

City of San Antonio



Bond Committee Meeting Minutes

San Antonio Public Library
Central Branch
600 Soledad St.
Thursday, October 6
6:00 PM

Bond Committee Members

A majority of appointive members, other than ex officio, shall constitute a quorum.

6:01 P.M. - Call to Order, Board Room

Co-Chair Jackie Gorman called the meeting to order and introduced fellow Co-Chair Jim Leonard.

- Attendance of Committee Members
- Head count of general attendance: 38
- Katherine de la Vega, World Wide Translators, was present

I. Opening Comments and Meeting Procedures by Committee Chairs

Opening comments by Co-Chair Ms. Gorman, including introductions, guidelines for Residents to Be Heard, and acknowledgements of upcoming meetings. Opening remarks regarding bond background, the City's AAA bond rating, and debt capacity were also made by Sheryl Sculley, City Manager. Ms. Sculley recognized present Tri-Chairs Eddie Aldrete and Darryl Byrd.

II. Community Committee Roles and Responsibilities and Status Update of City's 2012 Bond Program

City Manager Sheryl Sculley gave a brief presentation highlighting the roles and responsibilities of the Committee Members and provided a status on the City's 2012 Bond Program. It was noted that the 2017 Bond Program continued to focus on improving infrastructure needs. Mrs. Sculley detailed funding allocations for each of the five infrastructure categories that totaled \$850 million. The focus of this committee is Neighborhood Improvements, which totals \$20 million. Mrs. Sculley spoke on the concept of rough proportionality and how it is applied to the bond allocations.

III. Open Meeting, City Ethics, and Lobbying Activity

City Attorney Andy Segovia provided the Committee Members with a brief overview of local and state regulations regarding Open Meetings, ethical conduct, meeting requirements, and lobbying

activity. He cautioned Committee Members on the use of e-mail, and urged the members to keep the conversation and discussion in the meeting room.

IV. Staff Professional Recommendation of Facilities Projects

Deputy City Manager Peter Zanoni presented the composition and use of City Urban Renewal Agency and the Urban Renewal Plan, guiding principles for project selection, and highlighted neighborhood improvements for the area. He provided a general overview of the recommended areas, scope of work, and funding allocations. He noted that a total of 15 areas were identified for inclusion in the 2017 Bond Program that totaled \$20 million.

Chris Laia, District 8, asked what would be done with the proceeds from sale of properties. Mr. Zanoni replied that they would stay within the housing program to reinvest in site acquisition and development.

Mr. Zanoni noted that the Neighborhood Improvements committee will present recommendations during a City Council B-Session on December 14.

V. Bond Committee Discussion and Analysis

Co-Chairs Ms. Gorman and Mr. Leonard opened the floor to committee questions.

District 7: Ana Sandoval asked why paying for land acquisition and getting the property ready for development is more beneficial than gap financing or reimbursement. Mr. Clayton Binford, a member of the City's bond counsel, replied that reimbursement and payment to developers is not permitted under the State Constitution and City Charter.

Ms. Sandoval asked if projects had to be mixed income or low income, and if they are how the City will require that the housing projects meet this criterion. Mr. Zanoni replied that there is no state requirement for property use, however the area must be blighted and land use will be based on recommendations from committee.

District 8: Coda Rayo-Garza asked if the City will also offer incentives and zoning changes to encourage development. Mr. Zanoni replied that zoning may be changed and incentive programs are currently in place.

Co-Chair Mr. Leonard asked if the City was planning to profit from the property sales. Mr. Zanoni noted that the goal is not necessarily to recoup costs, but is dependent on the financial package of the site and to improve sites so they are ready for redevelopment.

Mr. Leonard asked if funding the City could spend more than \$20 million after property sales are made. Mr. Zanoni said that it is possible based on property sales and land acquisition.

Mr. Leonard asked when rezoning would take place. Mr. Zanoni noted that it would likely take place after the property was acquired by the City, though changes may take place prior through the comprehensive plan process.

Mr. Leonard noted that there is currently rezoning taking place near the Roosevelt-Mission Reach

Area, and asked if anything could currently be acquired. Mr. Zaroni noted that no acquisition within this program could take place until the election in May.

District 10: Ricardo Jimenez requested a list of criteria that each area meets. He asked if areas had to meet both state and additional criteria identified by the City. Mr. Zaroni replied that the recommendations provided by the committee must at least meet state requirements, but the staff used additional criteria reflecting the City's guiding principles to develop area recommendations.

Mr. Jimenez noted that dollar amounts were not identified for each area in the presentation, and if it was possible to provide that information. Mr. Zaroni noted that this analysis is pending and would be finalized after the election.

Mr. Jimenez asked why the bond program is better than the fee waivers. Mr. Zaroni noted that many cities in Texas have used bond dollars as a tool to incentivize development.

Mr. Jimenez asked for a copy of the State Statute that identifies the Urban Renewal Plan. Mr. Zaroni stated that this would be provided. Mr. Binford noted the complexity of the state statute governing the Urban Renewal Agency and the process required approval by the Texas Attorney General's Office.

Mr. Jimenez requested a draft of the working copy of the Urban Renewal Plan.

District 3: Joy McGhee asked if the maximum amount was \$20 million, and if that would be enough to improve these areas. Mr. Zaroni replied that \$20 million would likely not be enough for the entire areas, but the plan will address this need. He continued that staff will make recommendations for land acquisition after the election.

Ms. McGhee requested a copy of the portion of the SA Tomorrow that pertains to this topic.

Ms. McGhee requested that Mr. Zaroni discuss the Public Art component. Mr. Zaroni noted that it is policy for 1% of the bond to be used for public art; therefore, some of this funding will be used for public art.

District 10: Peggy Sue Wilson asked for a map of targeted areas and recommendations outside of the 15 presented areas that did not meet the criteria. Mr. Zaroni said that this would be provided. He noted that 15 areas is a good target, but identifying too many areas could be a red flag for lack of analysis.

District 2: Beverly Watts Davis commended the staff for the innovation and showed support for the use of bond money for housing development. She asked about how the program will be implemented. Mr. Zaroni said that staff is still developing the plan; however the City will be proactive about demonstrating progress to the community.

Ms. Watts Davis asked for the definition of affordable housing. Mr. Zaroni noted that the threshold has not been formalized, but will likely be between 60 to 80 percent of the AMI. Mr. Zaroni noted that 80 percent of the average median income (AMI) is a family of four making about \$46,000 to \$47,000.

Ms. Watts Davis asked if homes will be eligible to be sold around \$150,000, to incentivize commercial activity as part of this program. Mr. Zaroni replied that there is potential to have mixed income housing.

District 9: Colleen Waguespack said that the reason for the blight in some of these areas was due to disproportional multi-family housing, and asked if there would be potential for owner occupied single-family housing. Mr. Zaroni said that there could be single-family, multi-family, mixed-use, or commercial at these sites per state law; and the planned use will be included in the Urban Renewal Plan. Mr. Binford noted that the Urban Renewal Plan will limit the type of development, but will be flexible.

Ms. Waguespack asked if revenues from property sales had to be used in the identified areas, and if there would be a review process every five years to determine need. Mr. Binford said that bond money must be used in areas identified in the Urban Renewal Plan, as this plan serves as a contract with the voters.

District 1: Claudia Castillo Gonzalez showed support for housing being included in the bond program. She asked what oversight will be provided for property development once the property is sold. Mr. Zaroni noted that the City will sell to a developer or non-profit that will do what the city wants on the property. He said that the city would issue an RFP for the development of the property, and there will be legal requirements that they meet criteria.

District 1: Tom Hager showed support for use of bond dollars for housing. He gave an overview of his understanding of the bond process, and questioned that the committee should trust staff. Mr. Zaroni compared the land acquisition to the Edwards Aquifer Protection program.

District 2: James Dickerson asked if \$20 million was the ceiling for funding or if the committee could exceed that amount. Mr. Zaroni replied that these limits were set by City Council and the committee could not exceed the \$20 million.

Co-Chair Jackie Gorman asked if the project sites had to include housing. Mr. Zaroni replied that the state does not require land to be used for housing; however, City Council direction is to use these sites for housing.

Ms. Gorman asked Mr. Zaroni to expand upon the contract with the voters mentioned by Mr. Binford. He replied that the Urban Renewal Plan, which becomes a basis for the contract with the voters, defines the areas and what will happen in those areas.

Ms. Gorman stated that the I-10 and 410 area was identified as having potential for organic development. Mr. Zaroni said that this area meets the criteria for blight.

VI. Citizens to be Heard

Mr. Leonard opened the floor for public input. It was noted that 2 individuals had signed up to speak.

Roxanne Patterson was called and was not present.

Eligino Rodriguez asked if the citizens would be able to speak at zoning and asked if they would be heard. He noted that there was a lack of oversight in TIRZ projects. He asked for committee members to remember the people that could be displaced.

VII. Next Steps for Community Bond Committee Process

Ms. Scully noted that follow-up to questions would be provided to the committees.

District 10: Connie Marzalak noted the need for improvement outside of Loop 410, and asked if criterion for the Urban Renewal Plan will extend beyond 410 and if it was written in the policies. Mr. Zaroni noted that there are areas in the presentation that include areas outside of 410, and that policies address areas of the entire city.

District 9: Sylvia Lopez-Gaona asked if there were any ideas, proposals, or other specific information that could be given to improve potential for success in the areas. Mr. Zaroni noted that staff will provide initial analysis information and the responses to the City's Request for Information (RFI) from a non-profits and developers.

Mr. Leonard noted the next Neighborhood Improvements Committee Meeting would be held on Thursday, October 20, 2017, at 6pm.

There being no further business, the meeting was adjourned at 7:58 p.m.