

**PLANNING AND LAND DEVELOPMENT
COUNCIL COMMITTEE MEETING MINUTES
MONDAY, MARCH 29, 2021
2:00 PM
VIDEOCONFERENCE**

Members Present:	Councilmember Shirley Gonzales, Chair, <i>District 5</i> Councilmember Roberto Treviño, <i>District 1</i> Councilmember Andrews-Sullivan, <i>District 2</i> Councilmember Rebecca Viagran, <i>District 3</i> Councilmember John Courage, <i>District 9</i>
Staff Present:	Lori Houston, <i>Assistant City Manager</i> ; Jameene Williams, <i>Assistant City Attorney</i> ; Joseph Harney, <i>Assistant City Attorney</i> ; Verónica R. Soto, <i>Director, Neighborhood & Housing Services Department</i> ; Ian Benavidez, <i>Assistant Director, Neighborhood & Housing Services Department</i> ; Sara Wamsley, <i>Housing Policy Manager, Neighborhood & Housing Services Department</i> ; Nancy Cano, <i>Office of the City Clerk</i>
Others Present:	Jean Latsha, <i>Vice President of Development, Pedcor Investments</i> ; Nick Tuccio, <i>Government Affairs Liaison, LDG Development, LLC</i> ; Dru Childre, <i>Development Coordinator, LDG Development, LLC</i> ; Mitchell Clouse, <i>Development Coordinator, LDG Development, LLC</i> ; Caroline McDonald, <i>Brown & Ortiz Law Firm</i>

1. Approval of the Minutes for the February 8, 2021 Planning & Land Development Council Committee (PLDC) Meeting.

Councilmember Courage moved to approve the Minutes of the February 8, 2021 Planning & Land Development Council Committee Meeting. Councilmember Andrews-Sullivan seconded the motion. The motion carried unanimously.

Public Comment

None.

Consent Agenda

- Resolution of No Objection for Pedcor's application to the Texas Department of Housing and Community Affairs Non-Competitive 4% Housing Tax Credits program for the construction of the Summerwalk Apartments, a 164-unit affordable multi-family rental housing development, located at approximately 6221 S. New Braunfels Avenue in Council District 3; allowing the construction of the development to be located within one linear mile or less from another development; and acknowledging the development will result in more than 20% of total housing units in the proposed census tract being supported by housing tax credits. [Lori Houston, Assistant City Manager; Verónica R. Soto, FAICP, Director, Neighborhood and Housing Services]**

3. **Resolution of No Objection for LDG Development’s application to the Texas Department of Housing and Community Affairs Non-Competitive 4% Housing Tax Credits program for the construction of the Ostry Ranch, a 408-unit affordable multi-family rental housing development, located at 2075 Schuwirth Road in the City of San Antonio’s Extra Territorial Jurisdiction near Council District 2.** [Lori Houston, Assistant City Manager; Verónica R. Soto, FAICP, Director, Neighborhood and Housing Services]

Councilmember Viagran moved to approve Consent Agenda Items 2 and 3. Councilmember Andrews-Sullivan seconded the motion. The motion carried unanimously.

4. **Briefing on the City’s Strategic Housing Implementation Plan (SHIP) progress including the definition of affordability and next steps** [Lori Houston, Assistant City Manager; Verónica R. Soto, FAICP, Director, Neighborhood and Housing Services]

Veronica Soto provided a brief introduction to the Strategic Housing Implementation Plan (SHIP). Assistant Director Ian Benavidez noted that the SHIP focused on:

- Translates Housing Policy Framework (HPF) vision into specific goals and strategies
- Creates action plan for cross-agency, cross sector commitments and accountability
- Puts the lived experience at the center of the work and extends it to population scale transformation

Mr. Benavides noted that the SHIP built on to existing programs to include the Opportunity at Risk Program, SA Climate Ready Program and the Housing Policy Framework Plan. She noted that many of the programs addressed housing and affordability issues.

Mr. Benavides provided an update on the Housing Policy Framework status as follows and provided examples of related projects/efforts:

- Complete/Ongoing – For strategies with a definitive end point that has been reached or for programs that have been implemented but on going.
- In Progress – For strategies that had begun, and work was currently being done
- Delayed – For strategies that had begun and paused (e.g.: due to COVID-19)
- Not Started – For strategies that had not even begun

Mr. Benavides briefed on the structure of the SHIP which included a SHIP Committee comprised of City agencies and departments, the Housing Trust, the Housing Commission, and the San Antonio Housing Authority. He stated that community partners and stakeholders assisted in the administration and oversight of affordable housing programs.

Mr. Benavides stated that the SHIP was composed of two phases and were to be completed by the end of Summer 2021:

- Synthesis and Strategy – composed of a recalibration of housing targets
- Management and Operations – funding and implementation plans

Mr. Benavides provided a progress update on the recalibration of target goals, definition of affordability, finalization of funding plan and development of an implementation plan. He noted that the SHIP had

worked closely with the Housing Commission, consultant Economic and Planning System and homeowner providers to address these items.

Mr. Benavides stated that the SHIP was recalibrating the program's affordable housing 10-year housing goal target of 18,681 housing units which would be met within the next two years well ahead of schedule. He noted that a new target would need to be identified taking into consideration total households with Bexar County, household cost burdens related to Area Median Income (AMI), and supply and demand for housing with the county. He stated that 96,000 households were identified as in most need or considered vulnerable for housing.

Mr. Benavides noted that the under the Strategic Housing Implementation Plan, staff set a new goal to meet 47,000 housing units within the next 10 years. He stated that the goal could be achieved with new funding sources to include a potential housing bond and strategic partnerships with community agencies.

Mr. Benavides provided a definition of affordable housing which took into consideration Department of Housing and Urban Development (HUD) industry standards, transportation need, affordability levels and workforce concerns. He noted that in addressing affordability, there were two common factors considered: HUD standards and those defined by America Community Survey (ACS) also known as Census. He noted that this data was compared for supportive housing (0-30% AMI), affordable housing (30-60% AMI), and workforce housing (60-100% AMI) to identify local housing affordability levels.

Mr. Benavides provided data on the maximum monthly rent for a family of four:

AMI	ACS Rent per month	HUD Rent per month
120%	\$1,613	\$2,160
100%	\$1,344	\$1,800
80%	\$1,075	\$1,440
60%	\$805	\$1,080
50%	\$672	\$900
30%	\$403	\$540

Mr. Benavides noted that the current market average rent for a two-bedroom unit was \$1,576. He reviewed the approximate affordable home prices by income and household as follows with a current market average sale price of \$311,604:

Family Size	50% AMI	60% AMI	80% AMI	100% AMI	120% AMI
1	<\$100,000	<\$100,000	\$115,000	\$140,000	\$170,000
2	<\$100,000	\$100,000	\$125,000	\$155,000	\$185,000
3	<\$100,000	\$100,000	\$140,000	\$185,000	\$215,000
4	\$100,000	\$115,000	\$155,000	\$200,000	\$243,000
5	\$100,000	\$125,000	\$170,000	\$215,000	\$258,000
6	\$115,000	\$140,000	\$185,000	\$230,000	\$284,000
7	\$125,000	\$140,000	\$200,000	\$243,000	\$295,000
8	\$125,000	\$155,000	\$215,000	<\$243,000	\$310,000

Mr. Benavides noted that a 1,460 square foot, three-bedroom, 2-bathroom house build by affordable housing developer partner Cross Timber Homes built for a 120% AMI family averaged \$165,400 with down payment assistance.

Mr. Benavides provided a recap of staff recommendation which was to deepen homeownership affordable housing at 120% AMI and below as defined by HUD, reduce the workforce housing definition from 80-120% AMI to 60% -100%% AMI, affordable housing definition from 30-80% to 30-60% AMI, and supportive housing definition remain at 0-30% AMI.

Mr. Benavides noted that the housing commissioner provided some final steps for the SHIP to consider in future meetings:

- Housing Commission to finalize recommendation on April 7, 2020 retreat for PLDC consideration
- Potential for greater nuance in 0-30% AMI category
 - Possibility of a 0-15% category for public housing residents
- Consider renaming category labels
 - What is meant by affordable and workforce definitions?
- Include various agencies for input including utilities and transit
- Create a matrix to reflect the needs of various programs (rehab vs new construction, homeownership vs rental)

Councilmember Gonzales asked if staff was seeking recommendations from the PLDC related to housing affordability and goals. Mr. Benavides confirmed that staff were seeking input in order to provide feedback to the Housing Commission during meetings in the following week. Councilmember Gonzales commented on the difference between affordable and workforce housing. She added that she had concerns of housing costs increasing due to the increased cost of materials such as lumber. Mr. Benavides stated that all factors would be taken into consideration before making recommendations to policy.

Councilmember Gonzales asked if there was a plan for individuals transitioning from rental to homeownership. Mr. Benavides stated that the plan addressed transition from homelessness to rental but had not addressed rental to homeownership transition. He stated that the plan would look to incorporate strategies in the future.

Councilmember Treviño asked who was working on the vulnerability index and when a draft would be ready for review. Mr. Benavides stated that the vulnerability index was completed under the recalibration process and he would provide a copy for review.

Councilmember Treviño asked if SHIP had taken a position on the purchase of hotels to be turned into permanent affordable housing. Ms. Houston stated that it would be addressed under the Homelessness Strategic Plan which would be finalized in Summer 2021.

Councilmember Treviño acknowledged the efforts of City staff and SHIP Team for their efforts on the income discrimination ordinance.

Councilmember Viagran asked for clarification on the number of households within the 15% AMI. Mr. Benavides stated that there were 45,000 individuals City that fell under 15% AMI within the City. Councilmember Viagran asked how many fell under San Antonio Housing Authority (SAHA). Mr. Benavides stated that he would need to research that information and would provide to her once obtained.

Councilmember Viagran asked that digital and broadband access be considered as utilities with the SHIP. She asked for clarification on the 120% AMI data. Mr. Benavides clarified the affordable housing prices for the 120% AMI was \$243,000.

Councilmember Viagran asked for clarification on the new definition of affordable housing. Mr. Benavides stated that the definition utilized the scale as defined by HUD with adjustments based on other funding sources such as HOME and CDBG grants. Councilmember Viagran requested that conversations of equity continue with developers and SAWS.

Councilmember Courage reiterated the importance of communicating the proper definition of affordable housing to the community. He noted that it was important to make sure that individuals were to make improvements to and stay in their homes. He added that he would like to see recommendations on what could be done for older homes be maintained without having to be brought up to new home standards. Councilmember Courage stated that it was important to provide financial assistance so that individuals could address important home repairs that extended their ability to stay in their homes.

Councilmember Andrews-Sullivan asked if materials from deconstruction over demolitions could be made available to individuals in light of rising lumber/material costs. Mr. Benavides stated that he would provide information on the possibility of using mentioned materials. Councilmember Andrews-Sullivan stated that accessing medical care be considered when developing policy.

Councilmember Viagran stated that it was important that owner occupied home rehabilitations be brought to City standards.

No additional action was taken.

5. Briefing and update on the ForEveryoneHome Initiative & Anti-Displacement Agenda
[Lori Houston, Assistant City Manager; Verónica R. Soto, FAICP, Director, Neighborhood and Housing Services]

Veronica Soto, Director of Neighborhood and Housing Services, provided a brief on the ForEveryoneHome Initiative and Anti-discrimination agenda.

Ms. Soto stated that the initiative was informed by the community which provided the following:

- Meaningful engagement with individuals and communities impacted by policy and environment changes
- Coordinated Housing System progress with Community Partners, City partners on core team (City Departments, San Antonio Housing Trust (SAHT), San Antonio Housing Authority (SAHA), and SHIP)
- Racial equity lens
- Four Deliverables:
 - Needs Assessments
 - Anti-Displacement & Inclusive Growth Agenda
 - 2 Implementation plans

Ms. Soto added that funding for the initiative had been provided by the Ford Foundation as did the cities of Winston-Salem and Indianapolis.

Ms. Soto noted that the Housing Policy framework developed several action items to include:

- Action Item #1: Develop a coordinated housing system
- Action Item #2: Increase City investment in housing
- Action Item #3: Increase affordable housing production, rehabilitation, and preservation
- Action Item #4: Protect and promote neighborhoods
- Action Item #5: Ensure accountability to the public

Ms. Soto noted that anti-displacement agenda strategies were in line with the Mayor's Housing Policy taskforce under SHIP. She added that the initiative team included representation from different partner agencies within the housing community.

Ms. Soto reviewed the timeline for the ForEveryoneHome Initiative which had been impacted by the COVID-19 Pandemic.

- Selected: June 2019
- Launched: July 2019
- Phase 1: Needs Assessment (August-December 2019)
- Phase 2: Policy Ideation (January-September 2020)
- Phase 3: Anti-displacement Agenda and Communications (October 2020-April 2021)
- Phase 4: Implementation Plans (March-June 2021)

Ms. Soto noted that the needs assessment under phase one were presented to the Housing Commission on February 26, 2020. She added that the assessment examined displacement drivers for renters, homeowners, and mobile park residents.

Ms. Soto added that phase one and two community engagement included the following goals:

- Input and participation of individuals and populations most affected by housing displacement
- Establish relationships with local leadership, support collaboration across sectors, and cultivate long term interest in anti-displacement policy work
- Foster practices that uphold racial equity, civic participation, cultural competence, and social justice values.

Ms. Soto stated that the Anti-Displacement agenda covered five main categories of need to include:

- Reduce the frequency of evictions
- Preserve existing affordable housing stock including mobile home communities
- Prevent San Antonio mobile home parks from closing
- Stabilize homeownership
- Ensure investments and developments did not create displacement pressure

Ms. Soto stated that there were over 30 strategies outlined within the five main categories which she illustrated in the presentation to the Committee. She noted that strategies would hold residential landlords

who received public benefits including fee waivers and tax benefits, would be accountable and held to higher standards for tenant's rights and reduce evictions.

Ms. Soto reviewed several strategies in each of the five categories to include:

- Action 2B: Require 18 months notice when affordable housing developments intended to significantly raise rents or convert to market-rate housing
- Action 2H: Increase home repair and rehab loan or grant programs to qualified landlords in exchange for keeping rents affordable
- Action 3E: Launch a pilot to convert one or more manufactured housing parks to tenant ownership
- Action 4F: Increase programs and funds for homeowners to do necessary maintenance, repairs, and renovations on their property
- Action 5B: Require one for one replacement of demolished or upgraded subsidized housing units, with replacement units at the same rent level
- Action 5G: Create a land banking program to proactively buy vacant land in neighborhoods with high-displacement risk. Use publicly owned land to develop housing that is affordable to low-income households

Ms. Soto noted that the next steps in the process would include working with consultant Grounded Solutions Network to gather public input within the months of March and April 2021. She added that the gathered input would then identify two highest priority items which would guide the creation of the Implementation Plan. She then reviewed upcoming public input meetings.

Councilmember Treviño asked what the plan for implementation ForEveryoneHome goals and policy implementations was. Ms. Soto stated that implementation would forward right away with strategies integrated into the Housing Implementation Plan and the program report developed with the Housing Commission. Councilmember Treviño asked if public engagement would continue through the implementation of the program. Ms. Soto confirmed that the engagement would continue primarily through the Housing Commission efforts.

Councilmember Treviño requested that property taxes and property tax appraisals for commercial and residential properties be included in the program analysis. He also requested that eviction data be tracked and expansion of the Under One Roof Program.

Councilmember Treviño asked what input the initiative would have on the potential housing bond. Ms. Soto stated that the potential housing bond would have its own public engagement under the Housing Commission. She added that public engagement would be driven by the City Council. Ms. Houston noted that staff would communicate the housing bond engagement and the development of committees for each related proposition.

Councilmember Viagran asked for clarification on the definition of a "good acting landlord". Ms. Soto stated that the definition had not been fully defined but would take a history or evictions or code violations into consideration.

Councilmember Viagran requested clarification on the definitions of affordable housing as it pertained to 0-30% AMI and 0-15% AMI. Mr. Benavides clarified that conversations had occurred with SAHA related to initiative and also generated from community discussions. He added that a change in definitions would be brought back to the committee or City Council for action. Councilmember Viagran pointed out further

considerations to include clarifications on definitions and the importance of the usage of land banking and land trusts.

No additional action was taken.

6. Briefing of the Nabors Tract proposed petition initiated TIRZ located at 11625 Old Corpus Christi Highway in southeast San Antonio in Council District 3. [Lori Houston, Assistant City Manager; Verónica R. Soto, FAICP, Director, Neighborhood and Housing Services]

Mr. Ian Benavides provided a background of tax increment financing which was governed by Chapter 311 of Texas Tax Code, which assisted in the development or redevelopment of blighted or underperforming areas. He added that these areas were called a Tax Increment Reinvestment Zone (TIRZ). He noted that a portion of collected taxes would be contributed to a TIRZ fund.

Mr. Benavides stated that there were two different ways to create a TIRZ which were either a City-initiated or a Petition-initiated TIRZ. He defined each TIRZ as follows:

City-Initiated TIRZ

- Staff working with Council to select and approve a boundary
- Various projects are eligible for reimbursement within the boundary if they met the statute & funding is available
- Affordable housing eligible city-wide
- Reimbursement basis for individual projects

Petition-Initiated TIRZ

- Developer submits TIF Funding Application and application fee
- Typically one project (housing development subdivision) is reimbursed and usually submitted by the developer
- Reimbursement on eligible public infrastructure over a set term

Mr. Benavides stated that there was an internal process to review TIRZ applications:

- Developer submits TIF Funding Application and application fee
- Finance Management Division (FMD) analyses financials
- Present to TIF Governance Committee
- Planning and Land Development Council Committee Review
- City Council for approval of TIRZ designation, boundaries, preliminary finance plan and formation of board
- TIRZ board meeting for approval of Development Agreement, Finance Plan and Project Plan

Mr. Benavides stated that Bitterblue Development applied to create a petition initiated TIRZ in February 2021. The proposed Nabors Tract TIRZ area was located at 11625 Old Corpus Christi Highway in Council District 3. He noted that the project was comprised of:

- 120 acres of single family with two car garage – 637 lots
- 15 acres of multi-family -340 units
- 8 acres of neighborhood retail
- 50 acres of industrial (data center)
- 18 acres of open space/drainage

- Single Family Home Prices
 - \$177K - \$200K – 75 homes (12%)
 - \$200K - \$240K – 319 homes (50%)
 - Above \$240K – 243 homes (38%)

Mr. Benavides noted that the development cost was approximately \$25,984,257 and had a public reimbursement request of \$18,838,599 over the life of the TIRZ. He added that the public improvements included streets/sidewalks, drainage, water/sewer, CPS Energy utilities, landscaping engineering and other factors.

Mr. Benavides stated that staff recommended a 25-year term with the City participating at 85%. He added that the proposal was reviewed by the TIF Governance Committee on March 3, 2021. He added that if approved by the PLDC, staff would enter into negotiations and draft an agreement in March 2021. He anticipated that the item would be brought to City Council for consideration in April or May 2021.

Councilmember Viagran noted that she had been kept up to date on the project which included a number of improvements to the area to include access to IH 37. She stated her support for the TIRZ initiative.

Councilmember Gonzales asked which school district the project resided in. Ms. Caroline Brown stated that the project was located in the East Central Independent School District who had already purchased property near the development.

Councilmember Courage asked for clarification on the project financing. Mr. Benavides stated that City would provide 85% of the increment funding. Councilman Courage stated that he supported the Item.

Councilmember Trevino asked if there were any residents that currently lived at the proposed site. Ms. Brown stated that the land was primarily agricultural and had no resident households on the site.

Councilmember Viagran moved to approve Item 6. Councilmember Andrews-Sullivan seconded the motion. The motion carried unanimously.

Adjourn

There being no further discussion, the meeting was adjourned at 3:53 pm.

Shirley Gonzales, Chairwoman

Respectfully submitted,

Aurora Perkins
Office of the City Clerk