



City of San Marcos

630 East Hopkins
San Marcos, TX 78666

Meeting Minutes City Council

Tuesday, May 21, 2019

3:00 PM

City Council Chambers

630 E. Hopkins - Work Session

I. Call To Order

With a quorum present, the work session meeting of the San Marcos City Council was called to order by Mayor Hughson at 3:01 p.m. Tuesday, May 21, 2019 in the City Council Chambers, 630 E. Hopkins, San Marcos, Texas 78666.

II. Roll Call

Present: 7 - Mayor Pro Tem Lisa Prewitt, Council Member Saul Gonzales, Council Member Melissa Derrick, Mayor Jane Hughson, Council Member Ed Mihalkanin, Council Member Joca Marquez and Council Member Mark Rockeymoore

PRESENTATIONS

1. Receive a Staff presentation and hold discussion regarding workforce housing, and provide direction to Staff.

Abigail Gillfillan, Planning Manager provided the presentation outline that includes the project overview, public outreach, and needs analysis findings.

Ms. Gillfillan reviewed the outcomes of the Workforce Housing Strategic Initiative which are: Assemble a Workforce Housing Task Force, Increase the rates of home ownership, and maintain existing housing stock in safe conditions. Ms. Gillfillan explained that in August 2018 the Workforce Housing Task force was created and they initiated the needs assessment at the beginning of the process. The Workforce Housing Task Force also initiated a Housing Choice Survey which had 2000 respondents. This group created different strategies to address housing challenges within each income bracket. Ms. Gillfillan mentioned that the Workforce Housing Task Force wanted this to be an inclusive process and came up with the slogan SMTX 4 All and wanted to also drop the "Workforce" out of their title to be more inclusive of housing for all.

Ms. Gillfillan explained that San Marcos is within the Austin/Round Rock Metropolitan Statistical Area (MSA) and that we use that as our Area Median Income (AMI). Ms. Gillfillan reviewed the Continuum of Housing that is used

to address housing at various income levels. She explained that the Housing Task Force created five working groups that include:

1. Preventing Displacement
2. Facilitating New Housing
3. Long Term Affordability
4. Development Code Amendments
5. Public Outreach

Ms. Gillfillan discussed the goals of the Task Force and how these were refined. She then went into the timeline for the next steps: Public Input, during the month of May, which includes: open house, community conversations, and housing story dialogue Draft Housing Action Plan, during the month of June, which include: Task force review and Council Committee Review, Public Feedback, during the month of July, which include: Open House, Community Conversations, and housing story dialogue Final Housing Action Plan, during the month of September, which involves the final recommendation from the Task Force to the City Council.

City Council consideration and adoption will be the final step before implementation that will take place in October.

Andrea Villalobos, Senior Planner, provided the public input that has occurred and will continue throughout this process. She provided that on Wednesday May 22, 2019 an Open House would be held at the San Marcos Rec Hall at 5:30 p.m. Ms. Villalobos explained that there are numerous community conversations with various groups and stakeholders and these can be facilitated by City Staff or the Housing Task Force Members.

Ms. Villalobos stated that they are asking citizens to share their housing story. She explained that this could be why you love living in San Marcos? What are housing challenges? These stories will help illustrate that housing should be for all people, in all places, for all generations.

Discussion was held regarding partnerships being necessary to help solve the housing issue and why is it such a crisis nationwide.

Mollie Fitzpatrick, Managing Director, with Root Policy Research, introduced herself and provided some additional insight to the discussion regarding the housing issue and the economics that are impacting housing across the country, not just in San Marcos. Ms. Fitzpatrick reviewed the high points of the Housing Needs Assessment. Ms. Fitzpatrick discussed the demographic profile, housing profile and market analysis, community input, and key findings and action plan.

She reviewed the demographic profile which included population and household and income and employment. Ms. Fitzpatrick reviewed the Housing & Affordability. Discussion was held related to the data provided regarding Housing Stock. Data was taken from American Community Survey which is a Census product. Staff will look into what data we have related the number of units (single family and multi-family) that are available in San Marcos. Ms. Fitzpatrick will send the raw data to Staff for distribution to the Council.

Ms. Fitzpatrick reviewed the data related to renters and owners and housing price trends.

She reviewed the Rental Market and explained that the median rent in 2017 was \$966 compared to 1999 was \$622. She explained that 55% increase in rent compared to 37% increase in median income.

Ms. Fitzpatrick reviewed Market Gaps which compares the supply of housing at various price points to the number of households who can afford such housing. She reviewed that households paying more than 30% of their income for housing are "cost burdened". Households paying more than 50% of their income for housing are "severely cost burdened". Discussion was held regarding student loan debt burden being taken into consideration as a contributor to the additional cost burden preventing home ownership. Discussion was held regarding looking at data at the neighborhood level vs. community wide.

Council provided consensus for Staff to provide data from within the neighborhoods to show the ethnic composition of each neighborhood, what the housing prices in each neighborhood are and how they have increased over time, how the housing market (number of homes bought and sold) has impacted the neighborhood, how they have been impacted by increasing property taxes over time, and where we could potentially place housing that would be commensurate with those neighborhoods.

Ms. Fitzpatrick reviewed Incommuter Preferences. An incommuter is someone that works inside the city of San Marcos, but lives outside of the city of San Marcos. She reviewed other questions that were asked of respondents such as: Condition and Repair needs and Accessibility Improvements.

Ms. Fitzpatrick reviewed Renter and Owner Costs by years in current home, the Housing Spectrum where respondents rated on a scale of 1 to 10 of how important San Marcos' housing supply includes various types of homes, and

the Appetite for Density related to various housing types residents considered appropriate for their neighborhoods.

Ms. Fitzpatrick reviewed the top needs that were identified:

1. Additional affordable rentals for residents earning less than \$25,000
2. Displacement prevention
3. Starter homes and family homes priced near or below \$200,000 and increased ownership product diversity.
4. Improve condition and accessibility of existing housing stock.

Discussion was held regarding what market research that builders typically do to determine what will sell and the presence of "starter homes". Discussion was held regarding older homes being sold and then placed on the rental market instead of being owner occupied. Ms. Fitzpatrick recommended having a rental registry to track how many outside investors have purchased homes and mentioned that there are other mechanisms, such as property tax incentives, that can be used to incentivize owner occupancy.

There was no further discussion or direction.

EXECUTIVE SESSION

2. Executive Session in accordance with the following Government Code Sections:
 - A. Section § 551.071 - Consultation with Attorney and Section 551.072 - Deliberations Regarding Real Property, to receive a staff briefing and to deliberate the acquisition of a public utility easement on the Gunnarson property on Ramsey Street at a location adjacent to the Hilltop Electric Substation.
 - B. Section § 551.071 - Consultation with Attorney: to receive a staff briefing and deliberate regarding Martindale ETJ matters and Project Big Hat
 - C. Section § 551.087 - Economic Development: to receive a staff briefing and deliberate regarding Project Big Hat

A motion was made by Mayor Pro Tem Prewitt, seconded by Deputy Mayor Pro Tem Gonzales, to enter into Executive Session at 4:15 p.m. The motion carried by the following vote:

For: 7 - Mayor Pro Tem Prewitt, Council Member Gonzales, Council Member Derrick, Mayor Hughson, Council Member Mihalkanin, Council Member Marquez and Council Member Rockeymoore

Against: 0

III. Adjournment.

The City Council returned into open session at 6:00 p.m. and Mayor Hughson adjourned the work session of the San Marcos City Council at 6:00 p.m.

Jamie Lee Case, TRMC, City Clerk

Jane Hughson, Mayor