City Council members pushed Wednesday for more details about San Antonio’s first housing bond and for the creation of an oversight committee to monitor the program, should voters approve it in the spring.

The actions reflected the potentially confusing nature of the bond package even as officials acknowledged the pressing need for more affordable housing in the city.

Earlier in the day, members of the grassroots community organization COPS/Metro Alliance said they are unhappy with the current structure of the housing bond and pressed for more accountability about how the money would be spent.
Some council members, particularly District 5 Councilwoman Shirley Gonzales, also raised concerns that the city’s most blighted areas might not benefit from the bond, even if voters approve it, because they might not be viewed as ideal places to develop.

The $20 million housing bond is designed to facilitate the construction of affordable housing across the city.

Last week, a citizens bond committee chose 13 areas where that money could be spent and which it wants included in a state-required urban renewal plan.

The areas are in every council district except 9 and 10. Areas were proposed for those districts but the committee voted to remove them from the list.

The City Council will vote Thursday on which areas to ultimately include in the urban renewal plan, the last time it can add any new areas to the current list of 13.

The council, however, can delete areas between now and Feb. 2, when the members take a final vote on the urban renewal plan. Public hearings on the plan are scheduled for January.

Eleven of the sites are inside Loop 410. The two outside the loop, both in District 8, are near the Medical Center. Though those areas already are experiencing housing growth, very little of it is affordable, said housing bond committee co-chair Jackie Gorman, who also sits on the city’s housing commission.

However, just because an area is included in the urban renewal plan doesn’t mean any money will be spent there. The city pushed for a long list of potential areas to give it flexibility about where to buy land and to reduce the chances of real estate speculation.

As District 4 Councilman Rey Saldaña said, the idea isn’t to spread the $20 million around like peanut butter, but to pick projects that could have a big impact.

On Wednesday, right before the council discussion, COPS/Metro Alliance held a news conference on the steps of City Hall, to air the group’s concerns about the housing bond.

Organization leaders are frustrated there is no funding in the bond to rehabilitate homes, said Maria Tijerina, co-chair of COPS/Metro Alliance.

“That’s what our community has voiced to us as being their greatest concern at this time,” Tijerina said before the news conference, adding the group met with Mayor Ivy Taylor to discuss these issues last week.

However, the city’s charter does not allow for the rehabbing of houses. The charter also says San Antonio can’t spend bond dollars on housing — that’s why the city is doing a workaround, using its urban renewal agency, the Office of Urban Redevelopment San Antonio, or OUR SA, to buy properties.
The city can’t legally change its charter until November at the earliest. However, officials decided they didn’t want to wait to pursue a housing bond until then, because the cost to buy and rent a home in San Antonio is on the rise.

COPS/Metro Alliance called for the creation of an oversight committee to monitor how the housing bond funds are spent. The group wants the city to do a better job defining affordability and to detail how much of the housing will be affordable and what will be market rate. It fears the bond will result in the construction of homes or apartments that are too expensive for some residents to afford.

To that end, the group suggested accountability guidelines for incentives to developers, rents that are appropriate for the surrounding neighborhood and also a plan to rehab homes using other
funding options. It also wants the city to communicate with surrounding neighborhood associations early in the process.

“We’re not saying we’re not going to support” the bond, Tijerina said. “We’re just saying we have these concerns and we want them to be addressed before it goes on the ballot for voters.”

Taylor, acknowledging some of those concerns, asked city staff what can be done to ensure the residential units are affordable.

Deputy City Manager Peter Zanoni said that if voters approve the bond in May, the city then would develop requests for proposals for nonprofit and for-profit developers in San Antonio. Those RFPs will outline the type of housing the city wants build — details that will differ depending on which of the 13 areas the city decides to target. Some will be more appropriate for apartments while single-family homes might better fit in others.

The city won’t be building homes but will pay to make properties development-ready, by adding infrastructure and extending utilities, cleaning up any potential environmental issues or even clearing the land. That will allow developers to buy the land at a fair price, so the houses can be sold or rented to families at a reasonable, lower rate.

The city hasn’t yet determined what percentage of the homes eventually built will be rental or for purchase, what percentage will be affordable or workforce housing and what will be mixed-income.

The city hopes to get all of the housing projects done in five years, Zanoni said.

The city used an example Wednesday, showing a family of three making $44,500 only could afford rent of $1,112 a month or a house that’s priced at $145,000. Currently, median rents and home prices in the city are much higher than that.

However, Councilwoman Gonzales pointed out many of her constituents make far less than the salary in the city’s example, some earning as low as $16,000 a year, raising doubt as to whether they could benefit from the housing bond.

Zanoni said the city could try to develop houses and units that are affordable for people making less.

She also worried that the city won’t build in the areas in her district because those are traditionally harder to develop in.

“I guess we have no guarantee that the money will go to specific areas, especially those with the most blight and the most need,” Gonzales said.

District 6 Ray Lopez echoed that concern.
“You don’t want to walk away from areas just because there’s not a large market,” the councilman said.

Zanoni said the citizens housing bond committee ranked the 13 areas, and further criteria could be developed to give more weight to areas that are more distressed.

District 10 Mike Gallagher, who’s been skeptical of the housing bond in the past, emphasized to his colleagues the city can’t make this a district issue, noting that Districts 9 and 10 have no areas on the housing list — and those are the districts where voter turnout traditionally is highest. The councilman did not say that District 9 and 10 representatives on the citizens bond committee themselves proposed removing those areas from the list.

“When we go forward to the public and explain what these projects are, we need to clarify that very, very carefully, that this is something important for the whole city,” Gallagher said.

At the end of Wednesday’s discussion, Taylor said she would like the council’s housing committee to discuss the creation of an oversight committee for the housing bond and to nail down more about criteria, to determine which of the 13 areas should be targeted for affordable housing — discussions she wants to happen before the bond goes to voters May 6.

The mayor, who has made housing a cornerstone of her tenure in office, also said the city needs to look for other funding partnerships to address the community’s affordable housing needs. The city has said there’s a shortage of more than 150,000 affordable housing units in San Antonio.

“We can’t expect this one initiative to address all of our housing challenges for the community,” Taylor said.

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