

**State of Texas
County of Bexar
City of San Antonio**



**Meeting Minutes
City Council B Session**

City Hall Complex
105 Main Plaza
San Antonio, Texas 78205

Wednesday, December 11, 2019

2:00 PM

Municipal Plaza Building

The City Council of San Antonio convened in the City Council Chambers of the Municipal Plaza Building.

ROLL CALL

City Clerk Leticia Vacek took the Roll Call noting a quorum with the following Councilmembers present:

PRESENT: Mayor Nirenberg, Treviño, Andrews-Sullivan, Viagran, Rocha Garcia, Gonzales, Cabello Havrda, Sandoval, Pelaez, Courage, and Perry.

- 1.** Briefing on the FY2020 Affordable Housing Strategy. [Lori Houston, Assistant City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]

Lori Houston stated that the Mayor's Housing Task Force Framework (Framework) was approved by City Council in August 2018. She noted that the Framework identified actions which required implementation in order for the City to meet the affordable housing needs in San Antonio. She stated that the Framework was developed by the Mayor's Housing Task Force following an 11-month public engagement process. She noted that the fiscal year (FY) 2019 Affordable Housing Budget included \$26.1 million in funding for the Framework. Ms. Houston stated that the majority of the funding was derived from grants and the General Fund. She noted that a donation was received from the private sector for the "Under 1 Roof" Program and a

donation of \$2 million was received from the San Antonio Housing Trust (SAHT). She stated that the FY 2020 Affordable Housing Budget was comprised of funds from grants, the General Fund, housing partners, and Tax Increment Reinvestment Financing (TIRZ) Grants. She noted that a position for a Chief Housing Officer to assist in coordination efforts was included in the FY 2020 Affordable Housing Budget. She reviewed the program allocations in the FY 2020 Affordable Housing Budget. She stated that the FY 2020 Affordable Housing Goals included:

- Enhance the coordinated Housing System
- Protect and preserve neighborhoods
- Develop strategies and tools which facilitate sustainable home ownership and future housing opportunities
- Increase owner occupied and rental occupied housing

She stated that the Housing Implementation Plan would be adopted by the San Antonio Housing Authority (SAHA), SAHT, the San Antonio River Authority (SARA), and the Housing Commission and would outline each entities' responsibilities. She highlighted the following programs which serve to protect and preserve neighborhoods:

1. Rehabarama
2. Infill Housing Program (new/rehab)
3. Owner Occupied Rehab
4. Minor Repair
5. Under 1 Roof

Mrs. Houston stated that a grant was received through the Ground and Solutions Network for the For Everyone Home Initiative which was a community-driven process which would include participation by Mayor Nirenberg, Lourdes Castro-Ramirez, Verónica Soto, San Antonio for Growth on the Eastside (SAGE), The Esperanza Center for Peace and Justice, and Housing Commission Members.

Mrs. Houston noted that an Anti-Displacement Strategy would be developed and would include: 1) A Needs Assessment in January 2020; 2) Anti-Displacement and Inclusive Growth Agenda in June 2020 to include Neighborhood Empowerment Zones and Community Land Trusts; and 3) An Implementation Plan in October 2020. She stated that the Risk Mitigation Fund was created in FY 2019 with the goal of preventing and mitigating the harms of displacement and identifying root causes of displacement in a process co-led by the community.

Mrs. Houston stated that the Public Facilities Corporation (PFC) through the SAHT was one of the most valuable tools utilized to facilitate affordable housing. She denoted the following programs which would increase Owner and Rental Occupied Housing:

- 4% and 9% Tax Credit Policy
- Gap Financing
- Property Disposition
- Partnership with Churches and Non-Profits
- Removing Barriers to Affordable Housing

She reported that the Housing Tax Credit Policy was approved by the City Council in October 2019 and went into effect on December 2, 2019. She stated that the Housing Tax Credit Policy promoted deeper affordability, support services, Regional Centers and Transportation Corridors, and enhanced communication.

Mrs. Houston reported that gap financing was approved by the City Council in September 2019 and a Request for Applications (RFAs) was released for both Rental and Homeownership in the same month. She stated that staff recommendations would be presented to the Planning and Community Development Committee on January 13, 2020 and to the City Council on January 30, 2020 for consideration. Part of the Property Disposition Program includes Continental Hotel (D1; Council action 2020); South San Pedro (D1; RFP December 2020); and Zarzamora Property (D5: RFP Spring 2020).

Mrs. Houston noted that the Mission-Oriented Development Initiative would:

- Increase affordable units through funding, policy, and incentives
- Leverage existing community resources
- Bridge the development gap
- Allow for Homeowners to age in place

Mrs. Houston stated that a workshop related to the Initiative was held on November 13, 2019 with over 100 individuals in attendance. She noted that workshop attendees interested in partnering with the City on developing affordable housing projects were asked to complete a survey and 40 surveys were received. Staff would make recommendations and/or a briefing regarding the 40 respondents to the Planning and Community Development Council Committee and the Housing Commission.

Mrs. Houston referenced the following rental unit production, rehabilitation, and preservation by Average Median Income (AMI) and the Ownership Unit Production, rehabilitation, and preservation by AMI (lower chart).

AMI range	10-year goal	Pre-closing/closed	% of 10-year goal met	Pipeline
≤ 30%	1,701 units	1,740 units	102%	152 units
31%-50%	6,344 units	870 units	14%	382 units
51%-60%	3,172 units	5,310 units	167%	953 units
61%-80%	1,165 units	2,439 units	209%	1,017 units
TOTALS	12,382 units	10,359 units		2,504 units

AMI range	10-year goal	Pre-closing/closed	% of 10-year goal met	Pipeline
≤ 80%	3,532 units	828 units	23%	196 units
81%-120%	2,767 units	310 units	11%	1,678 units
TOTALS	6,299 units	1,138 units		1,874 units

Mrs. Houston stated that the majority of rental units were within a mile of a Regional Center and a Transportation Corridor and 92% of rental units in the pipeline were within a mile of a Regional Center and Transportation Corridors. She noted that recalibration of housing goals would be performed in partnership with the Housing Commission to define goals, develop metrics, and refine and recalibrate goals.

The recalibration of housing goals are estimated to be completed in February 2020. She highlighted the St. John Project in Council District 3, the Green Line North Project in Council District 3, the Watson Road Phase I Project in Council District 4, and the St. Philip's Micro-Housing Project in Council District 2.

2. Briefing regarding a study on the contributions of existing, older housing stock to meeting affordable housing goals. [Roderick Sanchez, Assistant City Manager; Shannon Miller, Director, Office of Historic Preservation]

Donovan Rypkema stated that PlaceEconomics performed a study of the role of older housing stock to meet affordable housing goals. The study identified vulnerable properties; location, condition, ownership patterns of older housing meeting the housing needs while mitigating the loss of older housing. He stated that the study was consistent with existing policies and was built upon San Antonio's Housing Framework and an Analysis of Housing Vulnerability in San Antonio. He noted that there were 523,614 housing units in San Antonio and he reviewed housing tenure, and housing units by type and by age. He stated that of 992 Census Block Groups in San Antonio, 331 had more than 50% of housing stock built prior to 1960, which were located mostly within Loop 410. He noted that older housing was more affordable and spoke of the vacant building opportunities for same. He reviewed the measures for sustainability for older housing which spoke to rehabilitation of older housing. He stated that although local historic and conservation districts discourage demolition, 90% of pre-1960 housing was not located within designated historic or conservation districts. He noted that properties at greatest risk for demolition included properties which were built prior to 1960, renter occupied, in fair or poor condition, and with a land value greater than 50% of the property value. He stated that an increase in land values has been observed for older housing due to supply and demand. He compared the cost of providing affordable housing through new construction vs. rehabilitation and noted that rehabilitation cost half of that for new construction. He noted that the creation of 81,000 new jobs were projected in the next decade but many of those jobs would pay less than \$30,000 per year. He made mention of 30 other tools listed in the report but in conclusion he stated that housing affordability was real and serious and was going to get worse. He noted that existing older housing was providing much of the affordable housing with most without subsidies, incentives, and assistance. He stated that housing was being lost at a rapid pace and

new construction must be part of the solution but would be neither cheap nor sufficient. He noted that as much of existing older housing as possible must be maintained. He noted that making the retention of older housing as a central element in affordable housing strategies would put San Antonio in the forefront nationally.

Mrs. Houston stated that the following initiatives were underway based on recommendations in the report:

- Establishment of a Community Land Trust
- Establishment of Neighborhood Empowerment Zones
- Encouraging ADU development
- Implement single-family rehab and family pilot programs
- One-Stop Shop

Mayor Nirenberg asked if the report had been presented to the Housing Commission. Mrs. Houston replied that the report would be presented to the Housing Commission and the Planning and Community Development Council Committee. Mayor Nirenberg requested an update on the For Everyone Home Initiative. Mrs. Houston stated that the For Everyone Home Initiative was in Phase 1 and the needs assessment was in progress. Mayor Nirenberg asked of strategies to include code development and the code enforcement process. Verónica Soto stated that Code Enforcement Officers received training regarding the Housing Rehab Programs and were included in discussions regarding the Homeless Strategic Plan. Mayor Nirenberg requested an update on the status of the Right to Counsel Pilot Program. Mrs. Houston stated that the scope of work and the Risk Mitigation Report would be finalized in the next week or so and a contract would be executed in January 2020.

Councilmember Andrews-Sullivan asked of the contractor's rate of investment. Mrs. Houston stated that the contractor's rate of investment would be the same as for regular new construction.

Councilmember Cabello Havrda asked of the Council District outputs associated with the increase in funding. Mrs. Houston stated that the focus at this time was on Council Districts 1 through 5 but there were projects within each Council District. She noted that the equity metric was applied for Minor Home Repair, the Owner Occupied Rehab Program, and the Under 1 Roof Program.

Councilmember Viagran proposed including the San Antonio Housing Authority (SAHA) in the recalibration of housing goals.

Councilmember Sandoval expressed support for Councilmember Viagran's proposal.

Councilmember Gonzales spoke of issues regarding title clearance and noted that many homes in the 78207 zip code were not occupied by the homeowners or even relatives of the homeowner. She spoke of the lack of private sector involvement and asked what was being done to change that. Mrs. Houston stated that the Fifth Affordable Housing Contractor Fair would be held next week and similar fairs had been held in Council Districts 1, 2, and 5. She stated that the City was partnering with private banks to involve them in the Affordable Housing Plan.

Councilmember Rocha Garcia asked how historic was defined in years. Mr. Rypkema replied that local communities usually decide what is historic at 50 years. Councilmember Rocha Garcia requested a breakdown of the number of housing units built prior to 1960, and the allocation of funds by Council District.

Councilmember Treviño asked if homes which have mold should be demolished. Mr. Rypkema replied that it was not necessary to demolish homes with mold. Councilmember Treviño expressed support for the Right to Counsel Program and stated that he intends to request an additional \$1 million in funding for the program at the mid-year review. Councilmember Perry expressed concern that part of the funding for affordable housing was taken out of the General Fund. Councilmember Courage stated that a serious commitment must be made to ensure that people stay in their homes.

EXECUTIVE SESSION

Mayor Nirenberg recessed the meeting at 5:08 pm to discuss the following items:

- 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 collective bargaining pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- D. Legal issues related to litigation involving the City pursuant to Texas Government Code Section 551.071 (consultation with attorney).

Mayor Nirenberg reconvened the meeting at 5:59 pm and announced that no action was taken.

PUBLIC COMMENT

Nazarite Ruben Flores Perez referred to the recent New Zealand volcano eruption and stated that it was an example of what to expect in the future based on what is in Revelation.

CEREMONIALS

OFFICIAL APPRECIATION: Climate Action and Adaptation Plan

The Mayor and Council extended their official appreciation to the Members of the SA Climate Ready Steering Committee and Technical Working Groups who assisted with the development of the Climate Action and Adaptation Plan (CAAP). The plan explores mitigation strategies aimed at reducing or preventing the emission of greenhouse gases, and adapting policies to

prepare the community, municipal government operations, and other key sectors for the anticipated impacts of climate change. Over 90 individuals worked together on the CAAP.

OFFICIAL APPRECIATION: June 2019 Storm Recovery Volunteers

The Mayor and Council recognized volunteers for their efforts following the June 2019 storm recovery. The Woodlawn Lake area was one of the neighborhoods most severely hit by power outages. City Staff, the San Antonio Food Bank, local Churches, and volunteers from organizations were recognized.

ADJOURNED

There being no further discussion, Mayor Nirenberg adjourned the meeting at 6:31 pm.

APPROVED

RON NIRENBERG
MAYOR

Attest:

LETICIA M. VACEK TRMC/CMC/MMC
City Clerk