



April 22, 2021

Mayor Hughson and Members of the City Council
City of San Marcos
630 E. Hopkins Street
San Marcos, TX 78666

Subject: Harris Hill Road Mobile Home Zoning Request (Zoning Case No. ZC-02-22)

Dear Mayor and Council Members:

In response to the discussion and questions raised during the public hearing for the above referenced application to establish initial zoning that was held on January 5, 2021, additional research, site analysis, and plan revisions were undertaken by the development team in order to bring forward a more improved and desirable project. These findings are summarized below for your review and consideration.

The zoning application seeks to establish MH (Manufactured Home) District zoning on 72.85 acres in order to provide approximately 300 residential units. The community will have many amenities including a community center, swimming pool, passive and active recreational areas, parks and open space, and walking trails. In the future, a rezoning request for approximately 5 acres fronting Harris Hill Road may be considered to allow for neighborhood retail and commercial uses, but zoning for non-residential uses is not part of this initial zoning request.

Project Attributes:

1. The site is ideally situated for a mobile home community because it is located on the periphery of San Marcos. The proposed land use is compatible with surrounding rural residential properties and the adjacent Saddlebrook mobile home community.
2. The proposed development utilizes a tract that might be viewed as undesirable for a site-built residential subdivision due to the proximity of proposed office/industrial uses.

to the west, a loud automobile racetrack to the east, and a mobile home community to the south.

3. A mobile home community will provide San Marcos with a place for additional housing units for those that seek an alternative to purchasing a site-built home that require a significant down payment or a single-family or multifamily rental unit that results in a 100% sunk cost.
4. The proposal satisfies the need and desire that many people have for horizontal living space and access to the outdoors that has been taken on even greater importance during the current pandemic.

Known Concerns:

1. Land ownership verses housing for all initiatives
2. Emergency response times
3. Storm water management

The following is presented for your consideration in preparation for the next public hearing to consider the zoning MH District zoning application. Additional data and support material is presented in the accompanying slides and conceptual land plan.

Land Ownership Verses Housing Alternatives

The project offers the community another housing option to help meet the growing demand being spurred by regional growth. It is typical for a mobile home community to offer pad sites for residents to rent and place their own home. By renting rather owning the pad site, the initial investment required is reduced, which creates a housing opportunity for some individuals that might otherwise not exist. Although homes will not be located on separately platted lots that are individually sold, residents do enjoy equity in the dwelling unit that that can then be sold if and when the occupant wants to relocate. This provides an opportunity for individuals to recoup a portion of their housing cost when compared to paying monthly rent to a landlord or apartment community.

Considerations:

1. As identified in the *San Marcos Strategic Housing Action Plan*, “There is a great need for more diverse housing options to allow a greater percentage of the population to access housing that fits within their budget.”
2. Other housing options include homeownership, home rental, or apartment rental. However, these options are not necessarily available or desirable to all.
3. The proposed development offers residents the opportunity to build equity in a dwelling unit that can be sold or rented when the occupant is ready to move.
4. The proposed development offers residents the ability to enjoy amenities similar to those offered by single-family residential homes such as additional bedrooms for families with children, private yards for pets and household members to enjoy, convenient onsite parking, customizing their own home, and the privacy that comes with not sharing common walls.

5. The proposed development offers benefits that are similar to renting within an apartment community such as a pool and clubhouse. These benefits are offered at a price point that is more affordable compared to the local options geared towards students and not 100% disposable with respect to cost.
6. Recognizing the law of supply and demand, providing alternative housing options that satisfy the needs of some individuals reduces the competition for other housing choices and helps mitigate a community's housing affordability issues.

Emergency Response

The City's need for an additional fire station to serve this area of San Marcos is acknowledged. In an effort to help identify a solution to this issue, the developer team met with City emergency response personnel. City staff confirmed that the demand for a new station exists even if the proposed project is not developed. The developer and emergency response staff explored the idea of dedicating a portion of the tract for development of a new fire station. After additional analysis, it was determined that the site does not offer an ideal solution. However, the opportunity may be revisited if a more desirable location is not secured.

Considerations:

1. Current response times from Station 5 based on data analysis by the by City's GIS Analyst is 8.72 minutes via Opportunity Boulevard and 12.48 minutes via Yarrington Road. The target maximum response time is 7 minutes. Therefore, a current deficiency of 1 – 5 minutes over the target currently exists.
2. Although an existing stub street (Alhambra Drive) and cul-de-sac (Blackhorn Lane) within the Saddlebrook neighborhood provide opportunities for connectivity to IH 35, a route through Saddlebrook was not deemed a viable alternative as a routine route due to the speed bumps near the main Saddlebrook entrance and the posted speed limit within the community.
3. Future accessibility and connectivity to IH 35 is proposed with a stub street proposed at the western end of the community.
4. Response times will improve (shorten) in the near future once the new station is in service.

Storm Water Management

A portion of the tract is encumbered by a floodplain that traverses the site from north to south. As with all land development projects in the City of San Marcos, subdivision platting and review of the site development plans will be required prior to development. Construction plans will be supported by a drainage analysis prepared by civil engineer and reviewed by City staff. The drainage analysis determines the limits of the flood plain, storm flows, and detention requirements.

Considerations:

- No homes are proposed or allowed within the floodplain. The conceptual site plan for the community preserves the natural drainage pattern and anticipates the need

for onsite detention. These features become a focal point for incorporating parkland, trails, and open space into the community.

- The City's Technical Manuals and Land Development Code ensure quality and health and safety standards are achieved by establishing minimum standards for development, including the requirement that stormwater run-off is held to pre-development conditions.
- The development will incorporate all requirements of the Land Development Code and MH District with respect to block lengths, parkland dedication of at least 5% of the area, bike lanes, sidewalks, and landscape screening and buffering. The application of the City's Land Development Code will ensure that an even higher quality product that the adjacent community is achieved.

Your consideration of this information is greatly appreciated. Hopefully, the project is recognized as an opportunity to implement some of the strategies recommended in the *SMTX 4 All Housing Action Plan*. We look forward to exploring the merits of this project in more detail during the upcoming public hearing to consider this zoning request. If you have specific questions or concerns, please do not hesitate to contact me at 512-202-5542 or karen@masterplantexas.com.

Sincerely,

A handwritten signature in black ink that reads "Karen Wunsch". The signature is fluid and cursive, with the first name "Karen" and last name "Wunsch" clearly legible.

Karen Wunsch, AICP
Masterplan

Harris Hill Manufactured Home Community

Request for Annexation and Zoning

Robust Amenities + Affordability + Partial Equity =
“SMTX 4 All Strategic Housing Action Plan” Opportunity



Masterplan

Land Use Consultant: Karen Wunsch

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Mobile: 512-202-5542



Existing Racetrack

Harris Hill Road

Subject Property: 72.85 acres
2811 Harris Hill Road

Existing Creek

Gas Line Easement

Existing MH District

Roadway Connection
Opportunities

Project Description

- Approximately 300 single-family homes
 - Typical homesite = 5,000 SF
 - Typical dwelling unit – 1,700 SF
- Community Amenities:
 - Clubhouse (leasing office, community room, gym, games)
 - Pool
 - Maintained open space for passive recreation
 - Walking trails
 - Picnic and barbeque areas
 - Modern Hill Country architectural style
- Implementation of locally adopted design standards:
 - Screening and landscaping
 - Parkland dedication
 - Block length and street design
 - Drainage, water quality, stormwater management /detention



Conceptual Land Plan



 RESIDENTIAL  RETAIL/COMMERCIAL  PARK/OPEN SPACE

Comparison to Site Built Communities

Proposed Development

- 5,000 SF homesites
- 4.1 units per acre
- Estimated impervious cover 40%
- Minimum setbacks
 - 10-ft. front setback
 - 5-ft. side setback
 - 20-ft. rear setback
- 2 off-street parking spaces

SF-4.5 Development Standards

- 4,500 SF minimum lot size
- Max. density 7.5 units per acre
- Max. impervious cover of 60%
- Minimum setbacks
 - 15-ft. front setback (secondary)
 - 5-ft. side setback
 - 15-ft rear setback
- 2 off-street parking spaces

Similar use and standards to SF District zoning.

Is concern based on construction type?

A Case for SMTX 4 All Strategic Housing Action Plan Implementation:

1. 70% of San Marcos residents are renters.
2. Demand for rental units creates competition and drives up costs.
3. Half of non-student, renters want to buy a home w/in 5 years, but unsure of ability to do so based on affordability.
4. Strong demand for homes priced under \$200,000.
5. Proposed development provides an alternative path for transition from renter to homeowner.
6. Housing choices through a broad array of consumer options is a vital part of the solution to affordability issues.

Public policy (zoning) alone cannot create the right option for every circumstance.

Findings of *SMTX 4 All Strategic Housing Action Plan*:

- “Strong need for a diversified housing market in San Marcos.” (Pg. 15)
- “Significant portion of the multifamily units being developed are geared toward students.” (Pg. 12)
- “There is a great need for more diverse housing options to allow a greater percentage of the population access to housing that fits within their budget.” (Pg. 12)
- “Important to provide housing options for middle class families, public servants, residents on fixed incomes, retail workers, first-time homebuyers, and low- and moderate-income families.” (Pg. 12)

SMTX 4 All Identified Local Housing Gap

“Families with children and large households may have a particularly difficult time finding affordable units.” (Pg. 14)

“Only 7% of non-student apartments have 3+ bedrooms.” (Pg. 14)

“Median income growth has not kept pace with median home sale prices.” (Pg. 15)

“High demand for housing suitable for small families, young couples, and non-student single individuals.” (Pg. 15)

“City has shortage of missing middle products that serve as gateway to homeownership. Zoning code barriers contribute to this shortage.” (Pg. 17)

STRATEGY E: REMOVE REGULATORY AND PROCEDURAL BARRIERS TO ENCOURAGE DIVERSE AND AFFORDABLE HOUSING.

ACTION PLAN

ACTION ID	ACTION	DIFFICULTY	LEVEL OF EXPENSE	POTENTIAL PARTNERS	TYPE OF ACTION
E.1	<p>Manufactured Homes</p> <p>Manufactured homes provide an opportunity to enter the housing market at a lower cost than conventional home. The City should look for additional opportunities to include or allow manufactured homes.</p>	Medium	\$		Policy
E.2	<p>Tiny Homes</p> <p>The City should review and modify land-use and zoning regulations to encourage tiny home ownership and community development, as they provide opportunities for affordable home ownership. Additionally, tiny homes used as Accessory Dwelling Units can increase the number of affordable rentals in the community while allowing for residents to stay in their homes by providing opportunities for them to generate income.</p>	Low	\$		Policy
E.3	<p>Clear Path Permitting</p> <p>Minimize the time it takes to build mixed income or affordable communities with a clear path permitting process. This includes a dedicated case manager, pre review prior to formal submittal, priority in the review queue and priority inspections.</p>	Low	\$	Landowners and Developers of Mixed-income or Affordable Communities.	Policy
E.4	<p>Remove Regulatory Barriers to Affordable Housing</p> <p>Remove regulatory barriers to affordable housing when developments include a percentage of affordability. Barriers may include:</p> <ul style="list-style-type: none"> • Impact fees • Parking requirements • Height requirements • Maximum density • Requiring full site plan review for projects with 12 units or less • Material requirements • Permit fees 	Medium	\$		Policy



Saddlebrook Community Confirms Findings

- Occupancy rate of the adjacent Saddlebrook community is 99% (558/562 homes sites).
- There is a significant local need for additional housing at this price point.



Comparison with Alternative Housing Types

HAWTHORNE APARTMENTS

Average Credit Score

3 bedroom/2 bath

\$1,730 monthly

\$ 3,460 Deposit

NO EQUITY

10-Yr Expenditure = \$208,000
Home value after 10 years = \$0

HARRIS HILL MH COMMUNITY

Poor – Average Credit Score

3 bedroom/2 bath

\$1,100 monthly (Home + Pad)

\$100,000 MH (\$20,000 down)

PARTIAL EQUITY

10-Yr Expenditure = \$156,000
Home value after 10 years = \$85,000

LENNAR'S WHISPER PROJECT

Good – Excellent Credit Score

3 bedroom/2 bath

\$1,600 monthly

\$300,000 (\$60,000 down)

EQUITY

10-Yr Expenditure = \$190,000
Home value after 10 years = \$400,000

Manufactured Homes Examples

- Modern manufactured homes have elite design with comparable finishes and damage resistant construction.
- The architecture is not a simple cube or the single-wide, rural examples common from decades past.
- Home types are representative examples from Palm Harbor Homes and Clayton Homes.



Manufactured Homes Examples



Manufactured Homes Examples



The current pandemic situation had made clear the need for horizontal living spaces and access to the outdoors. Provides the opportunity to have your own space, without common walls. Allows for outdoor personal space for families, children, and pets.

Affordability & Amenities Comparison

	Apartment Rent (No Land or Home-ownership)	Site Built Home (Own both Land and Home)*	1 st Class MH Community (Own Home and Lease Land)
Average Size	1,012 sq ft ⁽⁶⁾	5,600 sq ft ⁽⁷⁾	5,000 sq ft
Average Monthly Payment	\$1,443 ⁽⁶⁾	\$1,695 ⁽⁸⁾	\$500 + MH (\$600) ⁽⁹⁾
Average Monthly Payment/1000 sf	\$1,426	\$302	\$220 (including MH)
Credit Score	Not required	620+	Not required
Funds to close	2 months (\$2,886)	~\$14,500 + Closing Cost	\$500 deposit + \$7,000
Equity	No Equity	Full Equity	Partial Equity
Club House	✓	✗	✓
Pool	✓	✗	✓
Green areas & Walking trails	✗	✗	✓
Private Entrance & Driveway	✗	✓	✓
Covered Parking	✗	✓	✗
Private Parking	✗	✓	✓
Health & Safety (Covid-19 restrictions and precautions)	✗	✓	✓
Free-standing Home	✗	✓	✓
Single Family	✗	✓	✓

Conclusion

- Proposed zoning request is compatible with surrounding land uses.
 - Comparable use to Saddlebrook
 - Higher quality development standards than Saddlebrook
 - Provides a residential community on a tract that typically might not be attractive for residential use due to MH adjacency and street connections, adjacent proposed office/warehouse/industrial uses, and existing noise and other nuisances from existing Harris Hill Raceway.
- Represents implementation of Action E.1 from *SMTX 4 All Strategic Housing Action Plan*.
- Provides additional housing, an alternative housing type, and a path to home ownership for those that seek it.
- Does not create public infrastructure shortfalls, but rather works toward improving existing conditions.