

<b>Conditional Use Permit – Purpose-Built Student Housing</b>	<b>210 W. Hutchison St.</b>
<b>CUP-25-02</b>	<b>Student Housing</b>

### Summary

<b>Request:</b>	New Conditional Use Permit for purpose-built student housing		
<b>Applicant:</b>	Shannon Mattingly, Drenner Group 2705 Bee Cave Rd, Ste 100 Austin, TX 78746	<b>Property Owner:</b>	Donald Graham, 901 Highland Terrace, San Marcos, TX 78666; Carl Simek, 301 Main Plaza, New Braunfels, TX 78130; First United Methodist Church, 129 W. Hutchison St., San Marcos, TX 78666; NCSH SMTX LLC, 2516 Waukegan Rd., Ste. 343, Glenview, IL 60025; TWWG, LLC, 2516 Waukegan Rd., Ste. 343, Glenview, IL 60025
<b>CUP Expiration:</b>	N/A	<b>Type of CUP:</b>	Purpose Built Student Housing
<b>Parking Required:</b>	1.05 spaces per bed	<b>Parking Provided:</b>	0.70 spaces per bed

### Notification

<b>Posted:</b>	March 7, 2025	<b>Personal:</b>	March 7, 2025
<b>Response:</b>	See attached comments in packet – 4 in favor, 1 opposed.		

### Property Description

<b>Legal Description:</b>	Lot 1, Graham Subdivision, 0.33 acres; Lot 4A, Block 26, Original Town San Marcos Replat, 0.21 acres; Original Town San Marcos		
<b>Location:</b>	On the north side of W. Hutchison St. and the south side of Pat Garrison St. between N. Comanche St. and N. Fredericksburg St., omitting the property at the southwest corner of Pat Garrison St. and N. Fredericksburg St.		
<b>Acreage:</b>	2.2 acres	<b>PDD/DA/Other:</b>	N/A
<b>Existing Zoning:</b>	CD-5D	<b>Proposed Zoning:</b>	Same
<b>Existing Use:</b>	Professional office, rental homes, parking lot	<b>Proposed Use:</b>	Purpose Built Student Housing
<b>Preferred Scenario:</b>	Mixed Use Medium	<b>Proposed Designation:</b>	Same
<b>CONA Neighborhood:</b>	Downtown	<b>Sector:</b>	8
<b>Utility Capacity:</b>	Adequate	<b>Floodplain:</b>	No
<b>Historic Designation:</b>	N/A	<b>My Historic SMTX Resources Survey:</b>	Yes – Medium

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<u><b>Surrounding Area</b></u>	<b>Zoning</b>	<b>Existing Land Use</b>	<b>Preferred Scenario</b>
<b>North of Property:</b>	Character District 5 - Downtown (CD-5D), Public (P), Multifamily 24 (MF-24)	Multifamily (Cypress Apartments, formerly Vistas), Texas State University	Mixed Use Medium, Commercial/ Employment Medium, Conservation/ Cluster
<b>South of Property:</b>	CD-5D, P	Grocery store (H-E-B), single family residential/ converted homes, church	Mixed Use Medium, Conservation/ Cluster
<b>East of Property:</b>	CD-5D	Parking lot/ kiosk	Mixed Use Medium
<b>West of Property:</b>	CD-5D	Funeral home, church fraternity house	Mixed Use Medium

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### Commission Recommendation

	Approval as Submitted		Approval with Conditions / Alternate	<u>X</u>	Denial
<p><b>Speakers in favor or opposed</b>  Shannon Mattingly (in favor)  Patrick Quinn (in favor)  Kelly Quinn (in favor)  Ed Theriot (in favor)  Lisa Marie Coppoletta (opposed)  Maxfield Baker (opposed)</p> <p><b>Recommendation from the Planning and Zoning Commission Meeting held March 25, 2025.</b></p> <p>A motion was made by Commissioner Garber, second by Commissioner Spell to recommend <b>denial</b> of the request.  The motion passed with a 9-0 vote.  <b>For: 0</b>  <b>Against: 9</b> (Agnew, Burleson, Case, Costilla, Dunn, Garber, Meeks, Spell, van Oudekerke)  <b>Absent: 0</b></p> <p><b>Discussion Topics</b>  <b>Parking</b> – Commissioner Garber asked the applicant whether a number has been proposed for the parking ratio, and the applicant replied that the parking ratio will depend on a parking study that has not been completed.  <b>Number of bedrooms</b> – Commissioner Meeks stated that an increased number of bedrooms does not necessarily lead to decreased rents and may instead benefit the developer.  <b>Impact to neighborhood</b> – Commissioner Meeks noted that the quiet nature of this part of town makes it unique. Commissioner Meeks further stated that the introduction of a large development and the traffic it brings will change the surrounding environment.</p>					

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**Staff Recommendation**

Approval as Submitted	<b>X</b>	<b>Neutral/Approval with Conditions</b>	Denial
<p>Due to various factors including conflict with the housing type recommendations of the Downtown Area Plan, staff is providing a <b>neutral</b> recommendation and leaves a decision of approval, denial, or approval with conditions up to the Planning and Zoning Commission.</p> <p>Should the Commission choose to recommend approval of CUP-25-02, staff propose the following conditions:</p> <ol style="list-style-type: none"> <li>1. The development shall register with the City of San Marcos Long Term Rental Registration program per Chapter 34, Article 7, Division 3 of the City's Code.</li> <li>2. The lease shall be made publicly available on the property's website and shall contain the following text "In the event the Leased Premises are unavailable for occupancy on or before the commencement date of this Lease, Landlord shall offer Tenant the choice of: 1) accepting temporary safe, decent, and sanitary housing, provided by the Landlord, at an alternate location within the City of San Marcos, or within a seven mile radius of the Leased Premises, with Tenant remaining bound by the terms of the lease; or 2) terminating the Lease with no financial penalty and with full reimbursement to Tenant of all deposits and pre-paid items within 10 days"</li> <li>3. The development shall offer both individual leases and conventional leases where units may be rented in their entirety.</li> <li>4. The development shall comply with a parking calculation of 0.70 spaces per bedroom.</li> <li>5. The developer shall not sell the property to a non-taxpaying entity for 7 years from the effective date of the Conditional Use Permit. The condition prohibiting sale to a tax-exempt entity for seven years from the date of this approval be memorialized in a restrictive covenant approved by the city attorney that is recorded in the Official Public Records of Hays County.</li> <li>6. Right-of-way shall be dedicated to the extent that the standards of the San Marcos Design Manual Section B.4.1.4, Downtown Cross Sections, and the Development Code are met.</li> <li>7. This CUP shall expire within 3 years unless an application for a permit is submitted to the City.</li> <li>8. The development shall comply with all other development code regulations. Packet materials are provided for informational purposes only.</li> </ol>			
<b>Staff:</b> Lauren Clanton, AICP	<b>Title :</b> Chief Planner		<b>Date:</b> March 12, 2025

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### History

The application is being submitted as part of a series of requests for a redevelopment of an existing commercial and residential site to a 7-story purpose-built student housing complex south of the Texas State University campus.

### Additional Analysis

A Student Housing CUP would allow the project to be marketed specifically to students and would allow more than 3 bedrooms per unit. Note: “rent by the bedroom” leases are not regulated by the City.

Per Chapter 7, Article 1 of the Development Code, 1.05 parking spaces are required per bedroom for Purpose Built Student Housing. The applicant has indicated they will request fee in lieu to allow a parking ratio of 0.70 spaces per bedroom. Parking fee in lieu is permitted in the Development Code to reimburse up to 50% of minimum required parking spaces in CD-5D zoning. Parking fee in lieu is processed during the site permit stage.

In addition to this conditional use permit request the following applications have also been submitted by the applicant for this site:

- Alternative Compliance request to allow for an increase from 5 to 7 stories (AC-25-02)
- Traffic Impact Analysis (2024-53317)
- Demolition Permit for 209 Pat Garrison St. (2024-52537) – ready to issue
- Demolition Permit for 213 and 215 Pat Garrison St. (2024-52540) – in process

The demolition permits were subject to a 90-day demolition delay. The demolition delay was not extended for 209 Pat Garrison St. or 213 and 215 Pat Garrison St. and expired in December 2024.

The Downtown Area Plan was adopted by Council on November 6, 2023, and any new purpose Built Student Housing would not meet the intent of the adopted Area Plan. The request is not considered to be in compliance with the “Recommended Housing Types” on page 58 of the Downtown Area Plan which states *“Multi-family and mixed-use housing types are the primary products recommended in and near Downtown and should be marketed to all demographics (not just or primarily to students).”*

### Comments from Other Departments

<b>Police</b>	No Comment
<b>Fire</b>	No Comment
<b>Public Services</b>	No Comment
<b>Engineering</b>	No Comment

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Evaluation			Criteria for Approval (Sec. 2.8.3.4)
Consistent	Inconsistent	Neutral	
<u>X</u>			<p><b>The proposed use at the specified location is consistent with the policies embodied in the adopted comprehensive plan.</b></p> <p><i>The Vision SMTX Comprehensive Plan defines the Mixed Use Medium preferred scenario type as “higher intensity places with a mix of housing, employment, shopping, dining, and entertainment which are highly walkable and bikeable...” (p. 98). According to the Comprehensive Plan, these places are exemplified by medium to high intensity multifamily and hospitality uses, 2 to 7 story buildings, structured and on-street parking, a well-connected multimodal network, and a range of open spaces. The proposed development is consistent with the vision except for the absence of park space.</i></p>
	<u>X</u>		<p><b>The proposed use is consistent with any adopted neighborhood character study for the area.</b></p> <p><i>This site is located within the Downtown Area Plan. Purpose Built Student Housing is not in compliance with the “Recommended Housing Types” on page 58 of the Downtown Area Plan. “Multi-family and mixed-use housing types are the primary products recommended in and near Downtown and should be marketed to all demographics (not just or primarily to students).”</i></p>
		<u>X</u>	<p><b>The proposed use is compatible with and preserves the character and integrity of adjacent developments and neighborhoods, and includes improvements either on-site or within the public rights-of-way to mitigate development related adverse impacts, such as traffic, noise, odors, visual nuisances, drainage or other similar adverse effects to adjacent development and neighborhoods.</b></p> <p><i>There are several purpose-built student housing and multifamily developments in the immediate area. The proposed use is compatible with the surrounding multifamily development and Texas State Campus to the north. The Sanctuary Lofts to the west and the Cypress Apartments (formerly Vistas) to the north of the development were purchased by Texas State. However, the neighborhood is located farther from the core of the University and includes a mix of uses, creating some opportunity for this higher intensity use to impact a valued and eclectic part of town.</i></p> <p><i>The property is required to meet all development requirement including Chapter 6 Environmental Standards and the requirement for a Watershed Protection Plan per Chapter 2, Article 6 of the Land Development Code.</i></p>

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Evaluation			Criteria for Approval (Sec. 2.8.3.4)
Consistent	Inconsistent	Neutral	
<u>X</u>			<p><b>The proposed use does not generate pedestrian and vehicular traffic which shall be hazardous or conflict with the existing and anticipated traffic in the neighborhood.</b></p> <p><i>While this development would likely increase pedestrian and vehicular traffic in the immediate area, the ultimate vision for downtown is to provide a walkable environment. The developer will be required to construct significant streetscape improvements, including sidewalks, at the time of development.</i></p>
		<u>X</u>	<p><b>The proposed use incorporates roadway adjustments, traffic control devices or mechanisms and access restrictions to control traffic flow or divert traffic as may be needed to reduce or eliminate development generated traffic on neighborhood streets.</b></p> <p><i>No specific adjustments have been proposed by the applicant at this time however a Traffic Impact Analysis will be required at the time of development to determine any required mitigation.</i></p>
<u>X</u>			<p><b>The proposed use incorporates features to minimize adverse effects, including visual impacts, of the proposed conditional use on adjacent properties.</b></p> <p><i>The developer would be required to follow all City codes, including downtown design architectural requirements related to massing and articulation for the land zoned CD-5D.</i></p>
		<u>X</u>	<p><b>The proposed use meets the standards for the applicable district, or to the extent variations from such standards have been requested that such variations are necessary to render the use compatible with adjoining development and the neighborhood.</b></p> <p><i>The development must meet Code requirements including the CD-5D district standards (for the part of the site zoned CD-5D) for parking, articulation and varied massing requirements for buildings over 3 stories high. Please note that these are not necessarily reflected in the images submitted by the applicant which are provided for reference only. An Alternative Compliance request has been submitted to increase the height to 7 stories (AC-25-02) – this will be considered separately, and staff are recommending denial.</i></p>

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Evaluation			Criteria for Approval (Sec. 5.1.4.9)
Consistent	Inconsistent	Neutral	
		<u>X</u>	<p><b>The ability for the development to transition in the future to accommodating a more diverse population</b></p> <p><i>The development will be constructed as apartments which could be transitioned to conventional units in the future. It should be noted that CD-5D allows no more than 3 bedrooms per unit for traditional multifamily.</i></p>
		<u>X</u>	<p><b>The durability, energy efficiency, and longevity of the building;</b></p> <p><i>The applicant has stated that the building will not be LEED certified. However, the building will meet all other Building Code requirements at the time of permitting.</i></p>
<u>X</u>			<p><b>The location of the development in relation to alternative transportation networks to and from the university including sidewalks, bike lanes, and transit networks;</b></p> <p><i>The site is located two blocks south of the University and so is accessible on foot.</i></p>
		<u>X</u>	<p><b>Mitigation of any adverse effects on adjacent property or neighborhoods;</b></p> <p><i>No significant adverse impacts are anticipated on adjacent properties when compared to the multifamily use allowed by right.</i></p>
	<u>X</u>		<p><b>Compliance with the Comprehensive Plan, Downtown Master Plan, and any other adopted city plans or policies.</b></p> <p><i>See response to criteria for approval Section 2.8.3.4 – Purpose Built Student Housing is not considered to be in compliance with the “Recommended Housing Types” on page 58 of the Downtown Area Plan Multi-family and mixed-use housing types are the primary products recommended in and near Downtown, and should be marketed to all demographics (not just or primarily to students).”</i></p>