



CITY OF SAN ANTONIO  
**NEIGHBORHOOD & HOUSING  
SERVICES DEPARTMENT**

December 16, 2021

Item #37

# **Proposed Updates to the COSA Fee Waiver Program**

Veronica Garcia, Deputy Director

# Summary



- Align the City of San Antonio Fee Waiver Program with the Strategic Housing Implementation Plan objectives

Update the City Fee Waiver Program policy and structure to provide more subsidy to affordable projects



# Background



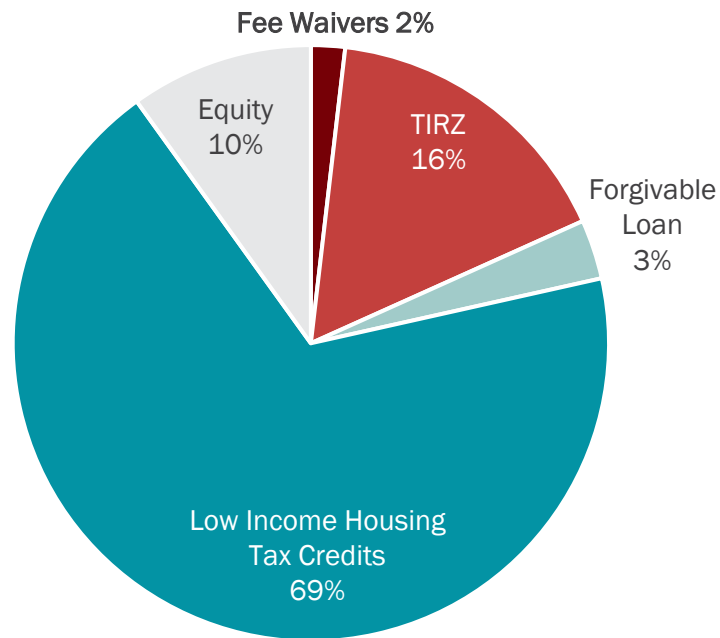
- **Program goals:**
  - Support creation and preservation of affordable housing
  - Increase rehabilitation, upgrade, and adaptive reuse of existing buildings
  - Encourage growth and development of small businesses, legacy businesses, and targeted industry projects
- **Provides City and SAWS impact fee waivers to eligible projects:**
  - Affordable Housing
  - Historic Rehabilitation
  - Owner-Occupied Rehabilitation
  - Small Business
  - Targeted Industry

} Managed by EDD

# Background



- **Annual Fee Waiver Budget - \$5.5 million**
  - \$2.5 million for City fee waivers  
(*General Fund*)
  - \$3 million for SAWS impact fee waivers  
(*Funded by SAWS*)
- Typically, fee waivers support an average 2 - 4% of the total cost of housing development
  - For affordable housing, fee waivers are one important layer to the overall project funding
- Sample fees eligible to be waived include:
  - Plan review & permit fees (\$650-\$1,800 for single-family; \$10,000-\$50,000+ for large commercial)
  - Traffic Impact Analysis (\$400-\$1,800 for large commercial)



**Affordable Housing Project  
Sample Capital Stack**

# Metrics

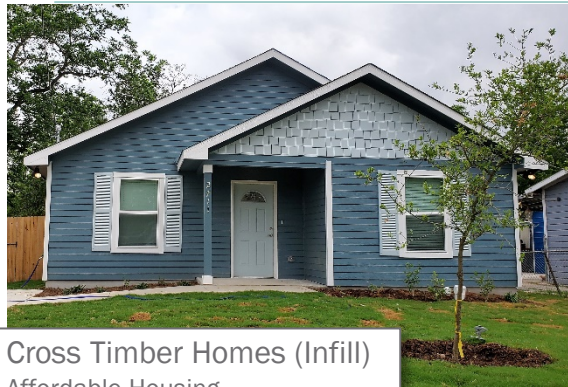


- Since January 2019, COSA Fee Waiver Program has assisted 1,783 housing units
  - 60 units for households up to 30% AMI
  - 1,129 units up to 60% AMI
  - 345 units up to 80% AMI
  - 57 for-sale units up to 120% AMI
  - 1,591 total affordable/ workforce units (86% of all units assisted)
- Assisted 32 small businesses
- Supported restoration of 6 historic buildings





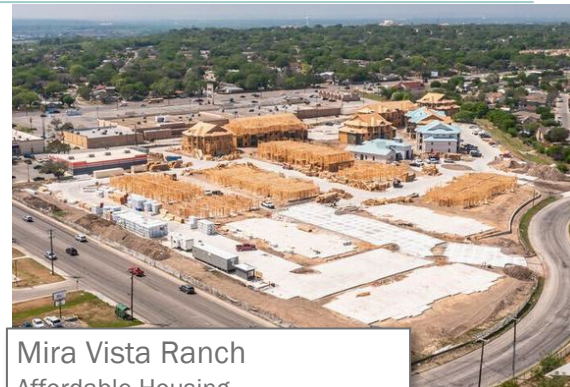
# Project Examples



Cross Timber Homes (Infill)  
Affordable Housing



The Markson  
Affordable Housing



Mira Vista Ranch  
Affordable Housing



Dry Goods Building  
Historic Rehabilitation



Chris Madrid's  
Small Business



Pinkerton's BBQ  
Small Business

# Current Policy



Affordable Housing	Owner Occupied Rehabilitation	Historic Rehabilitation	Business Development
<p>Nonprofits and private developers constructing affordable housing may receive waivers for City and SAWS fees within the city limits.</p>	<p>Participants in home repair/rehabilitation programs through NHSD or non-profit organizations will qualify for City and SAWS Fees.</p>	<p>Owners of residential and commercial structures eligible to be designated as historic, may receive waivers for City and SAWS fees.</p>	<p>Small Business and Industry applicants and owners of Legacy Businesses meeting specific criteria may receive City and SAWS fee waivers</p>
<ul style="list-style-type: none"> <li>• 100% waiver of eligible City fees</li> <li>• \$250,000 max. SAWS fees</li> <li>• Affordable unit mix must be comparable to market rate mix</li> <li>• Rental                             <ul style="list-style-type: none"> <li>- 25% of units affordable to families at 80% AMI</li> <li>- 25% of units at 60% AMI</li> <li>- Rent and income restricted</li> </ul> </li> <li>• For Sale                             <ul style="list-style-type: none"> <li>- Priced at 120% AMI or below</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• 100% waiver of eligible City fees</li> <li>• \$10,000 max. SAWS fees</li> <li>• Exempt from \$100 application fee</li> </ul>	<ul style="list-style-type: none"> <li>• 100% waiver of eligible City fees</li> <li>• \$150,000 max. SAWS fees</li> <li>• Must be eligible for designation.</li> <li>• Requires OHP review</li> </ul>	<ul style="list-style-type: none"> <li>• Waiver of eligible City fees</li> <li>• Up to 100% waiver of SAWS fees, max based on EDD Fee Waiver Guidelines</li> <li>• Exempt from \$100 application fee</li> </ul>

## Policy updates to address the following:

- Alignment with Strategic Housing Implementation Plan (SHIP); specifically, defining affordable housing in San Antonio
- Recommendations by Removing Barriers to Affordable Housing Committee
- Improving equity
- CCHIP program sunset
- Process improvements



## Policy updates to address the following:

- Alignment with Strategic Housing Implementation Plan (SHIP); specifically, defining affordable housing in San Antonio

Affordable Housing  
(Rental)  
 $\leq 60\%$  of AMI

- The existing policy requires at least 25% of rental housing units be reserved for households earning up to 60% of AMI.
- The revised policy requires half of all housing units to be reserved at  $\leq 60\%$  of AMI. **Priority will be given for developments that include at least 10% of units at  $\leq 30\%$  of AMI.**

## Policy updates to address the following:

- Recommendations by Removing Barriers to Affordable Housing Committee

Facilitate construction of accessory dwelling units, especially for the purpose of creating or preserving affordable housing.



## Policy updates to address the following:

- Applicants currently processed in order of receipt
- Potential equity alternatives:
  - Affordability criteria
  - Nonprofit developers
  - Location (e.g. Regional Centers)

# Proposed Updates



## Order of Priority for Affordable Housing applicants:

- a) Projects that include a minimum of 10 percent of housing units reserved for households earning up to 30% of the Area Median Income (AMI)
- b) Projects approved for one of the following: Housing Tax Credits through Texas Department of Housing and Community Affairs (TDHCA); HOME, CDBG or NSP funds from HUD; or American Rescue Plan Act of 2021 (ARPA) funds
- c) Projects being developed by nonprofit organizations
- d) Projects consisting of twelve (12) or fewer total housing units, including projects solely involving the construction of an accessory dwelling unit
- e) Projects located in a Regional Center or directly along a planned VIA Advanced Rapid Transit corridor or existing VIA service route
- f) All other qualifying projects

# Proposed Updates



## Reallocation of Fee Waiver Budget

Category	City Fee Waivers \$1,990,000 (FY 2022)			SAWS Impact Fee Waivers \$3 Million		
	Current*	Proposed		Current	Proposed	
Affordable Housing	\$800,000	\$1,270,000	64%	\$700,000	\$2,000,000	67%
Owner-Occupied Rehab & Historic Rehab		\$160,000	8%		\$200,000	7%
Small Business	\$200,000	\$160,000**	8%	\$300,000	\$300,000**	10%
Targeted Industry	\$500,000	\$400,000	20%	\$500,000	\$500,000	16%
CCHIP	\$1,000,000	-		\$1,500,000	-	

\*Current City Fee Waiver budget totals \$2.5 million based on prior year allocations; FY2022 allocation is reduced to \$1,990,000

\*\*EDD is proposing reallocating Small Business funds to the Affordable Housing category for FY2022

# Proposed Updates



- Projects must include at least 50% of rental units affordable to families at 60% AMI or below OR 120% AMI for homeownership
  - Priority for projects with 10% of rental units at 30% AMI or below
- Prioritize applications based on equity criteria
- Eligible projects to include construction of Accessory Dwelling Units (ADUs)
- Rental housing developments subject to Housing Voucher Incentive Policy (HVIP) ordinance
- Simplified waiver length and renewal: City and SAWS fee waivers to be valid for one (1) year, with the option to renew for one (1) additional year
- Processing fee adjustments:

Project Type	City Fee Waiver	SAWS Fee Waiver	TOTAL: City & SAWS
Housing ( $\leq 12$ units), Historic Rehab, Small/Legacy Business	\$100	\$200	\$300
Housing ( $> 12$ units), Industry	\$500	\$500	\$1,000
Renewal (All Projects)	\$100	\$100	\$200

(Homeowners are exempt from the fee)



# Stakeholder Input

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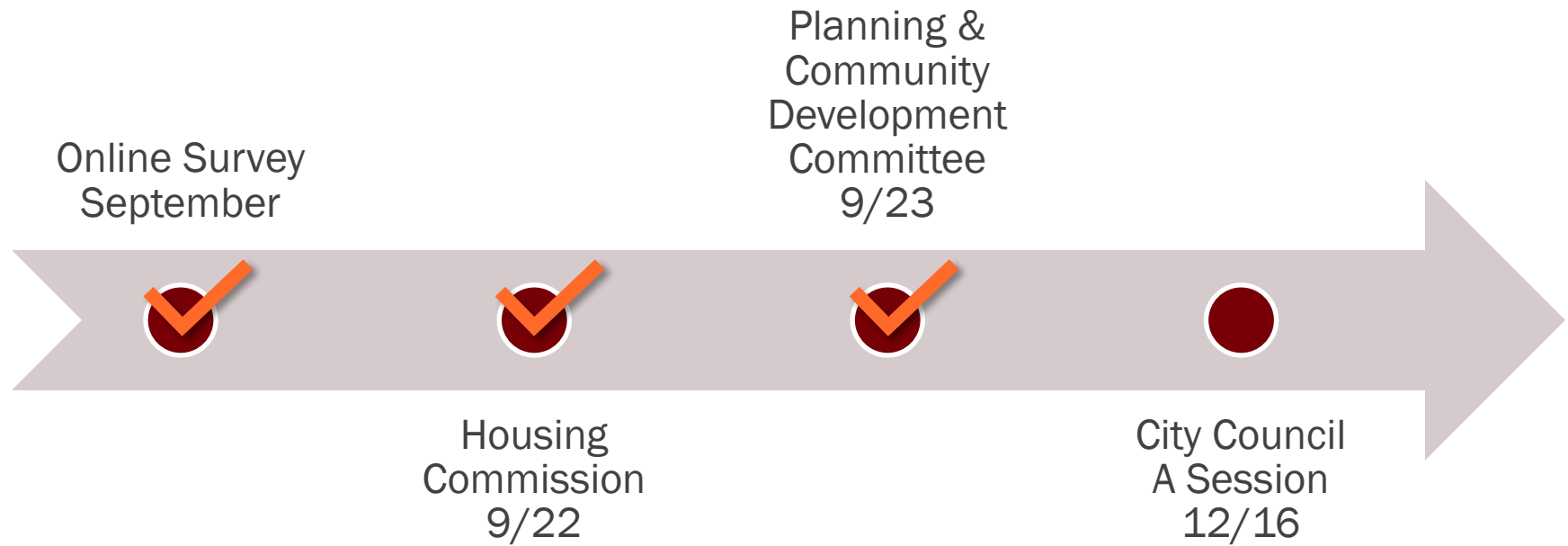
## Roundtables (May – August)

- Nonprofit housing providers
- City departments
- Development partners and community organizations

## Community Engagement Survey (September)

- Survey targeting neighborhood representatives, nonprofit housing developers, and other nonprofit partners

# Timeline





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