State of Texas County of Bexar City of San Antonio



Meeting Minutes City Council B Session

City Hall Complex San Antonio, Texas 78205

2021 – 2023 Council Members

Mayor Ron Nirenberg Mario Bravo, Dist. 1 | Jalen McKee-Rodriguez, Dist. 2 Phyllis Viagran, Dist. 3 | Dr. Adriana Rocha Garcia, Dist. 4 Teri Castillo, Dist. 5 | Melissa Cabello Havrda, Dist. 6 Rosie Castro, Dist. 7 | Manny Pelaez, Dist. 8 John Courage, Dist. 9 | Clayton Perry, Dist. 10

Wednesday, May 17, 2023

2:00 PM

Municipal Plaza Building

The City Council convened a regular meeting in the Norma S. Rodriguez Council Chamber in the Municipal Plaza Building beginning at 2:14 PM. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Council Members present:

PRESENT: 11 –Nirenberg, Bravo, McKee-Rodriguez, Viagran, Rocha Garcia, Castillo, Cabello
Havrda, Castro, Pelaez, Courage, Perry**ABSENT:**None

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ITEMS

1. Briefing and possible action on the recommendations for the second round of the 2022–2027 Housing Bond Requests for Proposals. [Lori Houston, Assistant City Manager; Veronica Garcia, Director, Neighborhood & Housing Services Department]

City Manager Erik Walsh provided an overview of the Item and introduced Veronica Garcia, Director of the Neighborhood and Housing Services Department who presented background on the 2022 Housing Bond second funding round Request for Proposals (RFP). Garcia provided background on the first round of funding which totaled \$105 million in awards and assistance and included \$45 million for applications and partnerships. Garcia stated that the first round of funding created 2,833 total units.

Garcia noted that the goals for the Housing Bond were to prioritize deeper affordability, leverage beyond City investments and include wrap around services. Garcia provided a timeline, evaluation criteria and scoring panelists for each RFP. Garcia provided a map and results of the displacement assessment for the recommended projects which would provide a total of 2,128 units with most of the units meeting the deeply affordable criteria.

Garcia reported that \$33.7 million was available for housing projects under the second round utilizing a combination of Bond and Federal funds. Garcia recommended the following six rental unit projects totaling \$11,870,382: Cattleman Square Lofts, Ellison Apartments, Culebra Road Apartments, Memorial Apartments, Cloudhaven Apartments and Legacy Senior Residences.

Garcia stated that \$17 million in Bond funding was available for rental housing acquisition, rehabilitation and preservation and recommended all five projects that were proposed: Vista Verde Apartments, Victoria Plaza Apartments, Midcrowne, The Ravello and Westwood Plaza. Garcia reported that \$1.9 million in Bond funding and \$2.9 million in Federal funding was available in the category of homeownership production and recommended all three projects that were proposed: Build for SA-Yucca, Westside Reinvestment Initiative and Riverside Terrace.

Mayor Nirenberg commented that the amount of progress made since the approval of the Housing Bond was incredible noting that the number of units produced at deep affordability levels was significant for our community. Mayor Nirenberg requested a report on the units in the market within the next year including construction completion and how many people had moved into the units. Garcia stated that she would provide regular reports to the City Council beginning in six months.

Mayor Nirenberg recommended leveraging more funding opportunities. Chief Housing Officer Marc Carmona stated that he was working with Bexar County and had spoken to the United States Department of Housing and Urban Development (HUD), noting that a Notice of Funds Availability (NOFA) was expected this summer from HUD.

Councilmember Rocha Garcia commented that evictions were rising and cited the homeless point in time count so the new units were sorely needed to place and keep those families in homes.

Councilmember Rocha Garcia stated that a survey of homeless individuals revealed that their number one priority was housing, followed by food and transportation. Councilmember Rocha Garcia stated that she was looking forward to some of the new projects in Council District 4 and around the City, particularly those that provided deep affordability and addressed a variety of housing including mobile homes.

Councilmember Cabello Havrda supported the recommendations noting that they were a good step toward changing the trajectory of families, particularly children aging out of foster care. Councilmember Cabello Havrda noted that under the Mobile Home Program, the mobile homeowners would have partial ownership in the land, not just the home which protected them from sales.

Councilmember Cabello Havrda mentioned that the conditions at Westwood Plaza were dire, and this was a project that could transform an entire neighborhood. Councilmember Cabello Havrda requested assurances that the properties would stay in good condition for the long term. Garcia stated that NHSD's Compliance Team would review the project regularly to ensure that proper living conditions and affordability was maintained, noting that the contracts had a claw back provision to be able to get back the City's investment if the property was sold or in noncompliance.

Councilmember Courage noted that NHSD did an amazing job during the COVID 19 Pandemic to provide rental and utility assistance and develop the Strategic Housing Implementation Plan (SHIP). Councilmember Courage commented that reaching the deep affordability was a difficult task, particularly at 30% area median income levels which was very low rental amounts. Garcia stated that the cost of material and labor was rising, which was a risk, but recommended a mixture of units at different income levels to ensure the projects were fiscally sustainable.

Councilmember Courage supported helping people stay in their homes through rehabilitation and preservation. Councilmember Courage recommended increasing the minimum requirement for partners from 10% affordability to 20%.

Councilmember McKee-Rodriguez commented that the community expected the Housing Bond to mitigate the effects of past discrimination and redlining and wanted to ensure that there were projects in the most underserved council districts in the city. Councilmember McKee-Rodriguez noted that Council District 2 received 18% of all units in the projects and spoke in support of specific projects in Council District 2 such as Midcrown Pavilion. Councilmember McKee-Rodriguez asked what would happen to residents of properties that were being renovated. Garcia stated that currently occupied properties were required to submit a relocation plan.

Councilmember Castillo was excited about the number of projects in Council District 5 and spoke in support of the non-profit partners that took the time to check in with the neighbors regarding their projects. Councilmember Castillo spoke in support of the creative model in Council District 3 to help improve overall infrastructure. Councilmember Castillo asked if the Housing Bond could be used for planning of improvements such as those at Cassiano Homes public housing. Garcia stated that the Bond funds were for capital expenditures, but Federal funds could be used for planning.

Councilmember Bravo noted that he was impressed with the commitment to deep affordability but recommended a future focus on homeownership to help build generational wealth. Councilmember Bravo asked what would be done with the remaining \$1.6 million funding. Garcia stated that the funding would be available in a future solicitation combined with other funding sources such as HOME.

Councilmember Perry noted that round one and two produced roughly equivalent units but at different costs and asked about the cost per unit. Garcia reported that the cost per unit to the City under round two was \$20,497 with developers contributing \$146,852 per unit. Councilmember Perry asked about the tax credit projects and a list of projects with city tax exemptions or

abatements. Garcia stated that tax credits were determined by the State and six total projects were getting tax abatements but noted that properties owned by Opportunity Home were public housing units and did not pay property taxes.

Councilmember Perry asked how many affordable units were needed and added that there were not enough units being created. Garcia replied that 95,000 households were cost burdened, and 28,000 units were needed with about half in production.

Councilmember Viagran recommended coordination with CPS Energy to ensure the new properties had sufficient lighting and expressed concern for resident security. Garcia stated that many of the projects contained security measures and the Development Services Department had standards for lighting that would need to be met by the projects.

Councilmember Viagran suggested more incentives for developers that were willing to go beyond the 10% affordability. She supported the innovative projects in Council District 3 including the mobile homes in Riverside Terrace and the senior living facility.

EXECUTIVE SESSION

Mayor Nirenberg recessed the meeting into Executive Session at 3:37 p.m. to deliberate and discuss the following:

A. Economic development negotiations pursuant to Texas Government Code Section 551.087 (economic development)

B. The purchase, exchange, lease or value of real property pursuant to Texas Government Code Section 551.072 (real property).

C. Legal issues related to litigation involving the City pursuant to Texas Government Code Section 551.071 (consultation with attorney).

Mayor Nirenberg reconvened the meeting in Open Session at 4:09 p.m. and announced that no official action was taken in Executive Session.

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 4:09 p.m.

Approved

Ron Nirenberg Mayor

Debbie Racca-Sittre City Clerk