

### **AGENDA ITEM #3**

**MEETING:** Planning and Community Development Committee

**DATE:** August 26, 2021

**POSTING LANGUAGE:** Briefing on the City's Strategic Housing Implementation Plan (SHIP) progress and next steps. [Lori Houston, Assistant City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]

**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, recalibrated housing targets, funding strategy, and recommended strategies progress and next steps.

#### **BACKGROUND INFORMATION:**

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

The HPF is the foundation for the SHIP and will serve to guide any future long range housing plans. The SHIP is being 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, Community Housing Development Organizations (CHDOs), Bexar County and applicable COSA departments. This collaboration builds on another value of the MHPTF to promote public participation and to value both lived experience and technical expertise. Public input will also be gathered through a process of public engagement to be conducted around gathering feedback on the strategies and implementation timeline. This process aligns with HPF action item Number 1: Develop a Coordinated Housing System.

The SHIP process will define affordability for the City, recalibrate the City’s affordable housing target goals, and develop an implementation plan to reach those goals. The implementation plan will include strategies that coordinate with other departments, entities, and initiatives. Included in these strategies will be those that Protect and Promote Neighborhoods in line with the anti-displacement focus area from the Housing Policy Framework. ForEveryoneHome will be the lead initiative for those anti-displacement strategies.

**ISSUE:**

The SHIP is projected to be presented to City Council in fall 2021. The document will include three core components: a recommended definition of affordability recommended by the Housing Commission, recalibrated 10-year housing production and rehabilitation targets informed by the definition as well as three years’ worth of housing data since the Framework was accepted, and implementation strategies developed by stakeholders to achieve these goals.

**Definition of Affordability**

Critical to the SHIP is defining affordable housing. The HPF definition includes rental housing for people with incomes up to 80% of the Area Median Income (AMI) for rental housing and 120% AMI for homeownership.

The goal is a standard definition to be used across the city. Housing Commission developed a working definition at their June 23 meeting, along with input from the Community Housing Development Organizations and other public stakeholders. The Housing Commission further refined their recommended definition of affordability based on the SHIP’s feedback. They also prepared a letter explaining the definition.

| <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 Housing                         | Deeply Affordable Housing                                     |
| 16-30% AMI              | Deeply Affordable Housing                             |   |
| 31-50% AMI              | Very Affordable Housing                               |   |
| 51-60% AMI              | Affordable Housing                                    |   |
| 61-80% AMI              | Moderate Income Housing                               | Affordable Housing  |
| 81-100% AMI             | Median Income Housing                                 |   |

## **Recalibration**

Economic and Planning Systems (EPS), 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. The existing 10-year goals are on track to be met within the next few years and were focused on preventing the existing cost burden levels from getting worse.

EPS worked with staff to identify the highest need households in San Antonio using a more in-depth analysis of cost burden within the city. The analysis first identified those cost burdened households that fall under our "affordable" income range criteria, then applied a supply demand analysis to understand how many units would be needed to meet the current lack of supply. That analysis identified approximately 96,000 households, many of which were at incomes lower than 50% AMI. Next a vulnerability index was used to provide more details around the drivers and characteristics of the populations where housing is needed. These housing vulnerability factors included cost burden, unemployment, low income, and areas of pronounced supply-demand mismatch of housing stock.

## **Funding Strategy**

To be able to achieve our housing targets EPS is creating a funding strategy to guide how we can achieve these target goals over the next 10 years. We know that this funding strategy will need to be reevaluated periodically to make adjustments based on market conditions, ensure existing funding sources have continued, as well as account for new funding sources that may become available. EPS is analyzing a series of reoccurring funding sources including CDBG, HOME, and standard annual general fund allocations that can be used towards this purpose. In addition, we have identified the need for two housing bonds over this time period and the ability to leverage existing federal funding sources like Low Income Housing Tax Credits (LIHTC).

## **Implementation Plans**

Phase 2 began in the Spring of 2021 and includes drafting strategies and implementation plans. As a starting point for drafting implementation strategies, staff worked with our stakeholder forums to build off other community plans including SA Tomorrow, ForEveryoneHome initiative, COVID-19 Community Action Working Groups, Homeless Strategic Plan, SA Climate Ready, SA 2020, and Opportunity at Risk, among others.

Since staff's last briefing, the stakeholder forums have completed their draft recommended strategies. Forums have provided comments on these draft strategies and the recommendations have been incorporated into the final strategy recommendations. The plan includes strategies that are categorized into the housing policy framework focus areas: Develop a Coordinated Housing System; Increase City Investment in Housing with a 10-Year Funding Plan; Increase Affordable Housing Production, Rehabilitation, and Preservation; Protect and Promote Neighborhoods; and Ensure Accountability to the Public. Each implementation plan includes partners, funding, timeline, and key performance indicators.

Staff will work with council and community stakeholders to prioritize the strategies into a work plan to be implemented by the city and our partners. The priority for these strategies will be determined through community and council feedback. NHSD is finalizing a plan to incorporate

public feedback on these final strategy recommendations which will take place in September. This outreach will be coordinated with Housing Commission and Council offices.

PCDC will continue to receive regular updates 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 when we expect to be in early Fall.

**ALTERNATIVES:**

This item is for briefing only.

**FISCAL IMPACT:**

There is no fiscal impact at this time.

**RECOMMENDATION:**

This item is for briefing only.