMI). Multifamily rental projects should primarily serve households at or below 60% AMI.

Seven (7) rental housing development proposals totaling \$10,980,933 in funding requests and two (2) homeownership housing proposals totaling \$3,328,594 in funding requests were evaluated. Staff recommends an award up to \$2,683,119 in CDBG funding and up to \$6,349,483 in HOME Investment Partnerships Program (HOME) funding for five (5) rental housing developments and two (2) homeownership developments. These funding recommendations total \$9,032,602 and would result in 829 new affordable housing units in City Council districts 1, 4, 6, 7, 8 and 10. Because this funding recommendation exceeds the amount budgeted in the approved Annual Action Plan, a Substantial Amendment (Substantial Amendment #2) to the Action Plan is required. The funding recommendations and the Substantial Amendment are slated for City Council consideration in March 2022.

FY 2022 NSP Single-Family Infill Development Funding Recommendations

The City received a one-time award of \$8.6 million in Neighborhood Stabilization Program (NSP) funding from the US Department of Housing and Urban Development (HUD) in March 2009. Though the City met the NSP expenditure deadline in 2013, the City generated program

income that can be programmed to other eligible activities.

The City issued a Request for Proposals (RFP) seeking proposals from qualified and experienced respondents who are proposing a project where they acquire demolished or vacant properties in City Council-approved NSP target areas and develop single-family infill homes, in order to sell them to persons at or below 120% of the area median income. Three (3) proposals totaling \$1,079,400 in funding requests were evaluated. Staff recommends a single award of \$500,000 in NSP funding for the development of affordable single-family housing units to be located within City Council-approved NSP target areas. All units would be available to qualified buyers at or below 120% of the area median income. This funding recommendation is scheduled for City Council consideration in March 2022.

f) Emergency Housing Assistance Update: On April 23, 2020, City Council approved the creation of the Covid-19 Emergency Housing Assistance Program (EHAP). The program provides eligible applicants rental, mortgage, and utility assistance.

The EHAP is administered by the Neighborhood and Housing Services Department (NHSD). As of January 19, 2022, the City has approved \$178.8 million in assistance to over 56,800 households seeking emergency rental, mortgage, and utility assistance (including administrative expenses).

The current total budget for the EHAP is \$198.5 million. As a result, there is a total remaining balance of \$19.7 million in EHAP, which includes \$2.8 Million from the Bexar County Emergency Rental Assistance Program (ERA) to be utilized only for rent in Bexar County outside of the City limits. This remaining funding is projected to be fully expensed in February 2022 if no additional funding is appropriated.

NHSD is preparing to close the application portal if no additional funding is appropriated. Additionally, the department is undergoing structural changes to assume long-term operations of a new Housing Stability & Accessibility Division, headed by a new Administrator. This division will include fair housing, eviction intervention, and the housing assistance program. Also, the Risk Mitigation Fund, which became the Covid-19 Emergency Housing Assistant Program during the pandemic, will transition to be called the Housing Assistance Program during this fiscal year; federal funding is expected to run out this calendar year for emergency rental assistance.

The total budget for the EHAP is \$198.5 million. This includes Phases I-IV of the EHAP. The budget is expected to grow by \$4,569,335.71 million as a result of notice from US Treasury of ERA-1 round 1 reallocated funds received on December 30, 2021. This item will go to City Council on January 27, 2022 for appropriation. Should that item be approved, the total EHAP budget will total \$203 million. Additional funding for EHAP from the Local Recovery Funds of the American Rescue Plan Act (ARPA) will be considered in early February by City Council. The below chart provides the approved application breakout by City Council District as of January 19, 2021 (does not include administrative expenses).

CD	Avg AMI %	Approved	Avg HH Size	Approved \$
1	26.7	5,169	2	\$15,102,855

2	27.3	7,994	3	\$23,698,945
3	27.8	6,138	3	\$17,712,016
4	28.6	4,875	3	\$15,401,100
5	24.0	4,028	3	\$11,011,344
6	30.6	5,286	3	\$16,645,993
7	28.3	6,094	3	\$18,076,336
8	29.6	6,197	2	\$19,196,246
9	30.5	3,885	2	\$12,589,284
10	30.3	4,770	2	\$15,235,015
County	29.7	2,401	3	\$9,204,805
Totals		56,837		\$173,873,938

g) The next regular meeting of the Housing Commission will be held on February 23, 2022.

Other important upcoming meetings include:

- 1/26: City Council Meeting “B Session” - ARPA update
- 2/3: City Council Meeting
- 2/3: Public Engagement Outreach Committee
- 2/10: City Council Meeting (Call for Bond election)
- 2/17: City Council Meeting
- 2/24: Planning and Community Development Committee
- 2/24: TRLA Know Your Rights Training

FISCAL IMPACT:

There is no fiscal impact at this time.

ALTERNATIVES:

This item is for briefing purposes only.

RECOMMENDATION:

This item is for briefing purposes only.