



**CITY OF SAN ANTONIO
OFFICE OF THE CITY COUNCIL
COUNCIL CONSIDERATION REQUEST**

TO: Mayor and City Council
FROM: Councilman Manny Pelaez, District 8
COPIES TO: Erik Walsh, City Manager; Leticia Vacek, City Clerk; Andy Segovia, City Attorney; John Peterek, Assistant to the City Manager; Christopher Callanen, Assistant to City Council
SUBJECT: Sale-Leaseback and Community Land Trust Transactions - CCR
DATE: June 11, 2019

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Issue Proposed for Consideration

I ask for your support for the inclusion of the following item on the agenda of the earliest available meeting of the Governance Committee:

Discussion and review of a sale-leaseback program and/or a community land trust pilot program for residential homeowners.

Brief Background

All districts in San Antonio experience neighborhood gentrification to some degree. Some of this gentrification increases displacement of low-income and elderly homeowners and it compounds the challenges of finding affordable housing in a market with less and less supply.

The lack of affordable housing in San Antonio has been identified as a major issue that threatens to jeopardize the progress the city has made over the last several decades. According to an analysis conducted by the City of San Antonio's Neighborhood & Housing Services Department in 2018, housing affordability, affordable housing, vulnerable affordable housing stock, and household vulnerability were all cited as contributing factors.

Household vulnerability, defined by the Neighborhood & Housing Services Department, are the factors that threaten a homeowner's ability to maintain or remain in their home. Their 2018 report noted several categories that make households vulnerable, including those related to income, physical/ mental health, social issues and discrimination. They may also be less resilient to changes in the housing market and/or less able to maintain and repair their home.

COMMUNITY LAND TRUSTS: Community Land Trusts (CLTs) in other cities have decreased the likelihood of gentrification in certain neighborhoods and reduced displacement. CLTs have also contributed to stabilizing income levels in neighborhoods experiencing gentrification, they have helped retain the supply of rental units, reduced tenant eviction rates, protected racial and ethnic diversity in those neighborhoods, and markedly increased the length of residence.



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SALE-LEASEBACK: A sale-leaseback is real estate transaction that allows for a seller to sell their property to a purchaser while retaining a long-term continued use through a leasehold. While this transaction has been a popular tool for commercial property buyers and sellers for decades, it has the potential to permit municipalities and not-for-profit agencies to use the transaction to assist homeowners stay in their homes, pay less taxes, and use the cash value of the home for upgrades and repair the properties.

Low-income and elderly San Antonians could benefit from a CLT and/or sale-leaseback program provided by the City of San Antonio (possibly in concert with a third-party organization). Additional benefits could include the use of lease payments to weatherize and make homes more energy efficient, along with construction jobs needed to improve these homes. CLTs are specifically mentioned in the Housing Policy Framework crafted by the Mayor's Housing Policy Task Force and are a tool being examined by Neighborhood and Housing Services Department staff for its feasibility in San Antonio and specifically as a possible anti-displacement tool; feasibility review includes ensuring state law conformance and identifying possible implementation partners and funding strategies.

Lastly, qualifications for such a program could be conditioned on the participants' agreement to participate in financial literacy and/or job skills training as well as participation in other proven wrap-around services offered by COSA and delegate agencies.

Thank you for considering this request.

Submitted for Council consideration by:

Councilman Manny Pelaez, District 8

Supporting Councilmembers' Signatures (4 only)

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