

State of Texas
County of Bexar
City of San Antonio



Meeting Minutes City
City Council Budget Work 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
Ana Sandoval, Dist. 7 | Manny Pelaez, Dist. 8
John Courage, Dist. 9 | Clayton Perry, Dist. 10

Tuesday, September 6, 2022

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 2:08 PM. City Clerk Debbie Racca-Sittre took the Roll Call noting a quorum with the following Council Members present:

Present: 11 – Nirenberg, Bravo, McKee-Rodriguez, Viagran, Rocha Garcia, Castillo, Cabello Havrda, Sandoval, Pelaez, Courage, Perry

Absent: None

ITEMS

1. Staff presentation on the FY 2023 Proposed Budget focusing on, but not limited to, the following City Departments or Initiatives: [Erik Walsh, City Manager, Justina Tate, Director, Management & Budget]

A. Development Services

B. Economic Development
C. Sustainability

Michael Shannon, Director of the Development Services Department (DSD), provided an overview of the FY 2023 Proposed \$64.8 million Budget which was an increase of 12.3% over FY 2022 categorized by the General Fund, Development Services Fund, Capital Projects and Grants. Shannon stated that there were 16 new positions proposed for FY 2023, of which, 12 were within the Development Services Fund due to increased demand for building permits. Shannon proposed two additional staff in Code Enforcement and one position to act as the liaison to the Housing Navigators. Shannon reported that \$2.2 million was proposed for building maintenance and a new Heating Ventilation and Air Conditioning (HVAC) System. Shannon highlighted the proposed work of the Streetlight Team, Unified Development Code (Chapter 35 of the City Code) updates, Building and Property Maintenance Codes, Noise Ordinances, large area rezoning and Neighborhood Conservation Districts (NHD) and monitoring of the 2023 Legislative Session.

Brenda Hicks-Sorensen, Director of the Economic Development Department (EDD), provided an overview of the FY 2023 Proposed \$23.1 million Budget which was a 35% increase over FY 2022 categorized by the three divisions: Small Business (2 positions), Global Engagement, and Industry Development (1 new position and 1 repurposed position to enhance analysis). Hicks-Sorensen listed American Rescue Plan Act (ARPA) Funding and General Fund expenditures and explained that all costs would support the Strategic Plan Goals of: Innovation & Industry, Placemaking & Real Estate, Talent & Workforce, and Capacity & Resources. She outlined \$1.8 million in partnerships and noted a \$24.33 million Small Business Investment which included both General Fund and ARPA funding. Hicks-Sorensen stated that a Racial and Gender Disparity Study was currently underway that included a review of City Contracts and would be completed in early 2023 and inform revisions to the City's SBEDA program.

Hicks-Sorensen outlined improvements that were to restore Economic Development Programs to pre-pandemic levels by funding Small Business Programs at \$2.1 million, CASA SA at \$171,000 plus the addition of a Data Management Team \$99,000. She stated that the department was reviewing the impact of construction on local small businesses. Hicks-Sorensen listed the workforce development programs separate from SA Ready to Work and managed by the EDD: Alamo Promise \$2,565,173; Project Quest \$2,000,000 and SA Worx \$200,000.

Doug Melnick, Chief Sustainability Officer, provided an overview of the FY 2023 Office of Sustainability's Proposed \$3.4 million Budget which was a 21.4% increase over FY 2022 with funding from the Solid Waste Management Fund and Energy Efficiency Fund. Melnick stated that there were four new positions being recommended. The Office of Sustainability planned to complete six energy efficiency projects and review all Capital and Bond projects to ensure consistency with the SA Climate Ready Plan Objects, identifying baseline sustainability requirements and potential benefits.

Melnick outlined the FY 2023 Municipal Sustainability Initiatives: Federal Funding, Climate Adaptation, Fleet Efficiency, Employee Climate Training, SA Climate Ready Departmental Consistency, and the Greenhouse Gas Reduction Program. Melnick listed the FY 2023 Community Sustainability Initiatives and described Proposed Budget improvements including four new staff: two

to support the SA Climate Ready Plan Implementation and two positions to support Energy Efficiency and Bond/Capital Projects.

Melnick stated that staff had released the Request for Proposals (RFP) for the City of San Antonio Solar Procurement and he provided an overview and timeline for the RFP. Melnick explained SA Climate Ready Plan's Urban Heat Island Mitigation Plan and potential strategies along with strategic partnership engagement efforts, data use, and evaluation of impact.

Erik Walsh, City Manager, recognized that City Council had previously discussed the Urban Heat Island and mentioned the \$5 million balance in the Tree Mitigation Fund and acknowledged the need to update the Tree Mitigation Fund Ordinance. City Manager Walsh noted that street maintenance and housing rehabilitation programs could take advantage of Urban Heat Island reduction measures. City Manager Walsh noted the alignment with CPS Energy and potential opportunities related to the new Federal Inflation Reduction Act.

Mayor Nirenberg opened the discussion by noting that simply adding money to an initiative did not actually solve a problem and supported a review of policy and process to ensure funding was invested wisely. Mayor Nirenberg asked how many Code Enforcement Officers there were. Shannon stated there were currently 115 Code Officers. Mayor Nirenberg commented that there had been a community concern that Code Enforcement were used predatorily against lower income residents. Shannon stated that the intent of new Code Sweep Officers was to initiate a month-long program in a targeted area that began with outreach to the community which often resulted in cleanups, after the initial outreach, the Officers would spend a couple of weeks in enforcement and then turn it over to the regular Code Officer. Mayor Nirenberg suggested that inspections of apartments were a more urgent need than community sweeps.

Mayor Nirenberg requested a timeline on the UDC update. Shannon stated that a mid-October B Session presentation on all 193 recommended amendments would be held. He added that the Item would be brought before the full City Council on November 3, 2022 for consideration allowing for an effective date of January 1, 2023.

Mayor Nirenberg recommended using procurement of City contracts to help build capacity for small businesses. He asked if the intent of the Talent Pipeline Management (TPM) funding was to align SA Worx, SAReady to Work and the targeted industries. Assistant City Manager Alex Lopez replied that it was. Mayor Nirenberg asked about the new Bonding Assistance Program. Hicks-Sorenson stated that in FY 2022 \$500,000 was approved to be managed by the San Antonio Economic Development Corporation (SAEDC) and the remaining \$50,000 was allocated in the FY 2023 Budget for administrative costs but additional leveraged resources were being sought. Mayor Nirenberg recommended doubling the level of funding in the Zero Interest Loan Buydown Program managed by LiftFund.

Mayor Nirenberg asked Melnick for a status update on the Electric Vehicle charging stations and recommended a quick implementation. Melnick stated that the City had a contract with Blink to install more charging stations throughout City facilities and funding would come through the State initially, followed by Federal Bipartisan Infrastructure funding.

Councilmember Viagran suggested that the Code Enforcement Strike Team add more staff to focus

on the neighborhoods and she did not support a focus only on apartments. She asked for the number of vacancies for Code Enforcement Officers. Shannon replied that there were three vacancies. Councilmember Viagran asked if the Hotel Occupancy Tax (HOT) revenues were tracked. Shannon replied that they were. Councilmember Viagran noted that residents were concerned that they needed more building permits for their home renovations than expected.

Councilmember Viagran supported more funding for the Business Development Organizations (BDO) in the southern sector due to the fewer number of Chambers of Commerce and requested the performance measures for Southside First as their budget was lower than the other BDOs. Hicks-Sorensen stated that the BDO's were providing quarterly reports on standardized performance measures along with weekly phone calls by staff to see how they were doing. Councilmember Viagran requested more information on street closure and construction impacts and suggested that more return on investment data was needed. Hicks-Sorensen described the work that the new Data Management Team would perform which included enhancing the small business data analysis that could be utilized by the Small Business Advisory Committee (SBAC).

Councilmember Rocha Garcia noted that \$817,000 was budgeted for the Ecosystem. She requested a breakdown of funding sources and recipients and recommended a General Fund Investment. Councilmember Rocha Garcia asked about the allocation for San Antonio for Growth on the Eastside (SAGE) and the Greater San Antonio Chamber of Commerce and the funding for LiftFund and other Economic Development Incentive. Tate stated that SAGE took over some of the work that was performed by East Pointe Department. Councilmember Rocha Garcia asked about the allocation for SAGE and the Greater San Antonio Chamber of Commerce.

Councilmember Rocha Garcia supported loan buydowns and funding to support small businesses impacted by construction and noted that there needed to be a study conducted related to the construction impact and suggested more notice should be provided to those businesses. City Manager Walsh stated that a construction impact study would be reviewed as an opportunity with the new Data Management Team working alongside Public Works. Assistant Director of the Economic Development Department Ana Bradshaw, stated that \$250,000 was included for the loan interest buydown and \$150,000 was allocated for LaunchSA to help start-up small businesses.

Councilmember Rocha Garcia expressed concern that the educational campaign on Sustainability lacked creativity and was not engaging. She noted that the location of some of the Electric Vehicle (EV) stations might not be optimal noting that her field office plugs were not utilized for more than 6 hours. Councilmember Rocha Garcia supported required training for staff.

Councilmember Sandoval supported the Mayor's proposal for Code Enforcement focus on apartment complexes and recommended a more proactive and educational approach rather than simply enforcement as tenants often did not have the resources to fight for their rights. City Manager Walsh replied that the Planning & Community Development Committee (PCDC) recommended strict enforcement with consequences for the landlord who was ultimately responsible for the tenant. Shannon noted the proposed connection with Housing Navigators.

Councilmember Sandoval asked for a UDC amendment process over the course of the next three years. Shannon stated that building-related codes were on a three-year cycle for updates with the

sign code and UDC on a five-year cycle. She supported the new positions to support the Short-Term Rentals.

Councilmember Sandoval recommended local preference for goods and services and integration of the Environmentally Friendly Procurement Policy. Councilmember Sandoval asked what the new staff would do related to the Sustainability Plan and recommended coordination with other departments.

Councilmember Cabello Havrda supported the Mayor's proposal for Code Enforcement focus on apartment complexes and commented on an apartment in Council District 6 that had deplorable living conditions and were owned by individuals who lived outside of the City who did not comply or seemed interested in improving the situation. Councilmember Cabello Havrda stated that there were many Council District 6 small businesses that could benefit from a loan buydown program and supported increasing the investment to LiftFund to \$500,000. Janie Barrera, Executive Director of LiftFund, stated that the organization leveraged other funds to provide up to \$1 million in loans with the \$250,000 in City Funds which were used to buy down the interest rate for those small businesses that might not qualify.

Councilmember Cabello Havrda recommended a LED Light Replacement Program for Parks and Trails. Melnick stated that the program was administered by the Finance Department and CPS Energy, but they worked with other City departments.

Councilmember McKee-Rodriguez supported the progress made this year on the streetlighting index and supported Spanish translation as well as a re-design of the notice but wanted to know how it could move faster. Shannon stated that DSD worked with neighborhood associations and schools for outreach, but the capacity of CPS Energy was a constraint. Councilmember McKee-Rodriguez requested addresses and property owners for each of the proposed streetlights by council district and challenged the other councilmembers to block walk.

Councilmember McKee-Rodriguez supported the Mayor's proposal for Code Enforcement focus on apartment complexes and recommended additional action. Councilmember McKee-Rodriguez asked for numbers of Large Area Rezoning processes underway and how many might benefit. Shannon stated there were six on the list and they took about six months and staff were committed to reviewing how DSD could be more proactive.

Councilmember McKee-Rodriguez commented that construction was always going to be an inconvenience to local residents and businesses and recommended creation of a fund, beyond ARPA, to help local businesses impacted by construction. Councilmember McKee-Rodriguez recommended more outreach and longer notice time for businesses that might be impacted by construction, especially for the businesses on N. New Braunfels. Assistant City Manager Roderick Sanchez stated that there needed to be a more proactive and active approach to working with local businesses impacted by construction. City Manager Walsh commented that the outreach needed to occur far in advance.

Councilmember Castillo supported the Mayor's proposal for a Code Enforcement focus on apartment complexes and requested the source of the data used for the need for Code Compliance sweeps and more communication with the Council District Offices before the

neighborhood sweeps. City Manager Walsh stated that the reports would come through the City Manager's Office to ensure coordination between departments including DSD and the Housing Officers. Councilmember Castillo requested an update on the Large Area Re-zonings in Council District 5. Shannon stated that he would provide her with an update.

Councilmember Castillo supported an increase to the Economic Development Fund and recommended increasing the Zero Interest Loan Buydown investment to \$500,000 or even \$1,000,000 and creation of a line item to help small businesses impacted by construction with a minimum baseline fund of \$8 million. She recommended the metrics for contracts with the BDOs to track successful connection to capital and review by the council districts. Hicks-Sorensen replied that the metrics had been shifted to more outcome-based measures with the plan going to City Council later this month. City Manager Walsh stated that a follow up memorandum would include the metrics and recommended that the Council District Offices coordinate with the BDO's through EDD and not directly. Councilmember Castillo supported increasing funding for Operation Facelift so that small businesses could renovate their store fronts. Councilmember Castillo recommended funding for the Small Business Ecosystem that would replace the ARPA investment.

Councilmember Courage asked if the Economic Development Incentive Fund (EDIF) restricted funds were an enterprise fund, Tate stated it was a Special Revenue Fund, not an Enterprise Fund. Councilmember Courage recommended review and coordination with other plans such as the SA Tomorrow Plan when creating the Economic Development Strategic Plan. Councilmember Courage noted that there were three BDOs listed but clarified that the funding was for operations, not grants. Hicks-Sorensen commented that SAGE and Prosper West each received \$100,000 for storefront grants.

Councilmember Courage requested more information on the funding for the San Antonio Greater Chamber of Commerce's Cyber Security Initiative and asked if they still leased the property on the River Walk for \$1 per year and asked how much it might be worth on the open market. Councilmember Courage requested the criteria for the Economic Development Incentive Fund. Councilmember Courage supported funding for businesses that were impacted by City construction and suggested that private businesses and developers should be charged for creating inconveniences to their neighbor businesses. Councilmember Courage asked when the workplan for SBEDA would be ready and if it would cost anything. Councilmember Courage requested metrics from Project Quest.

Councilmember Bravo commented that the Urban Heat Islands and Tree Mitigation Fund were both underfunded and understaffed, which meant they would underperform. Councilmember Bravo recommended a Chief Heat Officer. City Manager Walsh stated that there were no plans for Heat Mitigation and recommended development of a plan before hiring more staff, including a Chief Heat Officer.

Councilmember Bravo asked if there were funds to enforce the Noise Ordinance. Shannon stated that more time and analysis was needed. City Manager Walsh stated that the Task Force needed to weigh in on the recommendations. Councilmember Bravo recommended funding to stock the City's Tool Shed which was stocked with tools that the community could use to help support community gardens. Shannon stated some funds were added last year to the Tool Shed but the

program was developed to support Code Enforcement, not community gardens. Councilmember Bravo supported a program to help small businesses impacted by municipal construction projects, particularly the smallest of businesses.

Councilmember Perry noted that DSD increased its position count by 29 last year and 13 more this year in the Development Services Funds and recommended outcome measures that showed improvement noting that there was more time added to plan review. Shannon stated that all Code Enforcement and Inspections had increased. City Manager Walsh stated that an explanation would be made in a follow-up memorandum. Councilmember Perry suggested there needed to be more data before he would support more proactive Code Enforcement in apartments.

Councilmember Perry requested more information on the new positions for EDD. Hicks-Sorensen stated that two positions were to support the Bond Program related to SBEDA and the third position was for the Data Management Team. Councilmember Perry requested metrics and return on investment for the Economic Development Partnerships and Small Business Investments. He did not support a position to perform Data Management. Councilmember Perry asked for clarification on the reduced target goals. Hicks-Sorensen explained that the goal had to be aligned with the Disparity Study.

Councilmember Pelaez supported increasing the Zero Interest Loan Buydown Program to \$1 million and a Code Enforcement focus on those landlords that were the “bad actors” and mentioned a case with a mobile home park. City Attorney Andy Segovia commented that the Bexar County District Attorney also supported the resolution of the case. Councilmember Pelaez recommended a more robust method to survey their needs and requested data about the return on investment from the CASA office.

Councilmember Viagran suggested that there should be more tailored messaging to the community related to climate change and a collaboration with the Transportation Department on climate change. Councilmember Viagran stated that many residents could not afford to implement Heat Island mitigation measures. Melnick stated that the plan was to start with current resources and then the City might be able to access Federal Inflation Reduction Act Funds. Councilmember Viagran recommended that the Office of Sustainability coordinate more with CPS Energy.

Councilmember Viagran noted that the Police Department enforced the Noise Ordinance, and this was a policy discussion that should occur. Shannon stated that there was currently a study underway. Councilmember Viagran suggested that Code Officers be able to address everyday problems of neighborhoods, not just apartments and supported the new positions.

Councilmember Rocha Garcia recommended a phased approach to providing support for the Small Business Ecosystem and more investment in the important work of the BDOs. Councilmember Rocha Garcia asked for more information regarding the mobile home inspection units and suggested replicating the model. Shannon noted that the Mobile Home Ordinance had been updated and they were inspected routinely based on results of previous reviews using a scoring system. Councilmember Rocha Garcia requested more information about the lighting program and for a breakdown of the Code Officer’s work by type of property.

Councilmember Sandoval requested a full description of EDD and DSD programs and

information about the restricted funds in EDD. Councilmember Sandoval asked how the Greater Greater San Antonio Chamber of Commerce was selected to work on Cyber Security. Assistant City Manager Alex Lopez stated that the contract was seven years old and the Chamber had a committee that worked to grow the Cyber Security Industry. Councilmember Sandoval requested a report on the Noise Ordinance Pilot Program. Councilmember Sandoval recommended more staffing in the Office of Sustainability to support the Bond Program.

Councilmember Castillo expressed support for ensuring new City buildings were energy efficient and suggested that Operation Facelift for Small Businesses could include an energy efficiency integration and could provide more support for green jobs. Councilmember Castillo requested a status of the UTSA Heat Island Effect Study that was conducted by the University of Texas at San Antonio (UTSA) and recommended moving forward with investments in reducing the Effect as it disproportionately impacted the most vulnerable. Melnick stated that the study would not be completed in FY 2023 because of the need to connect with the Equity Atlas.

Councilmember Courage requested an update on the Cool Pavement Project which was a partnership with Public Works. Melnick stated that UTSA was still studying the Pilot Program. Councilmember Courage asked where the funding for the CoSA Solar Procurement would come from. Melnick stated that there was no current funding, so they were looking at a cost neutral program or revenue generator.

Councilmember Courage requested that DSD provide a report on the compliance of Short Term Rentals, and a breakdown of revenues from permits and code fines.

Councilmember Perry requested metrics from the EDD Workforce Development Delegate Agencies. The Councilmember did not support measuring the number of employees completing the course on sustainability as a metric. He requested more explanation on avoided utility costs, the Energy Efficiency Fund, and the total cost benefit based on how much was invested. Councilmember Perry questioned whether CPS Energy would have the infrastructure to support more EVs. Councilmember Perry asked of the funding source for the CoSA Solar Procurement. Melnick stated that there was no current funding, so they were looking at a cost neutral program or revenue generator.

Councilmember Pelaez asked what the Greater SA Chamber of Commerce was doing for \$50,000. Hicks-Sorensen stated that there was a dedicated staff person focused on recruiting Cybersecurity businesses and also work on the legislative agenda but noted that this was the last year of a seven-year contract. Councilmember Pelaez also commented on the free rent received by the Greater SA Chamber of Commerce on the Riverwalk.

Councilmember Pelaez suggested that Code Enforcement Officers be trained in Domestic Violence red flags.

Councilmember Bravo recommended revenue from the CoSA Solar Procurement to be dedicated to fulfilling the SA Climate Ready, Action and Adaptation Plan and asked more about the EV charging infrastructure suggesting most users would charge at night which were off peak hours for the energy grid. Councilmember Bravo supported an increase in funding for the Zero Interest Loan

Buydown Program managed by LiftFund.

Mayor Nirenberg reflected on how far the discussion had come, thanked the City Council for the productive discussion and staff for their presentations.

EXECUTIVE SESSION

Executive Session was not held.

ADJOURNMENT

There being no further discussion, the meeting was adjourned at 5:22 PM.

Approved

**Ron Nirenberg
Mayor**

**Debbie Racca-Sittre
City Clerk**