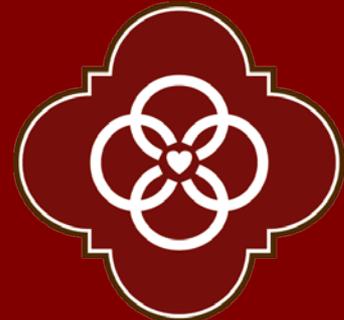
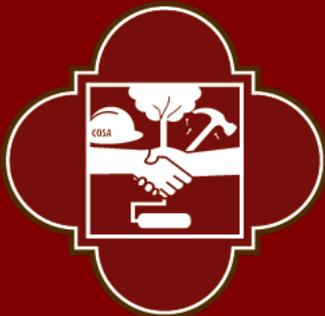


# Vacant and Underutilized Buildings Policy and Next Steps



## POLICY ISSUE AND BACKGROUND

- Vacant structures present a number of challenges for the revitalization of our center city and its neighborhoods.
  - Can become health and safety hazards
  - Represent disinvestment
  - Hinder economic development and job creation
  - Diminish the overall quality of a street or neighborhood
  - Decrease property values

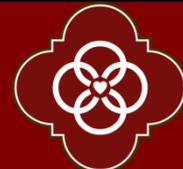
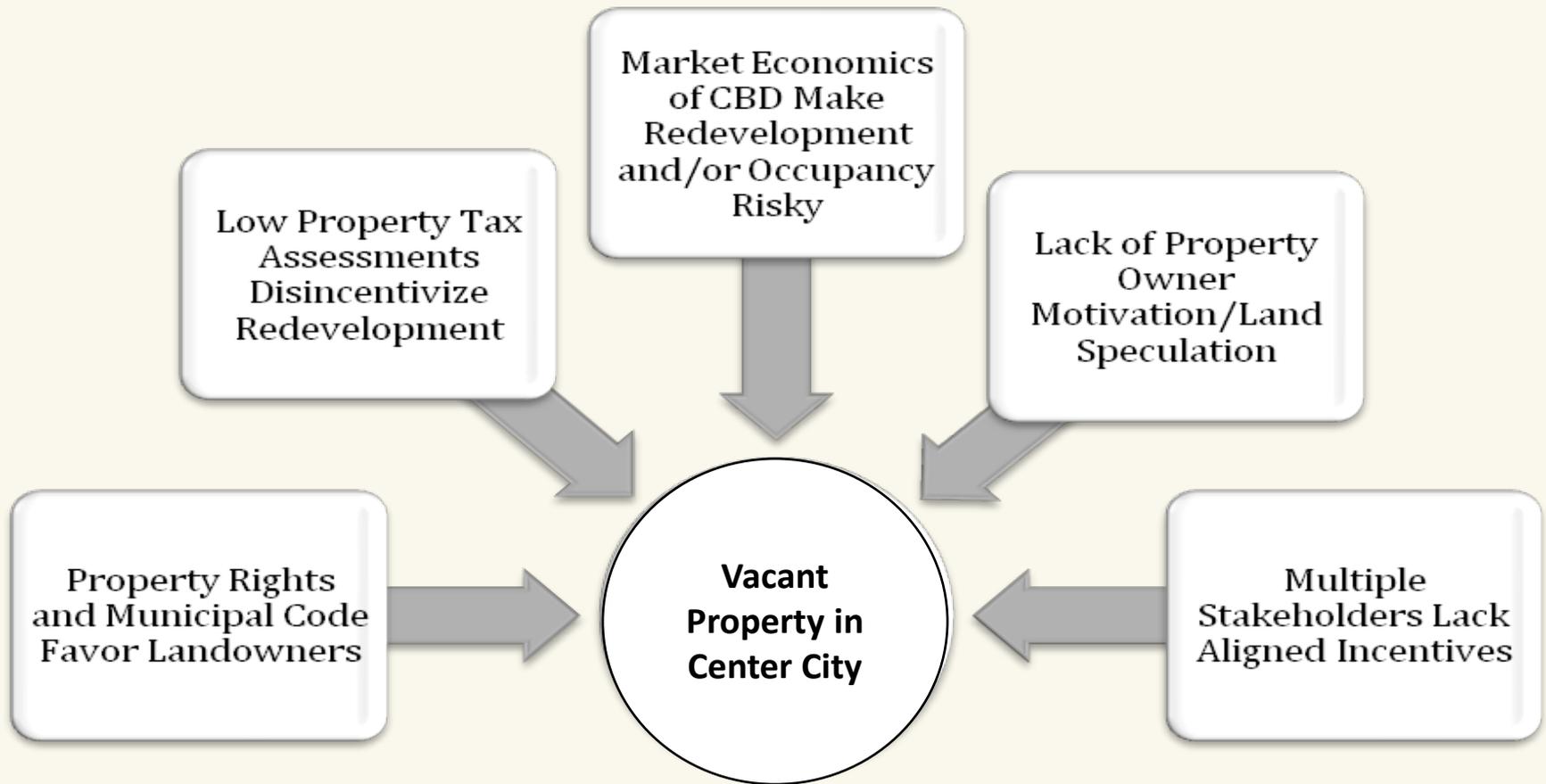


# VACANT AND UNDERUTILIZED BUILDINGS POLICY

- **Policy Goals:**
  - Spur the rehabilitation and re-use of vacant/blighted real property to encourage economic development.
  - Improve and create a safe environment.
  - Create a higher level of accountability for property owners to maintain properties.
- **Policy analysis:**
  - Identify causal factors and obstacles to reuse
  - Review best practices
  - Provide short and long term recommendations
- **Recommendations are divided into 3 categories:**
  1. Outreach and Advocacy
  2. Enforcement
  3. Incentives

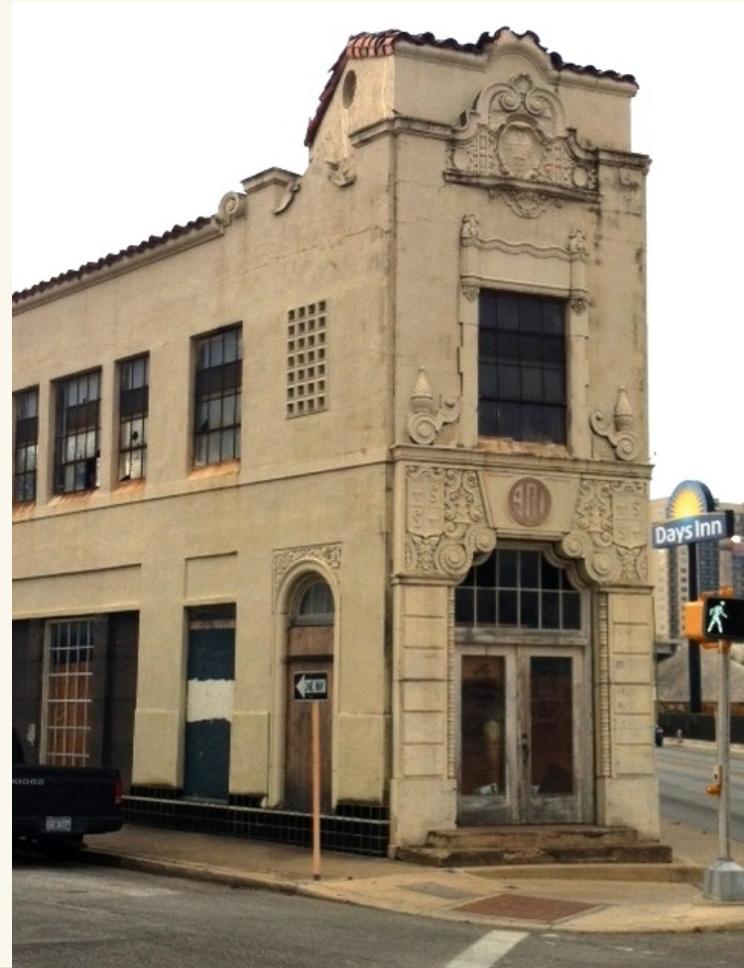


# CAUSAL FACTORS



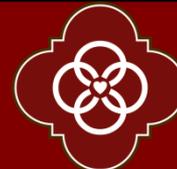
# Herpel – Gillespie Ford Dealership – 901 E. Houston St.

- **Name of Building:** Herpel-Gillespie Ford Dealership
- **Owner:** Markwardt, Edgar K.
- **Council District:** 1
- **Year Built:** 1927
- **Zoning:** Downtown
- **Historic Designation:** HS
- **TIRZ:** Inner City
- **Year Last Occupied:** 2001
- **Last Use:** Herpel-Gillespie Ford Dealership/Bimbi Mfg. Corp. Moccasins/ Cottonwood Trading Co.
- **Tax Value:**
  - **Land:** \$682,930
  - **Improvement:** \$200



# Book Building – 140 E. Houston St.

- **Name of Building:** The Book Building
- **Owner:** Service Lloyd's Insurance Co.
- **Council District:** 1
- **Year Built:** 1903
- **Zoning:** Downtown; RIO-3
- **Historic Designation:** HS
- **TIRZ:** Houston Street
- **Year Last Occupied:** 2013
- **Current Use:** Vacant
- **Tax Value:**
  - Land: \$160,220
  - Improvement: \$1,064,780



# BEST PRACTICES

- Historic Ft. Worth, Inc. - Activism & Awareness Campaign
- El Paso, TX and Dallas, TX – Vacant building registration program
- Phoenix, AZ - Historic Preservation Grants thru Bonds
- Syracuse, NY - Public Shaming
- State of New Jersey - Commercial Vacant Property receivership
- State of South Carolina – Tax Incentive Program
- Baltimore – Vacant to Value Program



## RECOMMENDATIONS – OUTREACH AND ADVOCACY

- Create a Vacant Building Advisory Task Force comprised of experts from the City and County, title professionals, attorneys, and other stakeholders who can provide assistance or direction on title searches, tax foreclosures, legislative amendments, municipal amendments, and other issues. (Task Force Creation – Summer 2014)
- Work with Intergovernmental Relations Department to explore legislative options to assist in redevelopment of vacant properties for the 84th legislative session. (Summer-Fall 2014)
- Partner with the San Antonio Bar Association Community Justice Program or similar program to provide pro bono services for property owners regarding tax foreclosure, title issues, or other real estate matters. (Summer 2014)



## RECOMMENDATIONS – OUTREACH AND ADVOCACY

- Work with local partners like Centro San Antonio and the San Antonio Conservation Society to establish a “Downtown Endangered Buildings” Campaign that educates the public on the negative impacts of vacant properties. (Spring 2015)
- Provide education and outreach to stakeholders on available incentives and programs to assist with the redevelopment of a property. (Bi-Annually)
- Promote and expand current volunteer program managed by OHP where volunteers would secure and clean problem historic properties. (Summer 2014)



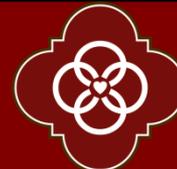
## RECOMMENDATIONS – INCENTIVES

- Explore funding options for a historic preservation incentive fund. (2016-2017)
- Establish a partnership with the local financial institutions to purchase Historic Tax Credits (HTCs) and structure historic redevelopment deals. (Spring 2015)
- Evaluate an “As of Right” incentive program similar to the Center City Housing Incentive Policy for the redevelopment of vacant structures. Incentive would only be available for a new buyer. (Spring 2015)



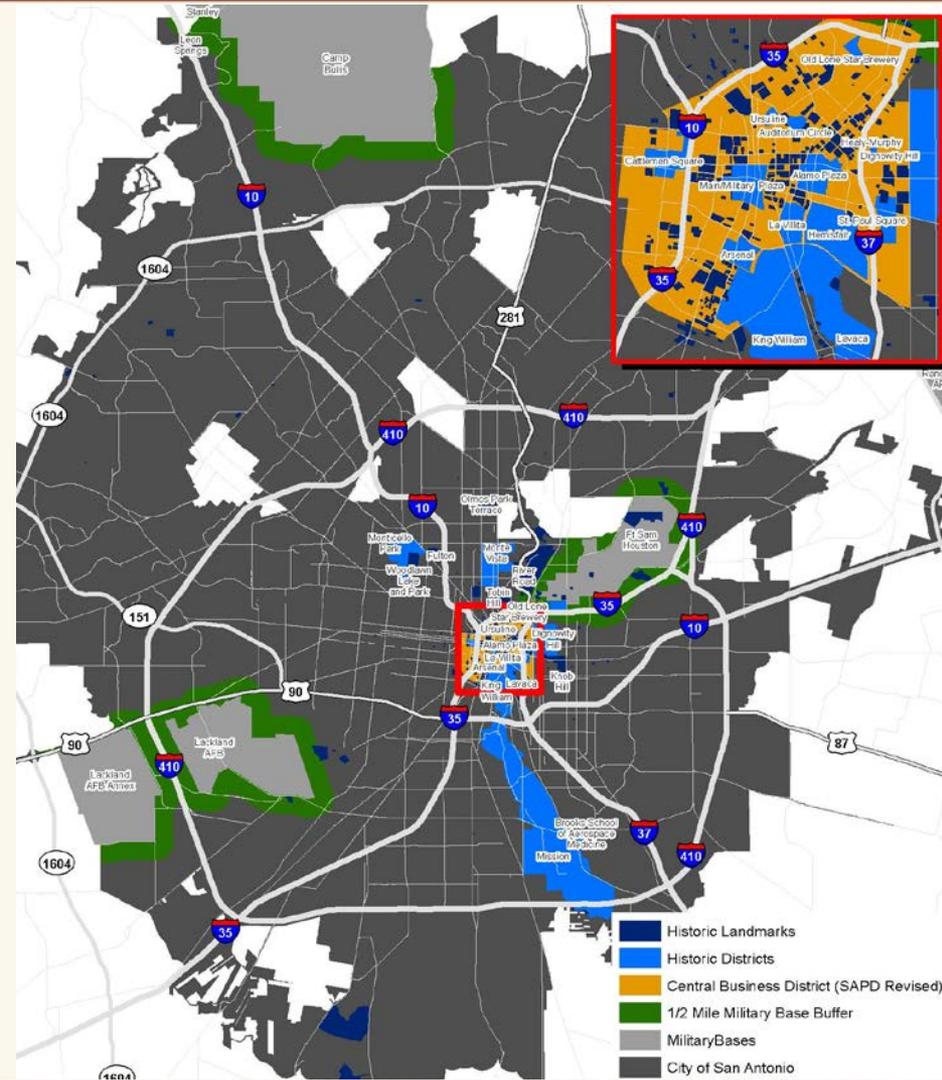
## RECOMMENDATIONS – ENFORCEMENT

- Aggressively enforce monetary penalties for municipal code violations. (Immediately)
- Enforce stabilization orders in addition to demolition orders. (Fall 2014)
- Assess additional amendments to the municipal code to allow for stricter requirements and enforcement options. (Spring 2015)
- Establish a pilot receivership program. Identify potential receivers and candidate properties. (Spring 2015)
- Work with BCAD on method used to assess vacant buildings. (Spring 2015)



# VACANT BUILDING REGISTRATION PILOT PROGRAM

- Applies to all vacant buildings within the central business district and surrounding historic districts and historic landmarks.
- Applies to properties within a ½ mile of an active military base
- Owners of vacant structures would be required to register these structures and follow new minimum property maintenance guidelines for vacant structures.
- Single-family houses are exempt from the registration requirement if the standard of care is met.



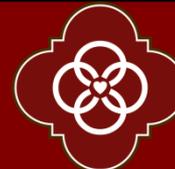
# MINIMUM PROPERTY MAINTENANCE STANDARDS FOR VACANT BUILDINGS

- Exterior wood and metal surfaces are protected by paint
- Joints are weather tight
- Property does have address numbers visible from the right of way
- Structural members and foundation are structurally sound
- Exterior walls must be free of holes, breaks, and loose or rotting material
- Roof and provides adequate drainage and drains, gutters and downspouts are operational
- Decorative features are properly anchored
- Overhang extensions are sound, safe and properly anchored
- Exterior stairs, decks, porches and balconies are sound and properly anchored
- Chimneys, towers, smoke stacks, etc are safe and sound
- Exterior handrails and guards are firmly fastened
- Windows, storefronts, skylights and doors are sound, in good repair with no broken glass and do not have a lock.
- Basement hatchways and windows prevent the entrance of rain and rodents through shields or storm windows



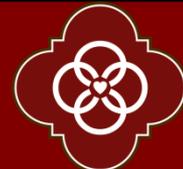
# PROGRAM COMPONENTS

- City identifies buildings that have been vacant for at least 30 days and sends notice to owner.
- Owner must register vacant building within 90 days
- Buildings must comply with proposed Minimum Maintenance Standards for Vacant Properties
- Provide a vacant building plan within 30 days that provides a detailed schedule for compliance
- Registered commercial buildings must display a vacant building identification placard
- Owners of registered building must sign a "No Trespass Affidavit" to allow public safety responders to remove trespassers
- Must have insurance on the building



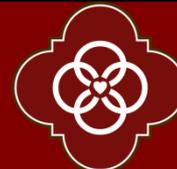
# FEES AND FINES

- Registration includes an annual registration fee for cost-recovery associated with the enforcement of the program.
  - Fee for Single Family Residential Building is \$250
  - Fee for all other buildings is \$750
- Annual inspection fee of .01 per square foot for cost recovery associated with the inspection with a minimum fee of \$50
- Failure to register is punishable with daily fines of up to \$500 per violation.
- Fines for non-compliance with the Minimum Maintenance Standards for Vacant Properties of up to \$500 per violation.



# FEE WAIVERS AND EXTENSIONS

- Single-family houses are exempt from the registration requirement if the standard of care is met.
- The requirement to register within 90 days may be extended for properties listed for sale or lease at fair market value.
- Fee Waivers
  - Property which has been devastated by a catastrophe such as fire or flood;
  - Property owner who is indigent;
  - Representatives of a property owner who is deceased or is no longer legally competent; and
  - Property owner has obtained a building permit and is progressing in an expedient manner to prepare the premises for occupancy.



# Hedrick Building – 601 N. St. Mary's

- ☑ Property is not kept free of debris and graffiti and sanitary
- ☑ Exterior wood and metal surfaces are not protected by paint
- ☑ Joints are not weather tight
- ☑ Exterior walls have holes, breaks, and loose or rotting material
- ☑ Decorative features are not properly anchored
- ☑ Overhang extensions are not sound, safe and properly anchored
- ☑ Exterior stairs, decks, porches and balconies are not sound and properly anchored
- ☑ Exterior handrails and guards are not firmly fastened
- ☑ Windows, storefronts, skylights and doors are not sound, in good repair with no broken glass, easily openable, and do not have a lock.

**Annual Registration Fee: \$750**

**Annual Inspection Fee: \$435.22 (43,522 square feet x \$.01)**

**Fines: Up to \$4,500**

**Cost to bring into Compliance: \$225,000**



# 1314 Muncey – Historic District

- ☑ Property is not kept free of debris and graffiti and sanitary
- ☑ Exterior wood and metal surfaces are not protected by paint
- ☑ Joints are not weather tight
- ☑ The property does not have address numbers visible from the right of way
- ☑ Structural members and foundation are not structurally sound
- ☑ Exterior walls have holes, breaks, and loose or rotting material
- ☑ Roof and flashing admit rain and do not have a positive drainage
- ☑ Roof drains, gutters and downspouts are not operational
- ☑ Exterior stairs, decks, porches and balconies are not sound and properly anchored
- ☑ Windows, storefronts, skylights and doors are not sound, in good repair with no broken glass, and do not have a lock.

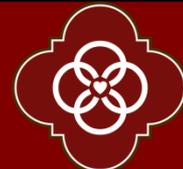


**Annual Registration Fee: \$250**

**Annual Inspection Fee: \$50**

**Fines: Up to \$5,000**

**Cost to bring into Compliance: \$25,000**



# 7500 US Hwy 90 – Military Base Buffer

- ☑ Property is not kept free of debris and graffiti and sanitary
- ☑ Exterior wood and metal surfaces are not protected by paint
- ☑ Joints are not weather tight
- ☑ The property does not have address numbers visible from the right of way
- ☑ Exterior walls have holes, breaks, and loose or rotting material
- ☑ Roof and flashing admit rain and do not have a positive drainage
- ☑ Exterior stairs, decks, porches and balconies are not sound and properly anchored
- ☑ Windows, storefronts, skylights and doors are not sound, in good repair with no broken glass, and do not have a lock.

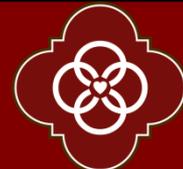


**Annual Registration Fee: \$750**

**Annual Inspection Fee: \$50**

**Fines: Up to \$4,000**

**Cost to bring into Compliance: \$**



## PROGRAM TIMELINE AND ADMINISTRATION

- The Program would take effect on January 1, 2015 and City staff would initiate program outreach and education during July – December 2014.
- The revenues from the proposed annual registration and inspection fees would fund the administration of the program.
- Staff is recommending the addition of 1 Special Projects Manager, 2 Code Enforcement Officers, and 1 administrative assistant.
- The Pilot Program will be reviewed and assessed after 18 months.



## DRAFT PERFORMANCE MEASURES

- Performance measures will be developed through the budget process this summer.
- Potential measures include
  - Reduction in number of vacant and boarded properties
  - Reduction in number of vacant properties
  - Reduction in number of public safety calls: police, fire, ems, code
  - Percentage of registered properties in compliance with ordinance requirements



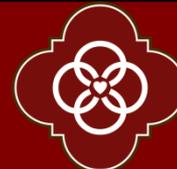
# INTER LOCAL AGREEMENT WITH CITY, COUNTY, SAISD

- The purpose of the ILA is to provide the City of San Antonio the right of first refusal on properties Bexar County has acquired through the foreclosure process.
- Components:
  1. Provides the City the right of first refusal on properties Bexar County has acquired through the foreclosure process; and
  2. Forgives the delinquent taxes and liens imposed by the City, County, and SAISD.
- Funding for acquisition of these properties is available in previously budgeted NSP Funding and FY2014 ReNewSA Budget.



# STAKEHOLDER MEETINGS

- Centro San Antonio
- Historic District Coalition
- Paseo Del Rio Association
- Real Estate Council
- San Antonio Conservation Society
- San Antonio Board of Realtors
- SA2020
- Stakeholder Groups:
  - Brokers
  - Developers



# NEXT STEPS

- City Council Action (June 19, 2014)
  - Endorsement of Policy and Recommendations
  - Council Action Vacant Building Registration Pilot Program
  - Council Action on ILA with Bexar County and SAISD
- Upon passage, City staff will initiate the following:
  - Inventory and outreach regarding Pilot Program
  - Create Vacant Building Advisory Taskforce
  - Identify legislative amendments and create coalition of other Texas Cities
  - Initiate Partnership with San Antonio Bar Association Criminal Justice Center or similar program

