

- SUBJECT:** Establishing an urban land bank demonstration program in San Antonio
- COMMITTEE:** Urban Affairs — committee substitute recommended
- VOTE:** 5 ayes — Alvarado, Elkins, Leach, J. Rodriguez, Sanford  
0 nays  
2 absent — Dutton, Anchia
- WITNESSES:** For — Tim Alcott, San Antonio Housing Authority; Ramon Flores, Westside Development Corporation; Leo Gomez, Spurs Sports & Entertainment; Jackie Gorman, San Antonio for Growth on the Eastside; Lori Houston, City of San Antonio; Ivy Taylor, City of San Antonio - San Antonio City Council; (*Registered, but did not testify:* Gerald Cichon, Housing Authority of the City of El Paso; Melanie Villalobos, San Antonio Housing Authority)  
  
Against — None
- BACKGROUND:** In 2003, the 78th Legislature enacted HB 2801 by Giddings, which established the Urban Land Bank Demonstration Program Act. A municipality to which the act applies may permit the private sale of tax-foreclosed property to an urban land bank. In turn, property used for land bank purposes may be developed into affordable housing. The act outlines requirements for the city, participating developers, and other entities to follow in the acquisition and sale of such properties.  
  
Under Local Government Code, sec. 379C.002, the act applies to a city with a population of 1.18 million or more located predominantly in a county with a total area of less than 1,000 square miles (Dallas).
- DIGEST:** CSHB 3447 would amend Local Government Code, sec. 379C.002 to apply the Urban Land Bank Demonstration Program Act to a city with a population of at least 1.18 million located predominantly in a county with a total land area of less than 1,300 square miles (Dallas and San Antonio).  
  
The bill would take effect September 1, 2013.

SUPPORTERS  
SAY:

CSHB 3447 would provide the City of San Antonio with an important redevelopment tool that would promote the restoration of abandoned and unproductive properties back onto the tax rolls, yield more affordable housing, and encourage commercial growth in aging or struggling neighborhoods, all of which are key to having a sustainable community.

Allowing San Antonio to use the same urban land bank demonstration program that has worked in Dallas would hasten redevelopment and investment in many neighborhoods. Vacant and abandoned land often discourages property ownership, depresses property values, creates health hazards, and attracts crime. The program would complement the city's commitment to rehabilitating areas through its reinvestment and infill policy.

Returning abandoned and foreclosed properties to the tax rolls generates revenue for local governments so they can provide adequate services. This kind of restoration provided by the bill also would reduce the tax burden on the pool of responsible property owners. The program targets properties that have been unproductive for a long period. It is often the last resort to reinvigorate a tract of land that has failed to lure any attention from the market.

CSHB 3447 also would encourage the kind of residential development that yields affordable housing. And it would help address the migration away from the city's center of residents who have settled in suburban communities. According to a recent study, about 13 percent of homes were vacant in San Antonio's core neighborhoods in 2009, while only 8 percent of homes countywide were vacant.

Transforming vacant lots and abandoned homes into vibrant neighborhoods also would attract investment from merchants, eateries and other commercial ventures eager to serve sustainable communities. This kind of commercial activity generates jobs and revenue.

OPPONENTS  
SAY:

CSHB 3447 would grant a government entity too much control over private property for the kind of program that lacks accountability and discounts competition from the free market.

Because land banks are directed by people appointed by a local government, voters would have little say in the direction of the program. Such a panel could make decisions without considering the interests of

local voters, and conflicts of interest could affect the determination of which properties were taken in and to whom they were sold.

The maintenance, rehabilitation, and policing of such properties also would become an additional burden that was unfair to local taxpayers.