

**State of Texas
County of Bexar
City of San Antonio**



**DRAFT
Meeting Minutes
City Council B Session**

City Hall Complex
105 Main Plaza
San Antonio, Texas 78205

Wednesday, December 14, 2016

2:00 PM

Municipal Plaza Building

The City Council of San Antonio convened in the “B” Room of the Municipal Plaza Building. City Clerk Leticia Vacek took the Roll Call and noted the following Councilmembers present:

PRESENT: 11 - Mayor Taylor, Treviño, Warrick, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier, and Gallagher

1. A Briefing on the Neighborhood Improvements Community Bond Committee's recommended areas to be included within the required Urban Renewal Plan associated with the 2017 proposed Neighborhood Improvements Bond Proposition. [Peter Zanoni, Deputy City Manager; Bridgett White, Director, Planning & Community Development]

Sheryl Sculley stated that 24 of the 25 Bond Committee Meetings had been held with more than 1,400 Residents in attendance. She noted that Resident Comments were provided to the City Council and the recommendations of all five Bond Committees would be presented to the full City Council at a B Session on January 11, 2017.

Peter Zanoni stated that the Neighborhoods Improvement Initiative was one of the five categories of the 2017-2022 Bond Program. He noted that \$20 Million would be allocated to this initiative which would: 1) Revitalize distressed areas of the City; and 2) Provide

Workforce Housing. He noted the rising cost of housing in San Antonio and stated that working families could not afford to rent property or buy a home. He noted that the existing resources available such as the following were limited:

- U.S. Department of Housing and Urban Development (HUD) Funded Owner Occupied Rehab and Minor Repair
- One-Time HUD Funded Choice Neighborhood and the Neighborhood Stabilization Plan
- Funding from the General Fund for Housing

Mr. Zanoni stated that the current City Charter did not allow issuance of General Obligation Bonds for Housing. He noted that Texas Government Code allowed the city to utilize its Urban Renewal Agency to deliver Bond-Funded Housing through an Urban Renewal Plan. He stated that the City's Urban Renewal Agency was known as the Office of Urban Redevelopment San Antonio (OUR-SA), formerly the San Antonio Development Agency, which was established by referendum in 1957. He noted that it was a Board comprised of seven members appointed by the Mayor and confirmed by the City Council. He stated that the terms were staggered every two years and that the Center City Development Office provided oversight of the Board.

Mr. Zanoni stated that the Urban Renewal Plan included a strategy for redeveloping and revitalizing distressed areas for redevelopment. He noted that it included maps of specific areas identified and eligible development activities. He stated that the Urban Renewal Plan would be adopted by the City Council and submitted to the Texas Attorney General. He noted that the potential development types were Multi-Family Housing, Single-Family Housing, Duplex, Triplex, Fourplex, Townhouse or Mixed-Use. He reviewed the draft Neighborhood Improvement Areas and provided examples of those who would benefit from Workforce Housing. He stated that the City of San Antonio would identify and purchase neglected vacant properties in the areas identified and invest Bond Funds by demolishing dilapidated buildings, improving streets and sidewalks, and removing hazards. He stated that Housing Partners would subsequently buy the improved properties and build housing for working families. He noted that this was a Pilot Program and participation would be voluntary with no use of eminent domain anticipated. He stated that there would be no family displacement or relocation and the City of San Antonio would not be constructing any of the housing units. He noted that proceeds from the sale would be reinvested in the Neighborhoods Improvement Program. He stated that the Initiative was recommended by the Housing Commission and noted that compatibility with the surrounding neighborhood would be ensured. He reviewed action steps to be taken prior to the Election in May and noted that the Urban Renewal Plan would be considered by the City Council on February 2, 2017.

Mr. Zaroni outlined next steps following the May Election with passage of the Bond Program:

1. Property Acquisition

- Staff recommends properties to acquire
- Brought before the City Council Housing Commission
- City Council reviews/approves acquisitions
- Urban Renewal Agency acquires properties

2. Development Plan

- Staff recommends projects through the Request for Proposals (RFP) Process
- Brought before the City Council Housing Commission
- City Council reviews/approves site readiness/development
- Urban Renewal Agency implements contracts

Mr. Zaroni stated that staff would utilize the following criteria for project development:

- Purchase price
- Concentrated impact
- Potential for leveraged funding
- Impact on financial gap
- Proximity to city investments and other assets such as schools and employment

Mr. Zaroni stated that meetings with Neighborhood Association Leadership, the Northwest Neighborhood Alliance, COPS Metro, and the Local Initiatives Support Corporation (LISC) were held. He noted that the Committee recommended 13 Areas for the Initiative, with no areas recommended in Council Districts 9 and 10 and added that 11 of the 13 Areas were located inside Loop 410.

Jackie Gorman stated she served as a Co-Chair on the Neighborhood Improvements Bond Program Committee consisting of 33 Members. She stated that the Committee held five meetings and one bus tour of the recommended areas. She stated that the Committee had considered 17 Areas but recommended the following 13 Areas in order of preference:

1. Near West-Five Points (D1, D5)
2. Lincoln Park-Arena District (D2)
3. West Side (D5)
4. Near East (D2)
5. Edgewood (D6)
6. Pearsall (D4)
7. Roosevelt-Mission Reach (D3)

8. East Southcross (D3)
9. Culebra at Callaghan (D7)
10. Southeast (D3)
11. South Park (D4)
12. Oak Hollow (D8)
13. Wurzbach (D8)

Jim Leonard, Co-Chair of the Neighborhood Improvements Bond Program Committee stated that the Center City Development and Operations Department would have the opportunity to acquire property in any of the areas identified. He noted that it was unlikely that all 13 Areas would receive funds and would depend on what was available in the open market. He reviewed the 13 Areas and stated that they had to meet one or more of the criteria established by the State such as dilapidated structures, poor street access and conditions, unsafe conditions, open land, or vacant lots.

Mayor Taylor asked of the criteria established for access to Affordable Housing Units. Mr. Zaroni replied that criteria such as housing type and the price for affordable housing would be included in the RFP. Mayor Taylor asked what information would be included in the Urban Renewal Plan. Mr. Zaroni replied that the areas, type of housing for each area, and displacement rules would be included in the Urban Renewal Plan. Mayor Taylor asked of the limitations on rehabilitation and repair of houses. Mr. Zaroni stated that the city had limited resources from the Federal Government with \$2 Million available for Single-Family Housing Rehabilitation and Minor Repair. He noted that Bond Funds could only be utilized for new construction. Mayor Taylor asked of incentives. Mr. Zaroni stated that the projects could be sold to Developers at a much lower price due to site preparation and that Federal and State Tax Credits could be available in some areas.

Councilmember Saldaña stated that it was important to amend the City Charter so that the City of San Antonio could fund Housing in the future. He asked if Bond Funds could be utilized for acquiring land, demolition, right of way improvements, utilities, and remediation of hazards. Mr. Zaroni replied that Bond Funds could be utilized for same.

Councilmember Warrick asked why the City Charter prohibited housing development. Mr. Zaroni replied that the City Charter specified that Bond Funds could be utilized for Public Works which included Streets and Drainage but not Housing. Councilmember Warrick asked of environmental concerns in the areas identified. Peter Zaroni stated that there was concern within the area of the former Fire Training Academy and it was not included due to same. Councilmember Warrick asked of the next steps. Mr. Zaroni stated that staff would seek to acquire property utilizing an extensive set of criteria.

Councilmember Treviño asked how City Staff planned to work with the existing Bond Committee. Mr. Zanoni replied that the Bond Committee's work was complete but many on the Committee had expressed interest in serving in an oversight capacity if that should be recommended. Councilmember Treviño expressed support for having Neighborhood Leadership involved in all steps of the process.

Councilmember Gonzales asked of the affordability of housing for those with a much lower annual income. Mr. Zanoni replied that housing costs should be 30% of Annual Income and that a specific number of units could be set aside for those with very low annual incomes. Councilmember Gonzales asked if Bond Funds could be spent in an area with fewer problems. Mr. Zanoni replied that Bond Funds were not designated to any one area or Council District. Councilmember Gonzales expressed concern that Bond Funds may not be spent in areas with the most blight and need because their potential for development was low. Mr. Zanoni noted that criteria could be developed which could help give weight to areas which were more distressed than others.

Councilmember Lopez asked how to address the issue of areas which did not have a large market. Lori Houston stated that due diligence would be performed and staff would work with affordable housing providers to ensure they provide the tools necessary to identify buyers which would qualify. Councilmember Lopez recommended creation of a Committee which would follow the process all the way through such as a Bond Oversight Committee to ensure the intent of the Bond Program was maintained.

Councilmember Nirenberg expressed support for the creation of a Bond Oversight Committee comprised of Members of the Neighborhood Improvements Bond Committee. He asked when City Council would recommend or create the guidelines for developers. Mr. Zanoni replied that City Council would provide direction for the development of guidelines during development of the RFP. Councilmember Nirenberg asked if all areas were included in SA Tomorrow Zones. Mr. Zanoni replied that 11 of the areas were either in an SA Tomorrow Regional Center or just outside of an SA Tomorrow Regional Center. Councilmember Nirenberg spoke of the need for a program focused on prevention of the displacement of residents.

Councilmember Medina asked if the City Council had the option to add a new area. Mr. Zanoni replied that they had the option to delete, add, or modify the areas until February 2, 2017.

Councilmember Gallagher stated that this was an issue of City Need and not a Council District Issue.

Councilmember Viagran asked of the percentage of Non-Profit versus For-Profit Developers which would submit proposals. Mr. Zaroni stated that was unknown but it would be advantageous for the city to receive as many proposals as possible. Councilmember Viagran expressed support for investing in established neighborhoods.

Mayor Taylor requested that approval of the areas identified be brought before the Housing Committee before being presented to the City Council. She thanked staff for the presentation.

2. A Briefing on the City's Federal Legislative Program for the 115th U.S. Congress. [Carlos Contreras, Assistant City Manager; Jeff Coyle, Director, Government and Public Affairs]

Jeff Coyle stated that the 115th Congress would convene on January 3, 2017 with 100 Members in the Senate and 435 Members in the House of Representatives. He noted that the last term was marked by continued gridlock at the National Level. He stated that the last Congressional Term included an Omnibus Bill for the Fiscal Year (FY) 2016 Budget and included funding for a new Federal Courthouse in San Antonio. He noted that all 12 of the Appropriations Bills remain unfinished. He spoke of several Continuing Resolutions passed and noted that all spending levels have remained the same for the first seven months of the fiscal year. He noted that the Budget developed would be a five-month budget which would end in September 2017. He noted that House Speaker, Paul Ryan, asked that a vote on Earmarks be delayed until the start of the next fiscal year.

Mr. Coyle reported that the Republican Party would maintain control of both Houses. He noted that John Cornyn would remain the Majority Whip in the Senate in a leadership position which would be advantageous to San Antonio and there were no changes to the San Antonio Delegation. He noted that Congress wrapped up the "Lame Duck" Session with action on FY 2017 Appropriations and Election of Congressional Party Leadership. He stated that between November 2016 and January 2017; Presidential Transition Teams would prepare comprehensive recommendations on programs and initiatives. He noted that the first day of the 115th Congress would begin on January 3, 2017 and the Presidential Inauguration would be held on January 20, 2017. He stated the S.A. to D.C. Trip would be held from February 13-16, 2017. He noted the nominations made by the President-Elect to 15 Agencies. He stated that the Obama Initiatives that the City of San Antonio participated in may no longer exist and the Promise Zone was one such initiative. He stated that a briefing on the City's Legislative Program was presented to the Intergovernmental Relations (IGR) Council Committee in November and December 2016. He presented a

timeline for the Legislative Program and noted that in December, the Committee elected to bring the Legislative Program before the full City Council for consideration on January 12, 2017. He stated that IGR Chair, Councilmember Krier, directed staff to keep the City's Priorities limited in number. He presented the following structure of the Legislative Program:

1. Federal Priorities
2. Legislative Issues
3. Agency Initiatives
4. Partnerships

Mr. Coyle reviewed the following Federal Priorities:

- Federal Aviation Administration (FAA) Reauthorization
- Military Protection
- Transportation Funding

Mr. Coyle reported that FAA Reauthorization must be complete by September 30, 2017. He noted that securing a Non-Stop Flight to Washington, D.C. was the number one priority and that the FAA Bill includes items regarding Capital Spending at Airports that were important to the city. He noted that the second priority was protecting the City's Military Installations. He stated that the Department of Defense (DOD) has requested a Defense Base Closure and Realignment Commission (BRAC) Review which would take place in 2019. He noted that the city would continue to make the case for adding Missions and expanding the Military Footprint. He reviewed the following Legislative Issues:

- Public Safety Funding
- Municipal Bond Tax Exemption
- Employment Tax Credits
- Historic Tax Credits and Downtown National Register District
- San Antonio Missions/National Park Funding
- Marketplace Fairness Act
- Public, Education, and Government Access
- Teen Pregnancy Prevention

Mr. Coyle reviewed the following Agency Initiatives that the city would seek alignment in:

- Workforce Education and Training
- Smart Cities
- San Antonio Tricentennial
- Homeless Services for Individuals with Mental Illness
- Air Quality

Mr. Coyle stated that the city would support legislation that benefits the city and oppose legislation which would be adverse for the city such as unfunded mandates. He presented a list of City Partners noting that the IGR Committee had received input from many of them.

Councilmember Lopez stated that the city should reach outside of its Delegation to individuals within the Transportation Department to make a case for Transportation Funding. He noted that a new High Speed Rail System was needed between San Antonio and Monterrey, Mexico and that Congressman Cuellar was anxious for the city to move that initiative forward.

Councilmember Krier stated that until the city knows what will be undone; it would be difficult to have a policy as so much could change.

Councilmember Viagran suggested that the city track potential bill changes that would have an impact on the City of San Antonio through the IGR Committee. She requested updates on the Tax Exemption of Municipal Bonds and Immigration.

Councilmember Nirenberg requested information on the amount of Federal Funds contained in the City's Operational Budget. He noted that certain programs may be at risk of not continuing and an awareness of said risk was advisable for the community.

Councilmember Medina stated that the city needed to protect its interests at the Federal Level and that updates would be necessary in order to keep constituents informed.

Councilmember Saldaña asked if the city could take a position on Deferred Action for Childhood Arrivals (DACA). Mr. Coyle replied that it could if the IGR Committee was in agreement.

Mayor Taylor thanked staff for the presentation.

EXECUTIVE SESSION

Mayor Taylor recessed the meeting into Executive Session at 4:44 pm to discuss the following:

- A. Deliberations regarding economic development negotiations and discuss related legal issues pursuant to Texas Government Code Sections 551.087 (economic development) and 551.071 (consultation with attorney).

- B. Deliberate the purchase, exchange, lease or value of real property and discuss related legal issues pursuant to Texas Government Code Sections 551.072 (real property) and 551.071 (consultation with attorney).
- C. Discuss legal issues related to collective bargaining pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- D. Discuss legal issues related to the San Antonio Public Safety Radio System pursuant to Texas Government Code Section 551.076 (security devices and audits) and 551.071 (consultation with attorney).
- E. Discuss legal issues related to the Fair Labor Standards Act pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- F. Discuss legal issues relating to an interlocal agreement with the City of Converse pursuant to Texas Government Code Section 551.071 (consultation with attorney)

RECONVENED

Councilmember Warrick reconvened the meeting at 6:00 pm and announced that no action was taken in Executive Session.

CITIZENS TO BE HEARD

Councilmember Warrick called upon the citizens registered to speak.

Nazirite Ruben Flores Perez expressed concern with the use of Christmas Trees noting that the practice was not authorized in The Bible.

Mark Perez spoke of businesses operating throughout the city without the proper permits. He expressed concern for public safety and noted that many City Employees had not responded to his requests.

Faris Hodge, Jr. submitted written testimony noting that the Texas Tax Abatement Program was too broad. He wrote that prison rapes take a toll on taxpayers. He requested that the Meals on Wheels and Nutrition Programs be combined.

RECESSED

Councilmember Warrick recessed the meeting at 6:07 pm and announced that the Executive Session would resume the next day following the Business Portion of the City Council Meeting.

APPROVED

IVY R. TAYLOR
MAYOR

ATTEST:

LETICIA M. VACEK, TRMC/CMC/MMC
CITY CLERK