



City of San Antonio

Agenda Memorandum

File Number:21-3314

Agenda Item Number: 5.

Agenda Date: 5/13/2021

In Control: City Council A Session

DEPARTMENT: Neighborhood and Housing Services Department

DEPARTMENT HEAD: Verónica R. Soto, FAICP, Director

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

An Ordinance establishing a Housing Voucher Incentive Policy in San Antonio.

SUMMARY:

The proposed Ordinance would require housing providers receiving incentives from the City for a rental housing project to accept housing vouchers from otherwise qualified applicants.

BACKGROUND INFORMATION:

Community stakeholders and service providers have expressed concerns about source of income discrimination, whereby housing providers refuse to accept tenants with housing vouchers solely because the applicant's lawful source of income to pay rent includes a housing voucher. According to the San Antonio Housing Authority (SAHA), 53% of new voucher recipients request an extension to secure housing with their voucher. This is because the rents on the available unit exceed the value of the voucher and/or the housing provider does not participate in the voluntary Federal Housing Program and therefore does not acknowledge housing vouchers as a source of income to pay rent.

This issue has been studied through the Strategic Housing Implementation Plan (SHIP) and ForEveryoneHome initiatives and research found that cities with protections for voucher holders had higher voucher acceptance rates than those without such protections. Per state law, Texas cities can only require properties that receive city incentives to accept housing vouchers. Dallas and Austin currently have such policies.

ISSUE:

City staff is proposing a Housing Voucher Incentive Policy (HVIP) that would require rental developments receiving any City funding or incentives to accept applicants with vouchers that are otherwise qualified. The proposed policy would apply only to rental developments receiving grants, loans, tax abatements, or monies awarded by the City, to incentivize housing development. This includes, but is not limited to, Tax Increment Financing (TIF) and Neighborhood Improvement Bond (NIB) awards, fee waivers, loans, grants, tax abatements, and other incentives or awards. HVIP would not apply to zoning changes. The ordinance would apply to developments that enter into incentive contracts with the City after the ordinance is adopted. The HVIP compliance period would align with the compliance period of the award, which varies by program.

Enforcement of HVIP will be based on complaints and proactive monitoring. Complaint-based enforcement will be initiated by a resident believing they have experienced source of income discrimination by calling 311, the Office of Equity, NHSD's Fair Housing Division, or referrals from local housing authorities. Proactive monitoring would be conducted by city staff or an outside agency with experience in such monitoring. A clause will be included in each development or incentive contract that states that refusal to accept a voucher holder that would otherwise qualify for a lease could result in the recapture of the award by the City.

The first offense will be a written warning and mandatory compliance training. A second offense will require additional mandatory compliance training and a fee of \$500 to cover administrative expenses associated with the compliance monitoring. A third offense will result in a notice of default letter being sent to the violator that will contain a cure period as provided in the contract. If the issue is not cured within the time allowed, the contract with the housing provider will be terminated, all incentives or funds awarded to the housing provider will be recaptured and the housing provider will be ineligible for any future incentive programs with the City. This enforcement process will allow us to address potential discrimination against housing voucher holders and help households obtain housing.

HVIP is only one strategy to address challenges and opportunities with the voucher program. Through the SHIP and our partnership with SAHA and the San Antonio Housing Trust (SAHT) the City and our partners will:

- Partner with SAHA and make our housing navigators and benefits navigators available to help voucher holders identify housing opportunities and other supports they may be eligible for. Currently, voucher holders are referred to a national database and provided information on potential available units.
- Develop an inventory of properties that accept voucher holders.
- Work with our real estate partners to develop an education campaign that helps voucher holders understand their rights and provides them access to other services and educates landlords, property managers, property owners, and developers on the HVIP.
- Advocate for additional vouchers and increase funding.

At the April 15, 2021 A-Session council meeting, council voted to move the item to a special briefing session on April 21 to consider changes to the original proposed ordinance. The proposed Ordinance reflects the discussions at the Special Session and subsequent Council briefings.

ALTERNATIVES:

The Council may direct staff to not pursue a HVIP Ordinance which would result in no development of a housing voucher incentive policy at this time.

FISCAL IMPACT:

There is no fiscal impact associated with the proposed Ordinance at this time.

RECOMMENDATION:

Staff recommends adoption of the Ordinance.