

QUALITY OF LIFE COUNCIL COMMITTEE MEETING MINUTES

TUESDAY, NOVEMBER 19, 2013

9:00 A.M.

MEDIA BRIEFING ROOM, CITY HALL

Members Present: Councilmember Ivy R. Taylor, Chair, *District 2*
Councilmember Diego Bernal, *District 1*
Councilmember Shirley Gonzales, *District 5*
Councilmember Joe Krier, *District 9*
Councilmember Carlton Soules, *District 10*

Members Absent: None

Staff Present: Peter Zanoni, *Deputy City Manager*; Kristine Duff, *Assistant City Attorney*; John Dugan, *Director, Planning and Community Development*; Patrick Howard, *Assistant Director, Planning and Community Development*; Leticia Vacek, *City Clerk*; Brandon Smith, *Office of the City Clerk*; Denice Trevino, *Office of the City Clerk*

Also Present: Meghan Oswald, *Executive Director, CHR Partners*

Call to order

Chairperson Taylor called the meeting to order.

1. Approval of Minutes of the October 15, 2013 Quality of Life Council Committee Meeting

Councilmember Krier moved to approve the Minutes of the October 15, 2013 Quality of Life Council Committee Meeting. Councilmember Bernal seconded the motion. Motion carried unanimously by those present.

2. Consideration of Applicants for Two (2) At-Large Slots to the Building Standards Board [Presented by Leticia M. Vacek, City Clerk, TRMC/CMC]

Leticia Vacek stated that there were two applicants for one slot on the Building Standards Board in the Commercial Rental Property Category. She indicated that said applicants were in attendance and available for an interview.

Ray Mendez stated that he was a Civil Engineer and indicated that as an Engineer for the U.S. Navy he has worked on a number of Construction Projects. He stated that he would like to give back to the community.

William Curtis stated that he had a degree in Real Estate Financial Development and was currently a Property Manager. He indicated that he would like to use his education and experience to benefit the community.

Mrs. Vacek noted there was one vacancy and one applicant for the Historic Preservation Professional Category of the Building Standards Board. She stated that said applicant was Stuart Johnson and noted that he was not able to attend.

Chairperson Taylor asked if Mr. Johnson had provided a letter. Mrs. Vacek replied that he had not. She indicated that those selected would be brought forward to the full City Council on November 21, 2013 for consideration.

11. Executive Session

Chairperson Taylor recessed the meeting into Executive Session at 9:11a.m. She reconvened the meeting at 9:19 a.m. and announced that no action was taken in Executive Session.

Councilmember Bernal moved to forward: 1) Stuart Johnson for the Building Standards Board in the Historic Preservation Professional Category, and 2) William Curtis for the Building Standards Board in the Commercial Rental Property Category to the full City Council for consideration. Councilmember Krier seconded the motion. Motion carried unanimously by those present.

Item 5 was addressed at this time.

5. Briefing and Possible Action on Reprogramming the FY 2014 Action Plan and Budget Administering Programs Funded Through the U.S. Department of Housing and Urban Development (HUD) Grant Programs Including the Community Development Block Grant (CDBG) and the Home Investment Partnership Grant (HOME). Staff has identified \$908,762 in HOME Funds and \$507,685 in CDBG Funds Available for Reprogramming. [John Dugan, Director, Planning and Community Development; Peter Zaroni, Deputy City Manager]

John Dugan stated that there was \$908,762 available in Home Investment Partnership (HOME) Funds and \$507,685 available in Community Development Block Grant (CDBG) Funds for reprogramming. He noted that the said funds were available from completed project savings and cancelled projects. He proposed that \$795,978.96 in HOME Funds be reprogrammed for Multi-Family Set-Aside and \$112,784.00 be reprogrammed for the Wheatley Choice Multi-Family Phase II Project. He stated that staff proposed the reprogramming of \$215,000.00 for Housing Minor Repair Activities, \$48,591.59 for Targeted Façade Improvements and \$244,094.00 for Public Infrastructure Improvements in CDBG Funds. He noted that staff recommends approval and forwarding to the full City Council the reprogramming of \$908,763 in FY 2014 HOME Funds and \$507,686 in FY 2014 CDBG Funds.

Chairperson Taylor called upon the citizens registered to speak.

1. Citizens To Be Heard

Meghan Oswald stated that she was the Executive Director of CHR Partners whose prime focus was to provide affordable housing for communities. She noted that the Emerald Village Project was located at Loop 1604 and Corporate Parkway in City Council District 9. She reported that it would be a mixed

income development with 144 units. She mentioned that 69% of the units would be reserved for those with 60% of the area median income or lower. She stated that CHR Partners was requesting \$750,000 in reprogrammed HOME and CDBG funds to allow them to leverage \$15 million in tax credit funds from the State of Texas.

Councilmember Krier asked of the rental rates for said units. Debra Guerrero replied that a one bedroom unit was priced at \$575 and a four bedroom unit was priced at \$1,066.

Councilmember Gonzales asked how long these units would be priced at said rates. Ms. Guerrero replied that following an affordability period of 15 years, rates could be adjusted to the market rate.

Chairperson Taylor asked of the project start date. Ms. Oswald replied that it was anticipated to begin in the first quarter of 2014.

Councilmember Gonzales moved to forward the reprogramming of \$908,763 in FY 2014 HOME Funds and \$507,686 in FY 2014 CDBG Funds as recommended by staff to the full City Council for consideration. Councilmember Bernal seconded the motion. Motion approved unanimously by those present.

Item 6 was addressed at this time.

6. Briefing and Possible Action to Appropriate an Amount not to Exceed \$600,000 in U.S. Department of Housing and Urban Development (HUD) Home Investment Partnership Grant (HOME) Funds to the Merchant's Ice Lofts Project. [John Dugan, Director, Planning and Community Development; Peter Zaroni, Deputy City Manager]

Lori Houston stated that staff is recommending that the Quality of Life Committee authorize the reprogramming of \$600,000 in Housing and Urban Development (HUD) HOME Funds for the Merchant's Ice House Project (Project). She noted that the \$600,000 would be in the form of a loan to be repaid over 40 years beginning after the first two years of construction. She noted that the interest rate on the loan would be 1.5% and this action was associated with a \$700,000 loan that was approved by Tax Increment Reinvestment Zones (TIRZ) 11 in October 2013. She added that final approval of this item was contingent upon City Council approval on December 5, 2013. She related that Herman & Kittle Properties (H&K) was proposing a \$33 million multi-family housing development, new construction of a five-story apartment building, and a 262 space structured parking facility. She reported that 131 units were priced for 80% of the area median income and 131 units were priced at market rate. She indicated that the Project would be developed in partnership with the San Antonio Housing Trust through its Public Facility Corporation (PFC). She stated that said Project would be owned by the PFC and would receive a 100% tax exemption from all taxing entities for 20 years. She noted that the Project qualified for incentives under the Center City Housing Incentive Policy (CCHIP) which was adopted by City Council in 2012. She stated that under this policy, the Project would receive a San Antonio Water System (SAWS) Waiver of approximately \$600,000, City Fee Waivers of approximately \$95,000, and an Inner City Incentive Fund (ICIF) Loan of \$1,048,000. She mentioned that the ICIF Loan amount was based upon \$3,000 per housing unit plus an additional \$1,000 bonus for structured parking per unit. She added that said loan was repayable in Year 7 at the London InterBank Offered Rate (LIBOR) plus 75 basis

points. She stated that with the 20 year tax exemption and the CCHIP Incentives, the Project would still have a \$1.3 million financial shortfall. She indicated that this was due to required environmental abatement associated with the building and the mixed income component. She reported that the Project received a \$700,000 Loan from the TIRZ 11 Fund Balance for expenses associated with environmental abatement. She noted that said loan was approved on October 31, 2013. She stated that staff recommends approval and forwarding of a loan in an amount not to exceed \$600,000 in HUD HOME Funds for the Merchant's Ice House Project to the full City Council for consideration.

Councilmember Soules asked for the details of the business deal. Ms. Houston agreed to provide him with this information before it goes before the full City Council.

Councilmember Bernal moved to forward approval of a loan in an amount not to exceed \$600,000 in HUD HOME Funds for the Merchant's Ice House Project to the full City Council for consideration. Councilmember Gonzales seconded the motion. Motion carried unanimously by those present.

7. Briefing and Possible Action on Revisions to the City's Housing Policy Guidelines for Community Development Block Grant and the Home Investment Partnership Program
[John Dugan, Director, Planning and Community Development; Peter Zaroni, Deputy City Manager]

Patrick Howard stated that proposed revisions to the City's Housing Policy Guidelines were based in part on technical assistance provided by HUD. He noted that the intent of the revisions were to allow the City's housing programs to be operated in a more efficient and effective manner and to address immediate concerns with current, on-going projects. He stated that the Council-Adopted Strategic Plan for Community Development takes into account the goals of the City's 2001 Housing Master Plan to: 1) Expand affordable housing opportunities; 2) Expand special needs housing opportunities; 3) Encourage desirable housing development projects; 4) Encourage the development of partnerships between developers, financial institutions, and non-profit agencies; 5) Improve program efficiencies; and 6) Encourage urban design standards and amenities. He noted that the revisions were in line with SA2020 Goals. He stated that the proposed Housing Policy revisions would: 1) Clarify language related to maximum assistance amounts; 2) Remove references related to Second Time Assistance; and 3) Remove references to Repayment Terms and Requirements related to Minor Home Repair. He stated that staff recommends approval and forwarding of the proposed revisions to the City's Housing Policy to the full City Council for consideration on November 21, 2013.

Chairperson Taylor asked if language was included to limit the number of subsidies awarded to a single homeowner. Mr. Howard indicated that revisions would be made in the Spring which would include language clarifying the amount of a subsidy to be awarded over a given amount of time.

Councilmember Bernal asked for an example where the proposed revisions would have been useful in the past. Mr. Howard replied that in one instance a home required foundation repair which delayed the project. He stated that during this delay the costs escalated over the maximum amount allowed and the project could not be completed without going through the Administrative Approval Process again. Councilmember Bernal suggested that such cases be brought to the attention of the Councilmember in

whose district the project was located. Mr. Dugan confirmed that this would be incorporated into the process.

Councilmember Krier moved to approve and forward the proposed revisions to the City's Housing Policy to the full City Council for consideration. Councilmember Bernal seconded the motion. Motion carried unanimously by those present.

Item 4 was addressed at this time.

4. Briefing on Proposed Transition of the Senior Services Medical Transportation Program to a Taxi Voucher System [Melody Woosley, Interim Director, Department of Human Services; Gloria Hurtado, Assistant City Manager]

Melody Woosley stated that the Department of Human Services (DHS), Senior Services Division, operated seven comprehensive Senior Centers, 51 nutrition sites, and two Transportation Programs. She noted that the total budget was approximately \$11 million, of which, 20% was supported by Federal Funding. She reported that the Senior Transportation Program included Center-Based Transportation which was provided to seniors living within a five mile radius of a DHS-Operated Senior Center or Nutrition Site, and Medical Transportation which was provided to seniors primarily for vital medical appointments. She stated that DHS was awarded \$138,500 in Older Americans Act (OAA) Funding in FY 2014, which represented a 45% decrease from FY 2013, and a 50% decrease from FY 2012. She stated that DHS would not be able to operate their current Dispatch and Chauffeur Model with the award provided. She noted that continued use of the current model would require an approximate budget of \$344,000 to provide Chauffeur, Door to Door Transit Services. She reported that the 2013 General Fund (GF) match exceeded the required 10% grant match and DHS was proposing to reduce the grant match for Medical Transportation to the required 10% and to increase the Center Based Transportation Program grant match to offset Federal Grant reductions to that Program. She noted that the Alamo Area Council of Governments (AACOG) awarded \$135,000 in one time Federal Transit Administration New Freedom (New Freedom) Grant Funds to DHS for FY 2014 to augment the reduction in OAA Funds. She added that those funds were restricted to use for Taxi Voucher support only and acceptance of those funds would require a shift in the current Program Model.

Ms. Woosley reported that New Freedom Funds would support the overall FY 2014 Senior Medical Transportation Budget of \$287,850 for one year. She stated that DHS would work with the current City contractor, Yellow Cab Company, to offer taxi service to seniors. She noted that the number of one-way trips would decrease from 8,629 to 5,116 in FY 2014 and staff positions would decrease from eight to three. She stated that a meeting was held with AACOG to discuss plans for FY 2015. She noted that New Freedom Funds were not anticipated to be available next year and a decrease in OAA Funds was expected. She mentioned that AACOG currently funds three organizations to provide senior transportation services so there was an opportunity to improve efficiencies. Ms. Woosley stated that staff requested approval to forward a proposed new Senior Medical Transportation Program Service Delivery Model to the full City Council for consideration on December 19, 2013. She added that acceptance of grant funds for Medical Transportation and Senior Nutrition would be brought before the full City Council for approval on said date.

Councilmember Gonzales asked if funding for Center-Based Transportation would be affected. Ms. Woosley replied that it would not. Councilmember Gonzales asked how Seniors would be notified of the change. Ms. Woosley replied that a letter advising of the change would be sent to all participants and participants would be notified when scheduling transportation.

Councilmember Bernal moved to approve and forward a proposed new Senior Medical Transportation Program Service Delivery Model to the full City Council for consideration on December 19, 2013. Councilmember Gonzales seconded the motion. Motion carried unanimously by those present.

Item 8 was addressed at this time.

8. Briefing and Possible Action on an Ordinance Authorizing the Submission and Subsequent Acceptance, if any, of a Promise Zone Designation in Council Districts 2 and 3 [John Dugan, Director, Planning and Community Development; Peter Zaroni, Deputy City Manager]

John Dugan stated that the City of San Antonio, as the Lead Applicant, and its partners, were seeking Federal Promise Zone Designation for a geographic region located within the City's East and Southeast Side. He indicated that Promise Zones provide tools to revitalize communities by attracting private investment, creating jobs, improving affordable housing, expanding educational opportunities, providing tax incentives for hiring workers and investing within the Zones, and partnering with local leaders to navigate Federal Programs. He noted that in Urban Areas, neighborhoods are eligible if they contain the geographic area that is the focus of one of the following types of implementation grants: 1) Choice Neighborhoods Implementation Grants; 2) Promise Neighborhoods Implementation Grants; and 3) Byrne Criminal Justice Innovation Implementation and Enhancement Grants. He mentioned that the grantees/partners of these grants would be expected to be applicants or key partners in the Promise Zones Application. He stated that Promise Zone Benefits would include: 1) Priority consideration and; 2) Promise Zone Tax Credits. He noted that if enacted by Congress, tax incentives would be available to businesses employing Promise Zone Residents or investing in a geographic area encompassing the Promise Zone. He stated that tax incentives would remain available to businesses for 10 years. He added that Promise Zone Designations would have a term of 10 years, and be extended as necessary to capture the full term of availability of the Promise Zone Tax Incentives, if enacted. He stated that staff recommends approval and forwarding of the proposed Promise Zone Application to the full City Council on November 21, 2013. He noted that if approved, the application would be submitted on November 26, 2013.

Councilmember Soules moved to approve and forward the proposed Promise Zone Application to the full City Council for consideration. Councilmember Bernal seconded the motion. Motion carried unanimously by those present.

9. Consideration of Future Items:

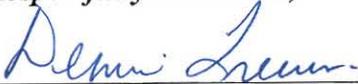
a. Discussion of Committee Priorities, Purpose, Meeting Logistics, and Related Matters

Chairperson Taylor asked the Committee Members if they preferred to have future meetings scheduled at 9:00 or 10:00 a.m. The Committee Members indicated that they would like to meet at 10:00 a.m. She noted that the next Committee Meeting would be held in January 2014.

10. Adjourn

There being no further discussion, the meeting was adjourned at 10:27 a.m.

Respectfully Submitted,



Denice Treviño

Office of the City Clerk



Ivy R. Taylor, Chair