

**ECONOMIC AND WORKFORCE DEVELOPMENT
COUNCIL COMMITTEE MEETING MINUTES
TUESDAY, AUGUST 7, 2018
1:30 PM
MUNICIPAL PLAZA BUILDING**

Members Present:	Councilmember Rebecca Viagran, <i>Chair, District 3</i> Councilmember Shirley Gonzales, <i>District 5</i> Councilmember Manny Pelaez, <i>District 8</i> Councilmember John Courage, <i>District 9</i> Councilmember Clayton Perry, <i>District 10</i>
Members Absent:	None
Staff Present:	Carlos Contreras, <i>Assistant City Manager</i> ; Lori Houston, <i>Assistant City Manager</i> ; Stephanie Brosig, <i>Assistant City Attorney</i> ; Victoria Shum, <i>Assistant City Attorney</i> ; Leticia M. Vacek, <i>City Clerk</i> ; Leticia Saenz, <i>Deputy City Clerk</i> ; John Jacks, <i>Director, Center City Development and Operations Department</i> ; Rene Dominguez, <i>Director, Economic Development Department</i> ; Veronica Garcia, <i>Interim Assistant Director, Center City Development and Operations Department</i> ; Jessica Harris, <i>Assistant Director, Economic Development Department</i> ; Ed Davis, <i>Executive Director, SAEDC</i> ; Brandon Smith, <i>Office of the City Clerk</i> ; Denice F. Trevino, <i>Office of the City Clerk</i>
Others Present:	Ben Olivo, <i>Reporter, SA Heron</i> ; Debra Guerrero, <i>Vice President, NRP Group</i> ; Lori Hall, <i>LISC</i> ; Emilie Christian, <i>Project Manager, Brown & Ortiz PC</i> ; David D. Garza, <i>President, LDZG</i>

Call to Order

Chairperson Viagran called the meeting to order.

1. Approval of the Minutes from the June 5, 2018 Economic and Workforce Development Committee Meeting.

Councilmember Courage moved to approve the Minutes of the June 5, 2018 Economic and Workforce Development Council Committee Meeting. Councilmember Gonzales seconded the motion. The motion carried unanimously.

Briefing and Possible Action on:

2. Consideration of Applicants to San Antonio Economic Development Corporation (3 slots) [Leticia M. Vacek, City Clerk]

Ed Davis provided a brief background on the San Antonio Economic Development Corporation (SAEDC) which was established in May 2010, and the board composition. He noted that the City Council approved the bylaws and budgets for the SAEDC.

Leticia Vacek stated that there were five applicants present for the interview and one applicant submitted a statement. She noted that there were three slots open and two of the applicants were applying for re-appointment. The following applicants were interviewed:

Marianne Watson
Simon Gonzales
Sylvia Lopez Gaona
Lawrence Morris
Christopher Rosas

Rene Dominguez read a statement submitted by Michael Dwyer.

Chairperson Viagran reported that Devyn Anderson, who planned to be present, was involved in an automobile accident. She stated that he requested the Committee's consideration for placement on the SAEDC.

Chairperson Viagran recessed the meeting into Executive Session at 1:59 p.m. to discuss personnel matters pursuant to Texas Government Code Section 551.074. She reconvened the meeting at 2:15 p.m. and announced that no action was taken during Executive Session.

Councilmember Gonzales moved to approve and recommend the re-appointment of Michael Dwyer, and the appointment of Sylvia Lopez Gaona and Christopher Rosas to the SAEDC to the full City Council for consideration on August 30, 2018. Councilmember Courage seconded the motion. The motion carried unanimously.

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

Lori Houston provided a brief history of the CCHIP and ICRIP.

Veronica Garcia stated that the CCHIP and ICRIP Programs were overseen by the Center City Development and Operations (CCDO) Department. She noted that the ICRIP encouraged infill activity and the creation of sustainable neighborhoods which were safe, walkable, mixed-use, compact, and well designed. She stated that eligible projects included housing, commercial, mixed-use development, and major economic development projects. She noted that said projects were eligible for City and San Antonio Water System (SAWS) Fee Waivers. She reported that since 2010, the City had issued 11,017 City Fee Waiver and/or SAWS Fee Waiver applications which represented a total investment of \$4.4 billion and over 10,000 housing units of which 42% were affordable or workforce housing. She stated that the ICRIP Program has provided

incentives for 641 commercial development projects. She reviewed the following ICRIP Program amendments:

- Remove boundaries
- Change name to City of San Antonio (CoSA) Fee Waiver Program
- CoSA Fee Waiver Program to include four components:
 1. Affordable housing
 2. Owner occupied rehabilitation
 3. Historic rehabilitation/legacy business
 4. Business development

Ms. Garcia provided the following information on the four components:

Affordable Housing	Owner occupied Rehabilitation	Historic Rehabilitation	Business Development
Nonprofits and private developers constructing affordable housing may receive waivers for City and SAWS Fees within the city limits.	Participants in home repair/rehabilitation programs through the Neighborhood and Housing Services Department (NHSD) or non-profit organizations would qualify for City and SAWS Fee waivers.	Owners of residential and commercial structures designated as historic, and owners of legacy businesses, may receive waivers for City and SAWS Fees.	Small business and industry applicants meeting specific criteria may receive City and SAWS Fee waivers.
<ul style="list-style-type: none"> ➤ 100% waiver of eligible City fees ➤ Up to 100% waiver of SAWS fees, \$250,000 maximum per project 	<ul style="list-style-type: none"> ➤ 100% waiver of eligible City fees ➤ Up to 100% waiver of SAWS fees, \$150,000 maximum per project 	<ul style="list-style-type: none"> ➤ 100% waiver of eligible City fees ➤ Up to 100% waiver of SAWS fees, \$150,000 maximum per project ➤ Must qualify for the Local Tax Exemption for Substantial Rehabilitation 	<ul style="list-style-type: none"> ➤ Waiver of eligible City fees ➤ Up to 100% waiver of SAWS fees, \$150,000 maximum per project ➤ Maximum fee waiver based on business eligibility criteria

Ms. Garcia stated that participants in Home Repair/Rehabilitation Programs through NHSD or non-profit organizations would qualify for the Fee Waiver Program and would be exempt from the Application Fee. She noted that in June 2012, City Council adopted the CCHIP Program, an as-of-right housing incentive program designed to encourage economic development in the

center city. She reviewed the challenges to downtown development and the as-of-right existing incentive package. She stated that staff recommended raising the SA2020 goal for the number of housing units from 7,500 to 10,000 units. She reviewed the detailed tax analysis and the tax benefit analysis which indicated that the return on investment was high. She noted that the CCDO Department engaged a consultant to study CCHIP and the downtown housing market. She stated that as a result, the program boundary would be modified to shift focus from single-family neighborhoods. She noted that said boundary would change from 5.4 square miles to 2.64 square miles. She reviewed the proposed incentives and the funding levels for each category. She stated that the following draft recommendations developed by the Mayor's Housing Policy Task Force and its Technical Working Groups have been considered in CCHIP revisions:

- Prioritize funding for new rental housing in all communities that are linked with transportation, jobs, and cultural assets
- Establish financial leverage as a top priority in utilization of public funds
- Increase production, rehabilitation, and preservation of affordable rental units

Ms. Garcia noted that other recommendations included:

1. Develop an affordable housing fund and designate 25% of the ad valorem taxes paid by the developer of a project with an executed CCHIP agreement with the City to a fund to support affordable housing projects in the CCHIP boundary
2. Leverage public land to facilitate the development of affordable housing

Ms. Garcia stated that the creation of a Center City Affordable Housing Fund was recommended to support affordable housing projects in the downtown area. She noted that the source of funding would be 25% of the ad valorem taxes paid to the City on CCHIP Projects. She stated that it was also recommended that the City issue a Request for Proposals (RFPs) for the development of affordable housing on publicly owned land. She highlighted two areas owned by the City which could be utilized for the development of affordable housing. She noted that more community outreach would be accomplished and the proposed recommendations would be brought before the full City Council on September 20, 2018 for consideration.

Chairperson Viagran asked how much retail space was in use and how much was vacant. Lori Houston stated that she would provide that information.

Councilmember Perry stated that the return on investment should be publicized.

Councilmember Pelaez spoke of the direct impact of incentives on the quality of services.

Councilmember Courage expressed concern regarding the affordability of rental properties and suggested that goals be set on what affordability should be.


Councilmember Pelaez moved to recommend and forward staff's recommended revisions to the ICRIP and CCHIP Programs to the full City Council on September 20, 2018 for consideration. Councilmember Perry seconded the motion. The motion carried unanimously.

4. Briefing on the Federal Tax Incentive Opportunity Zones Program. [Lori Houston, Assistant City Manager; Mike Etienne, Director, Office of EastPoint]

Item 4 was not addressed.


Adjourn

There being no further discussion, the meeting was adjourned at 3:26 p.m.



Rebecca Viagran, Chairperson

Respectfully Submitted,



Denice F. Trevino

