

**COMPREHENSIVE PLAN COUNCIL COMMITTEE
MEETING MINUTES
WEDNESDAY, DECEMBER 12, 2018
10:30 AM
PLAZA DE ARMAS GALLERY**

Members Present:	Councilmember Shirley Gonzales, Chair, <i>District 5</i> Councilmember Roberto C. Treviño, <i>District 1</i> Councilmember William Cruz Shaw, <i>District 2</i> Councilmember Rey Saldaña, <i>District 4</i> Councilmember John Courage, <i>District 9</i>
Members Absent:	<i>None</i>
Staff Present:	Peter Zaroni, <i>Deputy City Manager</i> ; Verónica R. Soto, <i>Director of Neighborhood and Housing Services Development</i> ; Alicia K. Beckham, <i>Office of the City Clerk</i>
Others Present:	Sarah André, <i>Structure Development</i> ; Michael Taylor, <i>Habitat for Humanity</i> ; Michael Shackelford, <i>Alamo Community Group</i>

1. Approval of the Minutes for the November 14, 2018 Comprehensive Plan Committee Meeting.

Councilmember Shaw moved to approve the Minutes for the November 14, 2018 Comprehensive Plan Committee Meeting. Councilmember Courage seconded the motion. Motion carried unanimously by those present.

Councilmember Saldaña entered the meeting at this time.

2. Briefing on the City's Affordable Housing Business Plan progress for the months of October and November. [Peter Zaroni, Deputy City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]

Verónica Soto reported that the FY 2019 Adopted Budget included \$25 million for Affordable Housing Initiatives and \$17 million in new funding. She stated that the Mayor's Housing Policy Task Force Priorities were to increase City Investment; develop a coordinated housing system; ensure accountability to the public; and increase affordable housing production, rehabilitation, and preservation. She noted that there were 11 new positions created to support affordable housing and that the EastPoint Department was consolidated with the Neighborhood and Housing Services Department (NHSD).

Ms. Soto stated that NHSD hired an external recruiter for the Affordable Housing Administrator Position. She noted that the Risk Mitigation Plan was drafted and that staff anticipated the final draft policy to be presented to the City Council Comprehensive Plan Committee in mid-January 2019 and the full City Council in late January 2019. She added that NHSD Staff would negotiate with the consultant in December 2018 on the San Antonio Housing Trust Organizational Assessment and would bring the proposed contract to the full City Council in early January 2019.

Ms. Soto stated that the Gap Financing for new affordable housing units would be forward to the full City Council once the Housing Commission was appointed. She noted that the three-year Business Plan of the FY 2019 Adopted Budget identified projects to be completed.

Councilmember Treviño exited the meeting at this time.

Councilmember Courage asked if Bond Funds were included in the FY 2019 Adopted Budget. Peter Zanoni replied that Bond Funds were not included in the Adopted Budget. Councilmember Courage asked when the new Housing Commission Appointees would be coming forward. Ms. Soto replied that the goal was to announce the Appointees in January 2019.

Councilmember Saldaña asked if the Housing Policy Task Force was guiding the recommendations for a three-year Business Plan. Ms. Soto stated that the Business Plan was drafted in response to the Housing Policy Task Force Priorities.

In response to Chair Gonzales, Ms. Soto stated that the Risk Mitigation Plan totaled \$1 million. She noted that it was outlined in the Housing Policy Task Force Priorities to address displacement of residents; and education for residents that would impact a resident's ability to remain in their home. She noted that there were four public meetings and two final stakeholders meetings held to gather input and finalize the draft Risk Mitigation Plan. She added that the Plan would be brought to the Committee for review and then forwarded to the full City Council in January 2019.

No action was required for Item 2.

Items 3, 4, and 5 were addressed jointly at this time.

- 3. Resolution of No Objection for the LIH Wurzbach Manor application to the Texas Department of Housing and Community Affairs non-competitive 4% Housing Tax Credits program for the rehabilitation of Wurzbach Manor, a 161 unit affordable multi-family rental housing rehabilitation, located at 8730 Wurzbach Road in City Council District 8.** [Peter Zanoni, Deputy City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]
- 4. Resolution of No Objection for the Majestic SA Apartments application to the Texas Department of Housing and Community Affairs non-competitive 4% Housing Tax Credits program for the development of Majestic Ranch Apartments, a 288 unit affordable multi-family rental housing development, located at 4847 Callaghan Road in City Council District 7.** [Peter Zanoni, Deputy City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]
- 5. Resolution of No Objection for the TCD MCM application to the Texas Department of Housing and Community Affairs non-competitive 4% Housing Tax Credits program for the rehabilitation of McMullen Square Apartments, a 100 unit affordable multi-family rental housing rehabilitation project, located at 537 N General McMullen Drive in City Council District 5.** [Peter Zanoni, Deputy City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]

Verónica Soto stated that the Texas Department of Housing and Community Affairs' (TDHCA) Housing Tax Credit Award was a Non-Competitive 4% Housing Tax Credit administered to qualified developers to direct funding toward the development and preservation of affordable rental housing for low-income households. She stated that the 4% Housing Tax Credit required that a Resolution of No Objection be submitted to satisfy requirements of the TDHCA's Uniform Multifamily Rules. She added that staff recommended forwarding three developments to the full City Council for consideration of a Resolution of No Objection.

Ms. Soto reported that Majestic Ranch, Wurzbach Manor and McMullen Square were applying for the 4% Housing Tax Credit. She stated that the value of the Majestic Ranch Apartments TDHCA Tax Credit Award was \$16.5 million and the total development cost for the project was \$43.8 million. She noted that the value of the Wurzbach Manor TDHCA Tax Credit Award was \$7.6 million and the total development cost for the project was \$30.6 million. She added that the McMullen Square TDHCA Tax Credit Award was \$4.2 million and the total development cost for the project was \$14.1 million.

Ms. Soto stated that the Majestic Ranch Property was located in Council District 7 and that there were 288 units at 60% Area Median Income (AMI). She noted that the Wurzbach Manor Property was located in Council District 8 and that there were 166 units at 60% AMI. She added that the McMullen Square Property was located in Council District 5 and that there were 100 units at 60% AMI.

Chairperson Gonzales asked if there would be an increase in resident's rent and if residents would be displaced during renovation. Sarah André replied that a resident's portion of the rent was 30% of their income and that the Department of Housing and Urban Development paid the remaining rent. She noted that utilities were included in the cost of rent and that residents would continue to live in their units throughout restoration.

Councilmember Saldaña asked how the resident's portion of the rent would be audited. Ms. Soto stated that Mayor Nirenberg and the Neighborhood and Housing Service Department received compliance reviews to audit the residents rent portion. Councilmember Saldaña asked if the three developments would have success in receiving the Non-Competitive 4% Housing Tax Credit. Ms. Soto responded that the developers would have success because the grant was non-competitive.

Councilmember Courage moved to forward all three developments to the full City Council for consideration of a Resolution of No Objection. Councilmember Shaw seconded the motion. The motion carried unanimously by those present.

6. Consideration of a recommendation to designate the Tarasco Gardens Tax Increment Reinvestment Zone (TIRZ) Number 35, for an approximate 26 year term, a 60 unit mixed-income single family neighborhood development with a City participation of 100% and a maximum contribution of \$1,266,608.11, to be located in City Council District 4. [Peter Zanoni, Deputy City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]

Verónica Soto reported that the Alamo Area Mutual Housing Association Inc. DBA Alamo Community Group (ACG) petitioned the City to establish the Tarasco Gardens Tax Increment Reinvestment Zone (TIRZ) Number 35 within the City Reinvestment Zone located in Council District 4. She stated that the

neighborhood would be comprised of 60 detached single family homes. She noted that 30 homes would be sold to families with an income at 80% Area Median Income (AMI) and 30 homes would be sold to families with an income at 120% AMI. She added that there would be 3-bedroom and 4-bedroom homes for families to purchase.

Ms. Soto stated that the total development cost was \$9.8 million. She noted that HUD purchase price was \$228,000 each and that there was funding up to \$600,000 from Home Investment Partnership Program. She added that the projected assessed value at the end of the term would be \$10,614,499. She stated that staff recommended that the Committee approve the measure for consideration by the full City Council for designation of petition-initiated TIRZ Number 35, Texas Tarasco Gardens.

Chair Gonzales asked if Bexar County and San Antonio River Authority were willing to participate in the TIRZ. Ms. Soto responded that they would participate if the petition was approved by the City.

Councilmember Courage moved to forward the designation of petition-initiated TIRZ Number 35 to the full City Council. Councilmember Shaw seconded the motion. The motion carried unanimously by those present.

7. Consideration of a recommendation awarding up to \$1,250,000.00 in FY 2019 HOME Investment Partnerships Program (HOME) funding and up to \$1,750,000.00 in FY 2019 Community Development Block Grant (CDBG) funding as Homeownership Housing Development Gap Financing to Habitat for Humanity of San Antonio for the Watson Road Development, a 53 to 61 unit single-family development located at 13801 Watson Road, in Council District 4; which exceeds the City's fiscal year performance goal of 25 affordable homeownership housing units (at or below 80% of area median income) using the HUD income limits for the region; in addition, awarding up to \$75,000.00 in FY 2019 Community Housing Development Organization (CHDO) Operating Expense funding to the following CHDOs: up to \$53,500.00 to Habitat for Humanity of San Antonio and up to \$21,500.00 to Our Casas Resident Council. [Peter Zanoni, Deputy City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]

Verónica Soto stated that the City received an increase in entitlement funding for FY 2019 and took a strategic approach in developing the FY 2019 Action Plan and Budget. She noted that the full City Council approved the Action Plan and authorized to set aside \$1,250,000 in Home Investment Partnerships Program (HOME) Funding for homeownership housing development and \$1,750,000 in Community Development Block Grant (CDBG) Funding to support affordable housing development. She added that the funds could only be utilized as gap financing and must be the last source of funding in the financing structure.

Ms. Soto stated that the Action Plan goal was 25 affordable homeownership housing units at or below 80% of Area Median Income. She noted that the City set aside \$75,000 in FY 2019 HOME Funding for Community Housing Development Organization Operating Expenses Funding to the following CHDOs: up to 1) \$53,500 to Habitat for Humanity of San Antonio and up to 2) \$21,500 to Our Casas Resident Council. She added that the City issued a Request for Applications for Homeownership Housing Development in August 2018. She reported that staff recommended awarding \$1,250,000 in FY 2019

HOME Funding and \$1,750,000 in FY 2019 CDBG Funding to Habitat for Humanity of San Antonio for the Watson Road Development in Council District 4.

Councilmember Shaw moved to forward FY 2019 Homeownership Housing Development Gap Financing and Community Housing Development Organizations Operating Expense Funding Recommendations to the full City Council. Councilmember Courage seconded the motion. The motion carried unanimously by those present.

Adjourn

There being no further discussion, the meeting was adjourned at 11:49 a.m.

Respectfully Submitted,

Shirley Gonzales, Chairperson

***Alicia K. Beckham,
Office of the City Clerk***