

City of San Antonio



Minutes Planning and Community Development Committee

2021 – 2023 Council Members

Dr. Adriana Rocha Garcia, Dist. 4 | Phyllis Viagran, Dist. 3
Teri Castillo, Dist. 5 | John Courage, Dist. 9

Monday, October 31, 2022

10:00 AM

Council Briefing Room

The Planning and Community Development Council Committee convened a regular meeting in City Hall beginning at 10:01 AM. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Committee Members present:

Members Present: Dr. Adriana Rocha Garcia, *Chair*
Phyllis Viagran, *Member*
Teri Castillo, *Member*
John Courage, *Member*

Members Absent: None

Approval of Minutes

1. Approval of minutes from September 22, 2022 Planning and Community Development Committee Meeting

Councilmember Castillo moved to Approve the minutes from the September 22, 2022 Planning and Community Development Committee meeting. Councilmember Courage seconded the motion. The motion carried by the following vote:

Aye: Rocha Garcia, Castillo, Courage
Absent: Viagran

Consent Agenda

Briefing and Possible Action on

2. Briefing and possible action on the progress of the City's Strategic Housing Implementation Plan (SHIP) [Lori Houston, Assistant City Manager; Mark Carmona, Chief Housing Officer, City Manager's Office]

Assistant City Manager Lori Houston introduced the Item and noted that this was a joint presentation on Housing with the City, Bexar County, Opportunity Home (formerly San Antonio Housing Authority), and the San Antonio Housing Trust (SAHT).

Mark Carmona, City of San Antonio Chief Housing Officer, began the presentation by providing an overview of the SHIP including a new definition of affordability, 10-year targets for both rental and homeownership, overall goals and the progress made to date. Carmona provided an update on the Displacement Impact Assessment related to the 2022 General Obligation Bond, updates to the Unified Development Code (UDC), Accessible Dwelling Units (ADU), Demolition Prevention and Mitigation Program, and Legislative Items. Carmona listed the rising costs for construction, labor, and interest rates as challenges to affordable and permanent supportive housing. In addition, Carmona cited neighborhood concerns and reluctance of new developments to accept housing vouchers.

Robert Reyna, Director of Community Development for the Bexar County Economic & Community Development, provided an update on Bexar County's investments in housing, including Federal American Rescue Plan Act (ARPA), Coronavirus State and Local Fiscal Recovery Funds (SLFRF), and HOME Federal Funding.

Ed Hinojosa, President and Chief Executive Officer of Opportunity Home San Antonio, explained the organization's name change as well as their new focus on equity with a priority of keeping persons within their system housed and reducing the wait list. Another Opportunity Home representative, Tim Alcott, Chief Legal and Real Estate Officer for Opportunity Home, provided demographics and income averages for the 41,700 individuals being served by Opportunity Home. Alcott stated that there were 86,700 individuals on their waiting list as of July 1, 2022 which equated to 1 in 7 San Antonians. Alcott stated that the organization focused on providing direct housing assistance as it was difficult to find locations that would accept vouchers. Alcott provided an update on the expansion of Alazon Courts, a 501-unit complex with a plan for zero displacement using a phased approach to the redevelopment.

Pete Alanis, Director of the SAHT, stated that the organization was comprised of four components: a Trust Fund, a Foundation, an IRS 501 (c) 3 non-profit and a Public Facility Corporation (PFC). Alanis listed the six following strategic objectives included in the SAHT 5-year strategic plan: Community Land Trust & Non-Profit Multi-Family Land Trusts, Rehabilitation & Affordability Preservation, Low-Income Housing Tax Credit (LIHTC) Programs, Sustainable & Universal Design, Permanent Supportive Housing, and Inclusive Housing Model.

DISCUSSION:

Chair Rocha Garcia thanked all of the partners for attending and commented that the rebranding of Opportunity Home was a positive step with the inclusion of Core Values. Chair Rocha Garcia requested more information on the strategies and the impact of the UDC on affordable housing.

Carmona stated that he would provide an update on all of the strategies on a regular basis. Chair Rocha Garcia mentioned that ADU's might not always be more affordable.

Councilmember Viagran supported the strategy to repair and rebuild homes potentially facing demolition, requested an update on the pilot program update and recommended more outreach in Council District 3. Councilmember Viagran commented that some construction companies were not having difficulties with finding labor because they were providing competitive wages and benefits and suggested that this needed to be a consideration in the legislative agenda.

Councilmember Viagran recommended creating a new process to expand communication with residents when there was new development including coordination with Bexar County related to traffic. Councilmember Viagran recommended improved security at Opportunity Home facilities as many seniors had expressed safety concerns. She also wanted to set expectations for waiting lists and landlords and requested information about women heads of household on the wait list so there could be a more wholistic approach.

Councilmember Castillo spoke in support of having a social worker coordinate with the families that participated in Operation Rebuild. Councilmember Castillo supported making homeowner investments in rehabilitation and was pleased that assistance with title clearance was offered. Councilmember Castillo supported advocacy for tax relief for affordable housing.

Councilmember Castillo supported the Housing Authority of Bexar County and Opportunity Home working together to create more affordable housing and programs to help residents transition from supportive housing to affordable housing.

Councilmember Courage recommended more in-depth analysis of projects that were "in the pipeline" as well a list of those projects. Carmona stated that those projects were being identified along with the timeline for each of those projects. Assistant City Manager Houston clarified that "in the pipeline" meant that the project was fully funded and was waiting to get started, adding that a quarterly report would be provided.

Councilmember Courage recommended identifying, prioritizing and incentivizing existing properties that needed minor work to make an existing unit into liveable ADUs. Assistant City Manager Houston stated that in the SHIP, there were opportunities to use City property tax rebates as an incentive. Carmona added that there would also be an educational component for the families.

Chair Rocha Garcia requested the number of properties maintained by Opportunity Home. Alcott reported that there were 6,000 units owned and managed by Opportunity Home and an additional 12,000 units through partnerships but maintenance was needed. Assistant City Manager Houston suggested that the 2022 Housing Bond could be used for upgrades. Hinojosa added that private equity financing funding and tax credit funding were options.

Chair Rocha Garcia recommended that Opportunity Home develop a system to refer voucher holders to apartment complexes. Hinojosa stated that the United States Department of Housing and Urban Development (HUD) prohibited them from making referrals but Opportunity Home provided a self-search database and commented that corporate hedge fund investors were

buying up apartment complexes and they did not accept vouchers.

Chair Rocha Garcia called the SAHT a laboratory of Innovation” and supported investment.

Councilmember Castillo recommended that the City help support deferred maintenance with Bond funding. Assistant City Manager Houston reminded the Committee that there was another opportunity for funding this spring. Councilmember Castillo requested the partnership strategy for title clearing. Carmona stated that staff were developing a Request of Proposals.

Councilmember Courage asked about the impact of rising rents on the vouchers and number of vouchers allocated. Hinojosa stated that there were 13,000 vouchers and Opportunity Home had increased their voucher amounts when Federal Funding became available. Hinojosa clarified that the waiting list included project based housing as well as vouchers.

Councilmember Courage requested information on how Opportunity Home assisted families in moving up and out of Public Housing. Hinojosa stated that the average family was in the program 3-4 years and 7 years for Senior Citizens, noting that elderly or disabled persons were expected to be in the program longer. Hinojosa listed education, childcare and job training as an example of the support services provided by Opportunity Home.

No action was required for Item 2

3. Briefing and possible action on the Tax Increment Financing Program Policy Updates.

[Lori Houston, Assistant City Manager; Veronica Garcia, Interim Director, Neighborhood and Housing Services]

Assistant City Manager Lori Houston introduced the Item and stated that the Item was for briefing and feedback and staff would return once more to the Committee before bringing it before the full City Council.

Ian Benavidez, Interim Deputy Director of the Neighborhood Housing Services Department (NHSD), provided a background on the policy which was adopted in 2015. Benavidez stated that the current policy was lengthy, disjointed, outdated and had some inefficient processes. Benavidez provided a timeline on the Policy Update Process. Benavidez stated the Tax Increment Financing (TIF) Policy established application, contract, and fee requirements as well as creation of new Tax Increment Reinvestment Zone (TIRZ) and the Board appointment process. The new process would also include an evaluation component for each project. Benavidez provided some examples of some previously approved projects to help clarify allowable use of TIF funds and listed feedback that had been received on the Policy.

Benavidez provided an outline of the proposed changes in the area of Policy, not change was proposed but the Program Objectives would reference new City approved Plans and Initiatives. There were 2-types of TIRZ: City-initiated and petition initiated. Benavidez stated that the funding guidelines would have revised standards, there was no recommended material change to the creation of new TIRZ but would have more definition of the process. Benavidez clarified new Board Composition Standards and changes to the fees which included more

flexibility depending on the size of the TIRZ, the ability to waive or reduce fees for non-profits and adjustment of Fees to offset administrative costs from the City based on the level of project complexity.

Benavidez outlined the application and appointment process for Board Members and the proposed new sections to the TIF Housing Policy which included a market analysis showing the need for the type of housing in the area, a Displacement Impact Assessment, alignment with the definitions of affordable housing used by the City, alignment with other City Plans, Universal Design, a Housing Voucher Incentive Policy, Notice of Tenants Rights, and Build San Antonio Green Level 2 or equivalent sustainable development. Benavidez described the newly revised application and process for developers or non-profits seeking TIRZ funding.

DISCUSSION:

Chair Rocha Garcia requested clarification on staff sitting on the TIF Governance Committee and other TIRZ Boards. Assistant City Manager Houston stated that the TIF Governance Committee was a staff committee that ensured the project was viable and legal.

Chair Rocha Garcia asked how new City Initiated TIRZ was created. Benavidez stated they could be requested by a City Councilmember and staff would review to determine if the area was suitable. Chair Rocha Garcia supported the market analysis requirement, but was concerned about TIRZ being used to support market rate housing. Assistant City Manager Houston explained that sometimes creation of new Market Rate Housing was necessary to keep developers from buying affordable housing stock and converting it to market rate.

Chair Rocha Garcia requested a redlined version of the proposed policy changes. Assistant City Manager Houston stated that the changes focused on simplification and condensing/restructuring so a redline would not be helpful, but staff would provide a summary of the changes with a side-by-side comparison.

Councilmember Castillo expressed concern that the Chair of the Committee was not able to make appointments to their Boards. She recommended aligning the board structure with the TIF Policy and requested a meeting on the community benefits.

Councilmember Courage asked about giving all taxing entities a seat on the TIRZ Board. Assistant City Manager Houston clarified that only participating taxing entities who contributed would receive a seat. Councilmember Courage requested clarification on the process of revising the purpose of the board. Benavidez stated that these would be reviewed annually and would be used to help define projects and provide guidance on alignment with City priorities and approved Plans. Assistant City Manager Houston clarified that the City Council reviewed and would need to approve every project that any TIRZ Board recommended.

Councilmember Viagran agreed that board appointees needed to stay within the purview of the Chair and wanted to ensure that any taxing entity with a seat on the Board needed to participate in a meaningful way. Councilmember Viagran recommended flexibility related to housing projects and suggested keeping the option for Market Rate Housing.

Councilmember Courage asked about the process to terminate a TIRZ. Assistant City Manager Houston stated that a TIRZ could be terminated by City Council while honoring commitments already made to projects. Benavidez offered to include a clarification in the policy.

Chair Rocha Garcia requested more information on metrics and a report on the progress of specific TIRZ.

4. Briefing and possible action on the recommended update to Chapter 10, Building-related Codes by adopting the 2021 edition of the International Code Council (ICC) International Energy Conservation Code (IECC) with local amendments. [Roderick J. Sanchez, Assistant City Manager; Michael Shannon, Director, Development Services]

Michael Shannon, Director of the Development Services Department (DSD), provided an overview of the International Energy Conservation Code (IECC) Unified Development Code (UDC) recommended by the Building-Related and Fire Code Appeals Advisory Board (Board). He outlined the timeline for the UDC updates including the outreach and community engagement process and a list of stakeholders. Shannon reported that there was no opposition to moving to a newer version of the IECC as the City was currently utilizing code from 2018. Shannon recommended moving to the 2021 IECC to increase flexibility and permit trade-offs against other features of a home to meet the new standard, maintain the current insulation requirements, and add requirement for Electric Vehicles (EV) in commercial and residential new construction.

Shannon stated that the new Commercial codes would add operable openings interlocking of garage style doors, increase Heating Ventilation and Air Conditioning (HVAC) equipment efficiency, add requirements for lighting controls in parking garages, and increase the number of additional energy efficiency options. Shannon stated that the Board recommendation included required energy monitoring system for new buildings 100,000 square feet (sf) or larger which was less restrictive than the IECC proposed at 25,000 sf.

Shannon commented that increasing the R value in insulation from R-38 to R-49 would significantly increase the cost of the home, so the Board recommended staying with R-38. R-Value reflects an insulating material's resistance to conductive heat flow and was measured or rated in terms of its thermal resistance.

Shannon stated that under the proposed changes, electrical panels would include a reserve space to be available for solar but did not require the space to be ready for solar, or change the roof design to eliminate vent pipes or alignment to leave space for solar panels. Shannon stated that the Board's recommendation was to include a Level 1 (AMP-120 volt) Electric Vehicle (EV) Charger in each home that would charge a vehicle in 18 hours while the Level 2 (AMP-240 volt) EV Charger would charge a vehicle in 4 hours. The Level 2 EV Charger would cost potentially \$1,500 to \$2,000 per home. He commented that the new requirements on Solar and EV were beyond those recommended in the 2021 IECC.

PUBLIC COMMENT:

Russell Seal from the Lone Star Chapter of the Sierra Club, spoke in support of adopting the 2021 IECC. Seal requested four amendments: increase the requirement for attic/ceiling insulation to R- 49 standard, require an Energy Management and Control System for large (5,000+ sf) and medium and large commercial buildings (25,000+ sf) that supported CPS Energy's smart energy demand management, require solar ready roofs on residential new construction in addition to the solar ready electrical panels, increasing the EV-ready residential provision from an AMP 120 Volt Plug and Receptacles to an AMP-240 Volt Plug and receptible and raising the commercial requirement from 3% EV-capable to 10%.

WRITTEN COMMENT:

The City Clerk read a statement from Councilmember Sandoval into the record at the request of Chair Rocha Garcia. Councilmember Sandoval's memo urged the Planning and Community Development Committee to amend the recommendations as follows: require Energy Monitors in buildings 50,000 sf and larger, increase the required EV-capable parking to more than the proposed 3%, increase the ceiling insulation requirement to R-49, and require new homes to include Level 2 EV (AMP-240 Volt) charging outlets.

DISCUSSION:

Chair Rocha Garcia requested a list of all stakeholders on the Energy Committee, a list of any IECC requirements that were not being recommended, and more information on the average cost of installing an EV Charger at Level 1 versus Level 2 and the ceiling insulation. Chair Rocha Garcia requested the cost to designating a "solar ready" zone. Shannon stated that he did not have specific costs but there was a concern that some existing floor plans called for vent pipes that might need to be redesigned in standard developer designs. Chair Rocha Garcia asked about the logic related to requiring 3% of the parking spaces to be EV ready and recommended an increase to 5%.

Councilmember Courage commented that 3% of the parking spaces on a 300 unit apartment complex was only 9 EV chargers and clarified that the requirement was not for retrofit but for new construction which would make the new units more desirable. Councilmember Courage supported having a solar panel-ready electrical panel and the Level 2 charger in all new homes, concluding that buyers would want those quick chargers for their EVs in the next few years. He did not think floor plans needed to be adjusted for solar but supported increasing insulation at the higher level.

Councilmember Castillo clarified that staff originally recommended attic insulation at R-49 and the Committee stayed with R-38. Shannon stated the committee didn't think the cost was justified when compared to the benefit. Councilmember Castillo supported going to Level 2 EV chargers for all new homes as the cost was less when it was being built rather than retrofit as well as increasing the required EV parking to 5% for all new multi-family housing.

Councilmember Courage recommended requiring the energy monitoring system at a 50,000 sf facility as a compromise between the IECC's recommendation of 25,000 sf and the

Committee's recommendation of 100,000 sf. Chief Sustainability Officer Doug Melnick clarified that the benchmarking was based on the Environmental Protection Agency's (EPA) Energy Star portfolio manager but the new UDC requirement was for an energy monitoring system which did not have to be the EPA model.

Shannon stated that City Council action was planned for November 10, 2022. Chair Rocha Garcia requested that Shannon provide information including statistics and process for assessment and reporting on energy usage, at the City Council meeting when the UDC amendments were being considered.

Chair Rocha Garcia called a vote on the Amendment which carried. Then, the main motion to forward the recommended UDC Updates to full City Council for Consideration on November 10, 2022 was also approved.

Councilmember Viagran moved to amend the recommendations to increase the required parking spaces for future Electric Vehicle capacity to 5% for multi-family and commercial lots, require R-49 insulation in the attics of new homes, install Level 2 Charging outlets in all new homes. Councilmember Castillo seconded the motion. The motion carried by the following vote:

Aye: Rocha Garcia, Viagran, Castillo, Courage
Absent: None

Councilmember Viagran moved to approve the Item to move forward for consideration by full City Council, as amended. Councilmember Castillo seconded the motion. The motion carried by the following vote:

Aye: Rocha Garcia, Viagran, Castillo, Courage
Absent: None

Adjournment

There being no further discussion, Chair Rocha Garcia adjourned the meeting at 12:26 PM.

Approved

Adriana Rocha Garcia, Chair

Debbie Racca-Sittre, City Clerk