

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



**FINAL
Meeting Minutes
City Council B Session**

City Hall Complex
105 Main Plaza
San Antonio, Texas 78205

Wednesday, October 3, 2018

2:00 PM

Municipal Plaza Building

The City Council of San Antonio convened in the “B” Room of the Municipal Plaza Building. City Clerk Leticia Vacek took the Roll Call noting the following Councilmembers present:

PRESENT: 10 - Mayor Nirenberg, Treviño, Viagran, Saldaña, Gonzales, Brockhouse, Sandoval, Pelaez, Courage, and Perry

ABSENT: 1 - Shaw

City Clerk Vacek announced that Councilmember Shaw was attending the Pension Real Estate Association’s Annual Institutional Investor Conference.

Item 2 was addressed first.

2. Briefing on an ordinance to amend Chapter 16 and Chapter 35 of the San Antonio City Code relating to Short Term Rentals. [Roderick Sanchez, Assistant City Manager; Michael Shannon, Director, Development Services]

Michael Shannon reviewed the history of the proposed Short Term Rental (STR) Ordinance including a Council Consideration Request (CCR), B Session presentation in April 2018, creation of a Task Force, and gathering stakeholder input. He stated that input indicated

support for Type 1 Rentals but Type 2 Rentals were recommended for more strict regulation. He noted that a key change in the proposed Ordinance would allow Type 2 by right in all Districts but density limits would be imposed at 12.5% of blockface. He reviewed multi-unit clarifications including Type 2 designation for two or more accessory dwellings and three or more multi-family units. He stated that additional changes included self-certification in lieu of initial City Inspection; reduced fees; ineligibility for City Housing Incentives; and prohibition of food and beverage service or event hosting. He noted the following requirements: Registration with the Finance Department for Hotel Occupancy Tax (HOT); Provision of a list of owners or operators with 24-hour address and contact information; Floor plan and site plan; and Insurance. He stated that existing legal Type 2 STR locations would be grandfathered under current regulations but violations could result in permit revocation. He recommended passing the Ordinance for immediate implementation with a 90 to 100 day registration grace period. He noted that the permitting process would be integrated into Phase 2 of BuildSA. He stated that State Law required STRs to pay HOT and the Finance Department released a Request for Proposals for assistance with STR identification and compliance.

Mayor Nirenberg expressed support for the proposed Ordinance but noted concern with the complexity in categorization and associated requirements.

Councilmember Treviño expressed support for the proposed Ordinance and noted the importance of communication with property owners to preserve neighborhoods.

Councilmember Courage expressed opposition to the operation of Type 2 Rentals and noted concerns that they contributed to the affordable housing crisis, increased rents and house prices, and reduced HOT Funds generated from hotels.

Councilmember Pelaez asked if it was possible to include language that alerted applicants to the possibility of Homeowner Association rules. Mr. Shannon replied that the application process would include same. Councilmember Pelaez expressed support for providing protections for residents via the proposed Ordinance.

Councilmember Viagran asked of permit revocation procedures. Mr. Shannon replied that staff would work with a third party company and residents to identify STRs in violation of requirements and issue appropriate fines or revocations. Councilmember Viagran expressed support for the proposed Ordinance.

Councilmember Sandoval requested a study of property value impacts from STRs and the price of houses purchased with the intent to operate Type 2 STRs. She expressed concern with Type 2 Rentals operating on existing incentivized properties but noted support for the proposed Ordinance.

Councilmember Gonzales expressed support for the study suggested by Councilmember Sandoval and requested additional information regarding the effect of STRs on affordability.

Councilmember Perry asked of STR complaints. Mr. Shannon replied that of the STRs that were registered; 60% had no complaints and there was no measurable difference between STRs and other properties. Councilmember Perry asked of permit transferrability. Mr. Shannon replied that permits were not transferable to a new owner. Councilmember Perry asked of pursuing exceptions through the Board of Adjustment. Mr. Shannon replied that property owners could apply for a three-year exception in neighborhoods at density capacity. Councilmember Perry noted the importance of balancing property rights with neighborhood preservation and expressed support for the proposed Ordinance.

Councilmember Saldaña asked of the timeline for approval. Mrs. Sculley replied that it could not be voted on until November due to public notice requirements for UDC amendments. Councilmember Saldaña expressed support for the proposed Ordinance.

Councilmember Courage expressed support for raising the proposed STR permitting fees and shortening the operating term. He asked of assessing an improvement fee to STR operators to support affordable housing initiatives. Edward Guzman replied that there was a state prohibition on linkage fees.

Mayor Nirenberg expressed support for posting public notice of the proposed Ordinance for tentative City Council consideration on November 1, 2018.

1. Briefing on the City's State Legislative Program for the 86th State Legislative Session. [Carlos Contreras, Assistant City Manager; Jeff Coyle, Director, Government & Public Affairs]

Jeff Coyle stated that the Legislative Program provided GPA with the guidance and direction to advocate on behalf of the City and its residents before the Texas Legislature, the Governor's Office, and State Agencies. He reviewed the structure and operations of the Texas Legislature and the outcomes of the 2017 Legislative Session. He noted that Governor Abbott called for a Special Session in which two bills targeting Local Governments were passed regarding trees and annexation. He stated that the 86th Legislative Session would include at least 21 new House of Representatives Members including three from the local delegation and three new Senators with one from the local delegation. He added that there would be a new Speaker of the House and Committee Leadership. He reviewed the program timeline and structure. He recommended the following priorities and described their components: Meaningful Property Tax relief; Protecting taxpayers' investment in Public

Utilities; Preserving local decision-making; Support for Military City, USA; Keeping San Antonio competitive; Transportation funding for current and future growth.

Mr. Coyle recommended legislation to allow a Code Enforcement Officer to possess or carry an instrument used for deterring animal bites while performing official duties. He noted that legislative endorsements would fall under Public Health and Safety, Affordable Housing, Education, and Aviation, and reviewed the components of each. He stated that the City of San Antonio would support legislation that would clearly benefit the City and oppose legislation that would be detrimental to the City's interests, including bills that met the following criteria: Undermined the principles of self-government; Mandated increased cost to cities, including environmental mandates; Resulted in the loss of revenue to cities or negatively impacted the authority of the City to generate revenues; and Resulted in diminishing the fundamental authority of cities to operate in a manner consistent with the best interest of the health, safety, and welfare of the general public. He stated that the 86th Legislature would convene on January 8, 2019 and the last day for the Governor to sign or veto bills was on June 16th.

Councilmember Courage asked of property sale price disclosure requirements. Mr. Coyle replied that it was addressed in previous sessions but did not have widespread support. Councilmember Courage asked that it be included in the program and asked if Tobacco 21 and Paid Sick Leave would be addressed. Mr. Coyle replied that he was unsure of Tobacco 21 but Paid Sick Leave would be addressed.

Councilmember Viagran spoke in support of the Governor's School and Firearm Safety Action Plan and addressing public school financing.

Councilmember Sandoval expressed support for pursuing the ability to reduce speed limits and for additional, non-regressive transportation revenue streams.

Mayor Nirenberg excused himself from the meeting at this time and Mayor Pro Tem Viagran presided. Mayor Pro Tem Viagran noted the importance of air quality measures and data sharing to support improved health outcomes.

The City Council wished Deputy City Manager Peter Zanoni a Happy Birthday.

EXECUTIVE SESSION

Mayor Pro Tem Viagran recessed the meeting into Executive Session at 4:49 pm to discuss the following:

A. Economic development negotiations pursuant to Texas Government Code Section

551.087 (economic development).

- B.** The purchase, exchange, lease or value of real property pursuant to Texas Government Code Section 551.072 (real property).
- C.** Legal issues related to the City's procurement process pursuant to Texas Government Code Section 551.071 (consultation with attorney).
- D.** Discuss legal issues relating to litigation styled Renda/Southland JV, et al. v. City of San Antonio, et al. pursuant to Texas Government Code Section 551.071 (consultation with attorney).

RECONVENED

Mayor Pro Tem Viagran reconvened the meeting at 6:08 pm and announced that no action was taken in Executive Session. She addressed the Ceremonial Items.

CEREMONIALS

Mayor Pro Tem Viagran presented a Citation to the Flo Jo San Antonio Youth Track Team Champions. It was noted that the team had 44 individuals and 10 relays qualify for the AAU National Junior Olympic Games in Des Moines, Iowa where they were awarded several medals including three Silver and two Bronze. The following weekend, the team moved on to the USA Track and Field Junior Olympic Games in Wingate, North Carolina and emerged with two Gold Medals. Mayor Nirenberg entered the meeting at this time and presided over the meeting.

Mayor Nirenberg presented a Citation to the Southwest Elite Baseball Team Pony League's South Zone Champions for winning the Championship Title at the 2018 Pony League's South Zone Tournament. It was reported that they advanced to the tournament to become the first team representing San Antonio in the Palomino World Series.

Councilmember Viagran excused herself from the meeting at this time.

Mayor Nirenberg presented a Proclamation for Resilience Week 2018. It was noted that leaders from around the world would join the social media conversation during the Resilience Week Conference being held October 8-12, 2018. The week-long event hosted by the EPIcenter is intended to continue the discussion about business continuity in the face of disaster.

Mayor Nirenberg excused himself from the meeting at this time and Councilmember Perry presided.

CITIZENS TO BE HEARD

Councilmember Perry called upon the citizens registered to speak.

Mark Perez expressed concern with zoning and permitting practices.

Artman Bland expressed concern with police conduct and race relations.

Randy Barnes expressed concern that moving the Cenotaph would dishonor Indigenous History and NAGPRA entities were not sufficiently involved in the process.

Antonio Diaz requested a ceremonial presentation for Indigenous People's Day and spoke of the resilience of Indigenous Nations.

Nazirite Ruben Flores Perez spoke of adultery laws in India.

ADJOURNMENT

There being no further discussion, Councilmember Perry adjourned the meeting at 6:57 pm.

APPROVED

RON NIRENBERG
MAYOR

ATTEST:

LETICIA M. VACEK, TRMC/CMC/MMC
CITY CLERK