



City of San Antonio

Agenda Memorandum

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Agenda Date: 3/1/2017

In Control: City Council B Session

DEPARTMENT: Development Services

DEPARTMENT HEAD: Michael Shannon, Interim Director

COUNCIL DISTRICTS IMPACTED: City Wide

SUBJECT:

Absentee Property Owner Registration Program

SUMMARY:

On September 19, 2013, City Council approved an amendment to City Code by adding a new Absentee Property Owner (APO) registration program (Ordinance 2013-09-19-0651) which went into effect on January 1, 2014. The new registration program helps ensure that one- and two-family dwellings owned by absentee property owners are maintained in accordance with the City's health and safety property maintenance codes. An annual \$50 registration fee was approved with initial estimates of generating \$40,000 annually to cover costs associated with the program.

This briefing will provide an update to City Council regarding the APO registration program, similar programs in other cities, and options for modifications to the existing registration program.

BACKGROUND INFORMATION:

During the FY 2013 Budget Development Process, the code enforcement function was identified as a key priority area during the community budget hearings. Several City Council members expressed their concern about outcomes related to code enforcement policies and strategies. Neighborhood associations also shared specific concerns in light of their respective housing and property maintenance issues.

One concern repeatedly presented by neighborhood associations throughout the City was that residential dwellings owned by absentee property owners (i.e., owners who live outside of Bexar

County) tended to have more instances of city code violations. A review of code violation data showed that property owners living outside of San Antonio (absentee property owners) were approximately 30% more likely to have a code violation and 70% more likely to have a lien placed against their property due to non-compliance and nonpayment of the costs incurred by the City in abating the public nuisance conditions. Of these properties, the majority of code issues occurred on one- and two-family dwellings within residential neighborhoods. These properties negatively impact the quality of life and livability of their neighborhoods.

While there are some absentee property owners that responsibly maintain their properties, the current ordinance requires irresponsible absentee property owners with multiple code violations to register with the City. This entails that absentee property owners (1) provide their current contact information so the City can quickly contact them about property maintenance issues and (2) designate a local manager for the property who must provide his/her contact information. The local manager must reside within Bexar County. These property managers shall act as agents for the absentee property owner for purposes of accepting legal service. However, the absentee property owner remains personally liable in criminal prosecutions for code violations.

The registration fee is \$50 per year per property with a required minimum registration period of two years. This fee is used to conduct proactive inspections throughout the registration period and to monitor compliance.

ISSUE:

The Absentee Property Owner Registration Ordinance is intended to help ensure that absentee property owners maintain compliance with all code standards as established by statute or ordinance to protect the health and welfare of the community. Since 2014, over 1,100 properties have been identified for registration as an APO and more than 400 have registered. Overall, properties identified for registration experienced a 46% reduction in the number of Code violations. In addition, properties registered by their absentee property owners have demonstrated a 62% decrease in code violations. Both measures indicate that there are fewer Code violations occurring at locations identified to register.

Updates on the program were presented to the Neighborhoods and Livability Committee on March 29, 2016, and June 20, 2016. Members were briefed on background and current status of the Absentee Property Owner Registration Program as well as challenges encountered, to include outdated or change of ownership information during the registration process. Questions from committee members, such as best practices in other cities and how to increase the registration rate, were also discussed. An update of the program was also presented during the budget work session on August 30, 2016, to City Council.

ALTERNATIVES:

City Council may provide recommendations to increase the existing registration program by requiring the registration of (a) mobile home parks as well as (b) apartments or (c) “in-town” rental properties where the owner resides in Bexar County and also has multiple code violations. If the registration program is expanded, additional Code Enforcement resources will be needed.

Due to the fact that this program is making an impact to residential neighborhoods by decreasing code violations on properties owned by absentee property owners, it is recommended that the current registration program continue for one- and two-family dwellings with code violations where the property owner resides outside of Bexar County.

FISCAL IMPACT:

Estimates indicate that \$14,000.00 in revenue will be generated in FY 2017 for one- and two-family dwellings which meet the current registration criteria. Existing city staff will continue to monitor actual revenue levels to determine if adjustments are required for future revenue budget levels.

RECOMMENDATION:

No action is required by City Council if the program continues as originally adopted in September 2013 (Ordinance 2013-09-19-0651). However, should City Council recommend changes to the types of properties required to register, this item will need to be presented for approval to City Council. City staff does not recommend any changes at this time.