

STRATEGIC HOUSING POLICY TOOLKIT FOR HIGH LEVEL OF SERVICE TRANSIT CORRIDORS AND STATION AREAS

VERSION 1.0

*Goals, Policies, Strategies,
and Implementation Steps for the
San Antonio Region*

prepared for

VIA Metropolitan Transit

prepared by

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EXECUTIVE SUMMARY

VIA Metropolitan Transit (VIA), the City of San Antonio (COSA), the San Antonio Housing Authority (SAHA), other partners, and private stakeholders are working together in new ways to leverage the region's unique resources and pursue a vision of the region's housing in high level of service (LOS) transit corridors. This vision is one of balanced housing and high-transit service ridership – one that plans for a broad range of housing built for all incomes levels, for current and future residents, in areas serviced by high levels of transit.

To help achieve this vision, this toolkit sets forth a Strategic Housing Policy Framework, including goals and policies, as well as strategies that have been tested, in peer cities, to produce real results. Although the goals and policies of the Strategic Framework identify a need for a broad range of housing for all incomes levels, the strategies included here focus on ways to preserve and produce both market rate and subsidized affordable housing – as these components of balanced housing are the most vulnerable to loss due to market forces (rising land values) and are the most challenging to produce.

Why focus on high level of service transit corridors and stations, not all places served by transit? This toolkit focuses specifically on focus areas of high level of service corridors and transit stations, because national experience has shown that when significant investments are made to start or enhance a transit corridor (such in initiating new light rail or street car service) the land values in close proximity to transit stations and in these corridors can rise considerably and quickly. As the value added by the transit service increases desirability of the place to residents, commercial endeavors and employers, market forces increase the value of the land and real estate in these areas. In doing so, people of lower income are often displaced as they cannot afford the increasing costs. Typical transit service is not known for having the same effect.

VIA plans, builds and manages the region's complex public transportation network. The city, SAHA and VIA have long recognized the benefits of providing high-quality transit service to a low- and moderate-income communities as a way to reduce household transportation costs, in addition to broader environmental and operational goals. VIA is working closely with SAHA and other partners in San Antonio and neighboring communities to coordinate plans, policies and projects that support both strategic housing and public transportation goals. VIA's Strategic Housing Policy Toolkit is one resource in identifying and implementing these opportunities.

This Toolkit includes the eight sections described below:

Section 1.0 provides a **Strategic Housing Policy Toolkit for High Level of Service Transit Corridors and Station Areas (Toolkit) overview.**

Section 2.0 describes the benefits of **aligning strategic housing and public transportation.**

Section 3.0 briefly describes **housing and transportation patterns in the San Antonio region**, and trends affecting the relationship of strategic housing and transportation.

Section 4.0 discusses **Federal Transit Administration's (FTA) criteria** for funding public transportation projects and general expectations related to strategic housing.

Section 5.0 presents **San Antonio's challenges, constraints and opportunities** related to coordinating strategic housing and public transportation plans, policies, and projects.

Section 6.0 examines **best practices coordinating housing policy and public transportation**, and San Antonio Region's existing policies codes and regulations.

Section 7.0 presents the **Strategic Housing Policy Framework**.

Section 8.0 presents the **potential strategies** to preserve and produce affordable housing in high level of service transit corridors.

Section 9.0 presents the **Action Plan**.

This toolkit is designed to be a resource to communities nationwide that are seeking to improve the coordination and housing and transit, more specifically those that are looking to develop goals and policies, and implement strategies to preserve and produce both market rate and subsidized affordable housing in high level of service transit corridors and station areas.

The Toolkit is intended for COSA and peer cities with high service-level corridors and stations areas to strategically approach the relationship and interface of housing/transit through coordinated, early policy development. In developing this Toolkit's goals, policies and strategies, VIA, SAHA, COSA and other stakeholders have begun new conversations, and identified opportunities to form stronger partnerships. It is the intent that these conversations and partnerships will lead to more coordinated planning that will ultimately help each agency produce the highest, most lasting, benefits to San Antonio from each dollar invested.

Why has VIA Metropolitan Transit written a toolkit on strategic housing policy?

- VIA is considering “the big picture” which includes not only transit planning, transit facilities and operations but also TSLU, affordable housing, design, and other important factors that have linkages to transit. Affordable housing is one component of that “big picture.”
- Supporting mixed-income communities can generate ridership, and provide an environment that offers additional mobility and connectivity for all people in San Antonio, including the low-income and very low-income.

- Ensuring some of the housing near transit is affordable provides people of all income levels with choice of community and mode of transportation.
- FTA Criteria for New Starts Grants now include a review of affordable housing policies, and preservation/production activities.

There are two overarching themes in the region’s planning and policy efforts. First, the region recognizes the strong link between transportation and land use planning. Second, creating vital neighborhood centers supports the economic, cultural and safety goals of the region’s cities. Creating and preserving housing opportunities for a range of markets is important to developing neighborhood centers and transportation hubs. There are three key benefits to aligning transportation and housing plans, described below.


- **Transportation costs and economic opportunity.** As noted above, transportation costs are a key component of household spending. By preserving a range of housing types near frequent, high-quality transit, the region delivers economic benefit to households and the region.
- **Investing for greatest benefit.** Acting now to preserve or create a range of housing types near existing or planned transit hubs can save the cities and developers money over time.¹
- **Support and develop transit ridership.** Transit providers strive to meet social and operational goals, often by directing service to residents most in need of transit services. Preserving a range of housing choices near transit can create diverse neighborhood centers while maintaining efficient access to riders.

A renewed interest in urban living and several recent redevelopment projects has begun to expand the downtown housing market, leading to an influx of new residents and increased property values in certain areas. Though many traditional neighborhoods remain affordable, newer in town developments are being marketed to residents with moderate to high incomes (McLaughlin, 2014). Timing of affordable housing developments is important so that a window of opportunity is not lost as the inner city redevelops to market rate. Acting now to preserve or create a range of housing types near existing or planned transit hubs can save the city and developers money over time.

Federal Transit Administration Evaluation Criteria

The Federal Transit Administration (FTA) is the regulatory agency that oversees Federal transit funding for capital projects and transit operations. FTA also is the lead agency for the National

¹ Center for Housing Policy, Challenges and Policy Options for Creating and Preserving Affordable Housing Near Transit, 2010.



Environmental Policy Act (NEPA) process receiving Federal capital funding. The New Starts program is FTA's capital funding program for new and expanded rapid transit projects. New Starts is highly competitive and requires a detailed application and screening process in order to qualify.

The application process includes a screening by six evaluation categories made up of “project justification” measures. These evaluation categories are rated and make up 50 percent of the total evaluation score. The other half is a measure of local financial commitment. FTA requires at least a medium rating on both project justification and local financial commitment to obtain a medium or better rating overall.

Challenges, Constraints, and Opportunities

Neighborhood revitalization creates a challenge in managing neighborhood investment to bring positive neighborhood change without displacing low-income residents. Local governments, developers, and nonprofit organizations have a range of tools to create and retain affordable housing. Effective implementation will benefit from understanding the challenges of renewed development activity, in order to address constraints and create equitable benefits for the region.

Research conducted to inform this Toolkit included interviews with planning staff in several cities – including Denver, Atlanta, El Paso, and Charlotte. Those discussions identified the following barriers to preserving and developing affordable housing in areas with high-level transit service, or areas for which high-level transit service was being planned.

Many municipalities face challenges to preserving all types of affordable housing in high level of service transit corridors that are experiencing a rise in land values due in part to significant transit investments – this includes homes that are owned by those of lower income, market rate affordable, and subsidized affordable properties. In San Antonio, a particular preservation challenge is the maintenance of owned homes, where owners might have inherited the property, but are not in an economic position to maintain the property, update utilities, or afford taxes.

Several issues can challenge affordable housing production and limit chances for low-income residents to find housing opportunities. Three main challenges include competition with market rate housing developers, high costs and uncertainty in the housing development process, and a need for housing available at incremental price points so that subsidized renters can, as they improve their economic position, graduate from subsidized programs and find housing at market rate that is still affordable.

State law and funding resources are two significant constraints on strategic housing initiatives to support transit-oriented development in the San Antonio region. Both issues limit the availability to create and preserve diverse housing choices near VIA's transit infrastructure.

These and other challenges require innovative solutions to create policies and secure resources for housing options near transit services.

The San Antonio region offers opportunities to create and preserve strategic, mixed-income housing options. These opportunities include the early leadership of many public agencies to plan for long-term housing and public transportation changes, San Antonio's historical position as an affordable city for new homeowners and renters, potential parcel availability for redevelopment as market rate or subsidized affordable housing, and several ongoing long-range planning efforts coordinated across regional agencies and partners. Current opportunities and advantages include:

- Early Public Leadership;
- Current Real Estate Environment; and
- Coordination with Current Planning Efforts.

Best Practices

Research for this toolkit included a review of best practices in creating and implementing policies and programs related to the preservation and production of affordable housing in areas served by high levels of transit, particularly at the regional and municipal level. Many other cities face similar challenges, but the review revealed that coordinating housing with public transportation systems can have several benefits – for low-income households that would otherwise be displaced, transit ridership, and building economically diverse communities. Practices to link housing and transit were examined in the cities of Atlanta, Charlotte, Denver, El Paso, Houston, Memphis, and Salt Lake City. These cities have been active in planning for new streetcar, bus rapid transit, and light rail transit systems. As part of those planning initiatives, some have been developing affordable housing policies in preparation and in response to these transit investments.

The recommendations from the literature review have informed how VIA can understand municipal policies, planning, partnerships and codes through a lens of encouraging balanced housing in transit corridors and stations served by high levels of transit. The best practices research also has identified specific tools and actions the agency can use to influence discussions, including policy language, and steps that can be included in an implementation plan to guide VIA as it interfaces with other regional agencies.

- **Establish organizational partnerships.** Several municipalities established partnerships to achieve affordable housing goals – the coordination of policy, planning, and capital programming can lead to better outcomes.

- **Community Land Trust or Affordable Housing/TOD Fund.** A community land trust (CLT) is an entity that can be set up for the purpose of purchasing and retaining ownership of land to ensure its ongoing use for community purposes. A community can use a CLT to support the long-term affordability of both rental buildings and ownership housing.
- **Provide clear guidelines.** Station and corridor planning can provide an important framework for regulation and investment. The City of Denver noted the importance of “plan first – then regulate,” in contrast to reactively addressing planning and regulatory issues at the same time when a project proposal arises – this approach also be applied to affordable housing policies and programs.
- **Streamline regulatory processes.** Affordable housing can be challenging for developers to deliver. Having a simple and well understood system can reduce developer costs and create tangible results faster.
- **Facilitate financing and site preparation.** Cities can take the first steps to prepare sites for development, this can facilitate the development of affordable housing by removing barriers to development, and by linking affordable housing requirements to these prepared sites. Additionally, municipalities can identify funds that can be used as gap financing to smooth the financing process for these developments.
- **Use flexible tools and incentives to support affordable housing near transit.** Common tools include parking requirement reductions, density bonuses, Federal low-income housing tax credits, local revolving loan funding, and land acquisition or land banking programs.
- **Revise parking policies to reduce housing costs.** A lower quantity of parking can reduce development costs, and savings can be passed on to residents or developers.

VIA and its consulting team conducted a review of existing affordable housing planning policies and practices in San Antonio – including those by the City and by SAHA, comparing them to the FTA criteria. This full review is included in this toolkit as Appendix A.

Strategic Housing Policy Framework

Goals

The Parties will:

1. Support efforts to ***construct and maintain a broad spectrum of market-rate and subsidized affordable housing*** in focus areas ***supported by high level of transit service***, to promote balanced housing options, preserve existing communities, create new communities and support economically integrated neighborhoods for the people of San Antonio.
2. ***Coordinate*** actively between themselves and other stakeholders and partners such as the City, non-profit agencies and the private sector (partners) to conduct housing assessment and planning for affordability, consistent with the geographic boundaries and development intensity in VIA's Long-Range Comprehensive Transportation Plan.
3. Work strategically with partners to ***colocate housing and transit*** to lower the combined Housing and Transportation costs (H+T) as a buffer against rising fuel prices, congestion costs, and housing costs.
4. Support the ***preservation*** of existing affordable housing near transit stations and in transit corridors with high levels of service.
5. Support ***the inclusion of affordable units*** (for rental and ownership) in new housing developments produced near transit stations and in transit corridors with high levels of service.
6. ***Align*** economic development (jobs), housing and transit in ***policy and investment decisions to maximize the colocation*** of jobs, housing, and access to transit.
7. ***Actively pursue*** emerging development and redevelopment opportunities that meet multiple community goals, such as economic and ***transit-oriented development, while adding*** to the ***affordable housing*** infrastructure for San Antonio.²
8. ***Measure the level of achievement*** of these goals by tracking transit ridership, improved transit access, and the prevention of displacement of low- and moderate-income households.

² Existing SAHA goal.

Policies

VIA and (SAHA) will work toward the above goals by supporting the following policies:

- VIA and SAHA cooperate and provide **support for the documentation, evaluation, and analysis** of the housing market and housing needs (amount, type, affordability) in transit corridors and station areas. They will provide input to other planning efforts regarding the coordination of housing, economic development and transit planning by conducting housing analysis for transit stations and corridors when appropriate and feasible to do so.
- VIA and SAHA will cooperate in and support strategic and balanced housing³ planning in focus areas supported by high level of service transit by encouraging the development of options for workforce, mixed income, and affordable housing (market rate and subsidized) in these areas. To do so, VIA and SAHA will work together and in cooperation in support of the implementation of plans, policies, tools, and financing strategies that **preserve and revitalize, or increase, both market rate affordable housing and subsidized affordable housing** in focus areas supported by high level of service transit.
- VIA and SAHA will cooperate and coordinate support for policies and actions that encourage developers to preserve and increase affordable housing on a **long-term basis** in all San Antonio communities served by high level of service transit.
- VIA and SAHA will support efforts to **include affordable housing** units in VIA **joint development/station area projects**, as appropriate.
- VIA will support SAHA's efforts to **preserve and produce** affordable housing in areas served by transit.
- When making major transit investments, VIA will consider housing affordability as part of the planning process and when evaluating housing developments SAHA will consider transit accessibility.

Strategies and Tools

A proposed set of strategies to promote the linkage of affordable housing and transportation are outlined here under several broad themes:

- Promoting balanced housing, including workforce, affordable and market-rate housing, to serve residents of all income groups in an equitable manner;

³ Balanced Housing – meeting needs of current and future residents at all ends of income spectrum, a mix of housing options.

- Directing affordable housing development to infill areas served by VIA high level of service transit, to reduce traffic congestion, infrastructure costs, and overall housing plus transportation costs; and
- Create and strengthen organizational partnerships in order to facilitate the linkage between affordable housing and transit, and build local capacity to respond to funding and project opportunities.


These strategies aim at creating a sustainable framework for affordable housing located within transit areas in San Antonio. As noted above, supportive plans, policies and projects have been in development under the leadership of local agencies (SAHA, COSA), organizations (San Antonio Housing Trust, National Association of Latino Community Asset Builders) and private development groups. The strategic direction described here should help to focus future efforts and improve opportunities for San Antonio to obtain funding under competitive Federal capital improvement grant programs.

Promote balanced housing. A balance of affordable and market-rate housing is critical to avoid concentration of low-income residents, help maintain neighborhood diversity, and achieve equitable access to employment and services (in accordance with Goals 1, 3, 4, 5, 6, and 7). Tools that support this strategy will prevent displacement and preserve affordable housing, produce new affordable housing, and promote transit among low-income populations.

Direct affordable housing to infill areas served by high levels of transit. Opportunities to develop sites served by premium transit will be rapidly absorbed into market-rate housing and mixed-use, unless agencies are proactive in identifying sites for infill affordable housing. Tools that support this strategy will lower the cost of affordable housing development and improve planning coordination (in accordance with Goals 1, 2, and 5).

Create and strengthen organizational partnerships. Creation of an effective partnership framework is essential to sustain the affordable housing/transit initiative and respond to opportunities for funding and site development in a timely way.

- Tools to Prevent Displacement and Preserve Affordable Housing.
- Tools for Subsidized and Market Rate Rental Units.
- Preserving Ownership.
- Promoting Home Ownership.
- Tools to Produce and Preserve Opportunities to Produce Affordable Housing.

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- Tools to Preserve Opportunities to Produce Affordable Housing.
 - Tools to Produce Affordable Housing.
 - Tools to Lower the Cost of Affordable Housing Development.
 - Incentives for Developers.
 - Funding and Financing.
 - Strategies to Improve Planning Coordination.
 - Strategies to Promote Transit Amongst Low-Income Populations.

The Action Plan identifies short-, medium-, and long-term actions to be acted on by VIA and its partners. This plan should be revisited during VIA and SAHA committee meetings, and should be updated, at a minimum, on an annual basis to effectively implement strategies and coordinate programs, planning and projects.

1.0 INTRODUCTION

VIA Metropolitan Transit (VIA), the City of San Antonio (COSA), the San Antonio Housing Authority (SAHA), other partners, and private stakeholders are working together in new ways to leverage the region's unique resources and pursue a vision of the region's housing in high level of service (LOS) transit corridors.

This vision is one of balanced housing – one that plans for a broad range of housing built for all incomes levels, for current and future residents, in areas serviced by high levels of transit. To help achieve this vision, this toolkit sets forth a Strategic Housing Policy Framework, including goals and policies. It includes potential strategies that have been tested, in peer cities, to produce real results. Although the goals and policies of the Strategic Framework identify a need for a broad range of housing for all incomes levels, the strategies included here focus on ways to preserve and produce both market rate and subsidized affordable housing – as these components of balanced housing are the most vulnerable to loss due to market forces (rising land values) and are the most challenging to produce.

Why focus on high level of service transit corridors and stations, not all places served by transit? This toolkit focuses specifically on focus areas of high level of service corridors and transit stations, because national experience has shown that when significant investments are made to start or enhance a transit corridor (such in initiating new light rail or street car service) the land values in close proximity to transit stations and in these corridors can rise considerably and quickly. As the value added by the transit service increases desirability of the place to residents, commercial endeavors and employers, market forces increase the value of the land and real estate in these areas. In doing so, people of lower income are often displaced as they cannot afford the increasing costs. Typical transit service is not known for having the same effect. For more on this topic, please see Section 2.0.

VIA plans, builds and manages the region's complex public transportation network. The city, SAHA and VIA have long recognized the benefits of providing high-quality transit service to a low- and moderate-income communities as a way to reduce household transportation costs, in addition to broader environmental and operational goals. VIA is working closely with SAHA and other partners in San Antonio and neighboring communities to coordinate plans, policies and projects that support both strategic housing and public transportation goals. VIA's Strategic Housing Policy Toolkit is one resource in identifying and implementing these opportunities.

This Toolkit includes the eight sections:

- **Section 1.0** provides a **Strategic Housing Policy Toolkit for High Level of Service Transit Corridors and Station Areas (Toolkit) overview**, and how VIA and its partners collected and assessed the information.
- **Section 2.0** describes the benefits of **aligning strategic housing and public transportation**. VIA identified the cobenefits using best practices research and first-hand experience from peer cities.
- **Section 3.0** briefly describes **housing and transportation patterns in the San Antonio region**, and trends affecting the relationship of strategic housing and transportation.
- **Section 4.0** discusses **Federal Transit Administration's (FTA) criteria** for funding public transportation projects and general expectations related to strategic housing.
- **Section 5.0** presents **San Antonio's challenges, constraints and opportunities** related to coordinating strategic housing and public transportation plans, policies, and projects.
- **Section 6.0** examines **best practices coordinating housing policy and public transportation**, and San Antonio Region's existing policies codes and regulations. The section includes recommendations to better align housing and transit.
- **Section 7.0** presents the **Strategic Housing Policy Framework**, which is a set of recommended goals, policies and other strategies to improve coordination between strategic housing and transit.
- **Section 8.0** presents the **potential strategies** to preserve and produce affordable housing in high level of service transit corridors.
- **Section 9.0** presents the **Action Plan**.

1.1 Purpose of the Toolkit

This toolkit is designed to be a resource to communities nationwide that are seeking to improve the coordination and housing and transit, more specifically those that are looking to develop goals and policies, and implement strategies to preserve and produce both market rate and subsidized affordable housing in high level of service transit corridors and station areas.

The Toolkit is intended for COSA and peer cities with high-service level corridors and stations areas to strategically approach the relationship and interface of housing/transit through coordinated, early policy development.

In developing this Toolkit’s goals, policies and strategies, VIA, SAHA, COSA and other stakeholders have begun new conversations, and identified opportunities to form stronger partnerships. It is the intent that these conversations and partnership will lead to more coordinated planning that will ultimately help each agency produce the highest, most lasting benefits, to San Antonio from each dollar invested.

Other goals of the toolkit include:

- Support strong performance on applications for FTA New Starts/Small Starts funding;
- Provide best practice examples from other cities;
- Provide suggested changes to policies, and develop policy language;
- Provide other tools and incentives that could be adopted;
- Create implementation plan for near- and mid-term steps by stakeholders; and
- Link to the Transit-Supportive Land Use (TSLU) Guide and TSLU Toolkit.

1.2 Toolkit Development and Organization

VIA developed the Strategic Housing Policy Toolkit based on regional stakeholder meetings and workshops, literature review, and peer agency research.

1.2.1 Stakeholder feedback

Stakeholder feedback has been a central part of developing VIA’s Strategic Housing Policy Toolkit. Stakeholders included staff from VIA, SAHA, COSA Department of Planning and Community Development (DPCD), and the San Antonio Area Metropolitan Planning Organization (MPO). The VIA Board of Directors received project update presentations at regularly scheduled meetings at which they also provided guidance and support. The outreach process included the meetings and working group sessions shown in Table 1.

Table 1.1 Meetings and Working Group Sessions

Meeting	Organizations	Date
Strategic housing preliminary meeting	VIA, SAHA	January 2014
Strategic housing policy workshop	VIA, DPCD, SAHA	April 2014
Transit-supportive land use – working group meeting	VIA, DPCD, SAHA, San Antonio Area MPO	April 2014
Strategic housing policy workshop	VIA, DPCD, SAHA, other stakeholders	May 2014

1.2.2 Research, Best Practices, and Peer Agencies

VIA researched best practices, consulted peer transit agencies, and examined affordable housing policies and programs in cities similar to San Antonio to inform the Toolkit. The research was incorporated into VIA's parallel (ongoing) research on transit-supportive land use policies. The product of the research included a technical memorandum and reference "library." The reference library includes the San Antonio's land use planning and policy regulations (zoning code and polices), land use codes from nearby municipalities, and transit-supportive land use regulations and polices and affordable housing policies from peer cities similar in population, transit service, and history addressing affordable housing, land use and transportation issues.

Interviews with planning staff at seven "peer" cities provided detailed information on potential strategic housing strategies and past implementation efforts. The cities included Atlanta, Charlotte, Denver, El Paso, Houston, Memphis, and Salt Lake City. These cities have been active in strategic transit planning and have similarities to San Antonio in development patterns, growth, and development history.

1.3 Toolkit Audience

The prospective audience for the Strategic Housing Policy Toolkit VIA and its public and private partners are anticipated to refer to this Toolkit in furthering its short- and long-range goals related to the region's strategic housing plans for high LOS transit serviced communities. It also is designed to be applicable to other cities and transit agencies that are likely to face similar challenges. Public partners have included COSA's DPCD, COSA Economic Development Department, and SAHA. The toolkit is designed to be a resource for these agencies and other public and private partners. Public stakeholders, particularly those interested the region's strategic housing vision, will find the Toolkit a useful reference and guide to the housing and public transportation policy development.

1.4 Defining Terms

Several terms are used throughout the Toolkit that may be unique in some cases, while others are drawn from national practice. These terms are defined below.

Balanced Housing refers to ensuring a range of housing options that may include affordable, mixed-income or market rate housing for current and future residents. Strategic housing refers to residence choices that meet residents' economic and quality of life needs and preferences.

Affordable Housing is housing for which residents are paying no more than 30 percent of family income for gross housing costs, including utilities. Families paying more than 30 percent of their income for housing are considered cost burdened, as they may have difficulty affording

necessities such as food, clothing, transportation and medical care. Affordable housing is not a land use type, so it is not regulated by zoning codes. Affordable housing can be incentivized. One example is to require provision of affordable housing to qualify for a housing development or rehabilitation funding program.

Committed Affordable Units (CAF) have been developed, redeveloped and/or refinanced using a government-sponsored financing tool, which typically features more favorable terms than private financing tools. CAFs have private, typically nonprofit owners who agree to keep the units affordable to low-income households for an established term in exchange for using the government financing.⁴

Mixed-Income communities or developments are inclusive of individuals and families with a broad range of incomes. These developments may include both subsidized (low-income) and market-rate units.

Market-Rate Housing includes any housing available to the public without a government subsidy. Market rate affordable housing can be considered affordable, if the resident family spends less than 30 percent of their income on housing costs.

Market Rate Affordable Units (MARKS) are privately owned rental units that have no government financing and/or subsidy, but rent at rates similar to CAFs.⁵

Income Levels:

- **Extremely Low-Income** – Households with incomes do not exceed 30 percent of the median area income (AMI);
- **Low-Income** – Households with incomes between 30 percent to 50 percent of the AMI;
- **Moderate-Income** – Households with incomes between 50 percent to 80 percent of the AMI; and
- **Workforce** – often described as households with 80 percent to 120 percent of the AMI.

Transit-Supportive Land Use includes land uses and related roadway/pedestrian networks that lend themselves in use, density, and orientation to making transit services more effective and improve the quality of the experience of using alternative forms of transportation, including transit.

⁴ Northern Virginia Affordable Housing Alliance: Charting a Way Forward, Preserving Market Rate Affordable Housing in Northern Virginia's Inner Suburbs.

⁵ Northern Virginia Affordable Housing Alliance: Charting a Way Forward, Preserving Market Rate Affordable Housing in Northern Virginia's Inner Suburbs.

Transit-Oriented Development (TOD) is a development type that includes a higher density mix of land uses clustered around transit stations and corridors. TODs are focused within a half-mile radius of major transit stops, with the highest intensity and mix of land uses concentrated within a quarter-mile, or adjacent to the transit facility. These may be implemented near transit stops or stations or at a broader scale, as appropriate.

VIA Transit Station Typologies: VIA has developed a series of typologies for transit stations. A comprehensive presentation on these Typologies is provided in the Transit-Supportive Land Use Development Guide, which can be found on-line at: <http://www.viainfo.net>.



Mary Louise Station – a new VIA Metropolitan BRT stop on Fredericksburg Road BRT 100 Route – part of a revitalizing transit corridor. Photo Courtesy of Alex Steinberger.



2.0 BENEFITS OF COLOCATING HOUSING AND TRANSIT

2.1 Benefits of Transit

Transit provides many benefits to people across the nation, and in the City of San Antonio. It is noteworthy that the 2011 National Community Preference Survey by the National Association of Realtors finds that Millennials – the largest generation in history – prefer to live in the city more than any other generation.⁶ Many of these Millennials are choosing transit over vehicles as the preferred mode of transportation – cities looking to attract employees of this generation, and their, employers need to consider this fact.

⁶ APTA Business Case for Transit, 2013.

Figure 2.1 Benefits of Transportation

- In 2013, Americans took 10.7 billion trips on public transportation – the highest in 57 years.
- Since 1995 public transit ridership is up 37.2 percent, outpacing population growth, which is up 20.3 percent, and vehicle miles traveled (VMT), which is up 22.7 percent.
- Public transportation is a \$57 billion industry that employs more than 400,000 people.

Public Transportation Enhances Personal Opportunities

- Public transportation provides mobility and freedom for all people
- Public transportation access provides transportation options to get to work, go to school, visit friends, go shopping or go to a doctor's office.
- Public transportation provides access to job opportunities.

Public Transportation Saves Fuel, Reduces Congestion

- Public transportation has a proven record of reducing congestion.
- In 2011, U.S. public transportation use saved 865 million hours in travel time and 450 million gallons of fuel in 498 urban areas.
- Without public transportation, congestion costs in 2011 would have risen by nearly \$21 billion from \$121 billion to \$142 billion in 498 urban areas.

Public Transportation Provides Economic Opportunities and Drives Community Growth and Revitalization

- Every \$1 invested in public transportation generates approximately \$4 in economic returns.
- Every \$10 million in capital investment in public transportation yields \$30 million in increased business sales.
- Every \$10 million in operating investment yields \$32 million in increased business sales.
- From 2006-2011, residential property values performed 42 percent better on average if they were located near public transportation with high-frequency service.

Public Transportation Saves Money

- Using public transportation is the quickest way to beat high gas prices.
- According to APTA's Transit Saving Report, a two-person household can save, on the average, more than \$10,174 a year by downsizing to one car.
- Public transportation provides an affordable, and for many, necessary, alternative to driving.

Public Transportation Reduces Gasoline Consumption

- Public transportation use in the United States saves 4.2 billion gallons of gasoline annually.
- Households near public transit drive an average of 4,400 fewer miles than households with no access to public transit.

Public Transportation Reduces Carbon Footprint

- Public transportation use in the United States reduces our nation's carbon emissions by 37 million metric tons annually. This is equivalent to Washington, D.C.; New York City; Atlanta; Denver; and Los Angeles combined stopping using electricity.
- One person with a 20-mile round trip commute who switches from driving to public transit can reduce his or her daily carbon emissions by 20 pounds, or more than 4,800 pounds in a year.
- A single commuter switching his or her commute to public transportation can reduce a household's carbon emissions by 10 percent and up to 30 percent if he or she eliminates a second car.

For more public transportation facts, see the *Public Transportation Fact Book*.

Source: <http://www.apta.com/mediacenter/ptbenefits/Pages/default.aspx>.

2.2 Why has VIA Metropolitan Transit written a toolkit on strategic housing policy?

- VIA is considering “the big picture” which includes not only transit planning, transit facilities and operations but also TSLU, affordable housing, design, and other important factors that have linkages to transit. Affordable housing is one component of that “big picture.”
- Supporting mixed-income communities can generate ridership, and provide an environment that offers additional mobility and connectivity for all people in San Antonio, including the low-income and very low-income.
- Ensuring some of the housing near transit is affordable provides people of all income levels with choice of community and mode of transportation.
- FTA Criteria for New Starts Grants now include a review of affordable housing policies, and preservation/production activities.

COSA and the surrounding communities have long recognized the close relationship between housing and transportation. The San Antonio-Bexar County Metropolitan Planning Organization conducted a Housing and Transportation Study in 2005 that examined household transportation costs for the region. The study showed that, on average, transportation costs here were lower than the rest of the country. However, the city’s low-income families spent between 30 and 50 percent of their household income on transportation, due in part to the lowest-cost housing being located far from job growth in affluent suburbs. The Center for Neighborhood Technology’s 2008 report *Housing and Transportation Affordability in the San Antonio Metro Area* told a similar story, comparing household transportation costs to the national average of 18 percent. The study found that residents paid approximately 20 percent of their income, on average, and in some cases over 30 percent – a very high burden on limited family income.

There are two overarching themes in the region’s planning and policy efforts. First, the region recognizes the strong link between transportation and land use planning. Second, creating vital neighborhood centers supports the economic, cultural and safety goals of the region’s cities. Creating and preserving housing opportunities for a range of markets is important to developing neighborhood centers and transportation hubs. There are three key benefits to aligning transportation and housing plans, described on the following page.



Affordable Housing Development under construction near future high-capacity transit corridor. Photo Courtesy of Alex Steinberger.

Transportation costs and economic opportunity. As noted above, transportation costs are a key component of household spending. Opportunities to reduce transportation costs are crucial for low- and moderate-income families. By preserving a range of housing types near frequent, high-quality transit, the region delivers economic benefit to households and the region. Reduced transportation costs for the neediest families can improve residents' economic and work opportunity, offer truly affordable housing, and potentially alleviate strain on cities' limited social service programs. Creating or preserving housing for very low-income families in high-density, location efficient areas is often not financially feasible without dedicated Federal rental assistance subsidies – yet this income group is the most likely to need the transit and other vital services that such areas provide.⁷

⁷ Center for Housing Policy, Challenges and Policy Options for Creating and Preserving Affordable Housing Near Transit, 2010



New BRT bus at a VIA Metropolitan BRT stop on Fredericksburg Road BRT is proven to have economic development impacts on transit corridor – potentially leading to a rise in property values. Photo Courtesy of Alex Steinberger.

Investing for greatest benefit. Acting now to preserve or create a range of housing types near existing or planned transit hubs can save the cities and developers money over time.⁸ As population grows and transit services continue to improve, demand and land prices will continue to grow. The cost of building also will continue to grow as material and labor costs rise. Encouraging investment now in affordable housing near transit hubs positions VIA as a leader of efficient, well-designed growth, and leverages limited resources for the greatest public benefit. Retaining housing is less expensive (and less political) than creating new housing – it is often more cost-effective to keep housing that exists than to build new.⁹

Support and develop transit ridership. Transit providers strive to meet social and operational goals, often by directing service to residents most in need of transit services. This typically includes people with limited income, who have only one car, are students too young to drive, or older adults looking for safe transportation options. Preserving a range of housing choices near transit can create diverse neighborhood centers while maintaining efficient access to riders. VIA can leverage coordinated land use and transportation planning to meet its social and operational goals.

⁸ Center for Housing Policy, Challenges and Policy Options for Creating and Preserving Affordable Housing Near Transit, 2010.

⁹ Urban Institute, Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas, 2006.

3.0 EXISTING HOUSING CONDITIONS IN SAN ANTONIO

Housing in San Antonio has not experienced the high prices of some metropolitan areas, but many homes and apartments are still out of reach for many residents. The 2010 San Antonio median home sales price of \$130,000 was not affordable to households earning the median income in 2010.¹⁰ The median home price would require about 110 percent of the 2010 median household income. Potential homebuyers earning the area's median income would be able to afford about 45 percent of the homes in San Antonio. Rental units are similarly out of reach for many families. The Bexar County 2011 fair market rent was \$842 for a two-bedroom apartment, which was affordable to families earning over \$33,700 annually. This salary represents an hourly wage 33 percent higher than the Bexar County average wage, putting housing out of reach for nearly 60 percent of Bexar County's renters.

According to COSA, the median value of single-family homes sold in San Antonio fell from \$154,400 in 2007 to \$140,000 in 2011, while the median value of condominiums sold rose from \$109,400 to \$120,600. The condo market, according to HUD's 2011 Comprehensive Housing Market Analysis, has come to a "virtual halt" due to high prices, higher lending standards and the weak economy.

Trends suggest that the San Antonio region's housing demand will continue to grow. Vacancy rates are an important indicator of housing price trends, as low vacancies tend to increase home prices as demand outpaces supply. Home ownership and rental vacancy rates have both decreased since 2010. Nonrental housing vacancies have dropped to about two percent, which leaves very few opportunities for housing available to low-income households. Rental vacancy rates were high (over 10 percent) in 2010, but decreased quickly between 2010 and 2012.

Other trends in population and employment growth suggest increased housing demand. The San Antonio population grew nearly 16 percent from 2000 to 2010, the fastest rate of the 10 largest cities in the U.S. In Texas, Houston and Dallas grew at rates of 7.5 percent and 0.8 percent, respectively, and the Texas average was 20.6 percent.

There were nearly 480,000 households in San Antonio in 2010. The number of households grew 47 percent between 1990 and 2010 and 18 percent between 2000 and 2010, outpacing population growth. The number of households grew at faster rates in Bexar County and the metropolitan statistical area (MSA), matching the more rapid population growth in those areas. Household size decreased slightly from 2000 to 2010; the largest change in household size was experienced by the Hispanic/Latino population, which declined from 3.2 in 2000 to 3.0 persons per household in 2010.

¹⁰ Affordable housing requires 30 percent or less of household income. Housing requiring more than 30 percent of household income is not considered affordable.

In 2010, the San Antonio-New Braunfels MSA had more than a quarter-million more units than in 2000, a change of 40 percent. COSA represents the majority of the growth. Table 3.1 shows trends in the San Antonio Housing inventory from 1990 to 2010. Housing unit growth decreased after 2008, however, and has only slowly regained ground.

Table 3.1 Trends in Housing Inventory
1990 to 2010

	1990	2000	2010	1990-2000 Percent Change	2000-2010 Percent Change
San Antonio	365,414	433,122	524,246	18.5	21.0
Bexar County	455,832	521,359	662,872	14.4	27.1
San Antonio New Braunfels MSA	504,411	599,772	837,999	18.9	39.7

Source: City of San Antonio, Comprehensive Housing Needs and Strategic Housing Plan, 2013. Most recent reported data is for 2010 to be consistent with the 2013 Housing Plan.

Between 2000 and 2010, San Antonio issued permits for the construction or addition of 93,911 housing units across the City. This fairly closely approximates the Census figure for the difference in units between those years, 91,124, especially considering that not all permits result in finished units. Of the total permits issued, 63 percent were for single-family structures, 35 percent were for structures with five or more units and two percent were for units in two- to four-unit buildings.

3.1 HUD-Related Activities in San Antonio

HUD supports many economic development programs in San Antonio, namely the Ladders of Opportunity, Promise/Choice Zones, and the Moving to Work programs.

Ladders of Opportunity. In 2013, HUD set three goals to build the “ladders of opportunity” within housing:

- “Stepping up fair housing enforcement;
- Ensuring that all Americans have access to homeownership and can keep it; and
- Helping the hardest hit communities rebuild stronger than ever before.”

Promise Zones. In January 2014, the Eastside Neighborhood of the City of San Antonio was selected as one of five high-poverty urban, rural, and tribal “Promise Zones” by the Obama Administration. The PZ program is where the Federal government will partner with and invest in the communities. The goal of the program efforts in these specific communities is to “revitalize high-poverty communities across the country by creating jobs, increase economic activity, improve educational

opportunities, reduce serious and violent crime, leverage private capital, and assist local leaders in navigating Federal programs and red tape.” The key strategies for the City of San Antonio include:


- “Focusing on job creation and training, including through a partnership with St. Philip’s College, in key growth areas including energy, health care, business support, aerospace/advanced manufacturing, and construction;
- Empowering every child with the skills they need by increasing enrollment in high-quality prekindergarten programs; installing a STEM focus in the local school district; expanding enrollment in Early College Programs; and improving adult education opportunities; and
- Expanding public safety activities to facilitate neighborhood revitalization; improved street lighting and demolishing abandoned buildings; and integrated public safety activities with social resources.”

Moving to Work. The Moving to Work (MTW) program is a demonstration program for public housing authorities that “provides them the opportunity to design and test innovative, locally designed strategies that use Federal dollars more efficiently.” Ultimately, MTW gives housing authorities such as SAHA both flexibility with use of Federal funds and exemptions from many existing public housing and voucher rules. Since 2000, SAHA has been operating its original MTW program at three of its public housing developments, and extended its contract through the end of the 2018 fiscal year.

3.2 Urban Living and Redevelopment

A renewed interest in urban living and several recent redevelopment projects has begun to expand the downtown housing market, leading to an influx of new residents and increased property values in certain areas. Though many traditional neighborhoods remain affordable, newer in town developments are being marketed to residents with moderate to high incomes (McLaughlin, 2014). Timing of affordable housing developments is important so that a window of opportunity is not lost as the inner city redevelops to market rate.

Acting now to preserve or create a range of housing types near existing or planned transit hubs can save the city and developers money over time. As population grows and transit services continue to improve, demand and land prices will continue to grow. The cost of building also will continue to grow as material and labor costs rise. Encouraging partners to invest now in affordable housing near transit hubs positions VIA as a leader of efficient, well-designed growth, and leverages limited resources for the greatest public benefit. Retaining housing is less



expensive (and less political) than creating new housing – it is often more cost-effective to keep housing that exists than to build new.¹¹

¹¹ Urban Institute, Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas, 2006.

4.0 FEDERAL TRANSIT ADMINISTRATION EVALUATION CRITERIA

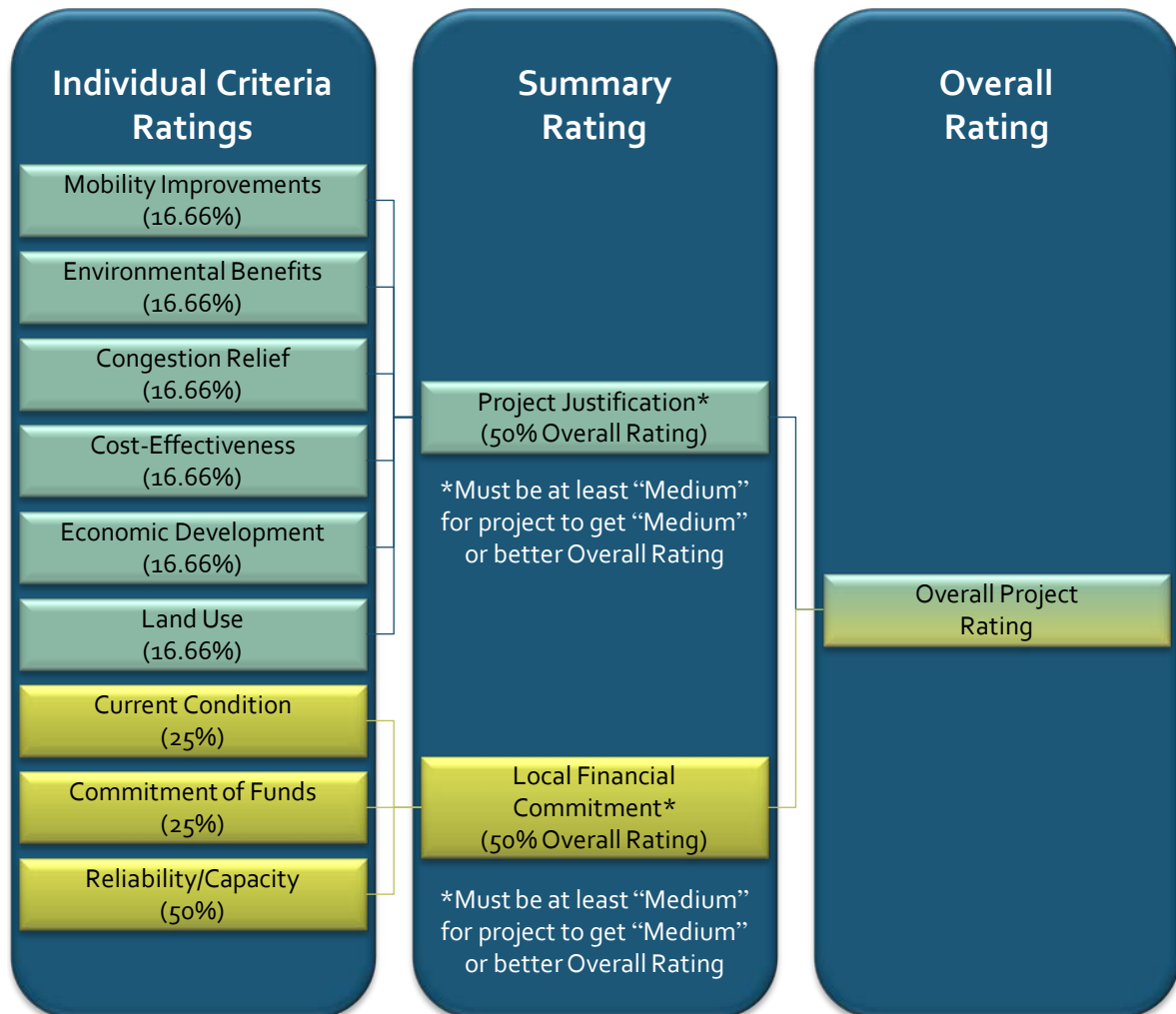
The Federal Transit Administration (FTA) is the regulatory agency that oversees Federal transit funding for capital projects and transit operations. FTA also is the lead agency for the National Environmental Policy Act (NEPA) process receiving Federal capital funding. The New Starts program is FTA's capital funding program for new and expanded rapid transit projects. New Starts is highly competitive and requires a detailed application and screening process in order to qualify.

The application process includes a screening by six evaluation categories made up of “project justification” measures. These evaluation categories are rated and make up 50 percent of the total evaluation score. The other half is a measure of local financial commitment. FTA requires at least a medium rating on both project justification and local financial commitment to obtain a medium or better rating overall. The categories include:

- Mobility improvements,
- Environmental benefits,
- Congestion relief,
- Cost effectiveness,
- Economic development, and
- Land Use.


The evaluation categories and process are illustrated in Figure 4.1.

Figure 4.1 New and Small Starts Project Evaluation Rating Under MAP-21



Policies, plans, and other activities related to affordable and strategic housing are included in the land use category. The affordable housing measures include:

- **Evaluation** of corridor-specific affordable housing needs and supply;
- **Plans and policies** to preserve and increase affordable housing in the region and/or corridor;
- Adopted **financing tools and strategies** targeted to preserving and increasing affordable housing in the region and/or corridor;
- Evidence of **developer activity** to preserve and increase affordable housing in the corridor; and
- Extent to which plans and policies account for **long-term affordability** and needs of the **very low- and extremely low-income households** in the corridor.



VIA prepared a preliminary affordable housing evaluation of the Modern Streetcar project, to assess how well the project would rate, key strengths and gaps in the evaluation, and considerations to improve the potential affordable housing score. The Modern Streetcar's preliminary rating, based on information to date, is low to medium. Detail on the preliminary evaluation and the information supporting this rating can be found in Appendix A.

5.0 CHALLENGES, CONSTRAINTS, AND OPPORTUNITIES

5.1 Challenges

Neighborhood revitalization creates a challenge in managing neighborhood investment to bring positive neighborhood change without displacing low-income residents. Local governments, developers, and nonprofit organizations have a range of tools to create and retain affordable housing. Effective implementation will benefit from understanding the challenges of renewed development activity, in order to address constraints and create equitable benefits for the region. This section discusses a number of those challenges.

5.1.1 NIMBY-ism

San Antonio is not unique in the fact that it must address stereotypes of affordable and multifamily housing. These stereotypes are fed by misperceptions of the economic, social, and safety issues related to mixed- and low-income residential areas. For examples, many people subscribe to the myth that mixed-income developments lower the property values of neighboring residences. To the contrary, several studies have shown that the introduction of mixed-income housing does not affect the values of adjacent properties.¹² Moreover, a recent study found “little evidence that affordable housing investments either reduce or increase crime on those blocks. These findings (in New York City) found that for this study area, fears about crime and subsidized housing are unwarranted.”¹³

Residents will often critically assess changes in their neighborhoods, and consider their safety, financial opportunity and quality of life. One challenge to VIA and its partner organizations is to adequately evaluate the local neighborhood-level project impacts, including public transit and land development initiatives. Detailed assessments supports informed decision-making in designing investment strategies, clearly communicating project benefits, and ensuring projects continue to achieve regional and local goals.

Another way to address the NIMBY challenge is to involve local communities such as neighbors, businesses, public agencies and nonprofit organizations in project planning and the development process. Starting outreach early, casting a wide net, and providing clear and concise information will be essential to maintaining positive relationships with the communities, and improving projects through active participation.

¹² Urban Land Institute; Mixed Income Housing, Myth and Fact, 2003 retrieved at: http://thejcra.org/jcra_files/File/resources/mixed%20income%20housing.pdf.

¹³ Rosenbloom, S. Limits of Investment of Housing Investment as a Neighborhood Revitalization Tool. JAPA.

5.1.2 Barriers Encountered by Peer Cities

Research conducted to inform this Toolkit included interviews with planning staff in several cities – including Denver, Atlanta, El Paso, and Charlotte. Those discussions identified the following barriers to preserving and developing affordable housing in areas with high-level transit service, or areas for which high-level transit service was being planned.

- Lack of leadership at the regional or state level.
- Lack of passage of time to evaluate effectiveness of current policies, tools and regulations – “what works” has not been proven.
- Ineffective incentives manipulated by builders – in Denver, the requirement to include affordable housing is for buildings with more than 30 units resulted in many developers choosing to build 29-unit developments to avoid having to include affordable housing. In Charlotte, there is documented resistance by the developers and the community to low-income housing. Inclusionary zoning is voluntary, and since the developer and communities both prefer not to have low-income housing, little affordable housing has been constructed in new units.
- When building within a TOD zoned district, existing height and density options can reduce the value of incentives for inclusionary zoning density bonuses. It is too politically sensitive to attempt to write zoning laws with lower heights or densities just to provide the “carrot” for bonuses.

5.1.3 Housing Preservation Challenges

Many municipalities face challenges to preserving all types of affordable housing in high level of service transit corridors that are experiencing a rise in land values due in part to significant transit investments – this includes homes that are owned by those of lower income, market rate affordable, and subsidized affordable properties.

In San Antonio, a particular preservation challenge is the maintenance of owned homes, where owners might have inherited the property, but are not in an economic position to maintain the property, update utilities, or afford taxes.

Another challenge in pursuing TOD is that new and redevelopment can increase demand for housing, driving up rental housing prices. Developers recognize the opportunity to meet market demand, which can lead to new developments replacing the existing housing stock that is often available at affordable prices. Landlords that provide affordable market rate housing or that are participating in Section 8.o programs see opportunities to benefit from the increased market demand, and may make decisions to increase rents, update their properties, or discontinue participation in the

Section 8.o programs. Preserving a range of housing prices near transit station areas therefore is important to ensuring the region benefits from equitable and accessible housing options.

Preserving existing housing choices has several challenges. For example, households or building owners with little discretionary financial resources find it difficult to afford regular maintenance. As their buildings age, they can become unsalvageable and unsuitable for new tenants. New developments requiring the demolition of the old buildings are less likely to offer new housing that is affordable to low- and moderate-income families. While programs exist to support low-income owners through low- or deferred-interest loans, the resources are limited and can be difficult to access. In addition, low-income owners are often at higher risk for predatory lending practices, creating often insurmountable, long-term financial issues.

5.1.4 Housing Production Challenges

Several issues can challenge affordable housing production and limit chances for low-income residents to find housing opportunities. Three main challenges include competition with market rate housing developers, high costs and uncertainty in the housing development process, and a need for housing available at incremental price points so that subsidized renters can, as they improve their economic position, graduate from subsidized programs and find housing at market rate that is still affordable.

Developers are increasingly drawn to transit station areas as TOD gains popularity with residents and investors. Competition for property within walking distance of transit stations is higher than other areas, with developers and investors willing to pay higher prices for property and development. Mixed-use and affordable housing developers, however, often lack the capital to compete in markets where transit service has added a premium to land costs, leaving low-income development opportunities to parcels in higher-cost transportation areas with limited transit service. This also is the case in land speculation or purchases in advance of transit line construction. Many affordable housing organizations lack the funds to hold land while arranging financing, and while transit agencies implement infrastructure and services, which can take several years from planning to construction.



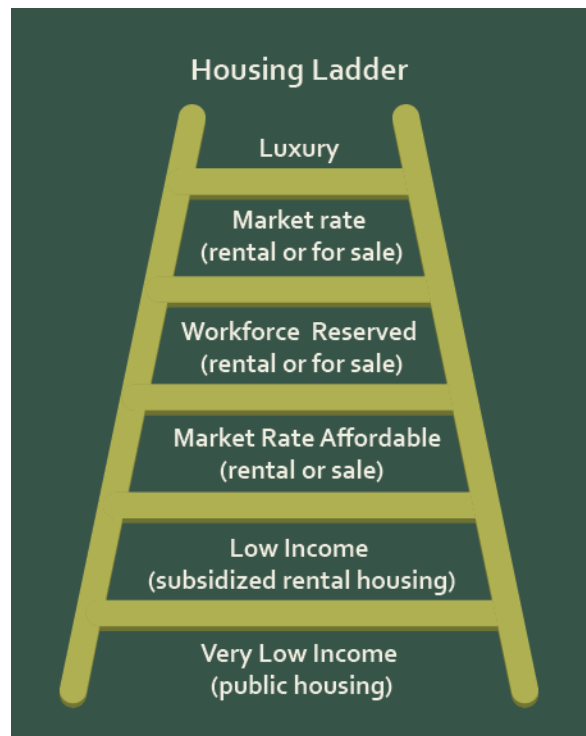
*Marie McGuire Apartment rehabilitation, a SAHA property in downtown near the Alamo, in San Antonio, Texas.
Source: San Antonio Housing Authority*

Mixed-income developments often come with additional financing requirements and development processes that increase the cost. For example, mixed-income developments often require complex legal structures in order to secure financing, which increases the cost of development. Small organizations targeting low-income residents, therefore, often lack the resources and experience to build partnerships and pay for the required services.

Transit-oriented developments also can require rezoning, variances or land assembly in order to support a feasible development proposal, and often require approval processes that can add uncertainty to the development process. Uncertainty in the development process adds to the preconstruction costs, as additional processes and approvals require resources such as staff time and legal counsel. This limits opportunities for public and nonprofit organizations, and erodes relatively fine financial margins for low- and mixed-income housing production.

The concept of low-income individuals or families moving out of subsidized housing and taking incremental steps to secure affordable market rate housing is often referred to as a housing affordability “ladder.” San Antonio, through its HUD sponsored Moving To Work (MTW) program and coordination with the City and other partners, seeks to support self-sufficiency opportunities for families through job training, educational and employment programs. The MTW program also has a goal to increase housing choices for low-income families. Ultimately, subsidized housing in San Antonio will be a stepping stone to a better life – not a life-long way of living. As economic conditions for beneficiaries improve, a critical component for self sufficiency will be access to housing at a broad range of price-points near high level of

service transit. The more a city, housing agencies, transit, community development, and other partners address these challenges in a coordinated way, the better results we may see over time. As equitable development and the availability of housing at a broad range of price points does not occur naturally, these partners must work together to identify the populations that are in transit corridors and stations areas today and future projected populations, and what range of housing is needed for these populations. With an understanding of need, the right policies, programs, strategies and tools can be used to help develop equitable communities, that will ultimately be a transit’s ridership base and a city’s workforce.



5.2 Constraints

State law and funding resources are two significant constraints on strategic housing initiatives to support transit-oriented development in the San Antonio region. Both issues limit the availability to create and preserve diverse housing choices near VIA's transit infrastructure. These and other challenges require innovative solutions to create policies and secure resources for housing options near transit services.

5.2.1 Legal Authority

The Texas legislature prohibited inclusionary zoning across the State in 2005, before any municipality had developed inclusionary zoning incentives or regulations. Inclusionary zoning is a local law that offers developers in defined areas to provide a minimum number of housing units that are affordable to low- and moderate-income residents. The policy is used in some cities to preserve a mix of housing choices in rapidly developing areas, or where there is little available land. Critics of the policy find developer costs under inclusionary zoning programs as greater than the social benefits. This toolkit provides examples of other affordable housing policies that can achieve the same or similar benefits for low- and moderate-income families.

5.2.2 Funding


Municipalities must prioritize and leverage limited resources to address needs and capitalize on opportunities. Additional funding from the private sector or from public sources is a critical factor in creating effective and successful affordable housing policies and programs. Regions need to create and pursue opportunities to increase available housing program funding to achieve housing goals. The strategies and tools discussed in this toolkit are examples of the types of policies and programs requiring these resources.

5.3 Opportunities

The San Antonio region offers opportunities to create and preserve strategic, mixed-income housing options. These opportunities include the early leadership of many public agencies to plan for long-term housing and public transportation changes, San Antonio's historical position as an affordable city for new homeowners and renters, potential parcel availability for redevelopment as market rate or subsidized affordable housing, and several ongoing long-range planning efforts coordinated across regional agencies and partners.

5.3.1 Early Public Leadership

VIA's public partners have integrated housing in planning efforts across the region, including the San Antonio Housing Needs Assessment, SA2020, ReNewSA, and other local plans and studies.



VIA and its partners can find opportunities to create a range of housing types by coordinating economic development, transportation, and housing issues early, efficiently, with targeted resources. One example is land purchases coordinated with transit corridor plans. VIA's partners can focus purchases of land where they expect new lines and line extensions to provide frequent, high-quality transit service, a strategy commonly called "land banking." This provides land developers with lower prices than purchasing the land after transit investments increase demand in the area. Landowners, whether SAHA, nonprofit or City agencies, as a leasee, could require developers to provide housing types it deems most in line with supporting its housing policies and goals.

5.3.2 Current Real Estate Environment

The real estate environment in the San Antonio region is another opportunity for VIA and its partners. Prices are still relatively affordable in the region, even as land prices have increased recently in some areas, such as in the Pearl District, where housing starts are targeted at higher-income families. Land also is still relatively available, with large undeveloped or underdeveloped areas of the city located close-in to historical and emerging activity centers. Strategic land acquisition and exploring real estate development opportunities now will lower costs for housing in the long term.

5.3.3 Coordination with Current Planning Efforts

COSA is creating several new plans and is pursuing infill redevelopment initiatives, including the Comprehensive plus Transportation Plan and the Downtown Plan, and the ReNewSA initiative. The Alamo Area Metropolitan Planning Organization is preparing the regional transportation plan (Mobility 2040) by early 2015. SAHA and VIA recently completed their long-range Strategic Plans. These plans have provided the opportunity to align the public's vision for the region, identify critical needs and resources, and prioritize investments and policies. Greater coordination between land use, roadways, public transit, housing and economic development can help ensure the region benefits from efficient and mutually beneficial strategies. The coordination will help VIA and its partners leverage a range of resources to support future investments and signal to outside partners (e.g., the FTA) that investing in the region's transportation network will lead to real results for residents and employees.

6.0 BEST PRACTICES

Research for this toolkit included a review of best practices in creating and implementing policies and programs related to the preservation and production of affordable housing in areas served by high levels of transit, particularly at the regional and municipal level. Many other cities face similar challenges, but the review revealed that coordinating housing with public transportation systems can have several benefits – for low-income households that would otherwise be displaced, transit ridership, and building economically diverse communities.


The recommendations from the literature review have informed how VIA can understand municipal policies, planning, partnerships and codes through a lens of encouraging balanced housing in transit corridors and stations served by high levels of transit. The best practices research also has identified specific tools and actions the agency can use to influence discussions, including policy language, and steps that can be included in an implementation plan to guide VIA as it interfaces with other regional agencies.

Practices to link housing and transit were examined in the cities of Atlanta, Charlotte, Denver, El Paso, Houston, Memphis, and Salt Lake City. These cities have been active in planning for new streetcar, bus rapid transit, and light rail transit systems. As part of those planning initiatives, some have been developing affordable housing policies in preparation and in response to these transit investments. These cities also are similar to San Antonio in having moderate to high population growth, relatively low-development density, and being located in the southern and western regions of the country. The findings can be understood as best practices, which are specific actions VIA and its partners can take, and lessons learned through the implementation process.

6.1 Best Practices and Lessons Learned

Studies across the country have demonstrated that as communities expand public transportation systems to serve urban growth, economic development increases and property values often rise.¹⁴ However, a negative consequence of this trend is the gentrification phenomenon; where low-income, traditional urban dwellers must relocate because they can no longer afford rents in their neighborhoods. Since low-income families also provide substantial ridership base for public transportation, many transit agencies are pursuing policies and practices that will maintain affordable housing in high-growth neighborhoods (Quigley, 2010). San Antonio, with significant low-income residents among its ridership, is a very good candidate city for structuring a process that maintains housing affordability near transit stations.

¹⁴ Pollack, S., Bluestone, B., Billingham, C.; Dukakis Center Report on Maintaining Diversity in America's Transit Rich Neighborhoods, October 2010



The following section describes best practices – first generally, then according to peer cities unique experiences. Municipalities such as San Antonio will need to adapt and implement these strategies according to their own geographies, demographics, growth, and laws.

Establish organizational partnerships. Several municipalities established partnerships to achieve affordable housing goals – the coordination of policy, planning, and capital programming can lead to better outcomes.

Community Land Trust or Affordable Housing/TOD Fund. A community land trust (CLT) is an entity that can be set up for the purpose of purchasing and retaining ownership of land to ensure its ongoing use for community purposes. A community can use a CLT to support the long-term affordability of both rental buildings and ownership housing. This tool is especially effective in areas that have – or expect to have – escalation of land costs, as is common around transit-oriented development. Municipalities (and other governing bodies) also can establish housing trust funds (HTF) as discrete funds with dedicated sources of revenue to support affordable housing.

Provide clear guidelines. Station and corridor planning can provide an important framework for regulation and investment. The City of Denver noted the importance of “plan first – then regulate,” in contrast to reactively addressing planning and regulatory issues at the same time when a project proposal arises – this approach also can be applied to affordable housing policies and programs. Some cities have reported a degree of success by incorporating affordable housing policies into TOD districts, and other types of transit-supportive zoning such as mixed-use and pedestrian overlay districts. Although inclusionary zoning is not permitted in Texas, specific program or regulation requirements that allow for a diversity of housing types can result in a broad range of housing products.

Streamline regulatory processes. Affordable housing can be challenging for developers to deliver. Having a simple and well understood system can reduce developer costs and create tangible results faster. The City of Memphis established a “concierge planning” process to provide responsive, customer service-oriented support. Several cities noted that bureaucracy can lead to canceled projects, particularly where multiple levels of government are involved.

Facilitate financing and site preparation. Cities can take the first steps to prepare sites for development, this can facilitate the development of affordable housing by removing barriers to development, and by linking affordable housing requirements to these prepared sites. Additionally, municipalities can identify funds that can be used as gap financing to smooth the financing process for these developments.

Use flexible tools and incentives to support affordable housing near transit. Common tools include parking requirement reductions, density bonuses, Federal low-income housing tax credits, local revolving loan funding, and land acquisition or land banking programs.

Revise parking policies to reduce housing costs. A lower quantity of parking can reduce development costs, and savings can be passed on to residents or developers. Some cities have been able to reduce requirements in transit areas, or implement other measures such as shared parking provisions. In other cities, efforts to reduce requirements have met neighborhood resistance, or developers and financial institutions have felt that standard levels of parking are still required by the market. Colocating housing and transit can help reduce the need for residents to own personal vehicles and justify lower parking requirements.

6.1.1.1 Denver

Affordable Housing/TOD Fund. Denver is a partner in a regional TOD fund (from multiple sources) that specifically provides a revolving loan to cover preconstruction costs for affordable housing. This partnership is key to Denver's affordability. The Acquisition Fund for Preservation of Existing Affordable Housing – Denver's TOD Fund was created in 2009 to enable the acquisition of property within one-half mile of existing or planned light rail stations and one-quarter mile of high frequency bus stops. The fund was originally capitalized at \$15 million, but is evolving now to \$30 million in total loan capital.¹⁵ This revolving loan fund will make capital available to purchase and hold sites for up to five years along current and future rails and high frequency bus corridors. According to the Urban Land Conservancy, as of April 2013:



Rendering of affordable housing development near a transit station in Denver, Colorado. Source: Urban Land Conservancy

¹⁵ Urban Land Conservancy, retrieved from: <http://www.urbanlandc.org/denver-transit-oriented-development-fund/>

- Eight properties have been acquired using the \$15 million TOD Fund preserving or creating 626 affordable homes, 120,000 sf of commercial space for community assets such as: new public library, child care program, theater company and affordable space for nonprofits;
- The Fund has been drawn down \$15,275,650 leveraging almost \$200,000,000 from public, private and nonprofits partners in only three years; and
- Over 700 jobs have been created from TOD Fund property development and redevelopment.¹⁶

Partnerships. Denver is working with the Urban Land Conservancy on housing/transit issues. For the Affordable Housing TOD Fund there is a partnership, including the government, quasigovernmental organizations, banks, nonprofits and foundations. Enterprise Community Partners, a national nonprofit, assembled the initial \$15 million in capital that allowed the Fund to begin operations in 2010. City of Denver is the largest single investor, providing \$2.5 million in top loss investment. ULC committed the initial \$1.5 million equity to the Fund and leads the real estate acquisition, management, and disposition of assets for the Fund.

Transit Agency Policies/Plans of Guidelines that Mention Affordable Housing

- Atlanta's Beltline TAD Ordinance and Beltline Affordable Housing Trust Fund establishes funding for affordable units along the new Beltline transit/economic development project.
- Charlotte CATS Affordable Housing Transit Policy encourages 5 to 25 percent of housing units to be affordable within one-half mile, but caps affordability at 20 percent of units within one-quarter mile.
- Chicago RTA's Housing and Jobs Policy states that the agency must support the development of mixed income, workforce and affordable housing near transit.
- Denver RTD's TOD Strategic Plan encourages TOD and joint development that addresses affordable goals of local communities and the region.
- King County's (Washington) Department of Transportation TOD Policy requires that all surplus land be evaluated for affordable housing.
- Los Angeles Metro's Joint Development Policies and Procedures encourage projects with a residential component to provide a range of housing types to meet the needs of a diversity of household incomes.
- Portland Tri-Met's Property Policy promotes transit equity and "location efficient housing," and considers whether development proposals will increase availability of housing for low-moderate income households.
- San Jose Santa Clara VTA's Joint Development Policy supports a range of affordability, and opportunities for both rental and ownership.
- Washington, D.C. WMATA's Joint Development Policy supports affordability as a secondary transit agency goal (especially for WMATA employees).

¹⁶ Urban Land Conservancy, retrieved from: <http://www.urbanlandc.org/denver-transit-oriented-development-fund/>.

Landbanking. The Denver Housing Authority has developed a sophisticated understanding as to the linkage between affordable housing and transit. The Authority has a lot of land along the transit corridors – there is a partnership with City, Housing Authority and Regional Transportation District (RTD) to buy land early and landbank for affordable housing.

Secure Federal Funding. Denver secured \$1.5 million from HUD Community Challenge Grant to help fund costs such as appraisals, environmental review, preliminary design, etc. This grant has facilitated several affordable housing developments near transit.

Parking. Denver allows additional parking reductions for affordable or senior housing.

Flexibility with exactions. Denver, like other municipalities, has found it is politically difficult to adopt mandates, such as requiring that new multifamily developments set aside a portion of the units for low-income levels (known as “inclusionary zoning”¹⁷). Solutions such as voluntary inclusionary housing guidelines have not been very effective, as developers do not generally volunteer. Denver has provided flexibility by allowing developers to pay a fee instead of providing affordable housing, but this can lead to lost opportunities for affordable housing in transit service areas where high market demand exists. As a result, Denver has developed policy language **that speaks to affordable housing at transit**. In 2008, the Denver RTD modified its Strategic Plan language on Affordable Housing Policy and Enforcement (section 3.1.2) to include the following goal and policy text:

Goals and Strategies (Section 2.5 – Goal 2): Sustainable development described as “Encouraging TOD that serves the full diversity of the community, including low- and moderate-income individuals.”

Affordable Housing Policy and Enforcement (section 3.1.2): Local governments are responsible for the establishment of policy, regulations, and enforcement related to affordable and/or workforce housing issues. At the same time, RTD is committed to strongly encourage a diverse range of housing options, including affordable units, in close proximity to RTD transit service. With that goal in mind, RTD will work with local governments to understand the affordable housing needs of their communities, and will encourage transit-oriented development and/or joint development that addresses affordable goals of local communities and the region, working within all applicable legal limitations and parameters.

¹⁷ Inclusionary zoning is not legal in Texas.

6.1.2 Charlotte

Set standards for development requirements. Consider an outreach program for developers. In working with developers to achieve desired outcomes, the City of Charlotte recommends having a good set of standards and sticking by them.

Create Incentives. Work closely with the communities to provide incentives to build affordable housing, but if at all possible politically, make the affordable housing programs nonvoluntary.

6.1.3 Atlanta

Create Effective Incentives. Have strong incentives or requirements to protect against the loss of market-rate affordable housing. According to a City of Atlanta Land Use Planner, new affordable housing developments have mostly been a result of density-based incentives, however, that has not stimulated the desired amount of affordable housing.



SAHA Affordable Housing Development. Source: SAHA.

Reduce Parking Requirements. Another lesson learned by Atlanta is that reducing parking requirements for affordable housing results in more affordable housing, because the cost of structured parking is a huge hurdle for developers.

Develop Strong Partnerships: The Atlanta TOD Collaborative¹⁸ is an eight-member partnership of nonprofits and government agencies aimed at removing barriers to, and advancing incentives for, equitable transit-oriented development (TOD) in the Atlanta region, while increasing public understanding and awareness around the benefits of TOD. Through the work of the Atlanta TOD Collaborative, the ultimate goal is to help the region realize high-quality, walkable, equitable, mixed-use development in and around its transit station areas.

Affordable Housing/TOD Fund. The Atlanta City Council created the Atlanta BeltLine Affordable Housing Trust Fund (BAHTF) to promote the creation and preservation of affordable housing within Atlanta BeltLine neighborhoods. Grant funds from BAHTF add a necessary, flexible, and unprecedented tool to Atlanta's affordable housing toolkit. BAHTF dollars are used to create and preserve both owner occupied and rental housing and provide direct assistance to homebuyers as well as incentives for affordable housing developers.¹⁹

Develop Plans for Transit Station Areas: The Atlanta Regional Commission (ARC) has a Transit Station Area Development Studies (TSADS) program. ARC, in cooperation with the its local governments (City of Atlanta,) funded the TSADS program, outlining which outlined development opportunities around the planned MARTA system and provided policy and infrastructure recommendations for integration of the MARTA stations into their communities. The TSADS program looks to plan for development around station areas in such a way that the positive aspects of the station's location can be maximized and the detrimental effects of placing a transit station in an area are minimized and to assure that the transit system and the complementary surrounding development stimulates and reinforces community, city, and regional goals.²⁰


6.2 Current San Antonio Region Practices

The COSA Department of Planning and Community Development is involved in activities to preserve and encourage development of affordable housing. The City also provides funding to support activities by the San Antonio Housing Authority (SAHA). SAHA is an experienced developer of affordable, urban housing colocated with a high level of transit service – Hemisview/Victoria Commons and San Juan Place are two recent examples. SAHA is a logical and experienced partner as VIA explores a potential demonstration project.

¹⁸ For more information, visit: <http://www.atlantaregional.com/land-use/transit-oriented-development/atlanta-tod-collaborative>.

¹⁹ The Atlanta Beltline, retrieved from: <http://beltline.org/programs/affordable-housing/>.

²⁰ The Atlanta Regional Commission, retrieved from <http://www.atlantaregional.com/land-use/transit-oriented-development/atlanta-tod-collaborative>.



VIA and its consulting team conducted a review of existing affordable housing planning policies and practices in San Antonio, including those by the City and by SAHA, comparing them to the FTA criteria. This full review is included in this toolkit as Appendix A. A summary of the FTA-style assessment is shown below:

Documented evaluation of corridor-specific affordable housing needs and supply, and plans to preserve or increase affordable housing.

- San Antonio Consolidated Plan, (five year) and Annual Report.
- Department of Planning and Community Development Housing Needs Assessment (2013).
- CNT Housing plus Transportation Affordability In the San Antonio Metropolitan Region (2009).
- SAHA Strategic Plan.
- DRAFT FY 2015 Moving to Work Plan.
- 2013 Admissions and Continued Occupancy Policy (ACOP).
- SA2020 Plan.

Policies to preserve or increase affordable housing.

- CDBG, HOME, and ESG funds allocation.
- Choice Neighborhoods Program (HUD program).
- Center City Housing Incentive Program (CCHIP) – Mixed-income TOD project in the CRAG eligible for real property tax reimbursement grant for up to 15 years and low-interest loan of up to \$6,000 per dwelling unit.
- SAHA Affordable Housing Preservation and Expansion Policy.
- Neighborhood Conservation District (UDC-35-335) (A2G: to promote and retain affordable housing).
- Infill Development District (UDC-35-343) states: The purpose of the IDZ district is to provide relief from some, but not all, of the requirements of conventional zoning districts and infrastructure requirements in order to facilitate redevelopment of neglected and bypassed inner city properties. Recycling and reusing such “greyfield” sites is important as the City strives to promote inner city revitalization and establish new market opportunities for all segments of the population.

- Flex Districts (35-310.15) and Form-Based Zoning Development (FBZD 35-357): Requires a diversity of housing types, some such as cottage/accessory units are more affordable.
- Density Bonus (35-372): 20 percent density bonus available to projects that set aside 10 percent of dwelling units for low-income housing, 10 percent bonus for projects with 5 percent very low-income. Bonus available citywide, transit access not considered.

Adopted financing tools/strategies targeted to preserve or increase affordable housing.

- ReNewSA – Interagency collaborative to coordinate the delivery of community development programs/tools in targeted geographies. A strategy for allocation of Federal entitlement program dollars for affordable housing.
- Partners Rebuilding Neighborhoods (Affordable Showcase of Homes) – seeks to revitalize the inner-city by increasing the number of affordable housing units.
- Moving to Work Program – focuses on promoting self-sufficiency, achieving agency program efficiencies and increasing housing choices for low-income residents in San Antonio (receives Federal funding).
- ICRIP – The intent of the ICRIP is to coordinate public incentives within targeted areas and to stimulate private investment. The ICRIP program provides public incentives such as financial assistance and dedicated staff support for regulatory and procedural.
- San Antonio Tax Increment Financing (TIF) Tax Increment Reinvestment Zones (TIRZ).
- Low-Income Housing Tax Credit program (LIHTC).
- Lavaca Neighborhood Plan (public-private partnership strategy).
- San Antonio Housing Trust (SAHT) (1989) – purpose is to provide decent and affordable housing opportunities for low-, moderate-, and middle-income families; and to effect the revitalization of the neighborhoods and downtown area through housing activities.

Evidence of developer activity to preserve or increase affordable housing.

- Lavaca Neighborhood Plan.
- SAHA Construction projects: San Juan, Park at Sutton Oaks, and Wheatley Courts, Victoria Commons.

Plans to account for long-term affordability and the needs of very and extremely low-income households.

- SAHA Affordable Housing Preservation and Expansion Policy.

VIA also conducted a review, and hosted a discussion, of current San Antonio practices as they compare to the best practices as recommended on the Mixed-Income TOD Action Guide Web site,²¹ developed by Reconnecting America and the Center for Transit-Oriented Development (CTOD), under the sponsorship of FTA. A matrix showing which of these practices are occurring in San Antonio is shown in Table 6.1.

Table 6.1 Tools considered “Best Practices” and their Implementation in San Antonio

Tools/Strategies (as listed on MITOD.org)	Applied in San Antonio	Notes
Locally controlled tools		
Rent Control		
Condominium conversion controls		
Transfer taxes		
First-Right-of-Refusal Laws for Tenants and Nonprofits		
“Project Based” Section 8.o preservation	✓	SAHA Comprehensive Plan
Subsidized housing redevelopment/renovation	✓	SAHA Comprehensive Plan
Tenant-based preservation		
Linkage fees		COSA PCD Quality of Life Briefing: Updates to ICRIP Fee Waiver Program currently underway
Limited equity housing co-ops		
Development agreements		
Public land dedication or write-downs		
Tax Forgiveness for Back Taxes on Affordable Housing Opportunity Sites		
Use of TIF		COSA PCD Quality of Life Briefing
Incentives to Employers who create employer-assisted housing programs for homebuyers		COSA PCD Quality of Life Briefing
Public land disposition plan	✓	Example: Robert Thompson Transit Center
TOD-targeted parking regulations	✓	Parking and Loading Requirements, and Mixed Use zoning district
Fast track permitting		

²¹ Reconnecting America and the Center for Transit-Oriented Development at www.MITOD.org.

Table 6.1 Tools considered “Best Practices” and their Implementation in San Antonio (continued)

Tools/Strategies (as listed on MITOD.org)	Applied in San Antonio	Notes
<i>Locally controlled tools (continued)</i>		
Fee waivers, reductions and deferrals		
Regulatory accommodation for small sites	✓	Infill Development District
Tax Forgiveness for Back Taxes on Affordable Housing Opportunity Sites		
Inclusionary zoning		Not permitted due to State law.
Incentive-based zoning	✓	Flexible Zoning Bonuses and Affordable Dwelling Units
Adjust zoning to promote household diversity	✓	Mixed use and Form-Based Zoning District
Site social service facilities		
Site parks and schools	✓	Included in neighborhood plans (e.g., Eastside)
<i>Partner controlled tools</i>		
Target-property acquisition and rehabilitation fund		
Self-help programs		
TOD-Targeted homeownership Assistance		
Community land trusts		
Support start-up nonprofit developers		
Joint public/private development		
TOD-Targeted Housing Financing		
Land banking		
Brownfield remediation		

7.0 STRATEGIC HOUSING POLICY FRAMEWORK

VIA and its partners – SAHA, the City, and others – developed the Strategic Housing Policy Toolkit based on regional stakeholder meetings and workshops, a literature review, and peer agency research. The Strategic Housing Policy Framework – including Goals, Policies, and Strategies, is based on input from meetings, workshops, and a direct review of draft text for goals and policies. The goals, policies and strategies were intentionally developed in close coordination with the City and other agencies so that there would be a shared support and understanding for the strategic housing framework.

By having input into these goals and policies, VIA hopes to be able to work closely with other agencies to:

- Influence development of the Comprehensive Plan;
- Influence direction of City policy; and
- Improve coordination and understanding as VIA embarks on joint development opportunities with these partners.

7.1 Background

San Antonio is developing a Comprehensive plus Transportation Plan, intended to direct future growth of the city in terms of jobs, housing, transportation, public health, and the environment. Housing affordability is an important part of economic competitiveness and the equitable development of the region. Housing colocated with public transportation will maximize affordability, support health choices, reduce environmental impacts and ensure equitable access to employment centers.

VIA is implementing a Long-Range Transportation Plan (LRTP), focusing on priority corridors for expansion of VIA Primo and high level of service (LOS) transit options. VIA is conducting strategic planning with City agencies to align the LRTP implementation with Comprehensive Plan objectives. Ensuring that affordable housing is located within high LOS corridors and focus areas – a critical linkage that has been identified by the FTA as an issue of great importance – will support VIA ridership goals, stabilize the VIA service market and support future capital improvement funding applications.

Other activities, planning efforts, and initiatives in San Antonio that relate to these goals and policies include the following:

- The MPO-preferred growth scenarios include a focus on activity centers and the redevelopment of the urban core – which will influence housing development and transit service needs;
- A stated objective of the upcoming MPO Strategic Multimodal Transportation Plan is to connect land use, redevelopment, and transportation;
- COSA, Transportation and Capital Improvements Department, is beginning a Strategic Multimodal Transportation Plan (SMMTP), a component of the City Comprehensive Plan update. The SMMTP has a stated goal of connecting land use, development, redevelopment, and transportation;
- The City of Antonio’s first sustainability plan – the Mission Verde Sustainability Plan (2008)²² (replaced by SA2020, a new sustainability plan is expected in 2015) included policy goals to reduce household automobile vehicle miles of travel (VMT), increase in new compact development, and increase in the energy efficiency of the existing housing stock;
- SAHA and VIA desire to prevent displacement of low- and moderate-income residents that may occur when land values and rents rise as a result of a major transit investment;
- The Center for Neighborhood Technology conducted a regarding the costs of Housing plus Transportation (H+T). The study reports that collocating housing and transit (where appropriate) can lower overall individuals’ combined housing and transportation costs, maximize affordability, support health choices, reduce environmental impacts and ensure equitable access to employment centers; and
- SAHA has set a goal to “actively pursue emerging development and redevelopment opportunities that meet multiple community goals, such as economic and transit-oriented development, while adding to the affordable housing infrastructure for San Antonio.”

Current activities and initiatives at the Federal level that support these goals include the following:

- The FTA has elevated the linkage of affordable housing in transit station areas and corridors, and now considers the preservation and production of affordable housing in transit corridors as one of the New Starts/Small Starts grants application criteria; and
- In 2009, the Partnership for Sustainable Communities was established. This partnership of the U.S. Department of Housing and Urban Development (HUD), U.S. Department of Transportation (DOT), and the U.S. Environmental Protection Agency (EPA) was created to help communities improve access to affordable housing, increase transportation options,

²² The report can be viewed at: <http://www.globalurban.org/Mission%20Verde.pdf>.

and lower transportation costs while protecting the environment. Its purpose is to “coordinate Federal housing, transportation, water, and other infrastructure investments to make neighborhoods more prosperous, allow people to live closer to jobs, save households time and money, and reduce pollution.”

7.2 Goals

VIA, COSA, SAHA, and other stakeholders worked together to draft the following proposed goals:

Proposed Goals (DRAFT)²³

The Parties will:

1. Support efforts to ***construct and maintain a broad spectrum of market-rate and subsidized affordable housing*** in focus areas ***supported by high level of transit service***, to promote balanced housing options, preserve existing communities, create new communities and support economically integrated neighborhoods for the people of San Antonio.
2. ***Coordinate*** actively between themselves and other stakeholders and partners such as the City, nonprofit agencies and the private sector (partners) to conduct housing assessment and planning for affordability, consistent with the geographic boundaries and development intensity in VIA’s Long-Range Comprehensive Transportation Plan.
3. Work strategically with partners to ***colocate housing and transit*** to lower the combined Housing and Transportation costs (H+T) as a buffer against rising fuel prices, congestion costs, and housing costs.
4. Support the ***preservation*** of existing affordable housing near transit stations and in transit corridors with high levels of service.
5. Support ***the inclusion of affordable units*** (for rental and ownership) in new housing developments produced near transit stations and in transit corridors with high levels of service.
6. ***Align*** economic development (jobs), housing and transit in ***policy and investment decisions to maximize the colocation*** of jobs, housing, and access to transit.
7. ***Actively pursue*** emerging development and redevelopment opportunities that meet multiple community goals, such as economic and ***transit-oriented development, while adding to the affordable housing*** infrastructure for San Antonio.²⁴

²³ These goals and policies reflect the goals and policies text of the VIA/SAHA MOU, as of 8/20/2014. The t MOU was executed 9/18=7/2014 by VIA and SAHA, the MOU can be found in Appendix C..

8. **Measure the level of achievement** of these goals by tracking transit ridership, improved transit access, and the prevention of displacement of low- and moderate-income households.

7.3 Policies

Policies

VIA and (SAHA) will work toward the above goals by supporting the following policies:

- VIA and SAHA cooperate and provide **support for the documentation, evaluation, and analysis** of the housing market and housing needs (amount, type, affordability) in transit corridors and station areas. They will provide input to other planning efforts regarding the coordination of housing, economic development and transit planning by conducting housing analysis for transit stations and corridors when appropriate and feasible to do so.
- VIA and SAHA will cooperate in and support strategic and balanced housing²⁵ planning in focus areas supported by high level of service transit by encouraging the development of options for workforce, mixed income, and affordable housing (market rate and subsidized) in these areas. To do so, VIA and SAHA will work together and in cooperation in support of the implementation of plans, policies, tools, and financing strategies that **preserve and revitalize, or increase, both market rate affordable housing and subsidized affordable housing** in focus areas supported by high level of service transit.
- VIA and SAHA will cooperate and coordinate support for policies and actions that encourage developers to preserve and increase affordable housing on a **long-term basis** in all San Antonio communities served by high level of service transit.
- VIA and SAHA will support efforts to **include affordable housing** units in VIA **joint development/station area projects**, as appropriate.
- VIA will support SAHA's efforts to **preserve and produce** affordable housing in areas served by transit.
- When making major transit investments, VIA will consider housing affordability as part of the planning process and when evaluating housing developments SAHA will consider transit accessibility.

²⁴ Existing SAHA goal.

²⁵ Balanced Housing – meeting needs of current and future residents at all ends of income spectrum, a mix of housing options.

8.0 STRATEGIES AND TOOLS

8.1 Introduction

A proposed set of strategies to promote the linkage of affordable housing and transportation are outlined here under several broad themes:

- Promoting balanced housing, including workforce, affordable, and market-rate housing, to serve residents of all income groups in an equitable manner;
- Directing affordable housing development to infill areas served by VIA high level of service transit, to reduce traffic congestion, infrastructure costs, and overall housing plus transportation costs; and
- Create and strengthen organizational partnerships in order to facilitate the linkage between affordable housing and transit, and build local capacity to respond to funding and project opportunities.

These strategies aim at creating a sustainable framework for affordable housing located within transit areas in San Antonio. As noted above, supportive plans, policies and projects have been in development under the leadership of local agencies (SAHA, COSA), organizations (San Antonio Housing Trust, National Association of Latino Community Asset Builders) and private development groups. The strategic direction described here should help to focus future efforts and improve opportunities for San Antonio to obtain funding under competitive Federal capital improvement grant programs.

Promote balanced housing. A balance of affordable and market-rate housing is critical to avoid concentration of low-income residents, help maintain neighborhood diversity, and achieve equitable access to employment and services (in accordance with Goals 1, 3, 4, 5, 6, and 7). Tools that support this strategy will prevent displacement and preserve affordable housing, produce new affordable housing, and promote transit among low-income populations.

Direct affordable housing to infill areas served by high levels of transit. Opportunities to develop sites served by premium transit will be rapidly absorbed into market-rate housing and mixed-use, unless agencies are proactive in identifying sites for infill affordable housing. Tools that support this strategy will lower the cost of affordable housing development and improve planning coordination (in accordance with Goals 1, 2, and 5).

Create and strengthen organizational partnerships. Creation of an effective partnership framework is essential to sustain the affordable housing/transit initiative and respond to

opportunities for funding and site development in a timely way. Tools that support this strategy will aim at improving planning coordination (in accordance with Goals 2, 3, 6, 7, and 8)

For each strategy category, the toolkit identifies the barriers addressed.

8.2 Tools to Prevent Displacement and Preserve Affordable Housing

8.2.1 Tools for Subsidized and Market Rate Rental Units

As described in Charting a Way Forward, Preserving Market Rate Affordable Housing in Northern Virginia's Inner Suburbs,²⁶ property owners must consider a number of issues that tend to influence their decision to raise rents and/or redevelop, sell, or maintain their properties as is. These may include:

- Ownership of an asset that is likely aged, but may still be in good enough condition to attract tenants and produce an income stream;
- Tenants who have been in place for possibly long periods of time, so that the dedication and sense of community with those tenants goes well beyond the business transaction of renting;
- A collection of partners (family or corporate) for whom rehabilitation, recapitalization and disposition decisions may not be made easily, and so the default position is to maintain;
- Ownership of an asset that may need work, in which case the property could be rehabilitated or sold;
- Rehabilitation would likely require financing, which in turn would require additional income to support the new debt. If current rents do not support the new

CASE STUDY

Chicago, Illinois

To simplify and expedite the process for approval of project-based affordable housing funding received by property owners and developers, the Chicago Housing Authority (CHA) has revamped the administration of its project-based Section 8.o program and renamed it Property Rental Assistance (PRA) in July 2010. PRA is the project-based component of CHA's Housing Choice Voucher program, providing rental assistance at selected properties for specified units under a 15- to 30-year contract, although shorter contracts are considered. All tenants in the HCV program pay approximately 30 percent of adjusted household income toward rent and utilities, and all units are owned by private landlords. PRA permits contracts for existing buildings or new construction, although all buildings must comply with certain physical condition and code requirements. In order to qualify for PRA, a property owner must designate a certain number of units in a single building as affordable: up to 25-40 percent for family housing, up to 50 percent for senior housing, and up to 100 percent for supportive housing that has social services. In its first year, PRA plans to preserve or create 300-400 affordable units and 600-800 per year through 2025.

Source: Reconnecting America and CTOD.

²⁶ Northern Virginia Affordable Housing Alliance: Charting a Way Forward, Preserving Market Rate Affordable Housing in Northern Virginia's Inner Suburbs, 2011.

debt, the possibility that the rehabilitated units generate enough increased rent from existing and/or new tenants to support the new debt;

- The sale of the asset raises concerns about possible tax consequences and loss of the long-term income stream; and
- The ownership of an asset that may not be significant enough in their portfolio to warrant aggressive decision-making one way or another.²⁷

To preserve affordable rental units (including those that participate in Federal/state programs and those that do not, but offer rents at achievable levels), it is important to support these property owners in a strategic manner to keep rents affordable. To preserve the units in participating Federal and state programs, and to preserve units at affordable market rates, the following strategies may be considered:

Section 8.o Preservation

Some Section 8.o vouchers are “project-based,” which means they can only be used at privately owned housing units, where the landlords have entered into contracts for this purpose. The participating landlords/property owners can opt out of the program at the end of the contract (typically 10-15 years) or in some cases, they can opt out sooner. Researchers have found that many of these project-based vouchers in transit stations and corridors are expiring. Many property owners are choosing to opt out of this program due to the opportunity to acquire higher income for the property as rents tend to rise in TOD areas. City departments, transit, and housing agencies can work together to effectively persuade or incentivize private landlords into renewing their participation in the Section 8.o program. Strategies to incentivize this participation are listed below, and are further detailed in this section:

- Waiving property taxes;²⁸
- Supporting property rehabilitation programs or funding programs;²⁹
- Expanding budgets to offer competitive subsidies to owners;

²⁷ Northern Virginia Affordable Housing Alliance: Charting a Way Forward, Preserving Market Rate Affordable Housing in Northern Virginia’s Inner Suburbs.

²⁸ Reconnecting America and the Center for Transit-Oriented Development at www.MITOD.org.

²⁹ Northern Virginia Affordable Housing Alliance: Charting a Way Forward, Preserving Market Rate Affordable Housing in Northern Virginia’s Inner Suburbs.

- Identifying and preserving assisted-housing projects; and
- Offering a guarantee of funding to property owners for the duration of the renewal.³⁰

Property Tax Incentives to Rental Housing Owners

Local jurisdictions can consider reducing operating costs for MARKS by reducing or waiving property taxes. One way to provide tax incentives to rental housing owners is to establish by ordinance or by resolution, consistent with Texas law, a provision to assess MARKS based on their generated income, provided the properties maintain affordable rent levels and acceptable levels of code compliance.³¹

Property Rehabilitation Grants to Rental Housing Owners

To support compliance, local authorities can make grants available to MARKS owners to support property rehabilitation. These grants can play a critical role as MARKS owners do not face regulatory agreements to keep their units affordable. Therefore, each owner needs to assess the financial liabilities they face, and must determine when and how to maintain/upgrade/sell their asset based on market realities that can emerge during area redevelopment.



The Single-Family Rehabilitation SFR Program is designed to help low to moderate-income Denver homeowners make their homes safe and livable. The SFR Program provides loans up to \$24,999 for major home renovations such as roofing, heating, electrical or plumbing. Of this amount, a minimum of \$5,000 must be spent on the exterior of the home. The interest rate and loan terms will vary depending on your household size and income. Source: RenewDenver.org.

³⁰ AARP Public Policy Institute, retrieved from: http://assets.aarp.org/rgcenter/il/ib47_housing.pdf

³¹ Northern Virginia Affordable Housing Alliance: Charting a Way Forward, Preserving Market Rate Affordable Housing in Northern Virginia's Inner Suburbs

8.2.2 Preserving Ownership

In San Antonio, there is a fairly substantial supply of lower-cost single family homes. Many of these homes have been passed down from family members. In some cases, these “legacy owners” face challenges in affording the renovation and maintenance costs for the property; in other cases, they face challenges in affording the requirements to meet city code. These strategies address this issue.

Tax Forgiveness

Nearly all states already offer the Homestead Exemption, which exempts part of the value of a property from taxation (the exact rules and regulations vary from state to state). Municipalities can consider offering additional property tax exemptions to low-income homeowners that have inherited property, but that face challenges meeting tax and maintenance obligations.



The Greener Homes program is financing energy-efficiency retrofits to preserve the affordable housing stock in New Hampshire. Source: HUD user: Image by Cheryl H. Tamura.)³²

CASE STUDY

New Hampshire Greener Homes Program

In an effort to help preserve the State’s affordable housing stock, the New Hampshire Housing Finance Authority introduced the Greener Homes program in 2011 to lower property owners’ operating costs through energy-efficiency improvements and technology-modernization projects. Using \$2 million from the New Hampshire Public Utilities Commission’s Regional Greenhouse Gas Initiative, the program leveraged \$3 million in HOME Investment Partnership funds and an additional \$1 million from the U.S. Department of Energy’s Weatherization Assistance Program to create a fund to finance energy-efficiency improvements in multifamily units. Participating housing providers receive a forgivable loan to fund the retrofits in exchange for a 20-year affordability extension placed on the property. The program targets energy innovation and modernization projects, as well as “deep retrofits” that significantly upgrade the performance of the building’s mechanical systems and envelope.

³² Retrieved from: http://archives.huduser.org/scrc/sustainability/newsletter_040113_4.html#1.

Renovation and Maintenance

Agencies should consider encouraging the bulk rehabilitation of owner-occupied housing within a half mile of transit areas. Local nonprofit organizations may be ideal partners for these bulk rehabilitations. Municipalities also can encourage the use of priority funds for housing rehabilitation in targeted areas.

In San Antonio, Federal funds are being utilized in a strategic manner to support renovation and rehabilitation. At this time, many of the renovation efforts are taking place in targeted areas through local initiatives, such as ReNewSA, and through Federal programs, such as Promise Zones.³³

Promote New Affordable Housing Development through Sustainability Initiatives

In line with the findings of the City's Mission Verde Sustainability Plan, this toolkit recommends a number of strategies that would align with opportunities to implement sustainability planning and "green" design as San Antonio continues to grow and redevelop. Green, affordable building design can offer solutions to many of the housing challenges faced by the region. Strategies to promote housing through sustainability initiatives are listed below:

- Identifying financing and funding partners to expand on existing Federal (HUD) program funding provided for maintenance and energy efficiency.
- Providing incentives to homeowners to replace existing appliances or other features of homes, such as windows, with energy efficient options. Start up costs are often prohibitive, therefore, municipalities can work with local utility companies to create incentives and/or rebate programs to reduce water and energy consumption, saving renters and owners money.
- Setting requirements or incentives for water and energy-efficient appliances that are targeted at existing housing and new construction. Efficient energy and water use allows for homeowners and renters to save money, while also conserving important resources.

³³ The Promise Zone Initiative is part of President Obama's plan to comprehensively revitalize distressed communities by partnering with local communities and businesses to create jobs, increase economic security, reduce poverty, expand educational opportunities, increase access to quality, affordable housing and improve public safety. The first five Zones are located in San Antonio, Philadelphia, Los Angeles, Southeastern Kentucky, and Choctaw Nation of Oklahoma. The City of San Antonio applied for the Eastside Promise Zone in November 2013. On January 9, 2014, the City was selected as one of the first five Promise Zones. (City of San Antonio, <http://www.sanantonio.gov/EastPointRealEstate/PromiseZone.aspx>.)

Self-Help Strategies

Non profit organizations across the U.S. have developed several self-help programs, also referred to as “sweat-equity” programs because of the physical involvement of tenants or owners in the labor required. The volunteer and beneficiary labor to construct or renovate a property, combined with the charitable donations of the nonprofit, increases the affordability of housing. One well known example of such a national program is Habitat for Humanity. This toolkit recommends jurisdictions conduct a scan to identify programs that could target focus areas of high level of service transit corridors or station areas. Jurisdictions also can consider establishing locally run self-help programs by partnering with housing agencies and organizations, religious organizations, schools, or community groups.

Many state agencies partner with self help programs by offering below-market rate mortgages for the first-time homeowners, which are then promoted by local jurisdictions or housing authorities and nonprofits.³⁴

8.2.3 Promoting Home Ownership

The strategies below identify ways in which local jurisdictions can promote home ownership for the local workforce.

Limited Equity Co-ops

An effective way to stabilize neighborhoods and to prevent displacement is to create opportunities for local residents to purchase property that would not be able to do so through traditional avenues.

The cooperative model, or “co-op,” reduces costs of ownership because residents share ownership of a building that has multiple units.³⁵ Limited equity co-ops create the opportunities for ownership at a significantly lower cost than made available

CASE STUDY

Washington D.C. Limited Equity Co-ops

In an effort to prevent the displacement of elderly low- and moderate-income rental households, Washington D.C. enacted the Tenant Opportunity to Purchase Act in 1980. The act gives tenants of all rental housing in the District of Columbia the right to purchase their units or to assign that right to a third party when the rental property is put on the market. Tenants are given 120 days to negotiate the purchase and secure financing. Several large apartment complexes have been transferred to shared-equity ownership through this process. For example, when the Capitol Manor Cooperative was put up for sale in 2001, tenants formed a tenants association and a limited-equity cooperative with the assistance of two developers. They bought the property, a group of several apartment buildings near transit that were built in 1908 and totaled 102 units. This has made it possible for residents to continue to live in the buildings as well as secure funding for needed repairs and improvements.

(CTOD)

³⁴ Reconnecting America and the Center for Transit-Oriented Development at www.MITOD.org

³⁵ For more information, please visit: http://nhc.org/media/documents/Preservation_of_Affordable_Homeownership2.pdf.

through a standard mortgage.³⁶ Instead of purchasing individual units (like with condominiums), participants purchase “shares” of a building. This approach typically results in a purchase cost that is priced significantly lower than that associated with a traditional mortgage might be. Co-op shareowners then pay “carrying charges,” which act as monthly “rents.” These charges are limited to a percentage of income, and cover operating expenses and mortgage debt service. Co-ops are set up to ensure long-term affordability. When shares are resold, there are limitations on resale, which helps to provide affordability over the long-term.

A typical approach is for a nonprofit or affordable housing developer to use low-income housing tax credits to make up much of the remaining equity.³⁷ Reconnecting America notes that municipalities can support limited equity co-ops by making them eligible for local subsidy funding and supporting nonprofits that create and manage them.³⁸

Benefits from this model include the permanence of homeownership and owners having tax advantages like mortgage interest deductions. Municipalities also could consider other shared equity models being practiced in the U.S., such as:

- One Roof Community Land Trust (CLT) fills the need for quality, affordable housing and provides pre- and post-purchase support for homebuyers in Duluth, Minnesota and surrounding areas (see more on CLTs in Section 8.3); and
- San Francisco’s Below Market Rate Ownership Program, which balances wealth creation for existing owners of deed-restricted housing units with preservation of affordability for future buyers.³⁹

A study of the Limited Equity Co-ops (LEC) in Washington, D.C. found that for the 30 cooperatives examined, median monthly membership charges that were levied at the time of the

³⁶ LEHCs differ from traditional coops in that the purchase price of a share and the appreciation rate are limited to maintain affordability. (PolicyLink, 2003).

³⁷ Reconnecting America and the Center for Transit-Oriented Development at www.MITOD.org, for more information go to: <http://mitod.org/limitedequityhousingco-ops.php?tab=o&panel=2&return=linkagefees>.

³⁸ Reconnecting America and the Center for Transit-Oriented Development at www.MITOD.org, for more information go to: <http://mitod.org/limitedequityhousingco-ops.php?tab=o&panel=2&return=linkagefees>.

³⁹ Retrieved at: <http://www.huduser.org/portal/periodicals/em/fall12/highlight3.html>.

study (2003) were just about half of HUD’s fair market rental rate at that time.⁴⁰ The same study identified the following strategies to support successful LECs:

- Support training and leadership development for co-op residents and officers;
- Support regular fiscal and operational “check-ups”;
- Fund technical assistance;
- Provide financial assistance to promote long-term stabilization and affordability; and
- Consider alternative equity accrual options.⁴¹

Homeowner Purchase Programs

Municipalities can lead or participate in homeownership programs that encourage, educate and support first-time homebuyers whose income meets a set threshold.

SAHA already has an effective Homeownership Program to assist first-time homebuyers achieve home ownership. SAHA partners with local banks and mortgage lenders to provide two programs to help low-income families purchase a SAHA home.⁴² This program should be continued.

Location Efficient Mortgages

Location Efficient Mortgages® (LEM) encourage affordable homeownership near transit stations and in focus areas of high level of service transit corridors. Used for more than 35 years, LEM can allow homebuyers to borrow more by taking into account the savings they accrue from living in neighborhoods where they can shop at nearby retailers and use public transit, rather than driving to work and to other alternative shopping locations.⁴³ The concept of location efficiency responds to the ideas of addressing the combined costs of housing and transportation. San Antonio agencies can work with lenders to promote these loans to low- and moderate-income borrowers near transit stations.

⁴⁰ Coalition for Nonprofit Housing and Economic Development, A Study of Limited-equity Cooperatives in the District of Columbia (2004) Retrieved from: <http://community-wealth.org/sites/clone.community-wealth.org/files/downloads/report-cnhd.pdf>.

⁴¹ Coalition for Nonprofit Housing & Economic Development, A Study of Limited-equity Cooperatives in the District of Columbia (2004).

⁴² For more information, visit: <http://www.saha.org/index.php/find-a-home/2012-10-03-20-10-22>.

⁴³ Chicago Metropolis 2020 and the Metropolitan Mayors Caucus; Phase 2: Homes for a Changing Regions. Implementing Balanced Housing Plans AT the Local Level, 2007.

Energy Efficient Mortgages

Energy Efficient Mortgages (EEM) also can support increased affordable homeownership in high level of service transit areas. These loans are designed to increase the energy efficiency of homes and reduce cost fluctuations for water and energy, thereby reducing the costs associated with housing. San Antonio agencies can work with lenders to help low- and moderate-income borrowers become aware of these loan types and the benefits. As with LEMs, cities can connect developers and lenders and inform all parties of project opportunities for EEMs.⁴⁴

8.3 Tools to Produce and Preserve Opportunities to Produce Affordable Housing

8.3.1 Tools to Preserve Opportunities to Produce Affordable Housing

Land Banking

As land prices in high level of service transit corridors and station areas tend to rise in response to market signals such as major transit investments, cities, housing authorities, and nonprofits can proactively plan to acquire land that can be utilized for affordable housing. Strategic partnerships can play an important role in land acquisition, serving to increase access to resources and information and mitigate and disperse financial risks.

CASE STUDY

The City of Charlotte

The City has established an acquisition fund to purchase land near the stations planned along its South Corridor light rail line to ensure the development of mixed-income, mixed-use TOD.

(CTOD)

One challenge faced by many jurisdictions, housing authorities, and nonprofit agencies is the ability to acquire and hold land while taking the necessary steps to fund, finance, design and acquire permits for an affordable housing development. To address this challenge, some governments have created a land bank. A land bank is an entity created by a governing body for the purpose of acquiring and holding land, so that the municipality can facilitate development on properties which are vacant, abandoned and/or tax-delinquent. To set up a land bank, a jurisdiction may need to pass enabling legislation.⁴⁵

Many jurisdictions have the legal authority to establish land bank authorities, and can use this power to acquire and hold properties so they can be utilized for affordable or mixed-income housing near transit in the future.

⁴⁴ Chicago Metropolis 2020 and the Metropolitan Mayors Caucus; Phase 2: Homes for a Changing Regions. Implementing Balanced Housing Plans AT the Local Level, 2007.

⁴⁵ Reconnecting America and the Center for Transit-Oriented Development at www.MITOD.org.

Another way in which land bank authorities facilitate affordable housing is through powers to assist with site remediation and other necessary steps prior to development, such as clearing title encumbrances, forgiving property taxes (and thereby removing tax liens), removing environmental contamination, and assembling parcels.⁴⁶ When ready for development, land bank authorities can, with agreement to development conditions, convey land to private developers (for-profit or nonprofit).⁴⁷

Community Land Trusts

A community land trust (CLT) is an entity that can be set up for the purpose of purchasing and retaining ownership of land to ensure its ongoing use for community purposes. A community can use a CLT to support the long-term affordability of both rental buildings and ownership housing. This tool is especially effective in areas that have – or expect to have – escalation of land costs, as is common around transit-oriented development.

CLTs have the potential to maintain affordability in a transit corridor or station area in two ways: 1) they can accelerate ownership for a city’s workforce by acquiring and selling units to first-time homebuyers; or 2) they can acquire large buildings and sell the structure to nonprofits that could manage them as affordable rental housing.

Examples of municipalities with CLTs include Irvine, Chicago, Washington DC and 17 cities in Florida. Local jurisdictions can partner with community development corporations (CDC) or other non-profit organizations to create a CLT.

By retaining land ownership, CLTs promote long-term affordability by permanently removing the cost of land from the built structure’s cost. Although the cost of the building or units in a building may rise, the impact of land-cost inflation over time is negated, which means that when the property is sold, the structure will still be relatively affordable. CLT ownership of the land creates the opportunity for the CLT to legally set resale formulas or rent levels, which also supports affordability.

CLT are sometimes referred to as affordable housing trust funds – but these also can be another type of entity, as described below.

Affordable Housing Trust Fund

Municipalities (and other governing bodies) can establish housing trust funds (HTF) as discrete funds with dedicated sources of revenue to support affordable housing. Cities typically set up housing trust funds through legislation or ordinance. There are more than 170 housing trust funds in the United States.⁴⁸ According to Policy Link and the Center for Community Change

⁴⁶ Reconnecting America and the Center for Transit-Oriented Development at www.MITOD.org.

⁴⁷ Reconnecting America and the Center for Transit-Oriented Development at www.MITOD.org.

⁴⁸ Policy Link: For more information, visit: <http://policylink.info/EDTK/HTF/How.html>.

(CCC), particular advantages of housing trust funds⁴⁹ are that they commit public sources of revenue; are dedicated, ongoing funding for the support of affordable housing; and do not depend on interest or earnings from a fixed fund, or on contributions from corporations, financial institutions or foundations.⁵⁰

These HTFs can be used to:

- Help fund the purchase/redevelopment of MARKS;
- Create and rehabilitate CAFs;
- Support maintenance or energy efficiency projects for homes that are owned; and
- Offset other planning and development costs.⁵¹



MacArthur Park Apartments Phase A features 90 affordable apartments located adjacent to the Los Angeles Metropolitan Transit Authority's (Metro's) Westlake/MacArthur Park station. The project was financed through a public-private collaboration. Source: HUDUSER, image by Cheryl H. Tamur.

The City of San Antonio already has established a housing trust fund – the San Antonio Housing Trust (SAHT).⁵² This toolkit recommends several considerations regarding the application or expansion of the SAHT:

⁴⁹ Policy Link: For more information, visit: <http://policylink.info/EDTK/HTF/How.html>.

⁵⁰ Some funds are initiated through contributions.

⁵¹ Policy Link: For more information, visit: <http://policylink.info/EDTK/HTF/How.html>.

1. In the selection of SAHT housing development projects, the proximity to high level of service transit (for example, areas within ¼ or ½ mile) could be added to selection criteria, or, if already considered, a greater emphasis could be placed on such criteria;
2. Consider allocating additional funding to the existing SAHT; and
3. Create a SAHT fund that focuses specifically on the preservation and production of affordable housing in high level of service transit corridors and station areas. This fund could operate in parallel to the existing SAHT, within the existing structure of the SAHT.

8.3.2 Tools to Produce Affordable Housing

Zoning to Facilitate Infill in Transit Zones

Focus areas of transit corridors and transit stations should be zoned to facilitate transit, walking, and biking, while also promoting a diversity of housing types. Housing types should be zoned to support not only a variety of types of housing products at different cost levels, but also to accommodate the changing demographics of a place. The result of zoning for focus areas of transit corridors and transit stations should be the development and evolution of communities which appeal to a range of people, incomes, and family structures. To the extent feasible, there should be an emphasis on infill to fully utilize existing infrastructure investments to which the city or region already has contributed to increase accessibility and multimodal mobility. Depending on the specific geography, transit service, and community, housing might include large buildings with significant density (retirement facilities, condos, coops, or rental units), townhomes, or single family homes.

CASE STUDY

Boston and Washington D.C. Micro Units

Micro units – units that typically is defined as apartments between 250 square feet and 375 square feet, offer a housing option to people that want to live in densely built areas that are well serviced by transit, but do not require much living space. In Boston, zoning policies allow for construction of units as small as 450 square feet within 1 square mile of rapid transit and commuter rail stops. In Washington D.C., zoning requirements allow a minimum unit size of just 220 square feet.

Zoning should include policy approaches that support affordability, for example:

- Allowing accessory units;
- Reducing minimum unit sizes, such as “microunits”;

⁵² For more information on the SAHT, visit: www.sahousingtrust.org/.

- Zoning residential using FAR, not DU/acre, to reduce the financial incentive to build larger units; and
- Ensuring adequate multifamily zoning to meet demand.

Modify Criteria for Low-Income Housing Tax Credits LIHTC

Traditionally, the Low-Income Housing Tax Credit program (LIHTC) has been the greatest single source of funding for affordable housing at both the state and regional levels. Some states link their tax credit allocation plans with their smart growth strategies. The 2014 Texas Qualified Allocation Plan (QAP), which delineates the criteria for allocation of tax credits, prioritizes proximity to other public services and facilities such as school, medical facilities, and grocery stores, rather than transit based on the QAP Opportunity Index (§11.9(c)(4) of the QAP).⁵³ Therefore, the Texas approach to LIHTC allocation is not consistent with the recommendations in this report.

According to Homes for a Changing Region (Chicago), 28 states already give preference to/or require proximity to transit, and the state or region can promote affordable TOD by:

- Offering points for transit proximity to help TOD projects score more competitively;
- Offering a basis boost for TOD to increase available funding;
- Increasing the project allotment cap to make larger projects at TOD sites eligible;
- Prioritizing the preservation of existing affordable housing;
- Consolidating the underwriting processes to allow developers to apply for tax credits and other resources simultaneously; and
- Requiring that projects be in mixed-use neighborhoods with good transit access; providing funding for community centers and daycare to encourage a mix of uses.⁵⁴

⁵³ For more information please visit: http://www.novoco.com/low_income_housing/resource_files/qap/2014/texas/texas_final_qap_020614.pdf.

⁵⁴ Chicago Metropolis 2020 and the Metropolitan Mayors Caucus; Phase 2: Homes for a Changing Regions. Implementing Balanced Housing Plans AT the Local Level, 2007.

8.4 Tools to Lower the Cost of Affordable Housing Development

8.4.1 Incentives for Developers

Incentives such as flexible building codes, density bonuses, reduced parking requirements, fee reductions and waivers, and expedited permitting can create the potential for the inclusion of affordable units in new housing developments. Market-rate and upscale units can subsidize the construction of affordable units through implementation of these incentives. An additional benefit of such mechanisms is that they can offset the need for public financial subsidies.

Reduced Permitting Timelines

Reducing permitting timelines in exchange for the inclusion of an agreed-upon amount of affordable housing can be a powerful motivating factor in creating new development. As time “costs money,” timing can have a significant impact on a development’s bottom line, or even if a development is built at all. This strategy, however, must be paired with others, such as gap financing, to ensure that the inclusion of affordable housing does not cause secondary-time delays and greater hurdles in securing financing.



In Washington D.C., Architect/Planning firm – Torti Gallas working the developer Donatelli and Klein had the winning proposal to the National Capital Redevelopment Corporation (NCRC) for redevelopment of a large parcel in the neighborhood of Columbia Heights. As part of the proposal, Donatelli and Klein agreed to partner with Victory Housing, Inc., a nonprofit provider of affordable housing, to include a rental apartment building for seniors as one component of a mixed-use development proposed for the property. Funding and rental assistance come from the Section 202 program and from Section 8.o, which is administered by the U.S. Department of Housing and Urban Development (HUD). Source: Torti Gallas and Partners.

Flexible Building Codes

Municipalities may consider establishing flexible building codes to accommodate new building technologies. San Antonio's downtown already has very flexible building codes, ensuring that these codes allow for new approach to building and new technologies that attract builders who may test new building technologies. With the provision of this flexibility, municipalities should consider integrating incentives for the inclusion and development of affordable housing.

When policies are targeted at properties that were transferred recently, in the prior two years for instance, they can serve to discourage the “flipping” of properties. In addition, transfer taxes can be levied on the change in value from one sale to another to discourage rapid appreciation in value. (Reconnecting America)

Reduction or Elimination of Parking Requirements

Many municipalities are finding that in areas that offer dense, walkable, bike-friendly neighborhoods well served by transit, less parking is needed. San Antonio has identified that this is the case for the Pearl Brewery District. In San Antonio, the City's downtown area has no parking regulations (therefore, no minimums or maximums). The Planning Department has noted that development is averaging parking ratios of 1.4 to 1.5 – and has indicated that for the center city, these ratios are turning out to be high in places such as the Pearl Brewery District. One development included one spot with each housing unit, and offered a second, but the second was not being used.

Reducing parking requirements increases the feasibility of mixed-income and mixed-use TOD because parking is typically expensive. Reducing or eliminating parking requirements specifically for affordable units can therefore can be an incentive for the inclusion of affordable housing in developments.

Parking ratios influence both design and the use of a development, thereby impacting cost. Parking has a significant determining effect upon development budgets and the overall costs of housing. Due to the lower need for parking in walkable, bikeable areas with high levels of transit service, municipalities should consider:

- Rethinking parking requirements for developments.
- Initiating outreach to lenders, as lenders have traditionally required parking as part of formulas used to determine financing of development. Local jurisdictions or nonprofit organizations should lead the way to communicate to lenders this changing need for parking to align financing requirements and urban design, which will ultimately allow for mixed income units and mixed-income TOD to be built at lower cost, by removing the costs associated with excess parking.
- Developing shared parking strategies, where feasible.

Transfer Tax Policies to Support Affordable Housing Development

According to Reconnecting America, transfer taxes are:

- Incurred when property titles are transferred to new owner, and
- Regularly assessed based on the full taxable value of a property or on the sales price of the property.

Transfer taxes, when employed in tandem with other preservation policies, can be used as a regulatory tool to preserve affordable housing. Local government policies can be drafted to dissuade property speculation, promote long-term community reinvestment, and raise funds for affordable housing. These policies can vary with regards to exceptions and partial exemptions.

Tax Forgiveness for Back Taxes on Affordable Housing Opportunity Sites

To facilitate private affordable housing development, local jurisdictions can remove tax liens on vacant and abandoned properties for developers that agree to provide affordable housing on the property. It is not uncommon for cities to find that sites are not pursued for development because of requirements that whomever purchases the property must typically assume the outstanding property tax obligations.⁵⁵

Upgrade Local Infrastructure and Prepare Sites for Development

Land assembly, site clearance, brownfield remediation, environment clean-up and permitting, can result in an expensive and time consuming development process. Adding affordable units can add to the time, cost, and financing hurdles for a developer.

A jurisdiction can lower the cost of private development and reduce financing hurdles for affordable development by taking the first steps to upgrade local infrastructure and prepare sites

Portland's metropolitan planning agency (Metro) uses Federal transportation Congestion Mitigation and Air Quality (CMAQ) dollars to acquire and resell land to developers with the condition that the land be used for TOD, generally with an affordable housing component.

The San Francisco Bay Area Housing Incentive Program: The Metropolitan Transportation Commission (MTC) operates a Housing Incentive Program (HIP) that makes "livability infrastructure" grants to jurisdictions based on the number of housing units that are built close to transit. To be eligible for HIP grants, housing projects must count at least 30 units/acre. Grant amounts are tied to the density and the affordability of the project – from \$1,000 per bedroom (for a 25 units/acre project) up to \$2,000 per bedroom (for projects with density of 60 units/acre). Affordable projects earn an additional \$500 per bedroom. Funds for this program are directed through the CMAQ program. (Enterprise)

⁵⁵ Reconnecting America notes that in some contexts, it may be appropriate to expedite the process by which local governments can acquire tax delinquent properties (also known as "in rem" properties) through foreclosure.

for development. This can be accomplished through Tax Increment Financing (which can generate funding from other development in the district), use of EPA funds for Brownfields remediation, or other sources.

8.4.2 Funding and Financing

Tax Increment Financing (TIF)

Tax increment financing (TIF) can be leveraged to produce affordable housing. Where consistent with state and local law, municipalities can establish TIF so that a share can be committed to pay for infrastructure costs for affordable housing. Another approach is to require affordable housing units in developments in station areas where housing is envisioned and TIF is proposed.⁵⁶ In Texas, TIF districts are known as Tax Increment Reinvestment Zones (TIRZ).

Federal Funding Resources

Municipalities often secure funding through Federal departments and programs. HUD is the most common source of funding, however additional funding can be accessed through the Environmental Protection Agency (EPA) from the Congestion Mitigation and Air Quality Improvement (CMAQ) Program (jointly administered by the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA)). Transportation funds from the CMAQ program can potentially be used to make grants for zoning code reform efforts and other activities that create the opportunity for higher density development near transit.⁵⁷ For example, the Denver Regional Council Of Governments (DRCOG) created a pool from CMAQ grants dedicated to land use planning around station areas, using a 50 percent match. DRCOG spent \$2 million and invited local governments to submit applications.⁵⁸

CASE STUDY

Austin Bonds

In the November 5 General/Municipal special election, voters approved the City of Austin proposition for \$65 million in general obligation bonds (funded by property taxes) for affordable housing. No increase in the property tax rate is anticipated as a result of this bond issuance.

The voter-approved bond will allow the City to borrow \$65 million to partner with organizations to utilize these funds for affordable rental and ownership housing as well as for the preservation of existing affordable housing.

⁵⁶ Center for Transit-Oriented Development (disseminated under the sponsorship of the Federal Transit Administration); TOD-201 The Importance of Locating Mixed-Income Housing Near Transit, September, 2009.

⁵⁷ Realizing the Potential: Expanding Housing Opportunities Near Transit. Reconnecting America's Center for Transit-Oriented Development, April 2007.

⁵⁸ Realizing the Potential: Expanding Housing Opportunities Near Transit. Reconnecting America's Center for Transit-Oriented Development, April 2007.

Bonds for Affordable Housing

To provide financing that exceeds what is privately available, some cities have established affordable housing bonds. For example, the City of Austin passed voter-approved bonds to be used as affordable housing funding sources. These funds could be used to provide rental:

- Rental housing development assistance, home;
- Home ownership programs, or
- Home repair programs.

To do this, the City of Austin had garnered support of the bond proposals from banks, such as Capitol One.⁵⁹

The potential for implementing this strategy could be considered by municipalities that are looking to increase funding for affordable housing or to create a fund to cover the gap financing which is a common hurdle to overcome in the development of affordable housing.

Social Impact Bonds

Social impact bonds are a unique new tool that municipalities could consider using. These bonds are financing mechanisms employed for social programs, and what makes them unique is that government agencies pay only for real, measurable social outcomes – after those results have been achieved.⁶⁰ According to the Center for American Progress, these tools effectively invert traditional government financing for preventive social services. In a social impact bond agreement, the government pays for realized outcomes at the conclusion of a contract, rather than paying upfront for programs or activities that may or may not have their anticipated effects. Municipalities should review the use of social impact bonds for potential application to needs.

Reduce Financing Risk

Housing developers evaluate the financial feasibility of any development, including market rate multifamily housing and subsidized housing. For market rate housing, developers review the return on investment from rental income, tax write-offs, and resale of the property.⁶¹ Nonprofit housing development corporations and developers that intend to include below-market rate

⁵⁹ For more information, visit: <http://www.austintexas.gov/2013bond>.

⁶⁰ Center for American Progress, retrieved at: <http://americanprogress.org/issues/economy/report/2012/12/05/46934/frequently-asked-questions-social-impact-bonds/>.

⁶¹ Northern California Land Trust: retrieved at: http://www.nclt.org/index.php?option=com_content&view=article&id=27&Itemid=134.

housing in their developments, must first identify what the defined-income level for which the below market rate apartments will be constructed (e.g., below 30, 50, or 80 percent AMI). Once this is determined, the rent affordable to that population must be defined. Finally, the gap between the market rate prices and the below-market rate rents is calculated to determine the “funding gap.”



Designed for the Housing Opportunities Commission of Montgomery County, and located directly on top of a Metro station, Metropoint is a mixed-finance, mixed-income rental development utilizes the existing infrastructure, and along with the new Metro station, provides accommodations for multiple modes of transport, including direct Metro access, buses, flexcar, private automobiles, bicycles and walking. Source: Torti Gallas and Partners.

To fund and finance a development, housing developers often need to piece together the funding from multiple sources to make their development feasible. In the past, these financing needs were met by the Federal government’s Department of Housing and Urban Development (HUD), but HUD funds are no longer sufficient to singularly fill this role. Today, financing is provided by banks, investors, the Federal Home Loan Bank, public agencies and foundations, among others.⁶² According to the Northern California Land Trust, “A typical nonprofit developer might combine up to a dozen different sources of funds, including public agencies, a corporate tax credit investor, a loan supported by Section 8.0 rent subsidies, and private donations in order to build 52 units of supportive housing.” Each source requires a competitive funding application, approval process and recorded legal documents, all of which added to the complexity and the cost of the development After the nonprofit developer had obtained a conventional bank

⁶² Northern California Land Trust: retrieved at: http://www.nclt.org/index.php?option=com_content&view=article&id=27&Itemid=134.

mortgage and low-income housing tax credits, it had only approximately half of the funds needed to pay for the development. The remaining half of the development was paid for from seven different sources, with none comprising more than 15 percent of the total cost. The conventional mortgage represents only about 4 percent of the total sources.”⁶³

Municipalities can take steps to smooth this process by working closely with lenders, and making the path to funding as clear as possible. consider approaches for working with lenders to decrease lending risk. There is a need to better understand the lenders’ perspective to help the money flow more easily for mortgages or more so for new construction. A municipality could identify top lenders in the area, and arrange a meeting or workshop with lenders to better understand lenders’ concerns and perspective, to communicate changes as to demographic, transportation and development trends, and the resulting changes to policies and planning at the municipal level. Together, municipality leadership, lenders and other stakeholders could work together to address key concerns and issues that limit or cause delays in financing. The city also could use information from such a session to inform development of a gap financing fund.

Architectural principles for more affordable, flexible housing

- Flexible plans to accommodate changing families Provide adaptable rooms/spaces for changing needs and uses, “swing rooms” that are available to adjacent units, the ability to add rooms as a family grows, or create separate living units for related adults or renters.
- Exterior private spaces (such as porches)
- Include interior/exterior private/public spaces and other transitions between living units and shared spaces as part of the “living spaces” of the home.
- Modular, “kit-of-parts” design and “chunking” of building components
- Utilize repetitive construction components to decrease labor costs and construction waste.
- Accommodate standard dimensional lumber, manufactured beams, sheathing and flooring panels, casework, doors and windows.
- Consider manufactured housing options and methods.
- Off-the-shelf materials
- Benefit from the cost savings of materials and building components manufactured at economies of scale.

Source: North Carolina State University, College of Design.

8.5 Strategies to Improve Planning Coordination

The development of effective partnerships and the coordination of planning activities can leverage the funds spent on planning and investment in community infrastructure and programs, and can lead to better, lasting outcomes. Several strategies to consider include the following:

⁶³ Northern California Land Trust: retrieved at: http://www.nclt.org/index.php?option=com_content&view=article&id=27&Itemid=134.

- Coordinate short- and long-range economic/community development, housing and transportation plans and investment; establish a joint task force that meets regularly to ensure coordination;
- Establish strategic partnerships to improve access to resources and development capacity;⁶⁴
- Improve local technical capacity, partnerships and data collection and sharing;
- Create the capacity within housing and transportation agencies to facilitate TOD;
- Utilize FTA's Joint Development policy to emphasize construction of housing in transit zones;⁶⁵
- Monitor and track data on economic and development activity, demographic trends, housing availability, rent and property values at both the corridor and station area levels;
- Encourage public-private partnerships;
- Develop Memoranda of Understanding (MOU) between agencies; and
- Communicate with nonprofit housing developers to better engage them regarding the city's geographic focus for new developments.

Station Area Planning

Station area planning for all transit stations (not all transit stops) involves the community, stakeholder groups, developers, and others as appropriate in conversations about when (timing), where and how to develop the station areas. The station area up to one-half mile from the station should be considered. Station plans should consider preservation of important landmarks, architectural style, environmental features or other features identified as important to the character of the community. A study can be conducted to identify immediate-, short-, mid-, and long-term development needs, including public, retail, and commercial space, as well as housing. Station area planning and zoning can decrease the time, cost and risk required to develop affordable housing at TODs. Examples of station area plans can be accessed through the following links:

⁶⁴ Ed. Quigley, Leo; Enterprise, the National Housing Trust, Reconnecting America: Preserving Affordable Housing Near Transit, 2007.

⁶⁵ Reconnecting America's Center for Transit-Oriented Development; Realizing the Potential: Expanding Housing Opportunities Near Transit, April 2007.

- **Atlanta** – <http://www.atlantaregional.com/land-use/transit-oriented-development/station-profiles>.
- **Charlotte** – <http://charmack.org/city/charlotte/planning/areaplanning/transitstationareaplans/pages/home.aspx>.

Conduct an Affordable Housing Inventory

An inventory of HUD-assisted or HUD-insured projects, LIHTC properties and unsubsidized housing can be useful in identifying types of properties and strategic locations to target. The survey process also can identify planned transit and assess its impact on future housing values. This analysis can identify the timeframe for transit completion and its implications for development plans and project financing.

8.5.1 Strategies to Promote Transit Amongst Low-Income Populations

Employer Outreach and Incentive Programs

Outreach programs may be implemented to reach to low-income populations. Effective outreach programs have included door-to-door outreach, outreach through nonprofit, religious, educational, and community organizations/institutions.

Outreach programs and transit subsidies offered by employers can have a positive impact on potential ridership by increasing awareness of transit schedules and routes and lowering transit costs. Employers can design their participation and incentives to meet the specific needs of their workforce.⁶⁶ Municipalities, transit agencies and other community organizations can assist employers in designing their travel demand management programs to meet the needs of their employees.

Municipalities can encourage major employers to locate along existing high level of service, well connected transit routes – in doing so, they will benefit both employers and employees. Planning and incentive programs can encourage, assist, and incentivize the location of new and relocating employers. Likewise, cities also should consider locating city services and city employers in areas well-served by transit that offer routes to communities that include low-income populations.

⁶⁶ Chicago Metropolis 2020 and the Metropolitan Mayors Caucus; Phase 2: Homes for a Changing Regions. Implementing Balanced Housing Plans AT the Local Level, 2007.

Target Housing Near Employment and Transit Centers

To find less expensive housing, many workforce households choose homes at a great distance from their workplaces. As discussed in Section 2.0, the combined costs of housing plus transportation (H+T) are often a large portion of a household's budget. Municipalities have the opportunity, through coordinated and proactive planning, to colocate housing near employment and transit centers. In San Antonio, based on the preferred MPO growth scenarios, this means adding housing near the activity centers and downtown. In doing so, San Antonio can ensure that adequate housing choices are available to all individuals and families – while reducing travel times and meeting other City goals.

Transit-Supportive Land Use (TSLU)

The VIA Transit-Supportive Land Use (TSLU) Guide and Toolkit were developed in parallel with this Toolkit. For any affordable housing development, the principles embodied and put forth in the VIA Transit Supportive Land Use Guide and Toolkit should be taken into consideration and applied at the high level feasible. Please visit the VIA web site to access the VIA Transit Supportive Land Use Guide and Toolkit: www.viainfo.net.

9.0 ACTION PLAN

This implementation plan is designed to be a working document, that should be used, revisited, revised, and updated over time. VIA should review this action plan during interagency work group meetings with its partners.

9.1 Short-Term Actions

These are actions that can be undertaken within the next one or two years.

Table 9.1 Short-Term Actions

Action	Responsible Party	Timeframe	Priority
VIA takes resolution to the Board for resolution	VIA Planning Staff, Jason Rodriguez, Catondra Noye	July 2014	High
SAHA/VIA meet to discuss MOU	VIA, SAHA	June/July 2014	Complete
VIA drafts MOU to share with COSA when its time to apply for grants	COSA, VIA	June/July 2014	Medium
VIA/SAHA execute MOU	VIA, SAHA	September, 2014	Complete
Develop an interagency working group to coordinate planning activities.	VIA, SAHA	2014, then ongoing	High
Participate in ReNewSA Coordinating Committee meetings.			
Address Opportunity Area requirements			
Update this Implementation Plan Annually	VIA and SAHA Coordination Committee	Spring of 2015, then ongoing	High

9.2 Medium- to Long-Term Actions

These are actions that are likely to require three or more years to complete

Table 9.2 Medium- to Long-Term Actions

Action	Responsible Party	Timeframe	Priority
Coordinate VIA Strategic Housing policy and ReNewSA study	VIA, COSA	2014-2015 – ongoing	Medium
Identify appropriate ranges for stations areas tied the typologies. Consider market affordability and balanced housing approach at stations.	VIA, SAHA	2014-2015 – then ongoing	Medium
Identify preservation and maintenance opportunities in SW and Street Car Corridor	VIA, SAHA, and COSA	2014 and 2015	Medium
Integrate findings from NALCAB tech assistance grant (HUD, 1 CPD)	NALCAB (provide findings) VIA/SAHA (review and integrate as appropriate in planning activities)	2014 and 2015	Medium
Better understand barriers to affordable housing – Initiate implementation of strategies to overcome some barriers	VIA, SAHA	2014-2015	Medium/Long
When the San Antonio Comprehensive Plan is written, ensure that this toolkit is used as a resource and that its text is incorporated to the highest level possible.	VIA, SAHA, COSA, and other partners	2014-2017	High
Develop a plan to research strategies within this toolkit to be considered for San Antonio.	VIA, SAHA, COSA and other partners	2014-2015 – then ongoing	High
Implement strategies through coordinated partnerships.	VIA, SAHA, COSA, and other partners	Ongoing	High
Review and update strategies and implementation plan as needed.	VIA, SAHA, COSA, and other partners	Ongoing	High
Review and update Goals and Policies of Strategic Framework	VIA, SAHA, COSA, and other partners	Every five years	High

APPENDIX A: FTA-AFFORDABLE HOUSING STYLE ASSESSMENT – FOR THE SAN ANTONIO STREET CAR CORRIDOR

Project Description

The VIA modern streetcar project will offer a high-capacity transit service through the downtown area that connects with the nearby neighborhoods and other destinations of interest. A modern streetcar system provides a clean, sustainable form of transit that supports and enhances economic growth by improving downtown access and enhancing mobility for tourists and residents. Modern Streetcar will integrate with existing transit services, making them more useful and reliable while working as a complete system with the bus services in downtown.

Corridor Description

Designated as one of San Antonio’s most vibrant “cultural corridors,” the Broadway Street and Roosevelt Avenue connection provides endless opportunities for future transit riders to embrace the best of the San Antonio cultural offerings. Connecting one of the most lively and diverse neighborhood commercial districts, Southtown, to various museums and attractions north of downtown, this corridor will serve as an important catalyst for future investment in the region. The corridor begins at the Naco-Pass Transit Center and continues south adjacent to Terrell Hills. The route continues south by the McNay Art Museum, passing the University of the Incarnate Word, Trinity University, Brackenridge Park, the San Antonio Zoo, and the Pearl Complex. Passing downtown, the corridor serves the entire Central Business District, University of Texas – San Antonio downtown campus, and the Alamodome. The corridor continues south in the vicinity of the Southtown commercial district, Mission San Jose National Park, and the future Lone-Star Brewery complex. The corridor terminates at South Military Drive, where it intersects with the South/West Connector Corridor. The corridor also provides access to the East/West Central Corridor in Downtown.

Description for Local Agencies

Table A.1 FTA Summary

III. TOOLS TO MAINTAIN OR INCREASE SHARE OF AFFORDABLE HOUSING		
a. TOOLS TO MAINTAIN OR INCREASE SHARE OF AFFORDABLE HOUSING		Rating: TBD
Documented evaluation of corridor-specific affordable housing needs and supply	Housing need <ul style="list-style-type: none"> <i>The San Antonio Five-Year Consolidated Plan</i> indicates a high need to preserve and create affordable housing in the city. In 2010, 43 percent of households had incomes less than 80 percent of the average median income (AMI); 25 percent were considered extremely low- or low-income, and the same amount had a very high 	

III. TOOLS TO MAINTAIN OR INCREASE SHARE OF AFFORDABLE HOUSING

	<p>housing cost burden (i.e., greater than 30 percent).</p> <ul style="list-style-type: none"> • Estimates from the 2008 American Community Survey suggest that housing availability appears to have improved for households earning over \$35,000, but continues to fall short of demand at the lowest levels. • SAHA has 13,155 individuals on the waiting list for family public housing, 1,372 individuals on the waiting list for elderly public housing, and 399 individuals on the waiting list for handicapped accessible units. • A corridor Alternatives Analysis mapped eight existing affordable housing developments within one-half mile of the proposed stations. • The 2008 San Antonio Housing and Transportation Affordability report indicated that combined housing and transportation costs ranged from less than 30 percent in the central city to more than 80 percent in outlying areas for the household earning the area median income. This indicates that there are many areas, particularly those areas outside of the city limits, where the average households become quite overburdened by combined housing and transportation costs.
Plans and policies to preserve or increase affordable housing in region and corridor	<p>Five-Year Consolidated Plan. The Department of Housing and Urban Development (HUD) requires that San Antonio produce a Consolidated Plan and Annual Action Plan. San Antonio's Five-Year Consolidated Plan identifies the community's affordable housing, community and economic development needs, and outlines a comprehensive strategy for addressing them. This plan serves as a funding application to the U.S. Department of Housing and Urban Development (HUD). The San Antonio Housing Authority (SAHA) is responsible for the plan. HUD funding programs include:</p> <ul style="list-style-type: none"> • Community Development Block Grant (CDBG) – The CDBG program is flexible and enables entitlement communities to use funds to address community development needs, including the provision of affordable housing. CBGB grants are provided annually by formula. • HOME Investment Partnerships Act Program (HOME) – HOME is the largest Federal block designed solely for the purpose of creating affordable housing for low-income households. Funds granted to state and local governments and are often implemented in partnership with local nonprofit groups to fund a wide range of activities to improve the affordable housing's quality and availability. HOME allocates about \$2 billion annually for grants, direct loans, loan guarantees or other forms of credit enhancement, or rental assistance or security deposits.

III. TOOLS TO MAINTAIN OR INCREASE SHARE OF AFFORDABLE HOUSING

Plans and policies to preserve or increase affordable housing in region and corridor (continued)

- **Emergency Solutions Grant (ESG)** – The ESG program provides assistance to individuals and families that have experienced a housing crisis or homelessness, so that they can quickly regain stability in permanent housing. ESG funds are available for five program components: street outreach, emergency shelter, homelessness prevention, rapid rehousing assistance, and data collection through the Homeless Management Information System or HMIS.
- **Housing Opportunities for Persons with AIDS (HOPWA)** – The purpose of the HOPWA program is to ensure that all HUD programs and initiatives are responsive to the special needs of people with HIV/AIDS, this is accomplished by providing guidance and oversight.
- Other programs include the Housing Choice Voucher (formerly Section 8.o), Hope VI Projects, Family Self-Sufficiency Program, Resident Council Program and the Moving to Work Program.

Choice Neighborhoods program. San Antonio/SAHA receives funding through this HUD-sponsored program, which supports local strategies to address struggling neighborhoods. The program supports planning, coordination and capacity building. San Antonio created the Eastside Choice Neighborhood Transformation Plan.

Center City Housing Incentive Program. Mixed Income TOD project eligible for real property tax reimbursement grant for up to 15 years and low-interest loan of up to \$6,000 per dwelling unit.

Flexible Zoning Bonuses and Affordable Dwelling Units (UDC 35-360 and 35-372). Allows a density bonus of up to 20 percent for designating at least 5 percent of dwelling units as affordable to very low-income groups through deed restriction and enforceable contract with public housing authority or community development corporation. Allows a density bonus of up to 10 percent if at least 15 percent of units are affordable to low-income residents. Bonus increases by 5 percent for every additional 15 percent and 5 percent increase in very low- and low-income designated units, respectively.

The affordable dwelling units code permits the application of these bonuses to different neighborhoods and codes through five specific policies. The code also provides for affordable dwelling unit construction phasing, and gives enforcement authority to the SA city council.

Neighborhood Conservation District (UDC 35-335). The zoning district includes a policy/purpose to promote and retain affordable housing.

Infill Development District (UDC 35-343). This district includes policy/purpose to promote creation of affordable housing through conversion or adaptation of underutilized commercial buildings.

- **Affordable Housing Preservation and Expansion Policy.** SAHA's 2011 policy is specifically directed at increasing affordable housing in the region. The policy pays particular attention to integrating affordable housing into the existing neighborhood context, with strategies such as place-based initiatives, preservation of existing housing stock and community revitalization.

III. TOOLS TO MAINTAIN OR INCREASE SHARE OF AFFORDABLE HOUSING

Adopted <u>financing tools</u> and strategies targeted to preserving or increasing affordable housing in the region and/or corridor	<ul style="list-style-type: none"> • ReNewSA is a program for organizing and strategically deploying the community development tools. The Infill Housing Program identifies incentives and tools to create affordable single family homes in the city. Another affordable-housing-specific program has been discontinued. • San Antonio participates in the Low-Income Housing Tax Credit Program which allows a credit for owners and investors in low-income rental housing. • SAHA qualifies under the Moving to Work Program. The program provides the agency flexible program design to enhance the agency's programs. The designation allows funding flexibility through a combination of public housing operating subsidy, capital fund program (CFP) grants, and Housing Choice Voucher (HCV) program subsidies under a single fund block grant. • The San Antonio Tax Increment Financing program requires TIRZ district new housing proposals to meet a 20 percent affordable housing goal. This applies to city-initiated TIF applications and owner-driven applications. • Inner City Reinvestment/Infill Policy (ICRIP) has a specific goal to encourage development of housing in proximity to jobs and transit, and to encourage development and preservation of affordable housing through infill development. • The Lavaca neighborhood plan supported a public-private partnership to create Hemisview Village, a mixed-income housing redevelopment opposite Hemisfair Park. The City facilitated the partnership and provided support to the project.
Evidence of <u>developer activity</u> to preserve or increase affordable housing in the corridor	<ul style="list-style-type: none"> • See Lavaca neighborhood summary above (Victory/SAHA project). • SAHA lists several recent new construction projects with affordable housing components, including San Juan (250 units), The Park at Sutton Oaks (208 units), and Wheatley Courts (500+ units).
The extent to which the <u>applicant's activities</u> account for long-term affordability and the needs of very and extremely low-income households in the corridor	See low- and very-low income policies, above.

APPENDIX B: RESOURCES

Publications

AARP Public Policy Institute, Section 8.o Project-Based Rental Assistance, The Potential Loss of Affordable Federally Subsidized Housing Stock: Available on-line at: http://assets.aarp.org/rgcenter/il/ib47_housing.pdf.

Center for Housing Policy; Challenges and Policy Options for Creating and Preserving Affordable Housing Near Transit, 2010. Available on-line at: <http://www.urban.org/uploadedpdf/1001489-Affordable-Housing.pdf>.

Center for Transit-Oriented Development (disseminated under the sponsorship of the Federal Transit Administration); TOD-201 The Importance of Locating Mixed-Income Housing Near Transit, September, 2009. Available on-line at: <http://www.reconnectingamerica.org/assets/Uploads/091030ra201mixedhousefinal.pdf>.

Chicago Metropolis 2020 and the Metropolitan Mayors Caucus; Phase 2: Homes for a Changing Regions. Implementing Balanced Housing Plans AT the Local Level, 2007. Available on-line at: <http://www.metropolisstrategies.org/documents/HomesforaChangingRegion-Phase2.pdf>.

Coalition for Nonprofit Housing and Economic Development, A Study of Limited-equity Cooperatives in the District of Columbia (2004). Available on-line at: <http://community-wealth.org/sites/clone.community-wealth.org/files/downloads/report-cnhd.pdf>.

Economic and Planning Systems, Inc.; Final Report: City of San Antonio Sustainable Urban Economics Tool, 2011. Available on-line at: <https://www.sanantonio.gov/Portals/0/Files/Sustainability/SustainableEconomicTool.pdf>.

Quigley, Leo; Enterprise, the National Housing Trust, Reconnecting America: Preserving Affordable Housing Near Transit, 2007. Available on-line at: <http://www.reconnectingamerica.org/assets/Uploads/preservingaffordablehousingneartransit2010.pdf>.

Northern Virginia Affordable Housing Alliance: Charting a Way Forward, Preserving Market Rate Affordable Housing in Northern Virginia's Inner Suburbs, 2011. Available on-line at: <http://www.nvaha.org/pdfs/NVAH001PreservStudyWeb.pdf>.

Pollack, S., Bluestone, B., Billingham, C.; Dukakis Center Report on Maintaining Diversity in America's Transit Rich Neighborhoods, October 2010. Available on-line at: http://nuweb9.neu.edu/dukakiscenter/wp-content/uploads/TRN_Equity_final.pdf.

Reconnecting America's Center for Transit-Oriented Development; Realizing the Potential: Expanding Housing Opportunities Near Transit, April 2007. Available on-line at: <http://www.reconnectingamerica.org/assets/Uploads/2007RealizingthePotentialweb.pdf>.

Rosenbloom, S. Limits of Investment of Housing Investment as a Neighborhood Revitalization Tool. JAPA. Available on-line at: <http://magazine.planning.org/publication/?i=204265&p=45>.

Urban Institute; Keeping the Neighborhood Affordable: A Handbook of Housing Strategies for Gentrifying Areas, 2006. Available on-line at: http://www.urban.org/uploadedPDF/411295_gentrifying_areas.pdf.

Urban Land Conservancy – Denver TOD Fund. Available on-line at: <http://www.urbanlandc.org/denver-transit-oriented-development-fund/>.

Urban Land Institute; Mixed Income Housing, Myth and Fact, 2003. Available on-line at: http://thejcra.org/jcra_files/File/resources/mixed%20income%20housing.pdf.

Transit Agency Policies, Plans of Guidelines that Mention Affordable Housing

Atlanta's Beltline TAD Ordinance and Beltline Affordable Housing Trust Fund establishes funding for affordable units along the new Beltline transit/economic development project.

Charlotte CATS Affordable Housing Transit Policy encourages 5 to 25 percent of housing units to be affordable within one-half mile, but caps affordability at 20 percent of units within one-quarter mile.


Chicago RTA's Housing and Jobs Policy states that the agency must support the development of mixed income, workforce and affordable housing near transit.

Denver RTD's TOD Strategic Plan encourages TOD and joint development that addresses affordable goals of local communities and the region.

King County's (Wash.) Department of Transportation TOD Policy requires that all surplus land be evaluated for affordable housing.

Los Angeles Metro's Joint Development Policies and Procedures encourage projects with a residential component to provide a range of housing types to meet the needs of a diversity of household incomes.

Portland Tri-Met's Property Policy promotes transit equity and "location efficient housing," and considers whether development proposals will increase availability of housing for low-moderate income households.



San Jose Santa Clara VTA's Joint Development Policy supports a range of affordability, and opportunities for both rental and ownership.

Washington, D.C. WMATA's Joint Development Policy supports affordability as a secondary transit agency goal (especially for WMATA employees).

Appendix C: VIA/SAHA Memorandum of Understanding (MOU)

Please note, text quality is low as this is a scanned copy of a hard document.

Memorandum of Understanding

By and Between

VIA Metropolitan Transit

and

The San Antonio Housing Authority

This Memorandum of Understanding (MOU) is entered into and sets forth the understanding between VIA Metropolitan Transit (VIA) and the San Antonio Housing Authority (SAHA) in support of activities to preserve and produce affordable housing in high capacity transit corridors and in transit station areas within the VIA Metropolitan Transit Service Area.

Background

Whereas, the City of San Antonio (City) is currently developing a Comprehensive Transportation Plan intended to direct future growth of the city including among other things, job creation, housing, transportation and public health; and

Whereas, the Metropolitan Planning Organization (MPO) has expressed preferred growth scenarios that include, but are not necessarily limited to, a focus on activity centers and the redevelopment of the urban core which will influence housing development and transit service needs; and

Whereas, a stated objective of the upcoming City of San Antonio Strategic Multi-modal Transportation Plan is to connect land use, redevelopment, and transportation; and

Whereas, VIA has developed and is currently implementing a Long Range Comprehensive Transportation Plan, focusing on high capacity transit corridors, transit service improvements and multimodal capital projects to provide high Level of Service (LOS) transit options; and

Whereas, infrastructure improvements can often lead to increased property values and rent increases resulting in the displacement of low and moderate income individuals and families; and

Whereas, SAHA and VIA desire to work together to help thwart the impact such improvements have on housing for low and moderate income individuals and families; and

Whereas, SAHA and VIA believe that collocating housing and transit (where appropriate) can lower overall individuals' combined housing and transportation "H+T" costs, maximize affordability, support healthy choices, reduce environmental impacts and ensure equitable access to employment centers; and

Whereas, the United States Department of Housing and Urban Development (HUD) and the United States Federal Transit Administration (FTA) have acknowledged the benefits to the low and very low income of co-locating housing and transit, and

Whereas, SAHA has set a goal to "Actively pursue emerging development and redevelopment opportunities that meet multiple community goals, such as economic and transit oriented development, while adding to the affordable housing infrastructure for San Antonio"; and

Whereas, the Federal Transit Administration (FTA) has elevated the linkage of affordable housing in transit station areas and corridors and now considers as part of the criteria the preservation and production of affordable housing in transit corridors in considering applications for New Starts/Small Starts grants applications;

NOW THEREFORE, the Parties desire to work together for the purposes set out herein and agree to cooperate to the extent possible to achieve the goals as herein set out.

Goals

The Parties will:

1. Support efforts to ***construct and maintain a broad spectrum of market-rate and subsidized affordable housing*** in focus areas ***supported by high level of transit service***, to promote balanced housing options, preserve existing communities, create new communities and support economically integrated neighborhoods for the people of San Antonio.
2. ***Coordinate*** actively between themselves and other stakeholders and partners such as the City, non-profit agencies and the private sector (partners) to conduct housing assessment and planning for affordability, consistent with the geographic boundaries and development intensity in VIA's Long Range Comprehensive Transportation Plan.
3. Work strategically with partners to ***co-locate housing and transit*** to lower the combined Housing and Transportation costs (H+T) as a buffer against rising fuel prices, congestion costs, and housing costs.
4. Support the ***preservation*** of existing affordable housing near transit stations and in transit corridors with high levels of service.
5. Support ***the inclusion of affordable units*** (for rental and ownership) in new housing developments produced near transit stations and in transit corridors with high levels of service.
6. ***Align*** economic development (jobs), housing and transit in ***policy and investment decisions to maximize the colocation*** of jobs, housing, and access to transit.
7. ***Actively pursue*** emerging development and redevelopment opportunities that meet multiple community goals, such as economic and ***transit oriented development, while adding to the affordable housing*** infrastructure for San Antonio.¹
8. ***Measure the level of achievement*** of these goals by tracking transit ridership, improved transit access, and the prevention of displacement of low and moderate income households.

Policies

VIA and (SAHA) will work toward the above goals by supporting the following policies:

- Policy 1. VIA and SAHA cooperate and provide ***support for the documentation, evaluation, and analysis*** of the housing market and housing needs (amount, type, affordability) in transit corridors and station areas. They will provide input to other planning efforts regarding the coordination of housing, economic development and transit planning by conducting housing analysis for transit stations and corridors when appropriate and feasible to do so.

¹ Existing SAHA goal

Policy 2. VIA and SAHA will cooperate in and support strategic and balanced housing² planning in focus areas supported by high level of service transit by encouraging the development of options for workforce, mixed income, and affordable housing (market rate and subsidized) in these areas. To do so, VIA and SAHA will work together and in cooperation in support of the implementation of plans, policies, tools, and financing strategies that *preserve and revitalize, or increase, both market rate affordable housing and subsidized affordable housing* in focus areas supported by high level of service transit.

Policy 3. VIA and SAHA will cooperate and coordinate support for policies and actions that encourage developers to preserve and increase affordable housing on a *long-term basis* in all San Antonio communities served by high level of service transit.

Policy 4. VIA and SAHA will support efforts to *include affordable housing* units in *VIA joint development/station area projects*, as appropriate.

Policy 5. VIA will support SAHA's efforts to *preserve and produce* affordable housing in areas served by transit.

Policy 6. When making major transit investments, VIA will consider housing affordability as part of the planning process and when evaluating housing developments SAHA will consider transit accessibility.

Reporting

VIA and SAHA will establish and appropriately staff an interagency committee to help implement and achieve the purpose and goals of this MOU. The committee will meet on a quarterly basis and will provide a quarterly report following each meeting to VIA and SAHA.

Relationship and Funding

This MOU is not intended to be nor is it contractual in nature nor is it a commitment of funds by either Party.

Duration

This MOU is effective on the date both parties have signed the MOU. Either party may end its participation under and terminate this MOU by giving the other Party ten (10) days prior written notice. If either Party believes that this MOU violates any law or regulation, this MOU will terminate immediately upon written notice to the other Party.

² Balanced Housing - meeting needs of current and future residents at all ends of income spectrum, a mix of housing options.

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(Partner signature)
(Partner name, organization, position)

 Date: 9/17/14
(Partner signature)
(Partner name, organization, position)