



# City of San Antonio

## Agenda Memorandum

**File Number:**21-2591

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**Agenda Item Number:** 3.

**Agenda Date:** 4/7/2021

**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 a recommendation for the definition of housing affordability to be included in the Strategic Housing Implementation Plan.

**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), also known as the Mayor's Housing Policy Taskforce Report. The Housing Commission selected Chair Jessica O. Guerrero to serve as the Housing Commission representative on the SHIP. In addition to the new housing goals and strategies the SHIP will also be the document that contains the definition of Affordable Housing.

During the September 2020 Housing Commission meeting, Commissioners requested presentations from VIA Metropolitan Transit, San Antonio Water System (SAWS) and City Public Service (CPS) so that Commissioner dialogue could be consider the impact of utilities and transportation.

The Commission was briefed on this topic during the February 24 and March 24, 2021 regular meeting.

## ISSUE:

The term ‘Affordable Housing’ appears several times in City policies and programs however does not have one standard definition. The SHIP requested 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) based on the Housing Policy Framework. 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. The HPF currently classifies housing affordable to households earning 0-30% AMI as “supportive housing,” 30-80% AMI as “affordable housing,” and 80-120% AMI as “workforce housing.”

Following small group conversations with Housing Commissioners, staff proposes using the following definitions for rental housing:

AMI Level Served	Term used
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0-30% AMI	Deeply Affordable
31-60% AMI	Affordable
61-100% AMI	Moderate Income or Missing Middle
Over 100% AMI	Market Rate

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 proposes the following definitions be used for homeownership development and preservation programs:

AMI Level ServedTerm used	
0-60% AMI	Deeply Affordable
60-120% AMI	Affordable
Over 120% AMI	Market Rate

The Housing Commission requested the question be asked of the community. Staff published a public intake form that was available for two weeks; comments were presented at small focus groups with Commissioners.

#### **ALTERNATIVES:**

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

#### **FISCAL IMPACT:**

None

#### **RECOMMENDATION:**

Staff proposes using the following definitions be used for rental housing development and preservation programs:

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<b>AMI Level Served</b>	<b>Term used</b>
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These definitions will be included in the SHIP document to provide guidance for the Unified Development Code as well as City policies and programs.