

HOUSING COMMISSION OFFICIAL MEETING MINUTES

WEDNESDAY, JULY 31, 2019, 4:00 PM
VIA METRO CENTER BOARD ROOM
1021 SAN PEDRO AVE, SAN ANTONIO, TEXAS 78212

Members Present: Lourdes Castro Ramirez, Chair
Dr. Paul Furukawa, Member
Robert Abraham, Member
Jessica O. Guerrero, Member
Marianne Kestenbaum, Member
Keith Hom, Member
David Nisivoccia, Member

Members Absent: Nicole Collazo, Member
Sarah Sanchez, Member

Staff Present: Lori Houston, *Assistant City Manager*; Irma Duran, *Neighborhood & Housing Services Department*; Ian Benavidez, *Neighborhood and Housing Services Department*

- **Call to Order** - The meeting was called to order at 4:05 P.M. by Lourdes Castro Ramirez, Chair, and the roll was called by the Administrative Assistant II.
- **Roll Call**
- **Citizens to be Heard** – Carol Rodriguez spoke to address her concern about the importance of continued support to advocate for funding in next year's action plan for a high level Executive position at the City Manager's Office to lead the housing and neighborhood related activities to ensure city services are integrated.

Rebecca Flores spoke about the issue on community engagement. Homes that were owned or rented have had substantial change over the last year. Questions were raised after someone from Code Compliance stated to a repair man that they shouldn't be working on a home due to it being historic. Code Compliance later denied being in the neighborhood. A series of questions were asked about the effects of gentrification and relocation of families in the neighborhood.

Linda Ortega expressed her concerns about gentrification and displacement in the neighborhood. She stated that the community has not been given a proper opportunity to speak about their concerns.

Theresa Alonza mentioned the issue in her community about zoning and poverty level incomes. She states that her area of residence is under attack due to gentrification.

Amelia Valdez, Culture President of the Historic West Side Resident Association, stated her concerns about development in her area. She stated that as a community they are trying to work closely to be able to work with developers and engineers at the table to revise site plans, and there has not yet been any engagement.

1. Approval of Minutes for June 26, 2019 Meeting

COMMISSION ACTION:

Commission Member Marianne Kestenbaum suggested changes on statements on page 3 and page 5 of minutes.

The motion to approve was made by Keith Hom and the motion carried unanimously.

THE MOTION CARRIED

2. Director's Report – Verónica R. Soto, Director, Neighborhood and Housing Services Department, presented.

Verónica Soto began by announcing follow up questions from last meeting are included in today's packet. The Business Plan was sent to Commission Members prior to meeting.

Commissioner Marianne Kestenbaum stated that she is excited about the intention to look at community land trust, especially for mobile home parks. Kestenbaum also remarked on the components of the Empowerment Zone policy and hopes it will be passed for review from the Housing Commission before it is presented to a committee. There has not been a workshop to assess and ensure we are all on the same page with priorities. It is immediately critical to focus on the internal coordination because the policy implications of zoning can't only be limited to the zoning code. There are concerns about the Risk Mitigation Fund policy. When the policy was approved by Council, there were two documents entered into the record. One had to do with outreach strategies, and the other with active engagement of the Housing Commission on the assessment. We need to close some loops and see input of assessment before we can say it is complete.

Commission Chair Lourdes Castro Ramirez paused the item to let Mayor Ron Nirenberg address the Commission. Mayor Nirenberg stated that they are actively working on each of the first year implementation steps. It was mentioned that half of all renters and over a quarter of all homeowners are cost burden. There is long standing and increased poverty. The work will continue until all families have the opportunity to live with dignity and pride in their communities. There is a need to make generational poverty a priority.

City Manager Erik Walsh spoke about the proposed budget that will be presented to Council for the new fiscal year, which includes a new Housing Executive. They will be tasked with overseeing homelessness, and work with Haven for Hope and other stakeholders that are part of this process and Commission. There will be a national search for the Executive. Walsh also spoke about alignment of productivity in the areas of the city where we need units for housing and we need to continue to produce.

Commission Chair Lourdes Castro Ramirez added that the GMA reduction is also critically important and is also included in the report. She went on to state that housing can be a complex issue. Two priority areas outlined that have not had significant movement are the coordinated housing system and housing production. It is important to do more in partnership with community development organizations to make more resources available.

Commission Member Jessica O. Guerrero addressed the Mayor and City Manager on the recommitment to action items that the task force report included. She asked that we please more intentionally and consistently think about the values and standards that our community has in seeing these items fulfilled, and look at how we approach deliverables in a different way by starting and ending with community engagement and output.

Commissioner Robert Abraham asked about the timeline for the Housing Executive. City Manager Walsh stated that the position description will be written up within the next couple weeks and a national search will take place around September.

Commissioner Guerrero asked about the Housing Commission's role in selection. Walsh stated that there will be involvement with the Commission as well as stakeholders on the homeless during the review process. Guerrero then asked if the Housing Commission will have a say in shaping the process for selection. City Manager Walsh said that he will shape the process and share internally at the next meeting. He would like to keep a consistent hiring process in the City. Guerrero stated that we should look at how this can start and end with understanding the community impact and community input.

Commission Chair Lourdes Castro Ramirez directed the discussion back to the Director's Report. Verónica Soto asked the Commission to look at the assessment provided and give feedback. Ramirez asked Soto to provide and update on the status of the Housing Trust assessment. Assistant City Manager Lori Houston stated that NALCAB is still drafting the final report and it will remain a draft until we continue and complete solicitation. The item will be returned to the Housing Commission after feedback is provided by partners.

Commissioner Kestenbaum asked for a deadline and how we envision the role of the Housing Commission. Soto responded and asked that feedback be provided within the next two weeks. After the outline is created the rest of the timeline can be developed. There will be an update given at the next meeting with documentation. The goal is to have this nearly finished is at the end of the fiscal year, by mid-October, with a slight chance of possibly pushing the deadline back to make sure everything is captured in the fiscal year.

Commissioner Guerrero stated that she does not believe the work is ahead of schedule on the coordinated housing system status. The Risk Mitigation Fund policy was approved as a pilot and on the report it is reflected as a completed policy, and these should be updated.

3. Briefing on the FY 2020 Affordable Housing Budget Policy Update – Lori Houston, Assistant City Manager, presented.

Assistant City Manager Lori Houston recognized staff and thanked the department for their work. She also highlighted accomplishments, breakdown of budget and where the money went. Commission Chair Ramirez asked about the \$1.4 million and for a description of the 3,000 units. Houston stated that this is the coordinated housing system staff that will help work with all other partners who approve 4% and 9% tax credit deals and these projects should be considered to meet the unit production pipeline. Ramirez commented that some of the money was from GAP financing from the city but much of this was the community development community producing those units. Commission Member David Nisivoccia provided clarification on funding and stated that without the funding resources, units would not be developed at these percentage rates.

Commissioner Keith Hom asked if this is money that was leveraged. Commission Chair Ramirez clarified that this is staff support that is available to help the housing authority non-profit housing development community produce units.

Lori Houston continued to speak about the \$26.1 million budget and the programs that were funded through it. She agreed that the Risk Mitigation policy should be treated as a pilot and we should tweak it and do an analysis this fiscal year. The draft Housing Trust assessment has been completed and after we conclude our engagement and feedback phase we will start the effort to go to Council adoption and implement. A retreat is being attended to learn from other community leaders about housing initiatives and how they work in their community. She went on to explain the coordinated housing system and what that is.

Houston recognized partner organizations that we are working with on housing projects. She stated that we need an affordable housing policy and it should be in alignment with SA Tomorrow, SA Tomorrow Regional Centers as well as the homeless strategies that are currently underway. There are almost 75,000 housing units that will come online by 2020 because of the Center City Housing Incentive policy that was adopted by City Council.

Commission Member Guerrero asked for clarification on who is responsible for implementing the task force framework. Houston explained that this is a City and Community effort. We need to work with other non-profits and housing partners to make sure we are meeting production goals. Commission Chair Ramirez added that housing needs to be a priority within the city structure.

Lori Houston went on to discuss the goals of unit production provided by the Mayor's task force. The focus is to target where the need is at 50% AMI or below. Houston broke down the targets and status of each. We are not on track to meet targets for rental units below 30% AMI and 30% to 50% AMI. Houston stated that a recommendation for one of the strategies is to work with the Housing Authority and Housing Trust to develop a policy for the 4% tax credit projects. There is concern in the rehab and preservation of existing housing stock. There is a lot of need and we want to focus on how we can work with the Housing Authority and Housing Trust and other partners to meet these goals.

Commissioner Nisivoccia asked if their rehabilitation public housing projects are included in this pipeline. Lori Houston stated that these individual projects are not included in the count. Nisivoccia said that we can work together to add numbers and meet our goal.

Commission Member Marianne Kestenbaum asked if we can also leverage conditions for sale of properties from the housing bond. Houston stated that these are in the pipeline and we will send a list of all projects.

Assistant City Manager continued that only 5% of owner occupied units are in regional centers. Houston explained that the regional centers are the 13 areas identified in the SA Tomorrow plan and specific to where we wanted to see growth occur. There will be another mapping exercise to see where growth is and market rate growth outside of the regional areas.

Mrs. Houston broke down the financing and incentives by Affordable Housing and CCHIP funding for each project in the pipeline over a ten year period. The Affordable Housing

Pipeline includes 92 projects that will come online in 2019 or beyond. The 92 projects yielded 8,792 units that represented a total investment of \$1.5 billion. The housing partners to include the City, SAHT, SAHA, and the LIHTC program provided incentives that totaled \$1.09 billion which represents 73% of the project investment. Houston then broke down the Strategic Housing initiatives.

Mrs. Houston explained that we have met with several entities to understand what is the missing and create strategies that will help accelerate more affordable housing. She described what each strategy will consist of, which includes creating a policy for 4% tax credit requirements; redeveloping our existing public housing projects and working with partners; at risk funding at 15% of the low income housing tax credit funding; and test the pilot for vacant homes.

Commissioner Guerrero asked for more explanation on the stakeholders and process for engaging with them. She also asked how the pilots will roll out and the assessment that happens along the way is. Houston explained that we are looking at these as concepts right now and we are not presenting these to Council. The stakeholders we have met with are mainly non-profit housing development communities. She also stated that we will work with the community on pilots in their specified areas. Guerrero asked that there is more of an intentional and active effort to engage with non-profits and other partner organizations, as well as getting community perspectives.

Commission Member David Nisivoccia added some clarification on scattered site public housing units. HUD has to approve the process before moving forward. This partnership will benefit and provide funding sources.

Commission Chair Ramirez mentioned that it is critical to understand the importance of impact and how residents are feeling the stress and pressure of change coming into their communities. Ramirez agrees with Jessica Guerrero that the sooner you all can meet with residents directly about these efforts the better.

Commissioner Marianne Kestenbaum stated that it would be helpful that within the population of stakeholders, public is always one of them. This can be a way of subtly affecting our internal culture by defining the community as one of the stakeholders that is always brought to the table.

Assistant City Manager Lori Houston continued by explaining another pilot for exploring community land trust in the neighborhood empowerment zone programs. This, partnered with potential rehab pilot program could provide tremendous tax relief to the homeowner. She went on to explain the process for this policy.

City Manager Eric Walsh added that he spoke with the City Manager of Kansas City about this policy and their strategies and tools they use to implement this in their city.

Lori Houston went on to describe another strategy, the single family infill housing project. We are trying to add more resources to this already existing program. Design guidelines are crucial to make sure homes are being built in line with the character of the neighborhood. Houston explained the details of another pilot project, the accessory dwelling unit project (ADU). The actual program will be presented at the end of this fiscal year.

Commission Chair Ramirez asked how this relates to the effort that is currently underway by the committee that is looking at the UDC updates. Houston stated that this will be incorporated with that effort. An opportunity identified in the Mayor's housing policy framework is to leverage city owned property. Another opportunity is partnering with faith based organizations to work with churches in identifying which properties could be developed.

Lourdes Castro Ramirez stated that the task force policy framework outlines a set of policy recommendations, but it needs more detail. She asked if we have the bandwidth and capacity to get all of this done in one year. And, how does that align and connect to the policy making processes in terms of establishing our priorities? Houston answered that the overall goal is production and provided information on how we align our incentives and work with partners on how we target the less than 30% and 30% to 50\$ AML. She explained that we do have the bandwidth because Neighborhood and Housing Services isn't taking the lead on all projects, but will coordinate with other departments and organizations that are working on these.

Commission Member Keith Hom stated that we expect over time that city staff will develop specific programs to address the strategy in creating more affordable housing units.

Lori Houston continued by explaining and breaking down this year's budget. The fiscal year 2020 funding plan is a coordinated effort through our city budget, our housing partners and our leverage funds. Houston broke down the funding sources for the upcoming budget. We believe that we will be able to build about 1,000 more units with these additional programs, income averaging, and information based on annual production from the past couple years. We feel that within the next two years we will be back on track to meet our ten year goal.

Commission Chair Ramirez mentioned the Risk Mitigation fund is set to continue for another year. Houston stated that there is need for assessment to see how it is being used, how many families it is able to help, what types of programs are being used including utility assistance, how many are using relocation. We will come back to the Commission with options and information on policies.

Ramirez stated to the Commission that they may reach out to staff with questions or feedback, and thanked staff for their efforts. Guerrero also commented on the Housing Commission's role in not only overseeing programs and weighing in on discussion, but also facilitating more community participation.

4. Briefing and Possible Action on the HUD FY 2020 Action Plan/Budget Funding Strategy – Verónica R. Soto, Director, Neighborhood and Housing Services Department, presented.

Verónica R. Soto began by mentioning the action plan budget and broke down the allocations. Commission Chair Ramirez asked to clarify the total budget of \$23.6 million, and how is that captured in the FY 2020 funding plan that was outlined? Lori Houston answered that there is \$13.6 million in the CDBG and home and NSP funding in the plan.

5. Briefing and Possible Action on the Evaluation Criteria for HUD Funded Affordable Housing – Verónica R. Soto, Director, Neighborhood and Housing Services Department, presented.

Soto stated that there are some timelines coming up in August. She asked the Commission to review at the presentation and provide feedback. Lourdes mentioned the option of setting up a special meeting for discussion of this item.

6. Discussion and Possible Action on future agenda items.

The next meeting will be held at the Via Metro Center Board Room on Wednesday, August 28 at 4:00 p.m.

Adjournment – 6:32 P.M.

Adjournment

There being no further discussion, the meeting was adjourned at 6:32 p.m.

Respectfully Submitted,

Sarah Perez, NHSD