

**GOVERNANCE CITY COUNCIL COMMITTEE
MEETING MINUTES
NOVEMBER 14, 2019 at 2:00 PM
CITY COUNCIL CHAMBERS**

Committee Present:	Mayor Ron Nirenberg, <i>Chair</i> Councilmember Adriana Rocha Garcia, <i>District 4</i> Councilmember Shirley Gonzales, <i>District 5</i> Councilmember Ana Sandoval, <i>District 7</i> Councilmember John Courage, <i>District 9</i>
Staff Present:	Councilmembers Viagran and Pelaez; Erik Walsh, <i>City Manager</i> ; Andy Segovia, <i>City Attorney</i> ; Leticia Vacek, <i>City Clerk</i> ; Kevin Barthold, <i>City Auditor</i> ; Lori Houston, Carlos Contreras, & Dr. Colleen Bridger, <i>Assistant City Managers</i> ; Alex Lopez, <i>Economic Development Dept.</i> ; Ed Guzman, Ray Rodriguez, Jameene Williams, & Christina Ramirez, <i>City Attorney's Office</i> ; John Peterek, Caitlin Krobot, & Carlos Morgan, <i>City Manager's Office</i> ; Tim Salas, <i>District 4 Staff</i> ; Lina Rodriguez, <i>Office of the City Clerk</i>
Others Present:	Diane Sanchez & Sophie Torres, <i>SA Hispanic Chamber of Commerce</i> ; Francesca Rattray & Lily Casura, <i>YWCA</i>

CALL TO ORDER

Mayor Nirenberg called the meeting to order.

1. Approval of the Minutes from the Governance Council Committee Meeting of October 16, 2019.

Councilmember Courage moved to approve the Minutes from the Governance Council Committee Meeting of October 16, 2019. Councilmember Rocha Garcia seconded the motion. The motion carried by those present.

Councilmember Gonzales entered the meeting at this time.

2. A briefing and discussion on a Council Consideration Request from Councilmember Pelaez for Community Land Trusts and sale-leaseback methods for residential homeowners. [Lori Houston, Assistant City Manager; Veronica Soto, Neighborhood and Housing Services Department Director].

Assistant City Manager Lori Houston briefed the Committee on the CCR brought forth by Councilmember Pelaez regarding the review of a sale-leaseback program and/or community land trust pilot program for residential homeowners. She stated the purpose of both programs was to provide long lasting affordability for single family households, stabilize neighborhoods, and prevent future displacement. She noted the CCR requested a review of state law conformance, possible implementation partners, and funding strategies.

Mrs. Houston stated that Community Land Trusts (CLTs) are a policy tool that separates the ownership of land from structure (most often for single family homes); which allows the home to remain affordable by removing it from the speculative market, reducing purchasing costs, and tax liability. She stated a CLT homebuyer enjoys a significantly reduced mortgage and annual property taxes because they purchase only the home and lease the land from the CLT. She noted that the CLT is a non-profit entity that stewards the land and manages the long-

term leases held by each homeowner. She indicated these leases are 99 years, renew with each buyer, and when a CLT homeowner chooses to sell, the selling price is capped to ensure the homes remain affordable for the next buyer while still building equity for the seller. She noted that CLT's are allowable under Texas Local Government Code, Chapter 373B and have been implemented in other Texas cities including Houston and Austin in which they offer a municipal tax exemption to the non-profit CLT entity. She stated that the CLT property is appraised on a different model than market homeownership, making the property taxes more affordable. She stated that the land is taxed based on a formula related to the monthly ground lease fee instead of the fair market value of the land and the home is taxed on the resale value of the home.

Mrs. Houston noted that while CLT's are typically used for new construction or acquiring vacant property, it is also possible for existing homeowners to sell their property (land) to the same non-profit entity and enter into a similar long-term lease while continuing to own the structure. She stated that staff conducted best practices research of peer cities in Texas along with consultations with national CLT experts Grounded Solutions Network which specializes in CLT's and are currently working with the City, community, and institutional partners on the City's anti-displacement initiative.

Mrs. Houston stated that next steps include community conversations with non-profit entities for the establishment of a formal CLT by Grounded Solutions Network and possible partners include the San Antonio Housing Trust, San Antonio Affordable Housing, Inc. (the non-profit arm of the OURSA, the City's Urban Renewal Agency), existing Community Housing Development Organizations, and/or the creation of a new non-profit land trust entity. She stated that funding was allocated in the FY2020 Budget for the creation of a CLT.

Councilmember Courage inquired of the impact on taxes for school districts, etc. Mrs. Houston stated that the land would be tax-exempt, unless improvements are made on the land. Councilmember Courage requested copies of the CLT programs conducted in Austin and Houston with research regarding the history, such as how long the programs have been in place and their success.

Councilmember Gonzales asked of the legality of the program. Deputy City Attorney Edward Guzman replied that CLTs are specifically provided for in the Local Government Code and allowable.

Councilmember Sandoval inquired of the trust and how it would be setup. Mr. Guzman stated that a new entity would need to be created to manage the trust on behalf of the City. Councilmember Sandoval requested that more streamlining be conducted of the various Housing Boards/Commissions and requested input regarding this program be provided by the Mayor's Housing Task Force.

Mayor Nirenberg and Councilmember Rocha Garcia noted their support of the program.

No action was required for this item.

3. A briefing and discussion on a Council Consideration Request from Councilmember Rocha-Garcia for the creation of a Small Business Advisory Commission. [Carlos J. Contreras III, Assistant City Manager; Alejandra Lopez, Interim Director, Economic Development].

Interim Director Alex Lopez briefed the Committee on the CCR brought forth by Councilmember Rocha Garcia regarding the creation of a new Small Business Advisory Commission to discuss policy issues that may affect small businesses. She stated that the entity now referred to as the Small Business Advocacy Committee (SBAC) has advised the Mayor, City Council and staff on business issues related to the effectiveness of the Small Business Economic Development Advocacy (SBEDA) Program and its previous iterations for over 30 years. She noted that the SBAC meet on a monthly basis and consists of 11 district-specific members appointed by the Mayor and City Council. She stated that the by-laws of the SBAC are specific and focused on

recommending modifications to the SBEDA Ordinance and procurement procedures to promote the participation of small, minority, and women-owned businesses on City contracts. She noted that the CCR acknowledged the specific focus of the SBAC and called for the creation of a Small Business Advisory Commission through which small businesses may provide feedback on City policies. Furthermore, the CCR recommended the majority of the commission consist of small business owners, appointed by the Mayor and City Council for two-year terms and the two positions on the proposed 11-member commission be reserved for non-profit organizations, with two additional positions reserved for business organizations. She stated that staff recommended engaging with local small business owners to review current feedback opportunities, along with the potential creation of this commission and that a final recommendation be presented to the Economic & Workforce Development Council Committee no later than March 2020.

Councilmember Rocha Garcia noted that she submitted this CCR so that small businesses have a voice regarding City policies both future and past. She noted that the SBAC's by-laws are too stringent for broader discussion. She reiterated the need for continuity among SBAC and the citizen-members of the Audit & Accountability Committee.

Councilmember Gonzales noted that there are many small businesses in her district that want to provide an opinion regarding various things related to the City but do not know where to go. She stated that more dissemination of information regarding public safety, street projects, and basic information is needed between the City and small businesses.

Councilmember Sandoval requested that SBAC be renamed if the new committee is created as to avoid confusion. She requested that staff include small businesses of all sizes from 5 employees to 500 employees and that the SBAC and the new committee share information and suggested a representative in each group.

Councilmember Courage noted his support of the creation of this new committee and the need for continuity between SBAC and the new committee. He requested representation of the various Chambers of Commerce.

Councilmember Rocha Garcia recognized Diane Sanchez, President of the San Antonio Hispanic Chamber of Commerce. Ms. Sanchez stated the recommendation of the Chamber is to focus on the divisions of small business type, the size of the small business, and the execution of policies that affect small businesses.

Mayor Nirenberg stated that equity does not mean balance. He noted that policy tends to be created by those that have direct access to the policy-makers. He stated that the most important issue is about balance between business leaders and those that are underrepresented in policy discussions.

No action was required for this item.

4. A briefing and discussion on a Council Consideration Request from Councilmembers Gonzales and Viagran regarding gender pay parity. [Carlos J. Contreras III, Assistant City Manager; Alejandra Lopez, Interim Director, Economic Development].

Interim Director Alex Lopez briefed the Committee on the CCR brought forth by Councilmembers Gonzales and Viagran requesting a feasibility study and action plan by the City's Department of Human Services (DHS) in collaboration with the Economic Development Department (EDD) to develop a set of economic programs and policies designed to address gender pay disparities. She stated that in November 2018, the City unanimously approved a resolution on Women's Equity, reaffirming the commitment of the City to improve the status of women, specifically: (1) by eliminating all forms of violence against women; (2) by promoting the health and safety of women; (3) by promoting substantive economic and business opportunities for women; and (4) by promoting political participation and leadership by women. She stated that various City departments

provide resources and services in connection with the commitments highlighted in the Women's Equity Resolution. She noted that DHS promotes the economic success of women by implementing programs and services designed to improve educational attainment; strengthen social safety nets; increase access to affordable, high quality child care and education; provide emergency assistance financial counseling, tuition assistance, and case management; provide leadership development opportunities; and family violence intervention. She stated that EDD also provides incentives and tools to foster women entrepreneurship, business ownership, and workforce development, which include upskilling services ranging from literacy and numeracy, GED attainment, work experience, occupational certification, and job placement; City contracting; access to capital; business development fee waivers; mentorship; and business consulting services.

Ms. Lopez stated that in May 2019, the City finalized a report on the status of women, prepared by Dr. Rogelio Saenz and Lily Casura from UTSA and utilized a variety of data sources to provide a detailed account of the standing of women with respect to health, education, work, housing, civic engagement, and violence, etc. Specifically, the Report indicated that women in San Antonio are less likely than men to drop out of high school and are more likely to complete a bachelor's degree. However, these education gains are not yet closing the earnings gap between men and women. Women without high school diplomas, with bachelor's degrees, and with graduate or professional degrees earn 64 cents, 81 cents, and 72 cents, respectively, for every dollar earned by men. She stated that earnings disparities are further compounded when considering race and ethnicity.

Ms. Lopez stated that staff recommended DHS explore practices to close the gender pay gap with those agencies with which it contracts through its delegate agency process; EDD will coordinate with nonprofit organizations and business stakeholder organizations to explore best practices such as pay transparency, gender awareness training and women sponsorship/leadership cultivation programs as an option by which companies can qualify when seeking economic development incentives, including tax abatements. She noted that staff recommended presenting the findings of this research to City Council in a B Session in March 2020.

Councilmember Gonzales recognized Diane Sanchez, President of the San Antonio Hispanic Chamber of Commerce. Ms. Sanchez stated that from an economic/business perspective hourly wage, the need for women to be in management/leadership positions, and the need for more women on private and public Boards and Commissions. Councilmember Gonzales recognized Francesca Rattray, CEO of the YWCA. Ms. Rattray stated that the YWCA received a 5-year grant from United Way to address the gender pay parity issue; she stated that her first order of business was to hire the YWCA Director of Equity, Lily Casura who also co-authored the report on the status of women. Ms. Casura stated that the mission of YWCA is to eliminate racism and empower women, and pay parity is a large part of that. She noted that a public awareness campaign, creation of a business council, and the creation of a consulting practice for businesses to learn best practices to be more equitable. She cited several studies that note the correlation between the reductions of domestic violence when the wage gap is reduced. She noted the price of child-care is a major roadblock in regards to gender pay parity.

Councilmember Viagran stated that the CCR can be another avenue for gender pay parity and that staff has already begun the work on the feasibility study and action plan with the YWCA. She stated the importance of creating the space for women to be promoted among higher level positions. She mentioned the City's Women's Leadership Mentoring Program as a great step in the right direction for the City to lead by example. She requested the action plan be brought to the Economic & Workforce Development Council Committee.

Councilmember Gonzales noted the importance of the City to lead by example and engage in gender pay parity as an organization, specifically at the executive leadership level and among the City Council staff. She also stated she had submitted an additional CCR regarding childcare in City Boards and Commissions. City Manager Erik Walsh noted that the City would also look into the gender pay parity of entities or delegate agencies requesting funding from the City in the future and those currently receiving funding from the City.

Councilmember Rocha Garcia expressed her support of the CCR and noted that she previously served as the City's Executive Recruiter and personally experienced the execution of the City's goal to achieve gender pay parity, particularly among the executive leadership level.

Councilmember Sandoval requested the inclusion of race and ethnicity in the feasibility study and action plan. She also noted the importance of promotion of women in at the leadership level.

Councilmember Courage inquired of the gender pay parity among delegate agencies which are predominantly non-profits. Dr. Bridger stated there was an opportunity when conducting next year's consolidated funding process to inquire of the gender pay parity of the delegate agencies that request City funds. Councilmember Courage noted the need to narrow the focus of the feasibility study and action plan to address those entities that are under the purview of the City Council and not every business in the city.

Mayor Nirenberg thanked the majority female City Council for bringing forward this CCR. He noted the GDP of San Antonio is roughly \$110 Billion. He stated that if the GDP accounted for women's "second-shift" hours worked which include, homemaking and volunteering within the community; the GDP would be \$150 Billion. He noted the \$40 Billion difference in economic output that is not being accounted for because of the gender pay parity issue. He stated his full support of the CCR.

Councilmember Sandoval moved to forward updates on the gender pay parity feasibility study and action plan to the Economic Workforce & Development Council Committee and request that SAWS & CPS conduct a similar study. Councilmember Gonzales seconded the motion. Motion carried unanimously.

ADJOURNMENT

There being no further discussion, Mayor Nirenberg adjourned the meeting at 3:59 pm.

ATTEST:



Leticia M. Vacek, TRMC/CMC/MMC
City Clerk



Ron Nirenberg, Mayor

