SA
Item No. 25
06/19/2014

AN ORDINANCE 2014-06-19-0461

AMENDING CHAPTER 12, "VACANT BUILDINGS" OF THE CITY CODE TO CREATE A NEW ARTICLE I ENTITLED "VACANT BUILDING REGISTRATION PILOT PROGRAM" TO REQUIRE PROPERTY OWNERS OF VACANT STRUCTURES IN THE CENTRAL BUSINESS DISTRICT AND ALL VACANT DESIGNATED LANDMARKS AND VACANT STRUCTURES WITHIN HISTORIC DISTRICTS TO REGISTER WITH THE CITY AND ALL VACANT STRUCTURES WITHIN A HALF MILE PERIMETER OF ACTIVE MILITARY BASES; ESTABLISH MINIMUM STANDARDS OF CARE AND UPKEEP FOR BUILDINGS WITHIN THE DISTRICTS, ESTABLISH PENALTIES FOR VIOLATIONS; AND PROVIDE FOR PUBLICATION; AND AUTHORIZING AN INTERLOCAL AGREEMENT WITH BEXAR COUNTY AND THE SAN ANTONIO INDEPENDENT SCHOOL DISTRICT FOR THE ACQUISITION OF TAX-FORECLOSED PROPERTIES.

* * * * *

WHEREAS, the City Council of the City of San Antonio, Bexar county, Texas ("City Council"), has determined that the City of San Antonio ("City"), as part of its essential functions as a home rule city, has an interest in identifying and regulating property owners of vacant structures located within the Central Business District, as well as vacant designated landmarks and vacant structures within Historic Districts ("Districts") to include their contact information;

WHEREAS, the City Council has determined that the Districts have historic, unique and significant structures and features, recognized nationally, and are a major contributing factor in the City's tourist and convention industries;

WHEREAS, the City Council has recognized the importance which its residents place upon the preservation and maintenance of the City's unique cultural heritage, which generates industry, and which is a significant economic benefit to the municipality and its residents;

WHEREAS, the City Council has recognized that San Antonio has a special relationship with the U.S. military because of the large number of military bases located here, and because of the many thousands of troops who train, graduate and rotate through San Antonio, and because of the many career military personnel who have retired from the U.S. military and have chosen to live in San Antonio, City Council wishes to provide all troops, living here or visiting, with a safe and attractive environment around the bases where they live and train and serve;

WHEREAS, the City Council has determined that the presence of unmaintained and unregulated vacant structures have a negative economic impact on neighboring properties and businesses and creates a negative impression of the City to visitors and tourists;

WHEREAS, the City Council has determined that property owners who own vacant structures have a high incidence of code violations on their properties;

WHEREAS, the City Council has determined that vacant structures attract vagrants and/or criminals as prime locations for criminal activities;

WHEREAS, the City Council has determined that vacant structures are vulnerable to fires created by unauthorized persons;

WHEREAS, the City Council has determined that vacant structures attract and harbor wild animals, pests, vermin and varmints;

WHEREAS, the City Council has determined that vacant structures which have deteriorated or been neglected are a threat to the public safety, health and welfare of the community;

WHEREAS, the City Council has determined that the contact information as provided in the local deed records for vacant structure property owners is often insufficient to contact the property owner in an immediate and expedient manner in an effort to address any of the above stated concerns and it is necessary to create and maintain an updated registry of contact information of vacant structure property owners in the Districts and for these vacant structure property owners to designate an agent in Bexar County who shall act as an agent for the vacant property owner for purposes of accepting legal service;

WHEREAS, the City Council has determined that in order to protect and maintain the unique and significant nature of the Districts for the economic benefit of the City's citizens it is necessary to require vacant structure property owners to maintain their properties in good repair, so that they are sound and sanitary, and so that said properties do not detract from the economic value and utility of neighboring properties.

WHEREAS, the City Council has determined that it is in the City's best interest to utilize an available process within the Texas Tax Code for the acquisition of tax-foreclosed properties via an Interlocal Agreement between the City of San Antonio, Bexar County and the San Antonio Independent School District whereby each taxing entity will forgive tax delinquencies and extinguish existing liens so that the properties can be acquired by the City and redeveloped by private entities to become tax producing properties; **NOW THEREFORE**;

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Code of San Antonio, Chapter 12 "Vacant Buildings" is hereby amended by adding a new Article I entitled "Vacant Building Registration Pilot Program" to read as follows:

ARTICLE I. VACANT STRUCTURES IN THE CENTRAL BUSINESS DISTRICT, HISTORIC DISTRICTS, VACANT DESIGNATED HISTORIC LANDMARKS AND HALF MILE PERIMETERS AROUND ACTIVE MILITARY BASES.

Sec. 12-1. **Definitions.**

The following words, terms, and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

(1) *Active Military Base* means a federal military reservation which serves to house and train U.S. military troops and which is located in full or in part within the meets and bounds of the San Antonio City limits.
(a) *Half-Mile Perimeter* means a radius distance of one half mile which extends from the perimeter of an Active Military Base and into the surrounding neighborhoods which are within the San Antonio City limits.

(2) *Central Business District* is located as noted on maps which will be made available by the Director, and as previously defined in this Code as: Beginning at South San Marcos Street at its intersection with West Commerce Street, south to its intersection with Matamoros Street, east to its intersection with the Union Pacific Railway, south to South Alamo Street, north to its intersection with East Cesar Chavez Boulevard, east to South Cherry Street, north to its intersection with East Commerce Street, east to its intersection with North Mesquite Street, north to its intersection with Burleson Street, west to its intersection with Austin Street, north to its intersection with Casa Blanca Street, west to Newell Avenue, southwest to East Elmira Street, west to the intersection of West Elmira and the westbound service road of Interstate Highway 10, underneath Interstate Highway 10, then westbound from the intersection of the Interstate Highway 10 eastbound service road and Perez Street to its intersection with North Frio Street, south to its intersection with West Martin Street, west to its intersection with North San Marcos Street, south to its intersection with West Commerce Street.

(3) *Department* means the Department of Development Services for the City of San Antonio, Bexar County, Texas.

(4) *Director* refers to the Director of Development Services for the City of San Antonio, Bexar County, Texas, and his designees.

(5) *Historic District* means an area designated as such through approved means by City Council, State or Federal authority, and as previously defined and adopted in this Code.
(a) *Historic Landmark* means an individual structure or property which has been designated as such through approved means by City Council, State or Federal authority, and as previously defined and adopted in this Code.

(6) *Owner* means any person, agent, firm, partnership or corporation having a legal interest in the property.

(7) *Secured* means that all accessible means of ingress and egress to the vacant structure, including but not limited to all exterior doorways and windows are locked so as to prevent unauthorized entry by vagrants and criminals.

(a) *Temporarily secured* means that all accessible means of ingress and egress to the vacant structure, including but not limited to all exterior doorways and windows are covered with plywood which has been nailed or bolted in place so as to prevent unauthorized entry by vagrants and criminals.

(8) *Structure* means that which is built or constructed.

(9) *Vacant structure:* means that all lawful activity has ceased, or reasonably appears to have ceased for 30 days.

(a) *Lawful activity* is that the current use of the structure is also that which the structure was built for or intended to be used for.

Sec.12-2. **Applicability and Administration.**

(a) This article shall apply to all vacant structures, as defined herein, which are now in existence or which may hereafter be constructed or converted from other uses and which are within the Central Business District, all Historic Districts, all vacant designated landmarks, and all vacant structures within a half-mile perimeter of all active military bases.

(b) The Director is authorized to administer and enforce the provisions of this article.

(c) The Director shall have the authority to render interpretations of this title and to adopt policies and procedures in order to clarify the application of its provisions. The Director, at his sole discretion, may also enter into an agreement with a registered property owner to obtain compliance with this ordinance by a date certain.

Sec.12-3. **Registration required.**

(a) The vacant structure property owner shall have 90 days in which to register from the date that written notice is issued to the property owner. Written notice shall be issued to the vacant structure property owner by means of personal service, or by first class mail to their last known address according to Bexar County Appraisal District records, and by posting on the property. The Director may consider evidence provided that the property is listed for sale or lease for fair market value and for a reasonable length of time for purposes of extending the length of time before the property must be registered.

(b) Upon the issuance of notice to register vacant structure, property owners shall register with the Department and provide the following information:

i. The address and legal description of the property;
ii. The current name, physical address, mailing address, telephone number, and email information for any owner(s) with an ownership interest in the

property. Corporations or corporate entities shall submit the same information pertaining to their registered agent.

iii. The contact information for a local manager of the properties and/or improvements located on said property, as applicable.

iv. Proof of liability insurance, no less than $100,000, for the property and/or a surety bond for the value of structure if insurance cannot be obtained. Said value shall be the appraised value as determined by the Bexar County Appraisal District. This subsection is not applicable to single family residential structures.

v. Complete the comprehensive Plan of Action Form, provided by the Department, detailing a timeline for correcting violations, rehabilitation, maintenance while vacant, and future use of the structure. The Plan of Action must be updated every six (6) months.

vi. A complete floor plan of the property for use by first responders in the event of a fire or other catastrophic event.

vii. Criminal Trespass affidavits shall be filed with the San Antonio Police Department by the property owner and said property owner shall post "No Trespass" placards on the premises. Additional employment of security services for the property for a specified number of hours every day, may be required by the Director on the basis of the property's history of code and/or criminal violations.

viii. Vacant structure property owners shall provide written notice to the Director, including a copy of the deed, of a change in:
(A) ownership of the property;
(B) contact information for either the owner or the designated manager.
Written notice must be provided to the Department no later than 30 days after said changes have occurred.

(c) Continued annual registration of the property by the vacant structure property owner is required until said structure is deemed occupied and in compliance with all relevant code requirements by the Director.

Sec.12-4. **Registration fees.**

(a) Vacant structure property owners shall tender an annual registration fee of $250.00 for single family residential structures or $750.00 for all other structures, with an annual inspection fee of $0.01 per square foot, as determined by Bexar County Appraisal District, with a $50.00 minimum charge. The registration fee shall be pro-rated for the first time a property is registered with the City. Subsequent annual registration fees shall be due and postmarked no later than January 31st of each year.

Sec.12-5. **Property manager or agent**

(a) Vacant structure property owners must designate a local manager for said properties and include the relevant contact information for the designated manager upon registering the property

with the Department. Property managers shall act as agents for the property owner for purposes of accepting legal service, however the vacant property owner remains personally liable in criminal prosecutions for code violations.

(b) The property manager or agent must be available at the number listed at all times in the event of an emergency or catastrophe. For all vacant properties except for single family residential structures: the name and telephone number of the property manager or agent must be posted at the front of the building, in large, legible print.

Sec. 12-6. **Standard of care for vacant property**

(a) The standard of care, subject to approval by the Director, shall include, but is not limited to:

i. *Protective Treatment:* All exterior surfaces, including but not limited to, doors, door and window frames, cornices, porches, trim, balconies, decks and fences, shall be maintained in good condition, weather tight and in such condition so as to prevent the entry of rodents and other pests. All exposed wood or metal surfaces subject to rust or corrosion, other than decay resistant woods or surfaces designed for stabilization by oxidation shall be protected from the elements and against decay or rust by periodic application of weather coating materials such as paint or similar surface treatment. All surfaces with rust or corrosion shall be stabilized and coated to inhibit future rust and corrosion. Oxidation stains shall be removed from exterior surfaces. All siding, cladding and masonry joints, as well as those between the building envelope and the perimeter of windows, doors and skylights, shall be maintained weather resistant and water tight.

ii. *Premises Identification:* The property shall have address numbers placed in a position to be plainly legible and visible from the street or road fronting the property. These numbers shall contrast with their background. Address numbers shall be Arabic numerals or alphabet letters. Numbers shall be a minimum of 4 inches (102mm) high with a minimum stroke width of 0.5 inch (12.7mm). All buildings shall display a vacant building identification placard as required by the Director.

iii. *Structure:* All structural members and foundation shall be maintained free from deterioration, and shall be capable of safely supporting the imposed loads.

iv. *Exterior Walls:* All exterior walls shall be kept in good condition and shall be free from holes, breaks, and loose or rotting materials. Exterior walls shall be maintained weatherproof and properly surface coated where necessary to prevent deterioration.

v. *Roof and drainage:* The roof and flashing shall be sound, tight and not have defects that admit rain. Roof drainage shall be adequate to prevent accumulation, dampness or deterioration. Roof drains, gutters and downspouts shall be maintained in good repair, free from obstructions and operational.

vi. *Decorative Features:* All cornices, belt courses, corbels, applications, wall facings and similar decorative features shall be maintained in good repair with proper anchorage and in a safe condition.

vii. *Overhang Extensions and Awnings:* All overhang extensions including, but not limited to canopies, marquees, signs, awnings, and fire escapes shall be maintained in good repair and be properly anchored and supported as to be kept in a sound and safe condition.

viii. *Stairways, decks, porches and balconies:* Every exterior stairway, deck, porch and balcony, and all appurtenances attached thereto, shall be maintained structurally sound, in good repair, with proper anchorage and capable of supporting the imposed loads.

ix. *Chimneys and Towers:* All chimneys, cooling towers, smoke stacks and similar appurtenances shall be maintained structurally safe and sound, and in good repair.

x. *Handrails and Guards:* Every exterior handrail and guard shall be firmly fastened and capable of supporting normally imposed loads and shall be maintained in good condition.

xi. *Window, Skylight and Door:* Every window, storefront, skylight and exterior door part, including but not limited to the frame, the trim, window screens and hardware shall be kept in sound condition and good repair. All broken or missing windows shall be replaced with glass and secured in a manner so as to prevent unauthorized entry. All broken or missing doors shall be replaced with new doors which shall be secured to prevent unauthorized entry. All glass shall be maintained in sound condition and good repair. All exterior doors, door assemblies and hardware shall be maintained in good condition and secured. Locks at all exterior doors, exterior attic access, windows, or exterior hatchways shall tightly secure the opening. Windows and doors shall not be secured by plywood or other similar means mounted on the exterior except as a temporary securing measure, and the same shall be removed within a period of time designated by the Director.

xii. *Basement Hatchways and Windows:* Every basement hatchway shall be maintained to prevent the entrance of rodents, rain and surface drainage water. Every basement window that is openable shall be supplied with rodent shields, storm windows or other approved protection against entry of rodents.

(b) All repairs shall be subject to approval by the Director. All required permits and final inspections prior to and/or following repairs shall be in accordance with applicable laws and rules. Historic properties and properties within designated Historic Districts are additionally subject to all applicable rules and regulations as codified in Section 35 of the Code.

(c) Failure to maintain the vacant property to the standard of care specified by the Department is a violation of this article.

Sec.12-7. **Fee Waivers**

All fee waivers must be applied for, using the forms provided, on an annual basis, and are subject to approval by the Director. A fee waiver is only valid for twelve (12) months.

(a) Property which has been devastated by a catastrophe such as fire or flood: the owner has 30 days to register from the date of the disaster but may be exempt from the fees. This exemption is for the duration of one year from the date of the catastrophe; thereafter all applicable fees are due.

(b) A property owner who is indigent must register and is otherwise subject to this ordinance but may be exempt from the fees.

(c) Representatives of a property owner who is deceased or is no longer legally competent must register the property and are otherwise subject to this ordinance but may be exempt from the registration fees.

(d) Where the owner of the property has obtained a building permit and is progressing in an expedient manner to prepare the premises for occupancy, the owner must register the property and is otherwise subject to this ordinance but may be exempt from the registration fees.

Sec. 12-8. **Exemptions**

(a) Single family residential structures which meet the standard of care as stated in 12-6 are exempt from this ordinance.

Sec. 12-9. **Jurisdiction, enforcement and penalties**.

(a) Written notice of violation will precede the issuance of a criminal citation, in which the vacant property owner will be given a reasonable length of time, as determined by the Director, to remedy the violation. Written notice shall be issued to the vacant structure property owner by means of personal service, or by first class mail to their last known address according to Bexar County Appraisal District records, and by posting on the property.

(b) Failure to register with the Department after written notice to the vacant structure property owner, as is hereinafter specified, is a violation of this article.

(c) Violation of this chapter is a class C misdemeanor.
(i) This is a strict liability offense in which no mental state is required.
(ii) The fine for this offense may not exceed five hundred dollars ($500.00).

(d) Administrative, civil, and criminal enforcement are alternative remedies which may be sought independently of each other. Criminal prosecution may occur regardless of pursuit of civil or administrative remedies and vice versa.

SECTION 2. Should any Article, Section, Part, Paragraph, Sentence, Phrase, Clause, or Word of this Ordinance, or any appendix thereof, for any reason, be held illegal, inoperative, or invalid or if any exception to or limitation upon any general provision herein contained be held to be

unconstitutional or invalid or ineffective, the remainder shall stand effective and valid as if it had been enacted and ordained without the portion held to be unconstitutional or invalid or ineffective.

SECTION 3. The City Clerk is directed to promptly publish public notice of this ordinance in accordance with Section 17 of the City Charter of San Antonio, Texas.

SECTION 4. The publishers of the City Code of San Antonio, Texas are authorized to amend the code to reflect the changes adopted in this Ordinance, and to correct typographical errors and to index, format and number paragraphs to conform to the existing code.

SECTION 5. The City Manager or her designee, or the Director of the Center City Development Office or her designee is hereby authorized to execute an Interlocal Agreement with Bexar County and the San Antonio Independent School District for the acquisition of tax-foreclosed properties by the City with terms automatically renewing on an annual basis unless terminated by the parties to the agreement. A copy of the agreement is attached hereto and incorporated herein for all purposes as **Attachment I.**

SECTION 6. The Interlocal Agreement authorized by Section 5 above shall become effective 10 days from the date that this Ordinance is approved by City Council. The remainder of the provisions of this Ordinance shall be effective on the 1st day of January, 2015.

PASSED AND APPROVED this 19 day of June 2014.

M A Y O R
Julián Castro

ATTEST:

Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:

for Robert F. Greenblum, City Attorney

Agenda Item:	**25**
Date:	06/19/2014
Time:	11:50:06 AM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing a Vacant Building Registration Pilot Program and approving an interlocal agreement between the City of San Antonio, Bexar County and the San Antonio Independent School District. [Carlos Contreras, Assistant City Manager; Lori Houston, Director, Center City Development; Shanon Shea Miller, Director, Office of Historic Preservation]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x			x	
Ivy R. Taylor	District 2		x				x
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

Attachment I

THE STATE OF TEXAS	)	**INTERLOCAL AGREEMENT FOR**
	)	**SALE OF TAX FORECLOSED PROPERTIES**
COUNTY OF BEXAR	)	

This Interlocal Agreement ("Agreement") is entered into between the **CITY OF SAN ANTONIO** ("City"), a municipal corporation and home-rule city of the State of Texas, pursuant to Ordinance No. 2013-06-19-____, **BEXAR COUNTY** ("County"), a political subdivision of the State of Texas, the **SAN ANTONIO INDEPENDENT SCHOOL DISTRICT** ("SAISD"), an independent district and political subdivision organized under the laws of the State of Texas (collectively hereinafter referred to as the "Parties").

RECITALS

WHEREAS, Texas Government Code Chapter 791 (Interlocal Cooperation Contracts) authorizes local governments to contract with one another in order to increase their efficiency and effectiveness;

WHEREAS, the Parties seek to work together in intergovernmental cooperation to return tax delinquent unproductive properties back to productive use and back to producing tax revenue;

WHEREAS, the Texas Tax Code permits the foreclosure of a tax lien and sale of the real property in order to collect delinquent taxes;

WHEREAS, following the tax foreclosure sale, certain properties remain unsold and may be "struck off" to the City or one of the Parties;

WHEREAS, County maintains an inventory of properties that have previously been "struck off" and are still under the ownership of the County in trust for all taxing entities entitled to recover unpaid taxes on the subject properties;

WHEREAS, the existence of many blighted, abandoned or vacant properties negatively impacts the tax revenues of local taxing units by annually adding to each taxing unit's delinquent tax rolls with little or no chance of ever recovering these assessments;

WHEREAS, a rapid return of these properties to productivity would encourage revitalization of deteriorating neighborhoods, reduce governmental expenditures on these properties and provide an increased tax base that would thus enhance future tax revenues;

WHEREAS, Texas Tax Code Section 34.051 allows the City to enter into an interlocal agreement with other taxing units to obtain consent to the terms and conditions governing the City's resale of certain tax foreclosed properties for the purposes stated herein;

WHEREAS, City formerly handled tax-foreclosure sales for taxing authorities in Bexar County, Texas, and when necessary, bid in at the foreclosure sales to take title on behalf of all entities whose taxes were included in the judgment authorizing foreclosure;

WHEREAS, City entered into an interlocal agreement with County transferring the duties of handling tax foreclosure sales for the taxing authorities in Bexar County, Texas;

WHEREAS, City now wishes to return the properties to productive purposes, specifically to use them as part of its Inner-City Redevelopment, Infill Development policy by giving the properties to organizations promoting that policy;

WHEREAS, City may convey the property for that purpose without cash payment under the authority of Local Government Code § 253.011;

NOW THEREFORE, the Parties agree as follows:

1. General Statement and Goals.

The purpose of this Agreement is to comply with TEX. TAX CODE § 34.051 (the "Statute"), which authorizes the Parties to enter into an interlocal agreement governing the resale of certain tax foreclosed properties. The tax foreclosed properties shall be used only for a purpose consistent with the City's Inner-City Redevelopment, Infill Development policy (attached hereto as **Exhibit A** and incorporated into this Agreement for all purposes as if fully set forth), as such policy may hereinafter be amended by the City, and for providing housing for families of low or moderate income (as defined under regulations adopted by the U.S. Department of Housing and Urban Development). The goals of the City's Inner-City Redevelopment, Infill Development policy for tax-foreclosed property are as described in **Exhibit A**. The principal goal of this Agreement, pursuant to subsection (b)(4) of the Statute, is to provide an efficient mechanism for returning deteriorated or unproductive properties to the tax rolls, enhancing the value of ownership to surrounding properties, and improving safety and quality of life in deteriorating neighborhoods.

2. Character of Tax-Foreclosed Property.

The Parties agree that the tax foreclosed property or properties, as used in this Agreement, means only those real properties where the County takes title as trustee taxing unit to the property at any public sale in which no bid was received from the public, and the property is located within the corporate city limits of City and within the boundaries of the SAISD and is either vacant or distressed and has a tax delinquency of six or more years. At least annually, the City shall submit a proposed list of the properties that the City intends to be subject to the terms of this Agreement. The Parties may each review such list and take such action as each party deems appropriate to approve or disapprove the list or any property therein within 60 days of the party's receipt of the proposed list. The Parties agree that City may conduct due diligence, site assessments, and inspections of properties as necessary to determine the condition of properties and viability for purchase as part of the review process and will share that information with all of the Parties to this agreement. Unless any one of the Parties notify the City of their

disapproval of the list or any listed property, the City will proceed to implement this Agreement with regard to that year's listed tax foreclosed properties.

3. Conveyance of Tax Foreclosure Properties.

By execution of this Agreement, the Parties hereby consent to the sale of tax foreclosure properties at less than the market value specified in the judgment of the foreclosure or less than the total amount of the judgment(s) against the property, equivalent to costs due to County, in accordance with the Statute and this Agreement. The Parties agree that the total selling price for a specific property will meet or exceed the costs detailed in TEX. TAX. CODE §34.06(c), and (d). In addition, Parties authorize the County to convey the properties identified in Paragraph 2 of this agreement to City for use in the City's Inner-City Redevelopment, Infill Development program. City will then convey the tax foreclosed property to a purchaser selected by the City as set forth in Paragraph 4 below. The deed by the City pursuant to such consent conveys all right, title, and interest acquired by each such taxing units **subject to any right of redemption** and shall restrict the tax foreclosed property be used in a manner consistent with the urban redevelopment plan and/or affordable housing policy(ies), established by the City to provide affordable housing for families of low and moderate incomes. The purchaser must use the property only in accordance with this Agreement and such urban redevelopment plan and/or housing policy(ies) for the primary purpose of carrying out the City goals for urban redevelopment or affordable housing through acquiring, maintaining, redeveloping and disposing of such tax-foreclosed properties.

4. Mechanism.

The City shall select the tax foreclosed properties that will be conveyed in accordance with the Statute and this Agreement and notify the other parties of its intent to sell each property pursuant to this Agreement. When City identifies a tax-foreclosed property it wishes to use under the authority of this Agreement, it must deliver written notice of such intent to SAISD and County at the addresses stated below. Failure of SAISD or County to respond to City's proposal within 60 days of City's notice is consent to use of the property under this Agreement. The City or its designee shall sell the foreclosed properties under the terms and conditions established by the City in a Request for Proposals from qualified community development housing organizations or other qualified non-profit or for profit housing developers in developing and constructing affordable houses on the selected tax foreclosed properties in accordance with the Statute and this Agreement. The Parties acknowledge that the City may utilize San Antonio Affordable Housing, Inc., a non-profit corporation managed and operated by the City's Office of Urban Redevelopment, as a means to acquire and dispose of properties under this Agreement, including but not limited to the following actions, purchasing, transferring or assigning rights to title and interest in identified properties. The Parties agree that any proceeds from the sale of each tax-foreclosed property by the City shall be first paid to the City to reimburse its costs, if any, pursuant to TEX. TAX CODE § 34.06 (c). After retaining the amounts authorized by this subsection, the proceeds of the sale, if any, shall be distributed pursuant to TEX. TAX CODE § 34.06 (d) and (e).

5. Consistency with Urban Redevelopment.

Properties conveyed under this Agreement must be used only for a purpose consistent with City's Inner-City Redevelopment, Infill Development policy and will not involve the City selling any of the properties to competing educational entities to the San Antonio Independent School District.

6. Renewal and Termination.

This Agreement shall be in effect until September 30, 2014 and shall be automatically renewed thereafter on a year to year basis and remain in effect until terminated by mutual consent of the Parties or by effective written notice of any party. If any Party elects not to renew this Agreement by providing a written termination notice, then the City agrees to resell any lot or parcel of land that the City has not at that time resold pursuant to TEX. TAX CODE § 34.05.

7. Notice.

Any notice required or permitted under this Agreement must be in writing and by certified mail, return receipt requested, addressed to the parties at their respective addresses set forth below. Notice is complete three days after deposit, properly addressed and postage prepaid, with the United States Postal Service. Failure to use certified mail does not defeat the effectiveness of notice actually received, but such notice is effective only on actual receipt. Address for notice may be changed by giving notice hereunder.

If to City:	Director, Center City Development Office City of San Antonio P.O. Box 839966 San Antonio, Texas 78283-3966
If to County::	Asset Manager Bexar County Public Works Department 233 N. Pecos San Antonio, Texas 78207
If to SAISD:	John Prather San Antonio Independent School District 1702 N. Alamo San Antonio, Texas 78215

8. Written Amendment.

This Agreement may be amended only by the mutual agreement of the Parties in writing.

9. Acknowledgement of Public Purpose.

By entering into this Agreement, City, County and SAISD acknowledge that urban redevelopment serves a legislatively-recognized public purpose on which they can expend their respective resources.

10. Dispute Resolution.

10.01 As a condition precedent to bringing any action arising out of or relating to this Agreement or any aspect thereof, including an action for declaratory relief but not an action specifically excepted below, the disputants must first submit in good faith to mediation. The parties may not assert limitations, laches, waiver, and estoppel based upon attempts to mediate.

10.02. Filing suit on a claim that should be mediated hereunder waives the filer's right to demand mediation. But one party's waiver does not affect another party's right. A defendant does not waive mediation for so long as, within a reasonable time after appearing, the defendant gives written notice to the plaintiff or its counsel of intent to require compliance with this paragraph.

10.03. Mediation must be conducted in San Antonio, Bexar County, Texas.

10.04. The party desiring relief has the burden to initiate mediation. Waiting for another party to initiate mediation does not waive the right to it.

10.05. If the parties can otherwise agree on a mediator, they may do so. Alternatively, either party may petition any court of competent jurisdiction to appoint a mediator. The only predicate issues the court need consider before appointing a mediator are whether (i) the copy of the contract before the court is authentic and (ii) the contract was duly signed and delivered by all parties to be bound to mediate. If neither of those issues is denied under oath, the court may appoint a mediator upon motion, without trial.

10.06. Mediator fees must be borne equally.

10.07. The parties need not mediate before going to court to seek emergency injunctive relief.

11. No Third-Party Beneficiaries.

This Agreement is intended for the benefit of the parties hereto and their successors and permitted assigns only. There are no third party beneficiaries hereof.

12. Public Information.

All parties acknowledge that this instrument and all documents ancillary to it are public information within the meaning of Chapter 552 of the Texas Government Code and accordingly may be disclosed to the public. Nothing in this Agreement waives an otherwise applicable exception to disclosure.

13. Severability.

If any part of this Agreement is held to be illegal, such part shall be deemed severable and the remaining parts shall nevertheless be binding.

14. No Waiver of Immunity.

No Party waives or relinquishes any immunity or defense on behalf of itself, officers, employees and agents as a result of its execution of this Agreement and performance of the terms contained herein.

15. Entire Agreement.

This Agreement constitutes the entire agreement between the Parties and any other prior understandings, written or oral agreements between them are merged into this Agreement.

16. Counterparts.

This Agreement may be executed in multiple counterparts, each of which is an original, whether or not all parties sign the same document. Regardless of the number of counterparts, they constitute only one agreement. In making proof of this Agreement, one need not produce or account for more counterparts than necessary to show execution by or on behalf of all parties.

In Witness Whereof, the parties have caused their representatives to set their hands:

County of Bexar, a political subdivision of the State of Texas

By:_____
Nelson W. Wolff
County Judge

Date:_____

ATTEST

_____
Gerard C. Rickhoff
County Clerk

San Antonio Independent School District, a Texas independent school district

By:_____

Printed Name:_____

Title:_____

Date:_____

APPROVED AS TO LEGAL FORM

SUSAN D. REED
Criminal District Attorney
Bexar County, Texas

_____
Katherine Ramos
Assistant Criminal District Attorney
Civil Section

APPROVED AS TO FINANCIAL CONTENT:

_____
Susan Yeatts
County Auditor

_____
David Smith
County Manager

City of San Antonio,
a Texas municipal corporation

By:_____

Printed
Name:_____

Title:_____

Date:_____

Approved As To Form:

_____
City Attorney

Exhibit A

1. SUMMARY

A. Reinvestment: Policy Statement

It is the policy of the City of San Antonio to promote growth and development in the heart of the City, specifically in areas that are currently served by public infrastructure and transit, but underserved by residential and commercial real estate markets. It is the intent of this policy to coordinate public initiatives within targeted areas in order to stimulate private investment in walkable urban communities that are the building blocks of a sustainable region. To accomplish the objectives of the Inner City Reinvestment / Infill Policy, the entire range of public incentives is made available under this policy, including regulatory, procedural, and financing incentives.

B. Public Benefits

The benefits of a successful Inner City Reinvestment / Infill Policy accrue not only to targeted neighborhoods, but to the City as a whole. In addition to placing vacant properties back into productive activity, reinvestment reduces development pressure on sensitive agricultural and environmental land on the periphery of the City of San Antonio, and reduces the need to build new infrastructure by making more efficient use of existing infrastructure.

C. Policy Goals

The goals of the Inner City Reinvestment / Infill Policy are:

1. Increase new development (housing and commercial) on vacant lots
2. Increase redevelopment of underused buildings and sites
3. Increase rehabilitation, upgrade, adaptive reuse of existing buildings
4. Improve maintenance of existing buildings and sites
5. Increase business recruitment and assistance

D. Strategic Principles

Implementation of the Inner City Reinvestment / Infill Policy should be built around five key principles.

1. Comprehensive Reinvestment
2. Coordination: Reinvestment is a Public Private Partnership
3. Concentrate Efforts: Targeted Areas
4. Address the Challenges to Reinvestment
5. Establish Sustainable Design and Development Standards

E. Implementation

A strategy has been developed to coordinate incentives within targeted areas. The core Inner City Reinvestment / Infill Policy Target Area follows an expanded version of the CRAG boundaries, and includes Reinvestment Plan Areas and City-initiated Tax Increment Reinvestment Zones designated within Loop 410.

2. BACKGROUND

A. History

The Inner City Reinvestment / Infill Policy is the product of mutually supportive ideas and initiatives. One of the catalysts was a 2008 City Council request to investigate the feasibility of establishing a Land Bank. The subsequent research into the Urban Land Bank Demonstration Program, as implemented by Dallas, led to discussions about additional steps that could be taken to support the goals of the Demonstration Program. At the same time, the progress being made by various public sector initiatives and private market trends suggested that a comprehensive policy would benefit the City of San Antonio.

The key public sector initiative to frame and guide the Inner City Reinvestment / Infill Policy is the Strategic Plan for Community Development. The Strategic Plan was adopted by City Council in September of 2008, and subsequently a Community Development Advisory Committee was formed to explore and recommend community development policies that would benefit San Antonio. One of those recommendations was to move forward Strategic Plan ideas about infill and targeted reinvestment through the creation of a policy that would prioritize public and private sector investments in the core of the City.

Other public sector initiatives support this approach, including:

- COSA Master Plan Policies
- Fort Sam Houston Growth Management Implementation Plan
- Consolidated Plan
- Strategic Plan for Historic Preservation
- MPO Transportation Policy Board Preferred Growth Scenario
- VIA Comprehensive Transportation Plan

In addition, related program-level initiatives currently in development support the Inner City Reinvestment / Infill Policy. For instance, the City of San Antonio Community & Economic Development GIS Mapping Application had been initiated November 2007 with the goal of creating an online searchable website of city-owned properties to be listed for sale. The initial version went live January 2009 while various City departments continued to consolidate their databases to help manage real estate activities and maintain the mapping application up to date.

Additionally, the San Antonio Development Agency's Real Property Disposition Plan was adopted by SADA Board July 15, 2008, for the purpose of prioritizing the disposition of SADA-owned properties. This plan located approximately 70 properties to be disposed for development of affordable housing or at market-rate, and 24 properties to be sold as surplus property.

B. The Public Benefits of Reinvestment

Current market trends support a renewed interest in the heart of San Antonio, as illustrated by studies conducted for San Antonio such as the Downtown Housing Study, Real Estate Market Value Analysis, and the Housing + Transportation Affordability Index. In particular, the Real Estate Market Value Analysis shows that a substantial portion of San Antonio's core has very high rates of vacant properties – properties that could be put to use to support increasing demand for near-downtown housing, jobs, and services.

The benefits of a successful Inner City Reinvestment / Infill Policy accrue not only to targeted neighborhoods, but to the City as a whole. In addition to placing vacant properties back into productive activity, the Inner City Reinvestment / Infill Policy creates the following public benefits:

- Reduced development pressure on sensitive agricultural and environmental land on the periphery of the City of San Antonio
- More efficient use of existing infrastructure, reducing the need to build new infrastructure
- Development patterns that promote a more livable San Antonio
- Provision of increased affordable housing and workforce housing options
- Infill development that is pedestrian-scale, compatible with neighborhoods
- Economic development in historic commercial corridors (new residents = new shoppers)
- Design standards that reflect local neighborhood character
- Creates additional housing options within the San Antonio area, including additional locations, types and densities
- Provides flexibility in lot size, configuration, and access
- Provides clear development standards that promote compatibility between new and existing development and promote certainty in the marketplace
- Encourages development of housing in proximity to jobs and transit
- Promotes walking as a safe mode of travel, which can help address issues of obesity and diabetes
- Promotes neighborhood preservation and enhancement through redevelopment of blighted distressed, and underutilized properties;
- Encourages development and preservation of affordable housing through infill development.

3. POLICY GOALS

The Strategic Plan for Community Development encourages programs and initiatives to incorporate a systematic way to measure progress over time. The Inner City Reinvestment / Infill Policy is committed to identifying measurable goals, establishing benchmarks to measure progress toward those goals, and reporting such results to the public on a regular basis. The Real Estate Market Value Analysis (MVA) is a particularly useful tool in this regard, since it establishes snapshots of market conditions that can be compared over time to gauge where progress is being made, and where new strategies need to be attempted.

The goals of the Inner City Reinvestment / Infill Policy are:

1. Increase new development (housing and commercial) on vacant lots
2. Increase redevelopment of underused buildings and sites
3. Increase rehabilitation, upgrade, adaptive reuse of existing buildings
4. Improve maintenance of existing buildings and sites
5. Increase business recruitment and assistance
6. Reduce number of vehicle miles traveled by San Antonians

The Inner City Reinvestment / Infill Policy Task Force will propose quantifiable benchmarks based on Inner City Reinvestment / Infill Policy goals. These measures could include figures for the following:

- Reduction of number of vacant and abandoned lots
- Reduction of time lots remain vacant or abandoned
- Increase in number of mixed-income units produced
- Increase in square footage of mixed-use development produced
- Reduction in code compliance complaints
- Reduction in number of block groups generally categorized as distressed by the MVA
- Increase in number of block groups generally categorized as active markets by the MVA
- Increase in number of Target Area residents (e.g. 20,000 new residents by 2015)
- Increase in number of Target Area jobs
- Reduction in VMT

4. STRATEGIC PRINCIPLES

Any strategy developed to implement the Inner City Reinvestment / Infill Policy should be based on five key principles.

1. Comprehensive Reinvestment
2. Coordination: Reinvestment is a Public Private Partnership
3. Concentrate Efforts: Targeted Areas
4. Address the Challenges to Reinvestment
5. Establish Sustainable Design and Development Standards

A. Comprehensive Reinvestment

The intent of the Inner City Reinvestment / Infill Policy is to encourage comprehensive reinvestment in areas with existing infrastructure investments in order to achieve sustainable growth through efficient land use and cost-effective delivery of urban services. The Inner City Reinvestment / Infill Policy seeks to remove existing barriers to reinvestment, as well as establish appropriate development standards for new infill development. These development standards are based on long-held policy goals that support sustainable mixed-use, mixed-income, and multi-modal neighborhoods that are better able to meet San Antonian's needs than car-dependent, segregated-use development.

The Inner City Reinvestment / Infill Policy includes all of the following elements:

1. New development (housing and commercial) on vacant lots in previously developed areas
2. Redevelopment of underused buildings and sites
3. Rehabilitation, upgrade, adaptive reuse of existing buildings
4. Improved maintenance of existing buildings and sites
5. Business recruitment and assistance

These elements have all been previously identified in adopted City policies, including the Master Plan Policies, the Consolidated Plan, and the Strategic Plan for Community Development.

The Inner City Reinvestment / Infill Policy takes a comprehensive approach to reinvestment, addressing residential and commercial development, existing and new residents and businesses, present and future. The Inner City Reinvestment / Infill Policy supports efforts that make infill development an attractive option for private sector developers. At the same time, the strategy encourages development that is provides benefits to potential and existing residents. Reinvestment should contribute to the functioning and the desirability of existing neighborhoods. The Inner City Reinvestment / Infill Policy is intended to stimulate reinvestment while also providing amenities and assistance to current residents and businesses.

The Inner City Reinvestment / Infill Policy acknowledges that the hurdles to infill development are varied in nature – and the appropriate incentives, to be effective, should be just as varied. Incentives should also be comprehensive in nature, and include "all the tools in the toolbox", including zoning, infrastructure scheduling, parking incentives, and financing tools.

B. Coordination: Reinvestment is a Public Private Partnership

One of the key principles of the Inner City Reinvestment / Infill Policy is coordination and cooperation. Public officials, neighborhood organizations, non-profits, private developers and financial institutions will need to join forces for effective community revitalization to occur.

The Inner City Reinvestment / Infill Policy recognizes that **private-sector investment follows public-sector investment**: for private individuals and companies to invest in the core of San Antonio, the public sector must demonstrate a commitment to the area, by funding infrastructure repairs and upgrades, implementing new policies, and kick-starting area economies through catalytic projects (including area-wide rezoning). The Inner City Reinvestment / Infill Policy seeks to coordinate individual programs and projects to create these catalysts. Once reinvestment efforts create enough market confidence, the private market can successfully support thriving urban economies based on appropriate risk-taking, renovation, and redevelopment.

This principle ensures that public investment is **maximized** by encouraging a wide variety of private sector investors – including current residents and businesses. The wider the pool of stakeholders, the greater leverage the initial public investment can create.

In this spirit, the Inner City Reinvestment / Infill Policy is committed to research and resource-sharing to help public and private sector partners reach shared goals. Initiatives such as foreclosure reports, real estate information websites, and the proposed Vacant and Abandoned Property Registry make substantial public research freely available to community development stakeholders.

Enhanced coordination plays a critical role in urban revitalization by employing tools that directly influence the private market, reduce risk, and create market confidence. The Inner City Reinvestment / Infill Policy can facilitate new development that might not normally occur under existing market conditions by using those tools to help address these risk variables. A critical mass of public investment is necessary to engender private investor confidence.

C. Concentrate Efforts: Targeted Areas

Reinvestment is by its nature a targeted activity, and the Inner City Reinvestment / Infill Policy recognizes that to maximize the coordinated efforts mentioned above, a targeted geographical approach is required. The City's Consolidated Plan states that:

> *"Central to the City's long-term and short-term community development objectives is a philosophy of focusing limited resources on concentrated and comprehensive revitalization of targeted neighborhoods. Rather than scattering resources to all distressed areas in the community, San Antonio has committed to concentrating community development resources to more specified geographic areas."*

The Inner City Reinvestment / Infill Policy identifies targeted areas by need and potential, using a market-value analysis. By finding "sweet spots" where a small amount of public investment can quickly trigger larger amounts of private reinvestment, public resources can be utilized to maximum effect.

The core targeted area of the Inner City Reinvestment / Infill Policy is the original 36 square miles of the city, also known as the CRAG area, with the addition of the Ft. Sam Houston Growth Management Plan and other BRAC-related areas, the Westside Development Corporation area, the Reinvestment Plan Areas, City-initiated TIRZ inside Loop 410, City South, and Neighborhood Commercial Revitalization Areas.

D. Address the Challenges to Reinvestment

The Inner City Reinvestment / Infill Policy seeks to address the barriers (real and perceived) which have prevented reinvestment in certain areas. Urban change and revitalization contain a myriad of risk variables that influence market forces and market confidence, including:

- Local demographics
- Existing housing types and prices
- Ability of the market to absorb new units
- Development costs
- Interest rates
- Whether the existing market has been tested to support similar product types and pricing

Through coordination and targeting, the Inner City Reinvestment / Infill Policy seeks to address these challenges in a systematic and strategic manner.

E. Establish Sustainable Design and Development Standards

The Inner City Reinvestment / Infill Policy recognizes that urban form is a critical reinvestment variable. The physical design of buildings, streets, and parks either expand or limit options available to residents, workers, and visitors.

Pro-active standards for new infill development ensure long-term affordability, maximize the efficient use of existing infrastructure, and increase mobility and accessibility options to all San Antonians, regardless of their choice of travel: car, transit, bicycle, wheelchair, or walking. These standards are based on long-held

policy goals of sustainable mixed-use, mixed-income, and multi-modal neighborhoods that are better able to meet San Antonians' needs.
Reinvestment should support (1) compact development in urban centers rather than spread out development, (2) a balanced mix of mutually-supportive land uses to facilitate walking and transit, and (3) increased densities in transit corridors to better support frequent transit service.

Affordability is a key element of the sustainability discussion, particularly the role that transportation options play in figuring long-term household costs. The recently completed Housing + Transportation Affordability Index for San Antonio highlights the close linkage between transportation and Community Development.

One finding is that travel is a critical – and often overlooked – household expense. Housing costs **plus** transportation costs provide a more complete assessment of affordability than housing costs alone.

Another finding is that transportation costs are driven more by neighborhood characteristics than by the number of people in a household or their income. Places with access to services, walkable destinations, extensive and frequent transit, access to jobs, and density have lower household transportation costs.

In order to maintain an overall long-term level of affordability, the Inner City Reinvestment / Infill Policy prioritizes the creation of neighborhoods that provide housing **and** transportation affordability. Such neighborhoods are characterized by diverse land uses and walkability, which depends on a transportation infrastructure that provides a variety of ways to get around, serving pedestrians and transit-riders as well as drivers.

5. IMPLEMENTATION

The Inner City Reinvestment / Infill Policy implementation strategy is to promote reinvestment in targeted areas using coordinated incentives.

A. Targeted Areas

In order to make the best use of limited public resources, targeted areas are identified where reinvestment incentives can be coordinated to provide maximum leverage.

i. Inner City Reinvestment / Infill Policy Target Area

This area is defined by the boundaries of established initiatives: the Community Revitalization Action Group (CRAG) area, the Ft. Sam Houston Growth Management Plan and other BRAC-related initiatives, the Westside Development Corporation, the Reinvestment Plan Areas, City-initiated TIRZ inside Loop 410, City South, and Neighborhood Commercial Revitalization Areas. Incentives are broadly available within these boundaries.

ii. Real Estate Market Value Analysis (MVA)

The MVA allows incentives to be fine tuned within the core Inner City Reinvestment / Infill Policy Target Area. The MVA identifies discrete housing market types in San Antonio. The characteristics of those market types provide insight into what type of public initiative will yield the most private reinvestment. For instance, when developing a disposition strategy for the Land Bank or for Reinvestment Plans, the MVA can indicate which areas will require property to be sold at an "incentive" price, and which other areas can support higher "market value" disposition prices. The MVA also indicates where there is a greater need for affordable housing, workforce housing, or market-rate housing. Finally, areas with active markets are readily identified, so that significant assistance can instead be directed elsewhere. The current MVA is included in the Appendices.

B. Coordinated Incentives

This policy establishes the Inner City Reinvestment / Infill Policy Target Area as the highest priority for incentives. Specifically, the following actions are endorsed:

1. No City fees
2. Targeted City Incentives
3. Interdepartmental Oversight & Single Point of Contact
4. Land Bank

i. No City fees

No City fees are assessed within the Inner City Reinvestment / Infill Policy Target Area.

ii. Targeted City Incentives

All City incentive programs prioritize the Inner City Reinvestment / Infill Policy Target Area, including:

a. *Tax Abatements*. The highest rate of Tax Abatements is limited solely to projects located within the inner city target area (10 years at 100%). A second tier is defined out to Loop 410, where projects are eligible for up to 10 years at 75%. A third tier, the remainder of the City, is eligible for up to 6 years at 50%.
b. *CDBG / HOME*. A tiered system similar to the Tax Abatement structure is proposed that would allocate the majority of CDBG/HOME funding within the inner city target area.
c. *Weatherization*. CPS and the City are collaborating on a weatherization program that prioritizes program delivery within the inner city target area, specifically within the Reinvestment Plan Areas.

iii. Interdepartmental Oversight & Single Point of Contact

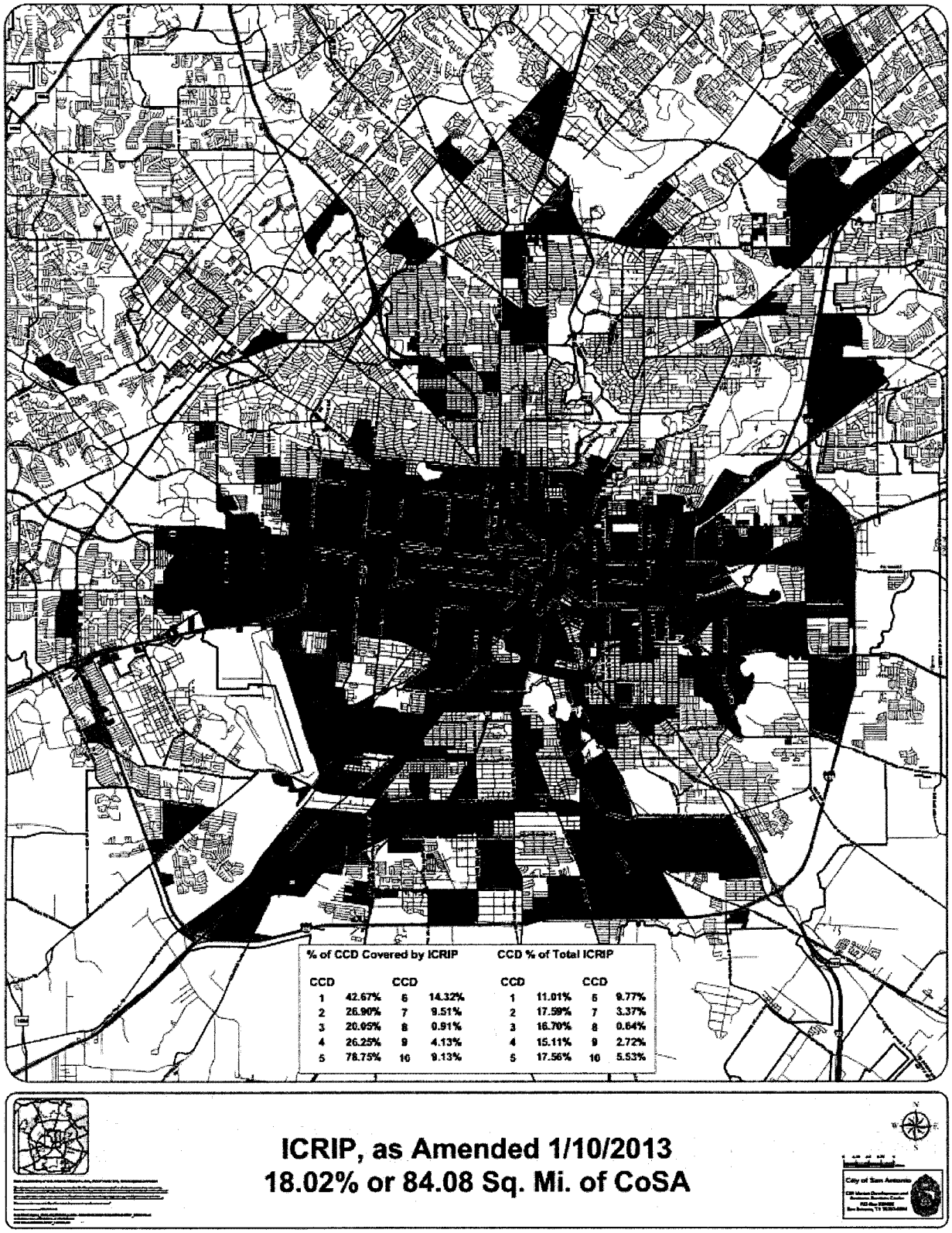
Projects in the inner city target area receive special staff attention. To facilitate project development and permitting, a single point of contact is designated through the Center City Development Office. Projects also benefit from dedicated staff from multiple departments specifically trained in the challenges associated with inner city development. An executive-level Reinvestment Task Force provides oversight and policy guidance.

iv. Land Bank

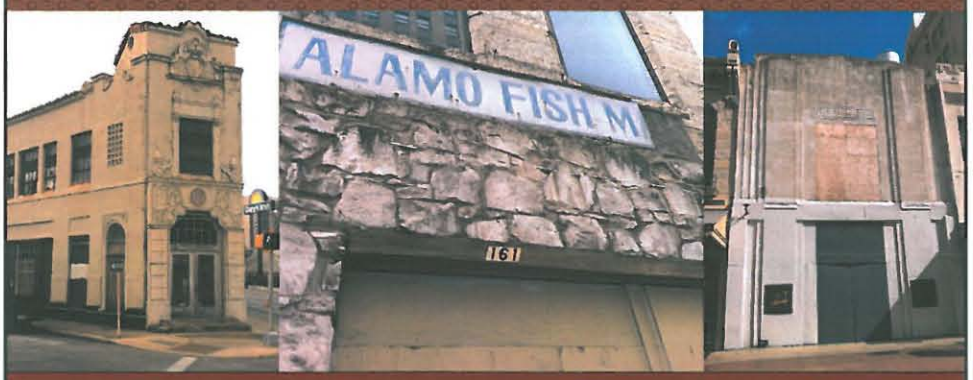
The creation of a Land Bank in San Antonio would allow for the identification, acquisition, management, and disposition of real property in support of the Strategic Plan for Community Development and the Inner City Reinvestment / Infill Policy, including:

a. Stimulate commercial, residential, and mixed-use development within the Inner City Reinvestment / Infill Policy Target Area
b. Facilitate the provision of affordable housing and market-rate housing in Reinvestment Plan Areas and/or according to market value analysis
c. Facilitate the disposal of City owned properties
d. Reduce the total number of Abandoned/Vacant properties in San Antonio
e. Establish a Community Land Trust model for San Antonio
f. Provide acquisition support to implement Reinvestment Plans
g. Create site marketing tools, such as a site selection website with incentive overlays, demographic and business distance radius analysis, and demographic and business drive-time analysis

6. INNER CITY REINVESTMENT / INFILL POLICY (ICRIP) TARGET AREA MAP



Vacant and Underutilized Buildings Policy and Next Steps



POLICY ISSUE AND BACKGROUND

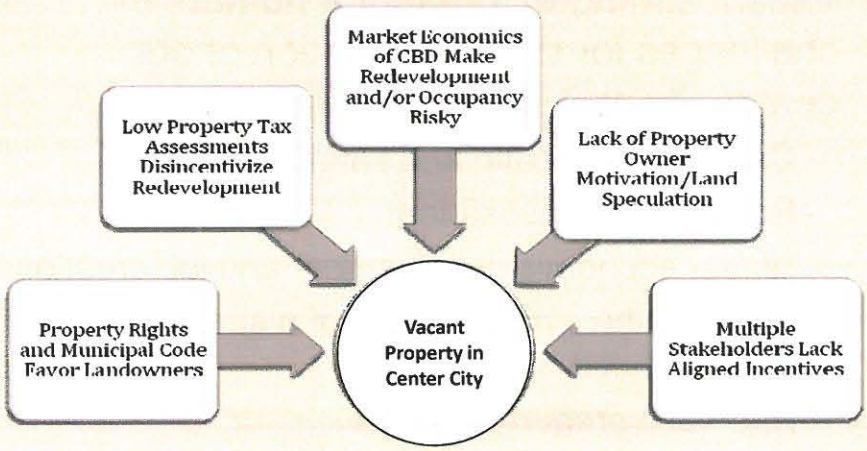
- Vacant structures present a number of challenges for the revitalization of our center city and its neighborhoods.
  - Can become health and safety hazards
  - Represent disinvestment
  - Hinder economic development and job creation
  - Diminish the overall quality of a street or neighborhood
  - Decrease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

DPCD 3

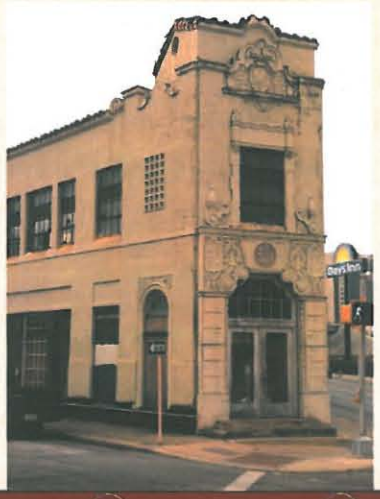
CAUSAL FACTORS



DPCD 4

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

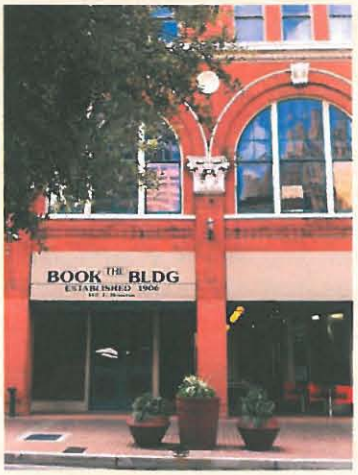
- **Name of Building:** Herpel-Gillespie Ford Dealership
- **Owner:** Markwardt, Edgar K.
- **Council District:** 1
- **Year Built:** 1927
- **Zoning:** Downtown
- **Historic Designation:** HS
- **TIRZ:** Inner City
- **Year Last Occupied:** 2001
- **Last Use:** Herpel-Gillespie Ford Dealership/Bimbi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



5

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



6

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

7

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)

8

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)

9

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)

10

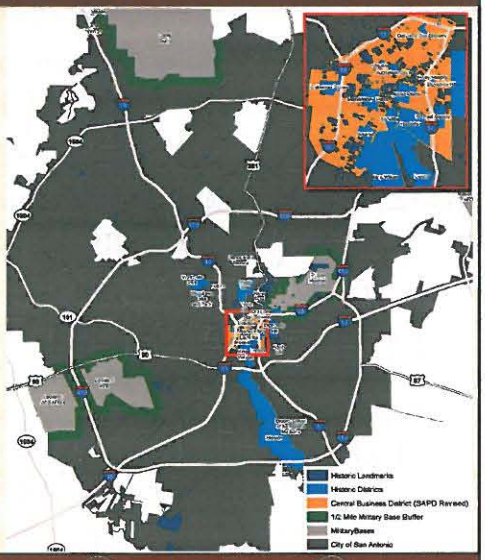
RECOMMENDATIONS – ENFORCEMENT

- 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)

DPCD 11

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.



DPCD 12

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

13

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

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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

DPCD 17

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

DPCD 18

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: $

DPCD

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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.

DPCD

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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

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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

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