



City of San Antonio

Agenda Memorandum

File Number:
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Agenda Item Number: 3

Agenda Date: June 4, 2025

In Control: San Antonio Housing Commission Meeting

DEPARTMENT: Neighborhood and Housing Services

DEPARTMENT HEAD: Veronica Garcia, Director

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Briefing and discussion regarding the proposed Casita Incentives Pilot related to the Casita Program, formerly known as the Accessory Dwelling Unit (ADU) Program.

SUMMARY:

The Neighborhood & Housing Services Department is seeking input on proposed incentives to support the Casita Program, formerly known as the ADU Program.

BACKGROUND INFORMATION:

Historically, casitas, also known as Accessory Dwelling Units (ADUs), have been an important part of the neighborhood fabric throughout San Antonio. However, zoning restrictions in the mid-1900s made building new casitas harder. In 2020, the City of San Antonio adopted the Strategic Housing Implementation Plan (SHIP), which included strategies around removing these barriers. In 2022, they achieved a major milestone in updating the Unified Development Code, making casita construction easier and cheaper.

A strategy of the SHIP is to increase the number of casitas in the city through a system-wide approach. Casitas increase affordable housing options and create inclusive living spaces. The Casita Program aims to remove barriers in constructing and financing a casita to achieve this strategy. This includes providing Casita Permit-Ready Plans and Resources on a one-stop program website and adopting the Casita Incentives Pilot.

The proposed Casita Incentives Pilot is a construction incentive that will support construction of new casitas and rehabilitation of existing casitas. Property owners that reside on the property and desire to construct or rehabilitate their casita are eligible to receive incentives if they income qualify or agree to renting the casita to a renter that income qualifies. See the table below for qualification eligibility:

| Category | Level 1 | Level 2 |
|-------------------------------|--|--|
| Qualification (AMI) | Renter: 50% or less OR Property Owner: 80% or less | Renter: 30% or less OR Property Owner: 50% or less |
| Construction Incentive | Up to \$25,000 | Up to \$35,000 |

Level I of incentives will have a 5-year forgivable loan term and Level II of incentives will have a 10-year forgivable loan term. Applicants will apply for Casita Incentives prior to constructing or rehabilitating their casita to determine eligibility. Upon completing construction and receiving a Certificate of Occupancy from the Development Services Department, approved property owners will receive a reimbursement of up to \$25,000 under a Level I qualification or up to \$35,000 under a Level II qualification.

Applicants approved for a Casita Construction Incentive are also eligible for the City Fee Waiver Program and Casita Permit-Ready Plan Design fee incentives. The City Fee Waiver Program provides City and SAWS fee waivers for casita projects. The average waiver for casitas is \$750 in City Fees and up to \$8,000 in SAWS impact fees, pending funding availability.

The Casita Permit-Ready Plan Design fee incentive provides a reimbursement of up to \$4,500 in design fees. This reimbursement covers costs to make a selected Casita Permit-Ready Plan site specific.

ISSUE:

The funding reserved for the Casita Incentives Pilot is available from the 2022 Affordable Housing Bond and Inner City Incentive Fund. Allocation of these funds for use and distribution through the Casita Incentives Pilot requires City Council approval.

FISCAL IMPACT:

There is no fiscal impact at this time. This item is for briefing and discussion only.

ALTERNATIVES:

This item is for briefing and discussion only.

RECOMMENDATION:

This item is for briefing and discussion only.