

**HOUSING COUNCIL COMMITTEE
MEETING MINUTES
WEDNESDAY, MARCH 23, 2016
2:00 P.M.
MEDIA BRIEFING ROOM**

Members Present:	Councilmember Mike Gallagher, <i>Chair, District 10</i> Councilmember Roberto Treviño, <i>District 1</i> Councilmember Rey Saldaña, <i>District 4</i> Councilmember Ron Nirenberg, <i>District 8</i>
Members Absent:	Councilmember Cris Medina, <i>District 7</i>
Staff Present:	Peter Zaroni, <i>Deputy City Manager</i> ; Lori Houston, <i>Assistant City Manager</i> ; John Dugan, <i>Director, Planning and Community Development</i> ; Michael Taylor, <i>Assistant Director, Planning and Community Development</i> ; Bridgett White, <i>Assistant Director, Department of Planning and Community Development</i> ; Thomas Morgan, <i>Grants Administrator, Department of Planning and Community Development</i> ; Denice F. Treviño, <i>Office of the City Clerk</i>
Others Present:	Debra Guerrero, <i>NRP Group</i> ; Jay Johnson, <i>NRP Group</i>

Call to order

Chairman Gallagher called the meeting to order.

1. Approval of Minutes from the January 27, 2016 Housing Committee Meeting

Councilmember Treviño moved to approve the minutes of the January 27, 2016 Housing Council Committee Meeting. Councilmember Saldaña seconded the motion. Motion carried unanimously by those present.

Briefing and Possible Action on

2. A Briefing and Possible Action on a Resolution of No Objection for the Acme Road Apartments Project Application to the State of Texas 2016 Private Activity Bond and 4% Tax Credit Program for the New Construction of a 324-unit Multi-Family Rental Housing Development, Located on 18 Acres West of South Acme Road Near Prosperity Drive in San Antonio, Texas, 78227 in Council District 6. [Peter Zaroni, Deputy City Manager; John Dugan, Director, Planning and Community Development]

John Dugan stated that the Acme Road Apartments were seeking Non-Competitive 4% Housing Tax Credits from the Texas Department of Housing and Community Affairs

(TDHCA). He noted that previously, City Council approved \$1.25 million in Federal HOME Financing for this project. He stated that the total development cost was \$43,311,176 and the Tax Credit Equity was \$15,445,380. He noted that the project included 324 Multi-Family Units which were 100% affordable. He stated that a Letter of No Objection was requested for this project.

Councilmember Nirenberg asked why a Letter of Support was not requested. Debra Guerrero replied that the Non-Competitive 4% Housing Tax Credits Application required only a Letter of No Objection. She stated that Competitive 9% Housing Tax Credits Applications required a Letter of Support.

Councilmember Saldaña moved to recommend and forward the request for a Letter of No Objection for the Acme Road Apartments seeking Non-Competitive 4% Housing Tax Credits from the TDHCA to the full City Council for consideration. Councilmember Nirenberg seconded the motion. Motion approved unanimously by those present.

3. A Briefing and Possible Action to Substantially Amend the FY 2016 Annual Action Plan and Budget by Authorizing the Reprogramming of Community Development Block Grant (CDBG) Funds in the Amount of \$472,000 for the Development of the Indian Creek CentroMed Clinic. [Peter Zanoni, Deputy City Manager; John Dugan, Director, Planning and Community Development]

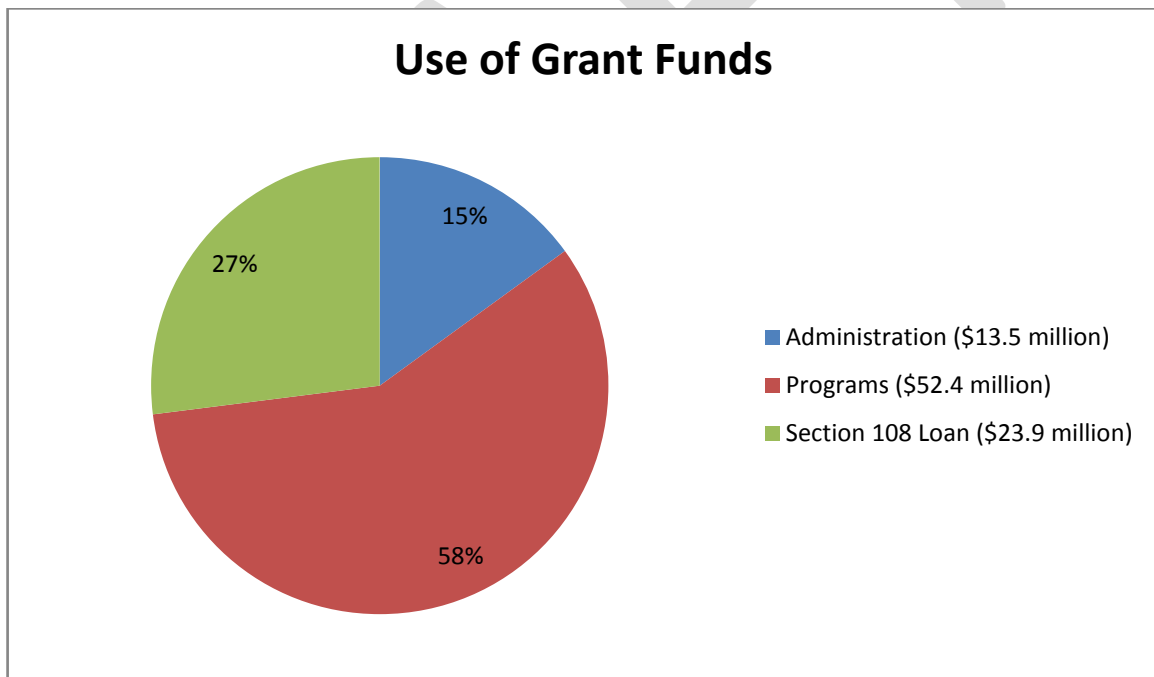
John Dugan stated that the South Medina Street Extension Project had insurmountable CDBG eligibility issues and the \$312,000 in CDBG Funds previously awarded to this project in Fiscal Year (FY) 2016 required reprogramming. He noted that the Indian Creek CentroMed Clinic Project (Clinic) was previously awarded \$450,000 in Certificates of Obligation in the City's FY 2016 Budget. He stated that project characteristics did not allow for the use of these funds for this project. He noted that additional requirements associated with the use of CDBG Funds for the Clinic would increase project costs by \$22,000, bringing the total gap funding request to \$472,000. He stated that staff has identified \$160,000 in unobligated FY 2013 CDBG Program Income that was available and could be directed to the CDBG-Eligible Clinic. He noted that the Clinic would be located on the 5600 block of Ray Ellison and Pearsall Road on six acres. He stated that the Clinic was 15,000 square feet and included an 18,000 square foot Fitness Center. He noted that it was estimated that 16,500 patients would be seen annually at the Clinic and there would be 47 staff members including 11 Providers at the Clinic. He reported that there were \$8.1 million in development costs.

Councilmember Saldaña moved to recommend and forward amendment of the FY 2016 Annual Action Plan and Budget authorizing the reprogramming of CDBG Funds in the amount of \$472,000 for the development of the Indian Creek CentroMed Clinic to the full City Council for consideration. Councilmember Nirenberg seconded the motion. Motion carried unanimously by those present.

4. A Briefing on the FY 2017 Funding Strategy for Administering Programs Funded Through the City's Four U.S. Department of Housing and Urban Development (HUD) Grant Programs Including the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) Grant. [Peter Zaroni, Deputy City Manager; John Dugan, Director, Planning and Community Development]

John Dugan stated that the Consolidated Plan was utilized as a guide for the Action Plan Funding Strategy (Funding Strategy) which set the priorities and goals for said Funds. He noted that all activities must align with the Consolidated Plan five-year goals. He stated that the Funding Strategy identified all actions undertaken by the City in a given year.

He presented the following five-year estimate of sources and uses of Grant Funds:



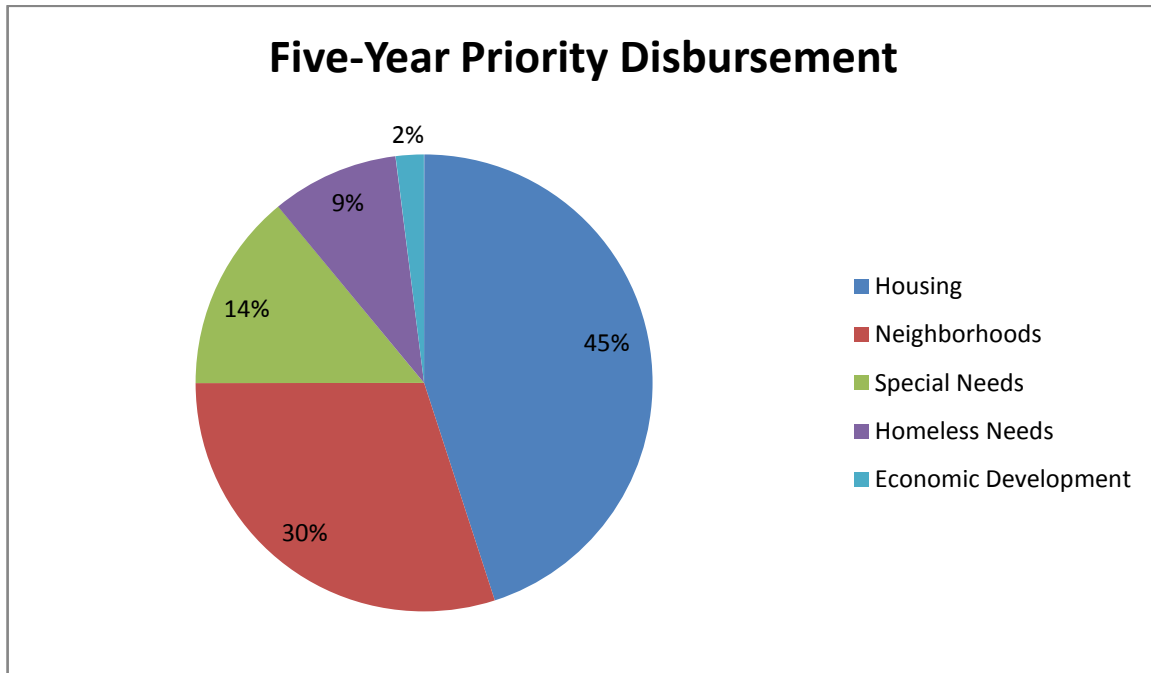
Mr. Dugan noted that there was eight years left on the Section 108 Loan in which approximately \$25 million would be paid back annually.

Source of Funds	Five-Year Estimate (millions)
CDBG	\$57.5
HOME	\$21.1
ESG	\$ 5.1

HOPWA	\$ 6.1
TOTAL	\$89.8

** Assumes 2% Annual Reduction*

Mr. Dugan presented the following Five-Year Priority Disbursement:



**\$52.4 million available for Programs*

Peter Zanoni stated that the Five-Year Priority Disbursement was established through a process involving 60 Community Partners and Agencies.

Mr. Dugan presented the following Annual Year-over-Year Budget:

GRANT	FY 2016 BUDGET	FY 2017 BUDGET	VARIANCE
CDBG	\$11,852,129	\$13,247,418	\$ 1,395,289
HOME	\$ 4,384,916	\$ 7,523,862	\$ 3,138,946
ESG	\$ 1,025,839	\$ 1,047,124	\$ 21,285
HOPWA	\$ 1,216,888	\$ 1,244,429	\$ 27,541
Total	\$18,479,772	\$23,062,833	\$ 4,583,061

Mr. Dugan presented the following Two-Year Action Plan for CDBG Funds:

ACTIVITY	PRIORITY	AMOUNT
EastPoint Infrastructure	Neighborhood Revitalization	\$2,080,931
Catalytic Reinvestment (Renew SA Target Areas)	Neighborhood Revitalization	\$1,600,000
Housing Delivery	Affordable Housing	\$ 547,800
Green and Healthy Homes Grant Match	Affordable Housing	\$ 510,000
Façade Improvements	Neighborhood Revitalization	\$ 269,829
Minor Repair	Affordable Housing	\$ 250,000
Summer Youth Program	Special Needs	\$ 208,282
Fair Housing Program	Affordable Housing	\$ 192,784
Code Enforcement Activities	Neighborhood Revitalization	\$ 187,749
Community Center Extended Hours	Special Needs	\$ 64,140

Mr. Dugan presented the following Year Two Action Plan for HOME Funds:

ACTIVITY	PRIORITY	AMOUNT
Eastside Choice Neighborhood Multi-Family Rental Development (Wheatley Courts)	Affordable Housing	\$ 2,500,000
Single Family Rehabilitation and Reconstruction	Affordable Housing	\$1,500,000
Multi-Family Rental Housing Set Aside	Affordable Housing	\$1,250,000
Single Family New Construction	Affordable Housing	\$1,220,000
Homebuyer Incentive Program	Affordable Housing	\$ 301,476

Mr. Dugan presented the following Year Two Action Plan for ESG and HOPWA Funds:

ACTIVITY	PRIORITY	AMOUNT
Rapid Re-Housing	Homeless Housing Services	\$ 488,465
Homeless Prevention	Homeless Housing Services	\$ 266,175
Emergency Shelter	Homeless Housing Services	\$ 212,747
Outreach	Homeless Housing Services	\$ 70,935
Housing and Support for Persons with HIV/AIDS	Special Needs	\$1,207,096

Mr. Dugan stated that staff must comply with HUD deadline requirements. He noted that this item would be brought before the Committee on April 27, 2016 for consideration.

Mr. Zanoni informed the Committee that funding for the Red Berry Estate Redevelopment was being considered, and if approved, it would be brought before the Committee at the meeting in April 2016.

Chairman Gallagher asked for details of the Section 108 Loan. Mr. Dugan stated that the initial Section 108 Loan was for \$60 million and was to be repaid over 20 years at \$4 million annually.

Councilmember Treviño asked of the difference between Minor Repair and Single Family Rehabilitation and Reconstruction. Mr. Dugan replied that Minor Repair was for repairs up to \$5,000 and Single Family Rehabilitation and Reconstruction required the home to meet City Code Requirements. Mr. Zanoni reviewed the Single Family Rehabilitation and Reconstruction Process. Councilmember Treviño suggested that the number of Contractors utilized for Single Family Rehabilitation and Reconstruction be increased.

Councilmember Nirenberg asked if staff were utilizing input from the Housing Commission to Protect and Preserve Dynamic and Diverse Neighborhoods (Housing Commission) to allocate funds. Mr. Zanoni replied that input was not received this year from the Housing Commission because members were recently appointed. He stated that input received in subsequent years could be utilized for the allocation of funds. Councilmember Nirenberg asked for more details as to why the Section 108 Loan could not be refinanced. Peter Zanoni stated that he would send Ben Gorzell's analysis on refinancing of the Section 108 Loan to Committee Members. Councilmember Nirenberg asked of Target Areas which were considered but not selected and the reason for same. He stated that funds could be maximized in that way.

Mr. Dugan stated that details on the Catalytic Reinvestments in Targeted Neighborhoods in Inner City Districts would be discussed at the April 27, 2016 meeting.

No action was required for Item 4.

5. A Briefing on REnewSA Including a Report on the Activities in the Five (5) Target Areas Approved for FY 2014 and FY 2015 and an Update on Planning and Implementation Activities in the Seven (7) Target Areas Approved for FY 2016 and FY 2017. [Peter Zanoni, Deputy City Manager; John Dugan, Director, Planning and Community Development]

Michael Taylor stated that this was the beginning of the second two-year term for REnewSA and noted that the first two-year term ended on September 30, 2015. He stated that REnewSA was a place-based approach to community development aimed at restoring value and vitality to San Antonio Neighborhoods and Commercial Corridors. He noted that monthly coordinating meetings were held with the San Antonio Housing

Authority (SAHA) and other entities such as Community Development Corporations to align resources. He noted that most of the funding for REnewSA was provided by the Federal Government. He stated that REnewSA was developed in response to a recommendation by HUD. He noted that it was a HUD best practice to utilize CDBG and HOME Funds to target specific neighborhoods for reinvestment, revitalization, and rehabilitation. He stated that said neighborhoods were selected utilizing market data and noted that this made them inviting for development by Private Developers. He noted that the efforts of REnewSA centered on the following three goals:

1. Reinvest in neighborhoods
2. Rehabilitate homes
3. Revitalize Commercial Corridors

Mr. Taylor reported that REnewSA focused work in the following five Target Areas during Fiscal Year (FY) 2014 and 2015:

1. Collins Gardens
2. Edgewood
3. Harlandale
4. University Park West/Blueridge
5. Wheatley

He noted that the Revitalization Plans were approved in 2014 and that REnewSA reinvested in neighborhoods by providing the following:

- 18,000 feet of sidewalks
- 1,700 feet of streets
- 9,098 cases of Code Enforcement
- 544 graduates of homebuyer counseling
- 73 homes purchased
- 11 vacant lots acquired
- \$10 million in funds for Gap Financing committed

He reported that REnewSA provided the following in the Target Areas:

- Owner-Occupied Rehabilitation (13)
- Minor Repair (33)
- Green and Healthy Homes (144)
- Let's Paint D5 Pilot Program (80)

He stated that REnewSA revitalized Commercial Corridors in the following areas:

- Operation Facelift (17)
- Storefront Branding Workshops (4)

Mr. Taylor stated that City Council approved the following seven new and existing target areas for FY 2016 and 2017:

- Avenida Guadalupe
- Edgewood
- Five Points
- Harlandale
- Las Palmas
- South San/Kindred
- Wheatley

He presented a summary of the Two-Year Plan. He stated that planning and public input occurred during the first two quarters of FY 2016 and implementation of the REnewSA Program began immediately in FY 2016. He noted that the Revitalization Plans qualified as Texas Department of Housing and Community Affairs (TDHCA) Revitalization Plans. He reviewed the following Planning and Public Input Schedule:

September 2015	October/November 2015	December 2015/ January 2016	February/March 2016
Meet with COSA Departments	Conduct meetings with Stakeholders	Public Input Sessions and Surveys	Complete Draft Revitalization Plans
Baseline Data Collection and analysis			

Mr. Taylor reported the current progress of REnewSA:

- Public input:
 - Three In-Person Sessions
 - 143 survey responses
- Code Enforcement:
 - 1,655 cases resolved
- Homebuyer Assistance:
 - 73 graduates of homebuyer counseling
 - 36 homes purchased
- Owner-Occupied Rehabilitation:
 - 23 homes approved for rehabilitation
- Minor Repair:
 - 25 homes approved for repair
- Operation Facelift:
 - Two façade improvements approved

Councilmember Treviño requested more information on the projects. Mr. Taylor stated that he would provide any information requested to the City Council.

Councilmember Nirenberg stated that he would like to ensure that funds were not utilized from the Capital Budget.

No action was required for Item 5.

Adjourn

There being no further discussion, the meeting was adjourned at 3:50 p.m.

Respectfully Submitted,

Mike Gallagher, Chair

*Denice F. Treviño
Office of the City Clerk*