

**State of Texas
County of Bexar
City of San Antonio**



**FINAL
Meeting Minutes
City Council B Session**

City Hall Complex
114 W. Commerce
San Antonio, Texas 78205

Wednesday, June 4, 2014

2:00 PM

Municipal Plaza Building

The City Council of San Antonio convened in the “B” Room of the Municipal Plaza Building at 2:00 pm with the following Councilmembers present: Bernal, Taylor, Viagran, Saldaña, Gonzales, Lopez, Medina, Nirenberg, Krier and Gallagher. ABSENT: Mayor Castro.

In the absence of Mayor Castro, Mayor Pro Tem Medina presided over the meeting.

1. A Briefing and recommendations relating to vacant and underutilized properties. [Carlos Contreras, Assistant City Manager; Lori Houston, Director, Center City Development; Shanon Shea Miller, Director, Office of Historic Preservation]

Lori Houston stated that the Vacant and Underutilized Buildings Policy was created through a partnership between the Center City Development Office (CCDO), Office of Historic Preservation (OHP), Development Services Department (DSD), and the Department of Planning and Community Development (DPCD). She noted that Vacant Structures presented a number of challenges for the revitalization of the Center City and its Neighborhoods in the following ways:

- 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

Mrs. Houston reported that the Goals of the Policy were: 1) Spur the rehabilitation and re-use of Vacant/Blighted Real Property to encourage Economic Development; 2) Improve and create a safe environment; and 3) Create a higher level of accountability for Property Owners to maintain Properties. She stated that the Policy Analysis: 1) Identified Causal Factors and obstacles to reuse; 2) Reviewed Best Practices; and 3) Provided short and long term recommendations. She noted that there were 16 recommendations which were divided into three Categories: 1) Outreach and Advocacy; 2) Enforcement; and 3) Incentives.

Mrs. Houston stated that two of the recommendations would be brought before City Council in June 2014. She noted the Causal Factors for Vacant Property in the Center City as: 1) Property Rights and Municipal Code favored Landowners; 2) Low Property Tax Assessments Disincentivized Redevelopment; 3) Market Economics of the Central Business District (CBD) made Redevelopment and/or Occupancy risky; 4) Lack of Property Owner Motivation/Land Speculation; and 5) Multiple Stakeholders lacked aligned Incentives.

Mrs. Houston stated that the Outreach and Advocacy recommendations were: 1) Create a Vacant Building Advisory Task Force comprised of experts from the City and County, Title Professionals, Attorneys, and other Stakeholders who could provide assistance or direction on Title Searches, Tax Foreclosures, Legislative Amendments, Municipal Amendments, and other uses (Task Force creation – Summer 2014); 2) Work with the Intergovernmental Relations Department to explore Legislative Options to assist in the Redevelopment of Vacant Properties for the 84th Legislative Session (Summer-Fall 2014); 3) 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); 4) Work with Local Partners such as Centro San Antonio and the San Antonio Conservation Society to establish a Downtown Endangered Buildings Campaign that would educate the Public on the negative impacts of Vacant Properties (Spring 2015); 5) Provide Education and Outreach to Stakeholders on available Incentives and Programs to assist with the redevelopment of a Property (Bi-Annually); and 6) Promote and expand the current Volunteer Program managed by OHP in which Volunteers would secure and clean problem Historic Properties (Summer 2014).

Shanon Miller stated that the Enforcement recommendations include: 1) Aggressively enforce Monetary Penalties for Municipal Code Violations; 2) Enforce Stabilization Orders in addition to Demolition Orders; 3) Assess additional Amendments to the Municipal Code to allow for stricter requirements and enforcement options (Spring 2015); 4) Establish a Pilot Receivership Program and identify potential receivers and Candidate Properties (Spring 2015); and 5) Work with the Bexar County Appraisal District (BCAD) on the

method to be utilized to assess Vacant Buildings (Spring 2015). She stated that the Incentive recommendations were: 1) Explore funding options for a Historic Preservation Incentive Fund (2016-2017); 2) Establish a partnership with Local Financial Institutions to purchase Historic Tax Credits (HTCs) and structure Historic Redevelopment Deals (Spring 2015); and 3) Evaluate an As of Right Incentive Program similar to the Center City Housing Incentive Policy for the Redevelopment of Vacant Structures that would only be available for New Buyers (Spring 2015). She stated that staff recommended the establishment of a Vacant Building Registration Pilot Program (Pilot Program) that:

- Applied to all Vacant Buildings within the CBD and surrounding Historic Districts and Landmarks
- Required Owners of Vacant Structures to register said structures and adhere to new Minimum Property Maintenance Guidelines for Vacant Structures

Mrs. Miller reviewed the Minimum Property Maintenance Standards for Vacant Buildings and listed the following Pilot Program Components:

- Owner must register the Vacant Building(s) within 90 days following receipt of a notice to register
- Buildings must comply with the proposed Standards
- Provide a Vacant Building Plan within 30 days that provided a detailed schedule for compliance
- Registered Building must display a Vacant Building Identification Placard
- Owners of a Registered Building(s) must sign a "No Trespass Affidavit" to allow Public Safety Responders to remove Trespassers
- Must have Insurance on the Building(s)

Mrs. Miller noted that staff proposed to submit the Pilot Program for action by the City Council immediately. She mentioned that the proposed Standards were derived from those of the San Antonio Property Maintenance Code (SAPMC) and covered Exterior Standards only. She indicated that only Exterior Standards would apply to Vacant Buildings. She reported that the Proposed Fee for a Single-Family Residential Building would be \$250 and \$750 for all other buildings. She stated that an Annual Inspection Fee of \$0.01 per square foot for cost recovery associated with the inspection with a Proposed Minimum Fee of \$50. She added that failure to register would be punishable by assessment of daily fines of up to \$500 per violation and fines up to \$500 per violation for non-compliance with Standards. She reviewed the costs of bringing three buildings located in the City Center into compliance, one of which was City-Owned. She stated that the Pilot Program allowed for Fee Waivers in certain circumstances and an Exemption would be available to allow extended time beyond the 90 days to complete registration. She noted that if approved, the Program would take effect on January 1, 2015 and City Staff would initiate Program

Outreach and Education during July-December 2014. She mentioned that Registration and Inspection Fee Revenues would fund the administration of the Program.

Mrs. Miller stated that staff recommended the addition of one Special Projects Manager, two Code Enforcement Officers, and one Administrative Assistant. She reported that an Interlocal Agreement (ILA) would be established with Bexar County and the San Antonio Independent School District (SAISD) to provide the City of San Antonio the right of first refusal of properties acquired by Bexar County through the Foreclosure Process. She noted that the ILA would forgive the Delinquent Taxes and Liens imposed by the City, Bexar County, and SAISD. She added that funding for acquisition of these properties was available from previously budgeted Neighborhood Stabilization Program (NSP) Funds and the FY 2014 ReNewSA Budget. She noted that Stakeholder Meetings were held with:

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

Mrs. Miller stated that on June 12, 2014, the following items would be brought before the full City Council for consideration:

- Endorsement of Policy and Recommendations
- Council Action Vacant Building Registration
- Council Action on ILA with Bexar County and SAISD

She mentioned that an additional meeting of Stakeholders could be held on June 19, 2014 if advised. She stated that upon passage, City Staff would 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

Mayor Pro Tem Medina thanked staff for the presentation and asked of the current Program. Ms. Miller replied that the SAPMC was currently utilized for Code Enforcement and only applied to occupied buildings. She stated that Chapter 6 of the City Code applied to Vacant Buildings. Mayor Pro Tem Medina asked how the issue of Absentee Owners was

addressed. Roderick Sanchez stated that the Absentee Property Owner Registration Program dealt with this issue and was created last year. He noted that although the Program was new; the results thus far have been positive.

Councilmember Bernal emphasized that Vacant Houses in neighborhoods should also be addressed at this time.

Councilmember Viagran asked of the Pilot Receivership Program. Ms. Miller stated that a Receivership could be appointed for property that has been neglected and had an extensive Case History of non-compliance. She noted that the Receiver could renovate or lease the property but could not sell it. She added that at the end of the Receivership Period, the property would be sold and the bids received must equal or exceed 10% of the support provided by the Receiver.

Councilmember Gallagher asked how a building was defined as vacant. Ms. Houston replied that the city would identify it as such once it was confirmed as 100% vacant. She noted that the Director of Development Services could issue an exemption from registration or approve an extension of the 90-day period for properties that were marketed or leased. Councilmember Gallagher expressed concern that Vacant Buildings would be advertised as such. Ms. Houston stated that Single-Family Homes would not be required to be advertised as vacant but Commercial Property would be required to do so.

Councilmember Taylor asked of the rationale for the footprint selected for the Pilot Program. Mrs. Houston stated that Staff elected to focus on the CBD due to its limited size, and Historic Buildings and Landmarks whose owners petitioned for protection. She noted that staff would work with the San Antonio Police Department (SAPD) for enforcement in other areas by the Dangerous Assessment Response Team (DART) which was already in existence.

Councilmember Gonzales asked how Vacant Buildings were taxed. Mrs. Houston replied that staff would contact the Bexar County Appraisal District to review taxation of Vacant Buildings and the information received would be presented to the Committee.

Councilmember Lopez stated that a quantitative measurement was necessary to define the success of the Program and asked of the Appeal Process for the Pilot Program. Mrs. Miller stated that the Pilot Program included a number of ways for Owners to work with the city. Councilmember Lopez suggested that an Appeal Process be created for utilization following the Pilot Program.

Councilmember Saldaña expressed concern that other areas would not be included to provide a measurement in the Pilot Program. He stated that he supported the establishment

of a fund to provide incentives. Mrs. Houston noted that incentives were currently available through: 1) Center City Housing Incentive Program (CCHIP); 2) Inner City Incentive Fund (ICIF); 3) Tax Exemptions; 4) Fee Waivers; and 5) State Tax Rehabilitation Credit Program.

Councilmember Nirenberg asked of the language in the proposed ordinance concerning the Right of First Refusal. Mrs. Houston stated that said language in the most current draft reflected that the City would have the Right of First Refusal on a property once it had been offered at Property Auction. Councilmember Nirenberg expressed concern that the requirements for granting an exemption for Single-Family Residential Properties were not quantified. Mrs. Houston stated that Staff would work with the City Attorney's Office to do so. Councilmember Nirenberg suggested that procedural guidelines be established regarding the time allowed for review of an ordinance before it was presented to the City Council.

Councilmember Lopez asked if this issue was on the Legislative Agenda last year. Carlos Contreras replied that the issue on the Legislative Agenda was to shorten the Land Bank Period from five to two years but was met with resistance. Councilmember Lopez requested that this item be included in the next Legislative Agenda.

Councilmember Bernal stated that the Pilot Program should contain enough diversity to address all areas of the City.

Mayor Pro Tem Medina thanked staff for the presentation.

2. A Briefing on the Citywide Comprehensive Plan and the REnewSA Community Development Initiative. [Peter Zanoni, Deputy City Manager; John Dugan, Director, Planning and Community Development]

John Dugan stated that the Citywide Comprehensive Plan (Plan) and the REnewSA Community Development Initiative were identified as High Priority Programs by the City Council for the upcoming Budget Year. He stated that the Plan: 1) Outlined growth scenarios that could be implemented through Annexation; 2) Provided context for creating an Annexation Program; and 3) Articulated where Municipal Services may be required to meet future needs. He reported that the purpose of the Comprehensive Plan was to:

- Update 1997 Master Plan Policies
- Help implement SA2020
- Articulate the form of future physical growth
- Accommodate and distribute projected growth

- Guide strategic decision making – Annexation and Transportation Planning
- Reconcile existing plans, policies, and assumptions

Mr. Dugan noted that other Texas Cities have updated their policies recently due to growth such as the City of San Antonio. He stated that the following Best Practices would be utilized for Plan Revision:

- Population projections and distribution
- Community Design Manual
- Working/Technical Papers
- Annexation Program
- Strategic and Implementation Plans
- Fiscal sustainability
- Frequent updates
- Growth Scenarios Planning and Impact Analysis of: Natural Resources, Financial, City Services & Infrastructure, Transportation, and Economic/Market

Mr. Dugan reviewed the components of the Project Scope, the key elements, and the process for initiation of the proposed Plan. He stated that the components were: 1) Land Supply Analysis; 2) Development Demand; and 3) Fiscal Impact Analysis. He stated that the components of the proposed Plan were:

- Growth & Urban Form
- Transportation and Connectivity
- Housing
- Green & Healthy Communities
- Public Facilities & Community Safety
- Historic Preservation
- Military Affairs
- Jobs and Economic Competitiveness
- Natural Resources

Mr. Dugan requested the approval to establish the 8 CompPlan Advisory Committee which would include three City Councilmembers, 10 City Council District Appointees, three Planning Commissioners who have already been appointed, 10 Chairs to form the Expert Policy Committee, and one Mayoral Appointee. He noted that one 8 CompPlan Workshop per City Council District would be held.

Mayor Pro Tem Medina thanked staff for the presentation.

Councilmember Nirenberg asked how implementation of the Policy could be ensured. Mr.

Dugan replied that efforts would be focused on areas where the city could influence investment.

Councilmember Lopez asked of coordination of the Comprehensive Plan with the Metropolitan Planning Organization (MPO) 2040 Plan. Mr. Dugan stated that the MPO 2040 Plan was the basis for the Comprehensive Plan.

Councilmember Taylor asked what actions would be taken to ensure engagement of Institutional Stakeholders. Mr. Dugan replied that engagement would be ensured by communication with said Stakeholders. Councilmember Taylor asked if enough funding had been identified for the Plan. Mr. Dugan listed additional funds that the City had applied for and noted that a review of Staff Resources would be conducted.

Councilmember Krier asked if the City and Bexar County could be consolidated to address growth. Mr. Dugan replied that they could and growth could also be addressed through Annexation.

Mr. Dugan presented an update on the REnewSA Community Development Initiative, noting that the City Council authorized the revitalization of the Center City. He stated that the Comprehensive Housing Needs Assessment & Strategic Housing Plan was performed by the Cloudburst Consulting Group. He stated that the Plan found that there was currently an unmet demand for 142,674 Affordable Housing Units for those with incomes below 80% of the Median Household Income (MHI). He reported that the total number of households in the City was expected to increase by 7.6%, or 35,635 households, by 2016. He noted that 10,998 (30.9%) of the new households were expected to have incomes below 80% of the MHI and 7,396 (20.8%) below 60% of the MHI. He stated that the key recommendations to address these findings were: 1) Designate three to four central neighborhoods for intense targeting of resources for a predetermined number of years; 2) Create opportunities for new Mixed Income Housing in Lower Income Neighborhoods; 3) Create opportunities for new Affordable Housing in the Downtown Area and outside of Loop 410; and 4) Create opportunities for High Density Housing along major corridors served by Public Transit.

Mr. Dugan provided examples of how the City was currently addressing said recommendations. He reported that the REnewSA Portal was launched on March 27, 2014 as a resource for Community Development Information. The City Council approved a Professional Services Agreement with Fregonese Associates to complete a Redevelopment Study as part of REnewSA and the National Association for Latino Community Asset Builders (NALCAB). The Study provided recommendations for new approaches to Program Design and Delivery. He reported that Revitalization Plans were developed for the REnewSA Target Neighborhoods and the Northeast Corridor. He stated that said Plans

were action-oriented, incorporated public input and would be built on previously adopted plans and policies. He stated that the Department of Planning and Community Development would continue to implement the key recommendations by targeting resources, creating new opportunities for Affordable Housing, and maximizing Federal Resources through the REnewSA Initiative. He added that Staff recommended adoption of said Revitalization Plans by City Council on June 19, 2014.

Mayor Pro Tem Medina thanked staff for the presentation.

EXECUTIVE SESSION

Mayor Pro Tem Medina announced that the Executive Session would not be held and that the meeting would resume at 6:00 pm for Citizens to be Heard.

- A. Deliberations regarding economic development negotiations and discuss related legal issues pursuant to Texas Government Code Sections 551.087 (economic development) and 551.071 (consultation with attorney).
- B. Deliberate the purchase, exchange, lease or value of real property and discuss related legal issues pursuant to Texas Government Code Sections 551.072 (real property) and 551.071 (consultation with attorney).
- C. Discuss process to fill possible vacancies on City Council and related legal issues pursuant to Texas Government Code Section 551.074 (personnel) and Section 551.071 (consultation with attorney).
- D. Discuss legal issues related to Silverado Brothers v. City of San Antonio, pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- E. Discuss legal issues related to Diego Martinez v. City of San Antonio, pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- F. Discuss legal issues related to Maria Elena Rodriguez v. City of San Antonio, pursuant to Texas Government Code Section 551.071 (consultation with attorney).

CITIZENS TO BE HEARD

Mayor Pro Tem Medina reconvened the meeting at 6:00 pm and called upon the individuals registered to speak.

Justin Landon representing the San Antonio Board of Realtors (SABOR) addressed the City Council and stated that he was pleased that the City Council had delayed the vote on the Vacant and Underutilized Property Registration Program. He requested that they be given sufficient time to provide feedback on the proposed ordinances.

Marty Hutchison addressed the City Council and concurred with Mr. Landon regarding the Vacant and Underutilized Property Registration Program. He stated that the San Antonio Property Maintenance Code already included information regarding Vacant Buildings and did not want to duplicate any work.

James Alderson representing the National Association of Residential Property Managers addressed the City Council and thanked them for delaying the vote on the Vacant and Underutilized Property Registration Program.

Nazirite Ruben Flores Perez addressed the City Council and referenced the Pre-K 4 SA Educational Centers. He noted concerns with tattoos and requested that salary increases be included for City Employees in the FY 2015 Budget.

R.L. Wagner spoke of the great amount of growth in the city and stated that trains could help people easily get in and out of the city. He mentioned the Hot Wells Area that was an eyesore in District 3.

Theresa Berlanga addressed the City Council and spoke of concerns in the Ukraine and Russia. She referenced Sergeant Bergdahl and noted that she had contacted CNN and NBC regarding his release from the Taliban.

Lynn Knapik stated that she was a Realtor and lived in the Pearl Brewery Area of the city. She noted that the city was in need of a Vacant and Underutilized Property Registration Program but felt that the criteria should be different for residential properties.

Edward Karam stated that he had been in the Real Estate Industry for 35 years and that Commercial Property Owners were responsible people. He spoke of the National Grocers Building that he owned that had been vacant for a long time. He expressed concern with the costs that he would incur to upgrade the building.

Tom Hennigan addressed the City Council regarding the Vacant and Underutilized Property Registration Program. He stated that he was a Property Owner in San Antonio and was

concerned with neglected buildings that were boarded up or vandalized. However, he asked what problem that the program would solve and noted that he was not sure if it would cause more harm than good.

Gizelle Luevano addressed the City Council regarding issues with her home built by DR Horton. She spoke of the poor quality of the home and stated that she had been requesting assistance from the City Council for over three years.

Gilbert Luevano stated that he also lives in the home built by DR Horton and expressed concern that it was built over a former Sewage Treatment Plant.

John Crone addressed the City Council and stated that he was a Commercial Real Estate Broker. He noted that he had some concerns with the proposed Vacant and Underutilized Property Registration Program and welcomed the opportunity to provide input.

Mark Perez addressed the City Council regarding concerns with facilities operating without the proper permits. He expressed concern with various City Employees that had not followed up on his requests for information.

Faris Hodge, Jr. submitted written testimony and highlighted the Vacant and Underutilized Property Registration Program. He referenced the Pre-K 4 SA Program and Low Flow Toilet Program that had been successful. He asked why the grass and flowers were watered daily at City Hall. He wrote that serving on the City Council was a full-time job and only paid \$20 per meeting. He also wrote that the city should try other options before banning plastic bags.

ADJOURNMENT

There being no further discussion, Mayor Castro adjourned the meeting at 6:35 pm.

APPROVED



for CRIS MEDINA
MAYOR PRO TEM

ATTEST:



LETICIA M. VACEK, TRMC/MMC
CITY CLERK