

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



**Meeting Minutes  
City Council B Session**  
City Hall Complex  
San Antonio, Texas 78205

**2021 – 2023 Council Members**

Mayor Ron Nirenberg  
Mario Bravo, Dist. 1 | Jalen McKee-Rodriguez, Dist. 2  
Phyllis Viagran, Dist. 3 | Dr. Adriana Rocha Garcia, Dist. 4  
Teri Castillo, Dist. 5 | Melissa Cabello Havrda, Dist. 6  
Rosie Castro, Dist. 7 | Manny Pelaez, Dist. 8  
John Courage, Dist. 9 | Marc Whyte, Dist. 10

**Wednesday, June 14, 2023**

**2:00 PM**

**Municipal Plaza Building**

The City Council convened a regular meeting in the Norma S. Rodriguez Council Chamber in the Municipal Plaza Building beginning at 2:00 PM. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Council Members present:

**PRESENT: 10** – Nirenberg, Bravo, McKee-Rodriguez, Viagran, Rocha Garcia, Castillo, Cabello Havrda, Castro, Courage, Whyte

**ABSENT: 1** - Pelaez

**ITEMS**

1. Staff Presentation and Recommendation on Property Tax Relief Options [Ben Gorzell, Chief Financial Officer; Troy Elliott, Deputy Chief Financial Officer, Finance Department]

City Manager Erik Walsh introduced the Item and Troy Elliott, Deputy Chief Financial Officer who presented background and an overview of the tax rate including key dates and deadlines. Elliott stated that City Council must approve the tax rate by July 1, 2023, in order to be included in the 2024 property tax rolls. City Manager Walsh stated that tax relief would have an impact on the Trial Budget, but budget development could take this into account.

Elliott reported that 169,000 property tax protests had been filed with the Bexar County Appraisal District (BCAD) as of May 15, 2023, and the City estimated \$5.1 billion in value loss due to protests. Elliott stated that the taxable value had increased overall by 12.9%. He provided background on the homestead exemption increase approved by City Council last year from 1% to 10% as well as an increase of the over-65 exemption and exemption for disabled to \$85,000 with a tax freeze for both.

After evaluating increasing the homestead exemption to 15% and 20%, Elliott recommended increasing the homestead exemption to 20% for the estimated 240,000 homestead properties in San Antonio. Elliott provided several total tax rate scenarios that included the M&O Tax Rate, the unused increment from prior years, and the debt service tax rate as well as examples using a home with various market values. Elliott provided a five-year forecast of property tax collections and proposed a slight decrease in the overall tax rate.

Sally Basurto, Director of Government and Public Affairs, stated that Governor Greg Abbott had called a Special Session on May 29, 2023, with a focus on property tax relief which included addressing compression of the school district tax rate and relief to homeowners and businesses.

Elliott provided a timeline for the overall process and next steps which included proving the new tax rate and exemptions to BCAD.

Mayor Nirenberg opened the discussion by stating that he supported the proposed increase to the homestead exemption but requested clarification on the revenues forecast. Elliott stated that the forecast was based on information available from BCAD which was updated last Friday and included analysis of the various exemptions and freezes which helped further refine estimates that were lower than previous estimates.

Councilmember Rocha Garcia asked what the exemption for seniors and disabled caps were and if there were exemptions for Veterans. Elliott stated that Veterans were handled at the State level and the City was not allowed to exempt Veterans. He noted that the amount for seniors and the disabled were \$85,000. Councilmember Rocha Garcia asked about the unused increment. Elliott replied that the unused increment resulted from not maxing out the City's allowable tax rate and could only be rolled over for three years.

Councilmember Rocha Garcia recommended that the increased revenue under the unused increment be dedicated to street maintenance. Councilmember Rocha Garcia commented that it appeared that the City would have greater revenues even with the increased exemptions. City Manager Walsh clarified that properties could be improved and still increase in value. Councilmember Rocha Garcia asked about the impact from State legislation. City Manager Walsh stated that we could not know what that might be.

Councilmember Rocha Garcia suggested that the projections for CPS Energy revenues should not include rate increases since they were not approved yet.

Councilmember McKee-Rodriguez expressed concern that rapidly growing areas and vulnerable families getting pushed out areas were still seeing their home values increase so the property tax

decrease and increased homestead exemptions were not really decreasing the tax burden.

Councilmember Courage commented that the City Council only had authority to provide relief to taxpayers on their City of San Antonio property taxes, not the other taxing entities.

Councilmember Courage clarified that the sample scenarios of increased homestead exemption included the slight tax rate decrease and asked about the total revenue estimates. Justina Tate stated that the current revenues were estimated at \$433 million, revised to \$466 million including the 20% exemption and slight tax rate decrease. Councilmember Courage requested more information on the timeline and clarified that the increment was an unused amount under the cap, not actual money.

Councilmember Castillo commented that renters could not benefit from a homestead exemption and recommended creating more affordable housing and tenant protections. Councilmember Castillo asked staff to analyze the tax relief proposed by the State Legislature and provide a chart. City Manager Walsh stated that staff would look at the State's analyses and would work on developing a chart. Councilmember Castillo expressed concern that increasing the homestead exemption could adversely impact the city's infrastructure. City Manager Walsh stated that the cost was about \$3 million and could be mitigated to ensure limited impact to streets and sidewalks.

Councilmember Cabello Havrda expressed concern with inflation and rising insurance rates, so she supported the increase in the homestead exemption but recommended that the unused increment needed to have consensus on how the funding would be used and cautioned that a small amount of money helped no one and the relief needed to be bigger. Councilmember Cabello Havrda clarified that enterprise funds were not included in this discussion. Councilmember Cabello Havrda asked why the disabled persons and seniors exemptions decreased in Elliott's chart. Elliott stated that they could ask BCAD for more clarification, but the freeze could be a one-time impact. City Manager Walsh commented that basic services were built into the Trial Budget which included the unused increment. Councilmember Cabello Havrda recommended a policy discussion on the unused increment so that there was further clarity in preparation of future budgets.

Mayor Nirenberg asked what the total property tax revenue in the Trial Budget was. City Manager Walsh stated that the Trial Budget included \$469 million but with the new estimates from BCAD it was \$466 million. Mayor Nirenberg wanted to ensure that expenditures were justified.

Councilmember Viagran supported providing tax relief to homeowners but expressed concern that the appraisal process continued to effectively raise taxes even if the rates stayed the same or reduced which significantly impacted legacy homeowners. Councilmember Viagran recommended keeping corporate taxpayers out of the exemptions and supported homestead exemptions because they focused on homeowners. Councilmember Viagran noted that utility rates and permit increases could adversely affect residents.

Councilmember Viagran recommended a priority for new windfalls such as CPS Revenues in a hot year. City Manager Walsh reminded the City Council that they had adopted a policy if the revenues exceeded 10%.

Councilmember Bravo supported a larger discussion about potential CPS Energy revenues and noted that the summer had been cool so far, but the Electric Reliability Council of Texas (ERCOT) was predicting a strain on the grid with the predicted 100-degree weather this week. City Manager Walsh noted that natural gas prices were very low and could impact revenues from CPS.

Councilmember Bravo commented that if the additional 10% homestead exemption was approved, the cost would shift to renters. Councilmember Bravo asked Basurto if the property tax valuation/appraisal cap was expected to be approved. Basurto reported that the newest version of the bill did not include the cap. Councilmember Bravo noted that people who were moving here could afford the increased valuation but those who already lived here were getting their property values increased to the extent that they might not be able to afford.

Councilmember Whyte supported increasing the 20% homestead exemption and requested an analysis of what would happen if the unused increment were not included and suggested a closer look at whether to even take the unused increment. Councilmember Whyte requested analysis of increasing the exemption amount for disabled and seniors above the \$85,000. Councilmember Whyte recommended more transparency in the appraisal process and hoped that the State Legislature would provide more tax relief.

Councilmember McKee-Rodriguez noted that the public safety portion of the Budget would be large amounts as the need was growing for police, fire, and animal care. Councilmember McKee-Rodriguez stated that residents needed to feel their tax dollars were benefitting them through sidewalks and recommended a policy change related to sidewalks to make the City responsible versus homeowners.

Mayor Nirenberg commented on the change in the Budget process since the COVID-19 Pandemic which now began with a Trial Budget and stated that if the City did not include the unused increment, the Trial Budget would have to be reduced.

2. Briefing on American Rescue Plan (ARPA) funded programs to include Post Solicitation briefing on recommended awards for Nonprofit Social Services, Youth, Seniors (Older Adults), and Mental Health Services competitive solicitations and alternatives for the allocation of Emergency Response Funds. [Maria Villagomez, Deputy City Manager, Lori Houston, Assistant City Manager]

Mayor Nirenberg opened the discussion and supported the recommended investments and recommended that the unallocated human service amounts be rolled into the Delegate Agency Process.

Councilmember McKee-Rodriguez recommended working with council districts that might house low barrier shelters and noted that there was a property in Council District 2 that might be a good option. Councilmember McKee-Rodriguez asked how staff worked with new agencies to help them improve their application quality. Jessica Dovalina, Assistant Director of the Department of Human Services, stated that the evaluation committees included a diverse group of individuals including those with lived experiences and she provided a debrief and technical assistance for unsuccessful proposers.

Councilmember McKee-Rodriguez expressed concern that there was still not a resiliency center in Council District 2 and requested \$600,000 in funding for the Southwest Worker's Union Resiliency Hub which would be open year-round to provide community services and services during emergencies.

Councilmember Rocha Garcia recommended that staff consider schools that might be closing for future resiliency hubs. Deputy City Manager Maria Villagomez stated that the resiliency hubs needed to include staffing and operational funds since this was one-time funding only that could be used for supplies.

Councilmember Rocha Garcia noted that the closure of Texas Vista Medical Center added to the health disparities of vulnerable populations on the south, west and east sides of town.

Councilmember Rocha Garcia asked whether the mass casualty bus could utilize some funding and be expanded as a cooling center. Fire Chief Norris stated that a new chassis was under procurement and the bus was mostly used for transport but could be used for cooling.

Councilmember Rocha Garcia recommended more training collaborations with school districts.

Councilmember Rocha Garcia requested clarification on the five firms that were disqualified and requested an update on the Hazard Mitigation Plan and related drainage capital projects.

Deputy City Manager Villagomez stated that the Hazard Mitigation Plan update would be included with the Budget. She noted that related stormwater projects were very large with some included in the current Bond Program, but others would be included within the next Bond Program. City Manager Walsh added that the City was applying for Federal Emergency Management Agency (FEMA) grants for the projects. Councilmember Rocha Garcia requested an emergency operations presentation as a part of the Budget process.

Councilmember Castillo supported investment in harm reduction, wrap around services for homeless and foster youth and funding for resiliency hubs and fire station needs. She recommended funding to address disparate health outcomes noting the lack of health care facilities in Council District 5. Councilmember Castillo recommended that non-profit health and mental health services be accessible to everyone including those without insurance. Councilmember Castillo commented that the Triple P Parenting Program non-profit filled gaps in services and she was concerned that they were not funded and also supported funding for the non-profit Kings Compassion. Councilmember Castillo noted that the City Council allocated \$100,000 to the San Antonio Youth Commission and they were able to lead and accomplish great things so she recommended additional funding for them.

Councilmember Cabello Havrda thanked the Public Safety Committee for their work on the ARPA Funding and Deputy City Manager Villagomez for her continued support. Councilmember Cabello Havrda supported additional funding to support foster youth, LGBTQ youth and harm reduction. Councilmember Cabello Havrda asked staff to explain how the second round of funding came about. Dovalina stated that the Department of Human Services notified 238 vendors directly, shared with the Nonprofit Council and United Way networks and conducted multiple outreach sessions.

Councilmember Cabello Havrda requested clarification on how the \$1 million remaining for Family

Violence would be distributed through the Delegate Agency process and whether current Delegate Agencies were being funded. Dovalina stated that there was overlap and that the second round excluded agencies that had received funding in the first round including Kings Compassion. Councilmember Cabello Havrda supported funding the Southwest Workers Union's resiliency program.

Councilmember Viagran asked why staff did not look at smaller amounts for small agencies and questioned the outreach methods. Councilmember Viagran requested follow up on agencies with financial hardships. Councilmember Viagran requested more information on how the \$1 million for domestic violence would be distributed. Councilmember Viagran suggested funding the Heroes in Arms with ARPA. Norris stated that Heroes in Arms was a partnership between SAFD and others to get additional blood donations during emergencies and equipment would be the one-time cost borne by SAPD, while outreach would be more of an ongoing cost by the non-profits and was not eligible for ARPA.

Councilmember Courage asked if there was an update on the impact to the City's ARPA relative to the Debt Ceiling negotiation at the Federal level which would claw back unspent ARPA funding. Deputy City Manager Villagomez stated that the claw back was at the Federal agency level, not local. Councilmember Courage asked what the low barrier shelter count goal was and requested outcome measures of existing low barrier shelter programs. Department of Human Services Director Melody Woosley stated that the plan was to serve over 600 individuals and potentially add 50 beds.

Councilmember Bravo supported low-barrier housing to help get unsheltered individuals off the street but suggested using funds for permanent supportive housing which would ultimately save money that was spent by public safety and produce long-term outcomes. City Manager Walsh stated that there was approximately \$10 million in bond funding remaining that could be used for permanent supportive housing. Assistant City Manager Lori Houston listed several permanent supportive housing projects which were underway.

Councilmember Bravo asked whether emergency generators would run when CPS Energy needed to conserve or only when there was a power outage.

Councilmember Whyte asked how many people could be served over two years with the low-barrier shelter and how quickly could the program begin. Woosley stated that the program would begin in October 2023 and was expected to serve 600 individuals over two years. Councilmember Whyte clarified that the funding was one-time and wanted to ensure the funding was used properly and not only for administrative costs. Dovalina stated that the agencies submitted a budget which was scored and could include administrative costs and the department monitored the contracts regularly. Councilmember Whyte requested a list of agencies which were already funded by the City. City Manager Walsh offered to provide a list of agencies layered with other funding.

Councilmember Castillo had reviewed the Love is Love Domestic Violence Study that cited reductions in assaults and injuries in the 78207 zip code as a result of the work of non-profits in the area and invited Gina Meyer, Executive Director of The Triple P Parenting Program to speak

regarding their programs.

Councilmember Rocha Garcia asked why The Triple P Parenting Program was not selected. City Manager Walsh reminded the City Council that the Delegate Agency process was underway and there was a restriction on communication for agencies.

Councilmember Rocha Garcia requested more information on the second facility for low barrier shelter and a map of the city-sponsored shelters.

Councilmember Bravo supported funding for The Triple P Parenting Program.

## **EXECUTIVE SESSION**

Executive Session was not held.

## **ADJOURNMENT**

There being no further discussion, the meeting was adjourned at 4:29 p.m.

**Approved**

**Ron Nirenberg  
Mayor**

**Debbie Racca-Sittre  
City Clerk**