Request for Proposals

Housing and Economic Development Strategic Plan No. HCD-20161121

Submitted to:

RFP #HCD 20161121
Sara Anne Daines, Director
Housing and Community Development Department
City of Takoma Park
7500 Maple Avenue, Takoma Park, Maryland 20912
housing@takomaparkmd.gov

Submitted by:

Michelle Hayes, President
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Michelle.Hayes@cloudburstgroup.com   **Submission Date: 12/28/2016**

THE
CLOUDBURST
GROUP

December 23, 2016

Sara Anne Daines, Director
Housing and Community Development Department
City of Takoma Park
7500 Maple Avenue
Takoma Park, MD 20912

Via email: housing@takomaparkmd.gov

Re: RFP #HCD-20161121

Dear Ms. Daines,

The Cloudburst Group is pleased to submit this proposal in response to the RFP titled "Housing and Economic Development Strategic Plan," issued by the City of Takoma Park.

The Cloudburst Group is incorporated in the State of Maryland. Our proposal is predicated upon the terms and conditions of the RFP and is firm for a period of 90 days from the date of receipt.

We welcome the opportunity to discuss our proposal and look forward to assisting you in this effort. If you have any questions, please contact me directly at (202) 253-2346 or at michelle.hayes@cloudburstgroup.com.

Sincerely,

Michelle L. Hayes
President and CEO

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I.   Executive Summary

The Cloudburst Group, a majority woman-owned business located in Landover, MD has compiled a team of leading experts in housing and economic development planning to support the City of Takoma Park in developing its strategic plan. Cloudburst is a nationally recognized HUD technical assistance provider, having worked with over 300 state and local governments to design and implement housing, community, and economic development plans.

To supplement our team for this effort, Cloudburst has partnered with Mullin & Lonergan Associates (M&L) and Fourth Economy. Cloudburst, M&L and Fourth Economy have collaborated on previous projects and have a strong and complementary working relationship, enabling us to seamlessly support the City of Takoma Park.

Based in Pittsburgh, M&L facilitates the development of housing and community development plans throughout the northeast and mid-Atlantic regions. M&L's team are leading experts in data analysis and stakeholder engagement.

Fourth Economy is a national expert in creative economic development and analysis. Fourth Economy has assisted cities and regions across the country to identify and implement economic development programs and strategies.

The Cloudburst team is well suited to assist the City of Takoma Park in developing and implementing its housing and economic development strategy, based on the following:

1) **We know the region**
   Our office is located in Landover, MD and we have worked in Prince George's County, Washington DC, Baltimore, and metro Virginia. We have a strong understanding of market trends and conditions in the DC metro area and how these may impact Takoma Park.

2) **We are implementers**
   Our planning team focuses on implementation. We design our plans to serve as road maps for our clients with clear action steps and program schedules. We will ensure Takoma Park is prepared to implement the strategic plan at the conclusion of this engagement.

3) **We have national experience**
   Cloudburst has worked with cities and regions across the country to develop housing and economic development strategies. As a result, we have a library of best practices to review and apply to the City of Takoma Park.

4) **Data experts**
   Cloudburst serves as HUD's lead consultant on data-driven planning for housing and community development programs. We have conducted in-depth data analysis of cities and regions across the country to inform and drive planning decisions. We couple these strategies with detailed stakeholder engagement to validate the data.

For these reasons, as outlined in the proposal, Cloudburst is the best team to meet Takoma Park's needs.

Authorized staff to negotiate this contract are:

Michelle Hayes: President and Chief Executive Officer

Meggan Medina: Chief Operating Officer

JP Morgan: Chief Financial Officer

Denise Lomuntad: Sr. Contracts Manager

II.   Firm Overview

The Cloudburst Group

The Cloudburst Group (Cloudburst), founded in 2005, is located in Landover, MD. We are a mission-driven, majority woman-owned small business that provides consulting and technical assistance to federal, state and local governments, and nonprofit agencies in planning, design, implementation, and evaluation of programs that benefit socially and economically disadvantaged persons.

The focus of our Housing and Community Development practice area is to assist local communities to improve housing and community development planning, implement effective programs, and streamline grants management systems.

We are a leading technical assistance provider for HUD –assigned by HUD to work with cities and states across the country to improve housing and community development strategies. In the past 10 years, Cloudburst has worked with over 300 state and city governments to design, implement, or evaluate housing, community development and economic development programs. Additionally, Cloudburst works directly with local jurisdictions to develop and implement similar strategies.

Our staff comprises skilled former senior administrators of community development, planning, homeless, and public housing programs; housing developers; economic development specialists; and government officials with years of direct experience working in nonprofit, local, State, and federally-funded organizations. Our team's depth of HUD and locally funded technical assistance and consulting coupled with our team's direct experience in designing and implementing such programs gives us the skillset to produce a plan based in best practices and local conditions.

Cloudburst Principals

Cloudburst is a Maryland Corporation with 60 employees. Cloudburst has three principals having ownership interests in the company: Michelle L. Hayes, John P. Morgan and Meggan E. Medina (resumes included in Appendix 1).

Given the size of Cloudburst, principals do not actively work on projects, but provide quality assurance and management support to project teams. Principals will be available to meet with Takoma Park staff to discuss any component of the project as needed or requested.

A signature management protocol implemented by Cloudburst is that of communication – frequent, timely, informative. Each project communication plan requires regular meetings between project managers and the leadership team to review project status, schedule, and budget. These meetings are used to pre-identify any potential challenges or issues and allow our team to work closely with the client to address the issue preemptively.

Cloudburst Principals

Name	Title	Experience	Project Role
Michelle Hayes	CEO/ President	Oversees Cloudburst's programs, personnel, business development, and client relations for Federal, State, Local and private clients. In her 10 years with the company, Ms. Hayes has contributed significantly to Cloudburst's growth, expanding into new markets while	Provides overall quality control and assurance for all Cloudburst projects along with high level strategic support.

		maintaining the integrity of a top performing small business.	
Meggan Medina	Chief Operating Officer	Directs Cloudburst's legal, compliance, risk management and quality assurance functions. Ms. Medina has 17 years of creating stronger and more effective organizations nationally and internationally through strategic planning, legislative change, quality assurance and legal compliance.	Provides program oversight and ensures the project team meets all requirements as set forth in the contract.
JP Morgan	Chief Financial Officer	Oversees Cloudburst's financial, budgeting and accounting processes. Mr. Morgan has over 25 years of experience in accounting and financial management. He is adept in streamlining financial processes, enhancing productivity levels and introducing process improvements.	Provides contractual and financial oversight to all contracts.

Partners

In this proposal, Cloudburst has partnered with Mullin & Lonergan Associates (M&L) and Fourth Economy Consulting. M&L are national leaders in housing and community development planning – having developed hundreds of housing strategies for cities, counties and states across the northeast and mid-Atlantic regions. M&L specializes in regional planning and integration in regional planning – critical expertise for assisting Takoma Park in integrating its strategy into regional market pressures and aligning with existing plans and strategies. Fourth Economy is a leading economic development consulting firm that assists cities and regions to think creatively about the design and implementation of economic development strategies.

Cloudburst and M&L have successfully executed on over 20 projects in the past six years and the current project team of Cloudburst, M&L, and Fourth Economy partnered last year to complete a fair housing assessment and strategy for the State of New York. In these projects, our teams have become comfortable collaborating and working together and will be able to function as a single team in assisting Takoma Park throughout this project.

Mullin & Lonergan Associates (M&L)

Mullin & Lonergan Associates is a housing and community development consulting firm with offices in Pittsburgh and Camp Hill, PA. Formed in 1965, Mullin & Lonergan was consolidated into Northeast & Bucks Company in 1979. Although the legal name of the firm is Northeast & Bucks Company, they use the trade name of Mullin & Lonergan Associates because of the goodwill and recognition that they have built with their clients and within the industry for more than 50 years. To clients, the firm is known simply as "M&L."

Clients include local units of government (boroughs, townships, cities, counties, states), HUD CDBG entitlements, HOME PJs, Continuums of Care, public housing authorities, nonprofit organizations, planning agencies, state housing finance agencies, and economic development organizations. M&L is a member of the National Association of Housing and Redevelopment Officials (NAHRO), the Pennsylvania Association of Housing and Redevelopment Authorities (PAHRA), and the National Association for County Community and Economic Development (NACCED). M&L meets the definition of a *small business* with a workforce comprised of 20

employees. These include housing specialists, community planners (five of whom are AICP certified), local government specialists, and finance specialists.

M&L Principals

Name	Title	Experience	Project Role
Marjorie Willow	Principal	Ms. Willow is highly active in housing policy analysis, housing needs assessments and fair housing analyses. She serves as principal-in-charge and project manager for the housing studies undertaken by M&L. Most recently, she has served as the project manager for housing assignments in Pittsburgh, PA, Westmoreland County, PA, Columbus, GA, Naperville, IL, State of New York, State of Iowa, Allegheny County, PA, Wake County, NC, Erie County, NY, and Morris County, NJ.	High level Housing Strategy Subject Matter Expert and assist in the design and rollout of the project plan.
Michael Kearney	President	25 years of experience in real estate development and consulting. Working with the Federal Low Income Housing Tax Credit and HOME programs since their inception, Mr. Kearney is considered an expert in affordable housing. He has been a principal of M&L for 15 years, where he has helped to develop more than 3,000 affordable housing units.	Project oversight for M&L as needed
Tom Lonergan	Vice President	Principal of Mullin & Lonergan Associates since 1989. He has more than 33 years of experience in the housing and financial analysis field. Mr. Lonergan is a registered securities broker and has assisted in the development of more than 2,500 units utilizing the Federal Low-Income Housing Tax Credit program. He also serves as the Executive Director of the Section 8 Housing Assistance Payments Program and the Housing Rehabilitation Program in the Borough of Somerville, New Jersey, a position he has held since 1986.	Project oversight for M&L as needed

Fourth Economy Consulting

Fourth Economy, founded in 2010, is a mission-driven consulting group that seeks to equip change agents with the tools they need to build better communities and stronger economies. Their experience in working on hundreds of projects informs their approach and guides them on where to begin. They do however recognize that each engagement requires a tailored and often iterative process. They strive to become partners with their clients and understand their needs and aspirations in order to advise them most effectively. Fourth Economy effectively blends both quantitative and qualitative inputs at every point in the consulting process. Most importantly, their focus is on developing realistic recommendations that can be easily understood and readily implemented.

The Fourth Economy team has earned a reputation for effectively combining rigorous analytical capabilities with a practical emphasis on implementation. They have assembled a team of experts who have actually worked in economic development agencies, industry, non-profit organizations, and tier-one research institutions. They work at the intersection of diverse systems, from community development to economic development, from transportation to real estate development, and from legacy industry to entrepreneurial ecosystems. They use their experience in economic development to frame environmental, social, and cultural issues in a context that resonates with to investors and public policy leaders.

The team serves as connectors in the fourth economy, bringing together the creative energy of individuals to make new ideas and plans happen, creating lasting results for our clients.

Fourth Economy Principals

Name	Title	Experience	Project Role
Rich Overmoyer	President and CEO	National leader in innovation based economic development field Mr. Overmoyer has created and built a strong Economic Architecture consulting practice. He served as Pennsylvania's Deputy Secretary of Technology Investment where he directly managed technology investment programs totaling over $82 million annually. As Executive Director of the Ben Franklin Technology Development Authority, his team was credited with the creation and attraction of hundreds of new companies and thousands of jobs within the Commonwealth. Mr. Overmoyer also supervised numerous other state-funded entrepreneurial and technology commercialization organizations.	Economic Development SME assisting in the assessment of conditions and design of overall economic development plan and integrating it into the overall strategy.
Jerry Paytas, Ph.D.	Vice President	25 years' experience in economic and market analysis, Dr. Paytas is a principal at Fourth Economy where he directs all research and analytic inquiry. Dr. Paytas was Director of the Carnegie Mellon	Project oversight for Fourth Economy as needed

| | | Center for Economic Development and teaches economic and community development at Carnegie Mellon's Heinz College. At the Ben Franklin Technology Center of Western PA, Dr. Paytas managed a network of service providers that assisted more than 1,300 clients, leveraged more than $280 million in loans and grants, started nearly 70 new firms and created more than 1,000 new, high-quality jobs | |
| **Chelsea Burket** | Director of Sustainable Communities | Ms. Burket's work is informed by her background in urban planning and community development. Previously she worked with non-profits in Southwest Detroit to ensure that infrastructure development provided jobs and other benefits for local residents, and to organize the community around environmental issues. In Pennsylvania, Ms. Burket has worked with local governments to advance traditional neighborhood development, quality public art and civic design, and historic preservation. Ms. Burket serves on the board of two Pittsburgh non-profits working to spur community development through vacant land reclamation and small-scale grant-making. | Project oversight for Fourth Economy as needed |

Project Team

The Cloudburst team will be managed by T.J. Martzial. Mr. Martzial is experienced in organizing and tracking multiple staff on multiple assignments. The Cloudburst team are familiar with each other's capacity, schedules, and workloads, and work together in a unified process to provide deliverables on time and often early. Coordinating these schedules with Takoma Park's needs and keeping everyone informed of weekly and even daily progress will be critical to our success.

T.J. Martzial, Manager, has served as the project manager on a number of U.S. Department of Housing and Urban Development-funded Community Planning and Development projects and State and local housing plans, affirmatively furthering fair housing, economic development, and strategic planning projects. His work in an extensive engagement in Puerto Rico in 2011-2013 included development of an island-wide Housing Needs Assessment and assisted the Commonwealth in developing a State Housing Plan adopted by the Governor. He also led a similar engagement in the City of San Antonio that developed a Housing Needs Assessment and a Housing Strategic Plan that guides the City's housing policy.

Mr. Martzial has also provided technical assistance to the State of Iowa to develop its housing and community development plan, and provided economic development technical assistance to the state to analyze their current economy and design a state-wide program that aligns with the State's economic development strategic plans for job creation.

Mr. Martzial began his career as a carpenter, building single family homes in large developments and passive solar homes. Mr. Martzial worked for the City of Bangor, Maine for over 25 years as a Housing Programs Manager involved in housing rehabilitation, affordable housing development, and CDBG program management. He created the Bangor Homeless Continuum of Care and facilitated the revitalization of the downtown district through affordable housing development and economic development activities. Mr. Martzial was appointed as a Commissioner of the Bangor Housing Authority, and served as Chair for 13 years. Mr. Martzial spent over three years as the Director of Housing and Community Development for the City of Portland Maine overseeing the City's HUD programs including CDBG, HOME, ESG, NSP-1, and HPRP. Mr. Martzial coordinated a three-year re-design of Portland's entire community development program that included extensive public engagement with a new focus on economic development and job creation. Mr. Martzial also created the Portland-Cumberland County HOME Consortium in 2008.

Cloudburst's proposed project team includes experts in housing needs, economic development, and data analysis as well as community engagement and outreach. Our team includes former municipality and HUD directors who will provide Takoma Park with actionable recommendations for the housing and economic development strategy.

Cloudburst Proposed Project Team

Name	Firm	Role	Expertise
T.J. Martzial	Cloudburst	Project Manager	See bio above.
Steve Sachs	Cloudburst	Quality Control; Implementation SME	Former HUD CPD Director; 40+ years of economic development, organizational, and community development experience; Currently assists state and local governments in developing, implementing, and managing local community and economic development

			programs and projects
Ben Sturm	Cloudburst	Program Analyst	Eight years of experience in the public and private sector; Specializing in project management, community engagement, and strategic planning
Nicole Walter	Cloudburst	Data Analyst	Primary data analyst and GIS specialist; project examples include conducting analysis to develop an economic development assessment in Bremerton; Lead data analyst for Oakland and New York AIs; GIS and Data Analysis and Visualization expert
Marjorie Willow	M&L	Housing SME	20+ years of experience in housing and community development; Expert in housing policy analysis, housing needs assessments, and fair housing analyses
Ira Mabel	M&L	Housing Analyst	Led housing studies at state, county, and community scales; Managed and analyzed large datasets from sources including past and forecasted demographic, economic, real estate, and mortgage leading data
Rich Overmoyer	Fourth Economy	Economic Development and Strategic Planning SME	Former Deputy Secretary for PA's Secretary of Technology Investment; Nationally known thought leader in the innovation-based economic development field
Emily Brown	Fourth Economy	Economic Development SME	Economic Development expert; Has lead the development of economic development curriculum for International Economic Development Council; Curated best practices for economic development and strategic planning for global application

*Resumes are included as Appendix 1

Cloudburst Team Organizational Chart

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│  Steve Sachs    │───│  T.J. Martzial  │
│ Quality Control │   │ Project Manager │
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                             │
            ┌────────────────┴────────────────┐
    ┌─────────────────┐          ┌─────────────────┐
    │   Ben Sturm     │          │  Nicole Waters  │
    │ Program Analyst │          │  Data Analyst   │
    └─────────────────┘          └─────────────────┘
            │
    ┌───────┴──────────────────────┐
┌─────────────────┐      ┌──────────────────────┐
│ Marjorie Willow │      │   Rich Overmoyer     │
│   Housing SME   │      │      Economic        │
│                 │      │  Development SME      │
└─────────────────┘      └──────────────────────┘
        │                         │
┌─────────────────┐      ┌──────────────────────┐
│   Ira Mabel     │      │    Emily Brown       │
│ Housing Analyst │      │      Economic        │
│                 │      │  Development SME      │
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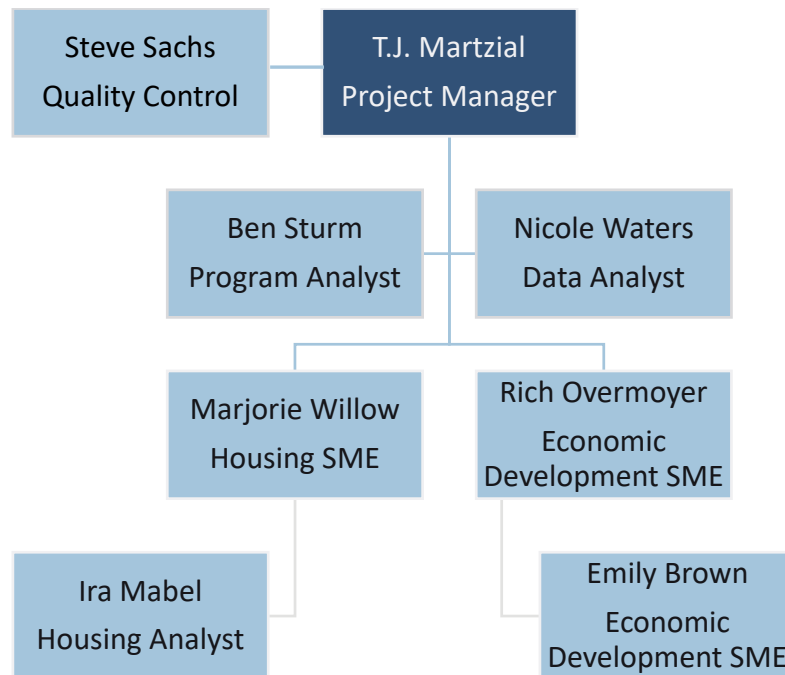
Active Engagements

The Cloudburst team has ongoing contracts with Federal, State and Local governments. Our team implements a Project Management Professional (PMP)® based project management protocol to ensure deliverables are submitted on-time, within budget and meet our client's expectations. The project team selected from our pool of resources have the expertise best suited for Takoma Park and the time availability to meet the schedule and requirements outlined in our approach.

Name	Hours Proposed on this Proposal		Available for this Project
	% Effort	Hours	% Effort
T.J. Martzial	22%	173	50%
Steve Sachs	2%	13	50%
Ben Sturm	16%	131	30%
Nicole Walter	12%	95	25%
Marjorie Willow	2%	17	25%
Ira Mabel	12%	95	40%
Rich Overmoyer	6%	46	25%
Emily Brown	6%	51	25%

III. Relevant Experience and Past Performance

Project Experience

The Cloudburst team has assisted hundreds of cities, counties and states to develop and implement housing and economic development plans. Cloudburst has successfully completed dozens of projects that align with Takoma Park's three proposed project stages. Through this approach, we have produced tangible plans that clients have implemented to improve housing and economic development programs.

Where Are We?

Cloudburst has experience conducting environmental scans that are based on quantitative data, qualitative data and a review of existing and regional plans. We will use the experience to develop a structure that fits within Takoma Park's approach and produce succinct deliverables that describe current housing and economic conditions.

Which Direction Should We Go?

We have worked with cities across the country to establish implementable, measurable goals to address housing and economic development needs. We work closely with clients to identify goals and approaches. We have employed SWOT analyses in cities such as Bremerton, Washington to identify economic development goals to revitalize its downtown.

How Do We Get There?

All of our planning efforts conclude with a series of recommendations on how clients should implement projects. In San Antonio and St. Louis, we provided clear recommendations on how the identified goals should be implemented which resulted in comprehensive housing and community development strategic plans for both cities.

Through the projects described in this section, we have produced the following outcomes which would result in similar end products for Takoma Park.

Relevant Outcomes for Takoma Park

Outcome	Project Examples
Comprehensive Housing and Economic Reports – these reports provide a clear profile of community conditions and have served as a baseline for creating housing and economic development strategies. In San Antonio, our report not only informed the primary planning document, but was also used by other planning efforts in the region. (*Where Are* We)	San Antonio; St. Louis; Pittsburgh; Westmoreland County, PA; and State of Washington
Focus Group Strategies - We have convened focus groups to inform reporting efforts and to support program implementation. This was tremendously critical to St. Louis's success in implementing its new community development approach. (*Where Are We* and *Which Direction Should We Go*)	Bremerton; San Antonio; St. Louis; Providence, RI; and Lebanon, PA
SWOT Profiles – our team has identified strengths/ opportunities and threats/ weaknesses in communities across the country and used these as the basis of strategic goals. In Providence, our assessment of potential clusters	Bremerton, WA; San Antonio; St. Louis; Pittsburgh; Westmoreland County, PA; Providence, RI: and Lebanon,

resulted in an implementable strategy that is anticipated to grow the city's economic base. (*Which Direction Should We Go*)	PA
Strategic Plans – In communities across the country, we have produced strategies that are specific to the community and include financing mechanisms, schedules and roles and responsibilities to ensure they are implemented. (*How Do We Get There*)	Bremerton, WA; San Antonio; St. Louis; Westmoreland County, PA; Providence, RI; and Lebanon, PA

We anticipate realizing similar outcomes and benefits for Takoma Park through this engagement.

ECONOMIC DEVELOPMENT STRATEGIES
City of Bremerton, WA

PROJECT SUMMARY

Cloudburst provided the City of Bremerton with on-site and remote assistance to build staff capacity in order to identify and design economic development strategies.Cloudburst then conducted an economic development assessment of strategies to help the City evaluate the feasibility of its proposed use of Section 108 loans for mixed-use and residential redevelopment in downtown Bremerton.

To accomplish these tasks, Cloudburst reviewed existing data available from the City's Comprehensive Plan, regional economic development strategies, and analyzed Federal and State data sets to assess economic conditions. Cloudburst conducted a series of on-site discussions with the City and key stakeholders to review possible strategies and actions for revitalizing downtown Bremerton. Cloudburst provided the City with a final report, "Economic Development Assessment of Downtown Bremerton," that provided an overview of the economic conditions in downtown Bremerton, strategies to stimulate economic development and abate blight in the downtown, and recommendations on how various funding sources to achieve these strategies.

CLOUDBURST PROJECT EXAMPLE

PERIOD OF PERFORMANCE:
10/2015 – 9/2016

KEY STAFF:
TJ Martzial
Steve Sachs
Nicole Walter

KEY RELEVANCIES:
➢ Identified creative ways to develop partnerships
➢ Researched and gathered data from key stakeholders
➢ Conducted on-site and remote discussions with the City of Bremerton, Seattle Field Office, and other key stakeholders (i.e. relators, property owners, and lenders)
➢ Produced an analysis for the City to use in designing a targeted economic development strategy
➢ Provided the City with achievable strategies and action steps that would have the greatest impact on downtown Bremerton

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COMMUNITY REVITALIZATION STRATEGIES FOR SAN ANTONIO

City of San Antonio, TX

PROJECT SUMMARY

Cloudburst, in partnership with M&L, provided guidance and best practices to develop a community revitalization strategy that supported the City's goals of effectively targeting and coordinating resources (federal, state, local, and foundations). Cloudburst first conducted robust data gathering and analysis and reviewed preliminary data analysis with stakeholders throughout the City and region to identify key trends, challenges and opportunities. Following these meetings, Cloudburst produced a Housing Needs Assessment for the City. This assessment was used to inform the City's Comprehensive Strategic Housing Plan, which served as the basis for aligning and incorporating existing neighborhood plans, visioning plans, and master plans into a singular focus for housing development.

Following the creation of the Strategic Plan, Cloudburst provided intensive technical assistance to the City to develop policies and procedures to implement the program.

The Housing Needs Assessment is included as a sample work product as Appendix 2.

CLOUDBURST PROJECT EXAMPLE

PERIOD OF PERFORMANCE:
2/2012 – 3/2014

KEY STAFF:
TJ Martzial
Steve Sachs

KEY RELEVANCIES:
➢ Developed and published a market-based strategic community development plan informed the Consolidated Plan and related strategies
➢ Conducted robust set of stakeholder and focus group meetings
➢ Integrated plan into existing neighborhood and regional plans
➢ Assisted in review of existing program management capacity to ensure City had expertise and tools in place to implement plan
➢ Increased and enhanced the program management capacity of City staff

Increasing the Reach and Effectiveness of Community Development Funds

St. Louis, MO

PROJECT SUMMARY

The Cloudburst Group assisted the City of St. Louis in developing a *Neighborhood Conditions Index* (NCI) and Market Value Assessment (MVA) inform public and private investments targeting quality of life gaps or deficiencies in low-income neighborhoods. Using the NCI and MVA tools, Cloudburst helped the City to further secure broad endorsement and active support from the public and private sectors, including developers and funders, for a data-informed community needs assessment and housing strategic plan.

In addition to introducing data-based planning to the City, Cloudburst assisted in developing a broad recruitment strategy to bring additional stakeholders into the process. Cloudburst introduced place-based planning for strategic housing and economic development, placing the work in the context of developing a comprehensive Consolidated Plan for the City (2015-2019). This culminated in the issuance of a city-wide CDBG Public Services RFP with criteria based on the NCI and MVA.

On January 29, 2014, the *St. Louis Dispatch* published an article describing this engagement with the City. Click here to read the article (http://www.stltoday.com/business/local/st-louis-turns-to-data-to-guide-development/article_88e96f4f-7f8f-5f31-b4a3-50f73df0b28d.html#.UukNpxwkHp8.email).

**CLOUDBURST PROJECT EXAMPLE**

KEY STAFF:
Steve Sachs

PERIOD OF PERFORMANCE:
9/2012 – 1/2014

KEY RELEVANCIES:
- Opened the community development planning and allocation process to wider range of stakeholders.
- Created new and strengthened existing partnerships including universities, elected officials, foundation and redevelopment leaders, community members.
- Provided phased training to City staff, elected officials, community organizations, academic partners and private foundations.
- Introduced City staff to the concept of a "Neighborhood Conditions Index" of overlaying demographic and social-services data on residents with housing and economic development data The NCI was used to inform City's housing and community development plan
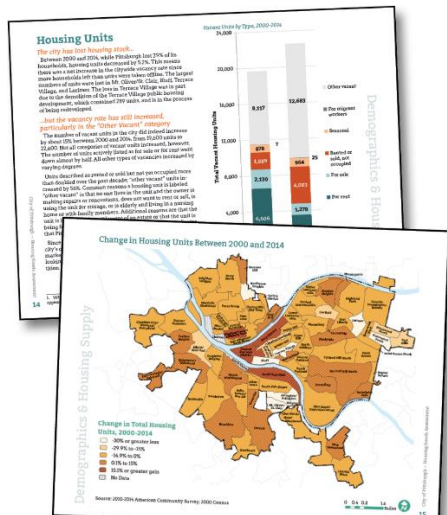
Affordable Housing Needs Study

City of Pittsburgh, PA

PROJECT SUMMARY

The City of Pittsburgh created the Affordable Housing Task Force in 2015 to assess the current and future landscape of housing affordability in the city, evaluate current programs and initiatives to produce new affordable units and preserve existing ones, and make recommendations to the Mayor and City Council. M&L worked with the Task Force's Needs Assessment subcommittee to study and analyze the data, trends, and characteristics associated with the local housing market. This involved describing supply and demand, identifying housing gaps, and modeling residents' vulnerability to displacement at the neighborhood level. The Task Force used the final report to support and inform the policy recommendations present to Council and the Mayor.
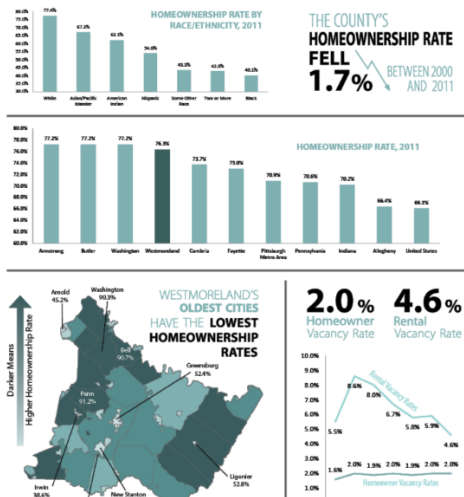
HOUSING PLAN, 2014

Westmoreland County, PA

PROJECT SUMMARY

This Housing Plan provides a narrative of major findings regarding Westmoreland County's housing market, addresses future goals, sets housing policy, and provides a strategic plan to address housing needs. Recommendations include steps that will improve the living environment for residents, preserve the existing housing stock, assist community groups to enhance neighborhoods, target investments and incentives to identified needs, and establish a framework for focusing investments. Beyond that, the Plan contains recommendations specific to the diverse communities in Westmoreland County using a "typology" system; for instance, actions that would be appropriate in strong vs. weak housing markets, in urban vs. rural areas. This speacialized array of tools will ensure that the county's policies consider the wide range of issues affecting its diverse communities while still advancing overall housing goals.

HOUSING NEED ASSESSMENT
State of Washington

PROJECT SUMMARY

Prepared for the Affordable Housing Advisory Board, the Department of Commerce, and the Housing Finance Commission, this study was an innovative and exhausitive accounting of housing affordability in Washington State. To maximize the usability of the report for legislators and affordable housing practicioners, M&L focused only on select, key indicators of the statewide housing market. In order to answer all of the posed research questions, M&L completed every point of analysis for different income tiers, for both renters and homeowners, and at unique geographies requested by the diverse client team. This meant adapting and expanding proven techniques, such as the affordable housing gap analysis popularized by the National Low Income Housing Coalition and Urban Institute. In addition, M&L compiled the most complete and detailed inventory of subsidized housing the State had ever undertaken. The result was a highly data-driven report that included a unique data profile for all 39 countries as well as 17 urban regions in the State.

CLUSTER STRATEGY FOR CITY OF PROVIDENCE
Providence, RI

PROJECT SUMMARY

The City of Providence engaged Fourth Economy to help them create a cluster strategy to guide their economic development investments. Given the response to the unique needs and opportunities of the City expressed by stakeholders, our process veered from a traditional cluster study process and focused on some basic community and economic development needs (such as quality, affordable housing), as well as non-traditional industries such as education technology and social enterprise. Fourth Economy also provided additional market analysis to support the development of an organic co-packing facility and other food-based initiatives. The process involved industry working groups, data analysis to identify cluster strengths and weaknesses, and working closely with city staff and industry representatives to craft realistic recommendations.

GROW LEBANON 2020: AN ECONOMIC DEVELOPMENT ACTION AGENDA

PROJECT SUMMARY

Fourth Economy was engaged to assist the City of Lebanon, Pennsylvania, in developing an economic development action agenda, downtown improvement plan, media event and public launch. The plan, Grow Lebanon 2020, was made public in May of 2015. The process involved a detailed economic structure analysis and extensive stakeholder engagement including a community survey and working group meetings with industry leaders, economic and community development representatives, and higher education leaders. Eight key recommendations and more than thirty detailed action steps were adopted to guide programmatic and asset development for the next five years. Performance metrics were developed that included both measures unique to Lebanon's conditions and context as well indicators that align with higher-performing regional cities. The report can be found at: http://bit.ly/2czzqsX

FOURTH ECONOMY PROJECT EXAMPLE

KEY STAFF:
Rich Overmoyer

PERIOD OF PERFORMANCE
9/2014 – 5/2015

KEY RELEVANCIES:
➢ Created an economic development strategy to improve commercial and industrial opportunities
➢ Launched the City of Lebanon's downtown improvement plan, called Grow Lebanon 2020, in May 2015
➢ Adopted 8 key recommendations and more than 30 action steps to guide programmatic and asset development for next 5 years

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IV.   Approach to Services and Proposed Schedule

This section outlines our proposed approach to this project under four major tasks. Each task includes an indicative set of key activities and deliverables. We understand the need for flexibility in this type of complex engagement and will collaborate with MHDC to agree on the final set of critical activities and milestones. Cloudburst is equipped to meet the deadlines outlined in the RFP which are described in our anticipated project schedule in this section.

The following sections provide detail about the methodology and scope of work for each task:

Task 1: Project Management

Task 2: Housing and Economic Analysis – *"Where are we?"*

Task 3: Issues Identification and Prioritization - *"Which direction should we go?"*

Task 4: Strategic Plan – *"How do we get there?"*

Summary of Responsibilities:

- *Cloudburst Group*

In addition to overall coordination and management, Cloudburst will be responsible for research and collection of housing and economic data through city staff and various public and private data sources. Primary responsibility for this data work will be with Ms. Walter, with assistance from Mr. Sturm. After review and confirmation of quality data from M&L and Fourth Economy, Ms. Walter and Mr. Sturm will make any corrections and format the results into appropriate tables and maps for review and analysis by M&L and Fourth Economy. Mr. Martzial and Mr. Sachs will undertake a final review and quality control of all deliverables. Mr. Martzial or Mr. Sturm will attend the on-site meetings with City staff and focus groups.

- *M&L*

M&L will be primarily responsible for drafting analysis of the housing data, and backup review of economy data. Ms. Willow and Mr. Mabel will provide analysis of data in the *Housing and Economic Analysis Report,* and will be responsible for drafting housing sections of the *SWOT Assessment Report* and the *Strategic Plan.* Mr. Mabel or Ms. Willow will attend the on-site meetings with City staff and focus groups.

- *Fourth Economy*

Fourth Economy will be primarily responsible for drafting analysis of the economic data, and backup review of housing data. Mr. Overmoyer and Ms. Brown will provide analysis of data in the *Housing and Economic Analysis Report,* and will be responsible for drafting economic sections of the *SWOT Assessment Report* and the *Strategic Plan.* Mr. Overmoyer or Ms. Brown will attend the on-site meetings with City staff and focus groups

Task 1: Project Management

Task Goals

- Manage project schedule and budget efficiently and in line with Takoma Park's expectations.
- Clearly communicate and coordinate with Takoma Park and key stakeholders throughout project process.
- Provide regular status reports to Takoma Park staff.

Overall project management and team responsibilities

The Cloudburst team will be managed by T.J. Martzial, who has over 35 years' experience in affordable housing, and community and economic development. Mr. Martzial is experienced in organizing and tracking multiple staff and subcontractors on multiple assignments. As Project Manager, he is responsible for the overall management of the project. Mr. Martzial is the main point-of-contact for the engagement and will manage timelines, communications, progress and quality controls. He will also oversee data collection, analysis, and development of deliverables.

Host initial 'kick-off' meeting with Takoma Park

Ensuring everyone is 'on the same page' is critical to the success of any project. Following award of the contract, Cloudburst team members will conduct a kick-off meeting with Takoma Park staff. Cloudburst and Takoma Park will confirm the project scope, milestones, approach, deliverables, roles and responsibilities, communication protocols, and key stakeholders.

Report monthly progress

In addition to project activity calls and meetings, Cloudburst will monitor the project work plan and collaborate with Takoma Park staff through regular progress calls and/or meetings. To ensure for the most efficient use of project resources, progress updates will be held consecutively with other scheduled onsite meetings and calls where possible. Regular progress calls will include collaborative agendas, and a description of current and upcoming activities.

Continue communication with regional leaders

In addition to the specific consultation sessions outlined in the following tasks, we will remain in communication with staff and key stakeholders throughout the project. Cloudburst will connect with regional leaders to seek feedback on any issues or questions that arise as we evaluate the current system and design strategies to address Takoma Park's housing, economic, and community development needs. We will set up a file sharing account for City staff with all relevant documents, data research, agendas, meeting summaries, deliverable drafts and finals, and other relevant documents that will be available anytime.

Task 2: Housing and Economic Analysis – Where Are We

Task Goal

- Produce a report that clearly identifies demographic, housing, socio-economic and economic conditions in Takoma Park. Through this report, Cloudburst, Takoma Park staff and key stakeholders will have a more complete understanding of conditions in the City and how they align with regional conditions and trends.

Based on feedback from the Project Kickoff Meeting with Takoma Park staff, the Cloudburst team will finalize the datasets to be used in the *Housing and Economic Analysis Report* deliverable. We will analyze the data, highlighting significant trends at the City and regional levels, creating a series of maps to illustrate trends and conditions, integrating current and projected housing and economic data with regional development trends, and begin compiling the draft document. The Cloudburst team understands that Takoma Park housing and economic data analysis and trends do not occur in isolation, but are affected by regional trends, political actions, and physical changes such as the relocation of the Washington Adventist Hospital and the repurposing of its campus, and the arrival of the Purple Line light rail line with stations at the Crossroads and in Long Branch. Due to our main office location in Landover and experience in working in the DC metro area, many of our staff are aware of the regional economy and housing markets.

When beginning a new planning initiative, it is always practical to review previous plans. Knowing what has been proposed in the past, how well it has succeeded, and what lessons can be learned from earlier efforts can set the foundation for a more relevant and useful new plan. Building on what has worked well, understanding and modifying what was not achievable, and incorporating new innovative concepts along with current conditions will increase the likelihood of continued future success. For these reasons, the current housing plans and policy documents for the City of Takoma Park and DC metro region will be reviewed in order to link past planning with future planning initiatives.

This analysis will include a situational analysis so that a thorough and comprehensive assessment of the local development environment can be made. The team will gain a full understanding of the housing and economic development activities currently underway in Takoma Park and the region, but through interviews, research, and analysis of available data, we will develop an awareness of labor conditions, trends in economic development successes and failures, the availability of private and public capital resources, the lending environment, and other indicators that will familiarize the team with local and regional economic development conditions. Economic trends are important to the understanding of the housing market because of the relationship between jobs, income and housing. An area that is adding jobs attracts new households. Conversely, an area that is declining as an employment center might lose population and households over time. Trends in employment and wages impact housing demand and supply.

Cloudburst will submit a draft Housing and Economic Analysis Report to the City for review and comments prior to finalizing it. It is anticipated this task will take one to two months to complete.

The analysis will include, at a minimum:

- *Economic Trends* – employment and salary trends by occupation sector, income, poverty, journey-to-work trends, location of major employment centers, location of low income concentrations and minorities

- *Demographic Trends* – population by age, race/ethnicity, household formation by age of householder, household type and size, household income distribution by age of householder, educational attainment, migration trends

- *Housing Trends* – median and gross rent, median home value, tenure, percentage of income spent on housing costs, suitability of housing stock by bedroom size to household population, calculation of existing single- and multi-family housing supply and demand. To the extent that local data (computerized code enforcement violations, for example) is available to evaluate housing condition, this will also be reviewed.

- Current Inventory of Assisted Housing, including affordable units at risk for conversion to market-rate units

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It is important to note that Task 2 and Task 3 activities are not linear, and with completely discrete activities, but will tend to inform each other. However, for clarity, this proposal will follow the RFP Section III. Scope of Work. For example, the on-site meeting with City staff, and community engagement process, although specified in Task 3, will occur early in the project and provide valuable local and regional information for both the Housing and Economic Analysis Report, and the SWOT Assessment deliverables.

Document Review, Data Collection, and Analysis

Cloudburst will conduct a thorough desk review of Takoma Park's existing housing market and economy by accessing public and private data sets and reviewing relevant studies conducted by the MNCPPC and other local and regional agencies. Reports and plans, such as the Montgomery County Consolidated Plan, Neighborhood Plans, Comprehensive Plans, program files, policy and procedure manuals, and accomplishment reports will also be reviewed to understand the objectives of the City's and the region's housing and economic programs, policies and services, and economic conditions.

This data and research will inform Cloudburst's drafting of the *Housing and Economic Analysis Report* which will examine the housing market and economy within the context of demographic and socio-economic trends, the parameters of existing rental and sales markets, projections for anticipated change and the policy and local circumstantial factors influencing housing development and the economic development environment.

The Cloudburst team is particularly proficient with this type of work. Members of our team have worked together on similar projects for the Commonwealth of Puerto Rico, the State of Iowa, the City of San Antonio, the City and County of Sacramento, CA, and Bremerton, WA.

In addition to the criteria presented in a) – h) on page five of the RFP, Cloudburst will also analyze the programs on the following topics:

- Alignment with City housing goals/objectives

- Efficiency in delivering programs

- Compliance with Federal, state and local policies and procedures

- Coordination among programs

- Impact on addressing community needs/conditions

Deliverable: Development of a Draft and Final Housing and Economic Analysis Report
Following our document review, data collection and analysis, we will compile the results and synthesize our analysis into a draft *Housing and Economic Analysis Report*. This report will include a clear snapshot of existing conditions, current and projected trends and how Takoma Park fits into the regional housing and economic development context. This report will serve as Takoma Park's basis to inform this planning exercise and potentially other planning activities as needed.

Examples of similar work products by the Cloudburst team are included as Appendix 2 and 3 to this proposal.

Task 3: Issues Identification and Prioritization – Where Are We Going

Task Goal

- Identify specific goals and opportunities for Takoma Park to pursue in its Strategic Plan – this will include policies and target areas such as the hospital and potential transit sites.

In our experience, the most insightful and accurate qualitative data sources are community stakeholders and citizens. As practitioners in a variety of fields, their experiences provide real-world perspectives available through focus groups or personal interviews. For example, the identification of barriers to the development of housing can be answered best by talking to developers who have been working to achieve this goal.

Stakeholders could include:

- Commercial and residential developers

- Commercial and residential real estate professionals

- Lending institutions

- Public and private funding agencies

- City department directors (planning, engineering, code enforcement, public works, economic development, etc.)

- Neighborhood associations

- Current and former elected officials

- Regional Planning, Housing and Economic Development stakeholders and departments in Montgomery County, Washington, DC and Prince George's County.

Data from interviews and focus groups will be combined with and supported by the quantitative components of the *Housing and Economic Analysis Report*. The Cloudburst team will confer with City staff to identify appropriate local and regional stakeholders and to schedule and prepare for meetings. Our team's extensive experience in community engagement indicates that stakeholders relevant to the project can be divided into two

"tiers"; one group of critical stakeholders, and one of ancillary but relevant participants. The Cloudburst team will conduct on-site interviews and focus groups with key "tier one" stakeholders essential to the project. We will also schedule additional meetings with "tier two" stakeholders (or appropriate interested individuals) via teleconference, or on-site with individual members of our team.

If additional stakeholders are identified or the need to survey residents and community members, Cloudburst will develop a web-based survey for distribution to stakeholders and/or residents to gather additional input and feedback.

Task 3.a. Conduct On-site Project Meetings with City Staff and Stakeholders

Cloudburst will conduct an on-site meeting in which we will meet with local/regional stakeholders followed by a working session with City staff to create the framework for the draft SWOT analysis.

This draft SWOT analysis will be based on *Housing and Economic Development Analysis Report* and initial data gathered through stakeholder and focus group meetings. We find such planning exercises are best done in person to gather input and engage in discussion around potential strengths and challenges.

Task 3.b. Deliverable: SWOT Assessment Report

After all of the data, anecdotal commentaries, observations, survey results, and meeting notes have been collected, the Cloudburst team will utilize our extensive experience in similar engagements across the country to develop a *SWOT Assessment Report* deliverable that pulls together our research and analysis into an achievable shared vision for the future of the community.

During the execution of this task, Cloudburst will work closely with City staff, to outline and draft the *SWOT Assessment Report*. Time schedules for drafts and reviews will be established to keep the process on track. Although it is common for some local engaged citizens and elected officials to also be included in this critical phase of the engagement, and we welcome that post focus group involvement. We feel that this report should not be a document directed *from* the consultant *to* the City, but rather a collaborative effort that gives the City ownership of the ideas and concepts presented through a SWOT analysis. This report will not only emphasize strengths, weaknesses, opportunities and threats in the City, but identify goals and opportunities on which the City can build upon and flag weaknesses or threats for which the City may need to establish contingency plans.

Task 4: Strategic Plan – How Do We Get There

Task Goal

- Produce an actionable and implementable strategic plan for Takoma Park's housing and economic development programs.

The *Housing and Economic Analysis Report,* and the *SWOT Assessment Report* will be the foundation to inform the *Housing and Economic Development Strategic Plan* for Takoma Park. Cloudburst will synthesize the quantitative and qualitative data, anecdotal evidence, and

observations into a sustainable Strategic Plan that, at a minimum, follows the a) through j) criteria in the RFP.

Strategic planning is a specialty of the Cloudburst team, and where we have demonstrated our strengths nationwide, both for HUD grantees and through direct engagements with cities and states. Our past performance examples presented in this proposal illustrate some of the team's individual and collective engagements that align with the proposed Takoma Park project. In particular, our work in the cities of San Antonio and St. Louis are specifically relevant because they involved similar housing needs assessments, economic environment analysis, and ultimately strategic plans to guide the cities in short and long term goals, objectives, and strategies. Each of these strategic plans were adopted by the cities.

Cloudburst will work closely with City staff to draft, comment, and edit the *Housing and Economic Development Strategic Plan.* Time schedules for drafts and reviews will be established to keep the process on track. Input from staff is critical to proposed actionable items. We would not propose any actions, recommendations, programs, incentives, or strategies that staff feel are not feasible. Some proposed strategies may require "staffing up" or may require technical assistance to follow through. In those cases, Cloudburst will recommend corrective actions with suggestions for specific further training or technical assistance, and examples of best practices across the country where those actions have been tried and tested.

The Cloudburst team will be prepared, and has budgeted for presentations to the City Council and the community as requested by the City.

This final report will include a clear road map for the City to follow in implementing the strategy. The report will include:

- Target areas
- Clear action steps and intermediate benchmarks for each identified goal
- Responsible parties for each action
- Implementation schedule
- Implementation costs, if relevant
- Action Plan benchmarks to measure project success and ensure accountability for
- implementation

As part of this task, following the adoption of the plan, Cloudburst will facilitate an implementation planning meeting with the City to ensure it is well suited to implement the plan and achieve the strategic goals.

Proposed Schedule

At Cloudburst, we live by deadlines. Our record of results in similar engagements demonstrates exceptional organizational capacity and effective management approaches that produce positive outcomes for communities.

Assuming a February 1, 2017 start date, Cloudburst proposes the following schedule of activities to implement our approach. This is a high-level schedule, and each task will require separate milestones for stakeholder meetings, draft document review and comment period, deliverable hard deadlines, etc. A more detailed schedule will be developed after our kickoff meetings, and discussed and updated at each regularly scheduled project update.

Date	Task
2/1-3/31/2017	*Housing and Economic Analysis*
2/6/2017	Conduct kick-off meeting with City staff
2/1-3/31/2017	Conduct data collection and review of studies, plans, reports, etc.
3/17/2017	Submit first draft of *Housing and Economic Analysis Report* for staff review and comment
3/22/2017	City staff return draft version of the *Housing and Economic Analysis Report* with comments
3/31/2017	Submit final version of the *Housing and Economic Analysis Report*
3/17-5/31/2017	*Issues Identification and Prioritization*
3/17-4/7/2017 (approx.)	Communications with Cloudburst team and City staff to identify stakeholders for focus groups and small groups or individuals for interviews, logistics for meeting location, dates, agendas, etc. and preparation for site visit
4/10/2017	On-site meetings with City staff and "tier one" stakeholders
4/17/2017	Develop and release web-based survey for Takoma Park public comments. Survey will be available for approximately one week, or longer if deemed necessary
4/17/2017	Additional remote or on-site "tier two" interviews as necessary
4/24/2017	Provide survey results raw data to City staff
4/17-5/12/2017	Drafting *SWOT Assessment Report* Miscellaneous communications with City staff
5/15/2017	Submit draft of *SWOT Assessment Report* for staff review and comment
5/19/2017	City staff return draft version of *SWOT Assessment Report* with comments
5/31/2017	Submit final version of *SWOT Assessment Report*
3/31-7/31/2017	*Strategic Plan*
5/31-7/7/2017	Communications between Cloudburst team and City staff during development of the *Housing and Economic Development Strategic Plan* deliverable
7/11/2017	Submit draft of *Housing and Economic Development Strategic Plan* for staff review and comment
7/14/2017	City staff return draft version of *Housing and Economic Development Strategic Plan*
7/11-7/18/2017	Develop presentation for Takoma Park City Council
7/18/2017	Submit final version of *Housing and Economic Development Strategic Plan*
7/24/2017	Presentation of Strategic Plan to City Council as to the community as needed

This schedule assumes a 6 month schedule. If needed, it can be extended to lengthen opportunity for stakeholder engagement and/or city review periods.

V.   Fee for Services

In developing this budget, Cloudburst drew upon its experience from other programs of similar scope and size. The staffing plan, activities proposed and other cost projections in this budget reflect Cloudburst's best effort to present a realistic and cost-effective budget based on the team's approach to achieving the program's goal. The total proposed budget for this engagement is $84,124.

Cloudburst's labor rates include all indirect costs consistent with our audited Government Contracting practices. Cloudburst is proposing travel and reproduction costs as "out-of-pocket" Other Direct Costs (ODCs) which are burdened with G&A. All travel expenses are estimated using Federal Travel Regulations (FTR) and GSA per diem schedules. Reproduction expenses were estimated based on the reporting requirements in the Statement of Work. Cloudburst will invoice Takoma Park based on actual incurred costs with G&A based on travel expense reports or ODC receipts. Invoiced costs will not exceed the budgeted amounts from our quote.

Cloudburst will use local staff from its Landover, MD office for stakeholder engagement and community meetings to minimize travel costs.

VI. Required Certifications

The following certifications are included in Appendix 4.

I.   Qualification and Certification Statement
II.   Certification of Non-Involvement in the Nuclear Weapons Industry
III.   Living Wage Requirements Certification
IV.   Metropolitan Council of Governments Rider Clause

THE CLOUDBURST GROUP

TJ MARTZIAL, Manager

EDUCATION
B.A., English, University of Cincinnati

SUMMARY OF EXPERIENCE
Mr. Martzial began his career as a carpenter, building single family homes in large developments and passive solar homes. Mr. Martzial worked for the City of Bangor, Maine for over 25 years involved in housing rehabilitation, affordable housing development, and CDBG program management. He created the Bangor Homeless CoC, and Chaired that CoC for over five years. He facilitated the revitalization of the Bangor downtown district through affordable housing development and economic development activities. Mr. Martzial was appointed as a Commissioner of the Bangor Housing Authority, and served as Chair for 13 years. Mr. Martzial spent over three years as the Director of Housing and Community Development for the City of Portland Maine overseeing HUD CPD programs including CDBG, HOME, ESG, NSP-1, and HPRP. He also participated in annual strategic planning activities for homeless programs and services delivery in Portland. Mr. Martzial coordinated a three year re-design of Portland's entire community development program that included extensive public engagement. Mr. Martzial also created the Portland-Cumberland County HOME Consortium in 2008. For Cloudburst, Mr. Martzial is the project manager on a number of HUD Community Planning and Development projects.

Examples of Mr. Martzial's project experience are provided below.

<u>Cloudburst – City of Brownsville, TX Strategic Planning and Capacity Building for CDBG, HOME, and ESG Programs 2012-2014</u>. Lead a team of Cloudburst staff and subcontractors to build staff capacity to address $3.7M in uncommitted funds by deadline, developed HOME Policies and Procedures Manual, built staff capacity on each CPD program to properly administer program. Provided guidance to City staff on Consolidated Plan process. Conducted training on IDIS and subrecipient management and monitoring and assisted City to strategically target HOME activities to address market and demographic needs through strategically targeted RFPs.

<u>Cloudburst – State of Iowa Consolidated Plan and Analysis of Impediments to Fair Housing Choice 2014-2015</u>. Leading the Cloudburst team to develop the five year Consolidated Plan and Analysis of Impediments to Fair Housing Choice for the State of Iowa.

<u>Cloudburst - U.S. Department of HUD: "CPD Monitoring"</u>,November 2010 to 2012. Project Director for Management and Strategy Consulting Services in support of the HUD Office of Community Planning and Development (CPD) to: (1) Review and re- design CPD's Monitoring Handbook and process; (2) develop a statistical risk assessment model that CPD's 43 field offices can use to assist them in efficiently and effectively deciding which grantees to monitor given limited staff and time available to each field office; (3) identify ways to streamline the monitoring process among CPD programs, for example, monitoring organizational capacity and financial management by grantee instead of monitoring those functions separately for each program as now is the case; and (4) recommending a method to enable CPD offices to maximize monitoring resources by determining when it would be appropriate to provide technical

assistance rather than to conduct monitoring. Mr. Martzial provided assessment and optimization of the organizational structures/entities supporting grants management. In addition, he provided assessment and recommendation of the technology tools and environments used for grants management.

<u>Cloudburst - U.S. Department of HUD: Technical Assistance to the Commonwealth of Puerto Rico</u>, November 2011 to 2013. Project Manager, working with the Commonwealth of Puerto Rico to provide cross-cutting direct technical assistance that combined Neighborhood Stabilization Program (NSP) and College of Experts (CoE) support. The technical assistance team collaborated with the Commonwealth to produce a comprehensive housing needs assessment and market analysis in three months during the summer of 2011. Through collaboration with Puerto Rico's Housing Task Force (comprising representatives of five state agencies and special advisors to the Governor), Cloudburst produced a thorough housing strategy that coordinates the housing and community development efforts of each agency. The assessment included a detailed quantitative analysis that profiled the Commonwealth's current and projected supply and demand of the Commonwealth's housing stock, as well as an assessment of the current and projected demographic and economic trends. With this data, Cloudburst assisted the Task Force in producing focused housing policies for the agencies to collaborate on in future housing and community development activities and to articulate these policies in a comprehensive housing strategy report that culminated in the Governor's Housing Plan. Cloudburst is now assisting the Commonwealth in incorporating the use of this data and policy decisions in its NSP and other CPD funding allocations.

EMPLOYMENT HISTORY

March 2010 – Present: Manager, The Cloudburst Group, Housing and Community Development Division.
Provide technical assistance and training for CDBG, HOME, ESG, NSP, and various issues relative to HUD CPD programs, neighborhood redevelopment, homeless program design and compliance, strategic planning, and affordable housing development.

February 2007 – February 2010: Director, Division of Housing and Community Development, City of Portland, Maine, Department of Planning and Urban Development.
Portland Maine is a CDBG Entitlement Community and the lead community in the Portland-Cumberland County HOME Consortium. Mr. Martzial was responsible for administration of over $3.6 million in federal funds from CDBG, HOME, ESG, and Lead Hazard Control annually, and development of Portland's five year Consolidated Plan in 2010. Supervised a staff of seven. Coordinated a three year re-design of Portland's entire community development program that included extensive public engagement with neighborhood associations, and a redistribution of funding to encourage local economic development in distressed neighborhoods. Also includes administration of additional $3.4 million in federal stimulus funds in 2009 (NSP-1, CDBG-R, and HPRP).

October 1980 - February 2007: CDBG Housing Programs Manager, City of Bangor, Maine, Department of Community and Economic Development.
Mr. Martzial administered the City of Bangor's single and multi-family housing rehabilitation loan and grant program for low-moderate income homeowners, tenants, and non-profit housing providers and supervised a staff of two. Developed local, State, Federal, and private resources to assist non-profit and for-profit housing developers in financing housing related activities. Coordinated, promoted and analyzed all local affordable housing initiatives with private and non-profit housing developers including financial analysis of affordable housing development using HOME and LIHTC funds.

STEVEN SACHS, Subject Matter Expert

EDUCATION

BA, Political Science, University of California at Berkeley, 1966
MPA, Golden Gate University 1972

SUMMARY OF EXPERIENCE

Over 40 years of economic development, organizational, and community development experience with the United States Department of Housing and Urban Development (HUD). Annually awarded over $600 million and managed over 500 active grants totaling more than $1.5 billion. Managed and mentored a staff of over 35 employees, including environmental and economic development specialists, financial analysts, and grant administrators. Participated in the creation of HUD's national policy, procedures, and regulations.

Partnered with state and local government elected officials, nonprofit agencies, foundations, and the private sector in developing, managing, and evaluating community development and affordable housing programs. Worked with Native American Tribes and United States Trust Territories in developing, implementing, and managing community and economic development programs. Significant experience in strategic planning, grants management, nonprofit capacity building, creation of public private partnerships, disaster management, citizen participation, environmental management, and financial underwriting.

Key HUD positions held, include: Director of Community Planning and Development Division for Northern California, Arizona and Nevada; Director of the Program Management Division; Senior Economic Development Specialist; Principal Advisor to the Assistant Secretary for Community Planning and Development; and Division Director in the Office of Field Operations and Monitoring. Recognized as a leader, facilitator, and innovative problem solver by colleagues, local government, and nonprofit agencies.

Served on the Contra Costa County Civil Grand Jury for two years investigating local governments and special districts and making recommendations for making local governments and districts more effective and efficient. Areas investigated included pension reform, foster care, audit management, conflict of interests and in appropriate use of public funds.

Currently, provides technical assistance to state and local governments in developing, implementing, and managing local community and economic development and homeless programs and projects. Work with state and local governments to reorganize agency structure and enhance management and program capacity and effectiveness

EMPLOYMENT HISTORY

11/11-present: Subject Matter Expert, Cloudburst Consulting Group, Inc., Landover, MD
Responsibilities include working with state and local governments to develop, design and implement community development, housing, and economic development programs; providing

guidance on HUD program regulations, organizational restructuring, and capacity building. Responsibilities also include conducting training on community and economic development regulations and requirements.

1995-2008: Director, Community Planning and Development, San Francisco, CA

Managed HUD's affordable housing, community, and economic development and homeless programs in Northern California, Arizona, and Nevada. In this capacity:

- Worked directly with states, over 100 local governments, and 300 nonprofit organizations in developing, administering, monitoring, and evaluating programs and projects.
- Worked with local government and nonprofits to establish pilot and new programs, including securing a $7 million grant to undertake an initiative to address homelessness regional-wide in the San Francisco Bay Area.
- Worked with the City of San Francisco to develop a micro-lending program.
- Provided technical guidance and training on grants management, board development, organizational development, citizen participation, financial management, economic development, micro-enterprise development, housing development, and addressing needs of homeless and persons with HIV/AIDS.
- Assisted states and local governments in preparing consolidated plans which described community needs, resources, priorities, and proposed actions and activities to be undertaken over a three to five year period.
- Worked with nonprofit organizations to enhance their capacity and performance and to resolve budgeting and operating issues.
- Assisted states and local governments affected by earthquakes, flooding, and fires storms to develop disaster assistance applications, obtain regulatory relief, and implement funded programs and projects.
- Participated on local government task forces to develop strategic plans and strategies to improve program outcomes.
- Coordinated with members of Congress to resolve local government and constituent issues.
- Initiated collaboration with other federal agencies to develop a Regional Federal response to allow the homeless greater access to "mainstream" federal programs.
- Managed a staff of over 35 located in San Francisco, Phoenix, and Las Vegas; served as a mentor for new and future leaders of the Department.

1987-1995: Director, Program Management Division

- Managed community and economic development programs in Northern California, Arizona, and Nevada.
- Provided oversight and served as expert advisor to the HUD Los Angeles and Honolulu Offices on program policies, procedures, and requirements.

1983-1987: Senior Economic Development Specialist

- Administered HUD's economic development activities in California, Arizona, Nevada, Hawaii, Guam, and the Pacific Trust Territories.
- Provided assistance to states and local governments to develop and manage economic development programs.
- Assisted local governments and private sector businesses in structuring and underwriting real estate and commercial projects and negotiating repayment terms for the funding provided.

1980-1983: Division Director, Office of Field Operations and Monitoring, United States Department of Housing and Urban Development, Washington D.C.

- Served as a principal advisor to the Assistant Secretary for Community Planning and Development (CPD) and other Headquarters staff on matters related to the administration and management of CPD programs.
- Provided management guidance and direction to 14 HUD field offices, to make major organizational changes regarding their management of operations and programs.
- Participated in the establishment of operating goals and allocation of staff resources and in the development of policies, procedures, and regulations for the Department's Community Planning and Development programs, as well as resolving sensitive issues involving the Department, Congress, and local governments.

1975-1980: Program Manager, United States Department of Housing and Urban Development, San Francisco, CA

- Responsible for the overall management and delivery of HUD's Community Development Programs for seven metropolitan counties in the San Francisco Bay Area.

1967-1975: Relocation Specialist/Community Development Representative

- Provided guidance to local governments on the development and implementation of relocation plans resulting from urban renewal and other local government actions.
- Monitored local government compliance with relocation laws and requirements.
- Served as an expert witness for the Department in several litigation matters.
- Coordinated HUD's Intern Program.

PRESENTATIONS AND TRAINING CURRICULA

Numerous presentations on community and economic development and homelessness made to public official, national public interest groups, nonprofit and private sector organizations, and at national and local conferences. Conducted HUD program briefings for congressional offices.

Designed and conducted training for public, private, and nonprofit organizations on HUD's community, economic development, and homeless program requirements.

HONORS, AWARDS AND FELLOWSHIPS

- United States Department of Housing and Urban Development's Outstanding Service Award.
- The General Deputy Assistant Secretary's Award for Outstanding Community Planning and Development Director of the Year.
- The Nonprofit Housing Association of Northern California's Public Service Employee of the Year Award

THE CLOUDBURST GROUP

THE
CLOUDBURST
GROUP

NICOLE WALTER, Geospatial Analyst

EDUCATION

M.A., Urban and Regional Planning, UCLA, 2014
    Certificate in Global Health and Social Services
    Certificate in Women's Empowerment

B.A., Architecture, UC Berkeley, 2009, Honors
    Minor in Global Poverty and Practice
    Minor in Environmental Design and Urbanism in Developing Countries

SUMMARY OF EXPERIENCE

City planning professional with extensive experience in housing, community development, and land tenure research both locally and abroad. Strong technical skills in spatial analysis, excellent interpersonal skills, and background in social justice work.

Examples of housing project experience are provided below.

New York Analysis of Impediments, Consultant, Employer: Cloudburst Group.
Lead development of gathering and analyzing data related to housing conditions and disproportionate housing needs. Specific tasks include gathering raw CHAS data, creating data tables and corresponding maps and analyzing data for inclusion in Analysis of Impediments.

Oakland Analysis of Impediments, Consultant, Employer: Cloudburst Group. Assist in finalizing Analysis of Impediments. Specific responsibilities include drafting sections of data profile and impediments; data analysis and visualization for demographic, housing and socioeconomic data, and facilitating community and stakeholder meetings.

Urbanization Review, Consultant, Employer: World Bank Group. Strategized geospatial analysis methods to define and analyze the urban form of 384 cities in Mexico. Generated and designed publication quality maps and graphs to illustrate various urban concepts. Calculated metrics of urban form such as centrality, clustering, and density using STATA and ArcGIS. Prepared data for analysis of economic productivity and the spatial distribution of worker productivity in cities.

Mexico Housing Finance Research, Researcher, Employer: UCLA. Conducted in-depth geospatial analysis of housing in Mexico across all urban areas. Study included using census data to construct indices related to infrastructure quality and mapping spatial trends of education and income levels.

EMPLOYMENT HISTORY

9/15 – current: Geospatial Analyst, The Cloudburst Group, Landover MD.
Conduct geospatial analysis and assist in developing plans and strategies on fair housing, community development, and affordable housing projects for states and cities across the United States. Coordinate analysis for USAID funded land tenure research projects across Africa.

10/13 – 9/15: GIS/Research Analyst, University of California, Los Angeles, Los Angeles, CA.
Conducted geospatial analysis of vacant housing in Mexico and computed descriptive statistics of 100+ cities. Formatted USA geospatial data on government spending during housing booms. Compiled, organized, and cleaned data on housing, education, and infrastructure quality in Mexico and USA using STATA and ArcGIS.

6/13 – 10/13: Program Division Intern, UN-Habitat, Nairobi, Kenya.
Wrote concept notes for donors about gender inclusive projects and gender mainstreaming at UN-Habitat. Evaluated 100+ youth-led development proposals, streamlined review process, and partook in allocating 500k fund. Developed report on partnership between UN-Habitat and Cities Alliance. Report included conducting interviews, desk reviews, and financial analysis and identifying future partnership strategies.

10/11 – 9/12: Program Associate, Community Assets Consulting, Los Angeles, CA.
Backstopped foundation's community projects such as tree plantings, farmer's market, and business association. Oversaw daily office operations for environmental consulting group, nonprofit, and foundation. Managed workload for 5 interns and restructured the organizational system for project and task management.

SELECTED PUBLICATIONS

UN-Habitat and Cities Alliance: A Recollection of Memories and Strategies for the Future, UN-Habitat, Work In Progress, 2013. Conducted stakeholder interviews and compiled background research.

COMPUTER SKILLS

Adobe Creative Suite, Excel, STATA, ArcGIS, QGIS, Google SketchUp, web-based mapping

HONORS, AWARDS AND FELLOWSHIPS

Dean's Innovation Fellowship - 2013
David and Marianna Fisher Fellowship - 2012
Fulbright Research Fellowship - 2010
UC Berkeley Employee SPOT Award - 2010
Sandy Hirshen Prize - 2009
Clinton Global Initiative Commitment Recognition - 2009
Judith L. Stronach Fellowship - 2008
Berkeley Leadership Award – 2007 & 2008

Benjamin Sturm, Analyst II

EDUCATION

M.P.A., Public Administration, West Chester University, 2016 - Present

B.A., History, Millersville University, 2008

SUMMARY OF EXPERIENCE

Benjamin Sturm, Analyst, has 8 years of experience in the community and housing development field starting in the AmeriCorps*VISTA coordinating the Homeless Prevention Rapid Re-Housing program in Chester County, PA; working as a Construction Coordinator administrating HUD funded activities with the Chester County Department of Community Development; and joining the Cloudburst Group providing technical assistance to HUD Grantees and producing web based training materials geared towards cross cutting Federal regulations. Mr. Sturm has extensive skills in project management, environmental compliance, HUD entitlement program regulations and requirements, and data analysis.

Examples of Mr. Sturm's project experience are provided below.

Consulting Services: State of Iowa. Project Analyst. Employer: Cloudburst Consulting Group. Mr. Sturm is currently assisting the State of Iowa with preparation and submission of their 2016 CAPER through IDIS. Tasks included: project management and coordination; data collection, review and IDIS data entry; development of narratives; and CAPER submission. Mr. Sturm previously assisted the State in the preparation and submission of their 2015 CAPER.

Consulting Services: City of Newark, NJ. Project Analyst. Employer: Cloudburst Consulting Group. Mr. Sturm provided the City of Newark assistance with their NSP close-out process. Mr. Sturm conducted both on-call and on-site visits with City staff to gather required documentation, ensure actions and costs were eligible per program regulations, and developed monitoring tools used to keep track of all properties.

Consulting Services: Prince George's County, MD. Project Analyst. Employer: Cloudburst Consulting Group. Mr. Sturm provided Prince George's County Department of Housing and Community Development with guidance on their Environmental Review process, implemented best practices to streamline their reviews, and developed a new Environmental Review Policy & Procedures Manual.

Consulting Services: City of Jacksonville, FL. Project Analyst. Employer: Cloudburst Consulting Group. Mr. Sturm guided the Jacksonville Housing and Community Development Division staff on the development of their Environmental Review Process. Mr. Sturm evaluated the City's capacity of conducting HUD environmental reviews, recommended best practices and approaches to ensure that adequate environmental compliance is met for all HUD funded activities, and developed process maps and a Policy & Procedure Manual.

EMPLOYMENT HISTORY

5/13 – present: Analyst, Cloudburst Consulting Group Inc., Landover, MD.
Responsibilities include the development of the firm's technical offerings, project management and technical support in the areas of HUD environmental review compliance, HUD CPD online systems, community planning, data analysis, and design of adult learning materials. Among other areas of expertise, Mr. Sturm is Cloudburst's resident SME for HUD Environmental Compliance.

9/10 – 4/13: Construction Coordinator, Chester County Department of Community Development, West Chester, PA.
Responsibilities included the oversight of Federal, State, and County funding including CDBG, HOME, ESG, HTF, and Community Revitalization Programs. Managed contracts including contract compliance, budgets, monitoring, reporting, and evaluation for contracts with Chester County municipalities and organizations for activities such as construction, community revitalization, and permanent housing. Designated Environmental Officer for the County of Chester and responsible for conducting the environmental reviews for all federally funded projects throughout the County. Created and developed strategies that aligned with the Consolidated Plan, the Planning Commission's Landscapes 2 Plan, Decade to Doorways 10 Year Plan to Prevent and End Homelessness, and the Chester County Strategic Business Plan. Supervised the AmeriCorps*VISTA program including coaching VISTAs, developing leadership skills, designing work plans, ensuring grant compliance, coordinating with State Community Action office, and created strategic policy decisions.

7/09 – 8/10: Housing Coordinator, AmeriCorps*_VISTA_ - Corporation for National and Community Service, Chester County, PA.
Served as AmeriCorps*VISTA in Chester County. Led project management efforts around the Homelessness Prevention and Rapid Re-Housing Program (HPRP) including facilitating work groups, relationships and meetings with over 8 counties in Pennsylvania to develop a more regional approach, providing training and technical assistance, and creating a comprehensive operations strategy. Responsible for developing policies and conducting inspections for Housing Quality Standards (HQS), Habitability Inspections, and Lead Based Paint and Safety Standards. Led the planning and data collection for the Annual Point in Time County Homeless Count including coordinating over 100 volunteers to increase coverage throughout the County.

COMPUTER SKILLS
Advanced skills in IDIS, HEROS, DRGR, HMIS, Econ Planning Suite, HUD Exchange, Adobe Connect, Adobe Captivate, Snag It, GoToMeeting, WebEx, Base Camp, Drop Box, Google products, Microsoft Office, Database Management, GIS Systems, and Grants Management systems.

HONORS, AWARDS AND FELLOWSHIPS
Continuum of Care Program Certification – June 2016
U.S. Department of Housing and Urban Development Visual Lead Assessment Certification
Eagle Scout, Boy Scouts of America 2004
Recipient of award at Department of Community Development for exceptional service with the U.S. Department of Labor

MICHELLE L. HAYES, President and CEO

EDUCATION

M.A., Applied Sociology, University of Massachusetts Boston, 2003
B.S., Sociological Research, Salem State College, 1996

SUMMARY OF EXPERIENCE

Michelle Hayes, is responsible for financial oversight, contract compliance, staffing management, and business development for a $30M+ portfolio of domestic and international projects for The Department of Housing and Urban Development (HUD), United States Agency for International Development (USAID), the Department of Health and Human Services (HHS) and the Veterans Administration (VA). These projects provide technical assistance, management consulting, capacity building, training, strategic planning, research and evaluation to improve the effectiveness of community-based programs that create and support housing, economic opportunities, secure property rights, and sustainable living environments for vulnerable people and communities, in the U.S. and internationally. As The Cloudburst Group's Executive Vice President, Ms. Hayes oversees a growing portfolio of federally-funded contracts, cooperative agreements, and grants and provides oversight of project directors and managers on the delivery of high quality, timely, and effective assistance. Ms. Hayes is trained as an applied researcher and has over fifteen years of experience working with Federal, State, and local governments and non-profit organizations serving as a leading national expert and policy advisor to State and local governments and non-profit providers on uses of social service data for policy, planning, research, and evaluation. She is a nationally acknowledged expert on the homeless and Homeless Management Information Systems (HMIS) and an experienced strategic planner, technical assistance provider and trainer on cross-cutting topics ranging from: program implementation and compliance; data collection and performance reporting; implementation of data collection systems; governance, planning and oversight; and client privacy protections. She is also a trained evaluator and specializes in translating research findings and analysis into policy recommendations, programmatic improvements, and better client and service-provider outcomes.

EMPLOYMENT HISTORY

10/06 - present: The Cloudburst Group, Landover, MD. Member of executive leadership team and responsible for day-to-day oversight of all aspects of business management including financial, contract, and staffing management of over $25M+ of HUD, HHS, USAID, and VA funded contracts, grants, and cooperative agreements. Provides leadership to project directors and managers on all projects from initiation through project closeout and serves as quality assurance advisory for a large portfolio of Cloudburst projects. Responsible for business development activities including informing Cloudburst's Strategic Plan through development of a pipeline of business growth opportunities. Previously served as Project Director (2006 to 2010) and provided direct assistance on over a dozen HUD-funded multi-year, multi-million dollar large scale housing, homeless, and community development

technical assistance programs, including oversight of disaster preparedness and response activities.

07/05 - 10/06: Associate, Abt Associates Cambridge MA. Responsible for the management of nation-wide technical assistance project including management of ten staff and over twenty-five consultants and sub-contractors to increase the capacities of communities on implementation of sophisticated longitudinal information systems throughout local homeless assistance systems.

03/04 – 07/05: Associate, The QED Group, LLC. Washington, DC. Responsible for financial, content, and personnel management of a multi-year, multi-million dollar National Technical Assistance Project to develop documentation and education materials to teach local homeless communities on methods of homeless data collection and analysis including application of de-duplication procedures and extrapolation formulas. Developed framework, methods and tools for large-scale evaluation of community HMIS implementation with publication of findings in a report to Congress.

06/96 - 02/04: Director of Technical Assistance and Senior Research Associate, The Center for Social Policy, John W. McCormack Graduate School of Policy Studies, University of Massachusetts Boston. Responsible for the oversight and development of the Center for Social Policy's technical assistance agenda focused on the implementation of technological solutions to address complex social policy issues through collaboration with internal and external constituencies. Responsibilities included proposal development; grant writing; and management of statewide, regional and National technical assistance projects. Responsible for management of a two-year HUD funded Transition to Work evaluation project assessing the role of subsidized housing, employment and family well-being outcomes for families losing public assistance and moving out of homelessness toward self-sufficiency.

PUBLICATIONS

Hayes, M., DeBlasio, K, Freeman, K., and Rynning, K., "The Community Perspective: Using Research and Technology to Identify Effective Solutions to Prevent and End Homelessness." Prepared for the U.S. Department of Housing and Urban Development, Washington, D.C., 2008.

Hayes, M., "Domestic Violence Provider Participation in Homeless Management Information Systems - Questions and Answers." Prepared for the U.S. Department of Housing and Urban Development, Washington, D.C., 2005.

Hayes, M., "The Impact of Job Readiness Services on Homeless Families Income and Movement Toward Employment." Masters Thesis, Sociology Department, University of Massachusetts, Boston, 2003.

Friedman, D.; Meschede, T. & Hayes, M., "Surviving Against the Odds: Families' Journey off Welfare and out of Homelessness." Prepared for Cityscape: A Journal of Policy Development and Research. Vol 6 (in press), 2003.

Meschede, T., Raymond, J., Kahan, M., Hayes, M., & Friedman, D., "Characteristics of Homeless Families Accessing Massachusetts Emergency Shelters 1999-2001." Prepared for the McCormack Institute of Public Affairs, University of Massachusetts Boston, 2003.

THE**CLOUDBURST**GROUP

J.P. MORGAN, Chief Financial Officer

EDUCATION

M.B.A., Strategy/Management, University of Connecticut, 1981
B.S., Accounting, University of Connecticut, 1978

SUMMARY OF EXPERIENCE

Seasoned Financial Executive with solid and progressive experience in all facets of accounting and financial management. Highly skilled in building a team focused on collaborating with all members of the organization to achieve business and financial objectives.

EMPLOYMENT HISTORY

11/13 – present: Chief Financial Officer, The Cloudburst Group, Landover, MD. Provide financial leadership for a small business whose overall focus is to assist to government, private industry, foundations and community agencies to improve the effectiveness of programs and services that benefit underserved persons in the U.S. and abroad.

07/12 – 11/13: Senior Consultant, Capstone Consulting Partners Inc., Huntsville, AL. Provided interim CFO services in Washington, DC metro area focused on profit and cash flow improvement, DCAA audit services, and made recommendations on financial infrastructure, policies, and procedures improvement.

08/11 – 07/12: Chief Financial Officer, Veritiss, LLC, Reston, VA. Held complete responsibility for providing leadership and direction to the finance and contracts organization, including overseeing all fiscal functions.

Key Accomplishments:
- Positioned the company to secure a $6 billion IDIQ contract award by completing a regional competitive analysis and developing a pricing model for the new business proposal.
- Successfully developed and negotiated two initial GSA schedules for the company, allowing for a potential revenue increase of 20%.
- Established a cross-functional task order proposal procedure enabling quick bids to be used against the $6 billion IDIQ contract.

11/08 – 08/11: Chief Financial Officer, Agility Defense and Government Services, Alexandria, VA. Oversaw financial management and direction of $2 billion logistics and supply chain management division of Agility, a $6 billion global corporation. Directed financial reporting for eight business units, as well as accounting, strategic planning, cash flow management, analysis, proposal strategy and development.

Key Achievements:

- $20 million in indirect costs eliminated by driving efforts to address indirect cost structures and management accountability, ultimately improving profitability.
- Completed the successful turnaround of a negative relationship with external auditors, including the release of a $10 million billing withhold.
- Dramatically improved management decision-making capabilities by establishing data credibility through improvements in on-time, accurate financial reporting.

03/05 – 11/08: Chief Financial Officer, L-3 Government Services, Inc., Chantilly, VA.
Provided ongoing financial leadership, including accounting, planning, pricing, contracts, subcontracts, facilities, billing and project finance departments for a division of a global technology provider.

Key Accomplishments:
- Positioned the company for $200 million ($400M to $600M) in growth within three years by revising new business development approaches to identify and prioritize new business opportunities.
- Created a sound financial infrastructure that provided metrics and data to improve management of key programs, driving profitability increases of 50% over two years.
- Established credibility for the financial organization with company and corporate leadership through on-time and accurate financial reporting.

COMPUTER SKILLS

MS Office, Deltek Costpoint and GCS Premier, Impromptu, COGNOS, Hyperion

HONORS, AWARDS AND FELLOWSHIPS

Lockheed Martin Leadership Training

MEGGAN MEDINA, Chief Ethics and Compliance Officer and COO

EDUCATION

J.D., Sandra Day O'Connor College of Law, 2013, magna cum laude
M.P.S, International Development, Cornell University, 2007
B.A., Psychology and Government with a Concentration in the Hesburgh Program in Public Service, University of Notre Dame, 1998, cum laude

SUMMARY OF EXPERIENCE

Meggan Medina has been creating stronger and more effective organizations both nationally and internationally for 17 years through strategic planning, legislative change, quality assurance and legal compliance. Ms. Medina's legal practice focuses on federal procurement law, small business contracting regulations, and corporate legal compliance. Her article, "A Nightmare Trifecta for Small Business Contractors: False Claims Act, Implied Certification, and Presumed Loss Rule," was published September 2013 in the National Journal of Contract Management.

EMPLOYMENT HISTORY

11/13-present: Chief Ethics Officer and Chief Operating Officer, The Cloudburst Group, Landover, MD.
Responsibilities include developing and implementing an effective ethics and compliance program, including reviewing policies, implementing training and monitoring internal systems.

06/12-08/12: Law Clerk, Ridenour, Hienton & Lewis, Phoenix, AZ.
Responsibilities included drafting legal memorandums, litigation pleadings, and transactional documents, as well as, conducting research for the firm's partners and the large and small clients they served.

12/08 – 11/13: Senior Analyst, The Cloudburst Group, Landover, MD.
Responsibilities included providing technical assistance, training, outreach and implementation support to non-profit organizations, local, State and Federal government clients.

03/08 - 12/08: Principal, M² Consulting. Phoenix, AZ.
Responsibilities included providing government relations and communications, organizational management and mediation services to a variety of government, non-profit and private-sector clients.

06/06 - 08/07: Government Relations and Communications Administrator, Arizona Department of Housing. Phoenix, AZ.
Responsibilities included serving as the Director's policy advisor on intergovernmental and communications matters, specifically: overseeing state and federal legislation of interest for both the agency and the Arizona Housing Finance Agency; communicating with elected

officials regarding agency funding and programs; overseeing the production of agency materials and supervising major events.

12/05 – 06/06: Interagency Liaison, Arizona Department of Housing. Phoenix, AZ. Responsibilities included representing the agency Director on a number of workgroups, committees and task forces of the State of Arizona. Ms. Medina also developed positive working relationships with representatives of other state agencies, local government and community organizations in order to implement the goals of the agency, Governor and Legislature.

08/03 – 11/05: Executive Director, Arizona Coalition to End Homelessness. Phoenix, AZ. Responsibilities included leading and managing a 150+ member advocacy organization by educating state and federal policy makers regarding issues relating to housing and homelessness; providing training and technical assistance to member and community organizations; and participating in policy-related working groups.

SELECTED PUBLICATIONS

Arizona Department of Housing, "2006 Arizona's Housing Market. . .a glance." Prepared for the 2006 Governor's Housing Forum, September 2006.

Arizona Department of Housing, "2007 Arizona's Housing Market. . .a glance." Prepared for the 2007 Governor's Housing Forum, September 2007.

Medina et al., "Homes for Working Families: Leading with Solutions." Prepared for the Arizona Housing Commission, July 2007.

HONORS, AWARDS AND FELLOWSHIPS

2013 NCMA W. Gregor Macfarlan Excellence in Contract Management Research & Writing Program, Honorable Mention

Arizona State University Law Journal, Arizona Issue Editor

Willard H. Pedrick Scholar, Sandra Day O'Connor College of Law

Peter Baird Writing Competition, First Prize

John Dawson Scholarship, awarded based on academic and personal merit

Judge Mary Anne Richey Scholarship, Arizona Women Lawyers Association

LANGUAGES

Spanish, English

Marjorie Willow, AICP

Marjorie Willow is a Principal of M&L. She began her career as an intern with M&L while completing her Master's Degree in Urban and Regional Planning from the University of Pittsburgh. Upon graduation, she assumed a full-time position in the firm's Philadelphia office where she prepared comprehensive plans, zoning ordinances, and worked extensively with HUD entitlement communities in the eastern U.S. As a community planner, she assisted HUD entitlements with budgeting annual allocations, assessing annual performance, and preparing environmental review record requirements.

From 1997 through 2001, Ms. Willow served as the county planning director in Putnam County, WV. During her tenure, she oversaw the expansion of water service to rural areas in one of the fastest-growing counties in the state. Following a brief period with Benatec Associates as a planner, Ms. Willow returned to Mullin & Lonergan Associates in August 2004 where she currently is a partner in the firm's Pittsburgh office.

Ms. Willow is highly active in housing policy analysis, housing needs assessments and fair housing analyses. She serves as principal-in-charge and project manager for the housing studies undertaken by M&L. Most recently, she has served as the project manager for housing assignments in Pittsburgh, PA, Westmoreland County, PA, Columbus, GA, Naperville, IL, State of New York, State of Iowa, Allegheny County, PA, Wake County, NC, Erie County, NY, and Morris County, NJ.

Education	*Master of Urban & Regional Planning* University of Pittsburgh; 1991	*Bachelor of Arts,* *Political Science* University of New Orleans; 1989
Professional Experience	*Mullin & Lonergan Associates, Inc.* Principal Pittsburgh, PA; 2004 – present	*Benatec Associates* Senior Planner; 2001 – 2004
	Putnam County, WV *Office of Planning and Infrastructure* Director; 1997 – 2001	*City of Huntington, WV* *Dept. of Development & Planning* Community Planner; 1995 – 1997
	Mullin & Lonergan Associates, Inc. Urban Planner Pittsburgh, PA; 1991-1994	
Affiliations	American Institute of Certified Planners American Planning Association	Pennsylvania Planning Association National Association of County Community & Economic Development

Ira Mabel

Ira Mabel was a member of a Chicago-based planning firm prior to joining M&L in 2013. While there, he contributed to urban planning projects across the Midwest ranging from rural farming communities to growing college towns to post-industrial cities. Primarily working on long-range comprehensive plans, he also gained experience in neighborhood planning, downtown planning, corridor planning, urban design, and public outreach and community engagement for municipalities, counties, and other organizations.

Since joining M&L, Mr. Mabel has worked on a number of housing studies at state, county, and community scales. He has managed and analyzed large datasets from sources including past and forecasted demographic, economic, real estate, and mortgage lending data. He is one of the firm's primary graphic designers, coordinating many of the firm's finished work products such as reports, illustrations, and maps. One of the few team members with formal technical training, Mr. Mabel manages M&L's GIS databases. He is also responsible for the creation and upkeep of all websites for the firm and individual projects in the firm's portfolio, which includes web design, survey design, press releases, and social media content.

Before becoming a planner, Mr. Mabel was an electrical engineer at a federal research lab. His work required designing and directing field experiments, as well as administering and analyzing the resulting very large datasets. This role required precise execution of detailed procedures in unique, challenging environments and conditions. His technical background in things like computer programming, website development, and data management create a unique approach in his writing, research, and design. His most recent housing study assignments include Pittsburgh, PA, State of New York, City of Harrisonburg, VA, Erie County, NY, Morris County, NJ, and the Consolidated Government of Wyandotte County/Kansas City, KS.

Education	*Master of Urban & Regional Planning* University of Illinois at Urbana Champaign; 2012	*Bachelor of Science, Electrical Engineering* Boston University; 2006
Professional Experience	*Mullin & Lonergan Associates, Inc.* Urban Planner Pittsburgh, PA; 2013 – present	*Houseal Lavigne Associates* Associate Planner Chicago, IL; 2012 – 2013
Affiliations	American Planning Association Pennsylvania Planning Association	Morningside Area (Pittsburgh) Community Council

Chelsea Burket
Director, Sustainable Communities

Chelsea is the Director for Sustainable Communities at Fourth Economy. She works with clients to help integrate community and economic development stakeholders and strategies. Chelsea stays abreast of current trends in engagement models, inclusive growth, and the social sector to bring to bear for her clients. Her skills in project management, facilitation, and writing ensure that projects run smoothly and result in a final product that is accessible yet professional. Chelsea's work is informed by her background in urban planning and community development.

Fourth Economy Project Examples

Upper Lawrenceville Targeted Development Strategy
Pittsburgh, Pennsylvania

Evolve EA and Fourth Economy partnered to craft a development vision and plan for the Lawrenceville Corporation. One of the goals of the community is to reconnect with the river through green streets and recreational uses. Chelsea assisted in facilitating the design charette process as well as providing research for the market analysis around pop-up retail, green infrastructure, and alley housing redevelopment.

Indiana Regional Cities - Peer Cities Study
State of Indiana
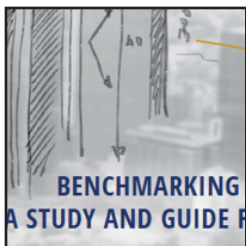
Fourth Economy supported the launch of a new initiative for the Indiana Economic Development Corporation by developing a set of case studies profiling transformed regional cities across the U.S., as well as developing a Quality of Place indicator tool to allow comparison between the profiled regional cities and Indiana's regional cities. Chelsea was responsible for conducting interviews, site visits, and research to develop the benchmark cities' profiles, with a goal of understanding the political, economic, and physical conditions that led to the transformation.

PWSA – Greening the Pittsburgh Wet Weather Plan
Pittsburgh, Pennsylvania

The Greening the Pittsburgh Wet Weather Plan Charrette Project was intended to develop a consensus approach to reviewing, recommending and incorporating a plan for the implementation of green stormwater infrastructure technologies and policies into the PWSA Wet Weather Feasibility Study. Chelsea designed and facilitated three charrettes to identify green infrastructure opportunities, associated benefits and concerns, and the legal, institutional, and financial issues. Overall, 125 independent individuals participated, representing a diverse array of public, private, and non-profit organizations.
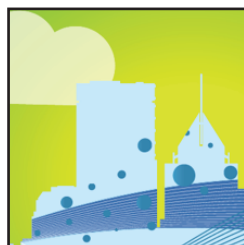
Education

University of Michigan, Ann Arbor, MI
M.A. in Urban Planning, Community and Economic Development Concentration (AICP Award)

Pennsylvania State University, Altoona, PA
B.A. in Environmental Studies

Prior Experience

Southwest Detroit Business Association, Detroit, MI

City of Ann Arbor, Planning and Development Services, Ann Arbor, MI

Southwest Detroit Environmental Vision, Detroit, MI

Pittsburgh Office of Public Art, Pittsburgh, PA

Borough of Hollidaysburg, Planning and Zoning, Hollidaysburg, PA

Areas of Expertise

• Community Development
• Land Use and Environmental Planning
• Nonprofit Management
• Facilitation
• Place-Based Economic Development
• Workforce Development

Jerry Paytas, Ph.D.
Principal, Vice President, Research & Analytics

FOURTH economy

With more than 25 years experience in economic and market analysis, Jerry is a principal at Fourth Economy where he directs all research and analytic inquiry. Jerry's work focuses on the intersections of built and natural systems and their impacts on the economy, environment and social systems. Jerry is part of the team to help the PWSA on the citywide Green Infrastructure Assessment and estimate the value proposition of green infrastructure. Jerry was part of the team on the recently completed Housing Needs Assessment for Pittsburgh's Affordable Housing Task Force. Working with Ethos Collaborative, Jerry recently completed the first ever Regional Energy Baseline for the Pittsburgh region.

Fourth Economy Project Examples

Allegheny Riverfront
Pittsburgh, Pennsylvania

Fourth Economy was a part of the team for the Allegheny Riverfront Vision project, a 12-month visioning process for a 6.5-mile segment of Pittsburgh's riverfront that stretches from the convention center east to Highland Park. The project was a collaborative effort between the City of Pittsburgh Department of City Planning, Urban Redevelopment Authority of Pittsburgh (URA), and Riverlife. Jerry provided market analysis and development planning for the vision plan. The planning team, led by Perkins Eastman, also included CH2M HILL, Viridian Landscape Studio, Continental Conservation, Trans Associates, and Clear View Strategies.

Upper Lawrenceville Targeted Development Strategy
Pittsburgh, Pennsylvania

Evolve EA and Fourth Economy partnered to craft a development vision and plan for the Lawrenceville Corporation. One of the goals of the community is to reconnect with the river. Jerry analyzed the economic and market context that surrounds the targeted study area and help align the physical outcomes and possibilities with the market drivers. In the process, Jerry developed the Business Market Demand cards to aid public participation in the market analysis.

Capturing the Storm
Philadelphia, Pennsylvania

Philadelphia's aging sewer system is not able to keep up with the region's growth. Green stormwater solutions present an opportunity to create more environmentally sound solutions to combined sewer overflow (the mixture of sanitary and storm sewers) that will save money and create jobs. Jerry led an industry, occupational, and gap analysis focused on the jobs and training required for green stormwater management.

Education

University of Pittsburgh, Pittsburgh, PA
Graduate School of Public and International Affairs
Ph.D. in Public and International Affairs
M.A. in Urban and Regional Planning
The Johns Hopkins University, Baltimore, MD
B.A. in International Affairs

Prior Experience

Director of Research, GSP Consulting, Pittsburgh, PA

Director, Carnegie Mellon Center for Economic Development, Pittsburgh, PA

Adjunct Faculty, Heinz College, Carnegie Mellon University, Pittsburgh, PA

Manager of Business Services, Ben Franklin Technology Center, Pittsburgh, PA

Project Planner, BTI Consultants, Coraopolis, PA

Canvass Director, Public Interest Research Group of Michigan, Ann Arbor, MI

Research Assistant, The Brownfields Center, Pittsburgh, PA

Areas of Expertise

• Economic Development
• Regional Economics
• Economic Impact Analysis
• Technology Cluster Strategies
• Community Development
• Public Policy

Rich Overmoyer
President & CEO

FOURTH economy

Rich founded Fourth Economy in 2010 and since then has been leading the charge to help clients translate complex ideas and data into solutions for their communities. He is creative, thoughtful, and entrepreneurial, and uses his own experiences as a guide in his work to connect people who share similar ideas and values. He strongly believes in honesty, respect, and in creating true partnerships with clients.

Fourth Economy Project Examples

Grow Lebanon
Lebanon, Pennsylvania

Rich and his team were engaged to assist the City of Lebanon, Pennsylvania in developing an economic development action agenda, downtown improvement plan, media event and public launch. The plan, *Grow Lebanon 2020* was made public in May of 2015. The process included extensive stakeholder engagement, working group meetings and survey administration including a detailed economic structure analysis. Eight key recommendations and more than 30 detailed action steps were adopted to guide programmatic and real estate asset development for the next five years.

City of Providence Cluster Strategy
Providence, Rhode Island

The City of Providence enlisted Rich to help them create a cluster strategy to guide their economic development investments. Given the unique needs and opportunities of the City, the process veered from a traditional cluster study process and focused on some basic community and economic development needs (such as quality, affordable housing), as well as non-traditional industries such as education technology and social enterprise. Rich and his team also provided additional market analysis to support the development of an organic co-packing facility and other food-based initiatives.

Northeast Indiana Regional Cities Plan: Road to One Million
State of Indiana

Northeast Indiana Regional Partnership facilitated collaboration amongst its 11-county region to identify priority investments in quality of place. Fourth Economy held meetings in all 11 counties to gather ideas, analyzed data, and created a process for stakeholders to reach consensus on a slate of projects. For each project, Rich worked with the project lead to gather data on budget, funding sources, timeline, and return on investment. The final plan coalesced around a vision to reaching one million residents through creating connections to nature, community, culture, and ideas.

Education

University of Pittsburgh, Pittsburgh, PA
Graduate School of Public and International Affairs
M.A. in Public Policy and Management
B.A. in Political Science and English Writing

Prior Experience

Principal
Economic Architecture Practice,
GSP Consulting, Pittsburgh PA

Deputy Secretary, Technology Investment
Pennsylvania Department of Community and Economic Development, Harrisburg, PA

Director
Office of Policy and Technology Investment, Pennsylvania Department of Community and Economic Development, Harrisburg, PA

Executive Policy Specialist
Pennsylvania Department of Public Welfare, Harrisburg, PA

Areas of Expertise

• Workforce and Human Capital
• Strategic Planning
• New Business Creation
• Partnership Development
• Technology-based Development
• Program Design and Implementation
• Technology Investment and Venture Capital
• Public Policy

Employment

International Economic Development Council   Washington, D.C
Director of Applied Research   6/2015- Present
- Develop proposals to and spearhead negotiations with major funders ranging from national foundations to the federal government. Responsible for raising $95,000 in 2015, including grants from the National Network of Business and Industry Associations, Annie E. Casey Foundation, and the Site Selectors Guild.
- Project lead on development of curriculum for IEDC classes and training, including 286-page manual for inaugural Foreign Direct Investment and Exporting Course, and presentation development for course.
- Coordinate educational events including conference sessions, webinars, and specialty trainings.
- Manage one employee and a changing team of interns and freelance contractors.
- Manage the Economic Development Research Partners (EDRP), a sixty-five-member think tank producing one large policy paper and two shorter practice-based papers per year. Papers include survey development, qualitative interviews, and case studies.
- Plan and facilitate events for EDRP members, including: quarterly working meetings with presentations of latest research and discussion of research topics; quarterly dinners featuring expert speakers addressing research topics; one three day retreat for up to 35 members, including planning and facilitating brain-storming and decision-making discussions.
- Published three papers:
  - Contributing author: "*Revitalizing Neighborhoods, Empowering Residents: Economic Development in Disinvested Communities*"
  - Lead author of "*Widening the Circle: Engaging a Young and Diverse Workforce in Economic Development*"
  - Lead author of *"Critical Condition: Infrastructure for Economic Development*"

Economic Development Specialist   6/2014-6/2015
- Wrote and managed $187,000 proposal to J.P. Morgan Chase Foundation to create training course on global economies.
- Managed implementation of $25,000 grant from the ACT Foundation on economic developers' role in workforce development.
- Designed and administered a day-long summit for senior IEDC members, "*Workforce Development through the Lens of Economic Development*" featuring three panels of thought leaders in workforce development, education, and the private sector.
- Published:
  - Lead author of "*Shifting Workforce Development into High Gear: How Economic Developers Lead Workforce System Alignment*"
  - Lead project manager, editor, and partial author of "*Leadership in Times of Crisis: A Toolkit for Economic Recovery and Resiliency*," a 187-page document funded by the U.S. Commerce Department's Economic Development Administration.

Economic Development Associate   11/2012-6/2014
- Developed one-day training for economic resilience in North Carolina funded by a grant from the U.S. Commerce Department's Economic Development Administration, including coordinating with local partners and securing three expert speakers.
- Staff administrator for Performance and Oversight Monitoring board committee, includes facilitating quarterly meetings.
- Lead author on:
  - "*Looking around the Corner: the Future of Economic Development*"
  - "*Raising the Bar Together: Successful Strategies for Workforce and Economic Development Collaboration*"
  - "*The Economic Development Impacts of Immigration*"

City of Snellville   Snellville, GA
Project Manager   3/2011-6/2012
- Designed and administered award-winning, year-long entrepreneurship program between local high school, City, and business leaders offering curriculum, field trips, and start-up capital to low-income high school students.
- Implemented public relations campaign for proposed mixed-use, mixed-income town center development, including coordinating with advertising firms, educating citizens and leadership, and creating a social media campaign.

Round Table Development   Morgantown, WV
Marketing and Property Manager   11/2008-5/2010
- Established advertising partnership between Round Table, regional homebuilder, and real estate broker.
- Managed $25,000 advertising budget including social media, print media, outdoor signage, television, radio, and events.
- Executed leasing of 79 rental units resulting in 100% occupancy.
- Obtained Real Estate Salesperson license in the state of West Virginia.

Main Street Morgantown   Morgantown, WV
AmeriCorps VISTA   11/2007-11/2008
- Created proposal and budget for a $95,000 USDA Rural Business Enterprise Grant supporting a new Farmers' Market pavilion.
- Identified and wrote four grant proposals, three of which were funded.
- Collaborated with leadership and volunteer coalitions in planning six downtown promotional events.

Leadership and Recognition

Incremental Development Alliance   10/2015- Present

Small Developer Bootcamp   5/14/2016
- Organized a one-day training for 55 participants interested in developing small real estate projects, which included marketing the event, securing sponsors, location and space, and serving as moderator throughout the day.

Developer in a Box
- Created several pieces to be included in a toolkit for small developers in partnership with the Project for Lean Urbanism, including a glossary of terms, an explanation of zoning, and a discussion of finance. (http://www.developerinabox.org/)

Treasurer
- The Incremental Development Alliance supports a network of small developers building flexible buildings that enhance their neighborhood fabric and provide opportunities for small business to grow.

Development Counsellors International 40 under 40 Rising Star in Economic Development   1/2015
- Development Counsellors International (DCI) is a leading economic development marketing firm established in 1960. Bi-yearly, they accept nominations for young economic developers to be selected as one of 40 under 40 exceptional economic developers.

Washington D.C. Chapter of the Congress for New Urbanism   5/2014 - Present

Member of CNU 24 Congress Council   5/2015 - Present

Recipient of CNU-DC Scholarship to National Annual Meeting of CNU   4/2014

Board Member   5/2014 – Present
- The Washington D.C. Chapter of the Congress for New Urbanism is an educational organization whose goal is to reform the practice of urban planning and real estate development by promoting the ideals of the Charter of the New Urbanism and providing educational opportunities, networking, and skills development among capital area urbanists.

Student Planning Association   2011/2012

Chair of Social Justice Committee
- The Social Justice Committee addresses issues of inequality in metro Atlanta through action and advocacy in planning by providing planning-specific skills to community-led initiatives in areas that lack resources, power or voice.
  - *Commercial Properties in Community Land Trusts*   2/2012
    A white paper for the Atlanta Chapter of the Urban Land Institute's Technical Assistance panel for the Atlanta Land Trust Collaborative. This document presents relevant research and best practices for incorporating commercial properties in a land trust strategy.
  - *Social Justice Committee Presentation to English Avenue*   6/2012
    Member of a group of nine students that used information provided in community meetings with the New Life Church as well as quantitative research to develop a report offering recommendations for urban design and safety improvements, strategies for employment, and solutions for addressing vacant property issues.

Freelance

1776   9/2013 – 4/2016
- Monthly columnist on Smart Cities with a focus on exploring how the expanded role of technology can decrease inequality.

Kickstarter: Cards Against Urbanity   10/2014
- Founding member of seven-person team that envisioned a light-hearted card game to teach players about urban planning. Project exceeded goal for Kickstarter campaign, raising $28,833 from 818 backers, and has been featured on Planetizen, City Labs and other urban planning media outlets.

FDI Magazine   5/2014
- Published 1,000 word article about international innovation districts, entitled "*Inner-City Innovation*," comparing the qualities of organically occurring urban environments that foster collaboration with new developments.

Education and Training

Masters of City and Regional Planning   Georgia Institute of Technology   2012
    Major Research
- *The Application of Form-Based Codes as an Economic Development Tool*, Graduate Thesis Paper

Bachelor of Arts Degree   Allegheny College   2006
    English Major: Non-Fiction Writing   Psychology Minor

IEDC Classes:
- Economic Development Credit Analysis, Indianapolis, IN   4/2015
- Managing Economic Development Organizations, Minneapolis, MN   5/2014
- Business Retention and Expansion, Toronto, ON   11/2013
- Basic Economic Development Course, Baltimore MD,   7/2013

Other
- Trade Promotion Coordinating Committee Trade Officer Course, Arlington, VA   7/2015
- Incremental Development Alliance Small Developer Bootcamp, Atlanta, GA   10/2015

Michael J. Kearney

Michael Kearney has 25 years of experience in real estate development and consulting. Working with the Federal Low Income Housing Tax Credit and HOME programs since their inception, Michael is considered an expert in affordable housing. He has been a principal of M&L for 15 years, where he has helped to develop more than 3,000 affordable housing units.

Additionally, Michael founded M&L Compliance Management, LLC, a tax credit compliance and property management consulting firm that currently provides compliance oversight to more than 2,800 units, and Monarch Development Group, LLC, an affordable housing development company that has developed more than 360 affordable units since 2005.

Michael is an active member of the Pennsylvania Developers' Council, the Housing Alliance of Pennsylvania, and the National Council of State Housing Finance Agencies.

Education	*Bachelor of Arts, Communications/Journalism* Shippensburg University of Pennsylvania; 1987

Professional Experience

Mullin & Lonergan Associates, Inc.
President/CEO
Camp Hill, PA; 1998 – present

Pennsylvania Housing Finance Agency
Development Officer II
Harrisburg, PA; 1990 – 1998

Chase Home Mortgage Corporation
Account Executive
Lancaster, PA; 1989 – 1990

Citicorp Mortgage, Inc.
Account Executive
Harrisburg, PA; 1988 – 1989

Trident Mortgage Company
Mortgage Consultant
Devon, PA; 1987 – 1988

Credentials

Licensed Real Estate Salesperson, Pennsylvania

Certified Credit Compliance Professional - C3P

Professional Instruction

Corporate Training and Development - Pennsylvania State University
Construction Lending - New York University
Sophisticated Techniques of Real Estate Finance - New York University
Problem Solving and Deal Structuring - The National Development Council
Financial Analysis for Housing Professionals - The National Development Council

Thomas J. Lonergan

Tom Lonergan has been a principal of Mullin & Lonergan Associates since 1989. He has more than thirty-three years of experience in the housing and financial analysis field. Tom is a registered securities broker and has assisted in the development of more than 2,500 units utilizing the Federal Low-Income Housing Tax Credit program. He also serves as the Executive Director of the Section 8 Housing Assistance Payments Program and the Housing Rehabilitation Program in the Borough of Somerville, New Jersey, a position he has held since 1986.

Education	*Bachelor of Arts, Accounting* LaSalle University; 1982
Professional Experience	*Mullin & Lonergan Associates, Inc.* VP/CFO Philadelphia, PA; 1977 – present

Credentials

Securities Broker, National Association of Securities Dealers
Securities Representative, National Association of Securities Dealers
Registered Securities Broker, Pennsylvania and New Jersey Securities Commissions

Registered Securities Representative, Pennsylvania and New Jersey Securities Commissions
Licensed Real Estate Salesperson, Pennsylvania

Comprehensive Housing Needs Assessment and Strategic Housing Plan

TABLE OF CONTENTS

Comprehensive Housing Needs Assessment

INTRODUCTION

This document represents an effort to create a unified Comprehensive Housing Needs Assessment and Strategic Housing Plan for the City of San Antonio for the period of FY 2012 to 2016. The effort has involved a review of the City's existing housing policies and programs to determine effectiveness compared to current market conditions, an analysis of the existing inventory of sales and rental housing in the City and a projection of net housing demand for housing units by tenure and income level. Finally, the Comprehensive Housing Needs Analysis and Strategic Housing Plan offers specific guidelines for adjustments to the City's housing policies. All of these elements will inform the overall action-oriented strategic housing plan for the City.

The housing market analysis identifies and analyzes demographic and economic trends that affect the demand for housing, defines the supply and demand characteristics of the City's housing market and examines projections that will shape City housing policy for the next five years.

The geographic area covered by this study is coterminous with the current boundaries of the City of San Antonio. For the purpose of dividing this area into practical smaller units, current council districts appear in projections and in maps throughout the document. Many data elements, including those appearing in maps, were analyzed at the census tract level to precisely describe trends. Comparisons with trends across Bexar County and the metropolitan statistical area are included for context.

Data included in this report has been gathered from a variety of statistical and local sources. Statistical information from the U.S. Census Bureau, the Bureau of Labor Statistics, the Texas State Data Center, the Real Estate Center at Texas A&M University and similar sources has been collected, organized and analyzed.

This report defines consumers of housing in terms of household income characteristics. In this report, household projections and housing need are presented by tenure (owner vs. renter) and income level. In 2010, San Antonio's median household income was $43,758. Household incomes have been divided among the following categories:

Extremely low income	Very low income	Low income	Moderate income	Upper income
Up to 30% of the median household income	From 30% to 60% of the median household income	From 60% to 80% of the median household income	From 80% to 120% of the median household income	Above 120% of the median household income

DEMOGRAPHIC PROFILE

Population and household growth trends are a driving force of regional housing markets. Variables such as expanding population, decreasing household size, new household formation, and migration determine housing demand. While demographics are not the only determining factor in future trends of a housing market, they are a key indicator of the size and nature of demand for housing.

According to the 2010 Census, San Antonio had the seventh largest population of U.S. cities, and was the second largest city in Texas, behind #4 Houston and just ahead of #9 Dallas.

Of the 10 largest cities, San Antonio grew at the fastest rate between 2000 and 2010, growing at a rate of nearly 16%. The average growth for these 10 cities was 4.5%. Houston and Dallas grew at rates of 7.5% and 0.8%, respectively. Though San Antonio was well above the national population growth rate for this period of 9.7%, it was slightly below the Texas growth rate of 20.6%.

Of these 10 major cities, San Antonio was the fourth largest city in terms of land size. Accordingly, San Antonio's density was 2,880 people per square mile, the second lowest density, just greater than Phoenix's and less than that of Houston and Dallas (3,501 and 3,518, respectively).

Figure 1: Growth of the 10 Largest U.S. Cities, 2000 - 2010

Rank	City	2000 population	2010 population	Growth (2000-2010)	2010 land size	2010 density
1	New York, NY	8,008,278	8,175,133	2.08%	302.6	27,016
2	Los Angeles, CA	3,694,820	3,792,621	2.65%	468.7	8,092
3	Chicago, IL	2,896,016	2,695,598	-6.92%	227.6	11,844
4	Houston, TX	1,953,631	2,099,451	7.46%	599.6	3,501
5	Philadelphia, PA	1,517,550	1,526,006	0.56%	134.1	11,380
6	Phoenix, AZ	1,321,045	1,445,632	9.43%	516.7	2,798
7	**San Antonio, TX**	**1,144,646**	**1,327,407**	**15.97%**	**460.9**	**2,880**
8	San Diego, CA	1,223,400	1,307,402	6.87%	325.2	4,020
9	Dallas, TX	1,188,580	1,197,816	0.78%	340.5	3,518
10	San Jose, CA	894,943	945,942	5.70%	176.5	5,359

Source: Census Bureau

2000	2010
Total Population	
1,144,646	1,327,407
Hispanic Residents	
671,394	838,952
Non-Hispanic Black Residents	
74,778	83,365
Non-Hispanic Asian Residents	
17,084	30,596
Total Households	
405,474	479,642
Median Household Income (in 2010 $)	
$45,858	$43,758
Households in Poverty	
24.6%	28.0%
Percent Renter Households	
39.2%	39.8%

During the past 20 years, the San Antonio region has experienced astonishing growth. The San Antonio-New Braunfels metropolitan statistical area (MSA) grew nearly 65% from 1990 to 2010. Bexar County and San Antonio City have also grown at impressive rates during this period, at 44.7% and 41.8%, respectively. While a sizable portion of this population growth occurred between 1990 and 2000, significant growth also occurred during the most recent decade. Both the MSA (34.55%) and Bexar County (23.11%) outpaced the City's 15.97% growth rate during this period.

Figure 2: Regional Population Profile

Area	1990	2000	2010	Change 1990-2010	Change: 2000-2010
San Antonio	935,933	1,144,646	1,327,407	41.8%	16.0%
Bexar County	1,185,394	1,392,931	1,714,773	44.7%	23.1%
San Antonio-New Braunfels MSA	1,302,099	1,592,383	2,142,508	64.5%	34.5%

Source: Census Bureau

Between 2000 and 2010, population growth occurred across San Antonio, as indicated in Map 1 on the following page. In 2010, the highest concentrations of population were in the north/ northeast, western, and downtown regions of the City.

Map 1

Comparison of Total Population by Census Tract, 2000 and 2010
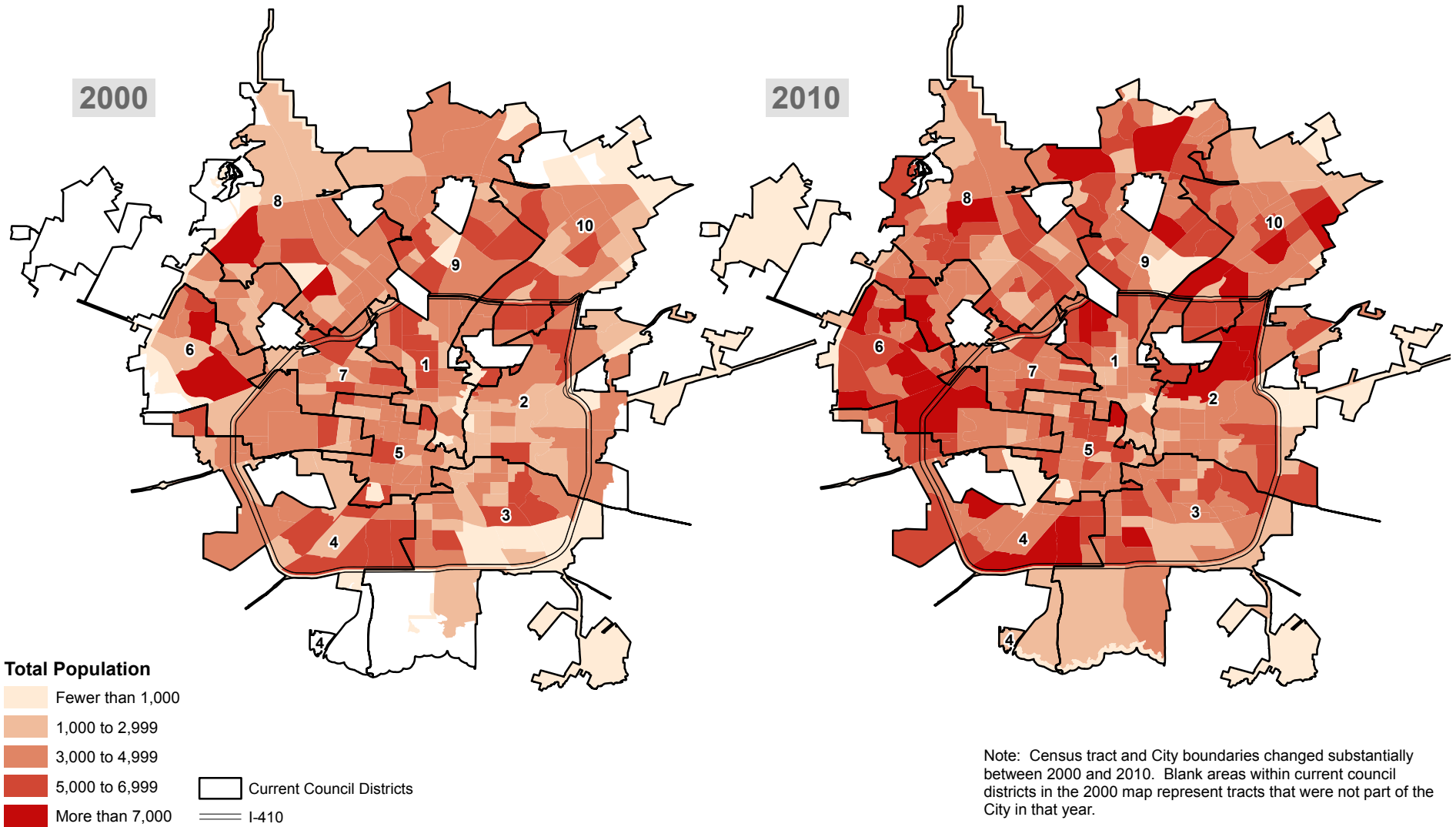
2000

2010

Total Population

Fewer than 1,000

1,000 to 2,999

3,000 to 4,999

5,000 to 6,999

More than 7,000

Current Council Districts

I-410

Note: Census tract and City boundaries changed substantially between 2000 and 2010. Blank areas within current council districts in the 2000 map represent tracts that were not part of the City in that year.

San Antonio's population is largely comprised of Hispanic/Latino individuals. In 2010, approximately 63% of the population was of Hispanic/Latino origin. This proportion was slightly higher than the populations for the entire MSA, in which 54% of the population was of Hispanic descent. The Hispanic/Latino share has steadily increased over the past 20 years. Between 1990 and 2010, the Hispanic/Latino population grew by 318,670 people, resulting in a share increase of approximately eight percentage points. A similar increase in share occurred in the MSA.

The Hispanic/Latino population is largely concentrated in the southern portion of the City, as is illustrated In Map 2. However, the concentration of this population grew throughout the City, especially in the central and eastern areas of San Antonio.

Figure 3: Hispanic/Latino Population

Area	1990	% share	2000	% share	2010	% share
San Antonio City	520,282	55.6%	671,394	58.7%	838,952	63.2%
Bexar County	589,180	49.7%	757,033	54.3%	1,006,958	58.7%
San Antonio-New Braunfels MSA	620,290	47.6%	816,037	51.2%	1,158,148	54.1%

Source: Census Bureau

Map 2

Comparison of Hispanic Population by Census Tract, 2000 and 2010

2000

8
10
9
6
1
7
2
5
3
4
4

2010

8
10
9
6
1
7
2
5
3
4
4

Percent Hispanic

Up to 25%

25.1% to 50%

50.1% to 75%

More than 75%

I-410

Current Council Districts

Note: Census tract and City boundaries changed substantially between 2000 and 2010. Blank areas within current council districts in the 2000 map represent tracts that were not part of the City in that year.
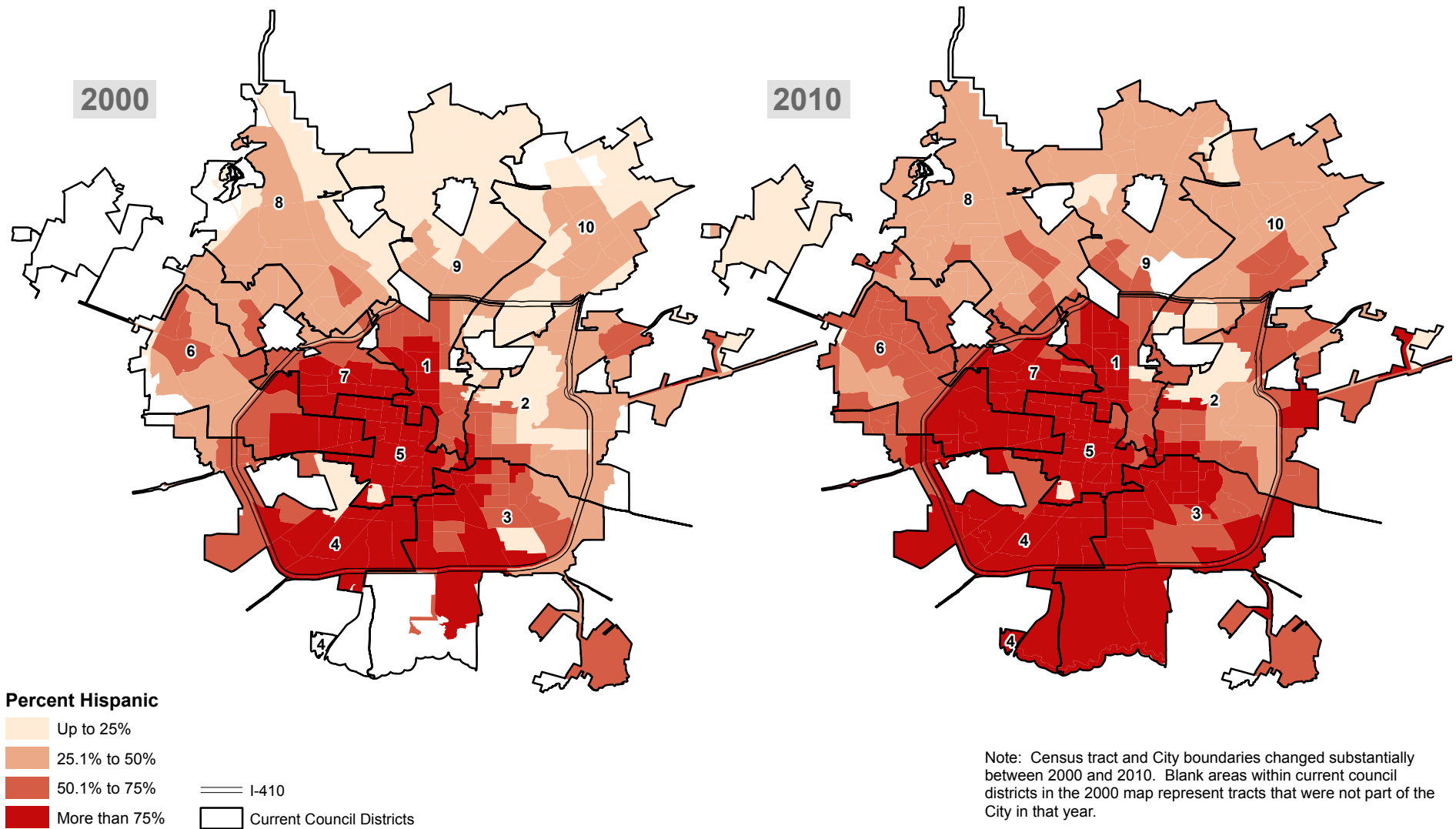
> *While the number of non-Hispanic White residents has increased by around 14,000 since 1990, this group represents a decreasing share of the total population, due to faster growth among other groups.*

The share increase of Hispanic/Latino individuals between 1990 and 2010 was countered by a decrease in the share of the non-Hispanic White (NH White) population in San Antonio. Between 1990 and 2010, the NH White population increased by slightly less than 14,000 people, resulting in the share declining by nearly ten percentage points. Trending similarly to the Hispanic/Latino population, the share of the NH White population in the entire MSA also decreased. In 2010, the share of NH Whites in San Antonio was approximately 26%, compared to 36% in the MSA.

The NH White population is largely concentrated in the northern quadrant of the City, as demonstrated in Map 3. However, the relative concentration of this population declined between 2000 and 2010, reflecting the decrease in its overall share of San Antonio's population.

Figure 4: Non-Hispanic White Population

Area	1990	% share	2000	% share	2010	% share
San Antonio City	339,115	36.2%	364,357	31.8%	353,106	26.6%
Bexar County	496,149	41.9%	496,245	35.6%	519,123	30.3%
San Antonio-New Braunfels MSA	576,836	44.3%	627,176	39.4%	773,807	36.1%

Source: Census Bureau

Map 3

Comparison of Non-Hispanic White Population by Census Tract, 2000 and 2010
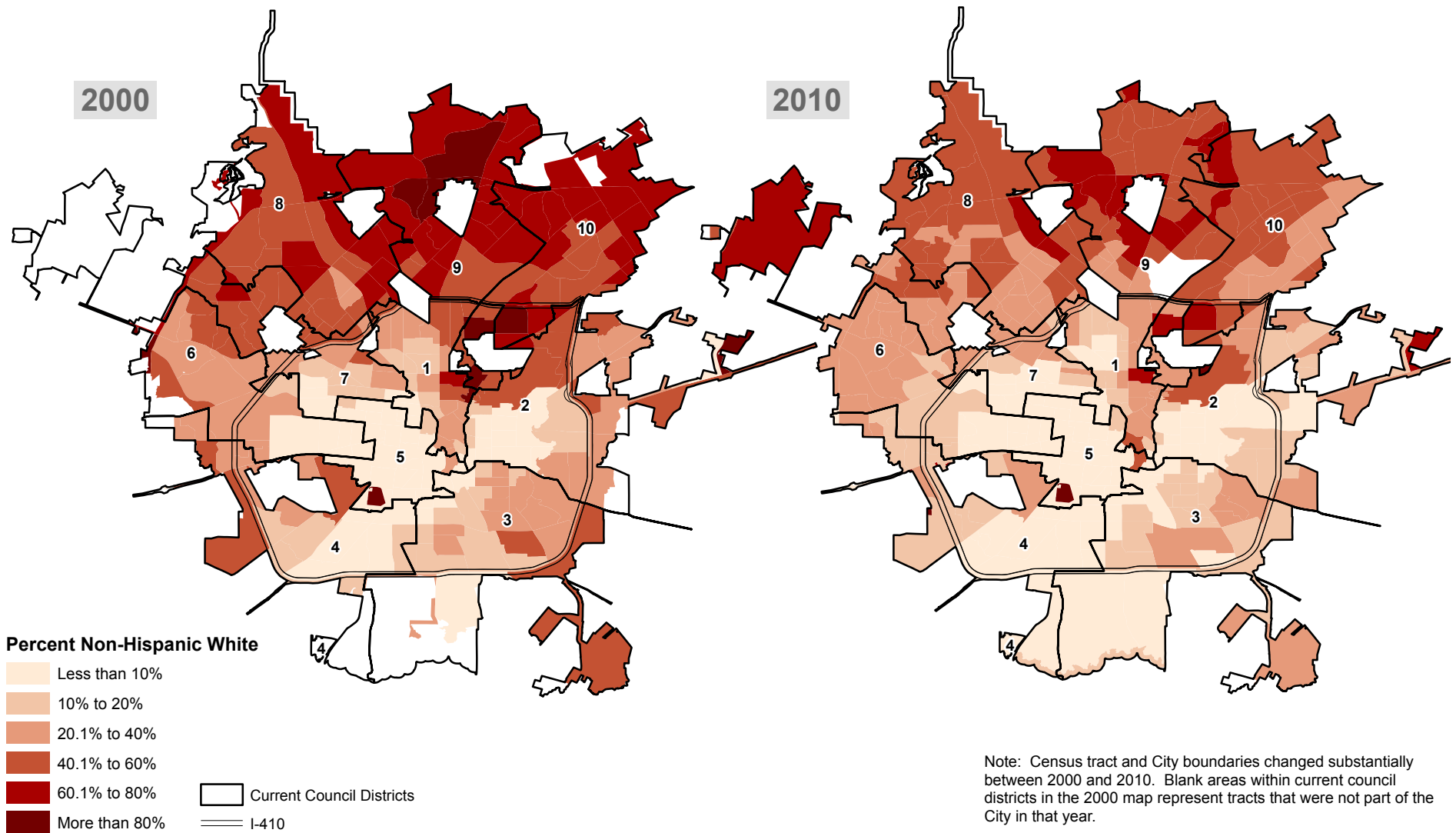
2000

2010

Percent Non-Hispanic White

- Less than 10%
- 10% to 20%
- 20.1% to 40%
- 40.1% to 60%
- 60.1% to 80%
- More than 80%

Current Council Districts

I-410

Note: Census tract and City boundaries changed substantially between 2000 and 2010. Blank areas within current council districts in the 2000 map represent tracts that were not part of the City in that year.

While San Antonio is predominantly comprised of Hispanic/Latino and NH White populations, there is also a small share of non-Hispanic Black (NH Black) and non-Hispanic Asian (NH Asian) populations. The NH Asian population total is 30,596 people, or 2.3% of the City's population. This share grew significantly since 2000, growing by roughly 13,500 people or 79%. The NH Asian population is largely concentrated in small pockets in the north and northwest areas of the City, as illustrated in Map 4.

Figure 5: Non-Hispanic Asian Population

Area	1990	% share	2000	% share	2010	% share
San Antonio City	9,537	1.0%	17,084	1.5%	30,596	2.3%
Bexar County	13,832	1.2%	21,369	1.5%	39,561	2.3%
San Antonio-New Braunfels MSA	14,380	1.1%	22,538	1.4%	42,924	2.0%

Source: Census Bureau

Map 4

Comparison of Non-Hispanic Asian Population by Census Tract, 2000 and 2010

2000

2010

Percent Non-Hispanic Asian

Up to 2%

2.1% to 5%

5.1% to 8%

8.1% to 10%

More than 10%

I-410

Current Council Districts

Note: Census tract and City boundaries changed substantially between 2000 and 2010. Blank areas within current council districts in the 2000 map represent tracts that were not part of the City in that year.
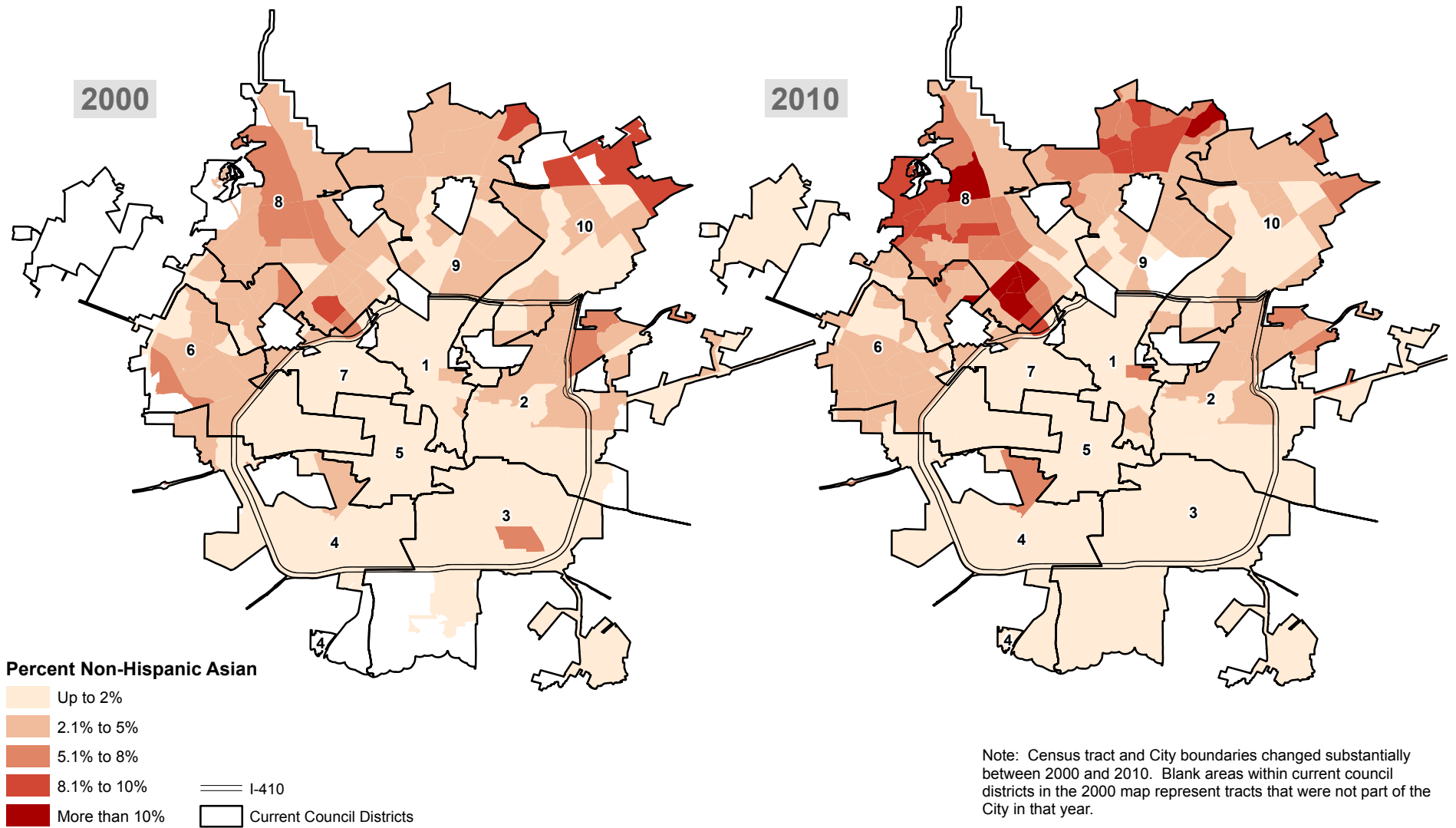
The number of non-Hispanic Black residents in San Antonio has increased since 1990, though this group represents a stable percentage of the total population due to growth among other groups.

Between 2000 and 2010, the geographic distribution of race and ethnic groups across the City changed, reflecting increased Hispanic/Latino representation in the central and eastern regions.

The NH Black population is slightly larger than the NH Asian population, and accounted for 6.28% of the City's population in 2010. The NH Black population share has remained relatively stable over the past 20 years as the share in 1990 was 6.8% and 6.5% in 2000. The share of this demographic in the entire MSA in 2010 was 6.07%, very similar to the City's share. The NH Black population is concentrated in the eastern area of the City, as demonstrated by Map 5.

Figure 6: Non-Hispanic Black Population

Area	1990	% share	2000	% share	2010	% share
San Antonio City	63,260	6.8%	74,778	6.5%	83,365	6.3%
Bexar County	71,356	6.0%	95,984	6.9%	118,460	6.9%
San Antonio-New Braunfels MSA	85,228	6.5%	101,348	6.4%	130,070	6.1%

Source: Census Bureau

Overall, the maps clearly indicate the shifting concentrations of racial demographics between 2000 and 2010. In 2000, the northern portion of the City was predominantly NH White. The southern and central regions of the City were predominantly comprised of Hispanic/Latino populations. The eastern region was comprised of NH White populations to the northeast, NH Black populations due east, and Hispanic/Latino populations in the southeast. The western region of the City was more multi-racial and did not have the same levels of concentration.

However, in 2010, the population concentrations shifted to reflect the increased share of Hispanic/Latino persons and the decreased share of NH White persons. The Hispanic/Latino concentration increased in the central and eastern regions of the City. The NH White concentration became comparatively less widespread in the northern area, while the NH Black population remained largely concentrated in the eastern area of San Antonio.

Map 5

Comparison of Non-Hispanic Black Population by Census Tract, 2000 and 2010

2000

2010

Percent Non-Hispanic Black

- Up to 2.5%
- 2.6% to 10%
- 10.1% to 20%
- 20.1% to 30%
- 30.1% to 50%
- More than 50%

[ ] Current Council Districts

═ I-410

Note: Census tract and City boundaries changed substantially between 2000 and 2010. Blank areas within current council districts in the 2000 map represent tracts that were not part of the City in that year.
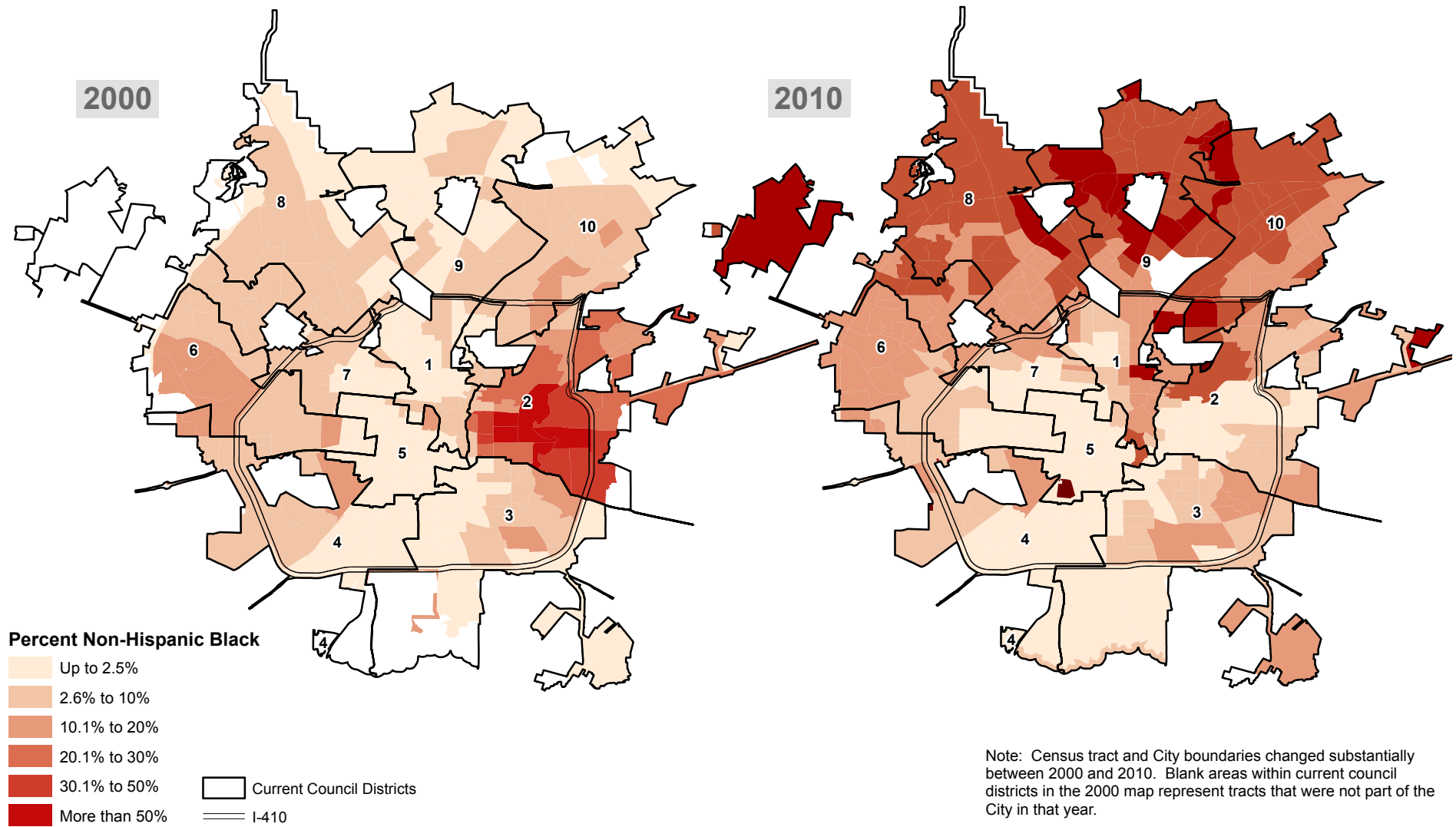
Although increasing in numbers, the 0-19 and 20-24 age cohorts are decreasing as a percentage of the population. Concurrent increases were noted in the 45-64 age cohort.

Rapid growth in the City's population between 1990 and 2010 was not experienced at the same rate across all age groups. The largest expansion was among persons age 45 to 64, the number of whom has doubled since 1990. This age cohort expanded even more quickly in other areas of Bexar County and in the MSA, where the 45 to 64 population grew 135.6%. Not surprisingly, this group represents an increasing share of the population of the City, County and MSA, growing from 16.6% of all City residents in 1990 to nearly one in every four in 2010. On the other hand, the share of City residents under age 20 has fallen from 32.5% in 1990 to 30.1% in 2000, and those who are between 20 and 24 have also grown in number, but fallen in terms of percentage of total population. The share of seniors age 65 and up who live in the City has remained steady around 10.5%.

As indicated in map 6, the southern half of San Antonio tends to be younger. The City's largest concentrations of elderly persons and individuals between the ages of 25-44, who may have young families, are in the north and central areas of the City.

Figure 7: Population by Age

Area	Year	0-19	Share	20-24	Share	25-44	Share	45-64	Share	65+	Share
San Antonio	1990	304,303	32.5%	78,633	8.4%	299,708	32.0%	154,924	16.6%	98,365	10.5%
	2000	362,359	31.7%	87,684	7.7%	352,652	30.8%	222,589	19.4%	119,632	10.5%
	2010	399,706	30.1%	107,623	8.1%	372,830	28.1%	308,644	23.3%	138,604	10.4%
	Change	31.4%		36.9%		24.4%		99.2%		40.9%	
Bexar County	1990	388,002	32.7%	95,570	8.1%	385,681	32.5%	198,771	16.8%	117,370	9.9%
	2000	441,426	31.7%	103,642	7.4%	425,956	30.6%	277,509	19.9%	144,398	10.4%
	2010	521,171	30.4%	133,455	7.8%	484,021	28.2%	400,243	23.3%	175,883	10.3%
	Change	34.3%		39.6%		25.5%		101.4%		49.9%	
San Antonio-New Braunfels MSA	1990	423,096	32.5%	102,623	7.9%	420,582	32.3%	222,260	17.1%	133,538	10.3%
	2000	501,759	31.5%	113,889	7.2%	482,572	30.3%	324,415	20.4%	169,748	10.7%
	2010	642,520	30.0%	155,534	7.3%	585,832	27.3%	523,556	24.4%	235,066	11.0%
	Change	51.9%		51.6%		39.3%		135.6%		76.0%	

Source: Census Bureau

Map 6

Largest Age Group of Population by Census Tract, 2000 and 2010

2000

8

3

10

9

6

7

1

2

5

3

4

4

2010

8

10

9

6

7

1

2

5

3

4

4

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Current Council Districts

Largest Age Group

-

Up to 19

20 to 24

25 to 44

45 to 64

65 and Up

Note: Census tract and City boundaries changed substantially between 2000 and 2010. Blank areas within current council districts represent tracts that were not part of the City in that year.
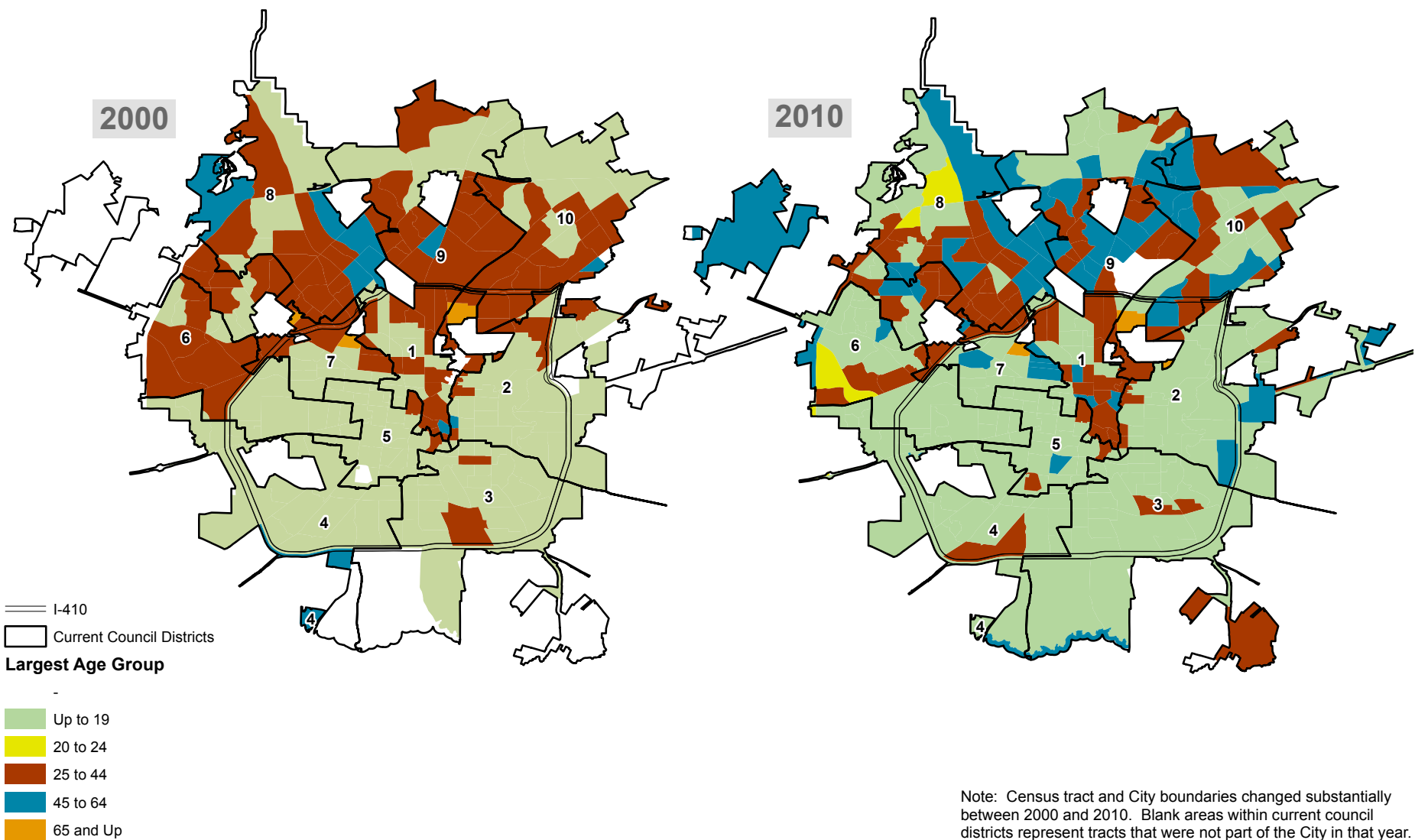
> **Poverty increased from 17.3% in 2000 to 19.1% in 2010. Children under 18 were twice as likely to live in poverty than the elderly.**

> **High-poverty areas coincided with low-growth areas of predominantly Hispanic and Black residents.**

> **More than 130,000 families were living at 125% of poverty in 2010, equivalent to $22,050 for a family of four.**

The City's poverty rate among individuals in 2010 was 19.1%, a substantial increase of 9.4% from the 2000 poverty rate. The 2010 poverty rate in San Antonio was nearly 3% greater than the poverty rate in the entire MSA. The poverty rate for the population under 18 was much higher than the overall rate (28%) and increased at a rate over 12% between 2000 and 2010. While the under-18 poverty rate increased significantly between 2000 and 2010, the over-65 poverty rate increased by half of a percentage point between 2000 and 2010 in San Antonio. Like the overall poverty rate, the rate in the City was greater than the rate in the entire MSA. Map 7 illustrates a higher density of persons in poverty in the core of the City.

Figure 8: Regional Poverty Rates, 2000 - 2010

Area	2000 poverty rate	2010 poverty rate	% change
San Antonio	17.3%	19.1%	9.4%
Bexar County	15.9%	16.9%	5.9%
San Antonio-New Braunfels MSA	15.1%	16.3%	7.4%

Sources: Census 2000, ACS 2010

Figure 9: Poverty Rates by Age Category, 2000 - 2010

Area	Under 18			65 and over		
	2000 poverty rate	2010 poverty rate	% change	2000 poverty rate	2010 poverty rate	% change
San Antonio	24.6%	28.0%	12.1%	13.5%	14.0%	3.6%
Bexar County	22.7%	24.5%	7.3%	12.2%	12.4%	1.6%
San Antonio-New Braunfels MSA	21.5%	23.8%	9.7%	11.8%	11.1%	-6.3%

Sources: Census 2000, ACS 2010

Figure 10: Income Ranges Compared to Poverty, 2000 - 2010

Area	Population at 50% Poverty Rate			Population at 125% Poverty Rate		
	2000	2010	% change	2000	2010	% change
San Antonio	85,107	102,552	17%	258,832	330,301	22%
Bexar County	93,803	117,577	20%	289,672	382,316	24%
San Antonio-New Braunfels MSA	100,891	139,999	28%	317,169	459,359	31%

Source: Census 2000; ACS 2010

Map 7

Percent below Poverty Line by Census Tract, 2010

=== I-410

Census Tracts
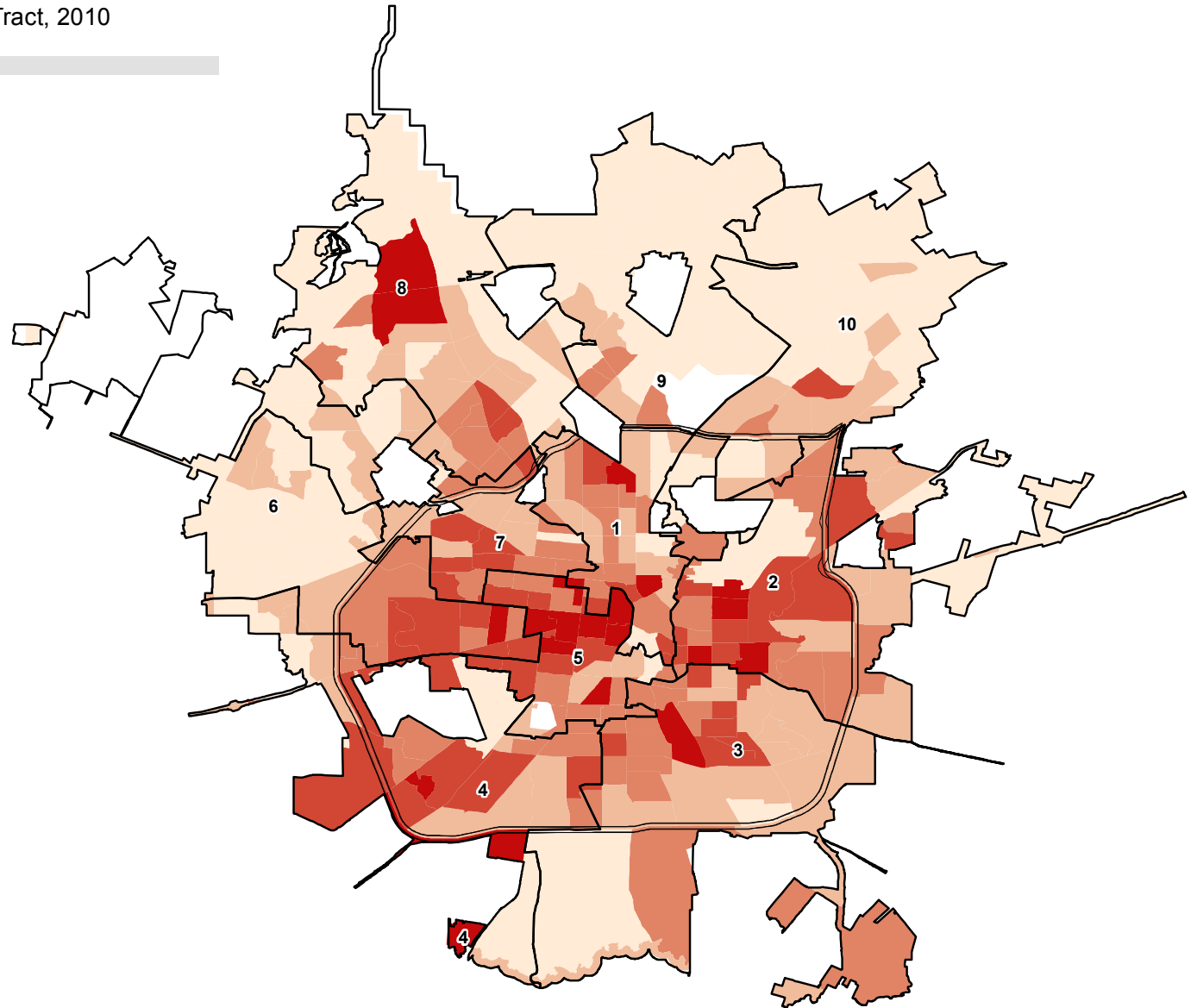
Percent below Poverty

Less than 10%

10% to 20%

20% to 30%

30% to 40%

More than 40%

Current Council Districts

Household growth outpaced population, increasing the demand for housing.

Household size is shrinking, with the largest decrease occurring among Hispanics. This trend will increase demand for smaller dwelling units.

The outpacing of growth in households over growth in total population suggests an increase in single-person households and two-person households without children.

In 2010, there were 479,642 households in San Antonio. The number of households grew 47% between 1990 and 2010 and 18% between 2000 and 2010, outpacing population growth by several percentage points. The number of households grew at faster rates in Bexar County and the MSA, matching the more rapid population growth in those areas.

Figure 11: Regional Change in Total Households, 1990 - 2010

	1990	2000	2010	% change 1990 - 2010	% change 2000 - 2010
San Antonio	326,761	405,474	479,642	46.8%	18.3%
Bexar County	409,043	488,942	608,931	48.9%	24.5%
San Antonio-New Braunfels MSA	451,021	559,946	763,022	69.2%	36.3%

Source: Census Bureau

The higher rate of household growth over population growth translates to slightly smaller household sizes in 2010 when compared with 2000. However, the largest change in household size was experienced by the Hispanic/Latino demographic as households in 2010 averaged 3.04 persons compared with 3.19 persons in 2000. The household size of NH White, NH Black, and NH Asian remained relatively stable. NH White and NH Asian households were 2.66 and 2.68 persons, respectively, and NH Black households averaged 2.41 persons. The households in San Antonio were slightly smaller than the same demographic's household size in the MSA and Bexar County.

Figure 12: Household Size by Race and Ethnicity, 2000 - 2010

Area	Year	Hispanic/Latino	Non-Hispanic White	Non-Hispanic Black	Non-Hispanic Asian
San Antonio	2000	3.19	2.64	2.54	2.69
	2010	3.04	2.66	2.41	2.68
Bexar County	2000	3.21	2.65	2.63	2.73
	2010	3.08	2.7	2.54	2.75
San Antonio-New Braunfels MSA	2000	3.22	2.66	2.64	2.74
	2010	3.11	2.69	2.56	2.77

Source: Census Bureau

ECONOMIC CONDITIONS

Labor Market and Employment

Economic trends are important to the understanding of the housing market because of the relationship between jobs, income and housing. An area that is adding jobs attracts new households. Conversely, an area that is declining as an employment center might lose population and households over time. Trends in employment and wages impact housing demand and supply. The following discussion of San Antonio's current economic trends and projections for future employment and income growth provides the basis for later discussion of housing affordability.

According to 2010 ACS survey data, San Antonio's current labor force includes 660,424 people. The overall San Antonio-New Braunfels MSA's labor force is approximately 400,000 people greater than the City's labor force, accounting for 1,076,281 people. As indicated in the table below, the regional economy is supported by a diverse set of businesses, including the military (Lackland Air Force Base, Fort Sam Houston, and Randolph Air Force Base), financial services, private businesses, and local government.

The diversified economy of San Antonio has sustained lower unemployment since 2005. The City's unemployment rate peaked at 8% in July 2011 but fell to 7.3% in October 2011.

Figure 13: Top 10 Regional Employers, 2010

Company	Business	Employed in San Antonio
Lackland Air Force Base	Military	37,097
Fort Sam Houston – U.S. Army	Military	32,000
USAA	Financial Services and Insurance	14,832
H-E-B	Super Market Chain	14,588
Northside I.S.D.	School District	13,300
Randolph Air Force Base	Military	11,068
North East I.S.D.	School District	10,522
City of San Antonio	City Government	9,145
San Antonio I.S.D.	School District	7,581
Methodist Healthcare System	Health Care Services	7,500

Source: San Antonio Economic Development Foundation

> **The City's major employment centers are located downtown and north of I-410. In contrast, the higher-poverty areas are south of downtown.**

San Antonio's largest employment sector is the government (including the military bases), with 163,900 employees in May 2011. Other sectors employing more than 100,000 people include Trade, Transportation, and Utilities; Education and Health Services; and Leisure and Hospitality. Of the leading employment sectors listed below, they remained relatively static in size between May 2010 and 2011, none losing more than 5,000 employees and none gaining more than 7,400 employees.

Figure 14: Leading Employment Sectors, 2011

Sector	May 2011 Employment	May 2010 Employment	Change from May 2010	% Change 2010-2011
Total Nonfarm	855,800	850,800	5,000	0.6%
Government	163,900	164,300	-2,400	-1.4%
Trade, Transportation and Utilities	142,700	141,900	800	0.6%
Education and Health Services	135,800	128,400	7,400	5.8%
Leisure and Hospitality	106,600	105,400	1,200	1.1%
Professional and Business Services	99,500	100,700	-1,200	-1.2%
Financial Activities	65,400	65,900	-500	-0.8%
Manufacturing	44,900	43,900	1,000	2.3%
Construction	43,600	44,300	-700	-1.6%
Other Services	32,100	31,700	400	1.3%
Information	17,600	18,900	-1,300	-6.9%
Mining and Logging	3,700	3,400	300	8.8%

Source: San Antonio Economic Development Foundation; Texas Workforce Commission

According to Map 8 and the following City-generated map of central employment areas, the majority of San Antonio jobs are concentrated just north of the downtown area, abutting the Interstate 410 beltway. As indicated in the map below, these areas of high job density align with the medical center, commercial center, airport and downtown. The City accounted for more than 31,000 employees in the downtown area in October 2011 and 15,000, 8,000 and 8,000 in the commercial center, medical center and airport, respectively.

Map 8

Concentration of Primary Job Sites for All Workers, 2009

Jobs

- Up to 250
- 251 to 1,000
- 1,001 to 3,000
- 3,001 to 7,000
- 7,001 to 13,088

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☐ Current Council Districts
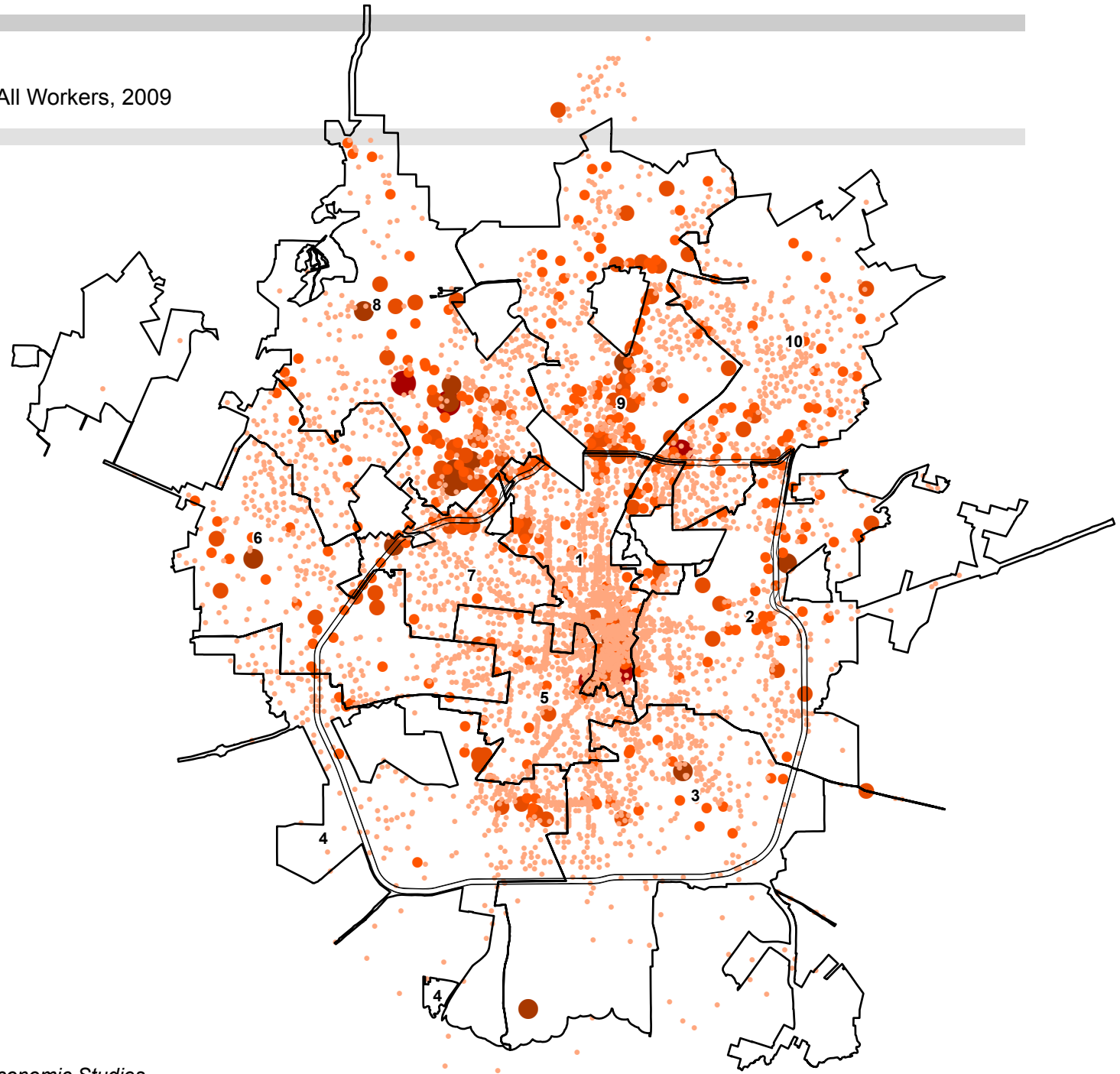
Source: OnTheMap, Census Bureau for Economic Studies

Map 9
Major Employment
Areas

Commercial

Medical
Center

Airport

Downtown

Employee Sq. Mi. Density
- 11,201 - 15,750 (Very High)
- 7,001 - 11,200
- 4,201 - 7,000 (High)
- 2,651 - 4,200
- 1,651 - 2,650 (Moderate)
- 1,001 - 1,650
- 501 - 1,000 (Low)
- 151 - 500
- 1 - 150 (Very Low)
- No Data

Data Source is InfoGroup USA, October 2011
Military Personnel are not included.
Estimated number of employees:
Downtown: 31,500
Commercial: 15,000
Medical Center: 8,000
Airport: 8,000

Source:
City of San
Antonio

Breaking down the employment sectors further, the largest industry among private firms only in 2010 was Food Services and Drinking Places, employing just over 71,000 people. Of the 10 largest industries, seven exhibited positive growth between 2009 and 2010. Likewise, seven exhibited positive earning growth over the same period.

Figure 15: Top Industries by Average Quarterly Employment

Rank	Industry	Average Quarterly Employment (2010)	Growth in Employment (%) (2009-10)	Hiring Growth (2009-10)	Hiring Growth (%) (2009-10)	Average Monthly Earnings ($) (2010)	Earning Growth ($) (2009-2010)
	All NAICS subsectors	659,171	0.73	3,752	7.02	3,518	131
1	722 Food Services and Drinking Places	71,336	1.12	1,052	11.82	1,494	86
2	621 Ambulatory Health Care Services	56,733	4.42	123	2.39	3,803	47
3	561 Administrative and Support Services	49,960	2.56	74	1.28	2,871	87
4	541 Professional, Scientific, and Technical Services	40,288	0.27	163	5.86	5,254	316
5	238 Specialty Trade Contractors	25,186	-7.41	55	2.65	3,507	-16
6	622 Hospitals	24,920	3.77	-15	-1.15	4,511	73
7	522 Credit Intermediation and Related Activities	22,950	-1.98	-17	-1.20	4,195	43
8	524 Insurance Carriers and Related Activities	22,783	1.62	144	15.67	6,434	-73
9	623 Nursing and Residential Care Facilities	16,787	5.35	-102	-6.03	2,388	111
10	452 General Merchandise Stores	16,746	-3.50	154	12.34	2,093	-91

*Private Firms Only

Source: U.S. Census Bureau, Local Employment Dynamics

Monthly earnings among the top 10 industries averaged $3,518 in 2010, equating to an annual income of $42,216. This was 96.5% of the 2010 median household income in San Antonio.

Five industries in San Antonio exhibited growth rates exceeding 10%. With the exception of two, these industries are highly specialized technical industries. They include Computer and Electronic Manufacturing (40.9%), Transportation Equipment Manufacturing (21.48%), Waste Management and Remediation Services (12.84%), Private Households (12.40%), and Support Activities for Mining (11.44%). The 10 fastest growing industries identified below employed just over 50,000 people.

Figure 16: Top Industries by Employment Growth

Rank	Industry	Growth in Employment (%) (2009-10)	Average Quarterly Employment (2010)	Hiring Growth (2009-10)	Hiring Growth (%) (2009-10)	Average Monthly Earnings ($) (2010)	Earning Growth ($) (2009-2010)	Average Earning Growth (%) (2009-10)
1	334 Computer and Electronic Product Manufacturing	40.90	1,739	40	62.50	5,293	-363	-6.28
2	336 Transportation Equipment Manufacturing	21.48	9,168	846	136.89	4,150	170	3.66
3	562 Waste Management and Remediation Services	12.84	1,310	3	3.77	3,935	268	6.53
4	814 Private Households	12.40	3,567	33	6.73	1,503	-4	-0.26
5	213 Support Activities for Mining	11.44	1,294	50	69.44	8,531	1,009	10.76
6	221 Utilities	9.08	977	52	110.64	5,380	155	2.58
7	611 Educational Services	8.09	12,657	249	17.57	3,174	90	2.78
8	624 Social Assistance	7.09	13,795	17	1.07	2,050	100	4.57
9	425 Wholesale Electronic Markets and Agents and Brokers	6.84	3,730	88	36.51	5,514	-236	-4.06
10	333 Machinery Manufacturing	6.72	2,038	61	79.74	4,047	181	4.25

* Private Firms Only
Source: U.S. Census Bureau, Local Employment Dynamics

Since 2005, San Antonio's unemployment rate has remained below the national and state unemployment rates. In October 2009, when the national unemployment rate was 9.5% and Texas's rate was 7.9%, San Antonio's rate was 6.6%. Over the past decade, San Antonio's unemployment rate peaked in July 2011 at 8.0%, however has trended downward since then to 7.3% in October 2011.

Figure 17: Regional Unemployment Rates, 2001 - 2011

Area	2001	2003	2005	2007	2009	2011
San Antonio	5.4%	6.4%	4.4%	3.7%	6.6%	7.3%
San Antonio-New Braunfels MSA	5.0%	5.9%	4.5%	3.9%	6.9%	7.5%
Texas	5.4%	6.3%	5.0%	4.1%	7.9%	8.0%
United States	5.0%	5.6%	4.6%	4.4%	9.5%	8.5%

Note: From October of each month

Source: Bureau of Labor Statistics

Figure 18: Annual Unemployment Rates, 2001 - 2011
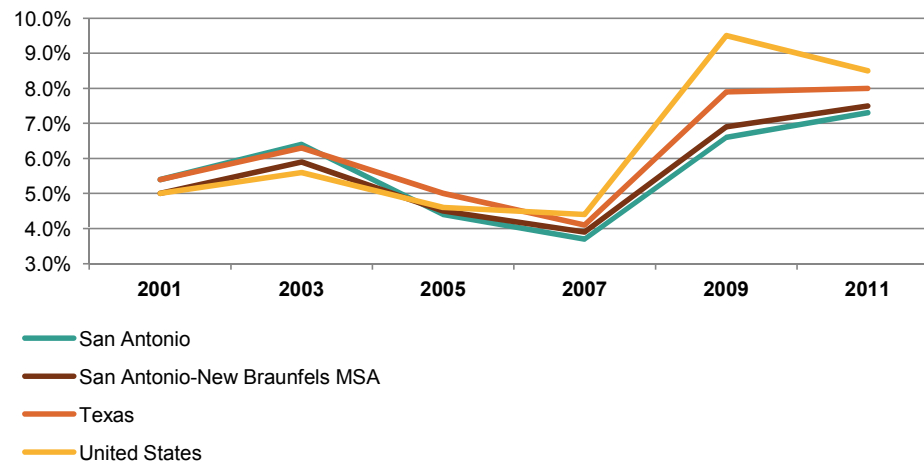
San Antonio
San Antonio-New Braunfels MSA
Texas
United States

Transportation

San Antonio workers largely rely on private transport to commute to and from work. In 2000, 77% of all workers drove alone and an additional 15.5% carpooled in a private vehicle to and from work. Less than 4% of all commuters used public transit for their daily commute. In 2010, a greater percentage of individuals drove alone (nearly 83%) and 11% carpooled. Only 2.6% of all commuters used public transportation. To be expected, the percentage of those who drive to work or car pool in Bexar County and in the MSA are greater than in San Antonio itself.

Figure 19: Regional Modes of Transportation to Work, 2010

		Total Workers*	Drive Alone	Share	Carpool	Share	Public Transit	Share
San Antonio	2000	480,760	371,456	77.3%	74,644	15.5%	18,632	3.9%
	2010	**689,601**	**571,559**	**82.9%**	**77,322**	**11.2%**	**17,938**	**2.6%**
Bexar County	2000	592,649	460,413	77.7%	89,412	15.1%	20,089	3.4%
	2010	**794,997**	**658,195**	**82.8%**	**88,957**	**11.2%**	**19,844**	**2.5%**
San Antonio-New Braunfels MSA	2000	580,739	532,670	91.7%	102,719	17.7%	20,213	3.5%
	2010	**922,348**	**762,451**	**82.7%**	**107,630**	**11.7%**	**19,915**	**2.2%**

* Do not work from home
Source: 2010 ACS

In 2010, the mode of transport for commuting varied little between different demographic groups. Approximately 80% of both Hispanic/Latino and Black populations drove alone for their commutes. Similarly, 83% of White persons drove alone. Black populations walked or used more public transportation slightly more than Hispanic/Latino and White populations, 10% for Black persons compared to 5% for Hispanic/Latino persons and 4% for White persons.

Hispanics and Blacks are more likely to ride transit than Whites.

Figure 20: Modes of Transportation to Work by Race and Ethnicity, 2010

White

	Total*	Drove Alone		Carpooled		Public transit		Walked		Other	
San Antonio	440,484	367,536	83.4%	47,030	10.7%	10,344	2.3%	9,585	2.2%	5,989	1.4%
Bexar County	572,196	477,495	83.4%	62,492	10.9%	11,663	2.0%	11,739	2.1%	8,807	1.5%
San Antonio-New Braunfels MSA	736,346	615,614	83.6%	83,669	11.4%	11,706	1.6%	14,479	2.0%	10,878	1.5%

*Excludes those working from home
Source: 2010 ACS

Black

	Total*	Drove Alone		Carpooled		Public transit		Walked		Other	
San Antonio	34,109	27,391	80.3%	2,476	7.3%	1,965	5.8%	1,260	3.7%	1,017	3.0%
Bexar County	52,545	42,394	80.7%	4,698	8.9%	2,318	4.4%	1,667	3.2%	1,468	2.8%
San Antonio-New Braunfels MSA	58,637	47,665	81.3%	5,216	8.9%	2,318	4.0%	1,794	3.1%	1,644	2.8%

*Excludes those working from home
Source: 2010 ACS

Hispanic

	Total*	Drove Alone		Carpooled		Public transit		Walked		Other	
San Antonio	346,481	276,222	79.7%	46,220	13.3%	11,634	3.4%	6,648	1.9%	5,757	1.7%
Bexar County	414,634	334,089	80.6%	54,410	13.1%	12,274	3.0%	7,292	1.8%	6,569	1.6%
San Antonio-New Braunfels MSA	477,963	383,995	80.3%	65,801	13.8%	12,307	2.6%	8,593	1.8%	7,267	1.5%

*Excludes those working from home
Source: 2010 ACS

In 2010, the average commute time for San Antonio residents was just under 25 minutes. Thirty-eight percent of commuters had commute times of less than 20 minutes. Just over 80% had commute times under 35 minutes. This is a slight decrease from 2000, when over 86% of workers' daily commutes were under 35 minutes. Commute times for Bexar County and the MSA did not vary significantly from the times of San Antonio.

Figure 21: Regional Durations of Commute, 2010

		Total Workers*	0-19 min.	20-34 min.	35-59 min.	60+ min.
San Antonio	2000	480,760	42.2%	44.4%	8.8%	4.5%
	2010	**689,601**	**38.0%**	**42.8%**	**14.2%**	**5.0%**
Bexar County	2000	592,649	41.6%	44.2%	9.6%	4.5%
	2010	**794,997**	**38.4%**	**42.5%**	**14.1%**	**5.0%**
San Antonio-New Braunfels MSA	2000	680,739	41.6%	42.5%	10.9%	5.0%
	2010	**922,348**	**40.4%**	**40.7%**	**13.7%**	**5.2%**

* Do not work from home
Source: 2010 ACS

Migration Patterns

In 2010, more than 92% of home-owners and 63% of renters remained in their same house or apartment from the year before. Of those who moved, the vast majority remained in the same county. Just over 1% of all homeowners moved to a different state or abroad. Likewise, just less than 5% of all renters moved to a different state or abroad.

Figure 22: Migration Patterns by Tenure, 2010

Owner

	Owner-Occupied Units	Same House 1 year ago		Moved - Same County		Moved - New County, Same State		Moved - Different State		Moved - Abroad	
San Antonio	773,886	713,981	92.3%	41,602	5.4%	8,264	1.1%	6,713	0.9%	3,326	0.4%
Bexar County	1,060,604	969,867	91.4%	59,785	5.6%	14,736	1.4%	11,171	1.1%	5,045	0.5%
San Antonio-New Braunfels MSA	1,387,009	1,270,270	91.6%	66,503	4.8%	29,640	2.1%	14,831	1.1%	5,765	0.4%

Source: 2010 ACS

Renter

	Renter-Occupied Units	Same House 1 year ago		Moved - Same County		Moved - New County, Same State		Moved - Different State		Moved - Abroad	
San Antonio	517,439	327,152	63.2%	145,705	28.2%	19,089	3.7%	17,953	3.5%	7,540	1.5%
Bexar County	604,572	385,874	63.8%	163,640	27.1%	22,021	3.6%	24,160	4.0%	8,877	1.5%
San Antonio-New Braunfels MSA	701,459	448,631	64.0%	181,055	25.8%	34,810	5.0%	27,751	4.0%	9,212	1.3%

Source: 2010 ACS

SPECIAL NEEDS

A wide array of subpopulations in San Antonio require special consideration due to their particular housing needs. The needs of the homeless, veterans and persons with disabilities are included here to describe their particular local prevalence.

Homeless Individuals and Households

Each year, the San Antonio/Bexar County Continuum of Care conducts a point-in-time count of persons residing in shelter and transitional housing facilities or living unsheltered within the County. The count is a statistically reliable tally of who is homeless on a given night and where they are staying. The following figure provides information on the number of sheltered homeless families and individuals, and unsheltered persons on a single night in January 2012. A total of 3,670 homeless persons were identified, 1,627 (44.3%) of whom were unsheltered. About 1,100 families with a total of 2,043 people were staying at one of the community's emergency shelters or transitional housing programs on the night of the count. Roughly two-thirds of all homeless persons identified belonged to a household with children, while 30.1% were in childless households and the remaining 5% were unaccompanied youth.

Figure 23: Point-in-Time Homelessness Count, January 2012

	Sheltered			Unsheltered	Total
	Emergency Shelter	Transitional Housing	Safe Haven		
Households with children	500	143	-	380	1,023
Households without children	143	151	42	764	1,100
Child-only households	99	27	-	20	146
Total households	**742**	**321**	**42**	**1,164**	**2,269**
Persons in households with children	1,066	478	-	837	2,381
Persons in childless households	143	152	42	770	1,107
Persons in child-only households	99	63	-	20	182
Total persons	**1,308**	**693**	**42**	**1,627**	**3,670**
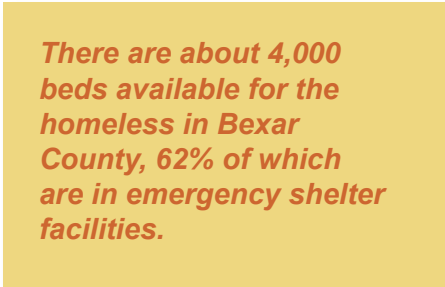
Homeless subpopulation	Sheltered	Unsheltered	Total
Chronically homeless	272	254	526
Severely mentally ill	348	89	437
Chronic subtance abuse	89	76	165
Veterans	221	65	286
Persons with HIV/AIDS	17	7	24
Victims of domestic violence	112	13	125
Unaccompanied youth under 18	126	20	146

Source: San Antonio/Bexar County Continuum of Care, 2012

City of San Antonio

Certain subcategories within the homeless subpopulation are enumerated to gain a better understanding of the types of persons disproportionately represented, as described in Figure 23. There is continued need among all subcategories, including people with severe mental illness, veterans, unaccompanied youth, chronic substance abusers, victims of domestic violence and persons living with HIV/AIDS. Bexar County's homeless population reflects the diversity, complex characteristics and needs of homeless persons across the United States. Even with other contributing factors, at its core, homelessness is a poverty issue. Poor people who have a serious mental illness or addiction are at higher risk for homelessness than are people with disabilities who are not poor. People living in poverty face difficult, if not impossible, choices between housing, food, child care, transportation and other living expenses. They are often one family or financial crisis away from becoming homeless. Rent and utility arrearages, high medical bills, bad credit, inadequate income and family conflicts can result in formal or informal evictions and homelessness.

In January 2012, the point-in-time count identified 526 people considered to be chronically homeless. This is a decrease from 2011, when there were 676 in this category, but is on par with 2010, when there were 520. According to the Continuum of Care, the fluctuation reflects "hidden" homeless people coming forward due to the increasing availability and accessibility of services, as the Haven for Hope homeless services campus has become established as a visible key link. Haven for Hope opened in 2010 to provide transitional and emergency housing as well as a wide array of supportive services, such as employment training and behavioral health care. The Continuum of Care is working to increase the number of beds available for the chronically homeless, climbing from a total of 132 in 2011 to a goal of 305 in 2021.

Figure 24, on the following page, inventories the facilities available to serve homeless individuals and families. As of 2012, the Continuum of Care provided a total of 4,035 beds for individuals and persons in families with children in emergency shelter, safe haven, rapid rehousing, transitional and permanent supported housing facilities. Single individuals had access to 816 emergency shelter beds, 22 safe haven beds, 228 transitional housing units and 428 permanent supportive housing units. Persons in families with children had access to 618 emergency shelter units, 16 rapid rehousing units, 566 transitional housing units and 1,300 permanent supportive housing units. On the night of the January 2012 point-in-time count, emergency shelters were 90% full.

There are about 4,000 beds available for the homeless in Bexar County, 62% of which are in emergency shelter facilities.

Figure 24: Inventory of Housing Facilities Serving the Homeless Population, 2012

Type	Organization	Program	Target Population 1	Target Population 2	Beds HH w/ Children	Units HH w/ Children	Beds HH w/o Children	Beds Chronically Homeless	PIT Count	Total Beds	Utilization Rate
Emergency Shelter	George Gervin Youth Center. Inc.	Basic Center	HC		4	1			4	4	100%
	Family Violence Prevention Services	Battered Women's Shelter	SFHC	DV	70	18	64		134	134	100%
	Catholic Worker House	Catholic Worker House ES	SMF+HC						7	7	100%
	Salvation Army	Dave Coy Center	SM				143		143	155	92%
	Respite Care of San Antonio Inc.	Davidson Respite House	YMF		20	7			20	20	100%
	The Salvation Army	Emergency Family Shelter	SFHC	NA	79	34	42		121	121	100%
	SAMMinistries	Emergency Shelter 1	HC	NA	87	67			79	87	91%
	SAMMinistries	Emergency Shelter 2	YMF		181	67			172	181	95%
	SAMMinistries	Emergency Shelter 3	SF	NA			175		153	175	87%
	SAMMinistries	Emergency Shelter 4	SM	NA			392		341	392	87%
	STPJ Children's Home	Project Ayuda	YMF	DV	139	60			99	139	71%
	Roy Maas Youth Alternatives	The Bridge Emergency Shelter	YMF		18	5			17	18	94%
	Roy Maas Youth Alternatives	Turning Point Independent Living	YMF		20	5			18	20	90%
Total Emergency Shelter					**618**	**264**	**816**		**1,308**	**1,453**	**90%**
HPRP	Family Violence Prevention Services	HPRP	HC	DV	16	8			16	16	100%
Total Homelessness Prevention Rapid Rehousing					**16**	**8**			**16**	**16**	**100%**
Permanent Supportive Housing	San Antonio Urban Ministries	Fairweather Family Lodge	SFHC		60	20		0	59	60	98%
	San Antonio Urban Ministries	Fairweather Lodges	SMF				23	23	23	23	100%
	San Antonio Housing Authority	Homeless Services Program 1	HC		400	400			301	400	75%
	San Antonio Housing Authority	Homeless Services Program 2	HC		200	200			38	200	19%
	San Antonio AIDS Foundation	Housing and Supportive Services	SMF	HIV			38	0	38	38	100%
	Children's Advocacy Alliance	Housing for Families with Children	HC		90	50		0	80	90	89%
	San Antonio AIDS Foundation	Long-Term Rental Asst. - HIV/AIDS	SMF+HC	HIV	20	10	90		92	110	84%
	San Antonio Housing Authority	Shelter Plus Care 1	SMF+HC	NA	86	86			78	86	91%
	San Antonio Housing Authority	Shelter Plus Care 2	SMF+HC		15	15			12	15	80%
	SAMMinistries	Single Room Occupancy	SMF	NA			88	88	51	88	58%
	American GI Forum	SRO I	SMF	VET			30	10	20	30	67%
	American GI Forum	SRO II	SM	VET			30	10	25	30	83%
	Alamo Area Resource Center	Supportive Housing Program	SFHC		13	3	7	20	20	20	100%
	San Antonio Housing Authority	VASH	SMF+HC	VET	142	40	122	0	265	264	100%
	San Antonio Housing Authority	VASH 2	SMF+HC	VET	125	125			5	125	4%
	American GI Forum	Veterans Lease Housing	SMF+HC	VET	21	14				21	
	SAMMinistries	Woodhill	HC		72	24			68	72	94%
	Seton Home	Youth Supportive Housing	YF		56	15				56	
Total Permanent Supportive Housing					**1,300**	**1,002**	**428**	**151**	**1,175**	**1,728**	**68%**
SH	Center for Health Care Services	Female Safe Haven	SF				22		20	22	91%
	Center for Health Care Services	Male Safe Haven	SM				22		22	22	100%
Total Safe Haven							**22**		**42**	**44**	**95%**
Transitional Housing	U. S. Department of Veterans Affairs	Crosspoint, Inc.	SM	VET			21		21	21	100%
	U. S. Department of Veterans Affairs	Domiciliary	SMF	VET			40		33	40	82%
	SAMMinistries	Houses	HC	NA	115	25			91	115	79%
	Family Violence Prevention Services	La Palomo	SFHC	DV	32	12	4		31	36	86%
	Salvation Army	New Start	SF	NA	8	8			7	8	88%
	Seton Home	Safe Place I	SMF+HC		40	10	40		72	80	90%
	Salvation Army	Scattered Sites	SFHC		68	23	4		68	72	94%
	Family Violence Prevention Services	Scattered Sites TH	SFHC	DV	28	8			19	28	68%
	Salvation Army	Shining Star	SF	NA			8		6	8	75%
	Salvation Army	Stepping Forward	SFHC		23	8	0		19	23	83%
	Strong Foundation Ministries	Strong Foundation	SFHC		70	20	10		75	80	94%
	SAMMinistries	TLLC	HC		160	40			145	160	91%
	Catholic Worker House	Transition Housing	SMF+HC		6	2	1		7	7	100%
	American GI Forum	Transitional Houses	SMF	VET			80		68	80	85%
	Visitation House Ministries	Transitional Housing	HC	NA	16	5			11	16	69%
	San Antonio AIDS Foundation	Transitional Housing - AIDS	SMF	HIV			20		20	20	100%
Total Transitional Housing					**566**	**161**	**228**		**693**	**794**	**87%**
TOTAL: ALL TYPES					**2,500**	**1,435**	**1,494**	**151**	**3,234**	**4,035**	**80%**

Source: 2012 Inventory, San Antonio/Bexar County Continuum of Care

Veterans

The military presence in San Antonio continues to be substantial. In 2005, as a result of a Base Realignment and Closure Round conducted by the Department of Defense, installation support functions at the Army's Fort Sam Houston were combined with those at Randolph and Lackland Air Force Bases under a single organization to form the largest joint base in the Department. The Joint Base San Antonio supports more than 250,000 personnel and has 80,000 members. As a result, the community works to meet the needs of a large number of military veterans. The South Texas Veterans Care System, as a part of the U.S. Department of Veterans Affairs (VA), serves as a leader in the San Antonio Regional Alliance for Homelessness (SARAH). According to the Continuum of Care, the VA provides transitional housing to homeless veterans directly through a domiciliary care facility and by contracting with the American GI Forum (AGIF) to operate a transitional grant per diem program. AGIF also provides permanent housing to homeless veterans and a nationally recognized job training program. Haven for Hope identifies all veterans accessing services and seeks to link them to the VA. San Antonio Family Endeavors identifies and provides outreach and case management to homeless veterans. The San Antonio Housing Authority works closely with the VA in implementing HUD-VASH and maintains a local voucher preference for homeless veterans.

Physical or Developmental Disabilities

The base definition of developmental disability is an IQ score of less than 70. The majority of people with psychiatric or developmental disabilities experience housing problems or have housing needs in some form: cost prohibition or rent burden; overcrowding; substandard housing; inability to move out of an institutional or residential treatment setting beyond the period of need; and homelessness. Physically disabled individuals usually require modifications to their living space, including the removal of physical barriers. Generally, accommodations can be made to adapt a residential unit for use by wheelchair-bound persons or persons with hearing or vision impairments. It is difficult to identify private rental units that have been adapted.

The Census Bureau reports disability status for non-institutionalized persons age 5 and over. As defined by the Census Bureau, a disability is a long-lasting physical, mental or emotional condition. The 2011 American Community Survey, the latest source of data available, estimated that of 993,075 San Antonio residents age 16 and up in the survey sample, 162,924 (16.4%) were living with a disability. Of the disabled population in the City, 25.4% had incomes below the poverty level, compared to 16.8% of people without disabilities. The median income was $18,847 for those with disabilities, compared to $25,483 for those without. There is no source of data that enumerates local housing need by category of disability. However, many disabled persons in San Antonio are served by public and assisted housing facilities as a result of local public housing preferences.

Veterans' needs are an area of major focus among local social service agencies, due to the strong local military presence.

One-quarter of San Antonio residents with disabilities live below the poverty line, compared to 16.8% of those without disabilities.

> **Growth has been strongest in suburban and exurban areas.**

> **The increase in the City's housing inventory has been driven primarily by annexation.**

HOUSING MARKET

Housing Inventory

According to the San Antonio Board of Realtors and by indicators of low foreclosure and strong job growth, the San Antonio real estate market is currently among the healthiest in the United States. Additionally, the National Association of Realtors ranked San Antonio the 4th best rental market in the country in June 2013, citing the City's affordable lifestyle and impressive growth.

Across the eight-county San Antonio-New Braunfels metropolitan statistical area (MSA), the rate at which housing units were added to the inventory during the last decade greatly outpaced growth in the 1990s. In 2010, the MSA had more than a quarter-million more units than in 2000, a change of 39.7% in a single decade. The City of San Antonio represents a large portion of that change, having added 91,124 units since 2000. While much of the raw-numbers growth occurred within Bexar County, growth rates were highest in portions of the MSA outside the County, indicating strong development in suburban and exurban areas.

Map 10 illustrates the distribution of housing units across the City in 2000 and 2010. Comparison of this statistic between the two years is somewhat limited by a large number of census tract boundary changes. However, the map serves to demonstrate a few facts. First, the growth in housing units within the City is in part due to annexation. The physical area captured by the City's border expanded considerably in the 1990s and again in the 2000s. Annexation has added units to the City's inventory that were previously counted outside of the City. Secondly, neighborhoods of varying housing density are scattered evenly throughout portions of the City that are not recent annexations. None of the City's 10 council districts appear to have undergone dramatic change in the density of housing units, though individual neighborhoods have experienced decreases or increases according to property development, redevelopment, conversion or clearance.
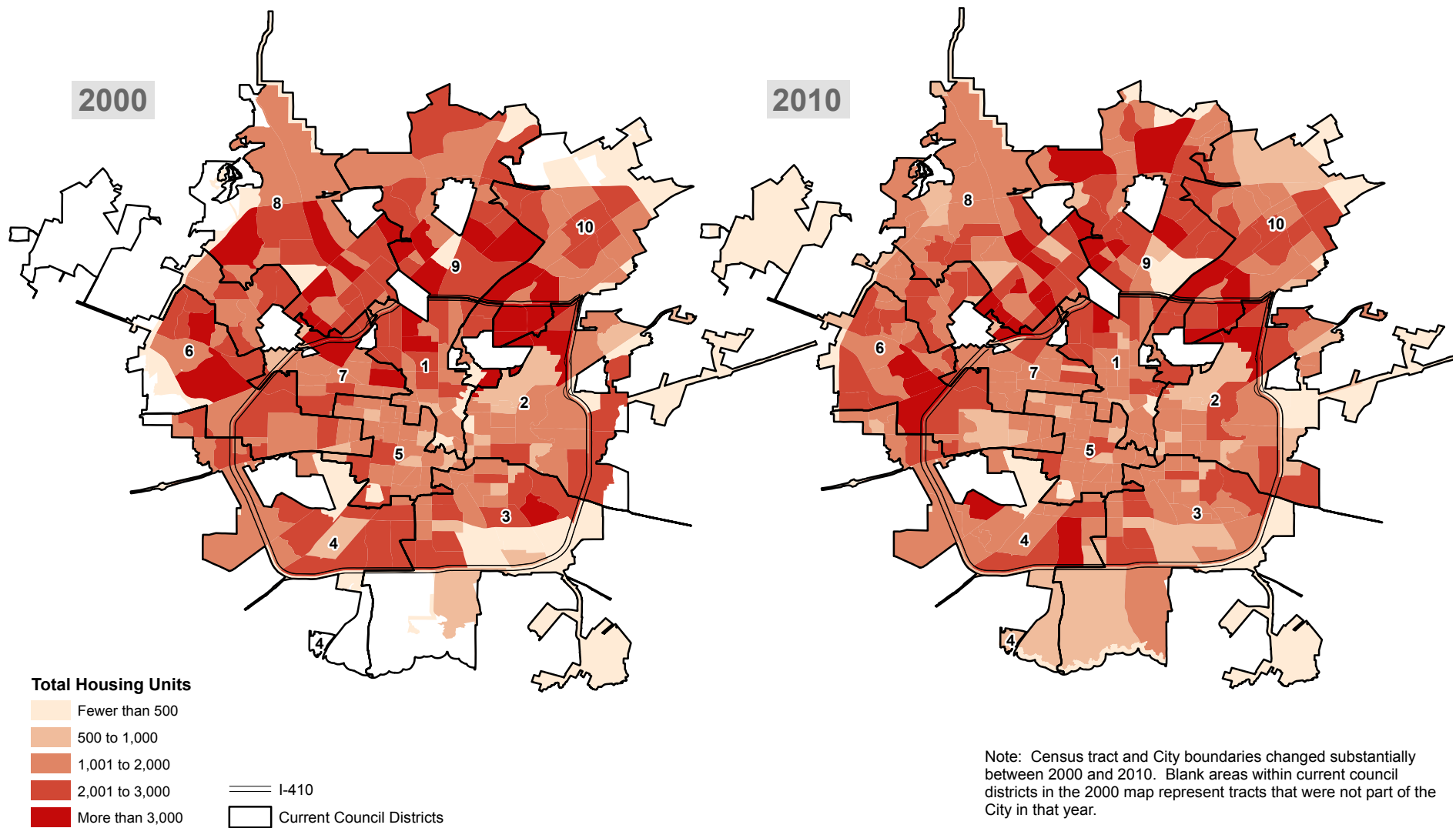
Figure 25: Trends in Housing Inventory, 1990 - 2010

	1990	2000	Average Annual Change	Change 1990-2000	2010	Average Annual Change	Change 2000-2010
San Antonio	365,414	433,122	6,771	**18.5%**	524,246	9,112	**21.0%**
Bexar County	455,832	521,359	6,553	**14.4%**	662,872	14,151	**27.1%**
San Antonio-New Braunfels MSA	504,411	599,772	9,536	**18.9%**	837,999	23,823	**39.7%**

Source: U.S. Census Bureau

Map 10

Total Housing Units by Census Tract, 2000 and 2010

2000

2010

Total Housing Units

Fewer than 500

500 to 1,000

1,001 to 2,000

2,001 to 3,000

More than 3,000

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Current Council Districts

Note: Census tract and City boundaries changed substantially between 2000 and 2010. Blank areas within current council districts in the 2000 map represent tracts that were not part of the City in that year.

Further insight into the nature of change in the City's total number of housing units can be gained by examining the volume and type of building permits issued. Between 2000 and 2010, San Antonio issued permits for the construction or addition of 93,911 housing units across the City. This fairly closely approximates the Census figure for the difference in units between those years, 91,124, especially considering that not all permits result in finished units. Of the total permits issued, 63.3% were for single-family structures, while 1.9% were for units in two- to four-unit structures and the remaining 34.8% were for structures with five or more units. As demonstrated by Figure 26, the number of permits issued was not steady over time, but tapered precipitously after 2005, consistent with national trends related to the market downturn in following years.

As described by the San Antonio Board of Realtors, the local landscape has begun to shift toward what would be considered a seller's market, as the average number of days a home remains on market is falling and supply is tightening up. However, sales volume is still substantially (around 60%) below the peak it attained in 2005.

Figure 26: Residential Building Permits Issued by Year and Structure Size, 2000 - 2010
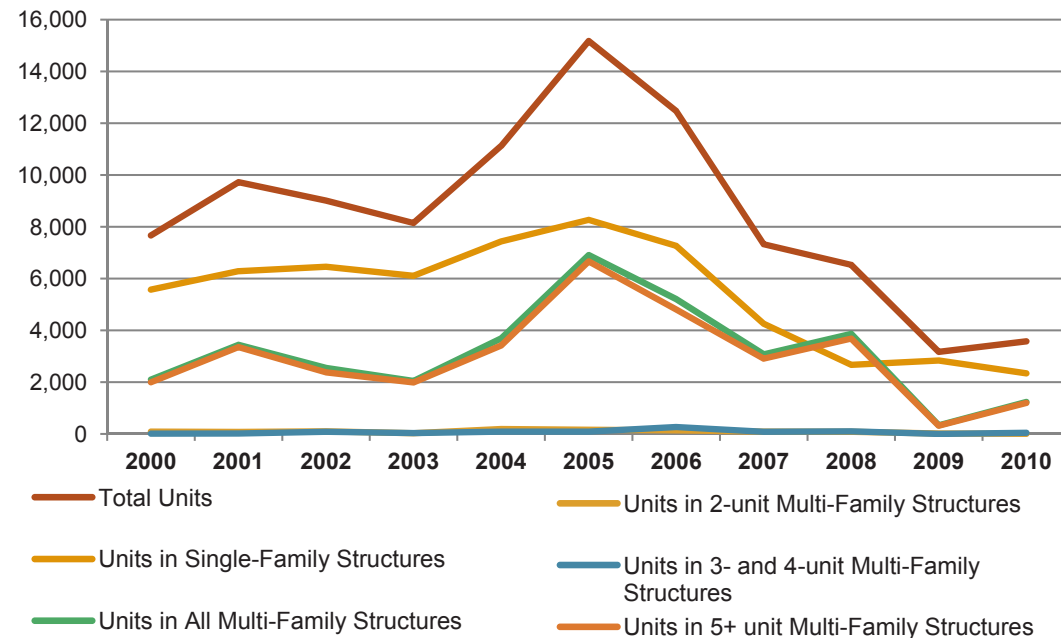
Single-family housing units remain the predominant housing type available in the City. Specifically, single-family dwellings represented 66.7% of San Antonio's housing inventory in 2010. Multi-family housing units represented 30.7% of the City's housing stock, while mobile homes accounted for 1.5%. Mobile homes were much more prevalent elsewhere in the MSA, where they constitute 6.6% of all residences. The MSA and Bexar County are even more predominantly single-family, with this structure type representing 70% of all housing units in both geographic areas.

Figure 27: Types of Housing Units, 2010

| | Total Units | Single-family units | Multi-family units | | | | | Mobile home | Boat, RV, van, etc |
			2 to 4	5 to 9	10 to 19	20 or more	Total		
San Antonio	512,439	346,848	33,846	40,303	44,486	38,924	157,559	7,825	207
Bexar County	642,854	452,098	37,401	42,996	47,517	42,801	170,715	19,771	270
San Antonio-New Braunfels MSA	810,455	572,354	42,626	46,018	49,465	45,776	183,885	53,559	657

Note: Totals differ from decennial 2010 figures reported; ACS estimates are based on sample data.
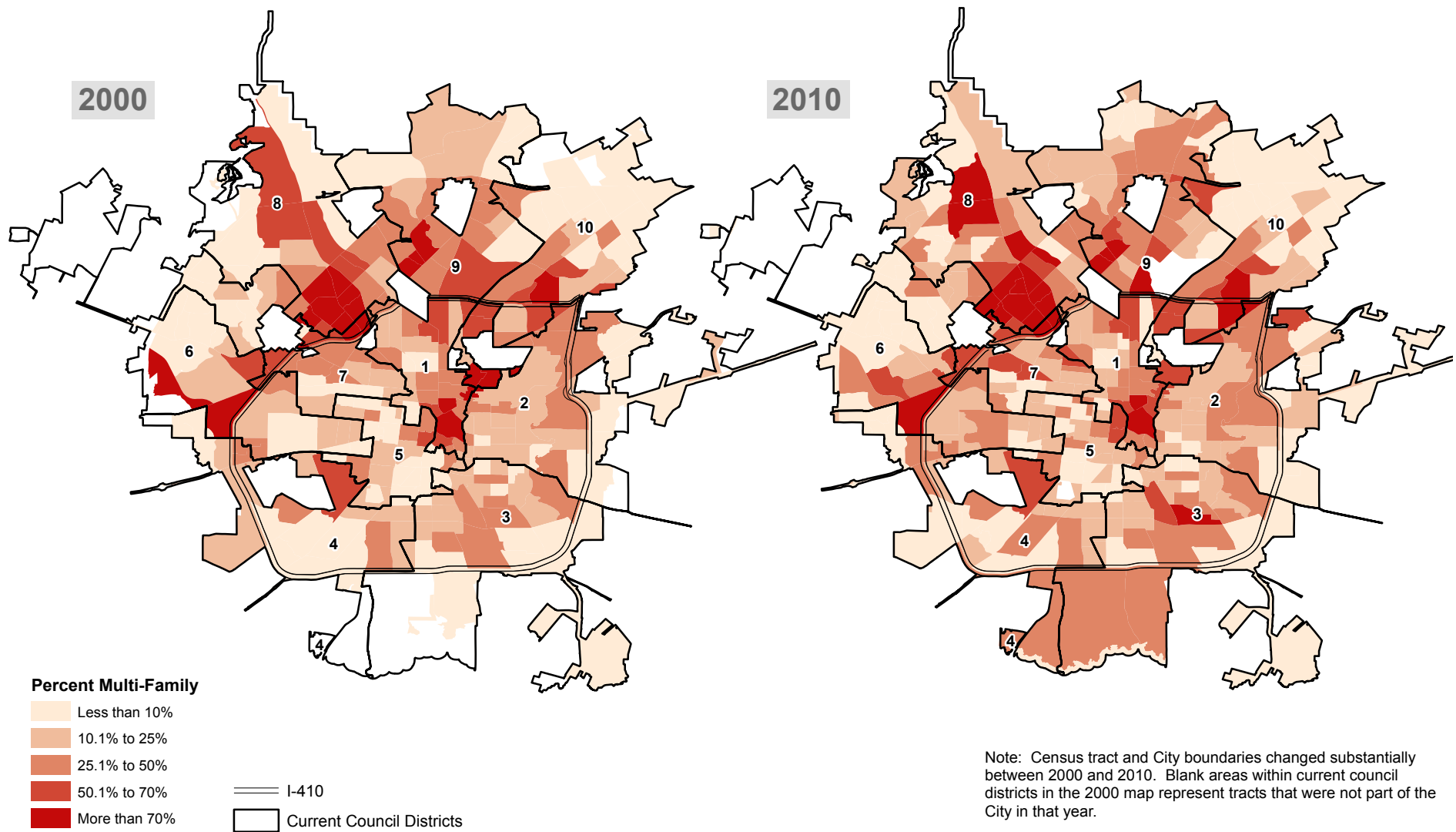*Source: U.S. Census Bureau, 2006-2010 ACS 5-year Estimates*

Map 11 illustrates the distribution of multi-family units across the City, displaying a relatively balanced distribution of housing structure types. Relatively wealthy northern council districts 9 and 10, areas of high growth, share a proportion of multi-family housing.

Multi-family home starts were down as of Summer 2012, according to the San Antonio Board of Realtors, due to a lack of lot supply, as planned subdivisions were being built out and no new subdivisions were being planned.

Growth in multi-family development has occurred in higher-growth areas near major employment centers, outside of higher poverty, higher minority areas.

Map 11

Percent Multi-Family Housing by Census Tract, 2000 and 2010

2000

2010

Percent Multi-Family

- Less than 10%
- 10.1% to 25%
- 25.1% to 50%
- 50.1% to 70%
- More than 70%

===== I-410

▭ Current Council Districts

Note: Census tract and City boundaries changed substantially between 2000 and 2010. Blank areas within current council districts in the 2000 map represent tracts that were not part of the City in that year.

The homeowner vacancy rate in the City of San Antonio was 1.9% in 2010, a decrease from 3.2% in 1990, but a slight increase compared to 1.4% in 2000. Generally, a homeowner vacancy rate between 3% and 5% of the sales housing inventory is preferable because it allows some mobility and flexibility for households that are moving. A low rate of vacant-for-sale-only units impacts the affordability of housing because of a lower number of available units on the market at any given time, which causes a rise in home prices due to demand exceeding a limited supply. The following figure provides additional detail on homeowner vacancy rates.

Figure 28: Trends in Owner-Occupied Unit Vacancies, 1990 - 2010

	Housing Units		Owner-occupied Units			
	Total	Occupied	Total	%	Vacant Units For Sale Only	Vacancy Rate
1990						
San Antonio	365,414	326,761	176,422	48.3%	5,860	3.2%
Bexar County	455,832	409,043	236,411	51.9%	8,461	3.5%
San Antonio MSA	504,411	451,021	483,909	95.9%	9,375	3.4%
2000						
San Antonio	433,122	405,544	235,584	54.4%	3,428	1.4%
Bexar County	521,359	488,942	299,171	57.4%	4,324	1.4%
San Antonio MSA	599,772	559,946	354,788	59.2%	5,288	1.5%
2010						
San Antonio	524,246	479,642	271,070	51.7%	5,258	1.9%
Bexar County	662,872	608,931	368,638	55.6%	7,235	1.9%
San Antonio-New Braunfels MSA	837,999	763,022	488,523	58.3%	9,893	2.0%

Source: U.S. Census Bureau

A homeowner vacancy rate of 1.9% is too low to adequately meet demand. Conversely, the rental vacancy rate of 10.8% indicates excess inventory.

Across the entire MSA, single-family building permits peaked in 2005, when 14,706 were issued. In that year, San Antonio accounted for roughly half of such permits. In 2010, only 5,144 single-family permits were issued across the eight-county MSA, with less than half issued by the City of San Antonio.

The MSA-wide sales market tightened between 1990 and 2010. Increasing growth has widened demand for sales housing, and the market appears to be just keeping up.

Rental vacancy rates, by comparison, are considerably higher than owner vacancy rates across the City. In 2010, the Census Bureau reported more than 22,000 vacant renter units, representing 10.8% of the rental housing stock. This represents an increase from the 2000 rate of 7.4%. Generally, a rental vacancy rate of 5% to 9% is preferred because it allows mobility and greater choice for households that are moving. A lower rental vacancy rate exerts upward pressure on rents, negatively impacting the ability of lower-income households to find affordable housing.

According to market data provided via Austin Investor Interests, the rental vacancy rate in San Antonio was 4.6% in the second quarter of 2012, compared to 4.4% one year prior and 6.2% two years prior. Rates were virtually identical across Bexar County overall, though they varied widely among City neighborhoods according to the location and age of buildings. This sub-5% rate in 2012 is substantially lower than the previously mentioned Census rental vacancy rate of 10.8% in 2010, but another source suggests that the rate did indeed decrease in those two years. According to the Census Bureau's Housing Vacancies and Homeownership Survey, which releases quarterly estimates at the metropolitan level, San Antonio's rental vacancy rate fell from 13.2% in the first quarter of 2010 to 7.5% by the final quarter of 2012.

Figure 29: Trends in Rental Housing Vacancies, 1990 - 2010

	Housing Units		Renter-occupied Units			
	Total	Occupied	Total	%	Vacant Units	Rental Vacancy Rate
1990						
San Antonio	365,414	326,761	150,339	41.1%	19,785	13.2%
Bexar County	455,832	409,043	172,632	37.9%	22,616	13.1%
San Antonio MSA	504,411	451,021	183,909	36.5%	24,135	13.1%
2000						
San Antonio	433,122	405,544	169,960	39.2%	12,591	7.4%
Bexar County	521,359	488,942	189,771	36.4%	13,732	7.2%
San Antonio MSA	599,772	559,946	205,158	34.2%	15,301	7.5%
2010						
San Antonio	524,246	479,642	208,572	39.8%	22,454	10.8%
Bexar County	662,872	608,931	240,293	36.3%	22,551	9.4%
San Antonio-New Braunfels MSA	837,999	763,022	274,499	32.8%	28,717	10.5%

Source: U.S. Census Bureau

> ***Updated rental vacancy data indicates that the City's rental market is increasingly tight.***

Overall, the City's housing stock was 8.5% vacant in 2010, lower than the 8.9% rate across the eight-county MSA. Vacancy has increased since 2000, when the City's rate was 6.4% and the MSA's was a comparable 6.6%. Higher vacancy rates exert more downward pressure on home prices. Rising vacancy rates are also evidence of a potential slowing in the home building industry as developers try to sell their stock of vacant units. A softening housing market between 2000 and 2010 is confirmed by a decline in the number of building permits issued annually by the City for the construction of single-family homes.

HUD's Comprehensive Housing Market Analysis for the San Antonio-New Braunfels MSA, released in September 2011, describes the rental market across the eight-county area as "soft, but improving," with an expected demand of 13,200 new units between 2011 and 2014. The same analysis finds the sales market to be soft, with an estimated vacancy rate of 2%. HUD projected demand for 30,800 new market-rate sales units between 2011 and 2014 and an additional 2,650 mobile homes. Finally, HUD suggested that some demand could be satisfied by a portion of the 36,000 vacant units across the MSA coming back online.

The following figure provides additional information on the overall vacancy rates between 1990 and 2010.

Figure 30: Overall Housing Vacancies, 1990 - 2010

	Total Housing Units	Total Vacant Units	
		#	%
1990			
San Antonio	365,414	38,653	10.6%
Bexar County	455,832	46,789	10.3%
San Antonio MSA	504,411	53,390	10.6%
2000			
San Antonio	433,122	27,648	6.4%
Bexar County	521,359	32,417	6.2%
San Antonio MSA	599,772	39,826	6.6%
2010			
San Antonio	524,246	44,604	8.5%
Bexar County	662,872	53,941	8.1%
San Antonio-New Braunfels MSA	837,999	74,977	8.9%

Note: Total vacancy rate is calculated as the total number of vacant units divided by total housing units. Total vacancy rates, while calculated differently than rental or homeowner vacancy rates, can provide an indication of the increase or decrease in the total number of vacant housing units in a market.
Source: U.S. Census Bureau

Tenure

Home ownership rates have decreased across the City since 2000 from 58.1% to 56.5%, as demonstrated in the following summary table. A similar trend was reported for Bexar County, though ownership increased in the MSA, indicating that home ownership increased in rural counties. The number of owner-occupied units increased 15.1% during the same years, but the increase was outpaced by a 22.7% expansion in the number of renter-occupied units. The number of vacant units increased 61.3% between 2000 and 2010.

Figure 31: Housing Tenure, 1990 - 2010

	Housing Units		Owner-Occupied Units		Renter-Occupied Units		Vacant Units	
	Total	Occupied	#	%*	#	%*	#	%**
1990								
San Antonio	365,414	326,761	176,422	54.0%	150,339	46.0%	38,653	10.6%
Bexar County	455,832	409,043	236,411	57.8%	172,632	42.2%	46,789	10.3%
San Antonio MSA	504,411	451,021	267,112	59.2%	183,909	40.8%	53,390	10.6%
2000								
San Antonio	433,122	405,544	235,584	58.1%	169,960	41.9%	27,648	6.4%
Bexar County	521,359	488,942	299,171	61.2%	189,771	38.8%	32,417	6.2%
San Antonio MSA	599,772	559,946	354,788	63.4%	205,158	36.6%	39,826	6.6%
2010								
San Antonio	524,246	479,642	271,070	56.5%	208,572	43.5%	44,604	8.5%
Bexar County	662,872	608,931	368,638	60.5%	240,293	39.5%	53,941	8.1%
San Antonio-New Braunfels MSA	837,999	763,022	488,523	64.0%	274,499	36.0%	74,977	8.9%

*Calculated as a percent of total occupied units.
**Calculated as a percent of total units.
Source: U.S. Census Bureau

Characteristics of homeowners and renters by age of the householders include the following:

- The youngest households are predominantly renters.
- There are more renters than owners found among the 25-34 age cohort.
- By age 35, renter rates begin to fall significantly and continue decreasing as households age.

Figure 32: Housing Tenure by Age of Household, 2010

Age of Householder	% Own	% Rent
15 to 24	9.7%	90.3%
25 to 34	35.8%	64.2%
35 to 44	58.4%	41.6%
45 to 54	66.5%	33.5%
55 to 64	74.4%	25.6%
65 to 74	80.2%	19.8%
75 to 84	79.0%	21.0%
85 and older	71.7%	28.3%
All Households	58.6%	41.4%

Source: U.S. Census Bureau

In San Antonio, NH White households were more likely to be homeowners than minority households in 2010, as 63.7% owned their homes. Hispanic households had the highest rate of homeownership among all minorities across the City at 54.9%. The lowest ownership rate, 39.6%, was reported among Black households.

Figure 33: Housing Tenure by Race and Ethnicity, 2010

Race of Householder	% Own	% Rent
Non-Hispanic	58.5%	41.5%
White	63.7%	36.3%
Black	39.6%	60.4%
AIAN	49.9%	50.1%
Asian/Pacific Islander	50.4%	49.6%
Other	47.0%	53.0%
Two or More Races	42.8%	57.2%
Hispanic	54.9%	45.1%

Source: U.S. Census Bureau

Physical Condition of Housing

The age of a residential structure demonstrates the time the unit has been in the inventory and the duration of time over which substantial maintenance is necessary. The age threshold commonly used to signal a potential deficiency is represented by the year built with units that are 50 years old or over (i.e. built prior to 1960) used as the threshold. However, the age of a structure alone cannot be used to determine the condition of housing. Many older units are well-maintained. Older units, however, have a greater need for maintenance, including the replacement of expensive building systems. Newer housing units with larger rooms and modern amenities generally have higher sales values reflecting a preference for newer units. Geographic locations with a variety of new housing types are often more attractive to new households, but generally less affordable to lower income households.

The housing inventory in San Antonio is relatively young, with less than one-quarter of the City's housing stock built prior to 1960. More than 10% of the City's housing stock was built during the last decade. Rental housing is generally older than owner housing, with 25.5% of units built prior to 1960, compared to 17.6% of owner units. Construction since 2000 has created 33,010 rental units and 44,712 owner units.

Figure 34: Year Built by Tenure, 2010

	Rental Housing		Owner Housing		Total	
	#	%	#	%	#	%
Built 2005 or later	12,421	6.5%	15,758	5.8%	28,179	6.1%
Built 2000-2004	20,589	10.8%	28,954	10.7%	49,543	10.7%
Built 1990-1999	23,762	12.4%	40,078	14.8%	63,840	13.8%
Built 1980-1989	38,959	20.4%	42,502	15.7%	81,461	17.7%
Built 1970-1979	41,750	21.9%	41,441	15.3%	83,191	18.0%
Built 1960-1969	19,949	10.4%	32,521	12.0%	52,470	11.4%
Built prior to 1960	33,624	17.6%	68,831	25.5%	102,455	22.2%
TOTAL UNITS	191,054	100.0%	270,085	100.0%	461,139	100.0%

Source: US Census Bureau, 2006-2010 ACS 5-year Estimates

Another variable used to identify housing condition is overcrowding, which is directly related to the wear and tear sustained by the residential structure. Occupancy at levels greater than one person per room (1.01) is used by the Census Bureau as the threshold for defining living conditions as substandard. Finally, a lack of complete plumbing facilities is identified as a variable with the sharing of facilities between households used as an index of deficient housing conditions.

Across San Antonio, more rental units than owner units were overcrowded in 2010. More than 4% of occupied housing units in the City were overcrowded. Among the 19,871 overcrowded units in the City, 57.2% were renter-occupied.

Figure 35: Overcrowded Housing Units, 2010

Total Occupied Housing Units	461,139
Owner-Occupied Units	270,085
Overcrowded Units	8,509
Renter-Occupied Units	191,054
Overcrowded Units	11,362
Total Overcrowded Units	19,871
% of Total Occupied Units	**4.3%**

Note: Totals differ from decennial 2010 figures reported;
ACS estimates are based on sample data.
Source: US Census Bureau, 2006-2010 ACS 5-year Estimates

Only 0.6% of the occupied housing units in the City of San Antonio lacked complete plumbing facilities in 2010. More than half (56.9%) of units lacking facilities were renter-occupied. No data is available to describe how many units in the City are considered substandard by other definitions, such as the failure of major systems (roof, foundation, heat).

Figure 36: Substandard Housing Units, 2010

Total Occupied Housing Units	461,139
Owner-Occupied Units	270,085
Lacking Complete Plumbing Facilities	1,172
Renter-Occupied Units	191,054
Lacking Complete Plumbing Facilities	1,545
Total Units Without Complete Plumbing	2,717
% of Total Occupied Units	**0.6%**

Note: Totals differ from decennial 2010 figures reported; ACS estimates are based on sample data.
Source: US Census Bureau, 2006-2010 ACS 5-year Estimates

Despite decreasing household size and more than 33,000 new rental units added to the inventory since 2000, more than 11,300 renter units were overcrowded in 2010. Factor in a 4.6% rental vacancy rate and it becomes clear that affordability is an issue.

Housing Costs

Data on residential property sales between 2007 and 2010 was provided by the local multi-list service via the City of San Antonio. According to this source, the median value of single-family homes sold in San Antonio fell from $154,413 in 2007 to $140,000 in 2011, while the median value of condominiums sold -- representing a much smaller fraction of the market -- climbed from $109,426 to $120,562. The condo market, according to HUD's 2011 Comprehensive Housing Market Analysis for the MSA, is concentrated primarily Downtown, and construction has come to a "virtual halt" due to high prices, higher lending standards and the weakened economy. Overall, Realtors estimated that a seven-month inventory of housing was on the market as of August 2012.

Figure 37: Annual Residential Sales, 2007 - 2011

	Single-Family			Condominium		
	# sales	median price	median gross area	# sales	median price	median gross area
2007*	13,793	$ 154,413	1,980	358	$ 109,426	1,026
2008	12,125	$ 136,141	2,063	283	$ 96,500	1,101
2009	11,629	$ 135,143	2,192	273	$ 97,628	1,120
2010	16,845	$ 138,147	2,081	532	$ 111,891	1,079
2011**	12,527	$ 140,000	2,072	369	$ 120,562	1,159

* April through December only
** January through partial December
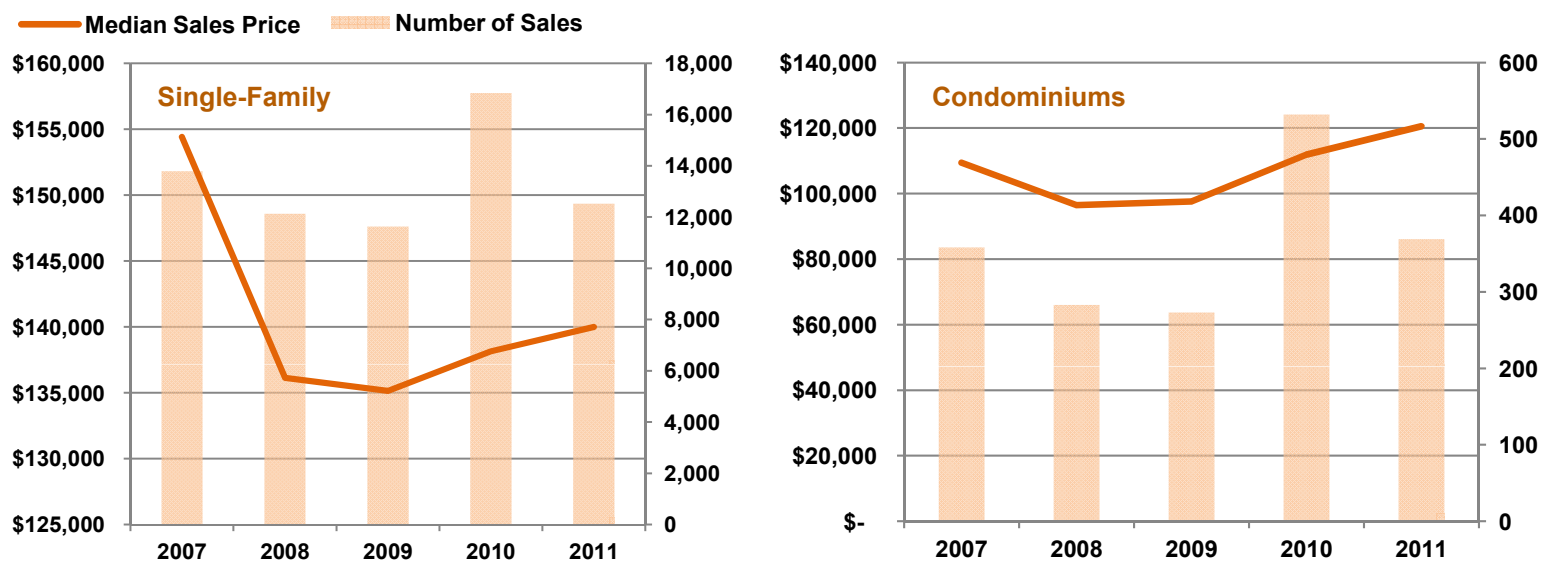
By comparing sales price data with median income, it is possible to determine which segments of the market are affordable to individual income tiers. The table below divides all residential sales for each year among levels of affordability compared to the median income, which in 2010 was $43,758. In 2011, 14.4% of the inventory sold was affordable to households making 60% or less of MHI, who represented 29% of all households in 2010.

Figure 38: Units Sold by Affordability Level, 2007 - 2011

Units affordable to:	2007		2008		2009		2010		2011	
	#	%	#	%	#	%	#	%	#	%
Below 60% MHI (price < $83,500)	1,798	10.3%	2,238	13.8%	2,025	12.8%	2,350	13.6%	1,551	14.4%
60-79% MHI (price < $113,500)	4,133	23.8%	4,692	28.8%	4,404	27.8%	4,806	27.8%	3,065	28.5%
80-99% MHI (price < $145,000)	7,120	41.0%	7,821	48.1%	7,584	47.9%	7,975	46.1%	4,865	45.2%
100-119% MHI (price < $176,500)	9,998	57.5%	10,434	64.1%	10,182	64.4%	10,740	62.1%	6,502	60.4%
120% MHI and above (price > $176,500)	17,380	100.0%	16,267	100.0%	15,821	100.0%	17,291	100.0%	10,757	100.0%
Total	**17,380**	**100.0%**	**16,267**	**100.0%**	**15,821**	**100.0%**	**17,291**	**100.0%**	**10,757**	**100.0%**

Notes: Table includes only records for which a price was listed. Additionally, 5,307 sales in 2010 and 5,505 in 2011 included no price data. 2007 data is April through December, and 2011 data is January through partial December.
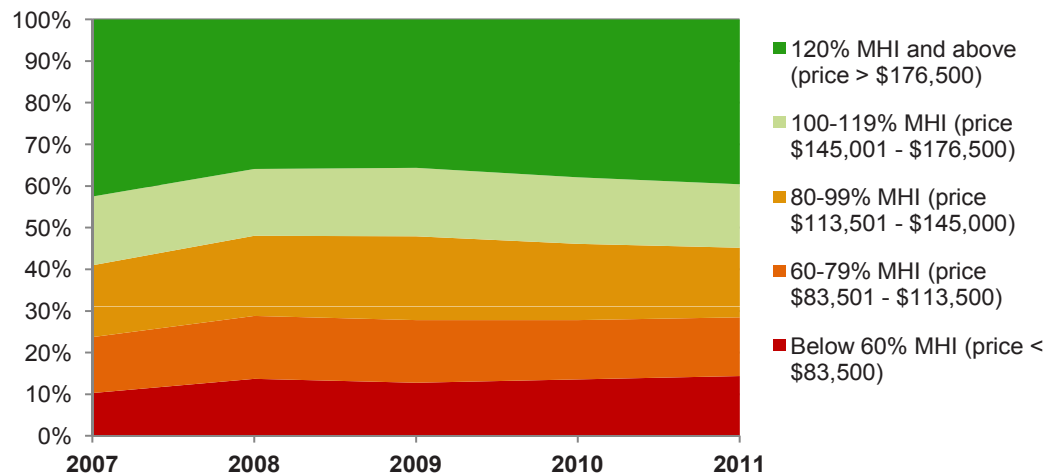
> *The affordability of homes sold in 2011 ranges widely among neighborhoods, with less than 5% of homes selling for less than $83,500 in council districts 9 and 10 and more than 50% of homes selling below that price in districts 2 and 5.*

Map 12 illustrates the distribution of homes sold across the City in 2011 by affordability level. Units selling for less than $83,500, affordable to households at or below 60% of the median income, are far more prevalent in the City's southern half, while units priced above $176,500, affordable to households earning 120% or more of the median, are sparse in that area. Higher-priced housing is concentrated more heavily in council districts 8 and 9 in the northern part of the City and just outside of City borders. Some mixed-income neighborhoods are suggested in districts 1, 6 and 8 by sales in 2011 at a range of affordability levels.

The following table, extracted from Map 12, breaks down the affordability level of units sold in each council district during 2011. The highest number of residential sales was reported in district 9, where 1,688 homes were sold, comprising 17.1% of all homes sold in the City. In this popular area, only 3.4% of sales would have been affordable to families at or below 60% MHI, and only 7.7% would have been affordable to those at or below 80%. By contrast, more than three-quarters of the homes sold in district 5 were priced below $85,300, a level affordable to those earning 60% MHI.

Figure 39: Affordability of Homes Sold by Council District, 2011

	#	%	#	%	#	%	#	%	#	%
Units affordable to:	District 1		District 2		District 3		District 4		District 5	
Below 60% MHI (price < $83,500)	124	33.5%	229	50.8%	136	42.6%	170	45.1%	132	77.2%
60-80% MHI (price < $113,500)	223	60.3%	318	70.5%	245	76.8%	275	72.9%	156	91.2%
80-100% MHI (price < $145,000)	268	72.4%	390	86.5%	295	92.5%	341	90.5%	161	94.2%
100-120% MHI (price < $176,500)	293	79.2%	431	95.6%	312	97.8%	363	96.3%	163	95.3%
120% MHI and above (price > $176,500)	370	100.0%	451	100.0%	319	100.0%	377	100.0%	171	100.0%
No price data*	362	49.5%	542	54.6%	364	53.3%	351	48.2%	329	65.8%
Total**	**732**	**7.4%**	**993**	**10.1%**	**683**	**6.9%**	**728**	**7.4%**	**500**	**5.1%**

	#	%	#	%	#	%	#	%	#	%
Units affordable to:	District 6		District 7		District 8		District 9		District 10	
Below 60% MHI (price < $83,500)	129	17.1%	82	13.4%	44	4.5%	43	3.4%	80	9.2%
60-80% MHI (price < $113,500)	318	42.2%	220	35.9%	120	12.2%	98	7.7%	249	28.7%
80-100% MHI (price < $145,000)	546	72.5%	386	63.0%	285	28.9%	223	17.5%	467	53.8%
100-120% MHI (price < $176,500)	672	89.2%	508	82.9%	457	46.3%	414	32.5%	631	72.7%
120% MHI and above (price > $176,500)	753	100.0%	613	100.0%	987	100.0%	1,273	100.0%	868	100.0%
No price data	348	31.6%	286	31.8%	379	27.7%	415	24.6%	311	26.4%
Total	**1,101**	**11.2%**	**899**	**9.1%**	**1,366**	**13.8%**	**1,688**	**17.1%**	**1,179**	**11.9%**

Note: Percentages by category are divided by total of units with price data. Total percentages represent share of citywide units sold in each district.
Source: 2011 MLS Data, City of San Antonio, Calculations by Mullin & Lonergan Associates

Map 12
2011 Home Sales by Affordability
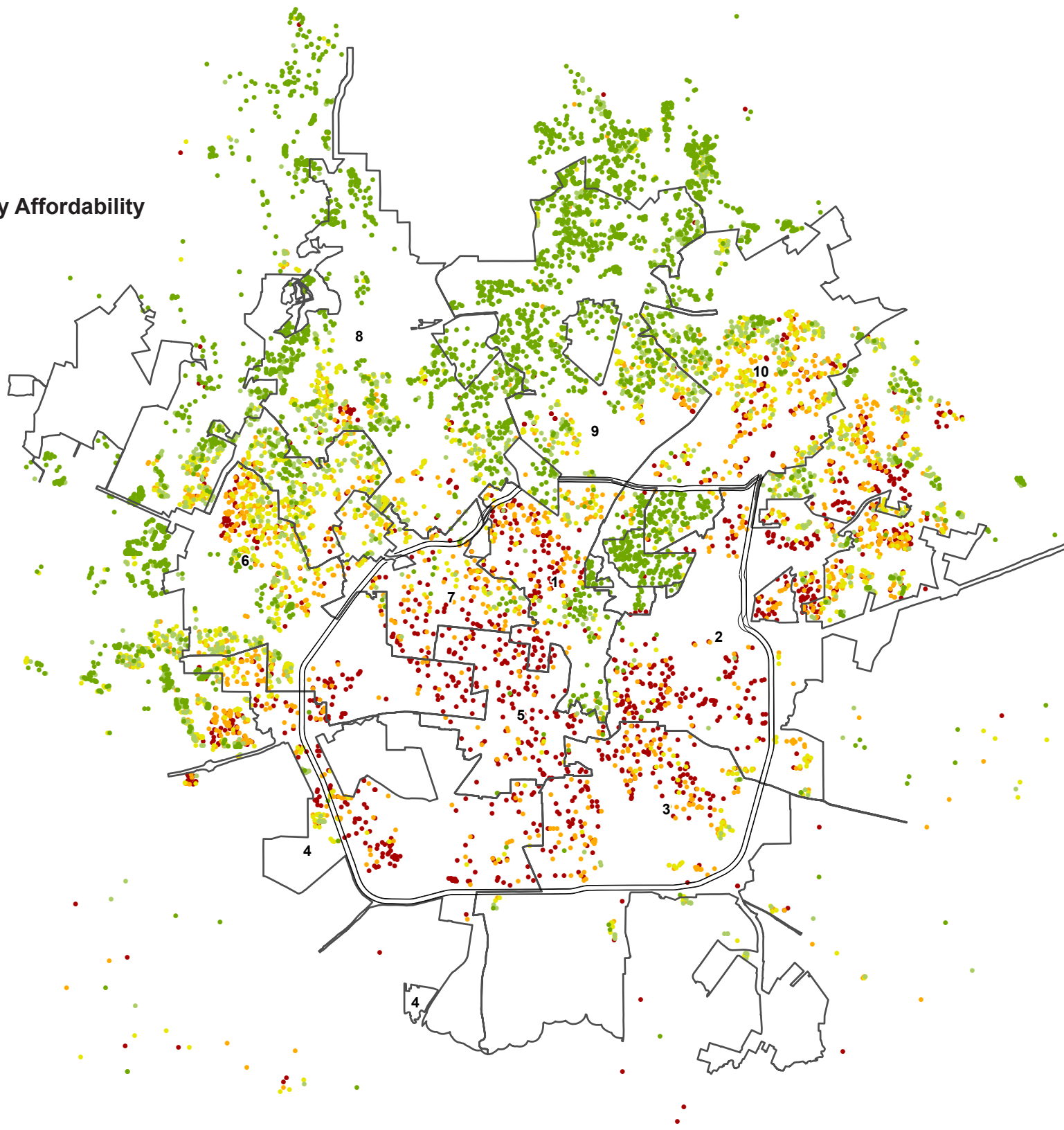
8

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I-410

2011 Home Sales

Affordable to
households earning:

- Up to 60% MHI
- 60% to 80% MHI
- 80% to 100% MHI
- 100% to 120% MHI
- More than 120% MHI
- Council Districts

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Affordable housing, regardless of income level, is housing for which all combined expenses, including mortgage or rent, utilities, insurance and taxes, cost no more than 30% of gross household income. When a household pays more than 30%, the household is considered cost burdened. Cost-burdened households are often forced to compromise other basic necessities, such as food, clothing and health care. Additionally, households that are cost burdened may have trouble maintaining their dwellings, which generally results in deferred maintenance and repair. Eventually, cost burdened households may be living in deficient dwelling units. Cost burden is of particular concern among lower-income households with fewer housing choices.

One method used to determine the inherent affordability of a housing market is to calculate the percentage of homes that could be purchased by households at the median income level. The median household income in San Antonio was $43,758 in 2010. With this income, a household could purchase a home selling for $108,000, which is below the median sales price of $130,000 in September 2011. This suggests that persons earning the median household income in San Antonio would be able to afford less than half of the homes on the market. The following assumptions were made to determine this statistic:

- The mortgage was a 30-year fixed rate loan at a 4.0% interest rate,
- The buyer made a 10% down payment on the sales price,
- Principal, interest, taxes, and insurance (PITI) plus consumer debt equaled no more than 35% of gross monthly income,
- Property taxes were assessed at the City's combined 2011 rate of 2.580194% of the property's assessed value,* and
- Additional consumer debt (credit cards, loans, etc.) averaged $500.

Given these assumptions, a household would require a minimum income of $48,500 in order to afford a home selling for the median sales price of $130,000. This income amount is equivalent to 110% of the median household income for the City in 2010. Figure 40 provides a summary of the incomes, monthly mortgage payments, and maximum affordable purchase prices for households at various income levels in San Antonio.

Changes in the local lending environment, particularly tightened underwriting standards in the wake of the Dodd-Frank Act of 2010, present further challenges for would-be homebuyers. The San Antonio Board of Realtors reported in summer 2012 that banks generally require 10% to 20% in down payment for buyers with fair to excellent credit scores of 640 and up, with exception for FHA and VA loans. Nationally, a 20% down payment requirement is now common among conventional loans.

*According to the Bexar County Tax Collector's office, the City's levy was 0.565690/$100, the school district's was 1.307600/$100, and the local municipal utility district's was 0.706904/$100. No exemptions were assumed.

Figure 40: Housing Affordability by Income Level

| Percent MHI | Income | Monthly Mortgage Payment | | | | Maximum Affordable Purchase Price |
		Mortgage Principal & Interest	Real Estate Taxes	Insurance & PMI	Total Debt Service*	
30%	$13,127	No affordability - $500 debt service is above 35% income				
60%	$26,255	$122	$61	$80	$764	$28,500
80%	$35,006	$292	$146	$80	$1,018	$68,000
100%	$43,758	$464	$232	$80	$1,276	$108,000
120%	$52,510	$634	$317	$80	$1,531	$147,500
September 2011 Median Sales Price: $130,000						

* Includes PITI and $500 in assumed average monthly consumer debt service
Sources: ACS 2010, Bexar County Tax Collector's Office, Calculations by Mullin & Lonergan Associates

One of the most credible and widely used sources of information about rental housing cost and affordability is the National Low Income Housing Coalition's (NLIHC) annual publication Out of Reach. The Out of Reach publication provides housing cost data for counties, metropolitan areas, non-metropolitan areas and states.

In Bexar County, the HUD Fair Market Rent (FMR) for a two-bedroom apartment was $842 in 2011. According to Out of Reach, affording this rent without paying more than 30% income on housing would require annual earnings of $33,680. Over a 40-hour workweek for 52 weeks per year, this amounts to $16.19 per hour.

At other income levels:

- In order to afford the FMR for a two-bedroom apartment on the minimum wage of $7.25, a single worker would be required to work 89 hours per week. Alternately, 2.2 full-time minimum-wage workers could afford a unit at this price.

- The average wage for workers in Bexar County was $12.18 per hour in 2011, at which rate a worker would be required to log 53 hours per week year-round to afford the two-bedroom FMR. The two-bedroom FMR would be affordable to 1.3 full-time workers earning $12.18 per hour.

- In 2011, Supplemental Security Income (SSI) payments for an individual were $674. For individuals with no other income source, $202 in monthly rent is affordable. However, the HUD FMR for a one-bedroom unit is more than triple that cost at $682.

To afford the two-bedroom fair market rent in Bexar County without paying more than 30% of income on housing costs, a household would need to earn $33,680, or $16.19 per hour over a 40-hour workweek.

The average hourly wage for workers in Bexar County was $12.18 in 2011.

The following table contains Census 2010 estimates for household income among San Antonio's population of renter households. According to this data, 116,964 renter households, or 56.4%, had incomes below $35,000. Most of these households would be unable to afford the two-bedroom FMR, which requires an income of at least $33,680. The one-bedroom FMR, which requires an income of at least $26,960, would be unaffordable to the 87,603 renter households making less than $25,000, who comprise 42.2% of all renters. However, only a segment of these households would need a one-bedroom unit.

Figure 41: Renter Household Income, 2010

Less than $5,000	16,407	7.9%
$5,000 to $9,999	17,762	8.6%
$10,000 to $14,999	18,988	9.2%
$15,000 to $19,999	16,919	8.2%
$20,000 to $24,999	17,527	8.5%
$25,000 to $34,999	29,361	14.2%
$35,000 to $49,999	35,411	17.1%
$50,000 to $74,999	30,455	14.7%
$75,000 to $99,999	13,722	6.6%
$100,000 to $149,999	7,301	3.5%
$150,000 or more	3,566	1.7%
Total	**207,419**	**100.0%**

Source: ACS 2010 (B25118)

Homes in San Antonio are generally considered to be less affordable if transportation costs are factored in. The only national data source for household transportation costs at this scale is the Housing + Transportation Affordability Index (H+T Index). The Center for Neighborhood Technology (CNT) developed the H+T Index to provide a single source of information on housing and transportation costs at the neighborhood level for metropolitan areas across the United States. Considering housing costs alone, 79% of households in the San Antonio-New Braunfels metropolitan area were affordable at less than 30% of total income for the typical household in 2009. However, when CNT factors transportation costs into the equation, only 29% of households were living in affordable areas (at less than 45% total income for both housing and transportation costs). Further analysis is included in the "Linkages" section of this report.

Foreclosure

During the past five years, soaring foreclosure rates across the country have threatened the viability of neighborhoods and the ability of families to maintain housing. Aside from its most direct consequences of displacing families and depleting the local tax base, foreclosure on a large scale results in neighborhood deterioration, as structures are abandoned and streets become blighted, devaluing nearby property and contributing to nuisance activity. The market value and assessed value of abandoned properties continue to slide, but overall property-related service costs (such as street maintenance, police and fire protection) do not.

According to the RealtyTrac U.S. Foreclosure Market Report for the third quarter of 2011, the most recent data available at the time this report was generated, foreclosure activity in Bexar County, Texas was above the statewide average. Foreclosure filings were sent to 811 properties in the County in November 2011, or one in every 762 housing units, compared to one in every 961 units statewide. Higher rates are generally reported for urban areas of the state.

However, the San Antonio metropolitan area has been relatively insulated from the high rates of mortgage delinquency that occurred and continue to occur in other regions of the U.S. The Center for Metropolitan Studies and the Urban Institute released 2011 mortgage delinquency and foreclosure data ranking all metropolitan areas across the country. The San Antonio metropolitan area's foreclosure rate of 2.9% in June 2011 ranks the area 310th of 366 total metropolitan areas studied, suggesting that most areas of the country fared worse. The foreclosure rate of prime loans was 1.6%, while the foreclosure rate of subprime loans was substantially higher at 13.7%.

The MSA's rate of serious delinquency, which includes mortgages either 90 days or more past due or currently in foreclosure, was 5.8% in June 2011, which ranked 282nd out of 366 metropolitan areas. Between June 2010 and June 2011, the metro's serious delinquency rate dropped 0.5%. Accurate foreclosure data on a more local level is difficult to obtain from non-proprietary sources. However, an accurate proxy is available in the form of the Intra-Metropolitan Foreclosure Risk Score published by the Local Initiatives Support Corporation, a community development support organization, in late 2011. The risk score describes foreclosure risk for each ZIP code relative to other ZIP codes in a metropolitan area based on the frequency of foreclosures, subprime loans, delinquencies, and vacancies. The highest risk ZIP code in each metropolitan area receives a score of 100, so a ZIP code with a score of 50 is estimated to have one-half the risk level of the worst-off ZIP code.

Map 13 illustrates the distribution of risk scores across ZIP codes in the City of San Antonio and beyond. Perhaps unsurprisingly and nearly exclusively, the highest risk scores are concentrated within City limits. This reflects the higher occurrence of actual foreclosures within San Antonio relative to outlying areas and an increased likelihood of subprime lending and property abandonment.

San Antonio has remained relatively insulated from the high rates of mortgage delinquency occurring elsewhere in the U.S.

Foreclosure risk scores were higher in predominantly Hispanic neighborhoods.

Map 13

Intra-Metro Foreclosure Risk Score by ZIP Code, 2011

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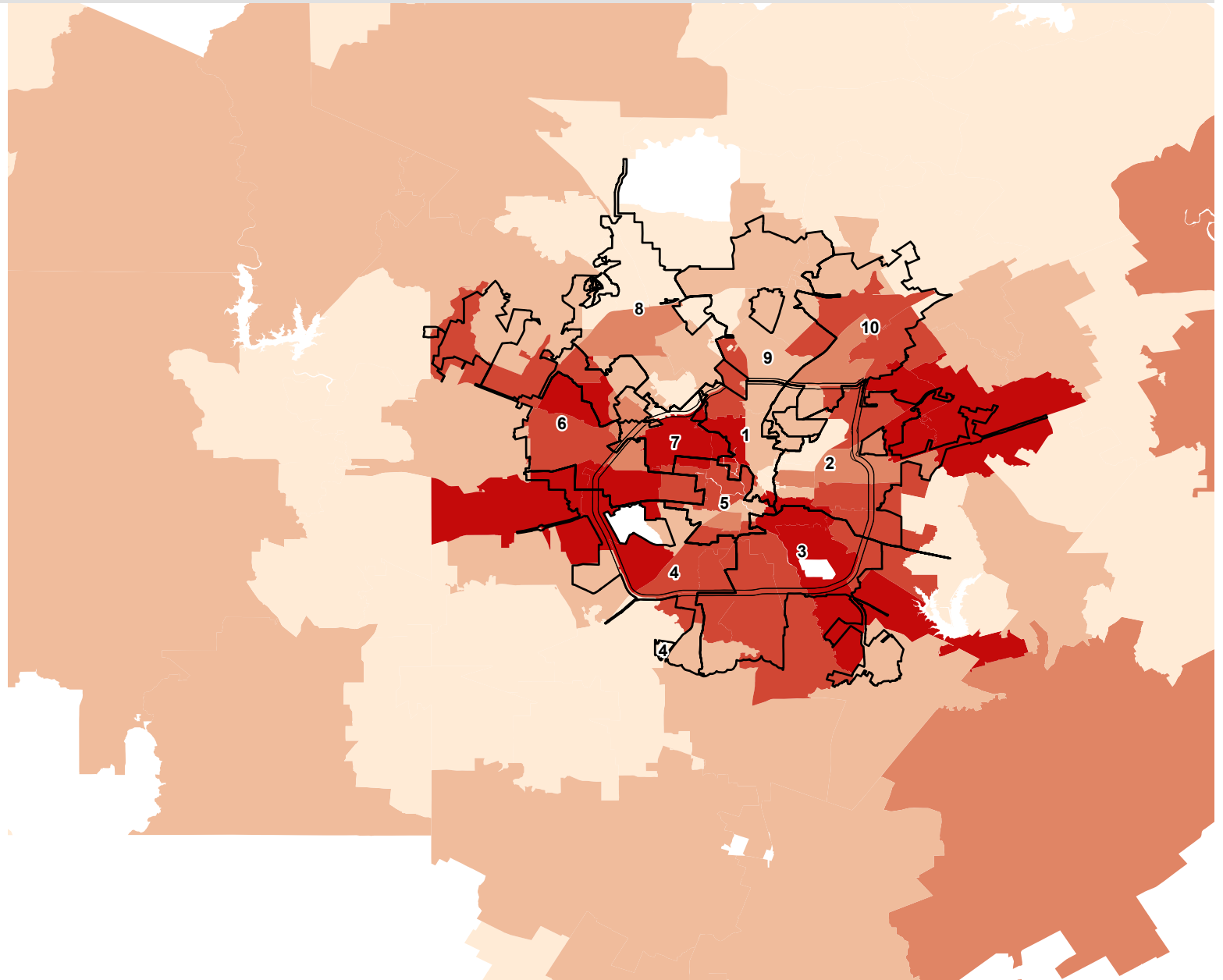
ZIP Code

Foreclosure Risk Score

Up to 5

5 to 15

15.1 to 25

25.1 to 50

50.1 to 100

Current Council Districts

Subsidized Housing

San Antonio Housing Authority (SAHA) is the City's largest provider of subsidized housing for low-income residents. As of 2010, when public housing inventory figures were reported in the Five-Year Consolidated Plan, SAHA owned and managed 6,177 public housing units and 6,399 mixed-income units. The Authority also administers Housing Choice Vouchers to give families access to privately owned rental units. In 2010, the Authority managed 12,775 vouchers. The Authority reported that nearly half of the 65,000 people using its programs are elderly or disabled.

The waiting list for public housing or rental assistance programs is a strong indicator of housing need among lower-income populations. In 2010, there were 13,155 households on SAHA's waiting list for family public housing, 1,372 households waiting for elderly public housing and 399 households waiting for a unit accessible to residents with disabilities. Of the 13,155 households waiting for public housing, 78.1% were headed by females. About one in 10 had at least three minor children. Two-thirds (67.9%) were Hispanic; 14.7% were Black and 16.6% were White. Nearly all on the waiting list for family public housing, 99.9%, were classified as extremely-low-income households. The racial and ethnic distribution was similar for the 1,372 households waiting for elderly public housing. Nine in 10 were single-person households, and 99.8% qualified as extremely-low-income. Of the 399 households waiting for an accessible unit, a higher percentage (27.6%) were White; 12.3% were Black and 58.4% were Hispanic.

In addition to the public housing inventory, there is a substantial inventory of private assisted housing in San Antonio. Private assisted housing is privately owned, but affordable due to the funding source used to develop the housing units. This type of subsidized housing differs from public housing that is owned by a government entity. Eligible resident households typically include those who are elderly (either 55 or 62 years of age or older), low income (80% of median income or less) or disabled. Financing for these affordable units typically comes from state and federal sources such as the Low Income Housing Tax Credit Program (LIHTC); the U.S. Department of Agriculture's Section 515 Program; HUD's Section 202 (elderly), Section 811 (disabled), and Section 236 and Section 221(d) (family) Programs.

HUD provides data on all federally subsidized housing in the United States through its "A Picture of Subsidized Households" tool. This source describes the characteristics of assisted housing units and residents, summarized at the national, state, public housing agency, project, census tract, county, statistical area and city levels. Using this source and SAHA inventory data, the following tables provide detail on public and private assisted housing projects in the City of San Antonio. Detailed resident data is available for some sites, demonstrating that the units serve a variety of low-income special needs constituencies. In total, HUD reported in 2008 that San Antonio has 8,004 tax-credit units, 3,498 project-based Section 8 units and 2,087 units financed through other HUD sources, for a total of 13,589 assisted units.

Map 14 illustrates the distribution of public and assisted housing sites by type and number of units. Public housing is loosely concentrated in and around the City's downtown core, while low-income housing tax credit (LIHTC) sites and those built using other funding sources are scattered farther into outlying neighborhoods. According to HUD data, there is no public or assisted housing in council district 9 and only a handful of such sites in district 10. Assisted housing is relatively scarce in the City's north side. A full list of all public and assisted housing by type appears in Appendix A.

Minority households are disproportionately represented among public housing residents and housing voucher tenants.

Public housing is concentrated in the central core of the City, while other assisted housing has been distributed across more predominantly White and higher-growth, higher-income areas.

Comprehensive Housing Needs Assessment

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Map 14

Distribution of Affordable Housing Financed by HUD, 2008

=== I-410

☐ Current Council Districts

── Major Roads

Project-Based Voucher Units

· Fewer than 50

● 51 to 100

● 101 to 200

● 201 to 400

● More than 400

Section 236 Units

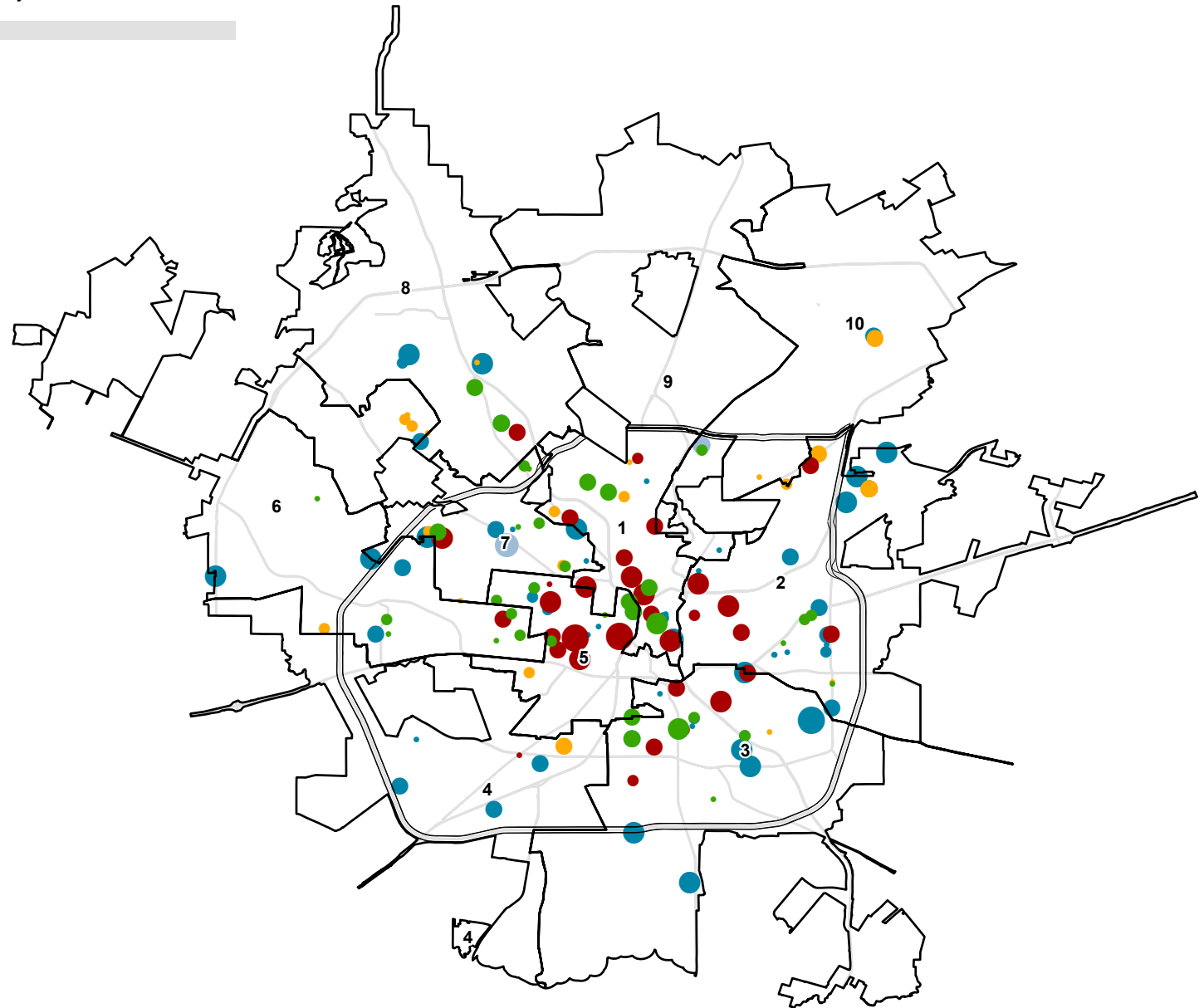● 101 to 200

● 200 to 400

Public Housing Units

· Fewer than 50

● 50 to 100

● 101 to 200

● 201 to 400

● More than 400

MF/Other Units

· Fewer than 50

● 50 to 100

● 101 to 200

● 201 to 400

● More than 400

LIHTC Units

· Fewer than 50

● 50 to 100

● 101 to 200

● 201 to 400

● More than 400

PROJECTIONS

This section of the report includes an overview of 2011 estimates and 2016 projections of households by income in each council district of the City of San Antonio. Household projections by income group were obtained from Nielsen Claritas, Inc. The data is based on Census figures and updated based on such sources as local governments, consumer databases, postal delivery counts and credit reports. The 2011 estimates and 2016 projections will be used to forecast potential demand for housing and overall projected growth across the City.

In total, the number of households in the City of San Antonio is expected to increase by 35,635, or 7.6%, from 470,998 in 2011 to 506,633 in 2016. The City's housing stock is projected to expand by a comparable 7.6%, from 507,871 units to 546,233 units. The vacancy rate should hold steady at 7.2% as 2,727 additional units become vacant.

Projections by Income Level

The median household income (MHI) in the City is projected to increase from an estimated $45,457 in 2011 to $46,397 in 2016, a change of 2.1% that constitutes a decline in real, inflation-adjusted dollars. In 2016, $46,397 will be equivalent to $41,989 in 2011 dollars, so the projected increase in median income across the City is a decrease of 7.6% in practical terms.

Estimated median incomes vary across the City's 10 council districts. The highest MHI in both 2011 and 2016 was reported for District 9 at $70,496 and $71,796 respectively. The City's wealth is somewhat concentrated in this area, as the next highest median, in neighboring District 10, was about $15,000 lower in both years. These areas are located in the City's northeast region and are both predominantly areas of non-Hispanic White concentration, though diversity has increased during the past decade. The lowest MHIs were reported in District 5, at $26,634 in 2011 and $26,937 in 2016. District 5, at the center of the City, is more than 75% Hispanic.

Based on these household projections, the demand for new affordable housing will expand by 2016 across the City. The total number of households is expected to expand by 35,635, or 7.6%. Of this total, 10,998 (30.9% of) households are expected to have incomes that fall below 80% of the MHI, with 7,396 falling below 60% of MHI.

The distribution of projected change by income tier is examined further in a subsequent section of this report, as these calculations are used to determine projected demand for housing.

About 35,600 new households are expected to live in San Antonio by 2016, 11,000 of which (30.9%) will have incomes that fall below 80% of the median.

Comprehensive Housing Needs Assessment

* Future inflation is estimated using OMB indices. The inflation index between 2016 and 2011 is 0.905.

> **By 2016, the number of renter and owner households in San Antonio is expected to increase 9.8% and 7.2%, respectively.**

> **Projections indicate that on the whole, the population is aging, with an expected increase in median age by 2016 for both renters and owners. This is consistent with the observation that the 45-64 age cohort represents a growing share of all residents.**

Projections by Age and Tenure

Between 2011 and 2016, the number of renter households is expected to increase 9.8%, compared to a 7.2% gain across owner households. While the median age of householders in both groups should increase, owners remain generally older than renters, at a projected median of 53.3 years in 2011 and 2016, compared to medians of 39.6 and 41.1 for renter households.

Figure 42: Projected Change in Households by Age and Tenure, 2011 to 2016

	Renter		Owner		Total	
2011	**#**	**%**	**#**	**%**	**#**	**%**
Median Age	39.6		53.3			
15 to 24	20,958	10.8%	3,619	1.3%	24,577	5.3%
25 to 34	56,465	29.1%	31,958	11.7%	88,423	18.9%
35 to 44	46,403	23.9%	52,443	19.2%	98,846	21.1%
45 to 54	30,946	15.9%	63,109	23.0%	94,055	20.1%
55 to 64	18,405	9.5%	56,737	20.7%	75,142	16.1%
65 to 74	9,530	4.9%	36,980	13.5%	46,510	9.9%
75 to 84	7,141	3.7%	22,115	8.1%	29,256	6.3%
85 and older	4,357	2.2%	6,832	2.5%	11,189	2.4%
All Households	**194,205**	**100.0%**	**273,793**	**100.0%**	**467,998**	**100.0%**
2016	**#**	**%**	**#**	**%**	**#**	**%**
Median Age	41.1		54.3			
15 to 24	22,396	10.5%	3,768	1.3%	26,164	5.2%
25 to 34	55,511	26.0%	32,595	11.1%	88,106	17.4%
35 to 44	52,862	24.8%	53,381	18.2%	106,243	21.0%
45 to 54	35,588	16.7%	63,853	21.8%	99,441	19.6%
55 to 64	21,901	10.3%	64,098	21.8%	85,999	17.0%
65 to 74	12,343	5.8%	45,644	15.6%	57,987	11.4%
75 to 84	7,646	3.6%	22,392	7.6%	30,038	5.9%
85 and older	4,979	2.3%	7,676	2.6%	12,655	2.5%
All Households	**213,226**	**100%**	**293,407**	**100.0%**	**506,633**	**100.0%**

Sources: Neilsen Claritas, Calculations by City of San Antonio and Mullin & Lonergan Associates, Inc.

LINKAGES

A Housing and Transportation Study conducted by the San Antonio-Bexar County Metropolitan Planning Organization in 2005 examined household transportation costs for the eight-county region to characterize the burden of transportation costs on housing affordability. Among the report's findings are the items listed to the right.

The importance of integrating transportation, land use and housing policy is apparent given these findings, as transportation is a primary factor in housing choice. The following series of maps provides an updated view of the ways in which public transit routes, job sites and affordable housing intersect within the City. VIA public transportation routes provide comprehensive service to San Antonio's most densely developed neighborhoods, linking most neighborhoods to the City's downtown core. Fewer routes exist in the northern end of the City, and few routes extend into outlying parts of Bexar County and beyond. Public transportation into outlying suburban and rural areas is extremely limited. Service between cities is provided primarily by private operators.

Map 16, which compares public transit routes with job sites, demonstrates that access is available to most major centers of employment throughout the City, though there is a relative scarcity of routes that would supply access to the scattered sites in the northern region of the City providing up to 1,000 jobs, particularly in council districts 8 and 9.

Maps 17 and 18, comparing public transit routes with subsidized housing sites and with the distribution of multi-family housing, demonstrate that these housing types have access to VIA routes, more so in the central city neighborhoods than in the outlying neighborhoods.

Maps 19 and 20 incorporate MLS residential sales data from 2011. Map 19 shows a correlation between lower-priced homes and proximity of VIA routes (due in at least some part to design, as VIA endeavors primarily to serve transit-dependent populations, who are largely low-income). Conversely, more expensive housing is scattered within a larger buffer of routes, a fact likely related to the lower likelihood of higher-income households to use public transportation. In addition, the more traditional grid street pattern in the central neighborhoods is more conducive to bus service. Map 20 isolates only those home sales that were affordable to families below 80% of the median income in San Antonio and compares these home sites to the location of jobs. In some employment clusters, particularly downtown and north of downtown, very few lower-price homes were recently sold, suggesting that the City needs to ensure that these areas are accessible to lower-income workers or stimulate the expansion of affordable housing stock in the vicinity.

- About one in 10 households in the metro area are transit-dependent.

- In 2004, the average household expenditure for transportation was 10.2% of the average annual income, below the national average expenditure of 14.8% of income.

- Transportation costs are disproportionately burdensome to lower-income households, as affordable housing tends to be located in inner-city areas and in outlying suburbs and rural areas, while jobs are increasingly located in more affluent suburbs.

- The average transportation plus housing cost as a percentage of income exceeded 50% for households making less than $20,000 per year, compared to a percentage of income below 30% for households making more than $50,000.

- The design of San Antonio's neighborhoods, commercial areas and street network contribute to a heavy reliance on automobiles. In densely developed areas where mixed land uses are more prevalent and public transit options are available, housing and transportation costs are lowest.

Map 15
VIA Public Transit Routes, 2012

VIA Bus Routes
I-410
CityRoads
Current Council Districts

8

10

9

6

1

7

2

5

3

4

4
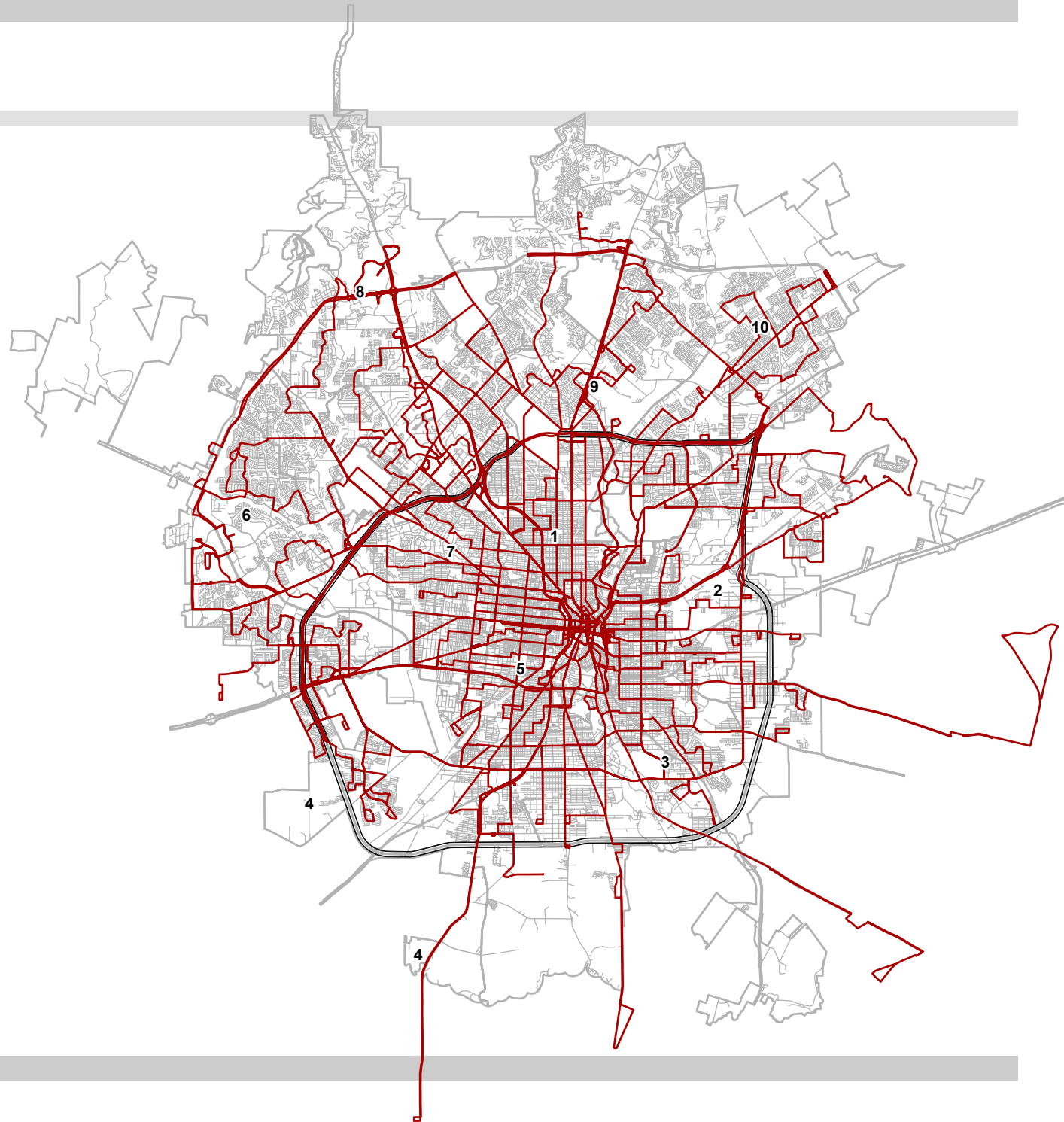
Source: City of San Antonio, Census OnTheMap

Map 16

Comparison of VIA Public Transit Routes and Primary Job Sites
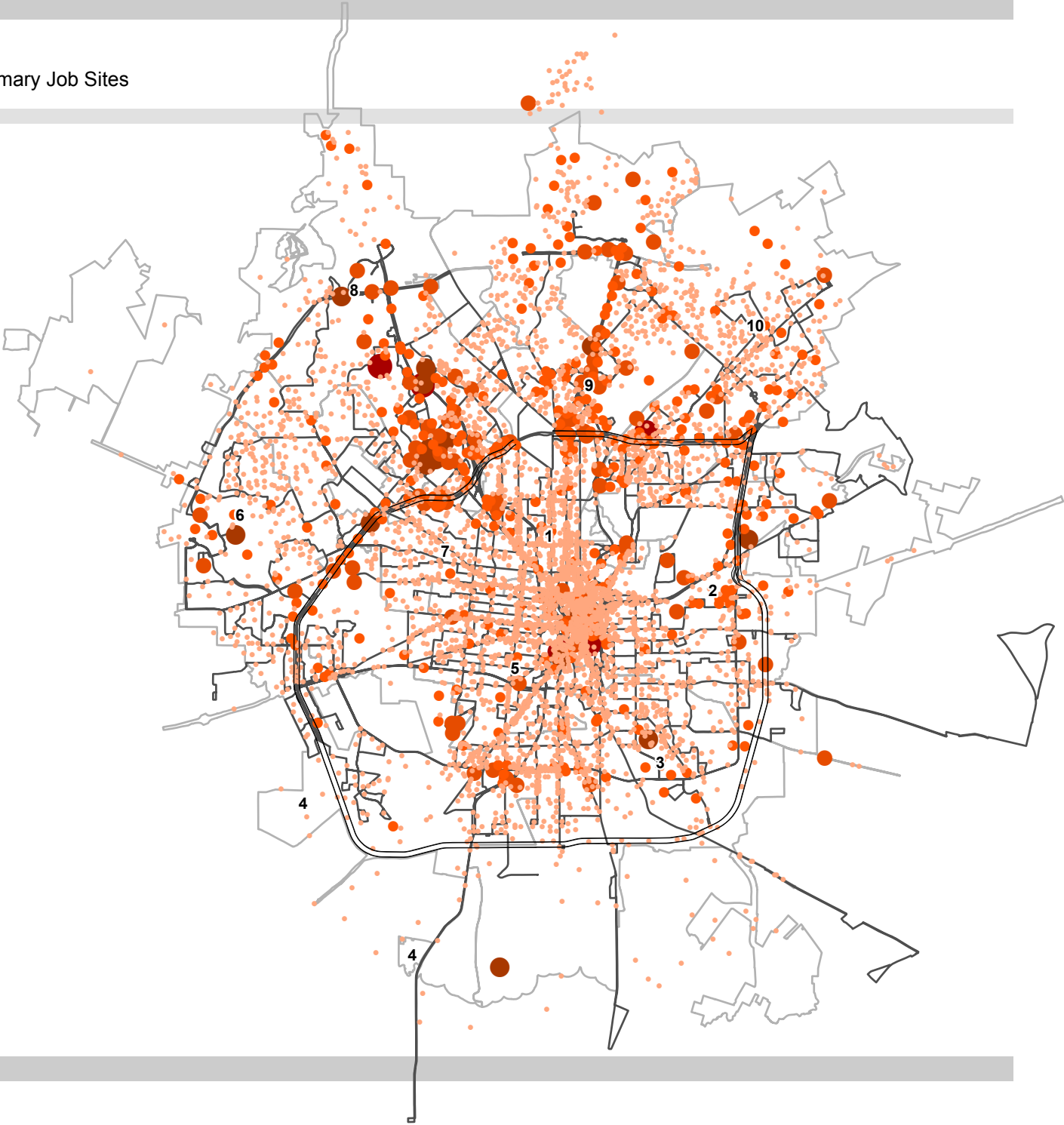
Legend:
- I-410
- **Jobs**
  - Up to 250
  - 251 to 1,000
  - 1,001 to 3,000
  - 3,001 to 7,000
  - 7,001 to 13,088
- VIA Bus Routes
- Current Council Districts

Source: City of San Antonio, Census OnTheMap

Map 17

Comparison of VIA Public Transportation Routes and
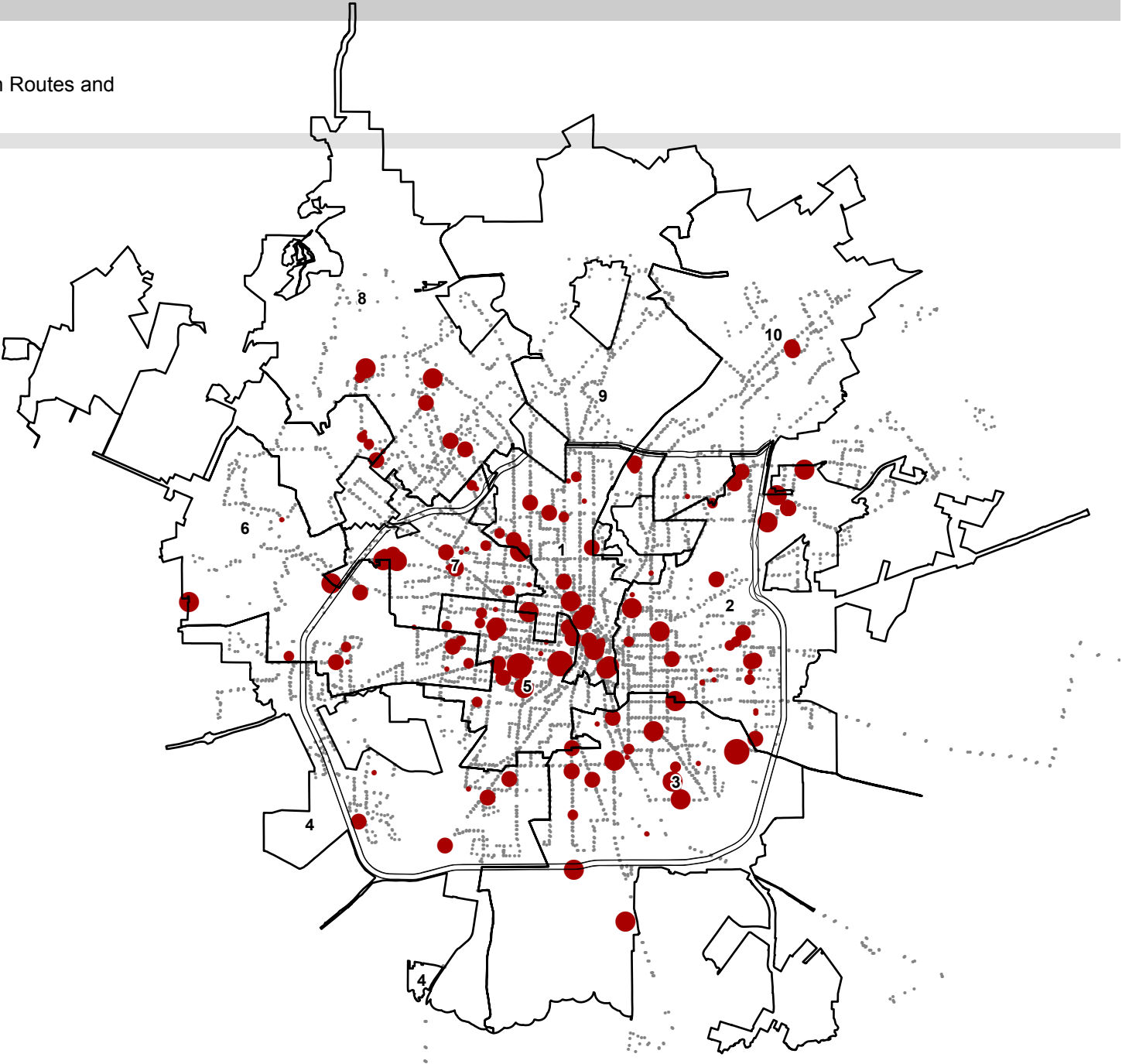Public and Assisted Housing Sites

I-410

Public and Assisted Housing Sites

Total Units

- Fewer than 50
- 50 to 100
- 101 to 200
- 201 to 400
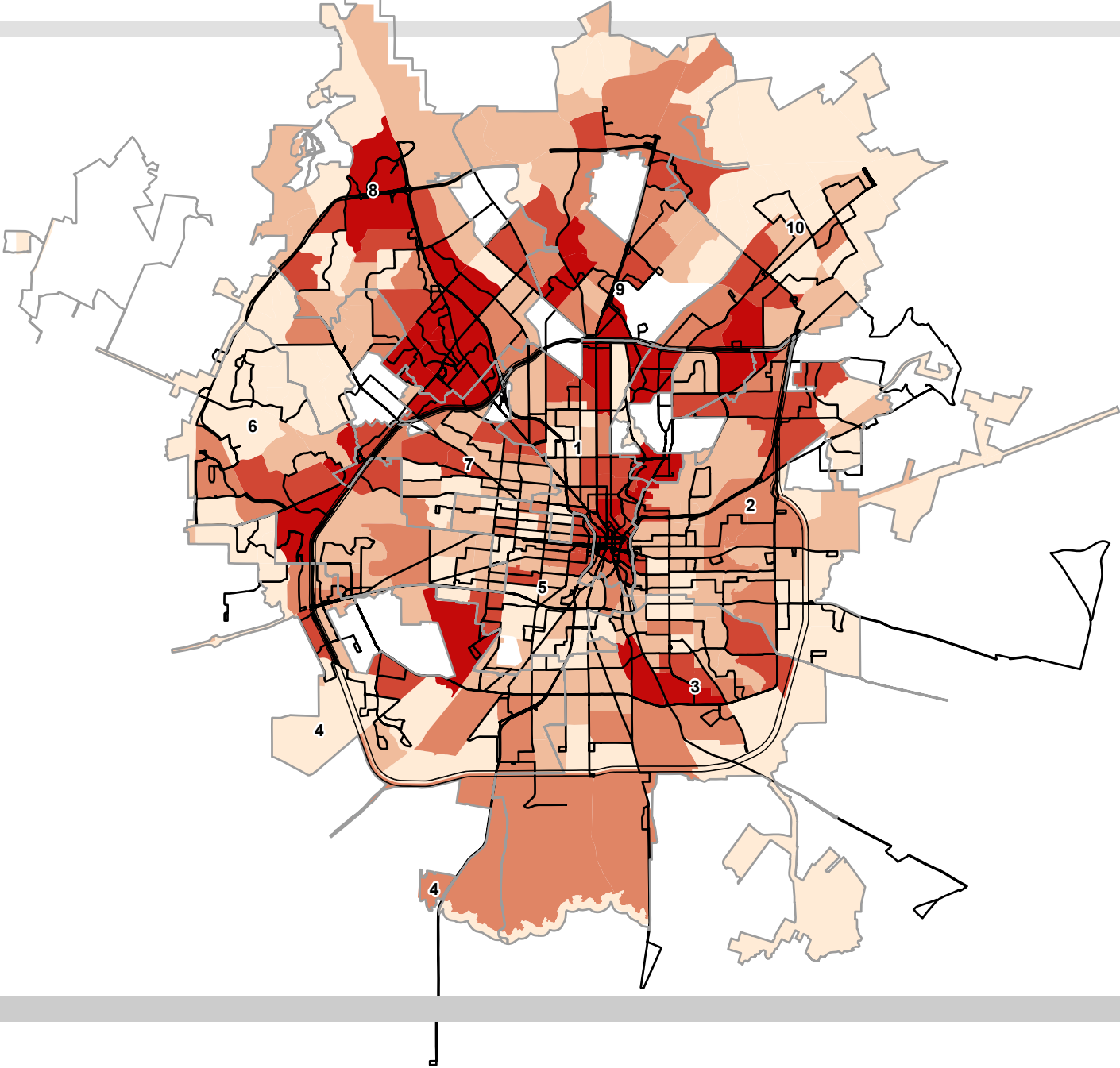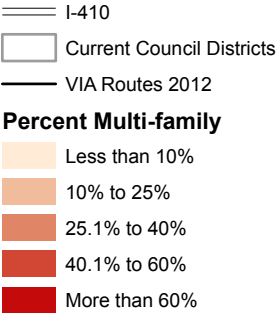- More than 400
- VIA Bus Stops
- Current Council Districts

*Sources: OnTheMap, Census Bureau Center
for Economic Studies, City of San Antonio*

Map 18

Comparison of VIA Public Transportation Routes and
Percent Multi-family Housing by Census Tract

Legend:
- I-410
- Current Council Districts
- VIA Routes 2012

Percent Multi-family
- Less than 10%
- 10% to 25%
- 25.1% to 40%
- 40.1% to 60%
- More than 60%

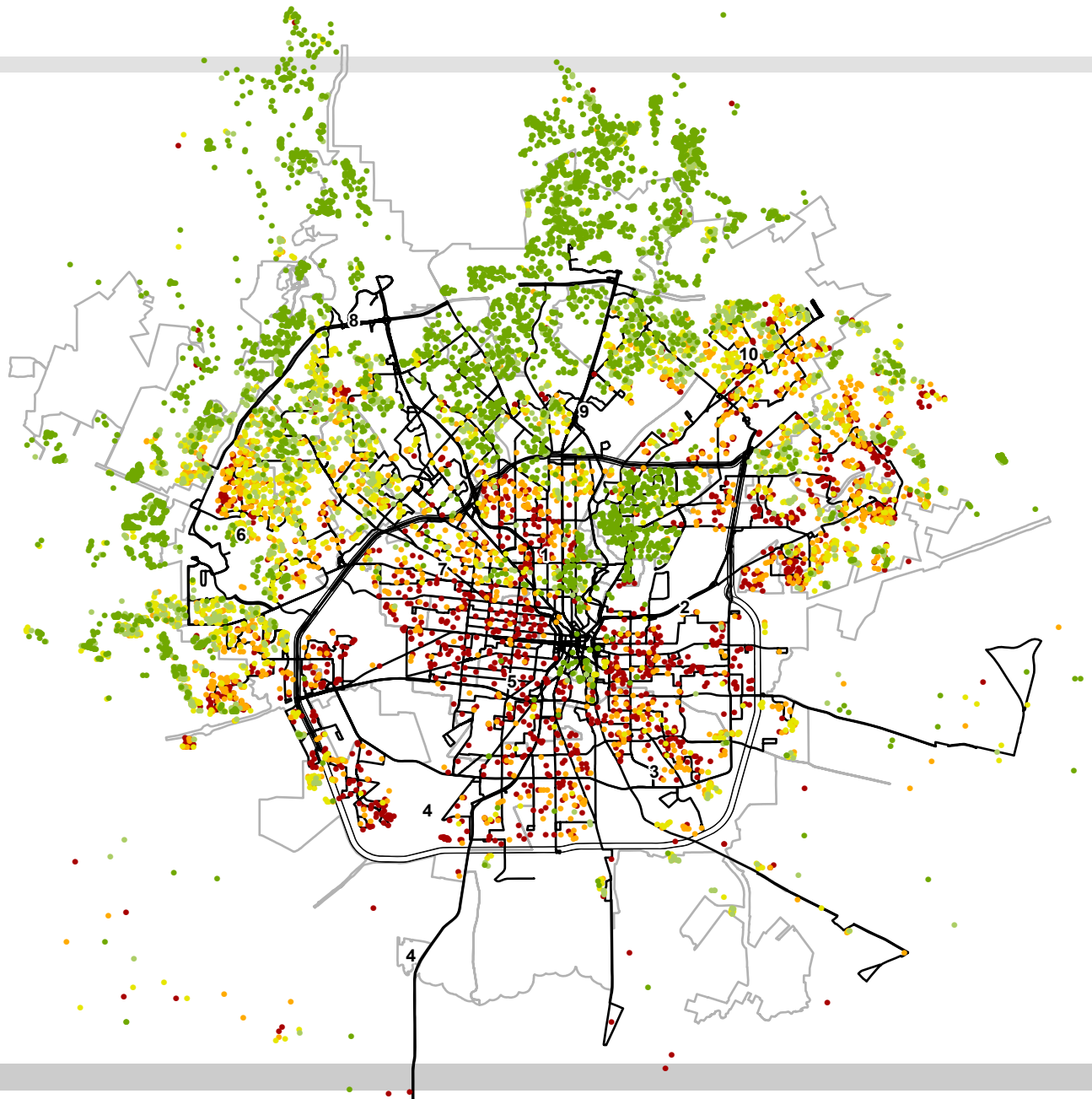*Sources: City of San Antonio, 2010 ACS*

Map 19

Comparison of Public Transportation Routes and
2011 Home Sales Affordability

2011 Home Sales
Affordable to HHs making:

- Up to 60% MHI
- 60% to 80% MHI
- 80% to 100% MHI
- 100% to 120% MHI
- More than 120% MHI
- Council Districts
- I-410
- VIA Routes 2012

Source: City of San Antonio

Map 20

Comparison of Job Concentrations and 2011 Home Sales Affordable
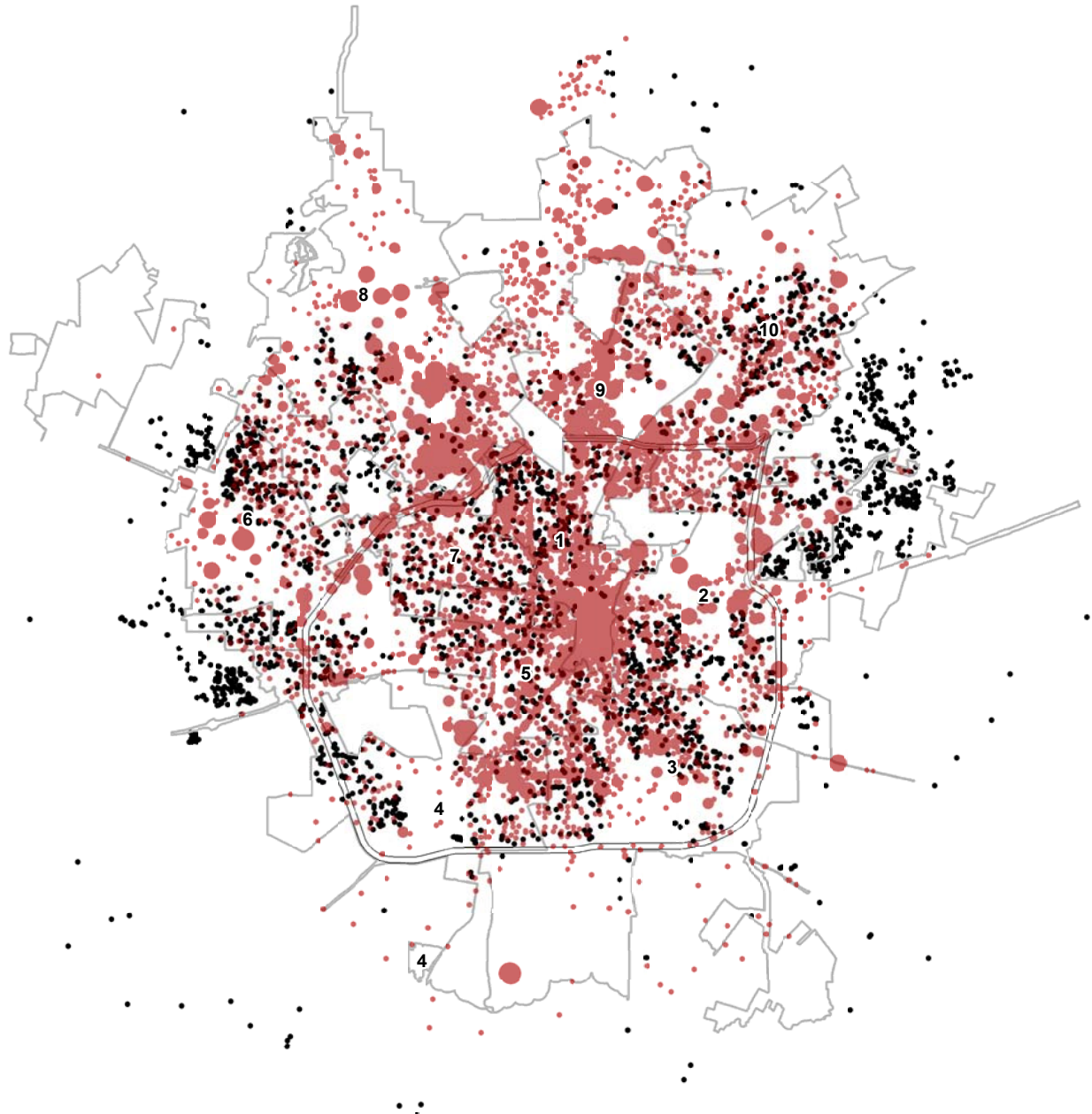to Households Making 80% or Less of Median Household Income

Council Districts

I-410

Jobs

- Up to 250
- 251 to 1,000
- 1,001 to 3,000
- 3,001 to 7,000
- 7,001 to 13,088

2011 Home Sales
Price Catgory

- Affordable to HHs Making up to 80% MHI

Source: City of San Antonio

CALCULATION OF HOUSING NEED

Two components are used to identify the housing needs of a geographic area: demand and supply. The degree to which existing housing supply meets the demand determines the housing deficit. The affordable housing deficit is the target number of housing units that would need to be achieved in order to create a diverse and healthy housing market for a variety of household types and income ranges.

The first component, housing demand, can be further categorized into existing demand and projected demand. For this report, existing demand is described primarily by 2010 and 2011 variables. Projected demand is defined as the net increase in households of various types between 2012 and 2016. This estimate was determined using data projections produced by Nielsen Claritas, which are based on Census data and updated with demographic data from many sources, including local governments, consumer databases, postal delivery counts and credit reports. This constitutes a "bottom-up" methodology grounded in authoritative local data.

Projected affordable housing demand covers the five-year period of 2012 to 2016. The City's Comprehensive Plan provides a long-range vision for land use and physical development spanning decades. However, the affordable housing deficit is more appropriately addressed on a short-range basis. Data projections of any type do not take into account cataclysmic events, such as the 2007-2009 recession. Events such as this may be predicted by economic experts years in advance, but specific data projections do not include their impact because the extent of their impact is unknown. While new and unexpected economic events with far-reaching impacts may occur in the future, limiting the range of this study to five years provides a more realistic time frame during which modifications can be made to the strategic plan.

The second component of the local housing market is supply, which can be further categorized into existing supply and projected supply. Existing supply includes housing data from Census 2010 described within the context of trends dating back to 1990. This data source is supplemented with local building permit data, real estate sales data and data from local builders and developers of affordable housing.

The projected affordable housing supply is the sum of all housing units (rental and owner) expected to be constructed and occupied between 2012 and 2016 and that are affordable to households earning less than 80% of the median household income. Identifying the projected housing supply reveals the degree to which the local market and current affordable housing initiatives will meet the affordable housing demand. Finally, the unmet demand is the affordable housing deficit.

Calculation of Existing Housing Demand

Net demand for housing comprises both existing demand and projected demand. Existing demand for housing is based on the number of households in a given study area, in this case, the City of San Antonio, that are experiencing housing problems. Projected demand is based on the increase in the number of households expected to reside in the study area regardless of housing condition. The combination of existing demand plus projected demand provides an estimate of the overall demand for housing units.

To estimate existing housing demand, households with housing problems were identified using 2010 American Community Survey (ACS) data, via Public Use Microdata Samples made available by the U.S. Census Bureau. This data source was determined to be preferable to CHAS data from HUD's State of the Cities Data System, which is also based on ACS, but provided older estimates (2005-09) that could not be broken down by detailed income and age tiers. Housing problems were defined as including the following two characteristics: (1) households that were cost burdened, paying more than 30% of gross income on housing, and (2) households that were living in dwelling units with physical deficiencies (overcrowded conditions and/or without complete plumbing or kitchen facilities).

Across the City, a total of 6,929 households were living in physically deficient units in 2010, and 13,638 were living in overcrowded units, defined as more than one person per room. Cost burden was identified as a housing problem for 118,293 renter households and 56,753 owner households. Details by income tier appear in Figure 41 on the following page.

As of 2010, about 3% of San Antonio households lived in an overcrowded unit, and 1.5% lived in units lacking kitchen or plumbing facilities.

More than one-third of all households were cost burdened. Of these, 75.8% had incomes at or below 80% of the median. Renters were much more likely to be cost burdened than owners (57% vs. 21.6%, respectively).

Eight in every 10 renter households making 80% or less of the median income were cost burdened.

Comprehensive Housing Needs Assessment

Figure 43: Housing Problems by Tenure and Income Tier, 2010

	Renters		Owners		Total	
	#	%	#	%	#	%
All Households	**207,419**	**100.0%**	**262,804**	**100.0%**	**470,223**	**100.0%**
Living in overcrowded unit	3,972	1.9%	9,666	3.7%	13,638	2.9%
Living in unit with physical deficiencies	4,632	2.2%	2,297	0.5%	6,929	1.5%
Cost burdened	118,293	57.0%	56,753	21.6%	175,046	37.2%
Extremely Low Income Households (0% to 30% of MHI)	**53,157**	**25.6%**	**22,582**	**8.6%**	**75,739**	**16.1%**
Living in overcrowded unit	2,210	4.2%	478	2.1%	2,688	3.5%
Living in unit with physical deficiencies	1,350	2.5%	287	1.3%	1,637	2.2%
Cost burdened	47,510	89.4%	15,884	70.3%	63,394	83.7%
Very Low Income Households (30.1% to 60% of MHI)	**34,446**	**16.6%**	**23,545**	**9.0%**	**57,991**	**12.3%**
Living in overcrowded unit	1,615	4.7%	531	2.3%	2,146	3.7%
Living in unit with physical deficiencies	718	2.1%	266	1.1%	984	1.7%
Cost burdened	28,944	84.0%	11,330	48.1%	40,274	69.4%
Low Income Households (60.1% to 80% of MHI)	**29,361**	**14.2%**	**25,904**	**9.9%**	**55,265**	**11.8%**
Living in overcrowded unit	743	2.5%	1,234	4.8%	1,977	3.6%
Living in unit with physical deficiencies	372	1.3%	352	1.4%	724	1.3%
Cost burdened	19,946	67.9%	8,987	34.7%	28,933	52.4%
All Households Under 80% MHI	**116,964**	**56.4%**	**72,031**	**27.4%**	**188,995**	**100.0%**
Living in overcrowded unit	4,568	3.9%	2,243	3.1%	6,811	3.6%
Living in unit with physical deficiencies	2,440	2.1%	905	1.3%	3,345	1.8%
Cost burdened	96,400	82.4%	36,201	50.3%	132,601	70.2%
Moderate Income Households (80.1% to 100% of MHI)	**23,607**	**11.4%**	**26,510**	**10.1%**	**50,117**	**10.7%**
Living in overcrowded unit	447	1.9%	1,053	4.0%	1,500	3.0%
Living in unit with physical deficiencies	715	3.0%	96	0.4%	811	1.6%
Cost burdened	10,730	45.5%	6,412	24.2%	17,142	34.2%
Upper Income Households (100.1% to 120% of MHI)	**24,034**	**11.6%**	**35,315**	**13.4%**	**59,349**	**12.6%**
Living in overcrowded unit	376	1.6%	1,627	4.6%	2,003	3.4%
Living in unit with physical deficiencies	501	2.1%	574	1.6%	1,075	1.8%
Cost burdened	6,634	27.6%	5,455	15.4%	12,089	20.4%
High Income Households (120% of MHI and above)	**42,814**	**20.6%**	**128,948**	**49.1%**	**171,762**	**36.5%**
Living in overcrowded unit	208	0.5%	4,747	3.7%	4,955	2.9%
Living in unit with physical deficiencies	970	2.3%	692	0.5%	1,662	1.0%
Cost burdened	1,663	3.9%	7,219	5.6%	8,882	5.2%

Source: ACS 2010 Public Use Microdata Sample, Calculations by Mullin and Lonergan Associates, Inc.

After controlling for double counting (ensuring that a cost-burdened household living in an overcrowded or deficient unit is counted only once), the existing housing demand is **192,773** units: 125,578 renter and 67,195 owner. Though households making 80% or less of the City's median household income ($43,758 in 2010) represent only 40.2% of all households, these lower-income families constitute a much higher percentage of existing demand (74%), due to their substantially higher likelihood of experiencing cost burden or living in an overcrowded or substandard unit.

Households making 80% or less of the median income constitute 74% of existing housing demand, primarily due to cost burden.

Figure 44: Existing Housing Demand by Income Tier, 2010

	Renters	Owners	Total
All Households	**125,578**	**67,195**	**192,773**
Extremely Low Income Households (0% to 30% of MHI)	51,043	16,644	67,687
Very Low Income Households (30.1% to 60% of MHI)	31,246	12,121	43,367
Low Income Households (60.1% to 80% of MHI)	21,053	10,567	31,620
All Households Under 80% MHI	**103,342**	**39,332**	**142,674**
Moderate Income Households (80.1% to 100% of MHI)	11,884	7,555	19,439
Upper Income Households (100.1% to 120% of MHI)	7,511	7,652	15,163
High Income Households (120% of MHI and above)	2,841	12,656	15,497

Source: ACS 2010 Public Use Microdata Sample, Calculations by Mullin and Lonergan Associates, Inc.

Housing problems were most common among renters under age 25 or above age 75, a fact that can be largely attributed to limited or fixed incomes among these age groups.

The distribution of housing problems across age groups was somewhat more balanced. Renter households with householders under age 25 or above age 75 were significantly more likely to experience housing problems, while owners under age 35 were more likely.

Figure 45: Housing Problems by Tenure and Age Tier, 2010

	Renters		Owners		Total	
	#	%	#	%	#	%
Householder age 15 to 24	**25,239**	**12.2%**	**2,167**	**0.8%**	**27,406**	**5.8%**
Living in overcrowded unit	1,122	4.4%	120	5.6%	1,242	4.5%
Living in unit with physical deficiencies	421	1.7%	0	0.0%	421	1.5%
Cost burdened	18,509	73.3%	843	38.9%	19,352	70.6%
Householder age 25 to 34	**61,763**	**29.8%**	**28,487**	**10.8%**	**90,250**	**19.2%**
Living in overcrowded unit	5,982	9.7%	2,383	8.4%	8,365	9.3%
Living in unit with physical deficiencies	417	0.7%	340	1.2%	757	0.8%
Cost burdened	32,273	52.3%	8,172	28.7%	40,445	44.8%
Householder age 35 to 44	**41,117**	**19.8%**	**45,296**	**17.2%**	**86,413**	**18.4%**
Living in overcrowded unit	4,414	10.7%	2,926	6.5%	7,340	8.5%
Living in unit with physical deficiencies	883	2.1%	404	0.9%	1,287	1.5%
Cost burdened	24,090	58.6%	10,593	23.4%	34,683	40.1%
Householder age 45 to 54	**40,514**	**19.5%**	**60,194**	**22.9%**	**100,708**	**21.4%**
Living in overcrowded unit	1,708	4.2%	2,886	4.8%	4,594	4.6%
Living in unit with physical deficiencies	976	2.4%	515	0.9%	1,491	1.5%
Cost burdened	20,623	50.9%	12,059	20.0%	32,682	32.5%
Householder age 55 to 64	**19,079**	**9.2%**	**57,209**	**21.8%**	**76,288**	**16.2%**
Living in overcrowded unit	213	1.1%	1,288	2.3%	1,501	2.0%
Living in unit with physical deficiencies	107	0.6%	552	1.0%	659	0.9%
Cost burdened	10,232	53.6%	11,037	19.3%	21,269	27.9%
Householder age 65 to 74	**9,752**	**4.7%**	**38,026**	**14.5%**	**47,778**	**10.2%**
Living in overcrowded unit	0	0.0%	524	1.4%	524	1.1%
Living in unit with physical deficiencies	398	4.1%	175	0.5%	573	1.2%
Cost burdened	5,672	58.2%	8,217	21.6%	13,889	29.1%
Householder age 75 to 84	**6,192**	**3.0%**	**22,591**	**8.6%**	**28,783**	**6.1%**
Living in overcrowded unit	0	0.0%	80	0.4%	80	0.3%
Living in unit with physical deficiencies	491	7.9%	160	0.7%	651	2.3%
Cost burdened	4,030	65.1%	4,646	20.6%	8,676	30.1%
Householder age 85 and up	**3,763**	**1.8%**	**8,834**	**3.4%**	**12,597**	**2.7%**
Living in overcrowded unit	0	0.0%	84	1.0%	84	0.7%
Living in unit with physical deficiencies	645	17.1%	168	1.9%	813	6.5%
Cost burdened	2,903	77.1%	1,683	19.0%	4,586	36.4%

Source: ACS 2010 Public Use Microdata Sample, Calculations by Mullin and Lonergan Associates, Inc.

Calculation of Projected Housing Need

Household projections by income group were obtained from Nielsen Claritas, Inc. The data is based on Census figures and updated based on such sources as local governments, consumer databases, postal delivery counts and credit reports. The 2011 estimates and 2016 projections will be used to forecast potential demand for housing and overall projected growth across the City. Estimates for 2011 and projections for 2016 are separated in the following table into six income tiers.

Figure 46: Household Projections by Detailed Income Tier, 2011 and 2016

	2000 Census	2011 Estimate	2016 Projection	Change from 2011 to 2016		Overall Change from 2000-2016	
					%		%
Median Household Income	$36,214	$45,457	$46,397*	$940	2.1%	$10,183	28.1%
Extremely Low Income Households (0% to 30% of MHI)							
City of San Antonio	74,520	75,023	79,144	4,121	5.5%	4,624	6.2%
District 1		9,963	10,178	215	2.2%		
District 2		9,739	10,126	387	4.0%		
District 3		8,918	9,243	325	3.6%		
District 4		6,725	7,180	455	6.8%		
District 5		9,294	9,538	244	2.6%		
District 6		5,783	6,120	337	5.8%		
District 7		6,756	7,216	460	6.8%		
District 8		9,043	10,036	993	11.0%		
District 9		4,756	5,190	434	9.1%		
District 10		4,046	4,316	270	6.7%		
Very Low Income Households (30.1% to 60% of MHI)							
City of San Antonio	61,545	61,733	65,008	3,275	5.3%	3,463	5.6%
District 1		7,536	7,693	157	2.1%		
District 2		6,601	6,817	216	3.3%		
District 3		6,476	6,681	205	3.2%		
District 4		5,896	6,271	375	6.4%		
District 5		6,066	6,216	150	2.5%		
District 6		5,253	5,568	315	6.0%		
District 7		5,921	6,294	373	6.3%		
District 8		7,934	8,694	760	9.6%		
District 9		5,311	5,738	427	8.0%		
District 10		4,740	5,036	296	6.2%		

… cont'd

	2000 Census	2011 Estimate	2016 Projection	Change from 2011		Overall Change from	
					%		%
Low Income Households (60.1% to 80% of MHI)							
City of San Antonio	59,989	61,981	65,583	3,602	5.8%	5,594	9.3%
District 1		6,668	6,872	204	3.1%		
District 2		6,451	6,690	239	3.7%		
District 3		5,993	6,219	226	3.8%		
District 4		5,265	5,617	352	6.7%		
District 5		4,870	5,000	130	2.7%		
District 6		6,406	6,838	432	6.7%		
District 7		5,904	6,273	369	6.3%		
District 8		8,446	9,245	799	9.5%		
District 9		5,859	6,373	514	8.8%		
District 10		6,119	6,457	338	5.5%		
All Households up to 80% of MHI							
City of San Antonio	196,054	198,737	209,735	10,998	5.5%	13,681	7.0%
District 1		24,167	24,743	576	2.4%		
District 2		22,791	23,633	842	3.7%		
District 3		21,387	22,143	756	3.5%		
District 4		17,886	19,068	1,182	6.6%		
District 5		20,230	20,754	524	2.6%		
District 6		17,442	18,526	1,084	6.2%		
District 7		18,581	19,783	1,202	6.5%		
District 8		25,423	27,975	2,552	10.0%		
District 9		15,926	17,301	1,375	8.6%		
District 10		14,905	15,809	904	6.1%		
Moderate Income Households (80.1% to 100% of MHI)							
City of San Antonio	49,004	56,421	60,251	3,830	6.8%	11,247	23.0%
District 1		5,558	5,726	168	3.0%		
District 2		5,067	5,313	246	4.9%		
District 3		4,913	5,123	210	4.3%		
District 4		4,893	5,221	328	6.7%		
District 5		3,668	3,790	122	3.3%		
District 6		6,410	6,936	526	8.2%		
District 7		5,874	6,265	391	6.7%		
District 8		7,849	8,680	831	10.6%		
District 9		6,003	6,571	568	9.5%		
District 10		6,186	6,626	440	7.1%		

… cont'd

	2000 Census	2011 Estimate	2016 Projection	Change from 2011		Overall Change from	
					%		%
Upper Income Households (100.1% to 120% of MHI)							
City of San Antonio	37,427	66,068	70,711	4,643	7.0%	33,284	88.9%
District 1		5,619	5,850	231	4.1%		
District 2		4,999	5,285	286	5.7%		
District 3		5,419	5,662	243	4.5%		
District 4		5,473	5,876	403	7.4%		
District 5		3,579	3,721	142	4.0%		
District 6		8,625	9,325	700	8.1%		
District 7		7,142	7,631	489	6.8%		
District 8		8,824	9,678	854	9.7%		
District 9		7,977	8,717	740	9.3%		
District 10		8,411	8,966	555	6.6%		
High Income Households (120% of MHI and above)							
City of San Antonio	123,401	149,772	165,935	16,163	10.8%	42,534	34.5%
District 1		7,923	8,428	505	6.4%		
District 2		7,116	7,670	554	7.8%		
District 3		7,221	7,840	619	8.6%		
District 4		7,409	8,190	781	10.5%		
District 5		4,159	4,465	306	7.4%		
District 6		16,773	18,872	2,099	12.5%		
District 7		17,208	19,057	1,849	10.7%		
District 8		25,223	28,200	2,977	11.8%		
District 9		33,555	37,768	4,213	12.6%		
District 10		23,185	25,446	2,261	9.8%		

* Does not reflect inflation adjustment

Sources: U.S. Census Bureau, Nielsen Claritas, Calculations by City of San Antonio and Mullin and Lonergan Associates

The projected increases for 2016 by income tier are, in summary:

■ Extremely low income
(0% to 30% MHI): **4,121**

■ Very low income
(30.1% to 60% MHI): **3,275**

■ Low income
(60.1% to 80% MHI): **3,602**

■ Moderate income
(80.1% to 100% MHI): **3,830**

■ Upper income
(100.1% to 120% MHI): **4,643**

■ High income
(120% MHI and up): **16,163**

Based on these household projections, the demand for new affordable housing will expand by 2016 across the City of San Antonio. The total number of households across the City is expected to grow by 35,635, or 7.6%. Of this total, 10,998 (30.9% of) households are expected to have incomes that fall below 80% of the MHI. However, the highest rate of increase across San Antonio will occur among high-income populations, those defined here as making 120% or more of MHI. This group is expected to expand by 16,163 households, or 10.8%. The increase in total households will occur as a result of 1) new household formation within the existing population, 2) the migration of new households to San Antonio from elsewhere, and 3) new annexation. Household changes between income groups may occur for similar reasons. Additionally, resident households may shift between income categories as a result of changes in financial situations.

Claritas data also provided estimates and projections by tenure. For 2011, data indicated that the City had 470,998 occupied units, 197,205 of which (41.9%) were renter-occupied and 273,793 of which (58.1%) were owner-occupied. By 2016, the total number of occupied units is expected to increase 7.6% to 506,633, 213,227 of which (42.1%) will be renter-occupied, and 293,406 of which (57.9%) will be owner-occupied.

ACS data from 2010 can be used to estimate tenure by income tier in order to gain an estimate of projected demand by tenure and income. While households with extremely low incomes are predominantly renters (70.2%), households with high incomes are predominantly owners (75.1%). Upward progression by income tier is strongly related to a higher likelihood of ownership.

Figure 47: Tenure by Income Tier, 2010

	Renters		Owners		Total
	#	%	#	%	
All Households	**207,419**	**44.1%**	**262,804**	**55.9%**	**470,223**
Extremely Low Income Households (0% to 30% of MHI)	53,157	70.2%	22,582	29.8%	75,739
Very Low Income Households (30.1% to 60% of MHI)	34,446	59.4%	23,545	40.6%	57,991
Low Income Households (60.1% to 80% of MHI)	29,361	53.1%	25,904	46.9%	55,265
All Households Under 80% MHI	**116,964**	**61.9%**	**72,031**	**38.1%**	**188,995**
Moderate Income Households (80.1% to 100% of MHI)	23,607	47.1%	26,510	52.9%	50,117
Upper Income Households (100.1% to 120% of MHI)	24,034	40.5%	35,315	59.5%	59,349
High Income Households (120% of MHI and above)	42,814	24.9%	128,948	75.1%	171,762

Source: ACS 2010 Public Use Microdata Sample, Calculations by Mullin and Lonergan Associates, Inc.

The tenure rates above were applied to projected increases in the number of households by income tier to generate the following table, which describes projected demand by tenure and income tier.

Figure 48: Projected Demand by Income Tier, 2016

	Renters		Owners		Total
	#	%	#	%	
All Households	**15,718**	**44.1%**	**19,916**	**55.9%**	**35,634**
Extremely Low Income Households (0% to 30% of MHI)	2,892	70.2%	1,229	29.8%	4,121
Very Low Income Households (30.1% to 60% of MHI)	1,945	59.4%	1,330	40.6%	3,275
Low Income Households (60.1% to 80% of MHI)	1,914	53.1%	1,688	46.9%	3,602
All Households Under 80% MHI	**6,806**	**61.9%**	**4,192**	**38.1%**	**10,998**
Moderate Income Households (80.1% to 100% of MHI)	1,804	47.1%	2,026	52.9%	3,830
Upper Income Households (100.1% to 120% of MHI)	1,880	40.5%	2,763	59.5%	4,643
High Income Households (120% of MHI and above)	4,029	24.9%	12,134	75.1%	16,163

Source: ACS 2010 Public Use Microdata Sample, Calculations by Mullin and Lonergan Associates, Inc.

The following table summarizes existing and projected demand by tenure and income tier.

Figure 49: Summary of Demand, 2016

	Renters		Owners		Total	
	Existing	Projected	Existing	Projected	Existing	Projected
All Households	**125,578**	**15,718**	**67,195**	**19,916**	**192,773**	**35,634**
Extremely Low Income Households (0% to 30% of MHI)	51,043	2,892	16,644	1,229	67,687	4,121
Very Low Income Households (30.1% to 60% of MHI)	31,246	1,945	12,121	1,330	43,367	3,275
Low Income Households (60.1% to 80% of MHI)	21,053	1,914	10,567	1,688	31,620	3,602
All Households Under 80% MHI	**103,342**	**6,806**	**39,332**	**4,192**	**142,674**	**10,998**
Moderate Income Households (80.1% to 100% of MHI)	11,884	1,804	7,555	2,026	19,439	3,830
Upper Income Households (100.1% to 120% of MHI)	7,511	1,880	7,652	2,763	15,163	4,643
High Income Households (120% of MHI and above)	2,841	4,029	12,656	12,134	15,497	16,163

Source: ACS 2010 Public Use Microdata Sample, Calculations by Mullin and Lonergan Associates, Inc.

The next step in estimating housing needs in the City of San Antonio is to determine the extent to which housing demand is likely to be met through the existing inventory and any projected new housing development. Housing demand is comprised of different types of housing need. For example, cost-burdened households may benefit from rent subsidies, while new construction may be necessary to meet new demand for homeowners and households living in substandard housing. In order to determine housing supply, it is necessary to study the extent to which the current housing delivery system is already providing housing across income levels. The existing housing inventory, current building activity and housing programs already in place must be evaluated.

As discussed in more detail in the housing market section of this report, the City's housing inventory has expanded tremendously since 2000, having grown by 91,124 units, according to Census figures. Between 2000 and 2010, San Antonio issued permits for the construction of or addition to 93,911 housing units across the City. About two-thirds (63.3%) of total permits issued were for single-family structures, while 1.9% were for units in two- to four-unit structures and the remaining 34.8% were for structures with five or more units.

Projecting net change in the future housing supply can be difficult, given the uncertainty of interest rates, construction costs, mortgage availability, developer behavior and innumerable other factors. However, recent trends as well as projections of housing demand based on household formation rates provide reasonable benchmarks for likely estimates of net change in the housing supply. The following projections are based on the assumption that no changes will be made to local policies and no new policies will be adopted that would affect incentives for housing production.

According to Austin Investor Interests data provided by the San Antonio Apartment Association, as of the second quarter of 2012, there were 7,320 multi-family units under construction in the City (6,577 conventional, 459 publicly subsidized and 284 student housing). Additionally, building permits had been approved for 1,042 units, all conventional multi-family, and plans had been submitted for public approval for an additional 1,915 units (1,693 conventional and 222 student). Finally, another 11,179 multi-family units had been "proposed." This included 9,265 conventional rentals and 1,914 subsidized units. In total, considering all of these units to be in the pipeline for San Antonio, 18,577 conventional units, 2,373 subsidized units and 506 student rentals will be added to the inventory, a total of 21,456 multi-family units.

It is unclear whether the multi-family units to be created are apartments or condominiums. In 2010, condos represented 3% of all residential sales in San Antonio. Therefore, for the sake of this analysis, it is assumed that 3% of the multi-family units in the pipeline, or 657 units, will be condominimums, while the remaining 97%, 20,799 units, will be apartments.

Across the City, Nielsen Claritas calculations anticipate that the total number of housing units will increase from 524,246 in 2010 to 548,233 in 2016. This net change of 23,987 units is equivalent to an average annual production of roughly 4,000 units. Based on recent trends, it is expected that the private housing market will continue to favor higher-income households and homeowners over lower-income households and renters.

No local data was supplied to describe newly constructed single-family units that will come online by 2016.

The following table compares housing demand, consisting of both existing and projected demand, with the number of units expected to be created by 2016. The net demand, 204,420, suggests that the expansion in the City's housing stock projected to occur during the next five years would address future demand as predicted, but would be insufficient to address the current number of households experiencing housing problems, particularly those with lower household incomes.

Figure 50: Calculation of Net Demand, 2016

HOUSING DEMAND	Renter	Owner	Total
Existing Demand for Affordable Housing (2010)			
Extremely Low Income Households (0% to 30% of MHI)	51,043	16,644	67,687
Very Low Income Households (30.1% to 60% of MHI)	31,246	12,121	43,367
Low Income Households (60.1% to 80% of MHI)	21,053	10,567	31,620
Moderate Income Households (80.1% to 100% of MHI)	11,884	7,555	19,439
Upper Income Households (100.1% to 120% of MHI)	7,511	7,652	15,163
High Income Households (120% of MHI and above)	2,841	12,656	15,497
Future Demand for Affordable Housing (2016)			
Extremely Low Income Households (0% to 30% of MHI)	2,892	1,229	4,121
Very Low Income Households (30.1% to 60% of MHI)	1,945	1,330	3,275
Low Income Households (60.1% to 80% of MHI)	1,914	1,688	3,602
Moderate Income Households (80.1% to 100% of MHI)	1,804	2,026	3,830
Upper Income Households (100.1% to 120% of MHI)	1,880	2,763	4,643
High Income Households (120% of MHI and above)	4,029	12,134	16,163
Total Housing Demand	**140,042**	**88,365**	**228,407**

HOUSING SUPPLY			Total
Units Expected to be Created between 2010 and 2016			
Claritas Projection	4,655	22,336	26,991
Units Identified in the Development Pipeline	20,799	657	21,456
Total Housing Supply	**25,454**	**22,993**	**48,447**

HOUSING NEED			Total
Difference between Demand and Supply	**114,588**	**65,372**	**179,960**

SUMMARY OF LOCAL POLICIES
GOVERNING HOUSING

This section evaluates the intent, interaction and effects of policy initiatives that have intended to guide housing and other types of development across the City of San Antonio. A review of planning documents, which typically include existing conditions reports as well as goals, objectives and proposed actions for particular or citywide areas, is followed by a review of 10 specific development incentive policies, many of which were adopted as a step toward implementing the associated plans.

This analysis encompasses a series of studies and plans prepared within the past decade that stakeholders suggested could impact this report in one way or another. Based on a review of these documents, a series of guiding principles was identified to assist the City in generating a practical housing strategy based on current market conditions, existing and projected housing demand and relevant planning documents. The documents reviewed for this project included:

- Housing Master Plan, City of San Antonio (2001)

- Transportation and Housing Study: San Antonio – Bexar County MPO (2005)

- Housing + Transportation Affordability in the San Antonio Metro Region (2008)

- Strategic Plan for Community Development (2009-2012)

- Master Plan Policies Update: Shaping the Future of San Antonio (2010)

- 2010-2014 Five-Year Consolidated Plan

- City of San Antonio Housing Policies for Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME) (2010)

- San Antonio Comprehensive Master Plan Framework: Planning for a Better Tomorrow (2011)

- SA2020

- City of San Antonio Annexation Policy

- State of Texas Qualified Allocation Plan

- Mobility 2035: San Antonio-Bexar County Metropolitan Transportation Plan

When beginning a new planning initiative, it is always practical to review previous plans. Knowing what has been proposed in the past, how well it has succeeded, and what lessons can be learned from earlier efforts can set the foundation for a more relevant and useful new plan. Building on what has worked well, understanding and modifying what was not achievable, and incorporating new innovative concepts along with current conditions will increase the likelihood of continued future success. For these reasons, the current housing plans and policy documents for the City of San Antonio were reviewed in order to link past planning with future planning initiatives.

There are two over-arching themes in the City's current planning and policy documents. The first is recognition of the inextricable link between transportation and land use planning. When undertaken in tandem, transportation and land use planning can create walkable, pedestrian-oriented neighborhoods where residents work, play and live, and where small businesses thrive. The second major theme is similar to the first: the concept of vital neighborhood centers as a primary City component. Outside of an economically-vibrant Downtown, a collection of healthy mixed use, mixed income neighborhoods throughout San Antonio can create an economic competitiveness usually present in much larger metropolitan cities like Chicago or New York. However, San Antonio's diversity can be used as the perfect catalyst to focus on the establishment of neighborhood centers.

Perhaps the most important planning document reviewed for this study was the SA2020 document. This visioning plan was unique: it was the result of a massive community-driven process that involved hundreds of residents, business owners and community leaders in San Antonio. The common force driving the participants was a strong desire to inspire San Antonians to envision their future as a world-class Big City with high-quality Small Town values. This rich vision statement included 11 areas of focus, six of which are relevant to this study and include the following:

- **Downtown Development**

- **Economic Competitiveness**

- **Health & Fitness**

- **Natural Resources & Environmental Sustainability**

- **Neighborhoods & Growth Management**

- **Transportation**

Eight guiding principles were common to most of the planning documents reviewed. These included the following:

■ Higher density, mixed use development within a quarter-mile radius of public transit stops or stations

■ Walkable neighborhoods with streetscapes that encourage walking, bicycling and other non-auto-dependent options and contribute to increasing transit-dependent ridership

■ Mixed-income housing in close proximity to jobs and transit opportunities

■ A broad range of quality housing to meet all demographic markets and support neighborhoods that are safe and include resources to promote a high quality of life

■ Integrated transportation and land use planning to enhance the quality, livability and character of communities

■ Public investment in transportation guiding development decisions for new land uses with housing located in proximity to employment opportunities, schools and other amenities

■ Economic diversity that promotes a highly-educated job force, takes advantage of public-private partnerships, and strategically targets geographic areas such as areas with existing resources, downtown, and transit-oriented development

■ Environmental sustainability practices involving air quality, energy sources, water quality, and the built environment.

Together, these eight guiding principles form the framework of smart growth. Smart growth includes creative strategies that advocate for a range of housing unit types to accommodate households of all ages, abilities and income levels that are located in neighborhoods with shops, offices, schools, churches and a wide variety of land uses in close proximity. Access to amenities can be achieved through alternative modes such as biking, walking and public transit. Land uses are mixed to

promote vibrant neighborhoods with economically viable commercial districts dispersed across a city. Higher density housing promotes the preservation of natural resources, reinvestment in existing infrastructure, and opportunities to create affordable housing options near employment centers and within walking distance of public transit. A key component of smart growth is the critical linkage between land use and transportation planning.

One of the City's current policies that may work against smart growth is annexation of contiguous land within the City's extra-territorial jurisdiction. Over the past two decades, San Antonio has annexed nearly 84,000 acres or 141 square miles, which has strongly contributed to the addition of about 159,000 housing units to the City's inventory during the same years. In 2012, the City prepared a draft Annexation Policy that details the conditions under which it will consider future annexations. Significantly, a fiscal impact analysis will be conducted as part of the Annexation Program. The analysis must include an estimation of all expenditures and revenues associated with anticipated municipal services, as well as estimated build-out, debt service and projected land use and rate of development. Specifically, the policy identifies potential areas for annexation that coordinate with existing plans, fiscal considerations, service delivery needs, public health, intergovernmental relations and non-annexation agreements. The plan allows the City to annex land only if it is contiguous to City limits, within the City's extra-territorial jurisdiction, is at least 1,000 feet wide and if the City has not annexed more than 10% of its existing land area in a given year. The purpose of the Annexation Program (including the fiscal impact analysis) is to proactively analyze and identify potential annexation areas and the associated costs and benefits to the City. In order to achieve the vision of a higher-density City with walkable, mixed use neighborhoods, higher-density mixed-use housing development should be the rule rather than the exception, with the intent of increasing the density within inner-City neighborhoods around public transit and major employment centers.

City policies are implemented within the larger context of state and federal policies. One state policy of particular local relevance is the Qualified Allocation Plan (QAP) used by Texas Department of Housing and Community Affairs (TDHCA) to allocate Low Income Housing Tax Credits (LIHTC). LIHTC represents the state's primary means of creating rental housing affordable to lower-income households, and the QAP dictates ways in which the state will make low-income housing projects economically feasible for developers. In 2012, a federal judge ruled that in TDHCA discriminated illegally in its allocation of housing tax credits by disproportionately approving projects in minority-concentrated areas and disproportionately denying projects in White-concentrated areas. The policy was determined to have a "disparate impact," though TDHCA was found to be discriminating unintentionally. As a result, TDHCA is implementing a court-adoped remedial plan to incentivize projects proposed in higher-opportunity areas, such as those with lower poverty levels and high-performing schools.

The eight guiding principles identified in this section as common among local plans articulate a well-rounded yet ambitious vision for the future San Antonio. Specific policies and strategic actions with measurable benchmarks will be necessary to achieve this vision.
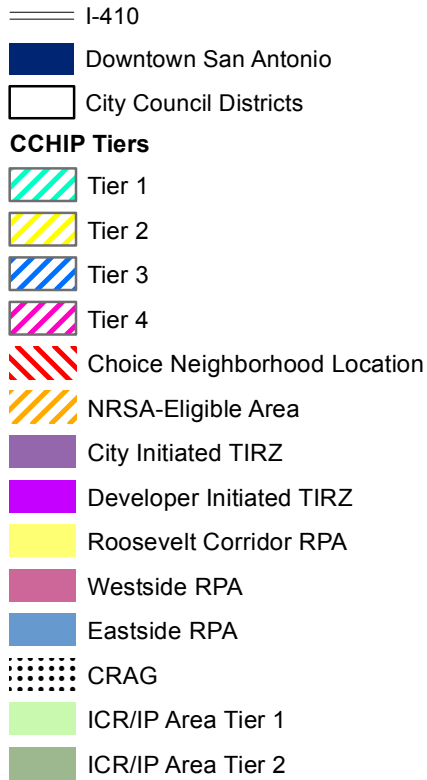
Eleven City policies provide for incentives for development in specified areas of San Antonio. They are summarized in this section of the report in order to facilitate comparison and analysis of the goals, rules, advantages, disadvantages and outcomes of each. The items reviewed are included in the box below. Their spatial footprints overlap as demonstrated in Map 21.

Map 21 additionally displays the footprint of the Choice Neighborhoods initiative led by San Antonio Housing Authority (SAHA). In 2011, SAHA received a HUD Choice Neighborhood Planning Grant to create a transformation plan for the Eastside, including a variety of achievable, effective reinvestment and redevelopment strategies. To do this, SAHA has forged partnerships with schools and employers, including the PROMISE grant recipients led by the United Way. Recommendations included as part of this report will examine ways in which City policies and programs can capitalize on the Choice Neighborhoods initiative.

■ City-Initiated Tax Increment Reinvestment Zones (TIRZ)

■ Developer-Initiated/Petition-Driven TIRZ

■ Roosevelt Corridor Reinvestment Plan Area (RPA)

■ Westside RPA

■ Eastside RPA

■ Community Revitalization Action Group (CRAG)

■ Inner City Reinvestment/Infill Policy (ICR/IP) Areas

■ Neighborhood Revitalization Strategy Area (NRSA)

■ Tax Abatement Program

■ Center City Housing Incentive Policy (C-CHIP)

■ San Antonio Water System Impact Fee Waiver

Map 21
Comparison of Development Incentive Policies

Legend:

- I-410
- Downtown San Antonio
- City Council Districts

CCHIP Tiers
- Tier 1
- Tier 2
- Tier 3
- Tier 4
- Choice Neighborhood Location
- NRSA-Eligible Area
- City Initiated TIRZ
- Developer Initiated TIRZ
- Roosevelt Corridor RPA
- Westside RPA
- Eastside RPA
- CRAG
- ICR/IP Area Tier 1
- ICR/IP Area Tier 2

City-Wide Map

Source: City of San Antonio – Geographic Information Systems Department, FY 2012 HUD Low and Moderate Income Summary Data
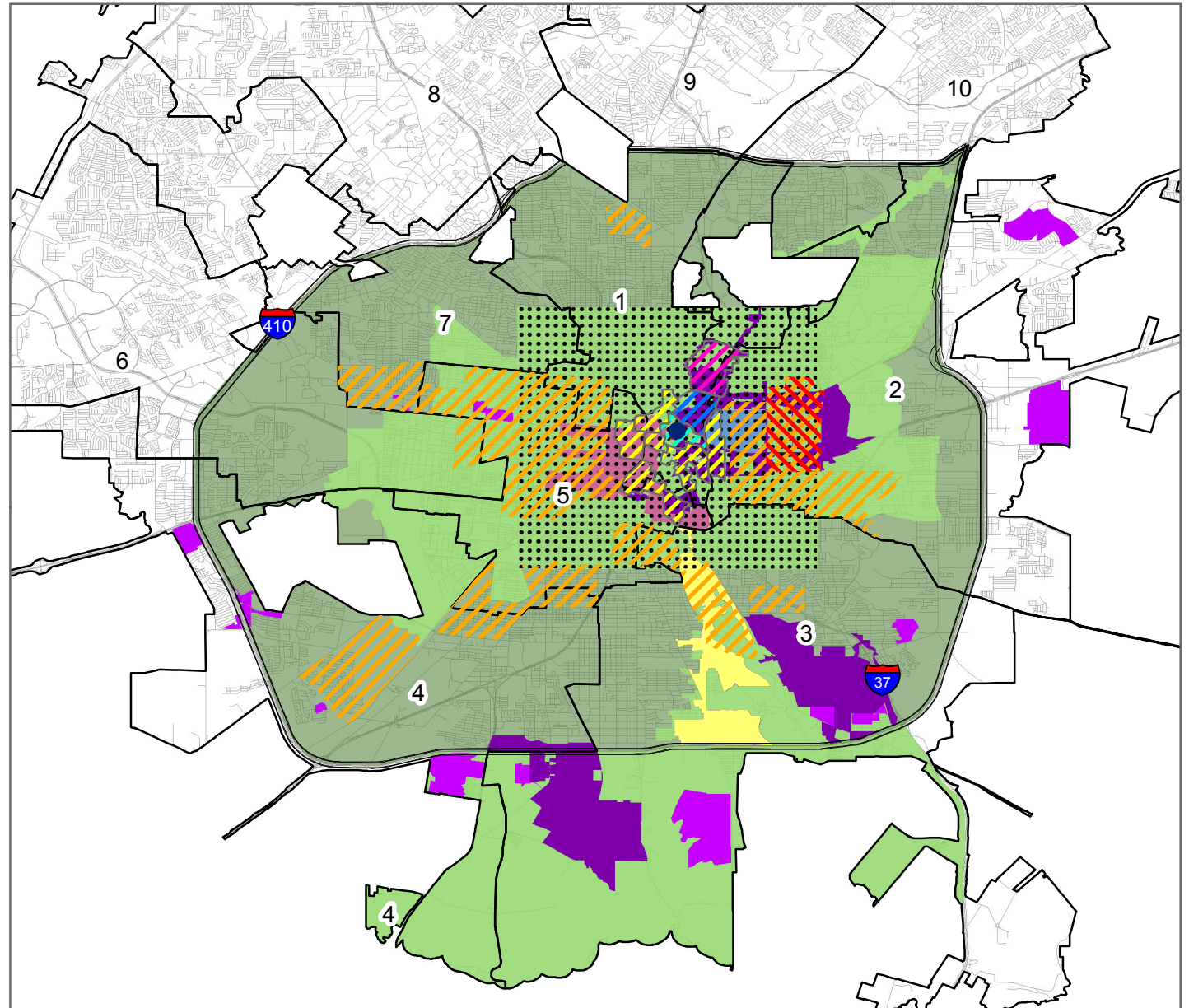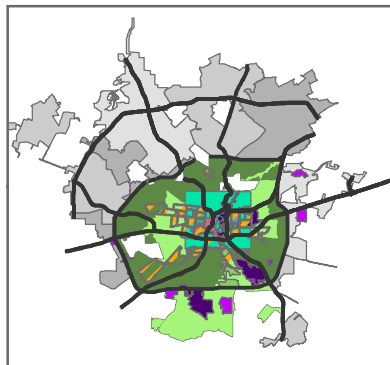
City-Initiated Tax Increment Reinvestment Zones (TIRZ)

The City of San Antonio updated its TIRZ policies in 2008 to use as a tool to encourage economic development in targeted areas of the City. City-initiated TIRZ are designed to assist ongoing revitalization and reinvestment initiatives by implementing the goals of existing City programs and City-adopted plans. TIRZ maximizes the benefits of public-private collaboration by focusing exclusively on areas of the City that have been predetermined to be eligible for tax increment financing (TIF); by using a comprehensive Reinvestment Plan (the "RPAs") to coordinate development incentives and set development standards that encourage long-term, high-quality investment; and by using an RFQ and/or RFP process to identify consultants with the most appropriate skills to meet the specific challenges posed by each TIRZ.

Purpose: The future value of private investment within a TIRZ is leveraged to finance public improvements, to enhance existing public infrastructure, and to maximize the benefits of other incentive tools. Public investment in TIRZ, using tax increment as a financing mechanism, stimulates private sector investment in areas of the City that would not otherwise attract market interest. Taxing entities can opt in at a participation rate of their choosing, electing to contribute 0% to 100% of their tax increment.

Benefits: To maximize the benefits of public-private collaboration by focusing exclusively on areas of the City that have been predetermined to be eligible for TIF.

Goals: The City has established a point system to award TIF applications that meet certain criteria in order to become a qualified TIRZ. A project must achieve a minimum score of 60 to be considered for a TIF.

If a project area is located within CDBG eligible census tracts, the Empowerment Zone and/or Enterprise Zone, High Health Risk ZIP Codes, and/or the CRAG, those projects will receive the points outlined below. If a project area is located within a census block area that demonstrates high levels of poverty, low educational attainment levels, and high levels of unemployment, it will receive up to the maximum points outlined below, depending on the percentage of the specific demographic.

1)   CDBG census tracts
2)   High Health Risk ZIP Codes
3)   Empowerment Zone & Enterprise Zone
4)   CRAG
5)   Poverty
6)   Education
7)   Unemployment

The TIF Act authorizes taxing entities to determine the amount of tax increment to contribute to a TIRZ.

Objectives: The incentive program fully supports the City's primary revitalization programs and initiatives, including Neighborhood Commercial Revitalization, Neighborhood Sweeps, Affordable Showcase of Homes, Enterprise Zones, and Empowerment Zones. In addition to these programs, the TIF Program implements the goals, policies, and recommendations of the City's Master Plan, Housing Master Plan, Community Revitalization Action Group (CRAG), and other adopted City plans.

Developer-Initiated Tax Increment Reinvestment Zones (TIRZ),
also known as Petition-Driven TIRZ

A petition-driven TIRZ allows property owners, residents, and project developers to contract with the City to bring high-quality development/redevelopment to areas that have not seen any significant development in recent history. The City issues an annual call for TIF petitions. Petitions are submitted by the property owners whose ownership constitutes at least 50% of the appraised value of the property in the proposed TIRZ, according to the most recent certified appraisal roll. To be considered for TIF, at least 20% of the proposed units must be affordable as defined by the City. Any subsequent changes to the City's definition of affordable housing immediately apply to the requirements of the TIF Manual.

Purpose: The purpose of the petition-driven TIRZ is to bring high-quality development/ redevelopment to areas lacking in recent significant development. A petitioner or developer considering the submission of a petition may request a meeting with the Housing and Neighborhood Housing Services TIF Department unit. A fee of $40,000 is required along with a completed application. Similar to the City-driven TIRZ, the project area must score a minimum of 60 points to be considered for a TIF.

Benefits: The project must add long-term value to the public realm. This is defined by the level that the proposed TIRZ meets the long-term revitalization goals, as outlined in an adopted City plan, or similar document, for the proposed area.

Goals and Objectives: Similar to the City-driven TIRZ.

The Roosevelt Corridor RPA evolved out of a planning process that was designed to leverage an important corridor that parallels the north-south flow of the San Antonio River. This corridor links some of San Antonio's key recreational, historical and cultural assets. The focus of the RPA is enhancing the infrastructure, including road and flood control upgrades, to leverage greater public and private investment. Two sites were identified as links in the RPA: the former Mission Drive-In site, which is being developed into a mixed-use complex and new branch library, and the San Antonio River Improvements project, which will provide recreational and infrastructure enhancements. RPAs are generally comprised of two or more adjacent neighborhoods, connected by a transportation corridor and/or a natural feature. The Roosevelt Corridor RPA meets this criterion. The RPA was one of three Reinvestment Plans completed in 2009.

The Roosevelt Corridor RPA includes seven reinvestment strategies outlined in addition to action items, partners, funding sources, and time frames. The actual time frames were noted as being dependent upon actual funding and the support of the community stakeholders. The Reinvestment Plan identifies infrastructure priority projects, community-based initiatives, and tools for proactive land use planning. The Reinvestment Strategies and individual actions items were developed through a community-based process that included residents, business and property owners, neighborhood associations, public agency representatives and design and finance professionals.

Purpose: The corridor has long been considered a neglected area of the City. The purpose of the RPA is to leverage the current redevelopment projects into a cohesive redevelopment area that creates added development for the City. The RPA was envisioned as a method of focusing and coordinating private and public sector investment along the Roosevelt Corridor. The integration of these investments into a coordinated effort is the long-term goal.

Benefits: The primary benefit of the Roosevelt Corridor RPA is a coordinated and strategic investment in a highly visible corridor that will result in additional economic development and infill development. Additional benefits include prioritization of CDBG/HOME funds to Reinvestment Plan areas and enhanced financing tools.

Goals: Seven reinvestment strategies were outlined, including action items, partners, funding sources, and time frames.

1)   Leverage river improvements and Mission Drive-In redevelopment
2)   Invest in drainage, street and sidewalk infrastructure
3)   Phase out high-intensity commercial and industrial zoning
4)   Adopt unifying design standards for new construction
5)   Launch community-based initiatives to improve quality of life
6)   Link existing business and property owners with sources of funding
7)   Create investment opportunities

Proposed funding for the seven reinvestment strategies include tax increment reinvestment zone (TIRZ) funds, CDBG, foundation grants, CIP and bond funds, private donors and an array of additional public funds.

Westside Reinvestment Plan Area (RPA)

The Westside RPA was developed as part of an effort to coordinate public resources within the area immediately west and south of Downtown San Antonio in order to stimulate private investment. A portion of the Westside RPA is located in the Westside Tax Increment Reinvestment Zone (TIRZ). The Westside RPA serves as a guide to the development of the TIRZ Project Plan, and is an outgrowth of a proposed Westside Multimodal Station.

Due to the size of the Westside area and the large scope of outlined projects, the Westside RPA was divided into five areas based on geography, character, and commonalities between stakeholders. The goal was to show the interrelated nature of the five areas through overlap of the geographic boundaries. The Westside RPA was one the three Reinvestment Plans completed in 2009.

Purpose: The Westside area has, over the years, seen a number of studies and plans conducted that address a range of community development issues. The Westside RPA was an attempt to leverage the existing plans and to build on the goals and objectives of previous studies to be used as a guide for future development. The goals in those plans have been inventoried into a strategic set of concrete priority actions that outline the framework for implementation.

Benefits: The primary benefit of the Westside RPA is to coordinate and build on the goals and strategies outlined in previous plans conducted in the Westside.

Goals: Based on the priority actions identified within each of the segments of the RPA, six overarching strategies were identified to guide public investment. Collectively, the following strategies are critical to the successful redevelopment of the Westside RPA:

1) Invest in public infrastructure improvements to catalyze additional private investment
2) Adopt updates to land use plans, rezonings and design standards that uphold the vision for an area
3) Restore and enhance Westside Creek and leverage public improvements
4) Create a sense of place and destination points through public art
5) Promote historic preservation strategies that balance preservation and redevelopment
6) Create investment opportunities

Proposed funding for the six reinvestment strategies include TIRZ funds, CDBG, foundation grants, CIP and bond funds, private donors, and other public funds.

Eastside Reinvestment Plan Area (RPA)

The Eastside RPA, also known as Dignowty Hill, was developed in conjunction with the development of the Dignowity Hill Neighborhood Plan. The reinvestment plan implements the goals and objectives of the Dignowity Hill Neighborhood Plan in addition to taking into consideration the goals and recommendations of other previous plans and policies. The Eastside RPA was one the three Reinvestment Plans completed in 2009. All of the reinvestment strategies were designed to be interrelated and dependent upon one another. An integrated approach to reinvestment was deemed essential, and that investments in housing development or businesses needed to be done in conjunction with infrastructure improvements and crime prevention. The long-term vision for reinvestment in the Dignowity Hill neighborhood was determined to be achievable through strategic incremental investment by using both private and public funds.

Purpose: The purpose of the Eastside RPA is to coordinate economic development efforts to link the goals and objectives of the Neighborhood Plan with specific, tangible projects.

Benefits: The primary benefit of the Eastside RPA is to leverage and build upon the work that has been done to create the Dignowity Hill Neighborhood Plan.

Goals: Based on the planning process that was underway for Dignowty Hill, the following eight overarching reinvestment strategies were identified based on priority.

1) Implementation cooperation
2) Infill development and housing rehabilitation
3) Safe environment
4) Transportation networks and complete streets
5) Economic development
6) Enhance community facilities
7) Preserve and promote the historic character
8) Showcase environmental sustainability

Proposed funding for the eight strategies include TIRZ funds, CDBG, foundation grants, CIP and bond funds, private donors, and other public funds.

Community Revitalization Action Group (CRAG)

The inner-city area defined by the Community Revitalization Action Group (CRAG) is the original San Antonio city limits prior to 1940, which is a 36-square-mile area with the dome of the San Fernando Cathedral at its center. This area has expanded with the addition of further target areas. The core Inner City Reinvestment / Infill Policy Target Area (ICR/IP) follows an expanded version of the CRAG boundaries, and includes Reinvestment Plan Areas and City-initiated Tax Increment Reinvestment Zones (TIRZ) designated within the Interstate 410 Loop area.

Purpose: The CRAG is more of a defined geographic area than a specific policy or action. The City Reinvestment / Infill Policy Target Area (ICR/IP), which contains policy prescriptions, follows and expands upon the CRAG boundary.

Benefits: The key incentives include waiving City assessment fees for projects in the target area, targeting all City incentives in the area, land banking and the creation of an Interdepartmental Oversight / Single Point of Contact.

Inner City Reinvestment/Infill Policy (ICR/IP) Areas

The Inner City Reinvestment / Infill Policy is currently the primary vehicle for coordinating City resources to encourage reinvestment in the core of the City. The Policy implements goals of the Strategic Plan for Community Development and corresponding implementation strategies. The guiding principle for the ICR/IP policy is that private-sector investment follows public-sector investment. The goal is to leverage public infrastructure investments. The City applies the Citywide Real Estate Market Value Analysis (MVA) to determine the viability of existing and proposed ICR/IP and Reinvestment Plan Areas (RPAs).

Purpose: The City of San Antonio has outlined a policy to promote growth and development in areas of the City that are currently served by public infrastructure and transit, but underserved by residential and commercial real estate markets. The Inner City Reinvestment / Infill Policy (ICR/IP) is an effort to provide the full range of incentives, including financing and regulatory incentives, to foster development.

Benefits: To stimulate private investment that results in walkable, sustainable communities that are the building blocks of a sustainable region.

The city uses the ICR/IP area as the target area for a variety of incentive programs. San Antonio waives all city fees and offers tax abatements for the following types of projects within the ICR/IP areas:

1) Residential/Mixed-Use Development
2) Commercial/Industrial Development

The San Antonio Water System (SAWS) commits $2 million annually in impact fee waivers to be used in the ICR/IP areas. All projects in the ICR/IP areas are eligible for waivers equal to 1% of the total project investment. The City also focuses its weatherization program and its CDBG and HOME funds within the inner city target area.

Goals: The goals of the Inner City Reinvestment / Infill Policy are:

1)   Increase new development (housing and commercial) on vacant lots
2)   Increase redevelopment of underused buildings and sites
3)   Increase rehabilitation, upgrade, and adaptive reuse of existing buildings
4)   Improve maintenance of existing buildings and sites
5)   Increase business recruitment and assistance

Neighborhood Revitalization Strategy Area (NRSA)

Entitlement communities receiving Community Development Block Grant (CDBG) program funds are encouraged by HUD to develop Neighborhood Revitalization Strategy Areas (NRSA) for specific neighborhoods where new investment would benefit from certain incentives. The designation of an NRSA eases some of the regulatory requirements of the CDBG program. To qualify, the neighborhood must include a contiguous area, primarily residential in nature, with a percentage of low- and moderate-income (LMI) persons that is equal to the upper quartile percentage or 70%, whichever is less, but in any event is not less than 51%, as outlined in HUD CPD Notice 96-01.

The incentives provided through NRSA designation include the following:

1)   Job creation / retention as LMI area benefit: such activities may qualify as meeting area benefit requirements, thereby eliminating the need for individual businesses to track the income of persons considered for, or who fill, such jobs
2)   Aggregation of housing units: housing units occupied by non-LMI households can be assisted if at least 51% of the total housing units assisted are occupied by LMI households
3)   Aggregate public benefit standard exemption: jobs created with CDBG funds are exempted from the regulatory requirement of requiring the creation of one job per $35,000 investment of CDBG funds
4)   Public service cap exemption: public service activities carried out by community-based development organizations are exempt from the regulatory 15% cap on public service activities

One of the lesser-known benefits of an NRSA is the potential to economically integrate a neighborhood. Through the easing of the regulatory requirements, San Antonio could invest CDBG funds and assist non-LMI housing units, households and businesses located in an NRSA, thereby creating opportunities for mixed-income neighborhoods to evolve and thrive.

Tax Abatement Program

The City of San Antonio adopted a tax abatement policy in December, 2012 with the goal of increasing sustainability, growth and economic diversity. The tax abatement policy identifies targeted incentive areas and job creation to promote balanced growth throughout the community. The policy outlines minimum eligibility criteria for projects including minimum investment, minimum job creation levels, minimum living wage requirements, targeted industries, and access to health benefits. The level of the tax abatement varies based on the project's location.

Purpose: To offer public incentives to attract new investment and retain/create jobs in the City's targeted industries of Healthcare and Biosciences, Information Technology and Information Security, Aerospace, and the New Energy Economy. In addition, the City Council created targeted areas of existing infrastructure and transit coverage where any project is eligible for a tax abatement.

Benefits: Promotes growth through financial incentives offered to specific industries and areas. Companies taking advantage of the program are required to offer employees health care benefits and a minimum living wage.

Any projects located in the ICR/IP area are eligible for a 10-year, 100% tax abatement. Projects outside this area but with investments over $30 million, or which will create more than 500 new jobs, are also eligible for a 10-year, 100% tax abatement. Projects outside the ICR/IP area are eligible for a 6-year tax abatement, while projects in the Edwards Recharge or Contributing Zones are ineligible unless they do not add to the impervious area.

Goals: The goals of the Tax Abatement program are:

1)   Attract, retain and expand targeted industries
2)   Increase employment and high-wage jobs
3)   Expand the tax base
4)   Create long-term capital investment and new wealth opportunities in the community

Center City Housing Incentive Policy (C-CHIP)

The Center City Housing Incentive Policy (CCHIP) was adopted in 2012 as a tool for undertaking the Center City Implementation Plan. The CCHIP provides coordinated incentives to multi-family rental and for-sale housing projects to stimulate investment in market-rate projects. Additional incentives are available to projects that include commercial or retail space as part of a larger mixed-use development. While targeted to the CRAG area, the policy identifies four additional incentive tiers that receive greater incentives.

Purpose: The Center City Implementation Plan provided recommendations on how best to implement the Downtown Strategic Framework Plan through increased public investment, creation of a housing finance strategy, coordinated management, and regulation of development. The Implementation Plan recommended that the City establish a predictable incentive system for housing in the Center City. To accomplish this, City Staff developed the CCHIP to provide coordinated incentives of sufficient size to encourage reinvestment in Center City housing.

Benefits: The CCHIP incorporates the goals and objectives of the Implementation Plan by providing greater incentives to housing projects. It encourages historic rehabilitation, adaptive reuse, brownfield redevelopment, and transit-oriented development while also rewarding good urban design, and mixed-use and mixed-income developments.

Eligible projects receive city fee waivers, SAWS impact fee waivers, real property tax reimbursement grants, inner city incentive fund loans, and mixed-use development forgivable loans. Certain incentives including the real property tax reimbursement grant and the inner city incentive loan fund change based on the project's location in one of four tiered target areas.

Goals: The goals of the Center City Housing Incentive Policy are:

1)   Normalizing land values
2)   Providing greater certainty to developers
3)   Increasing the speed of approvals
4)   Reducing the risk associated with infill development

San Antonio Water System (SAWS) Impact Fee Waiver Guidelines

The San Antonio Water System Impact Fee Waivers represent one incentive available in the ICR/IP area to encourage walkable neighborhoods, infill development, and job creation. The program waives the San Antonio Water System's impact fees to encourage development in targeted areas, industries, and for projects of significant size. Additionally, developments which include affordable housing or community services which occur outside the targeted area are eligible.

Purpose: To support San Antonio's Inner City Reinvestment/Infill Policy with development incentives. These incentives are targeted to specific growth industries and areas for the purpose of promoting walkable communities and the reuse of existing infrastructure.

Benefits: Projects are eligible for an impact fee waiver equal to 1% of the total project investment, with a minimum waiver of $5,000. All projects within the ICR/IP area are eligible for a waiver to the maximum amount of $500,000. Projects located outside the target area but in a targeted industry and which include a capital investment of at least $50 million dollars, or which create at least 500 new full-time jobs are eligible for a maximum waiver in the amount of $100,000. Additionally, housing projects which include affordable residential units are eligible for a partial SAWS waiver equal to the percent of units which are affordable.

Goals: The goals of the SAWS Impact Fee Waiver align with the goals of the Inner City Reinvestment/Infill Policy. Those goals are:

1)   Increase new development (housing and commercial) on vacant infill lots
2)   Increase redevelopment of underused buildings and sites
3)   Increase rehabilitation, upgrade and adaptive reuse of existing buildings
4)   Increase business recruitment and expansion in the City's targeted industries

POLICY RECOMMENDATIONS

The policy recommendations included herein are based on the identified housing need calculated for San Antonio, a review of current City policies and plans, and the acknowledgment of decreasing public resources available for housing and community development initiatives. The recommendations reflect the following over-arching themes:

■ As a HUD entitlement community, San Antonio receives approximately $17.7 million in CDBG, HOME, ESG and HOPWA funds. One of the statutory requirements for receiving these funds is the City's legal obligation to implement its housing programs in a non-discriminatory manner. Towards this end, the City has an obligation to affirmatively further fair housing by creating affordable housing opportunities for members of the protected classes outside of predominantly low income, minority neighborhoods. The policy recommendations that follow will, if implemented, assist the City in achieving this obligation.

■ Since 2005, the City's total HUD entitlement grants have decreased 30% from $25.3 million to $17.7 million in 2013. The current fiscal and political environment at the federal level does not offer optimism for a reversal of this trend. As a result, the City's financial resources for investing in neighborhood revitalization have diminished to the point where triage has become necessary. Spreading resources thinly across most of San Antonio will no longer have the effect of changing the course of neighborhoods in a positive and upward trajectory. Instead, targeting of limited resources over a sustained period will significantly increase the likelihood of tipping a neighborhood from marginal to marketable.

■ Targeting resources, with a focus on neighborhoods adjacent to Downtown San Antonio, could optimize the City's plan for creating 5,000 residential units in the downtown area. In designating targeted neighborhoods, the City can capitalize on the investments made by other entities. SAHA's Choice Neighborhood investment in the Wheatley neighborhood is the best example for implementing this policy. The City's contribution above and beyond SAHA's $30 million investment in redevelopment will further advance the authority's objectives and provide the City with enormous opportunity to leverage housing, public infrastructure, public facility, an opportunity for acquisition of vacant property for re-use, demolition of economically infeasible structures, and social service enhancements on a level unimaginable without such a partnership.

■ Improving housing in most of the City's central neighborhoods will require expanding the focus to include comprehensive neighborhood revitalization, thus increasing the City's ability to improve the quality of life for residents. Expanding affordable housing opportunities also means improving employment opportunities and linkages between where residents live and where they work. Decisions on where to target limited resources will need to focus on areas that present the best opportunities citywide, and not always on those in greatest need.

Key Findings: Rental Housing

The most obvious trend presented by the data analysis in the Needs Assessment is the strong demand for affordable rental housing. This is supported by the following facts:

- 57% of renter households with incomes below 80% of the median are cost burdened and paying more than 30% of income on housing (equal to over 118,000 renter households)

- Almost 6% of all renter households (over 11,000) are overcrowded

- Housing problems were most common among renters under age 25 or above age 75, a fact that can largely attributed to limited or fixed incomes among these age groups

- More than 116,000 renter households had incomes below $35,000 and could not afford the two-bedroom Fair Market Rent of $842/month

- There are more than 13,000 households on the waiting list for public housing and Section 8 vouchers, virtually all of which (99.9%) are extremely low income with incomes below 30% of the median

- Projection data estimates reveal another 6,800 renter households with incomes below 80% of median are expected to reside in San Antonio by 2016

- Existing demand calculations for rental housing that is affordable to households below 80% of median revealed a total need of 103,342 units, with existing demand for LMI rental units exceeding projected demand by a factor of 15

Notably, there are also several trends that appear to be contradictory to a growing demand for affordable rental housing, such as:

- A rental vacancy rate of almost 11% in the City, equivalent to more than 22,000 units.

- The presence of a large military population, which generally tightens a rental housing market due to strong demand, and

- The issuance of more than 33,000 permits for new multi-family housing between 2000 and 2010.

Key Findings: Owner Housing

While renter housing demand greatly exceeds owner housing demand in San Antonio, there remains a significant challenge to address owner housing. The facts supporting this statement include the following:

- The homeownership rate fell from 58.1% in 2000 to 56.5% in 2010

- Foreclosure rates were highest in predominantly lower-income Hispanic neighborhoods, where the lowest rates of homeownership were found

- More than 3% of all owner-occupied units were identified as substandard, equating to 8,500 units

- Projection data estimates reveal another 4,200 owner households with incomes below 80% of median are expected to reside in San Antonio by 2016

- Existing demand calculations for owner housing that is affordable to households below 80% of median revealed a total need of 39,332 units, with existing demand for LMI owner units exceeding projected demand by a factor of 9.4

Fortunately, the sales market in San Antonio is an inherently affordable one: median income households earning $45,457 can afford more than 50% of the sales market homes. Furthermore, in recent years, about 25% of the sales market has been affordable to households at 80% of median, indicating an affordable housing market for a segment of the lower income population in San Antonio. However, a vacancy rate of only 1.9% exists among owner units, indicating a lack of adequate inventory for future homebuyers.

➤ **Targeting Resources**

1 **Designate three or four central neighborhoods for intense targeting of resources for a pre-determined number of years.**

a. Potential "Reinvestment Neighborhoods" might include the areas of Wheatley/North, Edgewood, Palm Heights, Harlandale, and University Park Blueridge based on the location of planned bond-funded projects, public improvement projects, active and cohesive neighborhood organizations, development incentive policies, convenient access to major employment centers, etc.

b. Extend the designation for a period of no less than five consecutive years during which an annual allocation of CDBG and HOME funds is guaranteed for eligible activities in each target area. In addition, give funding preferences to projects requesting City resources in these neighborhoods.

c. For each designated neighborhood, establish baseline data prior to any investment. Indicators might include renter occupancy rate, homeownership rate, vacancy rate, assessed home value, median sales value, unemployment rate, etc.

d. Establish specific benchmarks for addressing identified housing needs within the City (e.g., creation of *xxx* number of rental units for households at various income tiers). These benchmarks should directly correspond to the City's Strategic Plan in its Consolidated Plan.

e. At the end of the five-year designation, re-assess all indicators. Thereafter, assess all indicators every three to five years to track the impact of the public investment.

2 **Designate a HUD Neighborhood Revitalization Strategy Area (NRSA) that meets all requirements of CPD Notice 96-1 in the Wheatley neighborhood of SAHA's Choice Neighborhood Implementation initiative.**

a.   As a CDBG entitlement community, the City can create a HUD approved NRSA where new investment would benefit from the easing of some of the regulatory requirements of the CDBG program. To qualify, the neighborhood must include a contiguous area, primarily residential in nature, with a percentage of low- and moderate-income persons that is equal to the upper quartile percentage or 70%, whichever is less, but not less than 51%. The Wheatley neighborhood is one area in the City that meets these criteria.

b.   The NRSA designation would enable the City to (i) qualify job creation/retention and housing activities on an aggregate basis (rather than on a per-business or per-unit basis) for the entire area, (ii) be exempted from the one-job-per-$35,000-investment requirement, and (iii) exceed the regulatory 15% cap on public service activities.

c.   Devise a five-year plan for major capital investments within the NRSA.

d.   The NRSA must be reviewed and approved by HUD prior to implementing it. The NRSA should be submitted as an appendix to the City's next Consolidated Plan and approved.

3 **Partner with SAHA to implement an acquisition/rehabilitation initiative focusing on available vacant multi-family properties within one quarter mile of public transit stops and stations and in proximity to major employment centers.**

a.   The City can identify, acquire and assemble eligible properties that can be transferred to SAHA for redevelopment. SAHA can rehabilitate and manage the structure, selecting eligible tenants from its waiting lists for public housing and Section 8 vouchers.

4 **Preserve the existing affordable housing stock.**

a. Revise the City's owner-occupied rehabilitation program guidelines to allow forgivable loans for households below 50% of the median. This would provide additional incentive for extremely and very low income households to maintain their homes.

b. Revise the City's owner-occupied rehabilitation program guidelines to allow forgivable loans for households below 80% of the median located within one-half mile of public transit stops and stations, and in the designated Reinvestment Neighborhoods.

➤ **Affirmatively Furthering Fair Housing**

1 **Create opportunities for new mixed-income housing in lower income neighborhoods through an aggressive acquisition, demolition, land banking, and new construction initiative.**

a. Within the designated Reinvestment Neighborhoods, devise a plan for the identification of vacant and blighted structures that can be acquired by the City (or its agent) for demolition and land banking. The primary objective should be the identification of numerous structures within a block for the purpose of packaging larger parcels of land for resale and redevelopment.

b. Once eligible structures have been demolished, seek proposals from eligible developers for new construction of mixed-income sales and/or rental housing that addresses an identified housing need within the City.

c. Create a selection of residential design features that are compatible with surrounding buildings to guide appropriate redevelopment initiatives.

2

Create opportunities for new affordable housing in the downtown area and outside of the I-410 loop neighborhoods.

a. Expand housing choice for lower income minorities to non-traditional neighborhoods by requiring an affordable housing set-aside for all residential initiatives that receive any amount of public financing. Whether City bond financing or federal CDBG funds, if a developer proposes residential units in downtown San Antonio or outside of the I-410 loop, require that a minimum of 10%-15% of the total number of dwelling units be made affordable to households earning between 60%-120% of the median income. It is understood that City CDBG funds can only be used for households at or below 80% of median.

b. With the City's HOME funds, give preference to affordable housing activities proposed outside of predominantly lower income minority neighborhoods. Increase the per-unit subsidy for new affordable housing development in high-cost areas.

c. Consider partnering with the SAHA to provide project-based vouchers, to the extent possible, for housing developments outside of the I-410 loop and near major employment centers.

3

Develop a Neighborhood and Site Selection policy (similar to the policy required as part of the HOME program) to guide development of affordable rental housing outside of predominantly lower income minority neighborhoods.

a. Clearly stated, objective criteria should become a part of the annual decision-making process. Criteria should reflect the City's goals for achieving its vision:
   • The project is located with one quarter mile of a transit stop or station
   • The project proposes to provide 30% of the total units as affordable to renter households earning below 80% of the median income
   • The project is located within a 20-minute commute of a major employment center
   • The developer is leveraging 50% of the total development costs.

b. In developing its Neighborhood and Site Selection policy, the City should consider the Qualified Allocation Plan adopted by the Texas Department of Housing and Community Affairs, which since 2012 has incorporated measures carrying the intent and effect of affirmatively furthering fair housing.

4 **Create opportunities for high density housing along major corridors served by public transit.**

a. Increase maximum zoning densities permitted along major public transit routes to incentivize higher density, mixed-income, multi-family dwelling communities.

b. Designate transit-oriented development districts within a quarter-mile radius of major transit stops and multi-nodal facilities. Within each TOD district, provide a density bonus to developers who agree to provide 30% of all housing units as affordable for households up to 80% of the median income.

c. Extend the City tax abatement incentives to affordable rental housing developments (including mixed-income) to projects occurring under TOD zoning provisions and/or along major transit corridors. By restricting the location of residential tax abatement to these areas, the City can guide higher density housing near major employment centers north of Downtown and along thoroughfares served by public transit now and in the future.

5 **Waive or decrease by 50% the building, permit and impact fees for all new rental housing made affordable for households up to 80% of the median income.**

6 **Ensure that the approval process for new multi-family housing development is objective and consistent with fair housing standards.**

a. If a council member's approval is required for only publicly financed rental housing projects proposed for its district, while market-rate rental housing proposals are not subject to the same scrutiny, then this may be a discriminatory act. It also allows for NIMBY-ism to kill an affordable rental housing project for which demand is very high. Leaving room for discrimination in the local approvals process exposes the City to potential legal challenge.

1 **Utilize Tax Incremental Financing (TIF) proceeds to retire Section 108 loan debt.**

   a. In FY 2013, the City was required to allocate $4.8 million of CDBG funds to retire existing Section 108 loan debt. This amounted to 42% of the City's total CDBG grant. This required debt service on the Section 108 loan prevented the City from investing limited CDBG resources on other eligible activities. The City should consider combining Section 108 and TIF to reduce the need for repayment of Section 108 loan debt with its annual CDBG allocation. The City could overlay a TIF district where it is expanding infrastructure though Section 108 loan funded projects. If this were to occur, the City could use TIF proceeds to retire Section 108 loan debt and use annual CDBG funds on actual projects instead of debt repayment.

2 **Provide incentives to major employers who create employer-assisted housing programs for homebuyers.**

   a. Participating employees should be given high priority in the City's downpayment and closing costs assistance program.

   b. The City could provide property tax rebates for households who participate in this type of program.

Appendix A
Inventory of Public and Assisted Housing

Public Housing Properties

Name	Total Units	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	Single-Family	Family	Senior	Accessible
Alazan-Apache Courts	741		698, various sizes					43	X		
Blanco Apartments	100									X	
Blue Ridge	82							82	X		
Cassiano Homes	499								X		
Charles Andrews	52								X		X
Cheryl West	82								X		X
Col. George Cisneros	55		51		4					X	
College Park	78		78 1BR and 2BR							X	
Cross Creek	66		66 1-4BR						X		
Christ the King	48									X	
Escondida Apartments	15		15							X	X
Fair Avenue	216	129	86						X		X
Francis Furey	66								X		
Frank E. Hornsby	59								X	X	X
Glen Park	26			26						X	
Henry B. Gonzalez	51									X	X
Highview Apartments	68								X	X	X
Jewett Circle	75		69	6						X	
Kenwood Manor	9			9				9	X		
Kenwood North	53		53 1BR and 2BR							X	
L.C. Rutledge	66		66 1-4BR						X		
LeChalet Apartments	35		35 1BR and 2BR							X	
Lewis Chatham	119									X	
Lila Sockrell	62		56	6						X	X
Lincoln Heights	338		338 1-4BR						X		
Linda Lou	10		10							X	X
Madonna	60		60 1BR and 2BR							X	
Marie McAguire	63	42	15	6						X	
Midway	20		20							X	X
Mirasol	174			20	67			87	X		
Mission Park	100		100 1-5BR						X		
Morris C. Beldon	35		35 1-3BR						X		
O.P. Schnable	70		66	4						X	X
TOTAL	**3,593**										

Note: Does not include scattered-site units

Source: San Antonio 2010-2014 Consolidated Plan

Tax-Credit Properties

Development Name	Total Units	Percent Occupied	Percent Minority	Percent Below Poverty Line	Development Name	Total Units	Percent Occupied	Percent Minority	Percent Below Poverty Line
1837 WOODLAWN	2	100	79	7	PARQUE DE ORO APARTMENTS	198	99	80	18
519 ELMHURST	1	100	58	26	PRIMROSE AT MISSION HILLS	252	100	76	27
762 G STREET	2	100	95	23	PRIMROSE AT MONTICELLO PARK	248	100	80	18
767 G STREET	2	100	95	23	RANCHO SIERRA	280	100	90	34
771 G STREET	2	100	95	23	REFUGIO PLACE APARTMENT HOMES	210	50	91	33
92142 SUTTON DRIVE	18	100	85	24	ROSEMONT AT HIGHLAND PARK	252	100	95	23
951 F STREET	2	100	96	31	ROSEMONT AT MILLERS POND	176	80	91	26
ARBORETUM APARTMENTS THE	136	41	48	12	ROSEMONT AT UNIVERSITY PARK	240	100	86	42
ARTISAN AT SALADO CREEK (SAN	200	80	95	28	SA UNION PARK APARTMENTS	100	100	85	23
ARTISAN ON THE BLUFF	250	100	53	32	SA UNION PINES II APARTMENTS	152	100	88	24
BABCOCK NORTH EXPANSION	72	100	54	8	SADDLEBROOK APARTMENTS	412	99	73	22
BENTLEY PLACE APARTMENTS	208	80	64	10	SAGEWOOD APARTMENTS	336	100	88	21
BEXAR CREEK	72	85	99	24	SCIENCE PARK SENIORS	120	75	87	26
BRIGHTON TERRACE APARTMENTS	31	100	87	20	SETON HOME CENTER FOR TEEN MOMS	24	100	93	31
BRIGHTWAY MANOR APARTMENTS	23	100	64	17	SPRINGHILL APARTMENTS	132	100	74	27
CALCASIEU APARTMENTS THE	49	100	70	37	STONEHOUSE VALLEY APARTMENTS	248	100	51	8
COSTA DORADA	248	75	76	27	SUMMERCITY TOWNHOMES	200	75	88	26
DINEEN ARMS	3	100	88	45	THE VILLAS AT COSTA BISCAYA	250	100	74	27
FRANK E. HORNSBY JR. SENIOR	58	100	81	29	THE VILLAS AT COSTA CADIZ APARTMENTS	172	100	81	29
HOMESTEAD APARTMENTS	0	0	79	26	TIGONI VILLAS	140	80	91	33
HUNTER'S GLEN TOWNHOMES	144	75	93	32	VERA CRUZ SENIOR CITIZENS	9	100	97	30
LAGO VISTA VILLAGE	90	74	99	38	VERA CRUZ SENIOR CITIZENS	20	100	0	0
LEGACY AT O'CONNOR ROAD	150	75	49	9	VILLA DE ORO APARTMENTS	174	100	94	18
MARBACH MANOR APARTMENTS	123	100	78	20	VILLAS AT COSTA BRAVA	240	63	71	9
MAVERICK APARTMENTS	90	83	70	37	WESTCREEK TOWNHOMES	220	75	46	5
MAYFIELD GARDENS APTS	50	100	95	26	WETGATE APARTMENTS	48	100	58	26
MCMULLEN SQUARE APARTMENTS	100	87	99	30	WHITEFIELD PLACE APARTMENTS	80	60	76	27
MONTICELLO MANOR APARTMENTS	154	99	78	20	WOODMANOR DUPLEX HOMES	26	100	0	0
OUTSPAN TOWNHOMES	200	60	0	0	WURZBACH MANOR APARTMENTS	161	99	71	23
PALACIO DEL SOL	200	100	89	44	**Total**	**8,004**	**84.0%**	**75.9%**	**21.6%**
PARK ON GOLDFIELD APARTMENTS	204	87	74	27	*Source: HUD Picture of Subsidized Housing, 2008*				

Project-Based Section 8 Properties

Development Name	Total Units	Percent Occupied	Average Monthly Rent	Percent with Incomes below 30% MFI	Percent Below Poverty Line	Percent with Disability	Percent Black	Percent Hispanic	Percent Minority
ANTIOCH SAN ANTONIO PARTNERS LP	96	93	155	93	26	20	84	6	88
AURORA APARTMENTS	105	95	208	86	26	83	14	46	80
CANDLERIDGE APARTMENTS	70	95	231	72	20	27	14	77	78
CHEYENNE VILLAGE APARTMENTS	60	99	177	82	32	27	0	100	98
CHISOLM TRACE	126	94	222	74	22	31	12	34	61
COUNTRY CLUB VILLAGE	82	99	253	64	15	110	1	66	73
GRANADA HOMES	250	95	217	79	37	0	1	73	70
INDEPENDENCE SQUARE	9	86	244	64	25	100	36	14	84
INGRAM SQUARE APTS	120	99	225	78	26	29	5	88	87
LAS PALMAS GARDENS APTS	100	63	245	73	36	10	0	97	98
LASKER O. HEREFORD APTS	40	98	223	84	2	100	0	47	50
MCMULLEN SQUARE	100	96	233	78	30	10	3	94	99
MT. ZION SHELTERING ARMS	40	91	231	76	31	0	89	11	96
PALACIO DEL SOL	200	99	205	92	44	0	2	95	89
PAN AMERICAN LEAGUE HOMES	100	91	165	88	24	18	4	91	99
PECAN HILL APTS	100	91	239	72	14	100	12	40	54
PIN OAK APARTMENTS	50	89	216	78	15	100	4	63	73
ROSEVILLE APTS	88	94	237	71	26	100	98	0	88
SACRED HEART VILLA	48	98	199	92	30	0	6	94	97
SAN JOSE APARTMENTS	220	89	201	81	45	23	1	95	88
SUNSHINE PLAZA APTS	100	92	218	81	15	100	6	69	62
SUTTON SQUARE DUPLEXES	30	96	174	94	24	14	9	84	85
UNION PARK APARTMENTS	100	97	223	84	23	19	2	93	85
UNION PINES APARTMENTS	152	98	173	89	24	17	1	91	88
VILLA ALEGRE	40	87	204	85	24	33	0	100	80
VILLA DE AMISTAD	107	97	218	84	23	100	0	92	93
VILLA O'KEEFE APTS	50	95	211	92	13	40	60	8	73
VISTA VERDE APARTMENTS	190	93							
WEST AVENUE APTS	150	95	234	77	14	28	2	88	75
WEST DURANGO PLAZA	82	75	174	79	27	0	5	95	98
WEST END BAPTIST MANOR	50	96	238	68	27	31	13	87	98
WESTMINSTER SQUARE	107	97	233	65	20	100	6	65	85
WHITEFIELD PLACE APTS	80	98	247	71	27	24	4	94	76
WILLIAM BOOTH GARDENS APTS	95	98	220	81	26	100	1	80	92
WURZBACH MANOR APTS/115-N1010	161	95	260	69	23	12	35	42	71
Total	**3,498**	**93.6%**	**216**	**75.2%**	**25.3%**	**36.3%**	**11.6%**	**68.2%**	**77.6%**

Source: HUD Picture of Subsidized Housing, 2008

Affordable Housing Financed through Other HUD Sources

Development Name	Total Units	Percent Occupied	Average Monthly Rent	Percent with Incomes Below 30% MFI	Percent Minority	Percent Black	Percent Hispanic	Percent Below Poverty Line
200 OBLATE INC. MURRAY MANOR	16	90	280	59	50	18	32	17
BEXTON PLACE	54	96						
BUD O'KEEFE VILLAGE	18	100	230	71	65	6	53	10
CASA DE AMISTAD INC.	61	88	223	78	91	0	91	18
CASA DE ESPERANZA APTS	69	94	233	70	54	4	45	10
CATHERINE BOOTH APARTMENTS	61	96						
CHARLES A. GONZALES SENIOR COMMUNITY RESIDENCE	60	99	205	86	98	0	98	36
ERNEST M. OLIVARES SENIOR COMMUNITY RESIDENCES	59	98	219	81	93	0	93	58
FRIO CROSSING	68	99	210	79	65	5	56	12
GLENNWOOD APARTMENTS	100	96						
GUILD PARK APARTMENTS	114	87	219	87	97	1	96	26
LASKER VILLAGE APTS	24	99	214	88	79	67	13	13
MEADOW BROOK APTS	16	100	260	61	22	11	11	5
MONARCH PLACE APTS	20	95	208	82	0	0	0	18
NEWELL RETIREMENT	54	95	225	81	76	43	33	12
OAK KNOLL VILLAS	61	86	239	77	58	2	53	26
OAK MANOR APARTMENTS	100	95	211	80	93	42	42	27
OAK VILLAGE APTS	128	95	203	82	91	50	30	27
OKEEFE GARDEN BROOK	58	97	232	77	84	5	75	10
OXFORD TRACE	12	90	221	75	50	25	25	10
PALACIO DEL SOL II	22	99	197	92	96	0	96	44
REAGAN WEST	15	79	168	79	93	0	93	33
REGAL VILLAGE	24	100	212	77	59	18	41	12
SAN ANTONIO VOA ELDERLY	67	46	231	71	69	4	58	-2
SA-VOA LIVING CENTER	14	90	226	67	27	0	20	10
SPRINGHILL I APARTMENTS	143	79	155	89	85	47	33	27
SPRINGHILL II APARTMENTS	125	88	145	93	87	63	16	27
VICEROY APTS	18	96	208	88	31	13	19	13
VILLA DE VALENCIA	104	71	157	88	84	43	41	9
WOODHILL APARTMENTS	50	89	219	71	67	11	56	8
CHAMINADE APARTMENTS	200	94	242	71	86	0	86	33
RIDGECREST APARTMENTS	152	95	254	79	83	10	72	14
Total	**2,087**	**90.0%**	**215**	**72.0%**	**71.8%**	**18.5%**	**50.5%**	**19.5%**

Source: HUD Picture of Subsidized Housing, 2008

Puerto Rico

State Housing Plan: 2011-2015

Government of Puerto Rico
September 7, 2011

Contents

LETTER OF THE GOVERNOR OF PUERTO RICO, HON. LUIS G. FORTUÑO

LETTER FROM THE GOVERNOR OF PUERTO RICO
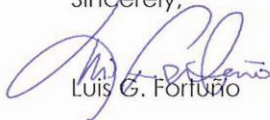**HONORABLE LUIS G. FORTUÑO**

I am pleased to present the *State Housing Plan for Puerto Rico: 2011-2015*. The plan fully recognizes the fact that housing cannot be isolated from the social and economic environment and will provide the tools to integrate approaches along a wide range of policy areas to assure that Puerto Rico will meet its housing needs. In October 2010, I established a Housing Task Force and charged them with developing a market-based housing plan. This plan identifies our current and projected housing needs, the challenges we face, and sets out a framework for addressing them.

As you know, Puerto Rico has experienced a very serious recession over the last five years. This has worsened conditions that were accumulating for decades. According to the 2010 Census 45% of our population has incomes below the poverty line. In addition, our population is rapidly aging, which has a major impact on social and, specifically, housing needs.

The State Plan addresses Puerto Rico's housing needs within the described context and assigns priorities for government policy in response to projected needs. Thus, a major priority is addressing the housing needs of the elderly and of other special needs populations. It does so, within a broader social, economic and urban development environment, and makes the appropriate policy recommendations so that policies related to subjects such as local development, urban planning, land use, and permitting support the satisfaction of housing needs.

As we move from planning to implementation, I commend the efforts of the Task Force in developing this strategy. We look forward to working together to make this plan a reality, and incorporating policy reforms for affordable housing development and specifically public housing into the future of housing in Puerto Rico. We appreciate the support that the US Department of Housing and Urban Development has provided for this effort, as well as the commitment shown by government officials and citizens in moving the housing agenda forward.

Sincerely,

Luis G. Fortuño

SECRETARY SHAUN DONOVAN'S LETTER

I am pleased to congratulate Governor Fortuño on the release of Puerto Rico's first comprehensive housing plan. With this plan, the Housing Task Force recognizes that addressing affordable housing is about more than building homes – but also about building safe, healthy neighborhoods of opportunity with jobs and transportation options every family needs to be a part of winning the future.

This plan arrives at an important moment. In October 2009, I asked Assistant Secretary for Community Planning and Development, Mercedes Márquez, to represent HUD on the President's Task Force on Puerto Rico's Status. Since that time, she has worked with Governor Fortuño, Secretary Hernandez, and other stakeholders in Puerto Rico to support the efforts of the Housing Task Force through a Memorandum of Agreement to provide capacity building and technical assistance – efforts lauded in the Task Force report released earlier this year.

These efforts—and this plan—recognize that no matter how large the federal grant or well-crafted the policy, no community can succeed without strong local leadership and institutional capacity. Ensuring every community has the capacity to tackle its toughest challenges requires a different kind of federal partner –

one that recognizes one size doesn't fit all. That is why we are transforming the way we do technical assistance with HUD grantees through our OneCPD initiative, Section 4 Capacity Building program, and the comprehensive planning tools provided by our Office of Sustainable Housing and Communities. As implementation of the Housing Plan begins, we will continue to integrate our investments, including public housing, so that these tools will help us go beyond oversight and program compliance to provide the kind of innovative, cross-cutting technical assistance Puerto Rico needs to improve performance and better respond to needs of local families.

And so, with this Housing Plan, Puerto Rico partnered with HUD to embrace more than just a pilot project – but a new way of doing business, the lessons and results of which will benefit countless communities across the country. As Puerto Rico continues to build and grow its housing and community development strategies and capacity, HUD and the Obama Administration will continue to be a partner, ensuring that taxpayer dollars produce results for families and communities alike.

Sincerely,

Shaun Donovan
Secretary

EXECUTIVE SUMMARY

The State Five Year Housing Plan ("State Plan"or "Plan") covers the period 2011-2015. It assumes as its basic foundation the results of the study on *Housing Supply and Demand Factors*, completed in 2011. The State Plan is based on the premise that housing is not just the provision of shelter. Housing is part of an intricate web of relationships that incorporate factors in different areas and require integrated approaches. Thus, housing policies cannot be considered in isolation from economic, social and physical factors.

The State Plan takes into account the socio-economic and fiscal conditions that characterize Puerto Rico and that will most likely prevail in the Plan period. Therefore, an economy that has been in recession for the last five fiscal years and whose growth is projected to be moderate in the next five is included among these conditions.

Puerto Rico is moving toward a demographic condition characterized by having the age cohorts above 40 increasing rapidly and those below that age falling. By 2020, the over 65 population is expected to be 16.4% of the population compared with 11.2% in 2000. This demographic transition will impact the housing market, requiring specific approaches not only for providing shelter, but also for providing the complementary services.

Given the fiscal situation in the U.S. and Puerto Rico and the probable impact of the debt ceiling agreement recently made into Law, it is to be expected that federal funding of discretionary programs, including those related to housing will not grow. What is emphasized in the Plan is the better use of existing funds and budget reallocation to support affordable housing programs. For example, in the case of Puerto Rico, the Government has in place incentives to stimulate the purchase of homes. The recommendation is for these incentives to be used in the future exclusively for affordable housing. Likewise, leveraging available state resources with private and community resources is a key concern.

The State Plan lays out the needs for affordable housing for the working population, for the elderly and for populations with special needs, such as those who are homeless. For the five year period the estimated number of units required is 34,693, of which some 10,919 are new rental units for the elderly and 3,646 are for homeless and the rest, some 24,208, for low, very low and moderate income households. The estimated investment to satisfy these needs is approximately $2.2 billion for the five year period, of which of $1.07 billion in resources have been identified. The Housing Policy and Implementation Committee (HPIC) will identify additional resources that are important for the implementation of the Plan.

In addition to outlining specific policies for satisfying each of the needs, the State Plan incorporates policy changes in two key areas: (1) integrating land use and urban development initiatives with the housing programs and (2) assuring that the institutional framework is the required one to advance housing policy objectives.

The Plan emphasizes the need for a strong Housing Policy that integrates social services with specific housing initiatives. Likewise, it brings together the activities of major stakeholders focused on dealing with housing issues, creating the means for coordinating the diverse services required for housing and integrated community development.

Some key steps, among others, are:

- Create a Housing Policy and Implementation Committee (HPIC) that brings together key stakeholders.

- Incorporate municipal governments in the formulation and implementation of housing policies and create Regional Housing Councils.

- Promote neighborhood stabilization and renewal through infill housing and the application of legislation on nuisance properties that can make them available for this purpose.

- Rental housing, beginning to face an affordability problem, should be stimulated and efforts to maintain Section 8 units as such are recommended.

- Promote educational campaigns aimed at improving knowledge of requirements of affordable housing programs in banking staff, CBOs and state and municipal government staffs in order to enhance their effectiveness.

- Introduce new materials and energy efficient technologies in the construction of affordable housing.

- Utilize innovative financing techniques such as the 4.0% Bond Program being developed by the Housing Department.

- The Continuum of Care Model for dealing with the homeless population has to be made more flexible, recognizing that not all homeless need to go through the different stages of the process.

- Focus government incentives exclusively on affordable housing.

- Initiate land banking and establish a Land Trust.

- Coordinate initiatives with the PR Planning Board and other government agencies to make possible location of affordable housing projects in areas in which affordable transportation is easily accessible.

- Establish a banking industry CRA entity charged with overseeing individual bank initiatives and promoting greater effectiveness in housing related CRA programs.

In addition, the State Plan incorporates an Action Plan that assigns responsibilities to the various relevant entities, and establishes metrics for evaluating progress.

INTRODUCTION

The State Plan covers a five year period, 2011-2015. The information on which the Plan is based was developed in the study on *Housing Supply and Demand Factors*, recently completed, that provides the information on current and projected affordable housing needs for Puerto Rico. Its preparation was the responsibility of the Puerto Rico Housing Task Force (PRHTF), established by Governor Fortuño through and Executive Order to support a Memorandum of Agreement with the federal Department of Housing and Urban Development Department (HUD).

The Plan is structured as follows:

- Letter of the Governor of Puerto Rico, Hon. Luis G. Fortuño
- Letter of HUD Secretary, Shaun Donovan's
- Executive Summary
- Background
- Housing Needs
- Challenges
- Framework for Policy Formulation
- Policies and Action Items
- Five Year Capital and Support Services Plan
- Action Plan

The process of drafting the State Plan involved sessions of the PRHTF in which the different aspects of the Plan were discussed and comments and recommendations received from Task Force members. The PRHTF is chaired by the Secretary of Housing and incorporates key stakeholders. The consulting firm Estudios Técnicos, Inc. provided support in preparing the Plan.

CHAPTER I:

BACKGROUND

CHAPTER I: BACKGROUND

Over the past five years, Puerto Rico has experienced a very serious recession. In addition, the demographic transition has affected the overall economy and the housing market in particular. Further investigation and analysis into these trends has assisted the Housing Task Force in making policy decisions to address housing over the next five years.

KEY ECONOMIC TRENDS

The Island's economy has experienced a contraction in real Gross National Product (GNP) since 2001 up until 2011, the most serious recession since the forties. This has had a major impact along many dimensions, outlined below. The period 2001-2011 is reflected in Figure 1.

Figure 1. GNP Real Growth – Puerto Rico
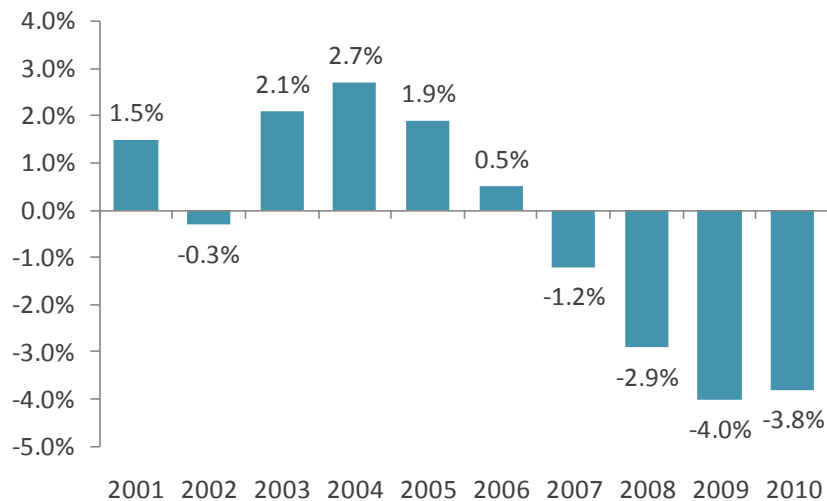
Source: PR Planning Board

The decade's economic performance has been associated with a steep fall in investment in both the private and public sectors, and particularly in construction related activities. One key indicator that reflects this is the relationship between investment in construction and real GNP. It fell from close to 18% in 2000 to less than 10.0% in 2010. The significance of this is that it has an impact on economic performance going forward (Figure 2).

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Figure 2. Investment in Construction / GNP
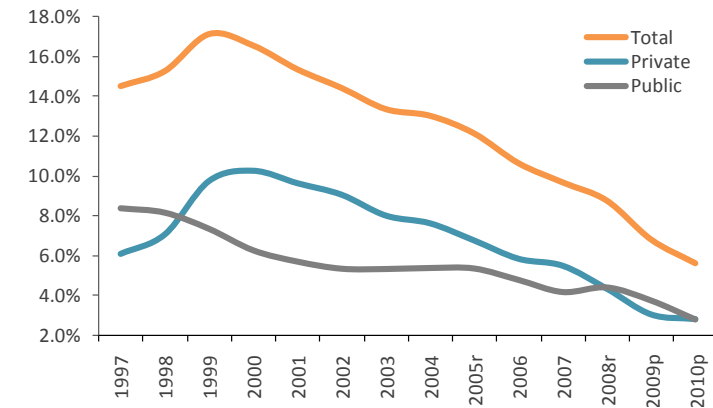
Source: PR Planning Board

The most serious implication of the economic performance in the decade has been the impact it has had on employment. Since 2007 some 160,000 jobs have been lost, mostly in the private sector (Figure 3). The unemployment rate has reached an average annual rate of 16.0% in 2010, although it has recently fallen to around 15.0%. What is perhaps of greater concern than unemployment is the fact that the Labor Force Participation Rate (LFPR) has fallen to as low as 40.2%.

Figure 3. Employment and Unemployment Rate

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	May-11
Employment	1,144	1,152	1,188	1,206	1,238	1,256	1,263	1,218	1,168	1,103	1,076
Unemployment Rate	10.5%	12.0%	12.1%	11.4%	10.6%	11.7%	10.4%	11.0%	13.4%	16.0%	16.0%
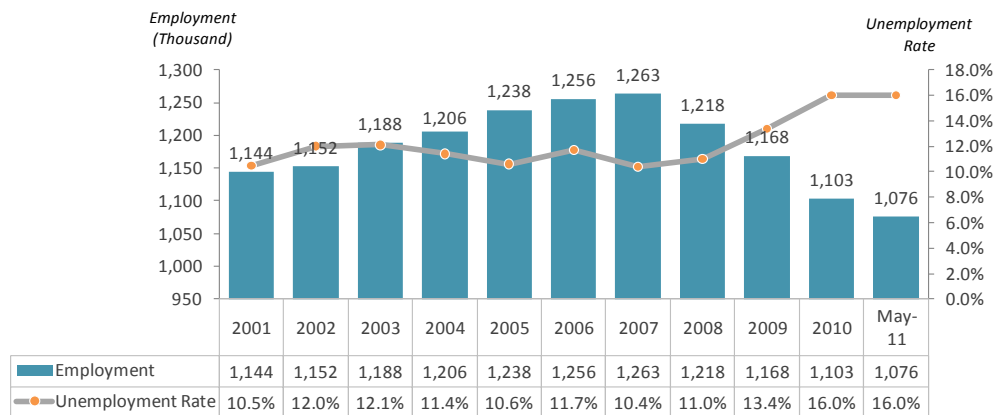
Source: PR Department of Labor and Human Resources

This is one of the lowest anywhere and essentially reflects two conditions: a large underground or unreported economy and the fact that there are a significant number of what are classified

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as discouraged individuals that are neither working nor seeking employment. In 2006 the LFPR was 47.9% falling to 42.0% on average in 2010 and 40.2% in May of 2011. What is significant is that the employment situation reflects a very low employment ratio, which at 34.0% is very low. What this means is that only 34.0% of the population between the ages of 16 and 65 is working. In Puerto Rico one employed individual supports 3.5 others in the general population.

Housing Policy issues will be dealt with in a context of little economic growth, which means that the emphasis will be placed on greater efficiency in the use of existing resources and re-allocation of funds to advance housing policy objectives. Figure 4 includes PR Planning Board projections for fiscal 2011 and 2012 and Estudios Técnicos, Inc. projections for the period 2013 through 2016. These projections have both up-side and down-side risks that could change the forecast. These relate to, for example, the price of petroleum to which the Puerto Rico economy is very sensitive, modifications in the long term interest rates and changes in Federal Government programs. Any of these could move real GNP growth in any direction. As of August, 2011, one of these factors, the price of petroleum, is having a positive impact.

Figure 4. GNP Real Growth: Puerto Rico Forecast
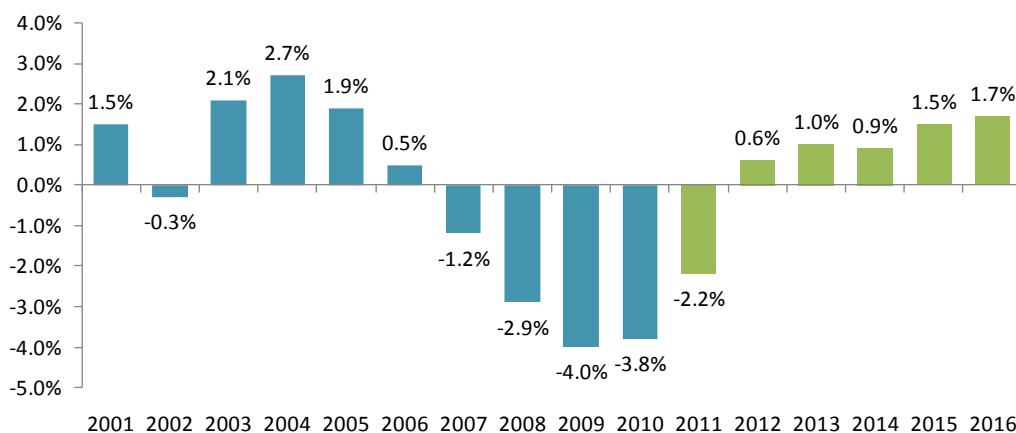
Source: PR Planning Board & Estudios Técnicos, Inc.

The importance of these projections for the five year State Plan period is that even if

projections improve somewhat, growth will not be enough to generate a significant improvement in employment. This is not too different from the mainland but, of course, the dimension of the problem is much more severe.

Recent discussions on the debt ceiling that resulted in new legislation that imposes caps on government spending will almost certainly have an impact on the availability of federal resources for certain discretionary programs. Although decisions of one Congress cannot bind subsequent Congresses, it is most likely that in the next few years expenditures will be kept under tight control. It is unlikely that new sources of revenue or public funding will be available for affordable housing.

In Puerto Rico, a very serious fiscal situation reached crisis proportions by January, 2009 and this forced the Government to take very radical measures to bring it under control. Although still very fragile, much was achieved and the structural deficit was brought down from $3.2 billion in fiscal 2010 to around $600 million in fiscal 2012. Nevertheless, the fiscal situation remains as an obstacle to increased government spending, as is clearly reflected in the 2012 Budget for the Central Government. The total Budget is $9.3 billion compared to $10.8 billion in 2010.

What both situations suggest is that it is unrealistic to expect significant increases in government spending on issues such as housing and other social programs. As indicated, this means that emphasis must be placed on leveraging existing government resources with community and private sector resources and on reallocation of resources to targeted objectives with respect to housing policies.

THE DEMOGRAPHIC TRANSITION

Population in the 2010 Census was 82,821 lower than it was in the 2000 Census. A number of factors came into play to generate this situation including a rapidly aging population as well as

massive out migration during the decade. According to Census figures, 300,000 left the Island in the period and 160,000 entered. There were major differences between both groups. Those that left were younger, had higher educational attainment, and had higher paying occupations than those that entered the Island and the population as a whole.

The situation described with respect to accelerated the aging of the population, as reflected in Figures 5 and 6. The elderly will be a major area of concern in Puerto Rico's social policies in this decade. Not only will they be a major component of the population, but will also generally be a very low income group.

Figure 5. Projected Change in Population by Age Group: 2010-2020
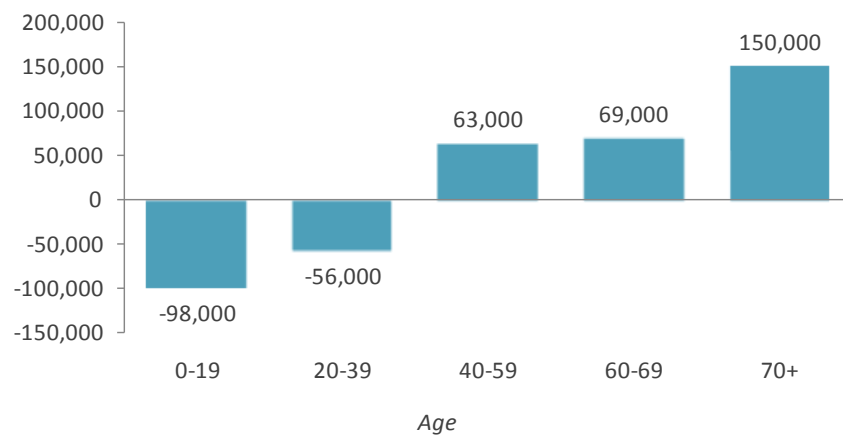
Source: PR Planning Board

Figure 6. Population for Puerto Rico by Age during 1990 to 2020
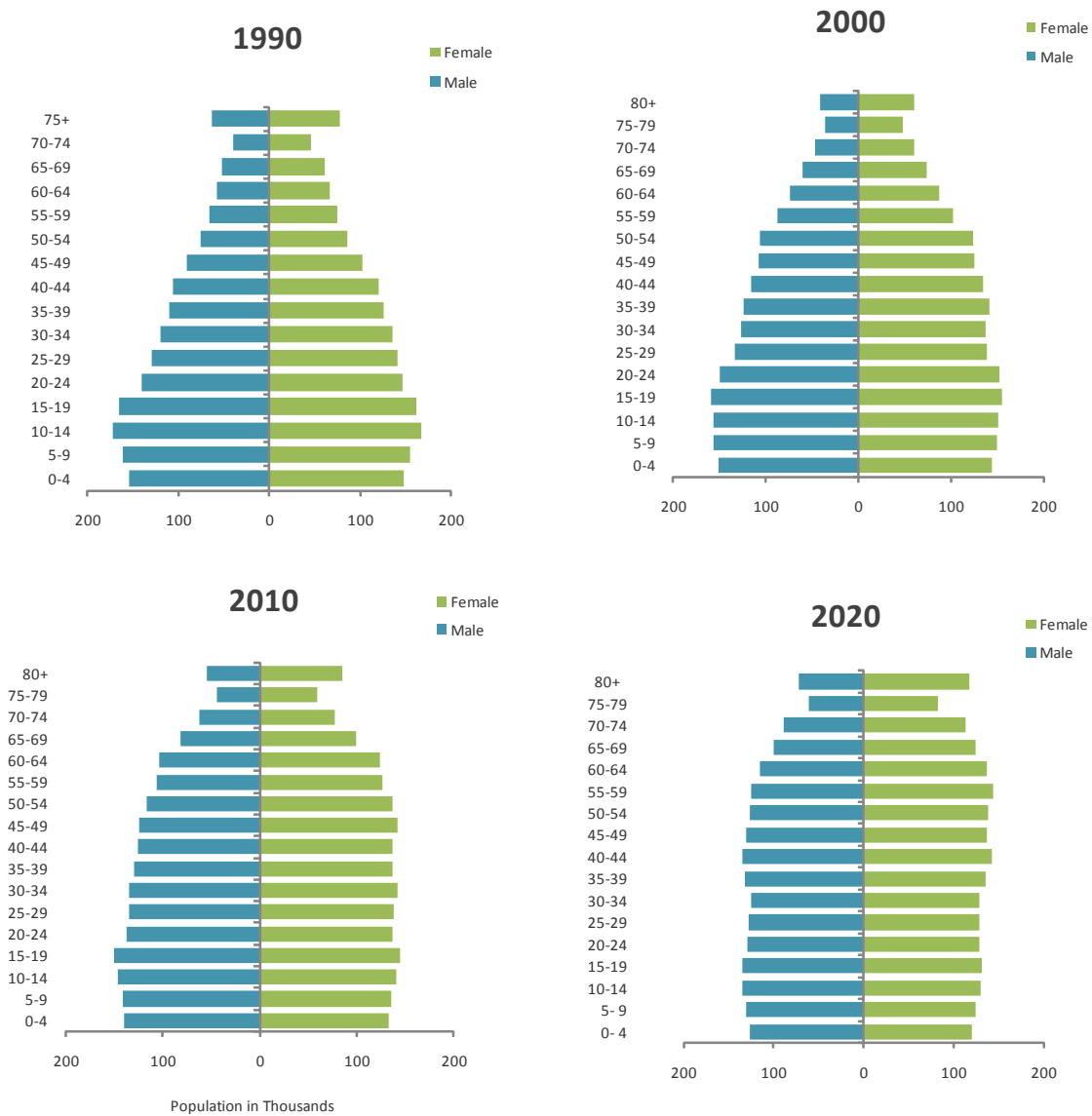
Population in Thousands.

Source: Census Bureau 1980, 1990 and 2000; and Puerto Rico Planning Board.

The loss of population is clearly reflected in the following two maps that contrast population change by municipality between the 1990-2000 Census and the 2000 and 2010 Census.

Figure 7. Population Change (Census 2000)
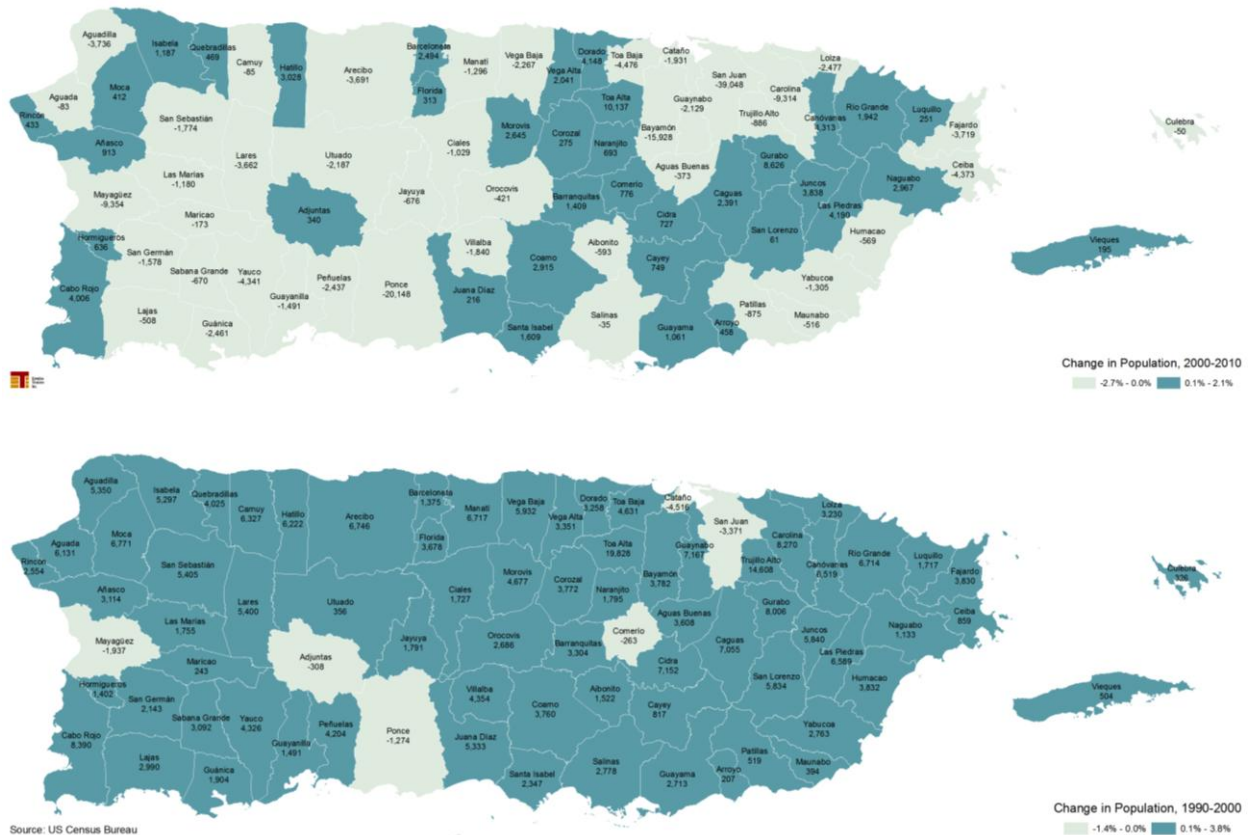
MUNICIPAL SOCIAL AND ECONOMIC CONDITIONS

Larger municipalities are considered "entitlements," as defined by statute, and receive block grant funds for housing and community development directly from HUD (see Figure 8 for a list). Smaller "non-entitlement" municipalities receive sub-granted federal funds for housing and community development through the Government of Puerto Rico.

It is useful to distinguish the entitlement and non-entitlement municipalities, since there are significant differences between them. The former occupy 42.0% of the Island but had 63.8% of the population and 65.0% of the housing stock. Figure 8 shows the distribution between both groups.

When considering unemployment rates, the non-entitlement municipalities in general had much higher rates than the entitlement municipalities. In May, 2011 only two out of twenty-seven of the latter had rates in excess of 20.0%, while in the other group, nineteen municipalities out of 51 had unemployment rates higher than 20.0%. Typically, unemployment rates were higher in the central and southeast regions. Levels of median income varied widely among municipalities as did average salary levels.

Maps generated in the *Housing Supply and Demand Factors* study, as well as a table with unemployment rates by municipality, included as an Appendix to this section of the chapter, clearly reflect the differences among municipalities. What this suggests is that housing policy in Puerto Rico has to differentiate the needs by municipality. Given the large number of municipalities a regional focus is suggested that recognizes differences but permits a more efficient approach to policy design and implementation.

Figure 8. Unemployment Rate by Entitlement and Non-Entitlement Municipalities – May 2011

Municipality	Participation Rate	Municipality	Participation Rate	Municipality	Participation Rate	Municipality	Participation Rate	Municipality	Participation Rate
Entitled		**Entitled**		**Non-Entitled**		**Non-Entitled**		**Non-Entitled**	
Aguadilla	16.3	Mayaguez	17.6	Anasco	17	Gurabo	15.1	Naranjito	18.7
Arecibo	16.2	Ponce	15.3	Arroyo	24	Hatillo	16.6	Orocovis	20.6
Bayamon	13.8	Rio Grande	17	Barceloneta	18.7	Hormigueros	15.2	Patillas	21.7
Cabo Rojo	12.7	San German	17.2	Barranquitas	18.7	Jayuya	23.1	Penuelas	19.3
Caguas	15.8	San Juan	11.8	Camuy	14.3	Juncos	19.1	Quebradillas	16.3
Canovanas	19.9	San Sebastian	17.6	Catano	19.3	Lajas	17.8	Rincon	16.7
Carolina	12.5	Toa Alta	12.7	Ceiba	18.1	Lares	15.4	Sabana Grande	16.4
Cayey	21	Toa Baja	13.9	Ciales	21.8	Las Marías	17.8	Salinas	25.1
Cidra	18	Trujillo Alto	11.1	Coamo	21.5	Las Piedras	19.5	San Lorenzo	18.3
Fajardo	19.4	Vega Baja	16.2	Comerio	22.2	Loiza	18.6	Santa Isabel	17.3
Guayama	20.8	Yauco	17.4	Corozal	20.3	Luquillo	20.9	Utuado	19.2
Guaynabo	10	**Non-Entitled**		Culebra	11.3	Maricao	24.9	Vega Alta	16.4
Humacao	22.2	Adjuntas	20.2	Dorado	13.1	Maunabo	27.4	Vieques	14.9
Isabela	17	Aguada	17.5	Florida	20.4	Moca	16.7	Villalba	18.3
Juana Diaz	17.3	Aguas Buenas	17	Guanica	21.8	Morovis	20.6	Yabucoa	26.7
Manati	17.4	Aibonito	21.5	Guayanilla	20.3	Naguabo	21.2	**Puerto Rico**	**16.0**

Source: PR Department of Labor and Human Resources
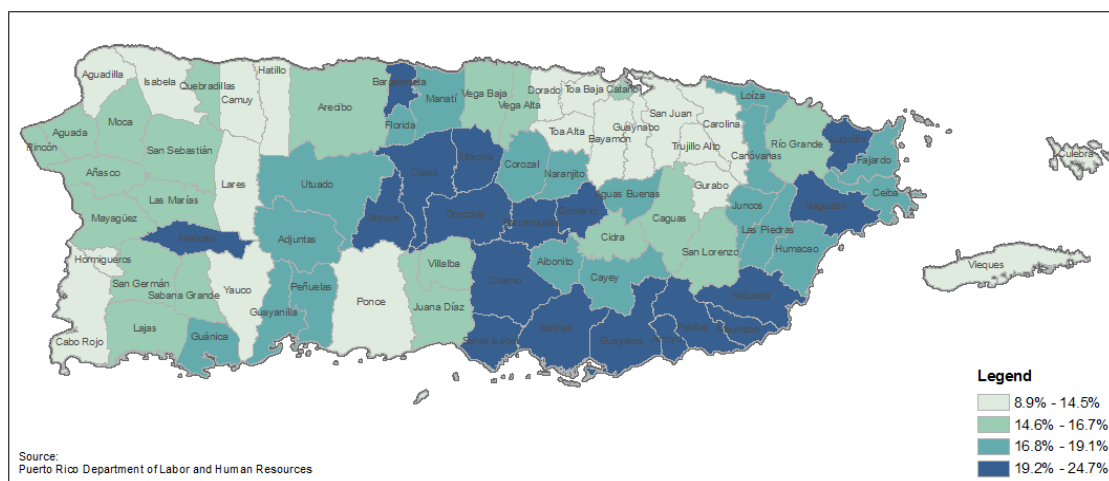
Figure 9. Average Unemployment Rate, 2010

Source:
Puerto Rico Department of Labor and Human Resources

Legend
- 8.9% - 14.5%
- 14.6% - 16.7%
- 16.8% - 19.1%
- 19.2% - 24.7%

Figure 10. Average Salaries per Worker in All Industries, 2009

Source:
Puerto Rico Department of Labor and Human Resources

Legend
- 8,642 - 10,222
- 10,223 - 11,661
- 11,662 - 14,404
- 14,405 - 25,804
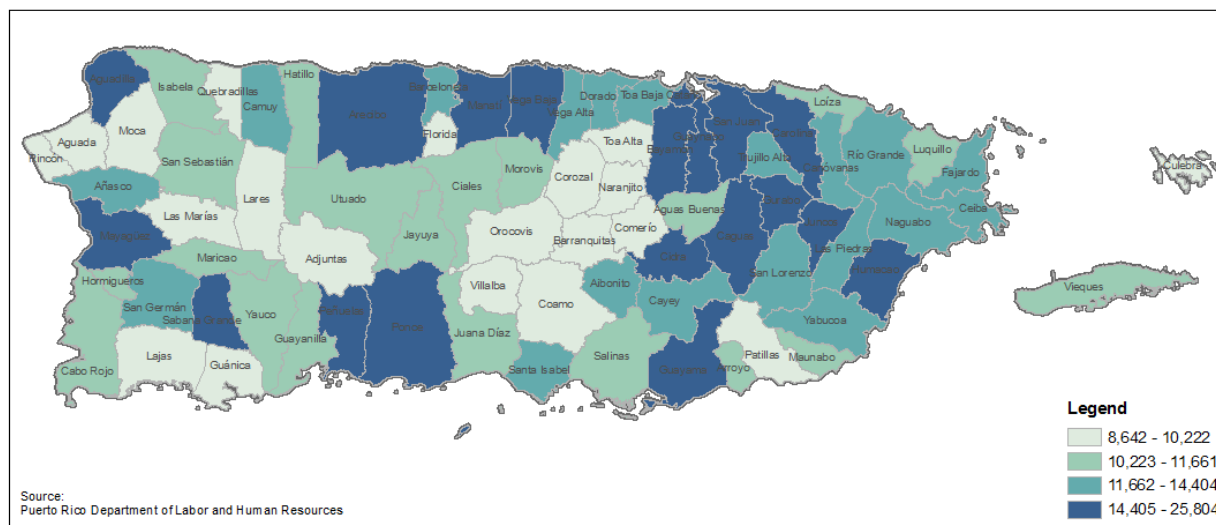
Figure 11. Change in Real Median Household Income, 2000-2009

Source:
US Census Bureau.
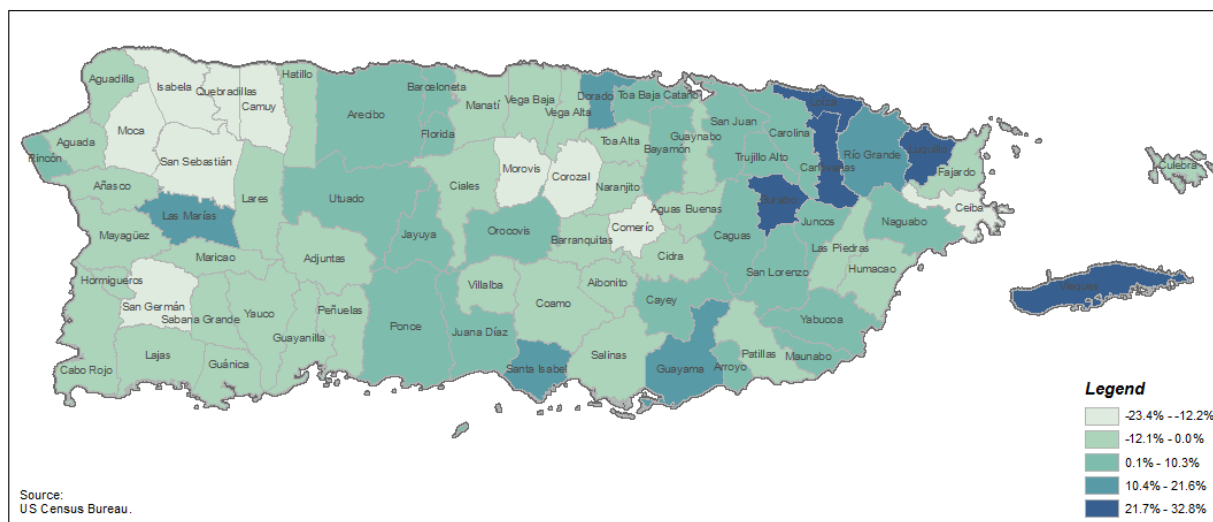
Figure 12. Median Household Income, 2009

Source:
US Census Bureau.
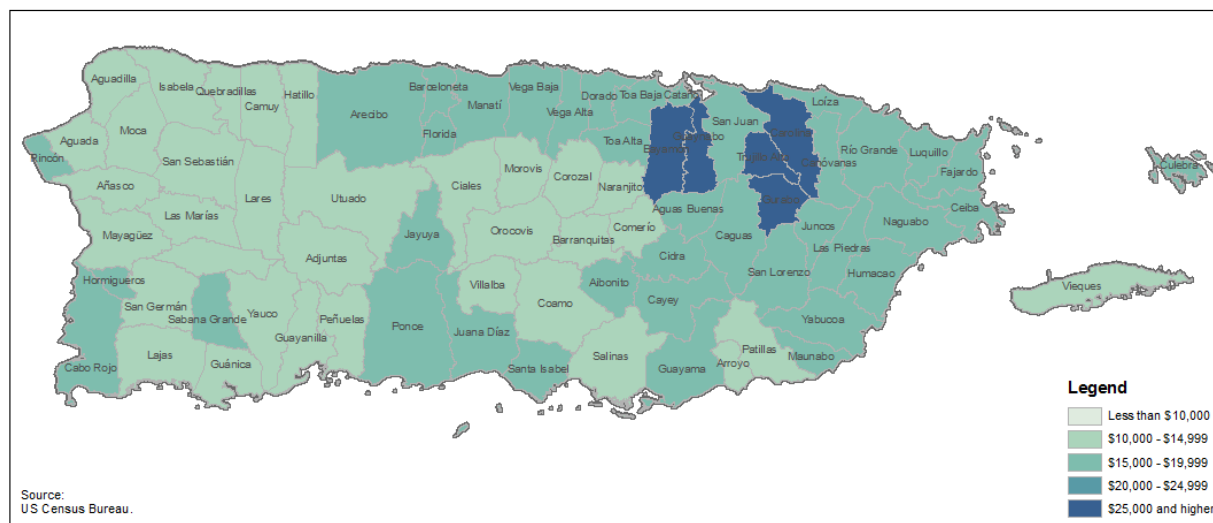
Figure 13. Change in Population, 2000-2010

Legend
- -24.3% - 0.0%
- 0.1% - 10.0%
- 10.1% - 20.0%
- 20.1% and over

Source:
US Census Bureau.
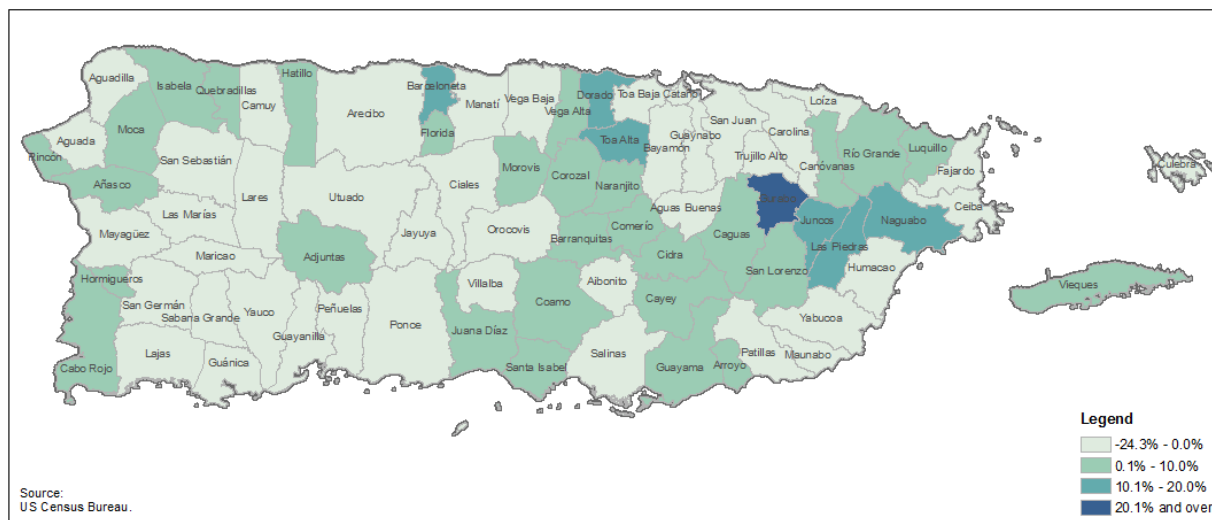
Figure 14. Percent of Population 60 Years and Older, 2010

Legend
- 13.9% - 18.1%
- 18.2% - 19.9%
- 20.0% - 21.3%
- 21.4% - 27.8%

Source:
US Census Bureau.
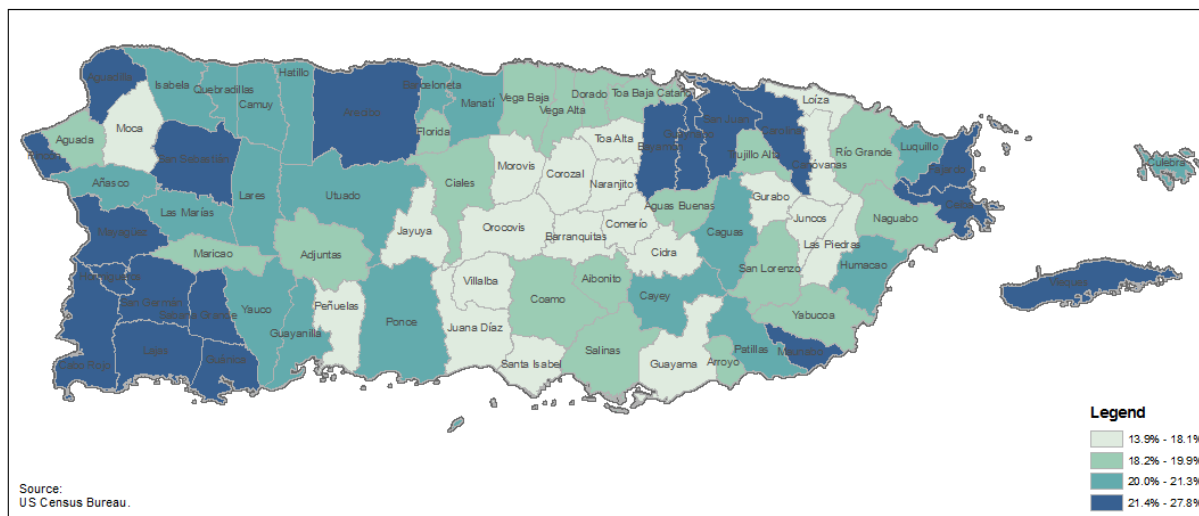
POLICY ISSUES

The State Plan addresses a number of policy issues derived from the conditions presented above and the findings of the study on Housing Supply and Demand Factors. These include the following:

- Since housing is a complex, multi-dimensional area, a comprehensive policy framework is needed that will permit coordination among the relevant agencies and programs necessary for success in housing programs.

- The above includes the need for greater coordination among affordable housing lenders to assure uniformity in selection criteria and other components of the process.

- There is also the need to assure that key stakeholders in the process, for-profit developers, banks, non-profits, Community Based Organizations (CBOs), Community Housing Development Organizations (CHDOS) and others are brought into the process of developing and implementing housing policies.

- Given the economic and fiscal picture presented, the most efficient use of federal and state resources is needed. Leveraging of these resources with private sources is also a priority concern. This, in turn, requires that the institutional framework be enhanced to make this possible.

- There are areas such as housing for the working population, the elderly and for populations with special needs that are priority concerns, since all are directly impacted by the socio-economic trends described.

- Housing Policy also needs to recognize the fact that the 78 municipalities differ greatly among themselves, have a great deal of influence in this and other policy issues and need to be part of the process for formulating housing policy.

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CHAPTER II:

HOUSING NEEDS

CHAPTER II: HOUSING NEEDS

Between 2000 and 2010, Puerto Rico experienced an increase in housing units, a net gain of 218,470 owner and renter occupied units. Housing sales diminished dramatically towards the end of the decade as a result of a recession that began in fiscal 2007.

Inventories of housing have accumulated in the non-subsidized housing market. It is estimated that over 14,000 are available in the market, of which only a very small percentage have prices below $100,000, with most of the inventory in units above $150,000.

However, there is a large gap between the projected need for housing, in particular when housing burdens are taken into account. Gross housing needs among low and moderate income households (up to 125% of the median income) will increase by nearly 17,000 households during the next five years. The housing needs of very low income households, or those with incomes below 30% of the applicable HUD median income limit, will increase the most. Estimates show that 8,914 additional low income households may form during the next five years and, in addition, 9,814 units are needed for those who are on the public housing waiting list. This brings the total gross need for very low income households to nearly 18,000 units. If we take into account the net public housing pipeline of 2,098 units, 16,630 units will be required to serve the increasing needs of very low income persons.

The housing needs of low income households, which are those with incomes between 30% to 50% of the median income, will increase by 3,932 units in the Island as a whole during 2011-2015. However, estimates show that the need may drop by 3,310 units among those households with incomes between 50% to 80% of the median. This trend is may be the result of outmigration these income earners.

To satisfy this growing need there is an estimated supply of 2,418 units financed with private, HOME and tax credit funds in development. Therefore, the net future need during the next five years is well served of upper tier of low income households. Notwithstanding the above, the

accumulated need of housing among these groups is substantial. As much as 250,000 low income households, of which 67,549 were elderly had some sort of housing problem in 2010, including cost burden, overcrowded households and substandard housing. In addition, close to 11,000 elderly households will enter the ranks of those with housing burdens within the next five years. In this context, housing activities must continue to promote the development of new housing stock. However, funds must also be allocated towards rehabilitation activities and rental housing, in particular for the elderly.

Among moderate income households, those with incomes between 80% to 125% of the median, the net housing need is expected to increase by 7,578 households. The main challenge among this income group is the cost of housing in Puerto Rico relative to their income, a gap that leads to an increase in housing burdens among the group. To address this issue, State sponsored homebuyer and rental assistance programs are needed, as well as the adoption of policies, strategies and activities leading to a reduction in the cost of housing in Puerto Rico.

Home ownership is becoming less accessible in Puerto Rico. The cost of housing is rising, household incomes are shrinking and the supply of units priced at less than $100,000 is disappearing. A key housing issue in the Island is the cost of housing. The average price of housing sold in Puerto Rico during the past five years was $175,947. A trend that is of concern is the growth in median income households. These units do not qualify for most of the federal housing programs, and many families lack the resources to purchase homes at these prices without a subsidy.

Some 431,793 owner occupied households have earnings of less than $20,000, of which 37.2% were paying more than 30% of their income toward housing costs. Moreover, although rental housing is more affordable, it is also becoming less affordable in Puerto Rico. Rents are rising while household incomes are shrinking. As a result, more renter households are becoming cost burdened. Resolving the problem will require initiatives to increase jobs and incomes and these need to be accompanied by those directed at reducing the cost of housing construction.

Although, Puerto Rico's housing stock consists primarily of owner-occupied units, additional rental units will be required to serve the needs of households undergoing increasing affordability issues, the elderly, persons with special needs and younger households, with a higher tendency to rent.

From the supply side, an area of concern is the need to build or rehabilitate inadequate and unsafe housing. Across Puerto Rico and particularly in non-entitlement areas, the majority of the owner occupied housing units were built before 1990. According to the 2005-09 Puerto Rico Community Survey (PRCS) estimates, nearly 80% were built between 1960 and 1990. Additionally, 127,634 owner occupied units, or 15%, were built in 1950 or earlier. What this suggests is that given the age of the housing stock, its rehabilitation is an issue that will require attention, and will likely become a more urgent need in the near future.

Policies should also promote the redevelopment of urban areas, in particular to serve the needs of an aging population. Nearly 82% of all housing units in Puerto Rico were single-family attached and detached structures in 2010, with very few multi-unit structures. In non-entitlement areas, multi-family housing is limited to 8.0% of all housing. Multifamily projects are much more common in San Juan.

A considerable number of affordable housing units are also at risk of conversion during the next five years. Strategies and incentives must be developed to address the issue. A total of 141 multifamily projects with 13,053 units have contracts expiring within the next five years. Although the economic situation may not motivate developers to withdraw these units from the subsidized affordable housing inventory, State and other local jurisdictions should take steps that help preserve these units under the existing programs.

In general, during the next five years more than 22,000 housing units must be developed for very low, low and moderate income households to keep pace with demographic projections.

SPECIAL NEEDS

ELDERLY

The elderly population will be the fastest growing population cohort in Puerto Rico. This group is characterized for having an income 20% below the median for Puerto Rico. The most urgent need for this population is housing in areas suitable to satisfy their recreational, health and social needs. Access to complementary services will be a major challenge given the growing number of elderly persons who will be living in rural areas, in suburban communities and places lacking adequate transportation.

The 2010 Census shows that over 67,000 elderly households had some kind of housing burden. During the next five years, this amount may increase to 78,000 elderly households.

HOMELESS

Puerto Rico conducted its most recent Point in Time Survey on January 26th, 2011. A total of 3,445 persons were identified as homeless, many of which were identified in main cities and urban areas. Of those persons identified as homeless:

- 78.5% are men
- 85.4% are born in Puerto Rico
- Median Age is 44 years
- 58.3% have children, although in the majority of the cases their children are not currently with them.
- 14.4% have been victims of domestic violence
- 5% has served in the armed forces.

When comparing data from previous counts, it is observed that the main reasons for homelessness have remained the same through the years. These are: drug addiction problems, family related problems, and problems associated with the economic situation.

To serve the needs of this population, there are 3,799 units, which may suggest that the needs are well served. However, the community serving these populations has expressed the need for transitional and permanent housing for women with children, and emergency shelters for those subjected to domestic violence. In addition, the Homelessness Prevention and Rapid Re-Housing Program (HPRP) program recently identified over 10,000 families in Puerto Rico that were found to be at risk for becoming homeless, which suggests many families may be living in precarious situations.

Between 1990 and 2000, the number of incidents of domestic violence reported in Puerto Rico gradually increased, a trend that continued between 2000 and 2006. Although the number decreased in 2007, it increased again in 2008. For 2009, preliminary data from the Police Department of Puerto Rico, points to a slight reduction in reported incidents compared to 2008. According to the available data, 8 out of 10 victims of domestic violence are women. Since 1990, the percent of domestic violence committed by men against women has consistently exceeded 85%.

There is also a gap in terms of complementary services for homeless and other special needs populations.

The estimated needs among this population are the following:

- Emergency Shelter: 638 beds
- Transitional housing: 1,506 beds
- Safe Haven: 87 beds
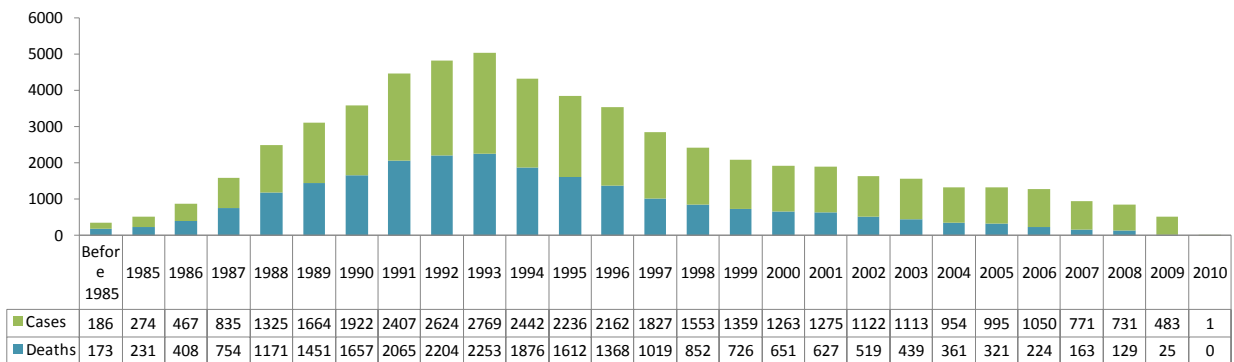- Permanent supportive housing: 1,415 beds

PERSONS WITH HIV/AIDS

A total of 34,096 AIDS cases have been reported in the Island as of March 2010. Out of these cases, 22,285 persons died, representing a fatality rate of 65%. With respect to persons affected by HIV, not AIDS, 7,917 persons were registered with the Department of Health as of

2010. Almost four out of every ten HIV/AIDS cases are residents of the San Juan Metropolitan Statistical Area, which comprises forty one (41) municipalities. The high risk populations for HIV infection in Puerto Rico differ from the high risk populations in most states and territories. Injection drug use (IDU) has been the predominant mode of exposure since the beginning of the epidemic, followed by Heterosexual Contact and men who have sex with men (MSM), including MSM-IDU. Although there has been an increasing proportion of cases attributed to heterosexual contact in Puerto Rico, it is the IDU and MSM populations that present the greatest challenge for HIV prevention efforts.

Figure 15. Cumulative HIV/AIDS Cases diagnosed as of February 28, 2011

	Before 1985	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Cases	186	274	467	835	1325	1664	1922	2407	2624	2769	2442	2236	2162	1827	1553	1359	1263	1275	1122	1113	954	995	1050	771	731	483	1
Deaths	173	231	408	754	1171	1451	1657	2065	2204	2253	1876	1612	1368	1019	852	726	651	627	519	439	361	321	224	163	129	25	0

Source: PR Department of Health; OCASET.

The important issue relating to HIV is linkage to care and interagency coordination for the provision of prevention and treatment services. This was a key finding of the enhanced comprehensive HIV Prevention Plan a demo project sponsored by the CDC.

Chapter III:

Challenges

CHAPTER III: CHALLENGES

Implementing affordable housing programs is confronted with a number of challenges that need to be addressed. These include the following:

CONSTRUCTION COSTS

In Puerto Rico, construction costs have escalated due to the increased cost of materials, particularly copper, re-bars, and aggregates. High energy costs also present a significant burden for low and moderate income families and the operations of affordable housing projects. Industry data reflects increases on the order of 20% for materials over the last four years. Since these are mostly imported, there is very little that can be done to mitigate the impact of increasing material costs.

Part of the problem with construction costs has been the absence of innovation with respect to materials used, at present concrete and concrete blocks exclusively, and the type of development constructed, detached single family units. The Puerto Rico Housing Finance Authority (PRHFA) is fully aware of this and has expressed an interest in exploring alternative technologies so as to lower construction costs.

LAND

Another major obstacle to affordable housing programs is the availability and cost of land. What this has meant over the years is a movement toward the periphery of urban areas for affordable housing programs. The result being that low and moderate income families have to incur high transportation costs, since there is no mass transit system to

provide them with affordable transportation services. In addition, the resulting urban sprawl has generated very high social costs in terms of pollution, high energy consumption and the loss of green areas and productive agricultural lands.

There have been attempts over the years to deal with the land issue, including the creation of the Land Administration in the sixties as the agency charged with the responsibility of managing the government's land properties. Recently merged with the Land Authority, mostly responsible for rural and agricultural holdings, the new entity has the capacity to identify excess land in government possession, dispose of it for socially beneficial uses and, in short, act as manager of the land resource in such a way as to assure its optimal use.

To the extent that affordable housing programs adopt the low density, detached single family approach the land constraint becomes even more powerful. Recent projects sponsored by the Housing Department have begun to modify this. A development planned for the site of the Las Gladiolas project in Hato Rey uses the row house format to achieve higher densities. High rise projects with very high densities have proven to be unsuccessful and, as in the mainland, some have had to be demolished, as is the case with Las Gladiolas.

PERMITTING

For decades permitting has been a major obstacle for housing and the inefficiency and the length of time it takes to have a project approved was so extensive that costs for developers were prohibitive. A major part of the permitting problem is due to the absence of land use plans. This meant that site approvals, known in Spanish as "consultas de ubicación", were handled on a case by case basis with the end result that there was no coherence in urban growth.

Two initiatives have changed this situation. One is the approval in 2010 of a new Permitting Law that will, for the first time, introduce a major transformation in the process. It calls for simplified procedures but also greater transparency. The other initiative is the Planning Board's

completion of the Islandwide Land Use Plan by the end of this year. This Plan will necessarily have to incorporate municipal land use plans where they exist, but will introduce new concepts and objectives aimed at generating better allocation of the scarce land resource. The parameters used by the Board include more compact urban areas, transit oriented developments and other such concepts.

MUNICIPAL ISSUES

The 1991 Municipal Autonomy Law changed the manner in which Puerto Rico is governed by providing municipalities with the wherewithal to assume greater control over a number of policy areas. One such area relates to the fact that municipalities are free to impose a construction tax at the level they consider adequate. The result has been a wide variety of tax rates that introduces uncertainty in addition to higher costs. One major difficulty with the construction tax is that it is an up-front tax, paid before construction begins and therefore imposes a serious initial cost on developers. Municipalities also impose property taxes on both real estate and non-real estate assets.

In order to obtain autonomy, municipalities must prepare a land use plan ("Plan Territorial", in Spanish). The larger municipalities have already done so, but most of the smaller ones have not. Coherence with statewide guidelines is protected because the Planning Board must approve these plans. Conflicts have arisen, however, in areas such as the zoning classifications used.

Another area in which municipal conditions have impacted affordable housing programs relate to the fact that municipalities tend to look askance at affordable housing projects. The reason is that these projects typically do not generate tax income for the municipality, given the fact that there is an exemption on property taxes up to $15,000 of the appraised value, and they generate additional expenses in road maintenance, security and garbage collection. Appraisal values have not been updated in close to six decades which means that low cost housing is almost automatically exempt.

Proper administration of housing programs with Federal and local funds requires well-trained staff, both at the state and municipal level, who understand program rules, financial management, and project underwriting. The Government of Puerto Rico and Municipalities need a means to establish and maintain that capacity.

FISCAL LIMITS

As mentioned in the initial chapter, Puerto Rico's fiscal situation has been improved since January 2009, but remains very fragile. The Central Government Budget is close to 12% smaller than it was in fiscal 2010 and government has made the reduction of government expenses a priority in order to improve the fiscal situation. However, it is very clear that increases in expenditures for housing and other government programs cannot be expected in the five year Plan period.

Figure 16. Budget Deficit
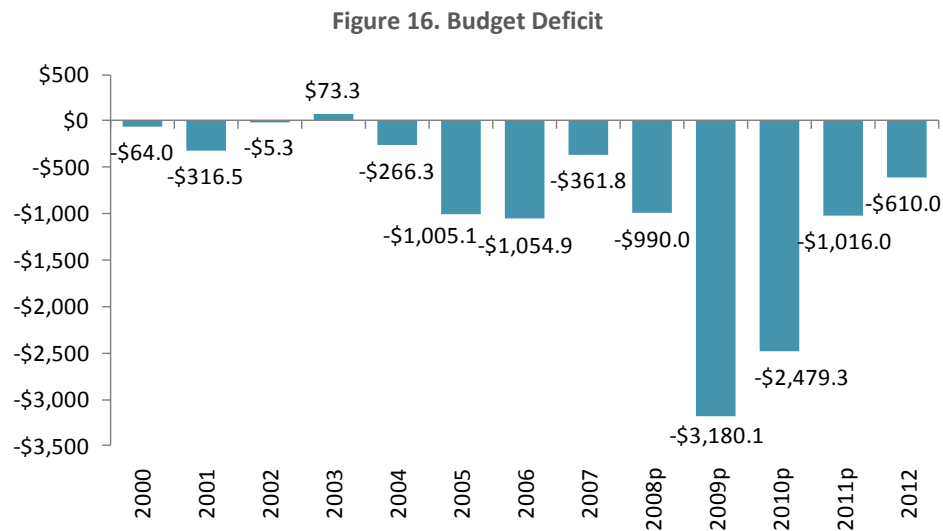
Sources: PR Department of Treasury; PR Development Bank; PR Office of Management and Budget

What the government has done is to emphasize tax credits for new activity since these do not involve cash outlays and only come into play when an activity which otherwise would not have taken place occurs.

The implication of the tight fiscal situation is that the State Plan focuses on better use of existing resources and reallocation of these to areas of priority concern rather than recommending the assignment of additional resources.

CHAPTER IV:

FRAMEWORK FOR POLICY FORMULATION

CHAPTER IV: FRAMEWORK FOR POLICY FORMULATION

The State Plan is based on the premise that housing is not just the provision of shelter. Housing is part of an intricate web of relationships that incorporate factors in different areas and require integrated approaches. Thus, housing policies cannot be considered in isolation from economic, social and physical factors.

Housing programs need to be integrated with land use and urban planning policies. In the case of Puerto Rico, the absence of this integration through the decades lead to a very negative urban sprawl situation on the one hand and, on the other, to sitting of affordable housing projects away from urban centers and job locations. What this did is generate the need for persons to use the automobile for transportation since there is no easily accessible mass transportation system. The consequence was increased costs for low and moderate income families in terms of commuting and shopping trips.

Part of the problem mentioned is also related to construction regulations and financing requirements that stimulated construction of single family detached units that require large tracts of land that could only be found in the periphery of urban areas. The tax, financing and regulatory environment acted against higher densities and urban center development of affordable housing.

Developing more effective housing policies will require changes in land use planning, in urban development policies and in the regulatory environment, including tax issues and the financing criteria of private banks.

Neighborhood deterioration has accelerated in the last decade due to the recession that has affected the Island, out migration and the very large number of foreclosures that have characterized Puerto Rico in the last three years. This is a problem that cuts across neighborhoods with different housing prices, but is clearly a more serious problem in low and

moderate income ones.

In these cases, housing policies can be instrumental in stopping further deterioration by promoting rehabilitation of abandoned properties, supporting families at risk of losing their homes, and providing support for maintenance and rehabilitation of deteriorated properties. By promoting initiatives that stimulate infill housing through tax and regulatory changes, housing policies can be key factors in preventing neighborhood deterioration.

Although much has been made of the need to deal with central city decay, the fact is that the process is also taking place in the first ring of suburban development. In the case of Puerto Rico the first such developments took place in the fifties (Puerto Nuevo, for example) and sixties (initial developments in Carolina and Bayamón). Some of these initial developments are now entering a phase in which two trends have manifested themselves: families moving to higher income neighborhoods, families simply abandoning the houses either because of inability to pay, because they have migrated, or simply because they couldn't sell or rent the unit and they had to move.

The potential of these suburbs for rehabilitation and use for affordable housing is significant. Construction costs are lower than in the central city, access to newer infrastructure is better and, in general, access to transportation is likewise better. There are, of course, difficulties in that land consolidations are difficult because of the individual ownership of units. This means that rehab efforts must concentrate on infill housing projects, rather than larger developments involving a large number of units.

Community economic development is closely tied to housing policies in many ways. One is, of course, the fact that housing is a type of economic activity that opens up possibilities for job creation at the local level. This suggests the need for integrating housing programs with training activities that permit community groups to carry out construction activities. There have been examples of such links between housing and the generation of local economic activity

throughout the years.

One major factor influencing housing policy going forward is the significant housing inventory and the collapse of the housing market in the last three years. In August, 2011 the estimate of unsold completely constructed units is of some 14,000 units, not counting foreclosed units that re-enter the market. The Office of the Commissioner of Financial Institutions estimates the number of foreclosed units at 3,000 last year and some 16,000 units in some phase of the foreclosure process. Obviously, not all will end up being foreclosed.

The bulk of the inventory is of units with prices in excess of $210,000 with a small number below that price. What the situation provides is an opportunity to convert part of the existing inventory into affordable housing. This is particularly true in projects in which no units have been sold. On the other hand, until the inventory is disposed of and banks clear them from their books, the ability of banks to finance affordable housing projects is severely hampered. In July, 2011 the delinquency rate of construction loans, mostly to developers, was in excess of 65%.

A significant number of projects have lost value after being abandoned for months and these are now available at very low prices. The government does not have the financial capacity to purchase these projects outright but incentives could be provided to developers for conversion to affordable housing. For example, profit tax exemption can be granted if pre-established conditions are met with respect to prices.

The discussion in the previous paragraphs supports the need for a strong housing policy that ties the issues discussed into a coherent statement of purpose that goes beyond individual agency concerns.

CHAPTER V:

POLICIES AND ACTION ITEMS

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POLICIES AND ACTION ITEMS

The Puerto Rico Department of Housing has defined its priorities as providing affordable housing for the working population (Policy 1), for the elderly (Policy 2) and for populations with special needs such as the homeless, persons with HIV/AIDS and others (Policy 3). The following list of policy statements and action items is based on these priorities and, in addition, incorporates policies on urban and land use planning (Policy 4) and on institutional arrangements (Policy 5). Although treated separately it must be understood that successful implementation of programs in the priority areas depends on the integration of many of these action items. Many of the items included in Policy 1, apply to Policy areas 2 and 3, and recommendations regarding the other two policy areas (4 and 5) apply to all three.

Given the present economic conditions in the U.S. and Puerto Rico and the serious fiscal constraints that exist at the moment, those action items that require additional investment of federal or local government funds are minimized. What is emphasized is the better use of existing funds and budget reallocation to support affordable housing programs. For example, in the case of Puerto Rico, the Government has in place incentives to stimulate the purchase of homes. These incentives should be used exclusively for affordable housing. Likewise, a number of action items relate to the need to leverage available state resources with private and community resources.

Each major Policy area incorporates a number of action items. The study on *Housing Supply and Demand Factors* incorporates a number of specific recommendations. Priorities and responsibilities for implementing policies are incorporated in the Action Plan Chapter.

POLICY #1. AFFORDABLE HOUSING FOR THE WORKING POPULATION

Policy

Fill the gap between the need for housing at affordable prices and available supply, while minimizing sprawl, as well as travel costs and energy costs, both of which impose a heavy burden on moderate and low income families.

Action Items

- Any new government initiatives with respect to providing incentives for housing should focus exclusively on affordable housing.

- Tax credits that can be sold in the open market are a potentially strong stimulus for affordable housing construction and should be used to stimulate specific programs for increasing the supply of affordable housing, as well as housing for the elderly and for those with special needs.

- Inclusionary zoning and the use of density bonuses and other such instruments require a fairly active market for market rate units, and this is not the case in Puerto Rico and will not be for at least three years. Nevertheless, specific legislation should be prepared that will permit the use of these instruments when market conditions permit.

- In order for affordable housing to be centrally located or near mass transportation facilities, identifying suitable locations, excess land held by different agencies (Dept, of Education, PR Industrial Development Co., the Land Administration and the Department of Transportation and Public Works, among other agencies) and integrating the space in the perimeter of the urban train stations for affordable housing programs, is essential. This will require collaboration between the Housing Department, The Planning Board and the agencies mentioned above.

- Dealing with the cultural preference for owner occupied single family, low density developments will be dealt with through better design of higher density developments and an educational campaign. This will require formulating collaborative programs with CHDOS and CBOs.

- To increase the inventory of affordable rental housing the plan will focus on the use of federal and competitive funding. It is important to maintain in the rental housing pool the approximately 13,000 Section 8 units that have contracts that end soon, and to target those units near transit and job centers and those in need of substantial rehabilitation. It must be recognized that operating rental housing for very low income households often requires operating subsidies, particularly in supportive housing and in housing for the elderly (Section 8; SHP can be used for this too).

- Resistance to rental housing is an obstacle that has to be dealt with through an aggressive multi-media informational/educational campaign recognizing that for decades home ownership has been the principal component of housing policies.

- A more flexible nuisance property legislation should be approved that considers the existing legal framework, and that will make it possible for abandoned and/or vandalized properties to be acquired by either the central government or municipal governments, and turned over to potential developers of affordable housing, be they for-profit or non-profit. In 2009, a Bill was submitted in the Legislature and is pending approval. It assigns responsibility to the Housing Department for implementing of the measure.

- Infill housing policies will be established to stimulate inner city and development of first ring suburbs through incentives of various types, including the turning over of expropriated nuisance properties to potential private developers, CBOs and other entities.

- Measures should be put in place so that when the private market revives, a mixed income policy can be implemented. Mixed income developments that depend on market rate units to subsidize affordable housing ones are not viable in Puerto Rico at the moment.

- Dealing with the Not In My Back Yard (NIMBY) factor through educational programs will be required not only for affordable housing projects, but particularly for those aimed at populations with special needs and subsidized rental projects. Municipal guidelines have been developed in a number of places for this purpose. A particularly interesting approach is contained in the Canadian *Housing in My Backyard: A Municipal Guide for Responding to NIMBY*.

- Make full use of available federal government programs, not only in HUD, but also in areas such as health, education and infrastructure. These include, but are not limited to HUD programs that are currently underutilized such as Sections 108, 202, and 811. Section 108 can play a key role in lowering infrastructure costs, although repayment by municipalities may be an issue due to municipal fiscal conditions.

- Innovative financing schemes will be implemented, including the 4.0% Bond Program being developed by the PR Department of Housing. Multiple funding sources will be explored, including Tax Increment Financing that will require legislation, the creation of trust funds financed from property or special taxes as well as others, for example, substituting construction taxes with a more housing friendly source of income for municipalities.

- Municipal governments can also facilitate new affordable residential construction by making land available. There have been a number of precedents, notably Caguas. By eliminating land cost or reducing it, loan to value for the rest of the financing would look much better and private financing made easier.

- The State can use available housing funds to stimulate private for-profit developers to partner with nonprofits and CHDOS to accomplish affordable housing goals. These initiatives can include revolving loan funds for construction loan financing.

- Consider establishing minimum income levels for households to participate in federal or State homeownership programs, at no less than 65% of median income. This would help to qualify more buyers for private first mortgages. Banks should be encouraged to create specialized mortgage products aimed at moderate income households with 65%/80% of median income.

- Work with the banking industry to educate their employees on affordable housing programs and transactions, both rental and sales, so they are better informed and able to participate at a higher level in various housing programs. Design specialized annual trainings and workshops for bank employees that treat specific topics and issues related to affordable housing. These trainings and workshops should be required if banks wish to participate in housing programs for households up to 120% of median income.

- Establish new construction design standards to reduce construction costs and utility expenses while maintaining the strength of structures. Collaborate with developers, architects, engineers, and contractors to establish and promote energy efficiency and design standards that are appropriate for the Island's climate and to utilize new building technologies and materials. Create and implement energy efficient or green projects. The PRHFA is already considering projects utilizing wood.

- The absence of predevelopment capital available to non-profits and CHDOS to finance architectural/engineering design, environmental testing, financial feasibility studies and other soft costs, can be compensated with a tax credit program that will stimulate professional firms to provide these services at below market rates and earmark available federal and local funds for these uses.

POLICY # 2. HOMES FOR THE ELDERLY

Policy

Recognizing the increasing challenge of housing a rapidly growing and low income elderly population, put in place integrated approaches that respond to the specific needs of this population. In addition to the recommendations included in Policy # 1, specific action items to address housing for the elderly include:

Action Items

- Identify the specific needs of the population with respect to the type of unit needed and the services required to accompany the housing provided, including health, transportation and quality of life. Integrate the agencies that provide these services into the planning of elderly housing programs.

- Site selection for elderly homes must take into account ease of access to health and other services. Best practices exist that can provide guidelines for the production of housing for the elderly

- A program aimed at providing funding for repairs to existing housing occupied by elderly persons is essential.

- Easing of restrictions on developing accessory dwelling units in older urban neighborhoods with large elderly populations will provide rental housing while providing complementary income to older residents that no longer need as much space.

POLICY # 3. HOMES FOR THE HOMELESS AND POPULATIONS WITH SPECIAL NEEDS

Policy

Increase the provision of permanent housing, together with the provision of needed supporting services, by integrating agencies that provide these services and coordinate actions among them and the Housing Department. In addition to the recommendations included under Policy #1, specific action items to address housing for homeless persons and those with special needs include:

Action Items

- The complex issues arising from the needs of these populations will require inter-agency collaboration and the provision of public financing using both local and federal sources. A precise evaluation of needs and available social services is needed for the homeless population and for others with special needs. This could provide the foundations for a referral system that would make access to such services simpler and faster. A key institution in this respect would be the "Concilio Multisectorial en Apoyo a la Población de Personas Sin Hogar", part of the Department of Family, an entity commissioned to develop policy for serving the homeless.

- The preservation and development of new low rent units is essential in satisfying the needs of these populations. Given actual market conditions, the initiatives will have to be public sector driven. Efforts to maintain current Section 8 units as rental units will be put in place, including support to owners for rehabilitation of units.

- HPRP identified some 10,000 households at risk of losing their houses. Efforts to support these families need to be strengthened given the expected increases in foreclosures.

- The policy with respect to homelessness has to be flexible enough to differentiate among the causes of homelessness and the potential in each case for a permanent

housing solution. Although transitional housing is an important step in the continuum of care model it is not necessary in some instances. The Point in Time Survey of 2011 reflected a growing number of homeless with children. In most cases these families do not need to go through the different stages of the Continuum of Care model. Emergency shelters for these populations (victims of domestic violence and their children, or families that have lost their homes due to the economic crisis) may be required until a permanent solution is found.

POLICY # 4. LAND USE AND URBAN PLANNING ISSUES

Policy

Achieve the flexibility necessary in planning and land use regulations to facilitate the construction and rehabilitation of affordable housing.

Action Items

- Make certain that the new land use plans incorporate measures that will set aside the space required for affordable housing and housing for populations with special needs. Inclusionary zoning should be integrated into land use plans so that when the market recovers it can be utilized. A precedent exists in the joint development planning projects around urban train stations.

- Addressing the problems presented by the deterioration of the older first ring of suburbs presents an opportunity for the development of affordable housing since infrastructure and access are generally better than in the older town centers. Revisiting the joint development projects associated with the Urban Train and revising them in order to stimulate development of affordable housing could be a major opportunity.

- A neighborhood based approach should be adopted by municipalities, the PR Planning Board and the Department of Housing to preserve, rehabilitate and improve neighborhoods, particularly those that can be characterized as "anchor neighborhoods" that provide stability to urban areas.

- The PR Planning Board and the Land Administration should be responsible for managing land banking initiatives that will provide space for affordable housing projects at a reasonable cost. The PR Conservation Trust provides a model for handling a land banking initiative through a Land Trust.

POLICY # 5. INSTITUTIONAL ISSUES

Policy

Solving the housing problem is a long term proposition and measures have to be put in place to assure that adopted policies and priorities have continuity and are not abandoned with changes in administration or in agency staffing.

Action Items

- Creating a State Housing Policy and Implementation Committee (HPIC) with participation of key stakeholder groups, municipalities and the central government will strengthen the continuity of efforts and assure, through periodic meetings that implementation of the State's policies is proceeding as established.

- Adopt an omnibus bill that takes into account all of the suggested housing policy recommendations in a coherent and meaningful manner. This would include policy recommendations for land use, taxes, legislation referring to specific programs, and other pertinent items.

- A regional focus will be used that recognizes differences in income levels and other conditions among the Island's regions. The PR Planning Board's proposed regionalization

scheme will be a key component of the approach recommended.

- Municipalities will be encouraged to create Regional Housing Councils. Municipal agencies and coalitions of non-profit service providers grouped in these Councils will have an important role in advancing affordable housing programs. The larger municipalities will act as hubs, providing technical and support services to the smaller ones. Strengthening the technical staffs at the municipal level should be part of the process.

- A Housing Policy requires integrated approaches that recognize that it is much more than shelter. In the government, this requires creating an entity that will incorporate the social services and infrastructure dimensions. A management structure for the housing system will be established to assure coordination of the diverse services required for housing and integrated community development.

- Breaking down bureaucratic silos through carefully crafted agreements and or policy statements is essential. Metrics for measuring department performance should move away from single purpose measures and recognize the importance of inter-agency collaborative efforts.

- Establish a training program and minimum capacity standards for housing agencies and municipalities. Federal agencies such as HUD have offered to partner in the creation of such a program with funding and expertise.   This would help determine the proper level of capacity to administer housing programs and types of positions that should be maintained across political administrations. After demonstrating success, this could be expanded to include professional training for other sectors.

- Promote broad participation of CBOs, private sector organizations and individual firms in dealing with housing issues.

- Improve existing and introduce new programs that will strengthen CBOs in terms of their knowledge of housing, permitting, compliance with HUD regulations, construction and community development programs. A certification procedure should be instituted that identifies specific entities as those most adept at implementing housing related programs.

- CHDOS should likewise be evaluated to determine their capacity to meet HOME program requirements. The goal is to develop experienced and capable CHDOS on a regional basis to implement housing programs. Spanish language materials must be developed to facilitate this process for CHDOS and other CBOs.

- An aggressive information and educational process on HUD and other programs will be put in place to assure that they are well known in the community.

- Efforts will be made to eliminate differing tax regimes in different municipalities, related to construction taxes and impact fees.

- Municipalities have to be convinced that affordable housing can be a positive factor in order to change present attitudes. Municipalities should be brought into the process early on. Municipalities must play a key role in selecting sites for potential affordable housing developments in their municipalities.

- Municipal assistance for home repairs can be leveraged by self help programs that have proven to be very successful in some municipalities. The municipality provides materials and the homeowner seeks the voluntary work of neighbors and, of course, him or herself. Guidelines for these initiatives need to be drafted.

- Integrating the banking sector is essential and a specific collaborative mechanism needs to be established that will permit programs for first time homebuyer mortgages, credit repair and counseling to ease the process for low and moderate income households.

- The banking sector needs to strengthen its CRA activities with respect to affordable housing. Banks can create an industry entity responsible for managing CRA activities related to housing. It could, for example, act as the sector's planning and information gathering unit with respect to affordable housing needs and programs, put together a system in which each bank would finance a predetermined number of units, but the identification of projects, assigning priorities, improving information flows and identifying needs would be done at the industry level. The idea is to have a more coherent approach to affordable housing on the part of the banks, lower costs and reduce risks for individual banks. There exists an industry CRA Committee, with a limited charter, which is a first step in the proposed direction.

CHAPTER VI:

FIVE YEAR CAPITAL AND SUPPORT SERVICES PLAN

CHAPTER VI: FIVE YEAR CAPITAL AND SUPPORT SERVICES PLAN

POLICIES AND SUBSIDIZED HOUSING

Summary of Housing Needs	Future Demand/Need		Supply		Net Increase in Housing Need	Percent Supplied by Government Programs	Development Objetive (Units)	Cost per unit or over a five year period	Total Cost (Millions)	Average per year (Millions)
	5 year growth	Waiting List	Prospective Home and PH Inventory	Loss of inventory						
Rental and for ownership										
Very Low Income Persons (=<30%)	8,914	9,814	3,240	1,142	16,630	100%	16,630	$ 100,000	$ 1,663.0	$ 332.60
Low Income					-					
(30.1% - 50%)	3,932	-	1,209		2,723	100%	2,723	$ 32,500	$ 88.5	$ 17.70
(50.1%- 80%)	(3,310)	-	1,209		(4,519)	0%				
sub total	622		2,418	-	(1,796)	0%				
Moderate Income					-					
(80.1% - 125%)	7,578	-	-	-	7,578	100%	7,578	10,000	$ 75.8	$ 15.16
	17,114	**9,814**	**5,658**	**1,142**	**22,412**		**24,208**	$ 75,482	**1,827**	**365**
Special Populations										
Elderly Housing	10,919				10,919	100%	10,919.00	$ 25,000	$ 273.0	$ 54.60
Homeless/ Beds and related services	**Beds**				**Beds**					
Emergency Shelter	638				638	100%	638.00	$ 25,000	$ 16.0	$ 3.19
Transitonal housing	1,506				1,506	100%	1,506	32,500	$ 48.9	$ 9.79
Safe Haven	87				87	100%	87	29,000	$ 2.5	$ 0.50
Permanent supportive housing	1,415				1,415	100%	1,415	40,000	$ 56.6	$ 11.32
Total homeless	**3,646**	**-**	**-**	**-**	**3,646**		**3,646**	**$**	**124.0**	**$ 24.80**

The Government of Puerto Rico will need $2.2 billion dollars over a five year period just to meet future needs for housing. The funding is to support the development of over 24,208 units for very low, low and moderate income households, 10,919 new rental units for the elderly and various homeless facilities offering close to 3,646 beds. Capital needs were estimated based on these future needs by income level and type of population and on a reasonable cost estimate per unit. In addition, $800 million in funding is required for public housing capital expenditures to demolish, repair or modernize units already in inventory.

There are a number of federal housing related programs that may provide funding to support additional housing needs. These include those incorporated in the table below. They can provide, based on actual program balances and future allocations of $1.07 billion. What this

implies is the need to carefully identify priorities and incorporate Government of Puerto Rico and municipal contributions in the form of financial support, land and infrastructure. In addition, emphasis on measures to reduce the cost of construction and related services. Leveraging available resources through collaborative efforts with CBOs, CHDOS and other non-profit entities, as well as with other federally and locally funded programs that serve the same populations. Additional efforts will be conducted by the Housing Task Force to identify other resources that may play a critical role the implementation of the Plan.

5 Year Capital Plan: Puerto Rico Affordable Housing Program Funds				
Puerto Rico Housing Fund		2011 total		5-Year Total
Homeowner, rental, rehabilitation and other housing activities				
HOME	$	107,134,000	$	246,470,000
Rental (24%)	$	25,605,194	$	58,906,715
Homebuyer (70%)	$	74,785,505	$	172,049,802
Rehabilitation (6%)	$	6,743,301	$	15,513,483
CDBG Housing Activities (18% of CDBG funds)	$	26,636,771	$	106,414,930
NSP	$	40,964,000	$	40,964,000
Low income tax credit	$	8,000,000	$	40,000,000
Law 173	$	5,000,000	$	5,000,000
PH Development Capital Fund	$	113,177,513	$	565,887,565
	$	**300,912,284**	**$**	**1,004,736,495**
Homeless and HIV				
ESG	$	3,818,000	$	23,110,000
HOPWA	$	7,551,000	$	40,571,000
	$	**11,369,000**	**$**	**63,681,000**
Total Funding	**$**	**312,281,284**	**$**	**1,068,417,495**

CHAPTER VII:

ACTION PLAN

CHAPTER VII: ACTION PLAN

The implementation of the State Plan recommendations will depend on the institutional framework developed in Puerto Rico for this purpose. The action items described below focus on creating this framework in terms of organizations, procedures and legislative measures.

ITEM # 1: CREATING A HOUSING POLICY AND IMPLEMENTATION COMMITTEE

The first item in the implementation agenda is the creation of the Housing Policy and Implementation Committee (HPIC), charged with formulating an overall housing policy and implementing the State Plan framework.

This Committee will be made up of the following:

- Secretary of Housing – Chairman
- Executive Director of the PRHFA
- HUD Puerto Rico Office Director
- The Governor's Advisor on Housing
- Director of the OGPe (Office of Permits Management)
- Chairperson of the Puerto Rico Planning Board
- Chair of the Mayors' Association
- Chair of the Mayors' Federation
- A representative of the Municipality of San Juan

The HPIC will be created by an Executive Order of the Governor that spells out its composition and duties, the most important of which is to assure that the State Plan is implemented. Among

the tasks assigned to it, the HPIC will establish working groups to deal with specific problem areas such as those related to the population with special needs and the elderly. Likewise it will create working groups to deal with issues such as infrastructure needs for densification of urban centers and infill housing. It is through these working groups that specialized agencies will be brought into the process.

ITEM # 2: ESTABLISHING REGIONAL HOUSING COUNCILS

Steps to be taken to incorporate municipalities in the implementation of the State Plan include the formation of Regional Housing Councils that bring together larger municipalities, with the capacity to implement housing programs, with smaller municipalities so that certain services can be shared and efforts coordinated. The HPIC should incorporate this task as an early one in its agenda. It has to be implemented with the collaboration of the Mayors' Association and the Mayors' Federation.

ITEM # 3: HOUSING POLICY BILL

The HPIC should begin the process of preparing an Omnibus Housing Bill that takes into account all of the suggested housing policy recommendations in a coherent and meaningful manner and ties together the many dimensions required for a successful housing policy and its implementation. These include policy recommendations for the institutional framework, land use, taxes, and other pertinent items such as Tax Increment Financing, the expropriation of nuisance properties and their use for affordable housing, inclusionary zoning, and others. The Omnibus Bill should mandate the creation of the Land Trust through specific legislation for this purpose.

ITEM # 4: MAINTAINING CAPACITY

Assuring continuity was frequently mentioned as a priority by those stakeholders interviewed in the process of preparing the State Plan. Although the HPIC is an instrument to secure such

continuity, others means are recommended. These include the professionalization of staff dealing with housing issues in the private and public sectors. The HPIC will immediately establish the processes and content, to commence educational campaigns aimed at improving knowledge of housing issues, federal and local programs and procedures.

ITEM # 5: COMMUNITY REVITALIZATION ACT

Banks are particularly critical in solving housing problems and must become more proactive with their Community Reinvestment Act (CRA) obligations. The HPIC will immediately begin discussions with the Puerto Rico Bankers Association (PRBA) to create an entity charged with handling CRA requirements at the industry level. This type of program would work through a quota system in which each bank would be assigned a predetermined number of affordable housing units to be financed. The identification of projects, assigning housing priorities, and the types of projects to be financed would be done at the industry level. The program will lower costs for the consumers and reduce risks for individual banks.

ITEM #6: LOCATION OF AFFORDABLE HOUSING

The HPIC will create a working group to identify suitable locations for affordable housing and housing for population with special needs. Included in a Task Force for this purpose are agencies such as the Dept, of Education, the PR Industrial Development Co., the Land Administration and the Department of Transportation and Public Works, all of which have extensive land holdings. The Planning Board will chair the working group.

ITEM #7: CONSTRUCTION DESIGN STANDARDS

The PRHFA will lead a working group to explore alternative materials and energy efficient construction technologies, specific to affordable housing, in order to lower construction costs. The working group should develop modified construction design standards in collaboration with developers, architects, engineers, and general contractors. Efforts already made in this

direction by the CHDO organization should be incorporated in the working group's evaluation of these alternative approaches.

ITEM #8: INCREASING CAPACITY OF STAKEHOLDERS

Broad participation of CBOs, CHDOS private sector organizations and individual firms in dealing with housing issues is an important element. However, making CBO and CHDOS participation more effective will require that the HPIC begins programs that will strengthen CBOs in terms of their knowledge of housing, permitting, compliance with HUD regulations, construction and community development programs. HPIC will work with HUD to provide capacity building and training to strengthen local nonprofit and CHDO housing developers to ensure they can develop affordable housing units in accordance with this Plan. A certification procedure will be instituted by the HPIC that identifies specific entities as those most adept at implementing housing related programs. CHDOS should likewise be evaluated to determine their capacity to meet HOME program requirements. The goal is to develop experienced and capable CHDOS on a regional basis to implement housing programs. Spanish language materials will be developed by the HPIC to facilitate this process for CHDOS and other CBOs.

The HPIC will work with HUD and its Technical Assistance providers to deliver training and capacity building that enables Municipalities, CHDOS, and CBOs to implement the housing policy articulated in the State Plan.

ITEM #9: MONITORING PROGRESS

The HPIC will monitor progress in achieving State Plan goals and objectives. In order to do so, the appropriate metrics will be developed for each component. The monitoring plan to be adopted by the HPIC will incorporate benchmark and the appropriate metrics. The following metrics are illustrative of those that will be used in monitoring progress:

- Number of units built for each of the three priority groups

- Number of homeless moved to permanent housing

- Nuisance properties devoted to affordable housing

- Reduction in waiting lists for public housing

- Reduction in the number of cost burdened households

- Cost per unit of the different types of housing

- Units built using "green technologies", including energy efficient designs and materials

- Projects initiated by CBOs and CHDOS

- Projects resulting from public-private alliances

- Jobs generated in communities as a result of Plan implementation

CONCLUDING REMARKS

It is the aim of the Government of Puerto Rico to become a model of effective action in solving the housing problems of our lower income groups, the elderly, the homeless and other population groups with special needs. This Plan lays out the blueprint for implementing effective initiatives that will stand out as innovative approaches to the housing problem. We are confident that in implementing the Plan, the quality of life of all residents of Puerto Rico will improve. The Government is committed to implementing the Plan and making it a participatory initiative in which the federal government, the government of Puerto Rico, municipalities, the private sector and community based organizations can work together to achieve a better future for all.

Puerto Rico Housing Task Force

QUALIFICATION AND CERTIFICATION STATEMENT

NAME OF ENTITY __Cloudburst Consulting Group, Inc.__

Business Address: __8400 Corporate Drive, Suite 550, Landover, MD 20785-2238__

Telephone Number __202-253-2346__
Fax: __301-918-4900__
Web Site: __www.cloudburstgroup.com__

AUTHORIZED REPRESENTATIVE

Name: __Michelle L. Hayes__
Title: __President and CEO__

Telephone Number (office and cell): __202-253-2346__
E-Mail: __michelle.hayes@cloudburstgroup.com__

ORGANIZATIONAL STRUCTURE

Identify the legal structure of the entity responding to the Request for Proposals and include requested information with this submission.

__X__	A.1.	A corporation incorporated under the laws of the State of Maryland, and in good standing to do business in the State of Maryland.
_____	A.2.	List the name of the corporation and the names and titles of the corporation's directors and officers: _Cloudburst Consulting Group, Inc._ _Michelle L. Hayes, President and CEO; J.P. Morgan, Chief Financial Officer;_ _Meggan Medina, Chief Operating Officer_
_____	B.1.	A corporation incorporated under the laws (insert jurisdiction) _____
_____	B.2.	The foreign corporation is registered or qualified and in good standing to do business in the State of Maryland.
_____	B.3.	List the name of the corporation and the names and titles of the corporation's directors and officers:
_____	C.	A sole proprietor doing business under his/her individual name. Individual name:_____
_____	D.	A sole proprietor doing business under a trade or business name (for example,

John Doe t/a Doe Masonry). List individual name _and_ the trade or business name:_____

_____E.   A partnership. List the type of partnership and the names of all general partners:

_____

_____F.1.   A limited liability company organized under the laws of the State of Maryland and authorized and in good standing to do business in the State of Maryland.

_____F.2   List the limited liability company name and the names of all members:_____

_____

_____G.1   A limited liability company organized under the laws of _____ (insert jurisdiction name).

_____G.2.   The foreign limited liability company is authorized and in good standing to do business in the State of Maryland.

_____G.3.   List the foreign limited liability company name and the names of all members:

_____

_____H.   Other (explain):

_____

CERTIFICATION

The undersigned proposes to furnish and deliver all labor, supplies, material, equipment, or services in accordance with specifications and stipulations contained in the Invitation for Bids or the Request for Proposals for the prices listed on the enclosed Price Proposal Sheet, if any, and/or upon the terms and conditions set forth in the proposal.

The undersigned certifies that this bid/proposal is made without any previous understanding, agreement or connection with any person, firm, or corporation submitting a bid or proposal for the same labor, supplies, material, equipment, or services and is, in all respects fair and without collusion or fraud. The undersigned further certifies that he/she is authorized to sign for the Respondent.

Respondent Name (print): Cloudburst Consulting Group, Inc._____

By:____Michelle L Hayes_____   12/15/16_____
Signature   Date

Print Name__Michelle L. Hayes_____

Title:__President and CEO_____

CITY OF TAKOMA PARK, MARYLAND
CERTIFICATION OF NON-INVOLVEMENT IN THE
NUCLEAR WEAPONS INDUSTRY

KNOW ALL PERSONS BY THESE PRESENTS:

Pursuant to the requirements of Chapter 14.04 of the Takoma Park Code, the Takoma Park Nuclear Free Zone Act, the undersigned person, firm, corporation, limited liability company or entity hereby certifies that he/she/it is not knowingly or intentionally a nuclear weapons producer.

Note: The following definitions apply to this certification per Section 14.04.090:

"Nuclear weapons producer" is any person, firm, corporation, facility, parent or subsidiary thereof or agency of the federal government engaged in the production of nuclear weapons or its components.

"Production of nuclear weapons" includes the knowing or intentional research, design, development, testing, manufacture, evaluation, maintenance, storage, transportation or disposal of nuclear weapons or their components.

"Nuclear weapon" is any device the sole purpose of which is the destruction of human life and property by an explosion resulting from the energy released by a fission or fusion reaction involving atomic nuclei.

"Component of a nuclear weapon" is any device, radioactive substance or nonradioactive substance designed knowingly and intentionally to contribute to the operation, launch, guidance, delivery or detonation of a nuclear weapon.

IN WITNESS WHEREOF, the undersigned has signed this Certification this 16 day of Dec , 20 16 .

Contractor Name: Cloudburst Consulting Group, Inc.

By: _Michelle G. Hayes_ (SEAL)
Signature

Michelle L. Hayes, President and CEO
Print Name & Title

State of ___MA___, County of __Middlesex__ :

Subscribed and sworn to before me this 16 day of __Dec__ , 20 16

_____
Notary Public

My commission expires: Aug 24, 2018

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<u>LIVING WAGE REQUIREMENTS CERTIFICATION</u>
(*Takoma Park Code*, section 7.08.200.B)

Business Name: __Cloudburst Consulting Group, Inc.__
Address: __8400 Corporate Drive, Suite 550__
City, State, Zip Code: __Landover, MD 20785-2238__
Phone Number: __202-253-2346__   Fax Number: __301-918-4900__
E-Mail: __michelle. hayes@cloudburstgroup.com__

Please specify the contact name and information of the individual designated by your business to monitor your compliance with the City's living wage requirements, unless exempt under Section 7.08.190 (*see* item B below):

Contact Name: __Michelle L. Hayes__
Title: __President and CEO__
Phone Number: __202-253-2346__   Fax Number: __301-918-4900__
E-Mail: __michelle.hayes@cloudburstgroup.com__

CHECK ALL APPROPRIATE LINES BELOW THAT APPLY IN THE EVENT THAT YOU ARE AWARDED THE CONTRACT AND BECOME A CONTRACTOR.

A.   <u>Living Wage Requirements Compliance</u>

__X__   This Contractor as a "covered employer" will comply with the requirements of the City of Takoma Park Living Wage Law (*Takoma Park Code*, Section 7.08.180 *et. seq.*, amended by Ordinance No. 2013-26). Contractor and its subcontractors will pay all employees who are not exempt from the wage requirements and who perform measurable work for the City related to any contract for services with the City, the living wage requirements in effect at the time of the City contract. The bid price submitted under this procurement solicitation includes sufficient funds to meet the living wage requirements.

B.   <u>Exemption Status (if applicable)</u>

This Contractor is exempt from the living wage requirements because it is:

_____   The total value of the contract for services (based on the bid or proposal being submitted under this procurement solicitation) is less than $20,000.00.

_____   A public entity.

_____   A nonprofit organization that has qualified for an exemption from federal income taxes under Section 501c(3) of the Internal Revenue Code.

_____   A contract procured through an emergency procurement, sole source procurement, or cooperative procurement.

_____   A contract for electricity, telephone, cable television, water, sewer or similar service delivered

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by a regulated public utility.

_____ A contract for the purchase or lease of goods, equipment or vehicles.

_____ A contractor who is prohibited from complying with the City's living wage requirements by the terms of an applicable federal or state program, contract, or grant requirement. **(Must specify the law and/or furnish a copy of the contract or grant.)**

C.   Living Wage Requirements Reduction.

_____ This Contractor provides health insurance to the employees who will provide services to the City under the City contract and it desires to reduce its hourly rate paid under the living wage requirements by an amount equal to, or less than, the per employee hourly cost of the employer's share of the health insurance premium. This Contractor certifies that the per employee hourly cost of the employer's share of the premium for that health insurance is $_____

.

(Must submit supporting documentation showing the employee labor category of all employee(s) who will perform measurable work under the City contract, the hourly wage the Contractor pays for that employee labor category, the name of the health insurance provider and plan name, and the employer's share of the monthly health insurance premium.)

Contractor Certification and Signature

Contractor submits this certification in accordance with *Takoma Park Code* section 7.08.200.B. Contractor certifies, under penalties of perjury, that all of the statements and representations made in this Living Wage Requirements Certification are true and correct. Contractor and any of its subcontractors that perform services under the resultant contract with the City of Takoma Park will comply with all applicable requirements of the City's living wage law.

Authorized corporate, partner,
member or proprietor signature: _____

Print name: Michelle L. Hayes

Title of authorized person: President and CEO

Date: 12/15/16

\\192.168.123.253\wpdocs\TAKOMA\CONTRACT\Living Wage\2015_RFP_Living Wage Reqs Certif_5-19-15.docx

Metropolitan Washington Council of Governments

Rider Clause

USE OF CONTRACT(S) BY MEMBERS COMPRISING THE METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS PURCHASING OFFICERS COMMITTEE.

A. If authorized by the Bidder(s), resultant contract(s) will be extended to any or all of the listed members as designated by the Bidder <u>to purchase at contract prices in accordance with contract terms</u>.

B. Any member utilizing such contracts) will place its own order(s) directly with the successful Contractor. There shall be no obligation on the part of any participating member to utilize the contract(s).

C. A negative reply will not adversely affect consideration of our bid/proposal.

D. It is the awarded vendor's responsibility to notify the members shown below of the availability of the Contract(s).

E. Each participating jurisdiction has the option of executing a separate contract with-the awardee. Contracts entered into with a participating jurisdiction may contain general terms and conditions unique to that jurisdiction including, by way of illustration and not limitation, clauses covering minority participation, non-discrimination, indemnification, naming the jurisdiction as an additional insured under any required Comprehensive General Liability policies, and venue. If, when preparing such a contract, the general terms and conditions of a- jurisdiction are unacceptable to the awardee, the awardee may withdraw its extension of the award to that jurisdiction

F. The issuing jurisdiction shall not be held liable for any costs or damages, incurred by another jurisdiction as a result of any award extended to that jurisdiction by the awardee.

In pricing section of contract:

BIDDER'S AUTHORIZATION TO EXTEND CONTRACT:

YES	NO	JURISDICTION
X	____	Alexandria, Virginia
X	____	Alexandria Public Schools
X	____	Arlington County, Virginia
X	____	Arlington County Public Schools
X	____	Bowie, Maryland
X	____	College Park, Maryland
X	____	Culpepper County, Virginia
X	____	District of Columbia
X	____	District of Columbia Public Schools
X	____	District of Columbia Water & Sewer Authority
X	____	Fairfax, Virginia
X	____	Fairfax County, Virginia
X	____	Fairfax County Water Authority

X	____	Falls Church, Virginia
X	____	Fauquier County Schools & Government, Virginia
X	____	Frederick County, Maryland
X	____	Frederick County Public Schools
X	____	Gaithersburg, Maryland
X	____	Greenbelt, Maryland
X	____	Herndon, Virginia
X	____	Loudoun County, Virginia
X	____	Manassas, Virginia
X	____	Maryland-National Capital Park & Planning Commission
X	____	Metropolitan Washington Airports Authority
X	____	Metropolitan Washington Council of Governments
X	____	Montgomery College
X	____	Montgomery County, Maryland
X	____	Montgomery County Public Schools
X	____	Prince George's County, Maryland
X	____	Prince George's County Public Schools
X	____	Prince William County, Virginia
X	____	Prince William County Public Schools
X	____	Prince William County Service Authority
X	____	Rockville, Maryland
X	____	Stafford County, Virginia
X	____	Takoma Park, Maryland
X	____	Vienna, Virginia
X	____	Washington Metropolitan Area Transit Authority
X	____	Washington Suburban Sanitary Commission