

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



**Meeting Minutes
City Council B Session**

No in-person access to this meeting

Wednesday, February 3, 2021

2:00 PM

Videoconference

ROLL CALL

The City Council convened in a Regular Meeting. City Clerk Tina J. Flores took the Roll Call noting a quorum with the following Councilmembers present:

PRESENT: 10 - Mayor Nirenberg, Treviño, Andrews-Sullivan, Viagran, Rocha Garcia, Gonzales, Cabello Havrda, Sandoval, Pelaez, Courage, and Perry

ABSENT: 1 - Perry

Once a quorum was established, the City Council shall consider the following:

1. Briefing on proposed amendment to the City Charter to allow the City to issue bonds for permanent public improvements or any other public purpose. [Andy Segovia, City Attorney; Veronica Soto, Director, Neighborhood and Housing Services]

City Attorney Andy Segovia stated that the Charter Review Commission (CRC) was comprised of individuals that had the expertise, the input, and the background to provide meaningful input. He indicated that the City Council and City staff provided input regarding changes to the City Charter which would be beneficial to the City. He stated that the CRC consulted with stakeholders, and experts and the proposed changes would be submitted to the City Council and the City Council would vote to place those changes on the ballot. He added that the community would vote on whether or not those changes would be included in the City Charter.

City Attorney Segovia reported that in May 1997, the CRC recommended a change to the City Charter which would limit the ability of the City to issue bonds in certain areas and bonds could only be issued for public works. He stated that the 2018 CRC reviewed the proposed language amending the City Charter, Section 98 to allow more flexibility and the proposed amendment language would augment the 2018 language to align with the local bond authority allowed under State Law.

City Attorney Segovia stated that Section 1331.052 of the Texas Government Code permitted home-rule municipalities to issue bonds “to make permanent public improvements or for another public purpose in the amount and to the extent provided by its charter.” He noted that the current affordable housing bond required an adopted Urban Renewal Plan which designated areas where funding could be used and the designated areas were harder to develop and/or had a high land value. He indicated that the current bond limited the use of funds to site readiness activities and the Urban Renewal Plan required that single-family homes be sold to an individual/family at or below 80% area median income (AMI) and had a 30-year restrictive covenant. He added that pre-development costs were considered ineligible until City Council approval of a project.

City Attorney Segovia presented the proposed changes to the language in the City Charter. He stated that Courts had found that home-rule cities may determine that providing affordable housing and economic development projects served a public purpose. He noted that if the City Council wanted voters to consider a broader array of bond projects then the language should be changed.

City Attorney Segovia presented Housing Bond Program examples such as land acquisition, new construction gap financing, preservation of existing housing stock, AMI targeting, and priority locations. He indicated that other Texas cities had utilized the additional flexibility to develop bond projects that fell into these categories. He reported that economic development bond projects could be utilized to support specific development projects with grants, improvements, and site preparation.

City Attorney Segovia presented the 2022 Bond Program timeline:

Program development – October-December 2020
Consultant selection – October 2020-January 2021
Project scoping and cost estimating – February-June 2021
Committee appointments – July-September 2021
Recommended projects – August-September 2021
Committee community meetings – October-December 2021
Call for election – January-February 2022
Bond election – May 2022

City Attorney Segovia presented the Charter amendment timeline:

Ballot language – February 3, 2021
Order election – February 11, 2021
Notice of election – April 11, 2021
Election day – May 1, 2021

Mayor Nirenberg asked if the proposed language would prescribe the types of projects in the bond program. City Manager Erik Walsh replied that it would be up to the City Council to decide which propositions and projects would be included in the bond program. Mayor Nirenberg asked if the proposed language would prescribe or prevent the City Council from prescribing the type and manner of

an affordable housing program to put on the ballot. City Attorney Segovia stated that it would not limit the City Council's ability to review bond projects as they had always been reviewed. Mayor Nirenberg asked if the proposed language would permit placing easement purchases on a bond program. City Manager Walsh replied that it would. Mayor Nirenberg stated that the City Charter amendment would give the City an important new tool by enabling future bond projects to include housing and economic development projects.

Councilmember Gonzales asked if the current language permitted land banking. Veronica Soto stated that the City had the authority under the Urban Renewal Plan to acquire property but the City could not hold on to it for very long so the City could not land bank in the traditional sense.

Councilmember Sandoval spoke of preserving the existing housing stock. She asked if gap funding could be obtained by the San Antonio Housing Authority. Assistant City Manager Lori Houston stated that it could not.

Councilmember Courage asked if an affordable housing bond could be placed with the San Antonio Housing Trust. Clay Binford replied that the proposed language could provide that flexibility.

Councilmember Treviño asked if funding could be limited to developments that provided affordable housing to individuals at 50% AMI or below and rents restricted to no more than 30% of the household's income. Veronica Soto stated that could be incorporated into the kind of developments that the City wanted to see and the parameters. Councilmember Treviño requested feedback from the Housing Commission on this item.

Councilmember Rocha Garcia asked if the City could designate a percentage of funding for economic development projects. City Attorney Segovia stated that the proposed change to the City Charter would provide added flexibility.

Councilmember Andrews-Sullivan asked how the City would ensure that partners would not displace the most vulnerable residents. Ms. Houston stated that once a housing partner was identified that would receive assistance, their contract would prohibit that.

Councilmember Cabello Havrda asked how the amount of housing stock needed would be determined. City Manager Walsh stated that staff could provide that information but the City would not have enough bond capacity to fill the needs of our streets, drainage, municipal facilities, and affordable housing. He added that projects would have to be prioritized.

Councilmember Pelaez asked if the proposed language gave the City flexibility to do what was permitted by the Texas Constitution and State Law. City Attorney Segovia replied that it did. Councilmember Pelaez stated that this would be a vote to let the public decide.

Councilmember Viagran expressed concern regarding the broad language proposed. She spoke of protecting legacy homeowners. She requested that members of the CRC be posted during the City Council A Session on February 11, 2021.

Councilmember Sandoval asked if there was an opinion from the Attorney General that allowed for the purchase of a conservation easement under the proposed language. City Attorney Segovia stated that the Attorney General had not issued an opinion confirming that.

Councilmember Courage requested that staff include language that would limit projects to affordable housing. He asked of the maximum amount for the bonds that the City could fund at this time. Chief Financial Officer Ben Gorzell stated that the potential bond capacity was estimated at \$675 million in August 2020. He indicated that staff would come back to the City Council in the summer once the tax roll was available which would determine the 2022 Bond Program.

Councilmember Treviño stated that the proposed language was too broad.

Councilmember Andrews-Sullivan stated that it was important to have language that was concrete so that residents would understand the impact that it would have on their lives.

Councilmember Viagran stated that the proposed language was ambiguous and broad.

Councilmember Gonzales asked if the proposed language allowed for remediation of a brownfield site. Ms. Houston replied that it would if it was in support of an affordable housing project.

Mayor Nirenberg stated that staff provided guidance regarding how bonds could be utilized.

EXECUTIVE SESSION

- 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).
- E. Legal issues relating to COVID-19 preparedness pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- F. Discuss legal options pursuant to Texas Government Code Section 551.071 (consultation with attorney).

Mayor Nirenberg announced that the Executive Session would be carried over to February 4, 2021.

ADJOURNMENT

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

APPROVED

RON NIRENBERG
Mayor

Attest:

TINA J. FLORES
City Clerk