

HOUSING COMMISSION OFFICIAL MEETING MINUTES

WEDNESDAY, MARCH 24, 2021, 4:00 PM
VIDEO CONFERENCE

Members Present: Robert Abraham, Member
Pedro Alanis, Member
Jeff Arndt, Member
Dr. Paul Furukawa, Member
Jessica O. Guerrero, Chair
Nikki Johnson, Member
Ed Hinojosa, Member
Susan Richardson, Member
Sarah Sanchez, Member

Members Absent: None

Staff Present: Verónica R. Soto, *Neighborhood & Housing Services Department*;
Jameene Williams, *City Attorney's Office*;
Russell Huff, *Finance Department*;
Ian Benavidez, *Neighborhood & Housing Services Department*;
Edward Gonzales, *Neighborhood & Housing Services Department*;
Sara Wamsley, *Neighborhood & Housing Services Department*;
Irma Duran, *Neighborhood & Housing Services Department*;
Allison Beaver, *Neighborhood & Housing Services Department*;
Edith Merla, *Neighborhood & Housing Services Department*;
Rachel Smith, *Neighborhood & Housing Services Department*;
Munirih Jester, *Neighborhood & Housing Services Department*;
Sharon Chan, *Neighborhood & Housing Services Department*

➤ **Call to Order** - The meeting was called to order by Chair Jessica O. Guerrero at 4:10 PM.

➤ **Roll Call** – Irma Duran called the roll. At the time when roll call was conducted, nine (9) members were present representing a quorum.

Guerrero requested for a moment of silence to reflect on the people the Housing Commission aims to assist and to whom they are accountable.

➤ **Public Comments** – Duran announced there were five (5) residents signed up to speak for public comment. One (1) missed the deadline and written comment was recorded.

1. Molly, spoke regarding Item 2. She expressed that she was upset at the disregard and attack on her neighbors. She stated that the \$189,000 used to raid and scatter her neighbors in tents could have been used to rehouse them. She noted that FEMA would reimburse cities for permanent supportive housing. She requested a moratorium on all human sweeps, the purchase of a hotel for permanent housing where there could be affordable single occupancy, and dignity to be restored to the

neighbors that were attempting to establish their own affordable housing.

2. Marlon Davis, commented regarding Item 2. Davis stated that defining affordable as 30-60% AMI is too simplistic and does not account that large low-income families paying for basic necessities are more cost burdened than single individuals with the same income and also doesn't factor the potential trade off in living in high crime areas to reduce their rent burden. Also mentioned in the ACS is "shelter poverty" where the rent burden impacts low-income families to where they must reduce spending on provisions. Davis proposed affordable housing be calculated after these expenditures to give a more accurate affordability index. He requested the City stop human sweeps and have compassion to the homeless as housing is a human right.
3. Michael Taylor, Executive Director of Cross Timber Homes, spoke regarding Item 2. As Cross Timber was created as companion organization to Habitat for Humanity and assist households in the 80-120% AMI area that are in between qualifying for Habitat and a market rate home. As home prices have continued to surge, affordable ownership for a family of four grows distant. He stated that these families also are unable to qualify for additional housing benefits such as childcare, healthcare, or housing subsidies and that the City's support of affordable home ownership will assist in creating space to better quality of life outcomes. Taylor expressed his support of staff's recommendation.
4. Natalie Griffith, President of Habitat for Humanity, commented regarding Item 2. She stated that the previous Housing Commission she had served on, affordable was defined as not more than 30% of monthly income after housing payment, taxes, and insurance. She stated for affordable housing in the rental category should up to 60% AMI and single-family home ownership affordability should be up to 120% AMI. Griffith stated that Habitat assists households of up to 80% AMI for homeownership but created Cross Timber as they saw firsthand the need for assistance in the 80-120% AMI category as households lose much of their assistance benefits after crossing the 80% AMI threshold. Habitat has assisted over 3,000 families and offers truly affordable home ownership as the house is sold at cost. She stated that Habitat also offers 0% interest home mortgages to their families. She expressed support in keeping the definition of affordable housing consistent with the current Housing Policy Framework (HPF).
5. Karen Munoz's statement regarding Item 2 was read as follows:
I am a law student of St. Mary's resident of District 8. I recently read a news article that \$189,000 on violent sweeps of the homeless community. The funding should be used to house people, such as getting hotel rooms. When we discuss affordable housing, we should mention this as well. The \$189,000 figure shows that we have the funding to house people. I demand that we house people.

Staff note: The Housing Commission deadline for comment is 4 pm the day before the meeting. The reason for this is because it takes 24 hours for comments received in a language other than English to be translated. Speakers who call past the deadline are given the opportunity to submit a written comment to be included in the minutes but not read during the meeting, and to sign up in advance for the following meeting.

1. Item #1: Approval of Minutes for February 24, 2021 Regular Housing Commission Meeting.

Chair Guerrero requested additional time to review the minutes.

Commissioner Furukawa stated that the Minutes were beneficial to him as he was unable to attend. He noted that on the ForEveryoneHome (FEH) briefing, it was mentioned that story telling circles were mainly concentrated on the East, South, and West communities. He recalled that during previous discussions with George Losoya, previous AACOG (Alamo Area Council of Governments) member, regarding the San Antonio housing situation, Losoya highlighted that many calls he received were from the North, around Highway 281 and Loop 410, as the community is primarily older adults with fixed incomes that are unable keep up with the rent requested.

Commissioner Susan Richardson motioned to delay approval of the Minutes for February 24, 2021 Regular Housing Commission Meeting to the next meeting. Commissioner Nikki Johnson seconded. Motion carried unanimously.

Staff note: The Minutes for February 24, 2021 were approved at the Housing Commission's Annual Retreat on April 7th, 2021.

2. Item #2: Discussion and Possible Action on the Definition of Housing Affordability to be included in the Strategic Housing Implementation Plan (SHIP).

Guerrero requested Ian Benavidez, Assistant Director, to present.

Benavidez stated that the term “affordable housing” is used in the UDC (Unified Development Code) as well as City policies and programs. As there is not a singular definition, the Housing Commission was asked to agree upon a definition for use and will also be used to anchor the SHIP strategy. For this process, the SHIP Committee, public forums, and stakeholder forums collaborate to solidify a plan that can be implemented across the SAHT, City, and SAHA. Items that were discussed by SHIP partners were to use HUD’s AMI as the standard measuring stick, determine where on the measuring stick would be deemed “affordable”, incorporating transportation costs, and re-labeling AMI (Area Median Income) ranges for better context and sensitivity. Benavidez stated that current HUD’s AMI levels incorporates a geographical area (San Antonio, New Braunfels, and other municipalities) which raises the income threshold. The ACS (American Community Survey) AMI data accounts for San Antonio only. Comparing both data sets, ACS adjusts the affordability criteria to a more accurate representation of San Antonio. The households that would be impacted by adjusting from 60% to 80% AMI would be 12,800. Benavidez stated an example of the realignment where 80% AMI would be comparing the ACS \$1,075/month rent amount versus the HUD amount \$1,080/month rent but at 60% AMI. For single family home pricing, a table for affordability was roughly estimated.

Benavidez highlighted SAWS, CPS, and VIA and how the utility and transit costs factor into housing costs. He noted that representatives from each organization were present for questions. A brief survey was launched to ask the public what affordability means to them. Key phrases were taken from the ongoing survey and made into a word cloud, such as “property tax reform”, “no more than 25% of income”, and “being able to live on minimum wage”.

Staff recommendation introduced alternative labels for each category:

Homeownership:

Affordable Housing or Low Income: 120% and below (*No change*)

Rental:

Workforce Housing or Moderate Income: 60-100% AMI (*Currently 80-120% AMI*)
Affordable Housing or Low Income: 30-60% AMI (*Currently 30-80% AMI*)
Supportive or Very Low Income: 0-30% AMI (*Currently 0-30% AMI*)

Staff also suggested the Commission consider a new category: Extremely Low Income: 0-15% AMI (*New Category*)

The SHIP Equity principles used in forming the housing recalibration were as follows: Affordability, quality, accessibility, and choice. Benavidez concluded that in HPF, affordable housing “contributes to one’s socioeconomic mobility and quality of life.”

Guerrero paused for public comment.

Guerrero introduced the SAWS representatives, Gavin Ramos and Greg Wukasch, and CPS representatives, Jesse Hernandez and KJ Feder.

Commissioner Abraham stated he along with other Commissioners toured homes from Habitat for Humanity and Cross Timber recently and noted the high quality. He encouraged others to tour the homes as well.

Commissioner Alanis expressed as there are many factors that go into affordability, there are many angles to encapsulate for a definition. He hopes with this process more people understand the expansiveness that the Commission is attempting to capture. He stated one angle was individual affordability. He noted that one angle from the public comment was to place daily necessities before rent as standard as opposed to HUD’s standard, 30% of monthly income. Another angle, income targeting, typically is done through AMI. Section 8 vouchers are done through individual household information rather, but owner-occupied rehab is done incorporating AMI. Area targeting also factors into program design as to ensure equitable investment into disadvantaged communities. This also leads into population targeting such as people experiencing homelessness and seniors. Lastly, to ensure the housing stays affordable, restrictive covenants are placed to stabilize rent. However, one factor that sometime is overlooked is the increase of cost over time; as taxes and other monetary factors increase, costs are passed to the tenants which affects affordability. Alanis was grateful for the discussions regarding the verbiage on the AMI categories, particularly workforce housing, as it no longer properly relays the category’s basis. He looked forward to the finalized survey results.

Guerrero noted that staff pulled a compilation of Housing Commission public comments from previous meetings for Commissioners to reference during the discussion.

Commissioner Arndt asked for clarification if the bracket most impacted with the realignment is 60-80% AMI and what changes in opportunity would happen. Benavidez stated that in many parts of the city, 80% AMI is market rate due to the incorporation of HUD’s geographic inclusion of other higher income cities. He noted that with the definition of affordable housing, ultimately it will create a gateway to planning better programs to address each category. Arndt noted the statement regarding housing should be close to transit sources; however, he expressed concern that it is not mutually exclusive to the other desire to have affordable housing throughout the region. He stated that households living in units further away from transit sources have their affordability diminished by the inability to take advantage of VIA’s transportation subsidies.

Commissioner Richardson asked regarding Slide 18, what the “Targets” column is referencing. Benavidez stated “Targets” referenced the previously determined most vulnerable households that needed assistance. As 100% and greater than 120% AMI were not targeted, “0” was placed in the respective columns. Richardson asked for clarification as staff recommended up to 120% AMI be included in the current recommendation. Benavidez stated up to 120% AMI is being included for homeownership not rental. Richardson agreed with Alanis that the category verbiage should be changed as two-thirds of the population is working and only a small portion to be counted as “workforce”. Guerrero commented that many of the statistics have probably shifted due to the pandemic and recent inclement weather. Richardson inquired how the word cloud for the survey was determined. Benavidez stated that the larger words came up more frequently in the responses. Richardson asked how many responses had been received so far. Sara Wamsley, Affordable Housing Administrator, stated that for the purpose of the word cloud, 125 responses were incorporated. Richardson encouraged residents to submit their answers.

Alanis clarified the term workforce housing as it was historically used regarding the proximity to business centers. He noted through the years the term has since transferred to defining income brackets.

Guerrero inquired about updated numbers of households on CPS or SAWS support programs and how many potential disconnections. Ramos stated that SAWS has continued its moratorium on disconnections, and he would follow up with staff to provide exact numbers. Wukasz stated that there were currently 34,257 households enrolled for SAWS benefit programs. Regarding Project Agua, 1,189 families have been assisted, nearly double the amount previously helped. Guerrero requested Slide 22 for comparison. Feder stated that CPS’s current numbers are consistent with the Slide. She stated CPS also has continued their disconnection moratorium, waiving of late fees, and customer outreach to provide resources.

Richardson inquired the progress of CPS’ Rate Advisory Committee (RAC). Jesse Hernandez stated they are currently reviewing several hundred applicants throughout service area. He stated that the application results would be presented at the next Board of Trustees meeting and afterward would be the review and interview process.

Guerrero asked for clarification of how many households are serviced outside the city limits for both CPS and SAWS. Ramos stated that SAWS reaches as far as Medina County but would follow up with staff on the exact number. Feder stated CPS as well would follow up with staff with exact numbers. John Leal, CPS’ Director of Government Relations, introduced Julia Carrillo Haynes, Manager of Local Government Relations. Leal stated that CPS encompasses 1,440 square miles that includes Bexar County plus seven additional counties. 75% of CPS customers live within the San Antonio city limits while 25% live in the surrounding areas. There is a total of 880,000 electric customers and 370,000 natural gas customers.

Alanis noted for VIA’s presentation, 67% of riders make less than \$25,000 per year and inquired what methodology does SAWS and CPS qualify residents for their assistance programs. Wukasz stated that SAWS, for their monthly discount program, uses a chart created with number of household members and 125% of Federal poverty level to construe if a household qualifies, what discount is given, and any other benefit SAWS offers. Hernandez stated that CPS also bases their assistance on Federal poverty guidelines. For the

discount program, households under the 125% level qualify. For the Casa Verde weatherization program, households that are 200% of the Federal level qualify.

Commissioner Johnson noted that the survey results should also be considered as people have noted other expenses in the results that should be folded into the definition. Guerrero noted that discussion would continue regarding affordability at the Commission retreat after the survey has concluded giving additional time to review public comments and survey results.

Hinojosa expressed that SAHA distributes their vouchers and subsidies by factoring 30% of income (rent and utilities included). Referencing Slide 22, the average monthly bill total for SAWS and CPS is about \$220.00 and is a heavier burden for the lower AMI range. Hinojosa supported the idea of new developments having energy efficient units to keep costs to tenants low as possible.

Richardson inquired when the most recent time a calculation was done for the CPS discount program amounts. Feder stated that the discount rates are tied in with rate adjustments. As the last increase was seven years ago, there would most likely not be a change unless requested from their Board. Richardson inquired how the \$12.30 average monthly savings was calculated. Hernandez stated that \$8.00 is for electric savings and \$3.30 is for gas customer savings. He stated the discount attempts to neutralize the rate increase for customers. Leal also highlighted CPS's REAP program that can assist customers twice a year for up to \$400 dollars and Bexar County aids with direct utility assistance for amounts upward of \$3,200 per customer. Leal also noted the utility assistance offered through EHAP.

Feder stated that 87,000 households would be eligible for disconnection if not for the moratorium. Ramos stated that SAWS has not collected over \$35 million due to the moratorium.

Guerrero asked Commissioners their thoughts on how to structure the definition. Alanis proposed that the presented material may work best as a matrix framework, including single-family, multifamily, new construction, rehabilitation, as all types have different requirements and apply to the UDC and other organizations differently. Guerrero agreed that a visual representation would best suite the complexity of each area. Benavidez stated that staff could follow up with Alanis and Commissioners to work through initial edits and give more space for finalization during the Retreat. Guerrero stated that the framework would benefit from Hinojosa's perspective on SAHA residents.

Abraham inquired if the programs created would run into HUD funding issues due to the target range changes. Benavidez stated that there would not be an effect on funding but rather individuals and developers requesting the funding understanding the narrower field the funding would now cover. Alanis agreed that standardization among the affordable housing community is key. The ACS showed the importance of the recalibration, but the definition created by the Commission will assist developers in quantifying what is the new standard for San Antonio.

Johnson asked for clarification regarding the use of HUD's scale and creation of the new standards and definition. Benavidez stated the HUD scale is the measuring stick that affordable housing developments are accustomed to; though the City is using HUD's measure, HUD's defined averages for San Antonio are being adjusted. Johnson noted

hearing continuing use of HUD's definition and inquired why create a separate definition. Verónica R. Soto, Director, stated that HUD requires the City to use CDBG funds for families that are 80% AMI and below; however, the City can choose to give the funding to 60% AMI and still fall within HUD's scale. And with the Commission's implemented definition will guide programs and funds to expand affordability possibilities.

Arndt asked for clarification if HUD's scale is being used as the maximum AMI funds could be distributed towards and the City would be able to distribute below this maximum but not above. Soto confirmed this understanding.

Richardson asked for clarification if HUD uses a ratio for income rather than a scale method. Alanis stated that with individual facing assistance, the 30% income ratio is used; however, on the development side, AMI is used as an income targeting range as developers would not be able to lower the rental price for each individual case but have a rent and income cap to qualify for their units.

Johnson inquired if the definition created is more for developments instead of families. Alanis agreed that the definition would be used more for program and policy creation to determine an industry standard in San Antonio. Guerrero stated that the definition would also aid in the number of units per AMI category in the developments.

An informal poll was taken regarding Commissioner's decisiveness on a definition of affordable housing. Multiple votes were allowed.

Solid approach: Alanis, Guerrero, Richardson, Abraham

Halfway to decision: Alanis, Arndt, Richardson, Furukawa, Hinojosa

Need more information: Arndt

3. Item #3: Director's Report.

Guerrero requested Verónica R. Soto, Director, to present.

Soto stated that packets were distributed to Commissioners regarding follow-up question from the previous meeting and Benavidez also address some of the questions asked.

Soto moved to the housing bond program and presented updates that were previously reviewed by the Urban Renewal Agency (OUR SA). Currently there are twelve improvement areas that can be developed with the approved \$20 million budget. 592 units are being developed in four targeted area at a encumberment of \$16.15 million. The Park at 38Thirty development covers 196 family-sized units serving 60% HUD AMI and below and is scheduled to be completed in 2022.

Arndt asked where the development was located. Soto stated that Park was located at 3830 Parkdale in the Medical Center area in District 8.

Soto stated the West End on Frio was located in District 5 with 24-unit multiplex. 50% of units are 80% AMI or below and the complex is scheduled to be completed in Q4 2021. The Southeast Service Center is in District 3 near Brooks Army Medical Center. Previous City property was leveraged to develop 292 units at 80% AMI or below. Five Points – Near West at 419/425 San Pedro as the site has just been approved by Council, financing details are being finalized. Current plans are to create 80 units that would be service 60% AMI or

below. 20% of the units are slated to be for 30% AMI or below as the developer is pursuing a 9% Housing Tax Credit (HTC) but results will not be announced until July 2021.

Commissioner Sanchez asked if the complete \$20 million funds will be spent and if not, what would happen to the remaining unused balance. Soto stated that there is a current fifth development currently in land negotiations, but financing is also dependent on the 9% HTC for San Pedro. The goal is to use the fully use the \$20 million for development.

Johnson asked if Franklin Development was the developer for all four of the presented developments. Soto stated Franklin is developing three of the four properties but were chosen through the City's and State's procurement processes and guidelines. Johnson asked for the developments that have on site food pantry amenities, would the refrigeration be included with the calculations. Soto stated she was unsure of the answer but would follow up. Johnson asked if the financial literacy classes expenditure costs were also included in the calculations. Soto confirmed that costs for the amenity were included.

Alanis stated that a large take away from the projects is how much initial cash is needed to initially support the developments. Construction and land costs take a considerable amount to finance, especially as current lumber prices skyrocket. Alanis stated with greater amounts of initial cash paid, there is less debt for more affordable pricing for renters. Soto noted that with the cost of lumber, the seller does not discount for affordable housing projects so the cost is the same as a market rate unit therefore the cash subsidy is the most important to ensuring affordability.

Richardson requested clarification on Slide 32 regarding the purchase and selling price to Franklin Development. Soto stated that land is sold below the purchase price to subsidize and create affordability for the units produced. Richardson asked if family-sized units referred to 2-to-3-bedroom units. Soto confirmed the unit size and ensured that the development didn't have studio or 1-bedroom units. Benavidez added the land purchase tied back into why the proposed Charter Amendment is important as there are restrictions of how cash can be used in developments.

Johnson asked clarification regarding the restricted covenant for West End on Frio and why there was a 40-year and 20-year. Soto stated as West End also incorporated TIRZ funding, only half of the units are with Bond funded with the standard 40-year covenant. Both areas would still be considered affordable units.

Guerrero asked for clarification of which Board oversees the bond progress and who are the members of that board. Soto stated that San Antonio uses the Urban Renewal Authority and the board that oversees the bond progress is the Office of Urban Redevelopment San Antonio (OUR SA). Board members are Mayor appointed.

Soto concluded that Housing Commission Retreat will take place on April 7, 2021 at Phil Hardberger Park with social distancing measures in place. The next regular meeting will take place afterward on April 28, 2021.

Guerrero asked for an updated schedule for the FEH April conversations and when was the feedback deadline for the FEH proposed agenda. Wamsley stated that the deadline for feedback is on April 30, 2021. The updated schedule for FEH conversations on Facebook Live and Zoom were as follows:

Saturday, April 10, 2021 - 10:00 AM – Noon (ENGLISH)
Sunday, April 11, 2021 - 2:00 PM – 4:00 PM (SPANISH)
Tuesday, April 13, 2021 - 6:00 PM – 8:00 PM (SPANISH)
Wednesday, April 14, 2021 – 6:00 PM – 8:00 PM (ENGLISH)

Richardson asked for an update on the FEH Agenda summary page. Wamsley stated that the 1-page summary would be available on Monday (March 29th) and will be distributed.

Commissioner Furukawa noted that though there were skeptics, he officially married the previous Saturday and recorded the ceremony that can be provided upon request. The Commissioners relayed their congratulations.

Closing-

There being no further discussion, the meeting was adjourned without contest at 6:32 PM.