

HOUSING COMMISSION OFFICIAL MEETING MINUTES

WEDNESDAY, FEBRUARY 23, 2022, 11:30 AM
818 S FLORES & VIDEO CONFERENCE

Members Present: Robert Abraham, Member
Pedro Alanis, Member
Kristin Davila, Member
Shirley Gonzales, Chair
Ed Hinojosa, Member
Taneka Nikki Johnson, Member
Amanda Lee Keammerer, Member

Members Absent: Jeff Arndt, Member
Sarah Sanchez, Member

Staff Present: Mark Carmona, *City Manager's Office*; Verónica R. Soto, *Neighborhood & Housing Services Department*; Juan Valdez, *Mayor's Office*; Teresa Myers, *Mayor's Office*; Jameene Williams, *City Attorney's Office*; Ian Benavidez, *Neighborhood & Housing Services Department*; Sara Wamsley, *Neighborhood & Housing Services Department*; Allison Beaver, *Neighborhood & Housing Services Department*; Crystal Grafft, *Neighborhood & Housing Services Department*; Sharon Chan, *Neighborhood & Housing Services Department*

- **Call to Order** - The meeting was called to order by Chair Shirley Gonzales at 11:35 AM.
- **Roll Call** – Allison Beaver, Housing Policy Manager, called the roll. At the time when roll call was conducted, seven (7) members were present representing a quorum.
- **Public Comments** – Beaver announced there was one (1) resident signed up for public comment.

- 1) **Items 2 and 4:** Susan Richardson, former Housing Commissioner, spoke regarding Item 2. She was happy the Renters' Issue Subcommittee was progressing and looked forward to updates in the NHSD newsletter. Richardson stated on Item 4b that she had not seen much promotion regarding the SASpeakUp sign ups to assist in individual SHIP (Strategic Housing Implementation Plan) strategies and urged more promotion for true representation. Regarding Item 4c, she proposed a slight correction for the rental housing production for public housing category. She stated the prioritization of households of 30% AMI should state clearly the priority is for households up to 30% AMI.

Staff note: The Housing Commission deadline for submitted written comment is 24 hours 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 can leave a voicemail to be played during the meeting up to three hours before the meeting. Speakers can sign up to speak live during the meeting virtually up to 3 hours before the meeting or to speak during the meeting in person up until the meeting starts. 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 #3: Briefing and discussion related to Affordable Homeownership Preservation and Production in San Antonio.

Gonzales requested Mark Carmona, Chief Housing Officer, and Commissioner Davila introduce the discussion.

Carmona stated that with the community growth in San Antonio, the Housing Policy Framework and SHIP objectives focused on increasing affordable housing in San Antonio are complex, but necessary. He noted local incomes have not kept pace with the price of housing and the SHIP recommended correcting the affordability gap by raising income levels while also increasing production and preservation of affordable housing. Carmona highlighted that the three-part roundtable discussions should spark ideas for collaboration which are needed for the SHIP to be successful.

Davila stated that the three-part conversation should facilitate greater understanding of the community's affordable housing scene and the challenges that non-profit and for-profit developers face when going through the process. She noted, though being the Executive Director of Merced Housing Texas, she comes into the meeting as a Commissioner and has elected her colleague, Jesse Flores, to speak on behalf of Merced. Davila invited the panelists to introduce themselves.

Jesse Flores, Program Director, stated Merced provides quality affordable housing with supportive services for low-income households. He noted that Merced was started with the core values of integrity, compassion, service, and collaboration. Flores noted many clients served are older adults and families with female heads of household.

Natalie Griffith, President and CEO of Habitat for Humanity of San Antonio, stated Habitat had been in the community for 46 years and the first Habitat for Humanity house was built in District 5 on Hildalgo Street. Currently, Habitat is slated to build 56 homes in 2022 and partners the homebuying family with Habitat's community of volunteers so the home can be sold at no profit and financed with 0% interest. She that noted even with the increased construction costs, a 3-bedroom, 2-bathroom home can be sold to a family at \$750 per month mortgage, including escrow.

Michael Taylor, Executive Director of Cross Timber Homes, stated Cross Timber was established in 2017 as a sister organization of Habitat to bridge the gap between households that didn't meet Habitat's income qualifications but are not able to afford a market rate house. Cross Timber develops non-profit housing in scattered site infill spaces for households of up to 120% AMI, many averaging 94% AMI with a yearly income of \$56,000.

John Cooley, Chief Operating Officer of Terramark Urban Homes, stated Terramark fully moved into San Antonio in 2015 but had initial urban infill projects in 2010. Terramark focuses on "missing middle" housing, townhomes, small apartment complexes, duplexes, ectara. Cooley noted that Terramark partners with various organizations to bring their developments into the affordable housing space. For example, they worked with San Antonio Housing Authority (SAHA) on the East Meadows redevelopment and most

recently with the NHSD Bond division and San Antonio Housing Trust (SAHT) to develop a 24-unit apartment complex on Frio Street.

Chris Sanchez, Executive Director of Neighborhood Housing Services of San Antonio (NHS), stated NHS is a full cycle homeownership center that serves families earning under 120% AMI. As a HUD certified counseling agency, NHS provides one-on-one financial counseling and homebuyer education services. NHS is also a CDFI (Community Development Financial Institution) that can offer down payment assistance and has a real estate department for infill housing construction and rental units.

Zeke Romo, Executive Director for Our Casas Resident Council, stated in addition to Our Casas empowering public housing residents to become homeowners, they have also assisted as a HUD certified Housing Counseling Agency and a non-profit affordable housing developer. Our Casas has partnered with San Antonio Affordable Housing (SAAH) to construct houses for families at 80% AMI or less, many averaging in the 70% AMI range.

Gonzales inquired about the current affordable housing climate; what had changed particularly in the demographics and areas of need within San Antonio. Griffith highlighted that the public has had a more positive attitude towards the residents of affordable housing though continued increase would be beneficial as the service workforce is crucial to the community. One negative factor in the current climate would be the increasing prices of housing versus incomes. As families realize they may only be able to be homeowners with the assistance of non-profit homebuilders, the demand has become too great for organizations like Habitat to help all requests. Flores stated that the realization that assisting and increasing funding for housing preservation as affordable housing stock has been a positive development. Sanchez noted the surging price for land and materials are the largest current challenges impacting affordable housing development. He stated that a neighboring parcel of land to an infill lot NHS previously purchased in 2017 for \$12,000 was requesting \$30,000. Sanchez noted the increased pricing required more subsidies to ensure affordability. For example, the City increased the amount for down payment assistance from \$15,000 to \$30,000 in the HIP 80 program (Homeownership Incentive Program). He stated the City recognized the price increases and increased their subsidies in response.

Davila raised a common question asked by the community on how developers prevent homebuyers from immediately selling a home for profit. Griffith stated long term affordability restrictions are placed on homes to preserve the integrity of the program. Currently, Habitat has 20-year restrictions but is looking to extend the period. Flores stated Merced can spend up to \$25,000 on a minor home repair which will come with a 5-year restricted covenant. If the home is sold during the 5 years, the homeowner would need to pay back the repair amount. Taylor noted Cross Timber has similar resale restrictions. Cooley stated Terramark had not seen any issues of resale to date. However, a large concern is the property tax situation where the deed restriction is not recognized during appraisal and homeowners incur taxes that are more than their mortgage. He stated a conversation with Bexar County is needed to ensure that the property is correctly taxed without the burden being on the homeowner.

Keammerer inquired if there were not methods to keep property taxes low for affordable housing. Cooley noted he had spoken to Bexar County regarding the deed restriction filing to keep taxes low but that the conversations must be addressed yearly. He wants to future proof tax issues for the duration of the house's affordability restriction. Griffith noted non-

profits are slightly different as Habitat worked directly with the State legislators to ensure there would be no property tax increases for the affordable housing built. Additionally, the tax law also ensured that neighboring houses property values would not be lowered because of surrounding affordable homes.

Abraham asked if there were any examples of the law's effectiveness. Griffith noted that the initial family of the first Habitat home still resides in the same house and Habitat still connects with them. She noted that many of the affordable homes built are adequately sized for the life of a family as they to grow and age in place.

Alanis asked the differences between the acceleration of land value versus the improvement value. Taylor noted that the acceleration varies based on location as the East and West land values had been artificially lowered. He stated the improvement values haven't increased in the aforementioned areas, but some land has almost quadrupled in price.

Davila requested elaboration on the condition of homes bought to sell as affordable housing and owner-occupied rehabilitations (OOR). Sanchez shared an example of an OOR where the conditions of the unit were so poor that it was shocking a family of 5 were still living in the unit. He stated that San Antonio's affordability would be best served to preserve older housing stock and noted that NHS looks for units that can be developed for \$180,000 or less. He noted that renovations typically include updating the electrical and plumbing of the house in contrast to a for-profit flipper. Romo stated that though Our Casas develops new construction only, they partner with community organizations such as the Historic Westside Residents Association to ensure connections within in the community.

Gonzales asked for feedback on how the Housing Commission could help facilitate affordable housing development specifically in streamlining production or rehab efforts. Sanchez mentioned previously he heard about DSD organizing a taskforce to assist affordable housing organizations with questions regarding zoning and land use. He stated that the taskforce would greatly help the decision making and efficiency of developers in navigating City regulations. Carmona stated that the feedback was heard throughout the SHIP process and DSD responded by creating an Affordable Housing Taskforce with a central point of contact to address questions raised by affordable housing developers.

Taylor requested that homeownership be kept at the forefront of the affordable housing conversation. He recognized a heightened awareness in the past few months to serve the most vulnerable residents but noted the spectrum of affordable housing needs. Taylor stated homeownership typically only requests a one-time subsidy and the household can escape the cycle of poverty in a home that is permanently affordable to them. Griffith added that Cross Timber and Habitat have used high quality materials and features to sustain the accessibility of their units for families to age in place. She noted that many iterations of City groups focused on housing have expressed need for these features. She implored that with the increase of housing efforts, the same quality and standard be kept to ensure future livability.

Abraham stated that the media reported the City is too quick to demolish homes. He noted the previous discussion that Sanchez stated NHS mainly buys houses below \$180,000 and asked if the developers thought the City was too quick to demolish existing units. Sanchez noted an instance where a historic builder was willing to donate a historic home if NHS could move it. NHS spent 3 to 4 months discussing the process with the City to conclude

that the move would not be cost effective for NHS to handle. Sanchez expressed that he felt the City thoroughly researches attempts to preserve existing stock, but it is a case-by-case basis. Griffith agreed that preserving early construction is cost prohibitive. She noted that San Antonio has two types of early construction, well-built and poorly constructed. For the poorly constructed, the more economical solution may be to reconstruct and save 50-100% of the cost and effort of rehab. Romo noted that it may be good to have some bond funds assist families of demolished properties with relocation expenses.

2. Item #1: Approval of the Minutes from the San Antonio Housing Commission meeting on January 26, 2022.

Commissioner Pedro Alanis motioned to approve the Minutes for January 26, 2022, Regular Meeting. Commissioner Amanda Lee Keammerer seconded. Motion carried unanimously.

3. Item #2: Briefing and possible action related to the recruitment plan for members of the Renter' Issues Subcommittee (RIS).

Gonzales asked Beaver to present.

Beaver stated the RIS was established in last month's meeting and appointed Commissioners Johnson and Davila as the Commissioners on the subcommittee. She noted the RIS would advise the Commission regarding renter-related issues that included tenants' rights; education and outreach; and legislative items. Membership would include nine individuals (four renters; three rental property managers/owners; two Commissioners) having a two-year term with a two-term limit. Goals of the RIS would be to make recommendations to the Commission, ensure renters have a voice in Commission conversations, and develop relationships and understanding between property managers and renters.

Beaver stated Davila and Johnson met with staff to identify pertinent individuals to represent a broad range of lived and technical experiences. Beaver stated optional questions were placed on the application to help identify these individuals but were not listed as mandatory as some may feel uncomfortable sharing their experiences. Applications would be available in printed and electronic formats. Printed copies would be available at City facilities, County facilities, and partnering agencies. The electronic application would be available on the Housing Commission's Renters' Issue Subcommittee webpage and be linked through SASpeakUp, social media, and community email networks. The application period is targeted for March 1st - April 1st. After the applications were compiled, Johnson and Davila would review the applications and submit their recommendations for vote to the full Commission on April 27, 2022.

Davila stated that Johnson and herself met with the Public Engagement and Outreach subcommittee (PEO) to review their application recommendations and hoped that many individuals with different lived experiences apply.

Keammerer noted that her grandmother is a renter and expressed that it would be important to have a renter's perspective from an individual that does not use email. She recommended adding a question pertaining to if an individual regularly uses the internet as an optional question. Beaver noted that an applicant's email address was made as optional information and could indicate a potential follow-up of internet access, but that staff would add the question.

Commissioner Pedro Alanis motioned to approve the amended Renters' Issues application and recruitment plan developed by Commissioners Johnson and Davila for the non-Commission members of the Renters' Issues Subcommittee. Commissioner Robert Abraham seconded. Motion carried unanimously.

4. Item #4. Director's Report.

Gonzales requested Verónica R. Soto, Director, present.

Soto noted following up from January's meeting, Billy Mahone from the South Alamo Regional Alliance for the Homeless (SARAH) would be invited to attend the roundtable discussion series in March. Soto stated that SAHA issued a Resolution of Support for the SHIP. The SHIP will be presented and considered for adoption by SAHT and Bexar County in Spring 2022. She highlighted that the community is invited to help develop strategies with staff and can sign up on SASpeakUp. Citizens can also track the SHIP progress through updates in the Housing Commission meetings and the Commission's dashboard. Soto continued with the approval from City Council to call an election for a 2022-2027 Housing Bond with the recommended funding allocations specified by the committee appointees. The election will take place on May 7, 2022.

Soto stated that the Emergency Housing Assistance Program (EHAP) will transition to the Housing Assistance Program and the application portal will close on March 1, 2022. Soto introduced Elizabeth Mercado, Public Relations Manager, to speak regarding the transition and upcoming outreach efforts. Mercado stated NHSD had four events upcoming at the following apartments: Lincoln Heights, Alazan Apache, Francis Furey, and Pine Oaks. She noted that over 60 events have been held since the start of the fiscal year and outreach efforts have increased further this month in preparation for the transition. Partners such as CPS and legal aid providers have also been invited to educate residents about other services.

Soto highlighted upcoming events included the HOME-ARPA funding item during Council on March 3rd, Planning & Community Development Committee (PCDC) on February 24th and March 24th, and the Texas RioGrande Legal Aid Know Your Rights Training on February 24th and March 24th that will be conducted in English and Spanish.

Abraham requested that any outreach event include an image file that can be posted on Nextdoor and Facebook for the PEO to distribute.

Carmona highlighted the Demolition Diversion program on the PCDC meeting agenda will be starting under the name Operation Rebuild. He will be working closely with NHSD and other City departments for implementation as he suspects there will be several internal factors contributing to the external condition of the houses that City programs can assist.

Davila noted that one contributing factor to housing viability is utility issues. She noted that even if there is a leak, households must continue paying their utilities though it is a higher amount from the leak. Davila stated one area to assist upstream would be to prevent disconnection of utilities due to the large bills amounted from water leaks and other utility issues. Carmona agreed that utilities would be a factor investigated during the diversion process. He noted that not all households that qualify may opt into the program but he is hopeful to gain their trust after hearing their stories and assessing their situation.

Gonzales inquired what the roundtable discussion was for the next month. Sara Wamsley, Housing Policy Administrator, noted that next month's topic would pertain to permanent supporting housing and the Homeless Strategic Plan. Affordable rental preservation and production would follow for April's discussion.

Closing-

There being no further discussion, the meeting was adjourned without contest at 12:58 PM.

FINAL