

**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, June 20, 2018

2:00 PM

Municipal Plaza Building

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

PRESENT: 11 - Mayor Nirenberg, Treviño, Shaw, Viagran, Saldaña, Gonzales, Brockhouse, Sandoval, Pelaez, Courage, and Perry

1. Briefing by the Mayor's Housing Policy Task Force to the City Council. [Lourdes Castro Ramirez, Task Force Chair]

Mayor Nirenberg stated that he appointed the Mayor’s Housing Policy Task Force in August 2017 to address the growing need for housing affordability in San Antonio. He noted that San Antonio was anticipated to double in size by 2050 and new housing units would be required. He introduced the members of the Task Force.

Lourdes Castro Ramírez thanked the City Council for prioritizing housing in the current budget process and noted the importance of a multi-faceted approach to address multiple housing needs and situations. She stated that the singular charge to the Task Force was to develop a comprehensive and compassionate housing policy framework. She noted that the Task Force developed a data and community-driven process to examine challenges impacting housing stability, quality, and affordability. She stated that the City must develop

a coordinated housing system to administer federal housing programs while innovating and leading in housing development. She noted that the Task Force had come to unanimous consensus on their recommendations.

Mrs. Castro Ramírez stated that the Task Force developed a Vision Statement that was grounded in meaningful participation and would develop healthy neighborhoods, connected communities, and shared prosperity through a sustainable system. She provided an overview of Task Force outreach efforts and organizational partnerships to engage the community. She stated that they conducted three public Input Sessions throughout the city as well as eight public Working Meetings to inform, educate, and elevate the discussion around housing. She noted that they created the following Technical Working Groups: (1) Coordinated Housing System; (2) Resilient Neighborhoods; (3) Barriers to Development; (4) Funding and Financing; and (5) Special Populations. She stated that the Task Force engaged with national and local experts including the National Association of Latino Community Asset Builders (NALCAB); Economic and Planning Systems; Local Initiative Support Corporation (LISC) San Antonio; and Ximenes and Associates.

Gene Dawson stated that the Task Force intended to complete their work in July 2018 but were providing an interim update to receive City Council feedback on high-level action items prior to finalizing the recommendations and report. Mr. Dawson noted that recommendations from the Technical Working Groups fell under the categories of Funding or Systems. He stated that the definition of affordability was a household paying no more than 30% of gross income on housing including insurance, utilities, and other associated costs. He stated that there were 165,000 households in San Antonio that were cost-burdened, paying over 30% of gross income on housing. He noted that the Area Median Income (AMI) within the San Antonio city limits totaled \$49,268 annually. He provided an overview of salary distribution for military and civilian employees at Joint Base San Antonio and stated that more than 10,000 employees made less than the AMI.

Mr. Dawson stated that since 2005, San Antonio added 14,900 jobs, 25,000 people, and 6,600 housing units annually. He noted that this was a ratio of 2.3 to 1 for jobs to housing creation and the national average was 1 to 1 which meant San Antonio was not benefitting fully from a robust tax base of resident workers. He reviewed national changes in housing prices and median incomes from 2001 to 2018 and stated that housing costs were outpacing incomes. He noted that 75% percent of homes sold in Bexar County in 2004 were new homes whereas only 30% of homes sold in 2017 were new homes. He stated that the Task Force examined household growth, housing inventory growth, and the gaps between supply and demand from 2005 to 2016. He noted that new owner investment and ownership rates declined in that timeframe. He reviewed the following 10-year projections: continued decline of federal assistance; 34,300 more cost-burdened renter households; Rising mortgage interest rates; Further owner disinvestments; Housing shortage for both

renters and owners of an additional 29,400 units; and Increased homelessness and need for services. He stated that rising housing and transportation costs decreased discretionary spending and lowered Gross Domestic Product (GDP), productivity, and overall quality of life.

Mr. Dawson stated that production efficiency in systems and administrative efficiency in funding led to successful housing policy. He noted that the Task Force recommended focus on the following action items: (1) Develop a coordinated housing system; (2) Increase affordable housing production, rehabilitation, and preservation; (3) Protect and promote neighborhoods; (4) Ensure accountability to the public; and (5) Increase City investment in housing. He recommended prioritizing housing and neighborhoods in the City's organizational structure and a leadership role to coordinate a community-wide system with housing and serving providers. He suggested stabilizing the homeownership rate by stabilizing production, rehabilitation, and preservation of affordable homes and for affordable rental units; creating housing opportunities for the most vulnerable residents; and removing barriers to housing production. He recommended addressing the impact of rising property taxes on affordability; preventing and mitigating displacement; and reducing housing discrimination and expanding opportunity. He suggested creation of a governance structure for oversight and public engagement. He recommended development of a 10-year financing plan for affordable housing production and preservation.

Mr. Dawson offered the following potential funding strategies: (1) Replace lost CDBG and HOME Awards; (2) Address the supply-demand mismatch; (3) Eliminate overspending among cost-burdened individuals; (4) Catch up with loss of inventory; and (5) Keep up with current conditions. He noted that existing issues led to losses of millions or billions of dollars in San Antonio and addressing them could lead to economic improvements and higher quality of life for residents. He stated that water, transportation, energy, and housing were the pillars of San Antonio's economic infrastructure. He noted that current housing-related expenditures totaled \$8.3 million in General Fund spending on affordable housing, \$4.4 million in General Fund spending on other housing, \$39.7 million in Restricted Funds, and \$47 million in tax exemptions. He stated that Capital Spending on General Fund Housing fell far short of spending on the other pillars and this indicated a priority problem rather than a resource problem. He proposed a new funding structure based on leveraging resources to increase General Fund allocations and building public confidence to approve an Affordable Housing Bond if the City Charter was amended to allow it. He stated that the funding requested would total 4% of the City's projected General Fund Revenue over the next 10 years. He noted that the budget request for Fiscal Year 2019 totaled \$20 million including the following: 1) \$2 million to increase City Staff and build capacity; 2) \$2 million to increase funding for the Under One Roof Program; 3) \$2 million to increase funding for the Minor Home Repair Program; 4) \$1 million to establish a Risk Mitigation Fund for displacement; 5) \$5 million for the Homebuyer Down Payment Assistance Program; and 6) \$8 million for

neighborhood improvements and gap financing for affordable rental housing.

Mayor Nirenberg spoke of the importance of prioritizing housing and asked why the Task Force felt the City should be the entity to address it. María Antonietta Berriozábal replied that the private sector was not capable of solving all market problems as evidenced by nationwide housing crises and San Antonio Residents were in need.

Councilmember Gonzales asked of the increases in appraised values within vulnerable neighborhoods. Mr. Dawson replied that prior to the period presented, new construction increased the city's tax base whereas now the tax base was currently increased by higher appraisals of existing properties. Councilmember Gonzales expressed the importance of teaching homeowners how to leverage increased equity and asked if the Housing Task Force recommended property tax relief. Mr. Dawson replied that the Task Force recommended reallocation of taxes collected to prioritize housing. Councilmember Gonzales asked of recommendations for reducing development costs in high density areas. Mrs. Castro Ramírez replied that it would be addressed in detail in the finalized report.

Councilmember Viagran asked of the geographical distribution of cost-burdened households. Mrs. Castro Ramírez replied that they were located throughout the city. Councilmember Viagran asked if the Task Force examined the impact of short-term rentals on housing. Jim Bailey replied that they examined it but recommendations had not yet been finalized for the report. Councilmember Viagran expressed support for prevention and mitigation of displacement and asked of engagement with local School Districts. Ms. Castro Ramírez replied that a representative from San Antonio Independent School District participated in the Resilient Neighborhoods Technical Working Group and noted the importance of cross-industry partnerships to address housing needs. Councilmember Viagran asked if the Task Force identified where proposed funding would be geographically allocated. Mrs. Castro Ramírez replied that they had not gone to that level of detail. Mr. Dawson added that the Task Force intended to support affordable housing throughout the city. Councilmember Viagran thanked the Task Force for the high level of data provided.

Councilmember Brockhouse expressed concern with finding budget cuts in different areas to fund the proposals and that over-regulation was raising prices for developers and buyers. He asked if the Task Force had recommendations for removing local regulations or fees to encourage development. Mrs. Castro Ramírez replied that the process included developers as part of the solution for housing. Councilmember Brockhouse asked the timeline for considering the proposals. City Manager Sculley replied that they would be considered during Budget Worksessions for inclusion in the Fiscal Year 2019 Budget. Councilmember Brockhouse expressed the importance of constituent feedback on the proposals prior to consideration for approval and for holding individuals responsible for their financial situations.

Councilmember Saldaña expressed support for high-level staff within the City Manager's Office to support housing initiatives and asked that recommendations include a feasible way to guarantee large annual allocations for affordable housing.

Councilmember Pelaez asked why the amount of homes sold for less than \$150,000 dropped severely from 2004 to 2017. Mr. Dawson replied that it was primarily due to increases in the cost of construction materials and changes in city requirements for new homes. Councilmember Pelaez expressed concern with additional costs from regulations and asked that the impact of same be examined as part of the Task Force's recommendations. He spoke of the importance of assisting with infrastructure improvements to protect property values.

Councilmember Courage stated that he was in support of an additional \$20 million for affordable housing initiatives because it would generate economic development for the whole city and expressed concern that developers were not incentivized sufficiently to build homes at smaller profit margins. He asked of the recommended Charter Revision to aid affordable housing development. Mrs. Sculley replied that the current Charter language prohibited the use of Bond Programs to build affordable housing.

Councilmember Sandoval asked of anticipated challenges to development of affordable housing. Mrs. Castro Ramírez replied that misconceptions about those who utilized affordable housing were a challenge. Councilmember Sandoval asked of a proposal for 18 additional Neighborhood and Housing Department positions. Mrs. Castro Ramírez replied that the proposal could involve reassignment of existing staff, expansion of the number of positions, or a combination thereof. Mrs. Sculley added that it would likely be a smaller number of staff added through a multi-year phased approach.

Councilmember Treviño requested clarification regarding proposed assistance for renters. Mr. Dawson replied that anti-displacement efforts were designed primarily for renters. Mr. Bailey expressed the importance of partnering with local non-profits to bolster the supply of affordable rental units.

Councilmember Shaw expressed the importance of collaboration between Councilmembers due to citywide affordable housing needs.

Ms. Berriozábal expressed the importance of political will for affordable housing for San Antonio and the necessity of resources to accomplish associated initiatives.

Mayor Nirenberg thanked everyone for the presentation.

EXECUTIVE SESSION

Mayor Nirenberg recessed the meeting into Executive Session at 5:22 pm to discuss the following:

- A. Economic development negotiations pursuant to Texas Government Code Section 551.087 (economic development).
- B. The purchase, exchange, lease or value of real property pursuant to Texas Government Code Section 551.072 (real property).
- C. Legal issues related to paid sick leave initiative pursuant to Texas Government Code Section 551.071 (consultation with attorney).

RECONVENED

Councilmember Saldaña reconvened the meeting at 6:12 pm and announced that no action was taken in Executive Session. He addressed the Ceremonial Items.

CEREMONIALS

Councilmember Saldaña presented a Citation to the Brooks Academy of Science and Engineering Powerlifting Champions and noted that they competed at the 2018 World Equipped Bench Press Competition in South Africa. He stated that the three-member girls team each won a medal in their respective weight class. The Senior students Nallely G., and Samantha H., both won gold medals, and Lizzette R., a Junior, won silver.

Councilmember Saldaña presented Official Congratulations to the 2018 Class of the Neighborhood Leadership Academy (NLA). He noted that the NLA is a four-month program designed to bring emerging leaders together from Neighborhood Associations within District 7 to enhance their leadership, advocacy and problem-solving skills. Councilmembers Saldaña and Sandoval presented certificates to the graduates.

CITIZENS TO BE HEARD

Councilmember Gonzales called upon the citizens registered to speak.

Alex Birnel, Mabel Diaz, and Henry Naram of Working Texans for Paid Sick Time spoke in favor of mandatory paid sick leave in San Antonio. They asked for certification of the petition submitted for same and for the issue to be placed on the November 2018 Ballot.

Mariel Esquivel spoke in favor of mandatory Paid Sick Leave for workers in San Antonio

and asked for the issue to be placed on the November 2018 Ballot.

Shannon Faulk and Izaak Jones of the Young Active Labor Leaders spoke in favor of mandatory Paid Sick Leave to support families and asked that the issue be placed on the November 2018 Ballot.

Devie Hernandez spoke in favor of mandatory Paid Sick Leave to support working parents.

Liz Franklin expressed the importance of a living wage, Paid Sick Leave, public transportation, and affordable housing.

Henry Rodriguez spoke against accepting contributions from or associating with entities associated with migrant detention centers. He asked the City Council to take a stand against events occurring at the U.S.-Mexico Border and to assist Rose Lopez to restore her business on the Riverwalk.

Angie Garcia asked the City Council to assist Rose Lopez to restore her business on the Riverwalk.

Rosa Rosales asked the City Council to take action to support children separated from their parents along the border.

Steve Poppoon spoke of affordable housing developments in San Antonio and the associated rigorous requirements of residents and owners. He expressed concern with growing funding gaps and competition with market rate developers.

Justice Lovin asked for certification of the petition results regarding Paid Sick Leave. He spoke in support of San Antonio acting as a Sanctuary City for undocumented immigrants.

Cuauhtemoc Toren spoke in favor of mandatory Paid Sick Leave for workers in San Antonio to support working families.

Nazirite Ruben Flores Perez spoke of the Holocaust and of liberating migrant children being held by the government.

Pedro Ruiz spoke of the San Antonio Police Department's treatment of undocumented immigrants and spoke in support of assisting migrants and refugees.

Lydia Garza spoke of discrimination against Latinos and asked that undocumented migrants not be treated as criminals.

Briauna Barrera spoke in favor of mandatory Paid Sick Leave for workers and of historical inequalities in San Antonio.

Margarita Grueskin of "I Do Yoga San Antonio" thanked the City Council for their support in organizing the 4th International Day of Yoga across all Council Districts. She noted the potential health benefits of yoga and highlighted events for Veterans.

Mario Bravo spoke in opposition to increasing campaign contribution limits and expressed concern with the influence of money on politics.

ADJOURNMENT

There being no further discussion, Mayor Nirenberg adjourned the meeting at 7:43 pm.

APPROVED

RON NIRENBERG
MAYOR

ATTEST:

LETICIA Y. SAENZ, TRMC
DEPUTY CITY CLERK