

**Urban Affairs Council Committee
Minutes**

Monday, January 9, 2006

5:30 p.m.

Municipal Plaza "C" Room

Members Present: Councilmember Patti Radle, Chair, District 5
Councilmember Sheila McNeil, District 2
Councilmember Delicia Herrera, District 6

Absent: Councilmember Roger Flores, District 1

Staff Present: Jelynn Burley, Assistant City Manager; Frances Gonzalez, Assistant City Manager; David Garza, Neighborhood Action Development Director; Drew Cameron, Housing and Community Development Director; Clint McKenzie, HCD Analyst; T.J. Pinales, NAD Housing Rehabilitation Manager; Alberto Solorzano, HCD Analyst; Adolph Torres, NAD Housing Loan Coordinator; Trey Jacobson, Mayor's Office; Jed Maebius, Mayor's Office; Shreya Shah, Assistant City Attorney;

Also Present: Jim Plummer, Fulbright & Associates; Sandra Williams, San Antonio Metropolitan Housing Authority

A. Regular Business:

❖ **Call meeting to Order**

Chairperson Patti Radle called the meeting to order.

❖ **Approval of Minutes from the November 14, 2005 Meeting**

The committee members present unanimously approved the minutes of the November 14, 2005 Urban Affairs Council Committee Meeting.

Councilmember McNeil requested that Committee members be provided more time to review previous meeting minutes. Councilmember Herrera proposed a 72-hour advance receipt deadline for agenda packet materials. Chairperson Radle directed City staff to provide Committee members with further relevant meeting background information, minutes and agenda item supporting documents at least 72 hours prior to meetings to allow for timely review.

B. Presentation on City Council Priorities for CDBG & HOME Funding for FY 2006-2007

Andrew Cameron, Director, Housing & Community Development;
Jelynn LeBlanc Burley, Assistant City Manager

Mr. Andrew Cameron, Housing & Community Development Director, narrated a slide presentation on FY 2006-07 CDBG & HOME Recommended Funding Priorities, a copy of which is on file with the Office of the City Clerk, so that direction can be given at the next UAC meeting. He explained eligible activities of

the CDGD Fund and HOME & ADDI Funds, along with the sources and uses of said funds. He discussed the City's priorities for Federal Housing Resource Funds, existing housing needs and the funding application and selection process. He stated Staff recommendations, benefits and rationale for FY 2006-07 prioritization funding. He also presented items requiring Council direction if the recommendations are approved.

Chairperson Radle inquired of the Administrative costs percentage. Mr. Cameron responded that those costs reflect administration related to all programs combined.

Assistant City Attorney Jelynn Burley asked for clarification of Annual Production (Slide 12). Mr. Cameron responded that the figures represent all recipient agencies of City funds.

Mr. Cameron explained that the demand for larger homes grew due to household sizes, so home construction costs rise accordingly. He noted that consequently, it is recommended housing cost caps rise and to maintain affordability, five percent lending notes accompany these homes.

The following citizen(s) appeared to speak:

Mr. Jim Plummer, representing San Antonio Housing Trust Finance Corporation, recommended that the Committee continue to permit multi-family housing projects to apply for loan funds, which the recommendations do not permit, and to continue to review applications for single-family projects. He stated the decision to fund multi- or single-family projects should be based upon the needs of the population, and advised the Committee to leave open the option to review either. He noted the rest of the proposed program recommendations are desperately needed.

Ms. Sandra Williams, Alamo Area Metropolitan Housing Authority Executive Director, stated her support of the proposal, and thanked Council for making past funds available. She noted the complexities agencies and the City encounter with regard to deadlines and budget timetables. She stated that now is a good opportunity for the City to step back for year and make a measured decision to determine a course on new home construction funds. She stated that so doing would allow the City to determine how to better use bonding capacity and available funds.

Councilmember Herrera asked if multi-family structures excluded senior citizen planning. Mr. Cameron responded that that new construction for seniors would not be built with HOME funds, but may be built using bond funds. He added that single-family building construction was identified as a priority, so the funds need to be directed toward the priority and quality reconstruction. Mr. Cameron added that quality neighborhood reconstruction requires financial support, but the City has not budgeted new funds to the program since 2003.

Chairperson Radle requested an opportunity to meet with Mr. Cameron for a briefing session on the topic. Council members Herrera and McNeil indicated their interest in such a meeting as well. Councilmember McNeil added that convincing affected organizations and individuals of the need for the priority shift to multi-family housing will be a challenge.

Councilmember Herrera asked if bond funds are used to leverage construction. Mr. Cameron said that proposed State legislation requires a percentage-participation from the funds, which is inconsistent with City goals, as it would not benefit improving urban areas.

Councilmember Herrera requested a definition of "Quality Materials." Mr. Cameron stated that the City does not want to compromise building material specifications in order to make construction affordable for potential homeowners. He noted that the construction objective is to build a house that will outlast its mortgage.

Councilmember McNeil inquired of Public Hearings. Mr. Cameron stated that all process steps can be accelerated at the request of Council. Chairperson Radle added that in the future she would prefer that public hearings and item consideration be conducted on separate days.

Chairperson Radle inquired how Economic Development related projects would be prioritized. Mr. Cameron stated that such projects would be prioritized, but there are some non-development funded projects that would not be prioritized. Chairperson Radle added she would like explanations of the reason housing rate fluctuate in different metropolitan areas and of City contributions in relationship to developers fees. She also inquired as to how soon distribution of funds would begin. Mr. Cameron stated that a few processes are yet required, but funds will be available for distribution very soon.

C. Waiving the One-Mile Rule for the Artisan at the Bluff, Phase II Multi-Family & Housing Construction Project

Andrew Cameron, Director, Housing & Community Development;
Jelynn LeBlanc Burley, Assistant City Manager

D. Waiving the One-Mile Rule for the Potranco Plaza Multi-Family & Housing Construction Project

Andrew Cameron, Director, Housing & Community Development;
Jelynn LeBlanc Burley, Assistant City Manager

Mr. Andrew Cameron, Housing & Community Development Director, presented Items C and D simultaneously. He stated these two developments, which reside in separate but adjacent Council Districts, were referred by City staff for exemption to the One-Mile Rule, which to prevent clustering precludes such projects from being developed within one mile of a similar project. He stated there is tremendous need for the Artisan (252 units) and Potranco Plaza (248 units) affordable housing projects. He stated that if waivers are granted, the projects go to Council for approval, permitting the State Public Housing Authority to review the project applications. He added that there is no funding commitment attached to project approval.

The following citizen(s) appeared to speak:

Ms. Sandra Williams, Alamo Area Metropolitan Housing Authority Executive Director, stated opposition to the waivers. She stated that these projects are within one mile of yet another project, and if approved would bring 960 units to this housing submarket. She stated that when she originally approached Council for approval of a project in the area, there was marked concern over increasing the density of low-income families in the area. She stated that approval of these two projects is premature; market analysis is not

complete and Council will not have complete project details available for reviews. She stated that the One-Mile Rule waiver was designed for use in situations of demonstrated need, and there is not yet proof of this need.

Councilmember McNeil stated that the Potranco project is near Ft. Sam Houston, and military families provide current and future need for such apartments.

Chairperson Radle inquired as to the necessary steps for project approval, in particular with regard to the incomplete market analysis. Mr. Jim Plummer, representing San Antonio Housing Trust Finance Corporation, addressed the inquiry, stating that pre-applications were due to the State on November 7, 2006, but the market analysis was not necessary for the pre-application review. Chairperson Radle stated that while she advocates affordable housing, too many unanswered questions remain for her to currently endorse the item.

Councilmember McNeil motioned to forward the item to Council for consideration on January 19, 2006. Councilmember Herrera seconded the motion.

The motion to forward the item to Council prevailed by the following vote: **AYES:** McNeil, Herrera. **NAYS:** Radle.

(Councilmember McNeil was obliged to leave the Committee meeting at 6:37 p.m.)

E. Update on Emergency Repair Pilot Program-Request for Proposal Process and Stakeholder Meeting

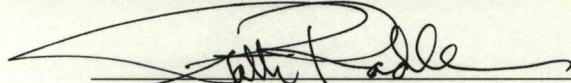
David D. Garza, Director, Neighborhood Action Department;
Jelyne LeBlanc Burley, Assistant City Manager

Mr. David D. Garza, Director, Neighborhood Action Department, narrated a slide presentation on the Emergency Repair Pilot Program, a copy of which is on file with the Office of the City Clerk. He updated the Committee on the pilot program, stating that 12 of 18 applicants were eligible for the program and their applications were forwarded to Merced Housing Texas. Of these applicants, 10 reside in District 2, and two in District 5. He noted that a roundtable meeting with local banking officials will be scheduled to occur within the next 30 days and Council will be informed of this meeting when it is confirmed.

F. Adjourn

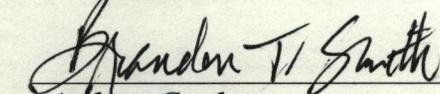
There being no further discussion, the meeting was adjourned at 6:40 p.m.

Copies of these presentations are made part of the file and are available upon request.



Patti Radle, Chairperson

Respectfully Submitted,



for Andrew Gordon
Administrative Assistant II
Office of the City Clerk

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