

RESOLUTION NO. 2020-272R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS ESTABLISHING A MORATORIUM ON FINANCIAL INCENTIVES FOR RESIDENTIAL DEVELOPMENTS INCLUDING, BUT NOT LIMITED TO, PUBLIC IMPROVEMENT DISTRICTS, TAX INCREMENT REINVESTMENT ZONES, AND CHAPTER 380 ECONOMIC DEVELOPMENT GRANTS UNTIL THE CITY HAS COMPLETED REVISION OF ITS COMPREHENSIVE PLAN AND DETERMINED IF THERE IS A NEED TO OFFER SUCH INCENTIVES; AND DECLARING AN EFFECTIVE DATE.

RECITALS:


1. Various provisions of the Texas Local Government Code make available financial incentives for single-family and multi-family residential development, including public improvement districts (PIDs), Tax Increment Reinvestment Zones (TIRZs), Chapter 380 Economic Development Grants, and similar financial incentives.
2. In 2015, the City Council passed a resolution (Resolution No. 2015-165R) that established a five year moratorium on the issuance of residential incentives to allow the City to monitor the rate at which the market absorbs recently incentivized housing units, which totaled nearly 9,800 units.
3. Of the 9,800 units approved in incentivized developments, approximately 8,100 units, or 83% have yet to be built and occupied as of 12/31/2019.
4. Using an annual projected growth rate of 1.78% (comprehensive plan projected growth rate), the 8,100-unit capacity is enough capacity to absorb the city's anticipated population increase until approximately 2035.
5. While available capacity exists within already approved developments, the type and location of the that residential development may not meet all the city's needs as it relates to housing and other priorities.
6. The City is in the process of rewriting its Comprehensive Plan, which is intended to be completed by 12/31/2021. The intent of the Comprehensive Plan is to provide a vision for the growth and development of the city, along with related goals, objectives, and strategies to achieve that vision.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:


1. The City Council hereby directs the city staff to not accept any applications for financial incentives for residential development, including public improvement districts (PIDs), Tax Increment Reinvestment Zones (TIRZs), Chapter 380 Economic Development Grants, and similar financial incentives until the City Council has approved a specific policy that is consistent with the newly adopted Comprehensive Plan.
2. The restriction in Section 1 shall not apply to applications for financial incentives that:
 - a. Are for infill or redevelopment projects;

- i. Infill projects are proposed developments of vacant land within an existing urban area (inside the city limits of San Marcos as of the effective date of this resolution) that is already largely developed.
 - ii. Redevelopment projects are proposed developments that transform previously developed property within the existing urban area (inside the city limits of San Marcos as of the effective date of this resolution) into a productive use.
 - b. Are for developments that would require at least 51% of the residential units be Workforce Housing. Workforce Housing shall be defined as housing that can be purchased by households earning no more than 140% of the City of San Marcos area median family income;
 - c. Are for developments that propose or apply for a Texas Pollutant Discharge Elimination System (TPDES) permit to construct and operate a wastewater treatment “package plant” or other similar type system to handle the wastewater needs for the development, which may have an adverse impact on the environment and orderly extension of centralized city utility service; or
 - d. Are for, or relate to, developments that have received a previous financial incentive.
3. This Resolution shall be in full force and effect from and after its passage.

ADOPTED on December 15, 2020.


Jane Hughson
Mayor

Attest:


Tammy K. Cook
Interim City Clerk