

**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 12, 2018

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 noting the following Councilmembers present:

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

1. Briefing on the San Antonio Fire Department's revised 2018-2023 Strategic Plan, as well as the 2017 Community Risk Assessment and Standards of Cover Document. [Erik Walsh, Deputy City Manager; Charles Hood, Fire Chief]

Chief Charles Hood stated that the briefing was legally required for accreditation from the Center for Public Safety Excellence (CPSE). He noted that the CPSE Accreditation included departments’ organizational involvement; information-based decision making; realistic self-assessment, and constant improvement. He stated that the 2018-2023 Strategic Plan was developed with the assistance of a CPSE Consultant and stakeholder input. He outlined the following goals: 1) Enhance training; 2) Maintain modern and appropriate facilities and capital assets; 3) Enhance and standardize the internal communications practices; 4) Improve external communications with our community; 5) Utilize technology to enhance department operations; and 6) Enhance service for current operations and ensure preparedness for expected population growth. He provided an overview of the Community

Risk Assessment, Planning Zone Analysis, Standards of Cover, and Effective Response Force. He stated that the remaining steps for accreditation were to host a site visit with the CPSE in January 2019 and to attend a CPSE Commission Hearing in March.

Councilmember Saldaña asked if changes to the Collective Bargaining Agreement were needed to support the accreditation process. Chief Hood replied that none were needed.

Mayor Nirenberg thanked Chief Hood for the presentation.

2. Briefing on proposed amendments to the Center City Housing Incentive Policy (CCHIP) and the Inner City Reinvestment/Infill Policy (ICRIP). [Lori Houston, Assistant City Manager; John Jacks, Director, Center City Development and Operations]

Lori Houston stated that Center City Housing Incentive Policy (CCHIP) and Inner City Reinvestment/Infill Policy (ICRIP) provided incentives on an as-of-right basis to qualifying development projects. She noted that proposed changes were developed as a result of public meetings, stakeholder meetings, SATomorrow, and the Mayor's Housing Policy Task Force. She stated that CCHIP and ICRIP could not address San Antonio's affordable housing needs alone but could be leveraged with other tools. She noted that the Neighborhood & Housing Services Department would develop a strategy to address affordable housing, displacement, and economic impact.

Mrs. Houston stated that ICRIP was adopted in 2010 to assist small businesses and economic development in the Inner City as a result of the Eastside Summit. She stated that 11,000 fee waivers were issued since its inception for a total investment of \$4.4 billion and facilitation of 10,000 housing units. It was noted that 42% were considered affordable. She stated that the program would be changed to the City of San Antonio Fee Waiver Program and would only apply to the following: Affordable Housing; Owner occupied rehabilitation; Historic rehabilitation; and Business development/legacy businesses. She provided an overview of categorical requirements and highlighted the recommended addition of Legacy Businesses as an eligible project type. She stated that the Fee Waiver Program would focus on community development needs, prioritize housing affordability, preserve and protect neighborhoods, and support other City Policies. She noted that there would be a separate allocation of Fee Waiver Funding for affordable housing, owner-occupied rehabilitation, historic preservation, and small business development.

Mrs. Houston stated that CCHIP was developed in 2012 from the Downtown Strategic Framework Plan to provide incentives for multi-family housing projects in the downtown area as an economic development strategy. She noted challenges with downtown housing

development due to higher land prices, higher construction costs, rental rates, aged public infrastructure, and irregular parcel shapes. She stated that the components of the as-of-right policy included City and SAWS Fee Waivers, tax reimbursement grants, and low-interest loans or grants. She noted that CCHIP facilitated 64 projects for \$1.4 billion in investment and provided an overview of project types and outcomes. She stated that 11 projects were Brownfield Sites, seven were on the Vacant Building Registry, and 13 were surface parking lots. She provided an overview of community returns as a result of CCHIP.

Mrs. Houston noted that Dr. Steve Nivin performed an economic impact assessment demonstrating that CCHIP projects added 8,000 jobs to the San Antonio Market, contributed \$1.1 billion to Gross Domestic Product, provided a total economic output of \$2.2 billion, and generated \$3.2 million in sales tax revenue. She stated that TXP, Inc. assessed CCHIP and the downtown housing market to show that CCHIP helped close the financial gap on housing projects in the urban core. She noted that CCHIP alone could not meet affordable housing demand but did support affordability. She recommended that CCHIP boundaries be modified to ensure greater development compatibility. She proposed that CCHIP be extended for two years to re-evaluate the market and incentives. She recommended a tiered system based on market rate supply, rental rate attainment, and land prices and provided an overview of tier-based requirements. She noted common themes in public input and reviewed how they impacted the proposed amendments. She stated that all CCHIP projects would contribute 25% of taxes paid to the City to an Affordable Housing Fund. She outlined additional affordable housing tools such as the Housing Tax Credit Program, tax exemptions via the San Antonio Housing Trust Public Facilities Corporation, and public assets. She reviewed the Affordable Housing Business Plan including Under One Roof, Owner Occupied Rehabilitation, Homebuyer Assistance, and Risk Mitigation Fund Public Meetings.

Mayor Nirenberg asked of coordination with the priorities of the Mayor's Housing Policy Task Force. Mrs. Houston replied that the recommendations for both the Fee Waiver Program and CCHIP were aligned with goals for workforce and affordable housing. Mayor Nirenberg asked of community involvement for implementation of the proposed policies. Mrs. Houston replied that community meetings would be ongoing to identify desired development areas. Mayor Nirenberg asked of the development of a Coordinated Housing System. Verónica Soto replied that staff was hired to support the system and their first meeting would be hosted in January 2019. Mayor Nirenberg asked of efforts to mitigate indirect displacement. Mrs. Soto replied that meetings were ongoing regarding mitigation and a formal plan would be developed for presentation to the City Council. Mayor Nirenberg asked of efforts to ensure luxury apartments were not incentivized. Mrs. Houston replied that apartments to be sold at \$360,000 or above or rented at \$2.75 per square foot or above would not be eligible for incentives. Mayor Nirenberg expressed support for the proposed amendments.

Councilmember Viagran asked of the studies performed that contributed to the recommendations. Mrs. Houston replied that an Economic Impact Study and a CCHIP Assessment Study were already performed and a third impact study would be performed in 2019 to inform the Affordable Housing Strategy. Councilmember Viagran asked of displacement mitigation efforts. Mrs. Houston replied that the CCHIP could not be utilized by projects that would directly displace residents and the Neighborhood and Housing Services Department was developing a Risk Mitigation Strategy. Councilmember Viagran expressed the importance of working with the State Legislature to address property valuation issues and noted her support for the proposed amendments.

Councilmember Saldaña asked if the market would carry itself without incentives if downtown pricing averaged \$2.75 per square foot. Mrs. Houston replied that reevaluation of the program would need to occur and construction costs would need to be examined. Councilmember Saldaña asked if the program would be reevaluated once the goal of 7,500 housing units was achieved and if projects could be approved by the City Council on a case-by-case basis. Sheryl Sculley replied that there was currently a stretch goal of 10,000 units but the focus of said goal was on market rate housing. She recommended that the City Council set a policy perspective when the goal was reached to continue with as-of-right or to revert to case-by-case approvals. Councilmember Saldaña suggested that the policies be modified in the future so that only projects with affordability components would be as-of-right and asked of small business qualifications for the Fee Waiver Program. Rene Dominguez replied that the small business component was developed into tiers to enhance assistance for Minority/Women-Owned Business Enterprises (M/WBE).

Councilmember Treviño expressed support for policies that incentivized density over sprawl and asked of the timeline for the Displacement Impact Assessment. Mrs. Houston replied that it was in process and it would be brought to a Council Committee by February 2019. Councilmember Treviño asked of the goal of more homeownership downtown. Mrs. Houston replied that better housing opportunities provided more disposable income to an area that stimulated the economy and funded services while stabilizing land prices. Councilmember Treviño expressed support for ongoing community engagement and for communicating program successes.

Councilmember Gonzales expressed concern with displacement that occurred due to housing deterioration and asked if the policies addressed same. Mrs. Houston replied that the Fee Waiver Program would assist homeowners to repair or improve their homes. Councilmember Gonzales asked of the level at which a development was considered Public Housing. Mrs. Soto replied that it was 30% of Area Median Income (AMI) or below. Councilmember Gonzales expressed concern that certain areas of the City did not have equal access to needed incentives and funding and suggested that parking subsidies be removed.

She noted her overall support for the proposed amendments.

Councilmember Courage expressed concern that the proposed amendments would not incentivize Inner City development sufficiently and that Housing and Urban Development (HUD) income guidelines were not affordable for San Antonio. He suggested a survey of how CCHIP influenced displacement in the past to inform the new displacement strategy and noted the importance of considering transportation and environmental issues at the same time as housing.

Councilmember Brockhouse expressed support for the proposed amendments and highlighted the expansion of incentives to areas across the City. He requested regular updates on the use of the programs to ensure they were meeting their intended goals.

Councilmember Sandoval expressed support for the proposed amendments but expressed concern that public meetings were not held specific to CCHIP and ICIP. She requested that approval of the amendments be postponed for four weeks to conduct additional public engagement.

Councilmember Saldaña asked if the AMI definition utilized in the policies was set by HUD or the City. Mrs. Houston replied that it was defined by HUD. Councilmember Saldaña asked if there were components of the policies tied to Federal Funding that necessitated the use of HUD's guidelines. Mrs. Houston replied that non-profit developers were often dependent on Federal Funding and needed consistent definitions. Councilmember Saldaña asked if the proposal could be modified to utilize San Antonio's AMI rather than the surrounding area as defined by HUD. Mrs. Houston replied that such a modification could not be supported according to the pro formas because greater City subsidies would be required.

Councilmember Perry noted the importance of communicating program successes to justify the use of taxpayer dollars and expressed support for the proposed amendments.

Mayor Nirenberg thanked staff for the presentation.

EXECUTIVE SESSION

Mayor Nirenberg recessed the meeting into Executive Session at 5:15 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 charter amendments pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- D. Deliberate the appointment, evaluation and duties of public officers and discuss legal issues pursuant to Texas Government Code Section 551.074 (personnel matters) and Texas Government Code Section 551.071 (consultation with attorney).
- E. Discuss the appointment process for the selection of the next City Manager and related legal issues pursuant to Texas Government Code Section 551.074 (personnel matters) and Texas Government Code Section 551.071 (consultation with attorney).

RECONVENED

Mayor Pro Tem Courage reconvened the meeting at 6:11 pm and announced that no action was taken in Executive Session. He announced that the Executive Session would resume the next day following the Business Portion of the City Council Meeting.

City Clerk Vacek read the caption for Item 3:

- 3. Public Hearing to gather community input on the proposed amendments to the Center City Housing Incentive Policy (CCHIP) and the Inner City Reinvestment/Infill Policy (ICRIP). [Lori Houston, Assistant City Manager; John Jacks, Director, Center City Development & Operation]

Mayor Pro Tem Courage declared the public hearing to gather community input on the proposed amendments to the CCHIP and the ICRIP open and called upon the citizens registered to speak.

Leylah Neak spoke in support of the proposed amendments.

Mark Perez spoke in opposition to the proposed amendments.

Mayor Pro Tem Courage excused himself from the meeting at this time and Councilmember

Treviño presided.

Dr. Meredith McGuire spoke in opposition to the proposed amendments.

Dawn Hanson spoke in support of the proposed amendments.

Maxwell Woodward spoke in support of the proposed amendments.

Peter French spoke in support of the proposed amendments.

Liz Franklin requested that the vote on the amendments be postponed until a displacement study was finalized.

Mayor Nirenberg entered the meeting at this time and presided.

Lynn Knapik spoke in support of the proposed amendments.

Jack Sanford spoke in support of the proposed amendments.

Richard Acosta requested that the vote be postponed to allow for additional discussion and amendments.

Yaneth Flores requested that the vote be postponed to conduct additional public engagement and assess displacement.

Michael Taylor spoke in support of the proposed amendments.

Susana Segura requested that the vote be postponed to examine discriminatory housing issues.

Sarah Gould requested that the vote be postponed until a displacement study was finalized and additional public engagement was conducted.

Warren Wilkinson spoke in support of the proposed amendments.

Bill Shown spoke in support of the proposed amendments.

Larnzell Harper spoke in support of the proposed amendments.

John Cooley spoke in support of the proposed amendments.

Christian Reed-Ogba spoke in support of the proposed amendments.

There being no other citizens registered to speak, Mayor Nirenberg declared the Public Hearing closed.

CITIZENS TO BE HEARD

Mayor Nirenberg called upon the citizens registered to speak under Citizens to be Heard.

Jess Mayes spoke of the services provided at the Eco Centro.

Misael Muzquiz asked the City Council to assist him with a petition to save endangered wolves.

Marissa Ramirez noted the importance of teaching public engagement and conservation to children.

Artman Bland expressed concern with police conduct and permitting practices.

Dennis Roberts noted difficulties meeting with City Staff to discuss use of his environmental products.

Keith Roberts expressed concern that his company was not considered for business with the Office of Sustainability.

RECESSED

There being no further discussion, Mayor Nirenberg recessed the Executive Session portion of the meeting at 7:25 pm to be addressed after the business portion of the Regular Meeting tomorrow.

APPROVED

RON NIRENBERG
MAYOR

ATTEST:

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