

**PLANNING AND COMMUNITY DEVELOPMENT COUNCIL
COMMITTEE MEETING MINUTES
AUGUST 26, 2021 10:00 AM
COUNCIL BRIEFING ROOM AT CITY HALL**

Members Present:	Councilmember Adriana Rocha Garcia, Chair, <i>District 4</i> Councilmember Mario Bravo, <i>District 1</i> Councilmember Phyllis Viagran, <i>District 3</i> Councilmember Teri Castillo, <i>District 5</i> Councilmember John Courage, <i>District 9</i>
Members Absent	None
Staff Present:	Lori Houston, <i>Assistant City Manager (Teleconference)</i> ; Rod Sanchez, <i>Assistant City Manager</i> ; Susan Guinn, <i>City Attorney's Office</i> ; Jameene Williams, <i>City Attorney's Office</i> ; Aurora Perkins, <i>Deputy City Clerk</i> ; Veronica Soto, <i>Director, Neighborhood and Housing Services Department</i> ; Mike Shannon, <i>Director, Development Services Department</i> ; Edward Gonzales, <i>Assistant Director, Neighborhood and Housing Services Department</i> ; Ian Benavidez, <i>Assistant Director, Neighborhood and Housing Services Department</i> ; Melissa Ramirez, <i>Assistant Director, Development Services Department</i> ; and Sara Wamsley, <i>Administrator, Neighborhood and Housing Services Department</i>
Others Present:	Caleb Chance, <i>Real Estate Council of San Antonio</i> ; Jim Welch, <i>Real Estate Council of San Antonio</i> ; Jason Asechiga, <i>NRP Group</i> ; Nick Walsh, <i>NRP Group</i> ; and Debra Guerrero, <i>NRP Group</i>

Call to order

Chair Rocha Garcia called the meeting to order.

- 1. Approval of the Minutes for the June 9, 2021 Planning & Land Development Council Committee (PLDC) Meeting.**
- 2. Approval of the Minutes for the May 25, 2021 Planning & Land Development Council Committee (PLDC) Meeting.**

Councilmember Courage moved to approve the Minutes of the June 9, 2021 and May 25, 2021 Planning & Land Development Council Committee Meetings. Councilmember Viagran seconded the motion. The motion carried unanimously.

Public Comment

None.

Briefing and Possible Action on

3. Briefing on the City's Strategic Housing Implementation Plan (SHIP) progress and next steps. [Lori Houston, Assistant City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]

Ian Benavidez reported that the Mayor's Housing Policy Framework (HPF) was approved by the City Council in September 2018 and outlined the process for prioritizing affordable housing and infrastructure target goals and key objectives. He stated that one objective included in the Framework was to create a 10-year Housing Production and Preservation Goal for the development of 18,000 units during this time period. He added that the City anticipated achieving this goal in several Area Median Income (AMI) categories between four and five years based on community need. Mr. Benavidez stated that the Framework identified five Action Items which were: 1) Develop a coordinated housing system; 2) Increase the City's investment in Housing with a 10-year Funding Plan; 3) Increase affordable housing production, rehabilitation, and preservation; 4) Protect and promote neighborhoods; and 5) Ensure accountability to the public.

Mr. Benavidez stated that the Committee was provided a summary of all SHIP items included in the HPF by category, status, and strategies. He stated that the SHIP outlined the process for identifying stakeholders and funding sources, recalibrating housing production and preservation goals upon completion, and creating a cross-agency, cross-sector commitment and accountability action plan while ensuring that the lived experience is placed in the center of housing initiatives.

Mr. Benavidez reported that equity principles were incorporated in the SHIP and focused on affordability, quality, accessibility, and choice. He stated that Stakeholders ensured that housing opportunities were affordable and available to vulnerable populations; were adequately built and livable; complied with federal accessibility requirements and located in areas with access to transit and amenities; and available city-wide and prevented displacement of existing residents.

Mr. Benavidez provided an overview of the community engagement process and noted that the City conducted 4 stakeholder forums which were attended by residents and interested community members, real estate developers and builders, affordable housing providers, and policy advocates. He stated that the Neighborhood and Housing Services Department (NHSD) also included Housing Commission Board Members, San Antonio Housing Trust Board (SAHT) Members, and San Antonio Housing Authority Board (SAHA) Members, as well as Members of the Planning and Community Development Council Committee in community outreach efforts.

Mr. Benavidez stated that the NHSD focused on strategic factors to identify the most vulnerable households and reported that of the 500,000 identified households in Bexar County, 170,000 households paid more than 30% of their total income on housing. He noted that housing data was analyzed to determine such things as the number of vulnerable households by income and AMI, the number of homeowners and renters by income and AMI, and the total number of housing units available by AMI. Mr. Benavidez reported that data indicated a shortage of 96,000 affordable housing units and that a mitigation plan was developed to stabilize household income resulting in more available affordable housing units. He stated that possible options included increasing wages or subsidizing income as well as producing and preserving more income-restricted housing units and that the NHSD would provide the Committee with a list of partners and programs available to include down payment and rehousing assistance, job training, childcare, financial counseling, utility assistance, and transportation assistance.

Mr. Benavidez reported that the NHSD would be addressing the cost burden associated with producing and preserving more income restricted units for vulnerable populations and stated that the AMI varied based on development type to include rental production and rehabilitation, ownership production and rehabilitation and product type. He noted that product type included single-family, multi-family, permanent supportive housing, accessory dwelling units and other housing options.

Mr. Benavidez stated that next month, the Committee would be provided with a report denoting updated HFP targets with a list of programs available to assist vulnerable populations. He added that the public engagement component on the draft report would begin in September 2021; returned to the Housing Commission for final approval in October/November 2021; and presented to City Council, the SAHT and the SAHA for final approval in November/December 2021.

Chair Rocha Garcia stated that she was pleased that the SHIP was addressing homelessness and working on a 10-year housing production plan. She noted her vision of the Decade of the Neighborhood included neighborhood engagement in identifying items to be included in the Bond Program and Unified Development Code (UDC) amendment process.

Chair Rocha Garcia asked for a status of HPF strategies. Mr. Benavides reviewed the current status of strategies and stated that 11 had been completed, five were in progress, three were delayed and five had not been started. He also reviewed the status of strategies associated with the SHIP. Chair Rocha Garcia noted that the below 30% AMI housing stock target, continued efforts associated with living with dignity and disability assistance needed to be addressed. She asked for information on community stakeholder group participants and chairs. Mr. Benavides stated that he would provide a list of community stakeholder members and chairs and their areas of expertise. Chair Rocha Garcia requested copies of feedback submitted at the community forums.

Councilmember Courage expressed his support for the Decade of the Neighborhood initiative and stated that the SHIP would assist in those efforts. He stated that the City and Federal Government working together to fund housing issues and infrastructure improvements were crucial in meeting major enhancement goals for affordable housing and livable conditions.

Councilmember Courage repeated information in the presentation addressing costs associated with the Minor Home Repair Program and other home improvement programs and stated that associated funding was astronomical in meeting the 96,000 unit goal. Mr. Benavides agreed with Councilmember Courage and stated that the largest task was to identify all available funding at the local and Federal level.

Councilmember Castillo was pleased that housing preservation and production were incorporated in the SHIP and asked if SHIP policies would be considered by SAHA. Mr. Benavides stated that the SHIP would be shared with SAHA and partnering efforts were key in ensuring the availability of housing vouchers and affordable housing at the below 30% income level.

Councilmember Castillo asked which AMI category goals had been exceeded. Mr. Benavides said that he would provide the information but added that the 30% AMI and 30-50% AMI goals had not been met. Mr. Benavides noted that cost burdens associated with market demand would require additional housing production, but home purchasers may have to adjust what they spend for their homes.

Councilmember Castillo asked of the coordination between NHSD and Development Services Department (DSD). Mr. Benavides stated that NHSD and DSD worked closely together in addressing UDC amendments and identifying barriers to housing development, affordable housing production, fee waivers and providing incentives.

Councilmember Viagran requested to be provided with a copy of the housing director job description as it would assist the community in understanding department roles. She noted that it was key that the SHIP incorporate infrastructure needs such as sidewalks, access to transit and similar amenities.

Councilmember Viagran asked if the reported vulnerable households by AMI considered families with adult children in the household. Mr. Benavides stated that the census data identified the normal family size as three but did not provide specific data on working adults in a household. He added that census data provided vulnerability index data which could be used to identify high concentration areas of older adults and possibly multi-generational households.

Councilmember Viagran stressed the need to address average area wages as a factor of home cost burden and workforce affordable and housing availability.

Councilmember Bravo stressed the importance to address affordability and resiliency components of the upcoming Bond program to include home rehabilitation and weatherization. He asked about if incentives were available to average homeowners as offered to housing developers such as tax abatements, low interest or forgivable loans and city fee waivers.

Councilmember Bravo asked if the City had any pre-set plans available to construction companies for affordable housing options. Mr. Benavides stated that there were none currently available but would be incorporated into the SHIP and would require various design requirements depending on the location of the development project.

Chair Rocha Garcia provided an overview of Committee Member comments and thanked staff for the presentation provided.

4. Briefing on the Emergency Housing Assistance Program (EHAP) and Eviction Prevention Update. [Lori Houston, Assistant City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]

Edward Gonzalez provided an overview of the Emergency Housing Assistance Program (EHAP) and noted that the EHAP aided in the response to COVID-19 hardships for rental assistance, mortgage assistance and utility assistance including internet assistance utilizing Local, State and Federal benefit enrollment.

Mr. Gonzales provided an overview of the EHAP dashboard dating back to April 2020. He noted that approximately 73,000 EHAP applications had been processed with 45,000 applications approved with \$132,555, 223 awarded for rental/mortgage assistance, utility assistance, internet assistance and other cash allocations.

Mr. Gonzalez stated that in addition to the City's EHAP, the State of Texas provided additional resources to residents under the Texas Rent Relief Program which assisted over 10,000 households with an funding allocation of approximately \$60,400,000.

Mr. Gonzalez stated that since February 18, 2021, the assistance allowance for individuals at an AMI of 50% or below were eligible for nine months of rental/mortgage, utility and internet assistance, and individuals with an AMI between 50 and 80% AMI were provided the same assistance for six months. Mr. Gonzalez reviewed the EHAP assistance provided by Council District which served over 45,000 households for an allocation totaling \$132,000,000.

5. Briefing on the Timeline for the Request for Proposals (RFPs) for housing projects seeking gap funding as proposed in the FY 2022 HUD Action Plan. [Lori Houston, Assistant City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]

Veronica Soto reported that HUD Action Plan grant awards totaling \$27.4 million would support gap funding for the development of affordable housing with \$4 million allocated for rental development and \$3.4 million for homeownership development. She stated that NHSD would be recommending the reallocation of \$2 million from the FY 2022 TIRZ Budget to support affordable housing initiatives.

Ms. Soto stated that NHSD would be releasing two RFPs to targeted industries for the development of affordable rental housing and single-family homeownership housing. She stated that homeownership development could include new construction, rehabilitation or preservation of affordable-single-family housing units for low-income households with incomes at or below 80% AMI and that rental housing could include development of rental residential new construction, preservation and/or rehabilitation projects for households with incomes at or below 60% AMI. Ms. Soto noted that the City planned on incentivizing the scoring for respondents offering housing units at or below 30% AMI and focused on the preservation of existing affordable rental units.

Ms. Soto provided an overview of RFP deadlines as follows:

August 20, 2021	Audit Committee Pre-solicitation presentation
August 27, 2021	RFP released
August 31, 2021	Vendor Pre-submittal Conference
October 18, 2021	Proposals due
November 15, 2021	Scoring Panel Evaluation
December 21, 2021	Audit Committee Post-solicitation presentation
January 10, 2022	Planning and Community Development Council Committee presentation
January 20, 2022	City Council Consideration

Councilmember Courage requested clarification on RFP details. Ms. Soto stated that the purpose of gap funding was to provide additional financing to companies for the development of affordable housing and that HUD determined program income parameters and that the maximum allowable income level for families eligible for assistance was 80% AMI or less. She noted that the City was focused on making housing more affordable by incentivizing the development of housing opportunities at extremely low-income levels and that HUD required for the property deed to incorporate an affordability covenant for a fixed amount of time.

Councilmember Viagran requested for NHSD staff to assist her to understand the housing programs administered by the department and to be provided with the number of responses received offering housing at an AMI of 30% or less. Ms. Soto reported that under the Tax Credit Development Program, very few submittals offered housing at an AMI of 30% or less and that the lack of affordable housing

opportunities resulted in the federal government implementing an income averaging process. She stated that the new process changed the income limit standards allowing for the creation of more financially feasible housing access and that the income parameters were between 80 and 30% AMI.

Councilmember Castillo stated that the City had the opportunity to incentivize the development of more affordable housing and recommended that the Committee and City Council determine the number of units to be offered at an AMI of 30% or less.

Councilmember Bravo asked for the number of units that became available using the income averaging process. Ms. Soto reported that the process increased homeownership and rental housing access to families with an income between 80 and 30% AMI or less. Councilmember Bravo stated that he did not consider housing based on 80% AMI or less as affordable.

Councilmember Bravo asked for the composition of the Scoring Panel Evaluation Committee. Ms. Soto stated that the Scoring Committee consisted of Ms. Houston, NHSD Assistant Directors Edward Gonzales and Ian Benavidez, one representative from the NHSD division of Grants and Monitoring and herself. She noted that the Scoring Committee was required to follow HUD regulations and the housing scoring criteria outlined in the RFP that was approved by the City Council on September 3, 2019. Councilmember Bravo requested that the City focus on providing long-term gap funding and for NHSD to determine housing opportunities for inclusion in the 2022 Bond Program.

Councilmember Courage stated that the Committee's goal was to advocate for the inclusion of affordable housing opportunities in development projects and that long-term affordability goals could be achieved by using other funding sources, such as Bonds.

Chair Rocha Garcia stated that the affordability of housing opportunities was a policy issue that needed further discussion. She requested that the Committee be provided with information outlining the funding process and that NHSD staff schedule individual briefings with Committee Members.

Chair Rocha Garcia asked if there was an assistance program for property owners wanting to build their own home. Ms. Soto provided an overview of the various housing opportunities available to homeowners and renters and stated that the City did not have financing programs for homeowners as offered to developers. Chair Rocha Garcia requested that NHSD identify funding opportunities that would assist homeowners in this type of situation.

6. Briefing and possible action on the process and timeline for updating the City's policy for the issuance of Resolutions of Support or No Objection for applicants seeking Housing Tax Credits from the Texas Department of Housing and Community Affairs and priorities for the updated policy. [Lori Houston, Assistant City Manager; Verónica R. Soto, Director, Neighborhood and Housing Services]

Ian Benavidez stated that NHSD, as the administrator of the Housing Tax Credit Program, was responsible for collecting and reviewing applications to determine funding eligibility based on scoring criteria. He stated that developers could apply for either 4 or 9% in Housing Tax Credits and reported that over 3,000 affordable housing units were developed in 2020 and anticipated an additional 3,000 units to be available this year.

Mr. Benavidez highlighted the various methods used by NHSD to assess the Housing Tax Credit application process to include conducting surveys and round table discussions and meeting with each Council Offices and that the NHSD was scheduled to conduct an on-line open public comment session. He noted that feedback received would assist in identifying updates to the Housing Tax Credit Policy.

Mr. Benavidez stated that most responses received requested that housing opportunities be extended to extremely low-income levels and noted that the this would result in more housing available at 60% AMI or at market value. He reported that the NHSD was methodical in ensuring the alignment of City housing policies and State requirements and that this would incentivize development in San Antonio rather than in other municipalities. Mr. Benavidez stated that proposed updates to the Housing Policy included increasing transportation points in the scoring process for developments located along transit corridors, adding tenant protections and the ability to finance projects located in the City's Extra Territorial Jurisdictional. He stated that NHSD would identify and prioritize development projects for inclusion in the 2022 Bond Program and funding by Neighborhood Improvement Bond Program dollars.

Councilmember Courage requested clarification in the difference between the two housing tax credit options. Mr. Benavidez stated that a 9% tax credit resulted in a developer paying less costs upfront and that equity would be more and that developers awarded a 4% tax credit would pay more costs upfront and that equity would be less.

Councilmember Viagran requested clarification on the process to be used in the event that the City objected to a housing project. Mr. Benavidez noted that the Texas Department of Housing and Community Affairs mandated the use of specific language for the acknowledgement of all projects requesting Housing Tax Credits. He clarified that the City was required to issue a "Resolution of Support" for projects requesting a funding allocation of 9% and a "Resolution of No Objection" for projects requesting a 4% tax credit. Mr. Benavidez stated that the Committee would be provided with information outlining the Housing Tax Credit process.

Councilmember Castillo voiced concern with projects financed with public funds that received a 15% to 20% return on investment. She highlighted the importance of public involvement in the selection process, especially as housing projects would be located in areas with high poverty rates; and addressed the possible negative impact that low-income housing would have on the community.

Councilmember Bravo requested more information on practitioner meetings. Mr. Benavidez stated that the meetings served as a forum for the City to gather feedback on the tax credit application process from developers and City Council staff and that information collected would assist in determining the feasibility of implementing identified housing goals and objectives.

Mr. Benavidez reported that no action was required for this item and that NHSD would provide the Committee with an updated policy which would be approved at a future meeting.

Item 8 was discussed at this time.

Consent Agenda

- 8. Resolution of No Objection for Viento Apartments, LTD.'s application to the Texas Department of Housing and Community Affairs NonCompetitive 4% Housing Tax Credits program for the construction of the Viento Apartments, a 324 unit affordable**

multifamily rental housing development, located at 10348 S Zarzamora Street in Council District 4; allowing the construction of the development to be located within one linear mile or less from another development; and acknowledging the development will result in more than 20% of total housing units in the proposed census tract being supported by housing tax credits. [Lori Houston, Assistant City Manager; Verónica R. Soto, FAICP, Director, Neighborhood and Housing Services]

Mr. Benavidez stated that NHSD was recommending the issuance of a Resolution of No Objection for the 4% Housing Tax Credit application totaling \$27.3 million in tax credits submitted for the construction of Viento Apartments. He reported that the new affordable multi-family rental housing development would offer 306 of its 324 units at an AMI of 60% or below and noted that the development would result in 20% of total affordable housing units available in the area.

Councilmember Courage asked about the role NHSD had in the evaluation process and funding allocations. Ms. Soto stated that NHSD reviewed Housing Tax Credit application submitted and confirmed that they met all the criteria reflected in the 2019 Policy.

Councilmember Courage voiced concern with the lack of housing available at an AMI between 80 and 30%.

Chair Rocha Garcia stated that local businesses and the Southwest Independent School District (SWISD) were in support of the development.

Jim Welch stated that the number of units available by AMI was one of many factors considered and that 96,000 of households were within the vulnerable income range with 25% having an AMI between 31 and 50%. He reported that a balance in AMIs was needed in order to underwrite the funding of the project as well as to provide affordable housing.

Councilmember Castillo asked about SWISD support for the development project. Mr. Welch stated that a formal letter of support from the superintendent or school board had not been submitted and that they would follow-up.

Councilmember Viagran requested information on the availability of transportation options in the area. Mr. Welch noted that bus service was limited in the area and anticipated growth could result in improved service. He stated that that Master Plan Developer had recommended to VIA extending bus service to the area. Mr. Welch reported that transportation typically was an issue when offering units at 30% AMI and stated that the best option when offering a 30% AMI was to develop in areas offering services such as transportation and other amenities.

Councilmember Viagran requested that the Transportation and Mobility Council Committee discuss transportation services.

Councilmember Bravo requested information on the number of units available by AMI. Mr. Welch reported that the monthly rent for a one-bedroom apartment was between 40 and 70% AMI with a majority of unites were available at 60% AMI. He stated that all units were income and rent restricted up to 70% AMI and below and that no limits were imposed on sources of income such as vouchers.

Chair Rocha Garcia suggested for the developer to follow-up with the school district to get a letter of support.

Councilman Courage asked about special programs and services to be offered by the developer. Mr. Welch stated that they would be partnering with several organizations to provide on-site services to all residents free of charge and that each family would be asked to identify needs. He stated that services to be offered include after-school care, tutoring and summer programs.

Councilmember Courage moved for the Committee to issue the Resolution of No Objection. Councilmember Viagran seconded the motion. The motion carried unanimously.

7. Briefing on the 2021 Unified Development Code Amendment Process [Roderick Sanchez, Assistant City Manager; Michael Shannon, Director, Development Services]

Michael Shannon reported that the UDC, Chapter 35 of the City's Municipal Code, governed the development process and included regulations for subdivision platting, zoning, street and storm water design standards, historic preservation, and the protection of natural resources. He stated that the UDC had been scheduled to be amended in 2020 and that the review process had been paused due to COVID-19. Mr. Shannon stated that the UDC implemented City policies to include the Comprehensive Plan, the Master Plan, the SA Tomorrow Plan, the SA Climate Action Plan and the Major Thoroughfare Plan.

Mr. Shannon noted that in addition to the UDC, other City Codes to be amended in 2022 included Chapter 6 – Building Code; Chapter 10 – Building Related Code; Chapter 11 – Fire Prevention Code; Chapter 28 – Sign and Billboard Code; and the San Antonio Property Maintenance Code. He stated that the UDC was required to be amended every 5 years as per the Municipal Code and that the review process allowed the City to ensure administrative efficiency, eliminate unnecessary development costs, and align code provisions to new legislation. Mr. Shannon noted that in addition to city departments and boards, external entities could submit UDC amendments and that their recommendations were limited to edits, clarification, and rule interpretation determinations approved by the DSD Director, Historic and Preservation Officer and Planning Director.

Mr. Shannon noted that in 2015, a total of 296 amendments were submitted for consideration and that 205 were approved. Mr. Shannon stated that DSD would engage the public in the amendment process using a 4 Phased outreach approach as follows: 1) The amendment submission process; 2) Proposed amendments; 3) Updates to recommendations; and 4) Training opportunities available to learn more about UDC amendments. He reported that the amendment submission period would start in October 2021 and that City Council was scheduled to approve the amendments in October 2022.

Chair Rocha Garcia addressed the importance of community engagement in the amendment process and recommended partnering with agencies to identify additional UDC updates.

Councilman Courage asked for information regarding barriers imposed by the UDC to the development community. Mr. Shannon stated that the cost of development to include the construction of affordable housing impacted developers financially and that the development community would be involved in the amendment process and requested for City Council Offices to submit recommendations.

Councilmember Castillo stated that District 5 staff would assist DSD in outreach efforts. She asked

about the ability to submit updates requesting Code exceptions and requested information on Boards managed by DSD. Mr. Shannon stated that he would provide the Committee with a comprehensive list of board information and addressed the importance of having a diverse board composition.

Councilmember Castillo requested to be provided with a past UDC Amendment Packet and a list of 2015 UDC Amendment sponsors, especially requests submitted by Neighborhood Associations. She asked about the status of the Housing Commission implementing UDC Amendments outlined in the HPF. Mr. Shannon stated that DSD would be collaborating with City departments throughout the amendment process.

Councilmember Castillo asked if amendments submitted aligned with sustainability initiatives outlined in the SA Climate Action Plan. Mr. Shannon stated that sustainability efforts were addressed in the UDC and the Energy Code and that the Office of Sustainability was identifying amendments.

Councilmember Castillo requested information on the process for City Council Offices to submit recommendations. Mr. Shannon stated that in the past, City Council Offices collaborated with City departments and/or external entities to identify and submit UDC amendments and that DSD staff would assist City Council staff with submitting recommendations.

Chair Rocha Garcia requested to be provided with the same information to be provided to Councilmember Castillo.

Adjournment

There being no further discussion, the meeting was adjourned at 12:38 PM.

Adriana Rocha Garcia, Chair

Respectfully submitted,

***Debbie Racca-Sittre
Interim City Clerk
Office of the City Clerk***