

AGENDA ITEM NO. 41

CITY OF SAN ANTONIO
Interdepartmental Correspondence Sheet
Neighborhood Action Department

TO: Mayor and City Council

THRU: Terry M. Brechtel, City Manager

FROM: David D. Garza, Director of Neighborhood Action

COPIES: Jelynn LeBlanc Burley, Assistant City Manager; Milo Nitschke, Finance Director; File

SUBJECT: FY 2004-05 SAN ANTONIO HOUSING TRUST FOUNDATION, INC. ADMINISTRATIVE CONTRACT

DATE: September 23, 2004

SUMMARY AND RECOMMENDATION

This ordinance approves the administrative services contract with the San Antonio Housing Trust Foundation, Inc. in the amount of \$359,930 for staffing and administration of the City of San Antonio Housing Trust for Fiscal Year 2004-2005. The ordinance also authorizes the City Manager, or her designee, to execute all documents in connection with the aforementioned.

Staff recommends approval.

BACKGROUND

The City of San Antonio created the San Antonio Housing Trust Fund in 1988 with a corpus of \$10 million. Interest earned from the corpus and repayments of loans supports the administrative services contract with the San Antonio Housing Trust Foundation, Inc. (SAHTF) and capitalizes funding rounds for housing projects.

Funding rounds are used to maintain and promote decent and affordable housing and, when possible, maximize the investment of other public and private resources. The San Antonio Housing Trust (the "Trust") provides assistance to eligible programs and projects in the form of secured or unsecured grants; secured primary or secondary, interest-bearing or interest-free loans; matching grants or loans; or as "seed money" low-interest loans to nonprofit or for-profit businesses, community or housing development corporations, or community-based organizations to support affordable housing developments.

The Trust was created to assist with the City's revitalization strategy and provide funding support to residential projects which could not be addressed by the standard HUD program funds due to eligibility requirements. The City contracts with the San Antonio Housing Trust Foundation, Inc. (SAHTF) for the implementation of the projects funded. The SAHTF was created to disburse awards of Trust assistance, manage Trust operations, and provide administrative, staff and research support for the Trust and Board of Trustees.

The San Antonio Housing Trust Board conducted a planning retreat which included various housing partners. Among the outcomes from the retreat held in January 2004, the Board identified the

following goals for the Trust:

- Update Declaration of Trust
- Revise Rules and Regulations for the Operations of the Trust
- Commitment to a 2004 Funding Round

The attached provides a summary of Trust activities for FY 2003-2004 along with the proposed performance measures for FY 2004-2005 (Attachments B and C). These performance measures will be included as the scope of work and attached to the administrative services contract.

POLICY ANALYSIS

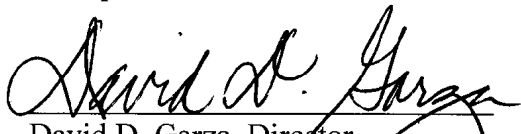
This administrative services contract is consistent with the City's policies and commitments to provide affordable housing opportunities while pursuing new sources of program support through the Trust. The proposed contract provides services to support the City's housing activities for the upcoming fiscal year. All activities are coordinated with the Neighborhood Action Department who manages the administrative services contract.

FINANCIAL IMPACT

The proposed administrative budget for FY 2004-2005 is \$224,520 which is allocated from interest earned from the Trust Fund Corpus. This amount represents 62% of the Trust's budget and is a 7% decrease from the previous year's allocation from trust funds. The total budget for the Housing Trust is \$359,930 which includes \$73,000 in grants to support counseling activities and \$62,410 from general operating revenues from the SAHTF. Attachment A details the total proposed budget for FY 2004-05 and personnel complement. The total proposed budget represents a 5% increase from last year's budget.

COORDINATION

This item has been coordinated with the Finance Department and the City Attorney's Office. The Board of the San Antonio Housing Trust Foundation, Inc. approved this item at their August 16, 2004 meeting (Resolution F0408-01). The City Council Urban Affairs Committee also reviewed this item on September 13, 2004 and recommended consideration by the City Council.



David D. Garza, Director
Neighborhood Action Department



Jelynn LeBlanc Burley
Assistant City Manager



Terry M. Brechtel
City Manager

Attachment A

SAN ANTONIO HOUSING TRUST FOUNDATION, INC.

REVENUES

Budget Category	Proposed 2005 Annual Budget	2004 Annual Budget
Interest from Trust Fund	224,520.00	235,300.00
General Operating Funds	62,410.00	53,510.00
Housing Counseling Grants	73,000.00	54,020.00
Total Revenues	359,930.00	342,830.00

Trust Funds

Budget Category	Proposed 2005 Annual Budget	2004 Annual Budget
Advertising	1,200.00	1,380.00
Audit	6,500.00	5,000.00
Auto expense allowance	3,500.00	3,390.00
Bind, print & reproduction	400.00	480.00
Contract - Bookkeeping	6,000.00	5,460.00
Entertainment & food	2,250.00	1,980.00
Subscription & dues	1,800.00	410.00
Insurance - Workmen's Comp	incl.	1,180.00
Insurance - health & life	160.00	192.00
Insurance - liability	5,000.00	3,500.00
Legal fees	7,000.00	5,660.00
Maintenance and repairs	500.00	0.00
Membership, dues & licenses	850.00	840.00
Rent	18,000.00	17,600.00
Miscellaneous	100.00	0.00
Mail & parcel post	1,400.00	1,420.00
Office supplies	2,800.00	2,780.00
Fees to Professional	6,000.00	5,600.00
Rental of equipment	760.00	780.00
Retirement plan exp.-operating	10,800.00	9,600.00
Salaries	124,000.00	132,398.00
Taxes - payroll	9,200.00	9,440.00
Taxes-Unemployment	260.00	230.00
Telephone	4,600.00	6,070.00
Travel & training	5,000.00	5,600.00
Utilities	1,440.00	0.00
	Capital outlays	Capital outlays
Furniture purchases	3,000.00	11,310.00
Equipment purchases	2,000.00	3,000.00
Totals	224,520.00	235,300.00
% of Total Budget	62%	69%

Counseling Funds

Budget Category	Proposed 2005 Annual Budget	2004 Annual Budget
Salaries - Counseling	66,910.00	50,144.00
Taxes - Payroll - Counseling	4,940.00	3,806.00
Taxes-Unemployment-Counseling	150.00	70.00
Office Supplies-Counseling	500.00	0.00
Travel & training	500.00	0.00
Totals	73,000.00	54,020.00
% of Total Budget	20%	16%

General Operations

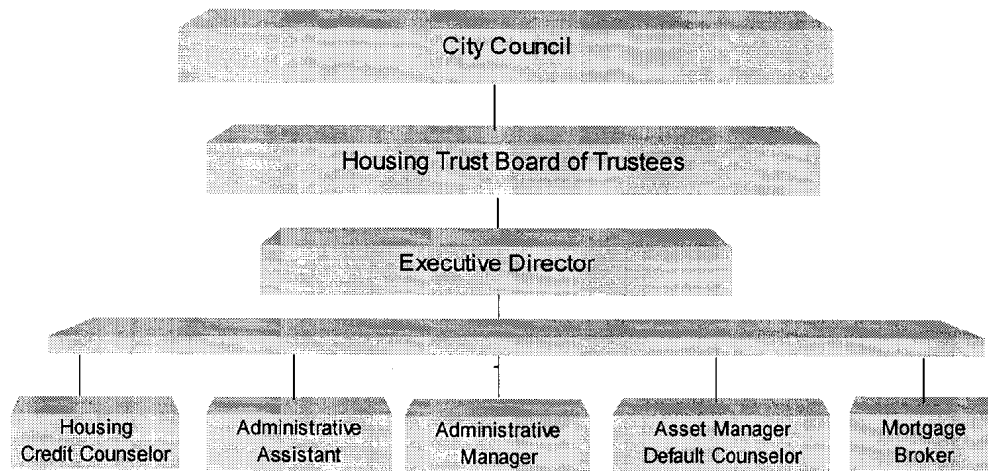
Budget Category	Proposed 2005 Annual Budget	2004 Annual Budget
Contract-bookkeeping-Gen.Oper.	1,400.00	1,260.00
Rent-Gen.Operating	2,000.00	7,000.00
Salaries-Gen.Operating	50,200.00	41,985.00
Taxes-Payroll-Gen.Operating	3,700.00	3,185.00
Taxes-Unemployment-Gen.Oper.	110.00	80.00
Non-reimbursable expenses	5,000.00	0.00
Totals	62,410.00	53,510.00
% of Total Budget	17%	16%

Total Budget **359,930.00** **5%** **342,830.00**

Attachment A (cont.)

SAN ANTONIO HOUSING TRUST FOUNDATION, INC. Personnel Complement FY 2004-2005

Executive Director – John Kenny
Administrative Manager – Elizabeth Miranda
Asset Manager and Default Counselor – Leo Ramos
Housing Credit Counselor – Celina Gonzalez
Administrative Assistant – Sandy Gonzalez
Mortgage Broker – Vacant



San Antonio Housing Trust Board of Trustees

Mr. Eddie De La Garza, President	District 7
Mr. Rodric Fitzgerald , Vice President	District 2
Ms. Yulance H. McKnight, Secretary	District 3
Mr. Tom Reedy, Treasurer	Mayor
Ms. Elizabeth M. Kerley, Asst. Secretary	District 10
Mr. George Alejos	District 5
Mr. Jesse Zuniga, Jr.	District 6
Vacant	District 1
Vacant	District 4
Vacant	District 8
Vacant	District 9

Attachment B

San Antonio Housing Trust

Trust • SAHT • Foundation • Investment Corp • HTIC • Finance Corp • SAHTFC •

SAHT Activity Fiscal Year 2003-2004

Mortgage Revenue Bond Program

- Series 2003 Mortgage Revenue Bond Program with a combined \$42.1 million Program in the City and County's allocation
 - \$16,737,036 for fiscal year 2003-2004 in San Antonio
 - 216 Loans purchased (First Time Homebuyers)
 - Avg. Loan Size of \$77,486
 - Interest Rate has varied from 5.3% to 6.35%
 - Down Payment Assistance Grants from Bexar County HFC totaling \$714,366 (4.3% of the loans)
 - SAHT loan for \$194,000 for negative arbitrage and bond closing costs
 - With less than \$12 million remaining in the bond, issue completion deadline is 12/31/05

Counseling Activities

- Long term Credit Counseling for clients identified through the City's Homebuyers Club Counseling Program

Individual Outreach	123
Pre-Purchase Counseling	82
Help Resolving or Preventing Mortgage Delinquency	154
Seeking Help Converting Home Equity or Better Mortgage Terms	17
Purchased Homes	13
Client will be Mortgage Ready in 90 days	60
Currently at the Lender	9
Renter or Homeless Prevention Counseling	1
Foreclosures	2
Deed in Lieu of Foreclosure	2
Total Families	463

Trust Project Activities

- Initiated 2004 Funding Round up to \$1,250,000
- Advanced funds for Neighborhood Action Department's Downpayment Assistance Program
 - Citywide loans totaling - \$378,700
 - 47 loans for clients with their first home

Attachment B (cont.)

Trust Financing Activities

Exchange Building – Downtown

- Refinanced Bond \$1,800,000
- Extension of \$100,000 Loan – 41 Apartments

Maverick Apartments

- Downtown – 40 Apartments
- Restructured Loan - \$250,500

Calcasieu Apartments

- Downtown – 40 Apartments
- Loan in the process of restructuring - \$200,500

UU Housing

- North Flores St.– 5 Row Homes
- Extension of \$58,000 Predevelopment Loan

Merced Housing

- District 2 – 4 Homes (8 last year)
- Revolving Loan Fund - \$105,000

Highland Hills Cottages– SADA

- District 3 – 37 Homes Extension of Predevelopment Loan –\$60,000

Gillette Square Apartments

- District 5 – 44 Apartments
- Conversion of Loan - \$50,000

Refinancing Activities

(Previous Affordable Showcase of Homes where the Trust hold a 2nd lien on the property)

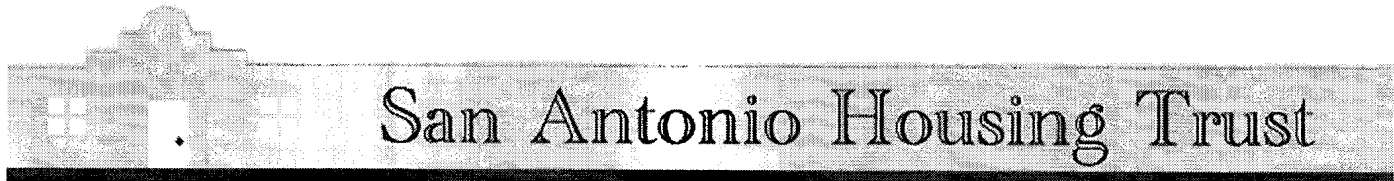
➤ Coliseum Oaks

- 3 Homes located in District 2 to preserve homes
- Loan Modifications - \$42,877 Villas de Esperanza
- 2 Homes located in District 5 to preserve homes
- Loan Modifications - \$25,995

➤ Pasadena Heights

- Sold remaining land and paid off original loan (1997)
- Renovation of the McIlvaine House (1890) for new offices for the San Antonio Housing Trust

Attachment C



• Trust SAHT • Found SAHTF • Invest SAHTIC • Finance Corp SAHTFC •

Proposed Activity for Fiscal Year 2004-2005

Program	Recipient Organization	Amount	No. of Units
2004-2005 Funding Round	City Wide	\$1,250,000	120
Advance HIP Funds for Downpayment Assistance	Neigh Action Dept.	\$320,000	42
Single Family Mortgage Revenue Bonds Series 2003	San Antonio Housing Trust Finance Corp.	\$10,000,000	128
Housing Finance DPA	Homeowners	\$256,000	
Revolving Rehab Loan Fund	Merced Housing	\$105,000	6
Modification and Extension of 2nd liens	Affordable Parades	\$48,000	4
Deeds in Lieu of Foreclosure	Affordable Parades	\$12,000	2
		\$11,991,000	302

Counseling

Estimated Activity for Fiscal Year 2004-2005

Pre-Purchase Counseling	60
Help Resolving or Preventing Mortgage Delinquency	60
Seeking Help Converting Home Equity or Better Mortgage Terms	20
Purchased Homes	15
Client will be Mortgage Ready in 90 days	30
Currently at Lender	10
Renter or Homeless Prevention Counseling	1
Foreclosures	1
Deed in Lieu of Foreclosure	4
Total Families	201