



# City of San Antonio

## Agenda Memorandum

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**Agenda Item Number:** 2.

**Agenda Date:** 4/26/2021

**In Control:** Planning and Land Development Committee

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**DEPARTMENT:** Neighborhood and Housing Services

**DEPARTMENT HEAD:** Verónica R. Soto, FAICP, Director

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

Briefing on the City's Strategic Housing Implementation Plan (SHIP) progress and next steps.

### **SUMMARY:**

Briefing on the City's Strategic Housing Implementation Plan (SHIP) progress including the definition of affordability and next steps.

### **BACKGROUND INFORMATION:**

San Antonio's Housing Policy Framework (HPF) is the City's affordable housing policy document that was accepted by the City Council in 2018; the Framework is the final document produced by the Mayor's Housing Policy Task Force (MHPTF). The Framework contains overarching policy areas with a list of potential strategies to address those areas and 10-year affordable housing target goals. In 2020, staff began work on a Strategic Housing Implementation Plan to actualize strategies presented in the HPF by determining timelines, partners, specific action steps and funding approaches. Additionally, the 10-year target goals are being adjusted upward to account for a broader range of community needs through a recalibration effort that ensures the Framework's requirement that solutions be data-driven is indeed the case.

The HPF is the foundation for the SHIP and will serve to guide any future framework plan implementation. The SHIP will be developed in collaboration with community and housing stakeholders including but not limited to the San Antonio Housing Trust (SAHT), San Antonio Housing Authority (SAHA), South Alamo Regional Alliance for the Homeless (SARAH), Local Initiatives Support Corporation (LISC), VIA, Bexar County and

applicable COSA departments. This collaboration also builds on another value of the MHPTF to promote public participation and to value both lived experience and technical expertise. In addition, the SHIP will include an outreach and input process to receive community input that will be overseen by the Housing Commission. This process aligns with HPF action item number 1 : develop a coordinated housing system.

Staff works closely with an 8-person steering committee and contracted facilitator. Together, this group has created four stakeholder forums to provide feedback on the SHIP progress. The stakeholder forums include:

- Residents and Community Advocates
- Real Estate & Developers
- Affordable Housing Developers
- Housing Policy

Recommendations from the SHIP will go to the Housing Commission then the Planning and Land Development Committee of City Council (PLDC) before being recommended for consideration to City Council, the San Antonio Housing Trust board, and the San Antonio Housing Authority board for review and adoption.

#### **ISSUE:**

The SHIP will be completed in two Phases, 1) Synthesis and Strategy and 2) Management and Operations and is projected to be presented to City Council in FY 2021. The two phases have been running simultaneously as much as possible to make up for lost time during the COVID-19 pandemic.

Phase 1 began in September 2020 and will have two main outcomes which will guide the SHIP's final recommendations. First, Phase 1 will include a recommended definition of affordability determined by the Housing Commission. Phase 1 will also produce recalibrated 10-year production and rehabilitation goals. This is a recalibration of the goals included in the Framework Plan based on two years' worth of housing data since the Framework was accepted. Economic and Planning Systems, the consulting firm that assisted in the creation of the Framework Report, is overseeing the recalibration. The recalibrated goals will be more specific and based on the need of San Antonio's residents and the definition of affordability.

Critical to the SHIP is defining affordable housing. The current framework definition includes housing for people with incomes up to 80% of the Area Median Income (AMI) for rental housing and 120% AMI for homeownership. Concerns have been raised by Council and the public that this conflicts with the U.S. Department of Housing and Urban Development (HUD) AMI levels currently used as an industry standard. Because of the larger area the HUD AMI calculation includes beyond the city limits of San Antonio, the concern is that using the HUD definition of affordability (80% or below of AMI) does not address the needs in San Antonio as the AMI levels within the city are lower than for the metro area. Staff recommended adjusting the level down to align with the City of San Antonio population more closely by using data from the Census while still utilizing HUD information on AMI as the measuring stick.

This topic was reviewed by the Housing Commission who also considered the impact other household expenses, including utilities and transportation, have on housing needs. The Housing Commission started their conversations about the definition during their meeting on March 24 and finalized their recommendation for the definition of affordability during their annual retreat on April 7<sup>th</sup>. This working definition was shared with the SHIP on April 13<sup>th</sup> and the stakeholder forums will utilize the definition as they begin work on Phase 2;

implementation strategies.

As a starting point for implementation strategies, staff is working with our stakeholder forums to build off other housing related initiatives that have taken place over that last few years, mainly those identified in the framework. Other documents that are being referenced include the SA Tomorrow Comprehensive Plan, ForEveryoneHome initiative, COVID-19 Community Action Working Groups, Homeless Strategic Plan, Climate Action Plan, and Opportunity at Risk Report, among others. In addition to these reports and their strategies, there have been other issues raised through community groups, council offices, and city departments that have led to the consideration of additional policy issues for possible inclusion.

The four stakeholder forums received a survey with a list of the strategies outlined in the Housing Policy Framework and other initiatives listed above. Respondents were asked to prioritize the strategies they would like the City focus on in the next 3-5 years. Stakeholders also had an opportunity to recommend strategies they believe need to be focused on in the next 3-5 years. The stakeholder groups have divided these strategies among themselves. Each stakeholder forum will be responsible for drafting recommended initiative(s) related to their strategies; however, all stakeholder forums will have the opportunity to comment on and contribute to each of the other forums' recommended initiatives before they are included in the SHIP document. The stakeholder forums will meet during March and April to work on their specific indicative recommendations.

Since staff's last briefing to PLDC, the Housing Commission adopted a recommended definition of affordability, below:

<b>AMI Level Served</b>	<b>Rental Development &amp; Preservation Programs</b>	<b>Home Ownership Development &amp; Preservation Programs</b>
0-15% AMI	Critically Affordable	Deeply Affordable
16-30% AMI	Deeply Affordable	
31-50% AMI	Fairly Affordable	
51-60% AMI	Affordable	
61-80% AMI	Moderate Rate	Affordable
81-100% AMI	Median Rate	
Up to 120%	Market Rate	

NHSD's consultant, Economic and Planning Systems, is finalizing the recalibrated goals using the working definition from the Housing Commission. The full SHIP met on April 14 to be briefed on the progress the stakeholder groups have made and their next steps. The stakeholder groups will provide recommended strategies to the full SHIP for review in May. The full SHIP will make final recommendations regarding which strategies should be included in the SHIP. During the April 14 meeting the full SHIP reviewed the definition of affordability recommended by Housing Commission. They provided comments which staff is working to incorporate.

PLDC will continue to receive regular updates to provide feedback on the progress of the SHIP before formally recommending the plan for Council consideration. The Boards of the San Antonio Housing Trust and San Antonio Housing Authority will also receive updates and have the opportunity to provide feedback before adoption.

Staff will share with PLDC a draft SHIP in June.

#### **ALTERNATIVES:**

This item is for briefing only.

**FISCAL IMPACT:**

There is no fiscal impact at this time.

**RECOMMENDATION:**

This item is for briefing only.