



# City of San Antonio

## Agenda Memorandum

**File Number:**20-5379

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**Agenda Item Number:** 3.

**Agenda Date:** 9/23/2020

**In Control:** Housing Commission

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### **DEPARTMENT:**

Neighborhood & Housing Services Department

### **DEPARTMENT HEAD:**

Verónica R. Soto, FAICP, Neighborhood & Housing Services Department Director

### **COUNCIL DISTRICTS IMPACTED:**

Citywide

### **SUMMARY:**

Discussion and Possible Action on the Definition of Affordability

### **BACKGROUND INFORMATION:**

On February 26<sup>th</sup>, 2020, the Housing Commission was asked by the Removing Barriers to Affordable Housing Committee to discuss the creation of a singular definition for affordable housing. Since that time the Strategic Housing Implementation Plan (SHIP) stakeholders began work to recalibrate the 10-year housing goals and create implementation strategies for the Housing Policy Framework (HPF). The Housing Commission selected Chair Jessica O. Guerrero to serve as the Housing Commission representative on the SHIP. Commissioner Alanis and Commissioner Nisivoccia also participate in their professional capacities. In addition to the new housing goals and strategies the SHIP will also be the document that contains the definition of Affordable Housing.

### **ISSUE:**

The term ‘Affordable Housing’ appears several times in City policies and programs however does not have one standard definition. There is a need for a singular, uniform term that can be applied consistently across the City when affordable housing is referenced. Currently several programs and policies contain a definition of affordable housing including the UDC, Neighborhood Improvements Bond program, Center City Housing Incentive Policy, City Fee Waiver program, City rehabilitation programs, and administered federal funding

sources.

The Neighborhood & Housing Services Department is currently in the process of developing the City's Strategic Housing Implementation Plan (SHIP). This plan will address the development of a coordinated approach to reaching the City's affordable housing goals and will take place in two phases: 1) Synthesis and Strategy and; 2) Management and Operations. The SHIP will coordinate the City and the other entities responsible for facilitating affordable housing development and/or supportive services including the San Antonio Housing Trust (SAHT), South Alamo Regional Alliance for the Homeless (SARAH), the San Antonio Housing Authority (SAHA) and others. The SHIP will recalibrate the existing housing target goals from the Housing Policy Framework and then identify which entities will be responsible for specific aspects of those goals. During this process, the definition of affordable housing has been discussed. The SHIP has provided feedback on some key issues to consider when defining affordable housing including simple and meaningful language, consider transportation costs, and to utilize current industry standards that can be easily implemented.

The HPF recommended a definition of supportive, affordable, and workforce housing that utilized the American Community Survey (ACS). ACS data is specific to the City limits of San Antonio. Local, State, and Federal housing programs use the Housing and Urban Development (HUD) industry standard that factors income levels for the San Antonio-New Braunfels metro area. Staff's recommendation is to adjust the HUD standard income limits to reflect the ACS income levels in San Antonio as recommended in the HPF. This would result in affordable housing being defined as 60% or below the HUD area median income. The HPF refers to affordable homeownership units, typically single family, as 120% or below of the ACS area median income limits. Adjusted to HUD area median income, this would be most closely defined as 80% or below the HUD AMI. In applying that definition to market realities we know that 80% AMI housing is very difficult to fund, due to a combination of the deep subsidy required and limitations on loan qualification for prospective homeowners from banks. Staff recommends homeownership affordable limit be 100% of the HUD AMI.

Staff is requesting the Housing Commission provide a definition of Affordable Housing to be used in the final SHIP document to guide the Unified Development Code as well as City policies and programs.

#### **ALTERNATIVES:**

If no definition of affordable housing is determined, the definition will remain as currently applied in local, State, and Federal programs.

#### **FISCAL IMPACT:**

At this time, there is no fiscal impact.

#### **RECOMMENDATION:**

Staff recommends that the Housing Commission support a definition of affordable housing of 60% or below the HUD Area Median Income for multi-family rental and 100% and below for homeownership units. These definitions will be included in the SHIP document to provide guidance for the Unified Development Code as well as City policies and programs.