

**HOUSING COUNCIL COMMITTEE
MEETING MINUTES
WEDNESDAY, MAY 25, 2016
2:00 P.M.
MEDIA BRIEFING ROOM**

Members Present: Councilmember Mike Gallagher, *Chair, District 10*
Councilmember Rey Saldaña, *District 4*
Councilmember Ron Nirenberg, *District 8*

Members Absent: Councilmember Roberto Treviño, *District 1*
Councilmember Cris Medina, *District 7*

Staff Present: Lori Houston, *Assistant City Manager*; John Jacks, *Interim Director, Center City Development and Operations*; Hollis Young, *City Attorney's Office*; Ramiro Gonzales, *Redevelopment Officer, Center City Development and Operations*; Thomas Morgan, *Grants Administrator, Department of Planning and Community Development*; M'kynzi Newbold, *City Manager's Office*; Lisa A. Lopez, *Office of the City Clerk*

Others Present: Wayne Choate, *Goode Casseb Jones Rixlin Choate & Watson, P.C.*; Jay Johnson, *NRP Group*; Jim Cullum, *River Road Neighborhood Association*; Richard Webner, *Reporter, San Antonio Express News*; John Butchkosky, *Community Liaison, Texas Alliance for Human Needs*; Edmond Ortiz, *Rivard Report*; Krystin Ramirez, *Planning & Development Manager, Kaufman Killen*

Call to order

Chairman Gallagher called the meeting to order.

1. Approval of Minutes from the April 20, 2016 Housing Committee Meeting

Councilmember Saldaña moved to approve the minutes of the April 20, 2016 Housing Council Committee Meeting. Councilmember Nirenberg seconded the motion. Motion carried unanimously by those present.

2. A Briefing on the proposed amendments to the extension of the Center City Housing Incentive Policy. [Lori Houston, Assistant City Manager; Ramiro Gonzales, Redevelopment Officer, Center City Development and Operations]

Lori Houston stated that the Center City Housing Incentive Policy (CCHIP) was created in 2012 after City Council adopted the Center City Implementation Plan that recommended several strategies to increase Housing Density within the Downtown Area. She noted that one of the strategies was to create an Incentive System to help promote Housing in Downtown. She spoke of the importance of diversifying the type of development, and decreasing risks for Developers in the Downtown Area. She reported that the Policy will sunset June 2016 unless the City Council chooses to extend it. She

indicated that a Study must be performed to show that there is still a need for Incentives in the Downtown Area.

Ramiro Gonzales stated that the proposed Amendments are broken down into three general categories: Boundary and Eligibility; Incentives; and Administration. He spoke of the recommendation to reduce the overall boundaries and consolidate the 10 different areas located within the CCHIP. He delineated the current CCHIP Boundaries and the Projects eligible for Incentives. He discussed the proposed amendment to reduce the larger Community Revitalization Action Group (CRAG) Area to the Greater Downtown Area (GDA) to maximize incentive dollars. He spoke of the density requirements for Projects in the area. He discussed the recommendation to ensure that all Projects are subject to Design Review, and noted that a Project with an approved Building Permit will not be eligible to enroll in the CCHIP Program. He stated that this will help ensure that limited Incentive Funds are prioritized for projects in the early development stages. He stated that 100% of the SAWS Impact Fee is currently waived for all CCHIP Projects; however, a proposed Amendment would allow the waiver for Projects in the Urban Core only. He discussed details related to the Mixed-Use Forgivable Loans and the Construction Loans, as well as the proposed Amendments to encourage more quality development and reward Long-Term Builders. He spoke of administrative changes related to Rebate Payments, and noted that they would continue discussions with Stakeholders and the Real Estate Community before the item is presented to the City Council in June.

Chairman Gallagher inquired whether individual briefings would be provided to the other Councilmembers, since a few will be profoundly affected by the changes. Ms. Houston confirmed that they would be conducting individual presentations. She further noted that the CCHIP does not meet the needs of Projects located outside of the noted Area; however, she indicated that they cater specific incentive packages for these Projects.

Councilmember Nirenberg emphasized the importance of ensuring the boundaries were drawn up in an appropriate way. He noted the importance of maintaining Neighborhood Integrity. He inquired what would happen if they miss the deadline related to the Sunset Provision for CCHIP. Ms. Houston replied that their recommendation is to move forward to the full City Council in June so that there is not a delay, and they would provide a 30-day window for the new Policy to take effect. Councilmember Nirenberg indicated that S.A. Tomorrow was delayed a couple of months, and therefore, wants to ensure that they would be having this conversation properly within the context of S.A. Tomorrow. He described CCHIP as an extraordinary tool for Urban Revitalization.

Ms. Houston explained that one of the reasons they shrunk the boundaries was because of the issue of Neighborhood Stabilization and impacting the character of that neighborhood. She explained that they decided to use the original boundary that the Strategic Framework Plan recommended. She added that instead of complicating it with different tiers, they utilized the Unified Development Code (UDC) definition of Downtown Boundary. She stated that this was the Implementation Plan being utilized to create the 7,500 Housing Units by 2020. She noted that because of S.A. Tomorrow, there will be certain sectors that need Incentives. However, she indicated that CCHIP was probably not the tool for it, and discussed other alternatives such as the Inner City Reinvestment Infill Policy (ICRIP) that is 83 square miles and located outside of the CRAG. She indicated that the ICRIP provides SAWS Fee

Waivers and makes them eligible for certain abatements. She stated that as S.A. Tomorrow progresses, there may be different tool-kits created.

Councilmember Nirenberg commented that some may argue that the ICRIP may work against them with regard to focusing on inward growth. He expressed his interest in hearing what other Councilmembers have to say about the issue.

Councilmember Saldaña stated that originally, Consultants had proposed a Plan that included a different square mileage for the CRAG. Ms. Houston stated that they had proposed 5.2 square miles and identified this as the strategic framework boundary that they needed. However, she noted that as they started working on the Policy, Downtown Development was fairly new and they thought the CRAG would be the appropriate boundary to use to help promote Infill Projects. She reported that neighborhoods were getting frustrated because Housing Projects were popping up in the middle of their neighborhoods, so they tightened it back to the original recommendation of 5.2 square miles. Councilmember Saldaña wanted to ensure that they were not leaving areas out with this particular defined Boundary.

Councilmember Saldaña inquired whether they expect to see the success that they originally planned when approved in 2012. Ms. Houston replied that there have been successful projects. Mr. Gonzales delineated some of the successful projects in the Area, and discussed the benefit of going through the CRAG first. Ms. Houston referenced the Pearl Area, which developed as a result of the Pearl Brewery and the Museum Reach Urban Segment Extension. She stated that there have been Housing Projects developing in this area. She indicated that the pattern of development that they wanted to see was a saturation of Multi-Family Rentals, so that the "For Sale" product would follow. She confirmed that they are now seeing this in the Southtown Area, where there is a saturation of Multi-Family Housing Rentals. She described the challenges that they are facing in the River North Area. She cited the San Pedro Creek Project and the Federal Courthouse, which she noted could serve as catalysts that will help bring back Downtown Development. She emphasized the importance of ensuring that they have the tools available to make this happen.

Councilmember Saldaña stated that the original intent was to increase housing in the CBD, but commented that it has not yet landed in the CBD as they had predicted. However, he noted that these amendments may allow them to get what they had originally intended back in 2012, but with a more focused approach on the CBD. Ms. Houston indicated that there are Housing Projects that are underway in the CBD, but they have not broken ground yet. Councilmember Saldaña inquired about the price of Real Estate, and Ms. Houston replied that the Rental Rates have increased since 2012. She noted that there are Incentives that can make a difference in the Downtown Area.

Ms. Houston stated that Real Estate on the River is prime for Hotel Development, and the land is priced for Hotels; so in order to obtain a Housing Project on this type of property, they need to offer incentives. She pointed out that the parcels are not perfectly squared, and there is also the issue of parking. Councilmember Saldaña spoke in favor of the amendments.

Councilmember Nirenberg spoke of Land Development that can provide a better Transit System. Ms. Houston noted that transportation is key to Downtown Development and having more transportation

opportunities would be beneficial. She noted that there are Bus Services, B-Cycle, Uber, and Lyft, and they are also coming up with a Parking Valet Program. She stated that they are looking forward to the Transportation Component of the S.A. Tomorrow Plan. Councilmember Nirenberg suggested that they communicate what they are doing to the Residents of San Antonio. He commented that they are transforming the way the City develops. He stated that they many citizens have enjoyed their homes for years, and preserving neighborhoods is just as much a part of this Plan.

Ms. Houston stated that they would present said item to the City Council on June 16, 2016 and each Councilmember would receive an individual briefing prior to that date.

Councilmember Saldaña moved to send the item to the Full City Council for consideration. Councilmember Nirenberg seconded the motion. Motion carried unanimously by those present.

A. Executive Session: Discuss legal issues concerning the modification of a Community Development Block Grant loan pursuant to Texas Government Code Section 551.071 (consultation with attorney).

Chairman Gallagher recessed the Meeting into Executive Session at 2:37 p.m. Chairman Gallagher reconvened the Meeting at 2:50 p.m. and announced that no action was taken in Executive Session.

Adjourn

There being no further discussion, the meeting was adjourned at 2:51 p.m.

Mike Gallagher, Chair

Respectfully Submitted,

***Lisa A. Lopez
Office of the City Clerk***