

**ORDINANCE**

**ESTABLISHING THE HOUSING VOUCHER INCENTIVE POLICY THAT REQUIRES HOUSING PROJECTS THAT RECEIVE INCENTIVES FROM THE CITY OF SAN ANTONIO TO ACCEPT HOUSING VOUCHERS AS A SOURCE OF INCOME FOR THE PAYMENT OF RENT.**

\* \* \* \* \*

**WHEREAS**, the City of San Antonio (COSA) offers a number of incentives to developers and other housing providers to develop rental housing to serve residents of San Antonio of all incomes and financial resources which include loans or monies awarded by the City, TIRZ and Neighborhood Improvement Bond awards, fee waivers, tax abatements, and grants; and

**WHEREAS**, the City Council finds that often attracting developers and housing providers to develop and/or provide affordable housing for low income families is difficult since developers and housing providers are unable to finance the development unless rental units are marketed at a certain rental rate and many low income families cannot afford to pay market rate rent; and

**WHEREAS**, without City's incentives offsetting costs for developers and housing providers to provide affordable housing, COSA will continue to have a significant shortage of affordable housing for low-income families; and

**WHEREAS**, the City acknowledges that some residents in the city of San Antonio that are awarded federal housing vouchers to assist them in finding housing, cannot secure housing because the rents on the available unit exceed the maximum rent allowable by the Housing Authorities and/or the housing providers choosing not to participate in a voluntary Federal Housing Program and therefore do not acknowledge housing vouchers as a source of income to pay rent; and

**WHEREAS**, COSA finds that it is critical to ensure that where taxpayer funds and public resources are being utilized to provide incentives for the development of affordable housing, recipients of these incentives are prohibited from refusing to lease to a family or individual solely because the provable and legal source of income from which their rent will be paid includes funding from a federal housing assistance program, federal housing voucher or federal housing choice voucher; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO, TEXAS:**

**SECTION 1. Definitions.**

- a. "Housing Provider" means a developer, owner, lessee, sublessee, assignee, managing agent, or other person having the right to lease, sublease, or rent a housing accommodation to another person or group of people.

- b. “Federal Housing Assistance Program” means federally assisted housing as defined in 24 C.F.R. § 5.100 (2016).
- c. “Incentive Agreement” means a contract, award or agreement that provides for the development or management of affordable housing in exchange for the provision of incentives included in, but limited to, those programs listed in Section 2 of this Ordinance by the City. All Incentives and the period of the Incentive shall be contained in a written and signed Incentive Agreement or an approved fee waiver application.
- d. “Incentives” means City and SAWS fee waivers, or direct receipt of Tax Increment Reinvestment Funds, Tax Abatements, Grants and Loans, and any other publicly funded incentives for their properties.
- e. “Federal Housing Assistance” means federal housing assistance programs or a housing voucher directly or indirectly funded by the federal government, including a federal housing choice voucher.

**SECTION 2.** As a condition of accepting new Incentives after the effective date of this Ordinance, a Housing Provider must agree to accept, during the incentive period, the renter’s provable and lawful source of income to pay rent including Federal Housing Assistance. The Ordinance will also apply to any City initiated housing real estate solicitation for the development or rehabilitation of rental properties. The provisions of this Ordinance do not apply after the termination of the Incentive Agreement, unless expressly provided in the Incentive Agreement to the contrary.

**SECTION 3.** A Housing Provider is in violation of the Housing Voucher Incentive Policy if the sole reason for denying the applicant is because the applicant was using Federal Housing Assistance to pay the rent. The enforcement of the Housing Voucher Incentive Policy will be based on complaints and proactive monitoring. Residents who believe they have been denied access to housing solely based on a violation of this Ordinance may initiate a complaint with the City, such as by calling 311, the Office of Equity or the Neighborhood and Housing Services Department’s Fair Housing Division. Complaints received by the City will be investigated by the City’s Fair Housing Division. After delivering notice to both the owner and management agent and upon a finding that a violation of this Ordinance has occurred, the City will initiate the following measures to enforce this Ordinance:

- a. The first violation will result in a written warning and the Housing Provider will be required to undergo mandatory compliance training.

- b. A second violation will result in additional mandatory compliance training and a fee of \$500 will be assessed against the Housing Provider to recover administrative expenses associated with the compliance monitoring.
- c. A third violation will result in a written notification of default under the Incentive Agreement between the City and the Housing Provider which will provide a time period to cure the violation.

**SECTION 4.** If the Housing Provider fails to comply with the requirements set forth in this Ordinance after the City completes all required notifications and measures in Section 3, the incentive agreement will be terminated and the housing provider shall:

- a. refund any funds and/or reimburse any waivers provided to the Housing Provider through any project or program described in Section 2; and
- b. may be precluded or debarred from being awarded or entering into any further contracts with the City through which the Housing Provider would participate or receive any program or project described in Sections 2.

The provisions in subsections a and b in this Section are in addition to all other remedies contained in the incentive agreement and that are afforded to the City by law.

**SECTION 5.** All City departments, boards, commissions and any other entity that operates under the auspices of the City shall include a reference to this Ordinance or language incorporating the prohibitions under this Ordinance in every Incentive Agreement or other documents evidencing the acceptance of or participation in any project, development or any other program through which the Housing Provider receives incentives from the City of San Antonio. Each Incentive Agreement shall include language that states that refusal to lease a housing accommodation to a person or family because the person or family's lawful source of income to pay rent includes funding from a federal housing assistance program or a housing voucher directly or indirectly funded by the federal government may require the Housing Provider to repay the City those incentives awarded by the City under the agreement.

**SECTION 6.** The City Manager or his designee is authorized, in conjunction with the City Attorney's Office, to take all actions necessary to carry out the provisions of and enforce this Ordinance.

**SECTION 7.** This Ordinance only applies to City Incentive Agreements executed after the Ordinance's approval. A waiver of the provisions can only be granted through City Council action.

JYW  
05/13/2021  
Item No.

**SECTION 8.** The City Clerk for the City of San Antonio is directed to publish notice of this Ordinance in a newspaper published in the City of San Antonio, Texas, as required by Article 2, Section 17 of the City Charter of San Antonio, Texas.

**SECTION 9.** This Ordinance shall be effective immediately upon its passage by eight (8) affirmative votes or the 10th day after its passage by less than eight (8) affirmative votes.

**PASSED AND APPROVED** this 13<sup>th</sup> day of May, 2021.

**M A Y O R**  
Ron Nirenberg

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Tina J. Flores, City Clerk

\_\_\_\_\_  
Andrew Segovia, City Attorney