



# City of San Antonio

## Agenda Memorandum

**File Number:** 17-1109

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**Agenda Item Number:** 4.

**Agenda Date:** 1/26/2017

**In Control:** Housing Committee

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**DEPARTMENT:** Planning and Community Development

**DEPARTMENT HEAD:** Bridgett White

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

Briefing on the development of the Neighborhood Improvements Bond Program, including a presentation on the Draft Urban Renewal Plan to meet the statutory requirements as part of the proposed 2017 Neighborhood Improvements Bond Proposition.

### **SUMMARY:**

This item includes a briefing on the development of the Neighborhood Improvements Bond Program, including a presentation on the Draft Urban Renewal Plan to meet the statutory requirements as part of the proposed 2017 Neighborhood Improvements Bond Proposition.

### **BACKGROUND INFORMATION:**

The Neighborhood Improvements Bond proposition would provide for City investment resulting in private and nonprofit-sector development of housing. The proposed \$20 million ballot initiative is one component of the \$850 million Bond package that will go forward for public vote on May 6, 2017. Voter approval of the Neighborhood Improvements Bond proposition will allow the City to conduct the following activities using Bond funds:

- Land acquisition
- Demolition of dilapidated/unusable structures
- Right-of-way improvements
- Extension/expansion of utilities
- Remediation of hazards such as asbestos or lead-based paint

Chapter 374 of the Texas Local Government Code requires the identification of specific geographic areas based on state requirements where Bond funds can be spent. Per the statute, the areas identified are incorporated into an Urban Renewal Plan that must be approved by City Council prior to the Bond Election. The following 13 Neighborhood Improvement Areas (or “Areas”) were approved by City Council on December 15, 2016, thereby initiating the development of the required Urban Renewal Plan:

| Area Name               | District |
|-------------------------|----------|
| Culebra at Callaghan    | 7        |
| East Southcross         | 3        |
| Edgewood                | 6        |
| Lincoln Park-Arena      | 2        |
| Near East               | 2        |
| Near West-Five Points   | 1        |
| Oak Hollow              | 8        |
| Pearsall                | 4        |
| Roosevelt-Mission Reach | 3        |
| South Park              | 4        |
| Southeast               | 3        |
| West Side               | 5        |
| Wurzbach                | 8        |

Following approval of the Urban Renewal Plan and a successful election, the City will contract with the Office of Urban Redevelopment San Antonio (OUR SA) which will execute the program activities at the direction of the City Council.

## ISSUE:

Following City Council approval of the 13 Neighborhood Improvement Areas on December 15, 2016, staff drafted an Urban Renewal Plan, which will serve as the basis for the activities to be conducted as part of the Neighborhood Improvements Bond program. The Draft Urban Renewal Plan contains the following:

- I. Background on the development of the Urban Renewal Plan, including authority granted under Chapter 374 of the Texas Local Government Code, planning efforts leading to the approval of the 13 Neighborhood Improvement Areas, and history of the City’s Urban Renewal Agency (OUR SA);
- II. Definitions of key terms used in the Plan;
- III. Description of the process following a successful Bond Election, including desired outcomes, the role of OUR SA, and the role of the Neighborhood Improvements Advisory Committee;
- IV. Description of the Plan’s alignment with the SA Tomorrow Comprehensive Plan;
- V. Listing and general description of permitted and prohibited Activities;
- VI. General Development Requirements;
- VII. Descriptions and geographic boundaries of the approved Neighborhood Improvement Areas

The following key policy issues brought forward by City Council and other stakeholders have been addressed in the Draft Urban Renewal Plan:

- 1. Share of rental and for-sale units:** Proposals for development of housing for rent and ownership will be considered as part of this program. To ensure opportunities for affordable homeownership, the draft evaluation criteria in the Plan includes additional points for developments that offer housing units for

sale to qualified buyers. The draft evaluation criteria are included in Appendix A of the draft Plan.

2. **Share of residential units with targeted affordability:** A key component of all developments proposed through this program is that they offer housing units that are affordable to households earning at or below 80 percent of the area median income (AMI). Additional points will be offered to proposals with targeted affordability to households earning at or below 60 percent of AMI and 30 percent of AMI. The proposed criteria are included in Appendix A of the draft Plan.
3. **Private and nonprofit-initiated development:** Proposals for development will be considered both from private and nonprofit organizations. To ensure nonprofit applications are competitive, the draft evaluation criteria include additional points for developments substantially owned or managed by a nonprofit organization.
4. **Addressing distress in higher-need areas:** Proposals for development may be considered in any or all of the 13 approved Neighborhood Improvement Areas; however, to spur mixed-income development in areas with higher levels of distress, the draft evaluation criteria include additional points for developments located in Census tracts with higher levels of poverty and that provide a limited share of market-rate residential units.

Since Council approval of the Neighborhood Improvement Areas on December 15, 2016, staff has been gathering input from community stakeholders and residents on the development of the Urban Renewal Plan. The Draft Urban Renewal Plan was released for public review and comment on January 11, 2017 in advance of the required public hearing, held on January 18, 2017.

The Urban Renewal Plan must be adopted in order for the Neighborhood Improvements initiative to be included in the May 2017 Bond proposition. Staff will present the Urban Renewal Plan for City Council consideration and adoption on February 2, 2017 in order to meet the state's deadline for calling the election.

## **ALTERNATIVES:**

This item is for briefing purposes only; however, the Housing Committee may suggest edits to the Draft Urban Renewal Plan in advance of City Council consideration.

## **FISCAL IMPACT:**

This briefing provides an update on the development of the Neighborhood Improvements Bond proposal, including the Draft Urban Renewal Plan. There is no fiscal impact in consideration of the Urban Renewal Plan. The proposed bond proposition is for \$20 million.

## **RECOMMENDATION:**

Staff recommends forwarding the Draft Urban Renewal Plan as amended with resident and stakeholder input associated with the 2017 Neighborhood Improvements Bond Proposition to City Council for adoption.