

City of San Antonio



Minutes Planning and Community Development Committee

2023 – 2025 Council Members

Dr. Adriana Rocha Garcia, Dist. 4
Phyllis Viagran, Dist. 3 | Teri Castillo, Dist. 5
Manny Pelaez, Dist. 8 | John Courage, Dist. 9

Thursday, October 26, 2023

10:00 AM

Council Briefing Room

The Planning and Community Development Council Committee convened a regular meeting in the City Hall Council Briefing Room beginning at 10:03 AM. Deputy City Clerk Aurora Perkins took the Roll Call noting a quorum with the following Committee Members present:

Members Present: Dr. Adriana Rocha Garcia, *Chair*
Phyllis Viagran, *Member*
Teri Castillo, *Member*
John Courage, *Member*

Members Absent: Manny Pelaez, *Member*

Approval of Minutes

1. Approval of minutes from September 28, 2023 Planning and Community Development Committee Meeting

Councilmember Viagran moved to Approve the minutes of the September 28, 2023 Planning and Community Development Committee meeting. Councilmember Castillo seconded the motion. The motion carried by the following vote:

Aye: Viagran, Rocha Garcia, Castillo, Courage
Absent: Pelaez

Public Comment

Shelley Galbraith (President of the Short Term Rental Association), Margaret Leeds, Carl Teagues, Gemma Kennedy (River Road Neighborhood Association Board Member) and Bianca Maldonado spoke to the concerns of Type 2 short term rental challenges and the need for increased regulations for

those rentals to address noise and high activity events. The speakers asked that an additional Council Consideration Request (CCR) be submitted addressing short term rental regulations.

Nathan Cazares and Joseph Valdez spoke in support of Item 3 and funding for the Mission Trails Community Association to provide improvements to the site.

Briefing and Possible Action on

2. Briefing on the City of San Antonio's Short-Term Rental Ordinance. [Roderick Sanchez, Assistant City Manager; Michael Shannon, Director, Development Services]

Michael Shannon, Director of the Development Services Department, provided an overview of the Short Term Rental (STR) Ordinance and spoke to its background and history. He noted that the STR Ordinance required registration and payment of taxes on the property and provided the definition of a short term rental with specifics to Type 1 and Type 2 STRs and allowances to where STRs could be located.

Shannon spoke to the requirements for Type 1 and Type 2 STRs and allowances for density, fees and other requirements. He noted that currently there were 5,533 permits with 3,240 active permits with 22% as Type 1 and 78% as Type 2 and he provided data on the location of STRs by council district. Shannon noted that over \$12 million had been collected on STRs from the Hotel Occupancy Tax (HOT).

Shannon reviewed the enforcement process for STRs and spoke to the types of violations and issues on the operation of STRs which included noise, nuisance complaints, non-permitting of home and others requiring police action. He stated that to date 1,366 permits had been violated due to non-payment of taxes, violation of the Ordinance, change of ownership or by customer request.

Shannon spoke to the Third Party Contract with contractor Avenu that monitored STR regulations to include payment of taxes and other requirements. He noted that STR legislation was addressed in the 88th Texas Legislative Session and supported City Ordinance specifics.

DISCUSSION

Chair Rocha Garcia noted the support of the community and staff in addressing concerns of STRs. She noted that the previous CCR submitted by Councilmember Bravo was supported by her and she asked for the status of the CCR. Shannon noted that the CCR was not brought before the Governance Committee and that a new CCR could be submitted to address current concerns and regulations. Chair Rocha Garcia stated that a new CCR with input from the council districts would be supported.

Chair Rocha Garcia asked how many STRs were not permitted. Shannon stated that 1,200 to 1,500 STRs were not permitted and monitored by short term rental management firm Avenu. Chair Rocha Garcia asked if there was a reason why the City had not contracted with firm Airbnb and why we had proceeded with Avenu. Assistant Finance Director Margaret Villegas stated that

Airbnb could not provide compliance requirements for registration of taxes.

Councilmember Courage stated that he supported Type 1 rentals and expressed his concern for Type 2 rentals and that of businesses who owned rentals with no concern to residents where STR properties were located. He stated that he felt that increased fees should be put in place to hold more owners accountable.

Councilmember Courage requested that a stakeholder's group be created to address STR r issues. City Attorney Jameene Williams stated that the Committee could make that request of staff or the Governance Committee to address these concerns. Councilmember Courage also expressed concerns regarding how tax payments were being recorded to ensure that all HOT taxes were collected and the owners were in compliance. Shannon spoke to the City of Corpus Christi and how they addressed collection of taxes.

Councilmember Castillo spoke to residents who had addressed the need for increased enforcement of STRs and fees to support the Development Services Department (DSD). She noted that STRs should be evaluated to see the impact to the Strategic Housing Infrastructure Plan (SHIP) and to rental costs of long term rentals. She asked staff to study and explore an increase of STR registration fees, violation enforcement and restrictions.

Councilmember Castillo asked how many Type 2 rentals were LLCs. Shannon stated that staff had that information and would provide it to the Committee.

Councilmember Castillo asked if there were owners of multiple STRs. Shannon confirmed that there were many owners who owned several Type 2 rentals. Councilmember Castillo supported convening a stakeholder group to discuss STRs and report back to the Committee.

Councilmember Viagran noted trends of rental owners moving from long term rental to STR during and after COVID. She expressed concern regarding the trend to transition of STR which were being used as an event venue primarily due to safety and security concerns. She requested data on STRs who had event venue violations.

Councilmember Viagran asked for information on STRs that were in non-compliance for permits and violations associated with those properties. She asked if the lesser density of 12.5% for certain areas was considered. Shannon stated that staff could research areas for possible consideration to include historical areas. Councilmember Viagran asked for consideration of rental costs per location and that certain areas be considered for an increase.

Chair Rocha Garcia noted that this Item was a briefing but asked that staff provide recommendations on increased STR rental fees, creation of stakeholder group to discuss issues with increased representation from Council District 1 and 2, and STR rental compliances for definitions.

Councilmember Courage reiterated his ask for an outline of a plan of the CCR that had been previously submitted by Councilmember McKee-Rodriguez and requested the establishment of taskforce of the STR Ordinance. He noted his objection to Type 2 STRs but acknowledge their

existence and the need for further regulations, fees and management of permits.

Councilmember Viagran asked the City Attorney if a taskforce could be created to address Council District 3 specific issues with STRs. Williams stated that a council district specific taskforce could be created but would also need to be addressed with the City Manager's Office. Councilmember Viagran stated that she would work with DSD to address a Council District 3 taskforce. She requested the coordination of an Advocacy Week for STR for registration of STRs.

Councilmember Castillo supported the analysis of violations and revocation of permits or denial of additional permits. Shannon stated that staff would provide that data.

Shannon updated the Committee stating that currently there were 77 LLCs that owned more than one STR in the City limits.

Chair Rocha Garcia stated that this was a fruitful discussion and looked forward to staff recommendations.

3. Briefing and possible action on a \$750,000 forgivable loan from the Inner City Incentive Fund (ICIF) to the Mission Trails Community Association for infrastructure improvements at Riverside Terrace Mobile Home Park, a 2022 Housing Bond funded project located in Council District 3. [Lori Houston, Assistant City Manager; Veronica Garcia, Director, Neighborhood and Housing Services Department]

Ian Benavides, Assistant Director of Neighborhood and Housing Services Department (NHSD), provided an overview of a \$750,000 forgivable loan from the Inner City Incentive Fund to the Mission Trails Community Association for the improvements at the Riverside Terrace Mobile Home Park. Benavides stated that the Riverside Terrace Mobile Home Park had received funding improvements from the current Bond Program.

Benavides reviewed the proposed project which would provide paths for home ownership for legacy families and households earning up to 80% AMI, with 90% to be rent restricted homes. He noted that in June 2023, City Council had approved \$3.1 million in improvements to the project site but additional funding would still be needed which this Item addressed. He noted that gap funding would be provided by current owners and partners. Benavides reviewed the next steps of the project to include design, construction and consideration by City Council.

Chair Rocha Garcia expressed her support of the Item and asked how long it would take for the \$750,000 forgivable loan to be forgiven. Benavides stated that the loan had a 40 year term.

Councilmember Viagran expressed her support of the Item and the commitment of the residents at the mobile home park for homeownership options. She stated that this community was supportive of the project and that the project was innovative and inspirational.

Councilmember Castillo supported the Item and the work to support the Strategic Housing Implementation Plan (SHIP). She noted that residents were going to be able to stay in their homes

with continued building of the community at the project site.

Councilmember Viagran moved to Approve. Councilmember Castillo seconded the motion. The motion carried by the following vote:

Aye: Rocha Garcia, Viagran, Castillo, Courage
Absent: Pelaez

4. **Briefing and possible action on the FY 2024 Community Housing Development Organization Operating Expense Funding solicitation released by the Neighborhood and Housing Services Department with estimated available HOME funding of \$300,000.** [Lori Houston, Assistant City Manager; Veronica Garcia, Director, Neighborhood and Housing Services]

Veronica Gonzalez, Assistant Director of the Neighborhood and Housing Services Department (NHSD), provided a briefing addressing the recommended awards of HOME funding of \$300,000 for vendors selected for housing proposals. Gonzalez reviewed the solicitation process, evaluation team and recommendations. She noted that Prospera Housing and Community Services, Habitat for Humanity for San Antonio, OUr Casas Residential Council, Alamo Area Mutual Housing Association were recommended for funding in the evaluation process and she reviewed the proposed breakdown of the \$300,000 award funds.

Chair Rocha Garcia stated her support of the staff recommendations. There was no other discussion of the Item by the other Committee Members.

Councilmember Castillo moved to approve. Councilmember Viagran seconded the motion. The motion carried by the following vote:

Aye: Rocha Garcia, Viagran, Castillo, Courage
Absent: Pelaez

5. **Briefing and possible action related to the City's application to the U.S. Department of Housing and Urban Development's (HUD) Pathways to Removing Obstacles grant program.** [Lori Houston, Assistant City Manager; Veronica Garcia, Director, Neighborhood and Housing Services Department]

Item 5 was withdrawn and not addressed.

Consent Agenda

6. **Resolution of No Objection for Pedcor Investments-2023-CXCIV, LP's application for 2024 or 2025 Non-Competitive 4% Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA) for the construction of a 240-unit affordable multi-family rental housing development named Creek Bend Phase II Apartment Homes, located at the northwest quadrant of Highway 281 and Borgfeld Road in Council District 9 and allowing the construction of the development to be located within**

one linear mile or less from another development. [Lori Houston, Assistant City Manager; Veronica Garcia, Director, Neighborhood and Housing Services]

Councilmember Courage moved to Approve. Councilmember Castillo seconded the motion. The motion carried by the following vote:

Aye: Rocha Garcia, Viagran, Castillo, Courage
Absent: Pelaez

Adjournment

There being no further discussion, the meeting was adjourned at 11:23 AM.

Adriana Rocha Garcia, Chair

Debbie Racca-Sittre, City Clerk