

**PLANNING AND LAND DEVELOPMENT
COUNCIL COMMITTEE MEETING MINUTES
MONDAY, FEBRUARY 8, 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> ; Susan Guinn, <i>Assistant City Attorney</i> ; Verónica R. Soto, <i>Director, Neighborhood & Housing Services Department</i> ; Edward Gonzales, <i>Assistant Director, Neighborhood & Housing Services Department</i> ; Ian Benavidez, <i>Housing Administrator, 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:	Representative Barbara Gervin-Hawkins, <i>District 120, Texas House of Representatives</i> ; Brandee Perez, <i>Chief Operating Officer, San Antonio Housing Authority</i> ; Kristi Baird, <i>Director of Beacon Communities, San Antonio Housing Authority</i> ; Tom Roth, <i>Director of Asset Management, San Antonio Housing Authority</i> ; Zachariah Woodard, <i>Director of Federal Housing Programs</i> ; Dan Wilson, <i>Senior Vice President, AP Communities</i>

1. Approval of the Minutes for the January 11, 2021 Planning & Land Development Council Committee Meeting.

Councilmember Viagran moved to approve the Minutes of the January 11, 2021 Planning & Land Development Council Committee Meeting. Councilmember Andrews-Sullivan seconded the motion. The motion carried unanimously by those present.

Public Comment

Written Testimony

Written public comments have been submitted and are attached to the minutes.

Live Testimony

Rich Acosta, President, My City My Home, stated that his nonprofit organization helped low income renters buy homes and he had first-hand knowledge of those challenges. He asked why a Source of Income Discrimination (SOID) Ordinance was needed. He expressed concern that housing units in the City practiced discrimination and accepted tax dollars. He noted that 50% of voucher holders could not find homes and their vouchers expired in the process and stated that Committee members had the power to fix the process.

Mia Loseff stated that SOID was a common-sense policy that would greatly increase housing options for families with vouchers. She noted that the City helped developers with incentives to build affordable housing; but in turn, developers could deny housing to residents. She called for the City to deny tax incentives to developers that were ready to discriminate against tenants.

Brad McMurray stated that he was the Vice President of Prospera Housing Community Services which was a nonprofit organization that provided affordable housing since 1993 and owned or managed more than 1800 housing units within the City limits. He added that his organization served as the housing consultant for Alt Affordable Housing Services which was seeking a resolution for its 9% Village at Perrin Beitel Application in Council District 10. He called for City Council to follow staff recommendations and support the mixed income community development.

- 2. Amended Resolution of No Objection for Atlantic Pacific Communities' application to the Texas Department of Housing and Community Affairs Non-Competitive 4% Housing Tax Credits program for the construction of the Villas at Echo East, a 192-unit multi-family rental housing development, located at west of the intersection of Spriggsdale Avenue and Como Street in Council District 2. [Lori Houston, Assistant City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]**

Councilmember Andrews-Sullivan moved to approve Item 2 by consent. Councilmember Viagran seconded the motion. The motion carried unanimously.

Councilmember Courage entered the meeting at this time.

- 3. Consideration of a recommendation to award up to \$3,000,000 in Community Development Block Grant (CDBG) funding and up to \$5,901,669 in HOME Investment Partnerships Program (HOME) funding to affordable housing development activities. [Lori Houston, Assistant City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]**

Verónica Soto reported that HUD Entitlement Grants could be used to develop and preserve affordable housing and was part of the City's five-year Consolidated Plan. She noted that HUD funding for affordable housing increased after 2018 and aligned with the Mayor's Housing Policy Taskforce Housing Policy Framework goal of increasing City investment in housing. She explained that a competitive Request for Proposal (RFP) was issued on October 26, 2020 for Federal funding recommendations that totaled \$8,901,669 for the development of 59 new affordable homeownership housing units at or below 80% of the Area Median Income (AMI), and 691 new affordable rental housing units. She cited evaluation criteria and noted that 2,397 rental and homeownership vendors were notified, and eight proposals were received and recommended for an award by the Evaluation Committee. She presented an itemized breakdown of the funding recommendations for five rental housing developments and three homeownership housing developments, along with renderings of the projects and a map of their locations.

Ms. Soto reported that an amendment to the FY 2021 Action Plan and Budget would be required to reprogram \$3,401,669 in HOME Investment Partnerships Program funding and to award up to \$3,000,000 in Community Development Block Grant (CDBG) funding. She added that these funding recommendations would be considered by the Audit and Accountability Committee on February 16, 2021, and by City Council on February 18, 2021.

Councilmember Treviño voiced concern that only 18 rental units were designated at 30% AMI and asked why the number was so low. He requested additional gap funding to create more units at 30% AMI. Ms. Soto reported that the 18 units were 9% tax credit projects and if more units were underwritten at 30% AMI, more subsidies would be needed to support the project. She added that staff would continue to explore deeper subsidizing for 9% tax credit projects. Assistant City Manager Lori Houston added that one of the ways to finance the Arbors West Project was through the use of housing vouchers that allowed for 43 of the 80% AMI units to go households at 30% AMI.

Councilmember Andrews-Sullivan asked how the nine homeownership housing development units at Scattered Sites Infill would be distributed between Council Districts 2 and 3. She voiced concern that developers and their property management companies utilized loopholes to displace voucher recipients through redevelopment. Ms. Soto confirmed that the 9 units would be spread across both Council Districts.

Councilmember Courage asked why there was a disparity in the types and sizes of the homeownership housing units with \$70,000 granted per unit to Zarzamora Houses, \$30,000 granted per unit to Scattered Sites, and \$40,000 granted per unit at Rancho Carlota. Ms. Soto stated that she would provide an itemized breakdown of square feet and bedroom sizes.

Councilmember Viagran asked if more 30% AMI units were gap financed or otherwise funded, would awards for other funded projects be impacted. Ms. Soto confirmed that it would decrease the number of units to be developed throughout the City.

Councilmember Viagran moved to approve Item 3. Councilmember Andrews-Sullivan seconded the motion. The motion carried unanimously.

4. Consideration of a recommendation to reprogram \$3,401,669 in HOME Investment Partnerships Program (HOME) funding to affordable housing development activities and \$1,144,002 in Community Development Block Grant (CDBG) funding to eligible activities.
[Lori Houston, Assistant City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]

Ms. Soto reported that completed HUD funded projects could realize savings that could in turn be utilized for other activities; and if projects were cancelled, reallocation of those funds could also occur. She noted that in order to use the savings or program income, eligible activities needed to be added to the HUD-required Annual Action Plan through an Amendment. She presented an itemized breakdown of the funding recommendations for eight HOME and CDBG Reprogramming Projects and affordable housing gap funding recommendations for seven projects. She provided a Substantial Amendment Timeline: Public Comment Period Initiated: February 12, 2021; Virtual Public Hearing: February 17, 2021; and City Council Consideration: February 18, 2021.

Ms. Soto stated that approval of Substantial Amendment #3 to FY 2021 Action Plan and Budget was needed to reprogram \$3,401,669 in HOME funds to affordable housing development activities identified through the RFP process; and to reprogram \$1,144,002 in CDBG funds to eligible public works and public services activities consistent with the Five-Year Consolidated Plan.

Councilmember Viagran sked how many residences could be assisted through the \$100,000 Minor Repair Program. Ms. Soto reported that there was a \$25,000 cap per unit and the scope of work needed varied, but at least four additional homes could be rehabilitated.

Councilmember Courage expressed concern that the COVID-19 Pandemic interfered with the normal process and called for more opportunity for public input on the decision-making process. Ms. Soto reported that the Neighborhood Housing & Services Department (NHSD) would hold three community input sessions this week; one was regarding Neighborhood Engagement, and two were regarding the Emergency Housing Assistance Program (EHAP).

Councilmember Treviño voiced his support for the individual initiatives listed, but did not support the divesting of funds from the EHAP to do so; and therefore, he would abstain from voting on the Approval of Substantial Amendment #3.

Councilmember Andrews-Sullivan requested that marketing materials for community input sessions be distributed to the Council District Offices for outreach to residents that did not have digital access.

Councilmember Viagran moved to approve Item 4. Councilmember Courage seconded the motion. The motion prevailed as follows:

AYES: Courage, Andrews-Sullivan, Viagran, and Gonzales

ABSTAIN: Treviño

5. Briefing and possible action on the creation of a Source of Income Discrimination (SOID) ordinance. [Lori Houston, Assistant City Manager; Verónica R. Soto, FAICP, Director, Neighborhood and Housing Services]

Sara Wamsley reported that Source of Income Discrimination (SOID) was the refusal to rent or sell a housing unit to an applicant, or end a tenancy, based on the applicant's lawful form of income such as voucher. She clarified that SOID was *not* the denial of an application based on the applicant's inability to pay the advertised rent. She added that Federal programs prohibited SOID in participating properties and that there were State restrictions that prohibited a City-wide prohibition of SOID. She stated that 17 states and the District of Columbia had statewide statutes, and two cities in Texas currently had SOID Ordinances.

Ms. Wamsley stated that the primary holder and administrator of vouchers for the City was the San Antonio Housing Authority (SAHA) which had 13,000 active households and 7,600 on a waiting list. She added that the Housing Authority of Bexar County (HABC) provided vouchers for 1,800 active households with 7,000 on its waiting list. She added that there were over 2,200 contracted owners that rented to at least one SAHA voucher holder as of November 2020.

Ms. Wamsley stated that the proposed Ordinance would require developments and properties receiving any City funding or incentives to accept applicants, regardless of their lawful source of income, including vouchers. She added that proposed Ordinance would apply only to rental developments that received grants, loans, tax abatements, or monies awarded by the City, including, but not limited to, Tax Increment Reinvestment Zone (TIRZ) and Neighborhood Improvement Bond (NIB) awards, City Center Development Office (CCDO) fee waivers, loans, tax abatements, Neighborhood and Housing Services Department (NHSD) grant awards, and other incentives or awards. She reported that the Ordinance

would not apply to developments that received non-financial supports such as resolutions for Low-Income Housing Tax Credit developments.

Ms. Wamsley explained that the proposed Ordinance would apply to funding of all sizes going forward, with right-sizing compliance where the compliance period matched the funding source period. She noted that this action would align with actions being taken by SAHT.

Ms. Wamsley stated that the proposed SOID Ordinance would be separate from the City's Non-Discrimination Ordinance and would use similar mechanisms for complaint-based enforcement that would be initiated by a resident calling 311, the Office of Equity, or NHSD's Fair Housing Division. She added that a contracted agency would conduct proactive testing of subject properties on an annual basis. She added that progressive discipline could include warnings, mandatory compliance training, and fines up to and including recovery of awards, and debarring.

Councilmember Viagran asked of the community feedback received provided data points for SAHA. Ms. Wamsley stated that SAHA's reported data reflected that almost half of all its voucher holders were unable to find a property that accepted vouchers and sometimes had to give up searching for affordable housing or request extensions, and many had been on waitlists for years.

Chairwoman Gonzales expressed concern that voucher holders and property managers attested that the voucher amounts were too low. Ian Benavides explained that those were two separate, but interrelated issues. He stated that one issue was regulatory and how the voucher system operated, and the other was attributed to potential SOID issues where individuals that would otherwise qualify for a unit were denied due to using a voucher.

Brandee Perez reported that SAHA was required adhere to Federal regulations and to utilize HUD Fair Market Rent (FMR) rates based on zip codes; therefore, voucher amounts for the Northside were much larger than the Southside, Westside, or Eastside. She added that other contributing factors were family income, family size, if the unit was all bills paid, or if the family would have to pay utilities. She noted that if a family were to relocate to different areas of the City, their vouchers would be adjusted based on their current situation.

Councilmember Courage noted that housing costs should not exceed more than 30% of an individual's income and asked if the vouchers covered the income gap. Ms. Perez stated that voucher limits were based on 30% of income and oftentimes, their rents were lower than that. She added that SAHA negotiated with property owners on the asking rate, unless it was well above the shopping allowance. She noted that SAHA was required to adhere to comparable rents for the area and could not pay more.

Councilmember Treviño asked if staff was exploring the possibility of creating protections for veterans within the SOID Ordinance draft language. He requested a meeting with SAHA Leadership to discuss opportunities to improve the quality of life for tenants in both SAHA and SAHA voucher properties. Mr. Benavides stated that the stand alone SOID policy was all inclusive and protecting veterans was included in the City's Strategic Housing Implementation Plan.

Councilmember Andrews-Sullivan asked of preventative measures that could be taken to ensure that when developers sold affordable housing units, the new property owners could not reject vouchers and displace voucher families. Mr. Benavides reported that if an affordable housing development received gap funding,

restrictive covenants were in place for up to thirty years that provided protections for voucher families. He noted that if developers received gap funds, they would be further subjected to the SOID Ordinance.

Councilmember Treviño moved to forward Item 5 to a B Session, instead of an A Session, for City Council consideration. Councilmember Courage seconded the motion. The motion carried unanimously.

6. Resolutions of Support for multifamily rental housing development projects seeking 2021 Competitive 9% Housing Tax Credits from the Texas Department of Housing and Community Affairs. [Lori Houston, Assistant City Manager; Verónica R. Soto, FAICP, Director, Neighborhood and Housing Services]

Verónica Soto reported that the Texas Department of Housing and Community Affairs (TDHCA) Housing Tax Credit (HTC) Program allocated federal tax credits to developers to encourage the construction and rehabilitation of affordable multifamily housing. She reported that there were two types of HTC funding sources: Non-Competitive: 4%; and Competitive: 9%. She explained that the 4% program was available year-round; whereas, the Competitive 9% HTC program was a competitive process with a single annual application period. She noted that 9% projects were evaluated and scored according to TDHCA criteria. She explained that an application would receive a certain number of points if it received a Resolution of Support or a Resolution of No Objection from the City Council of the municipality where the project was located.

Ms. Soto stated that 15 applications were received, four withdrew, and 11 were recommended for Resolutions of Support in eight Council Districts (none in Council Districts 4 and 9). She presented a map of the 2021 9% HTC Applications, a project summary of the types of housing projects, and an itemized list of project names, developers, number of affordable units, and Neighborhood Housing Services Department (NHSD) score rendered.

Ms. Soto provided a list of 2021 Competitive 9% HTC multifamily rental housing development projects recommended by staff. She stated that all HTC developments had to serve families below 60% AMI. She noted that the recommendations were scheduled for City Council consideration in February 2021 so that Applicants could become competitive in the region for the tax awards by the March 2020 deadline.

Councilmember Courage asked what was the average amount of HTC projects that received State funding every year, and how accurate were staff scores. Ms. Soto replied that three or 4 projects were approved annually. She added that scoring was important because the process was very competitive and noted that last year had a three or four-way tiebreaker. Mr. Benavides stated that preapplication scoring reports would be provided to the Committee.

Councilmember Viagran moved to approve Item 6. Councilmember Courage seconded the motion. The motion carried unanimously.

Adjourn

There being no further discussion, the meeting was adjourned at 4:07 pm.

Shirley Gonzales, Chairwoman

Respectfully submitted,

Nancy Cano
Office of the City Clerk