

DRAFT – TO BE CONSIDERED AT THE 12/15/20 CITY COUNCIL MEETING

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS ESTABLISHING A TWO YEAR MORATORIUM ON FINANCIAL INCENTIVES, SUCH AS, BUT NOT LIMITED TO PUBLIC IMPROVEMENT DISTRICTS, TAX INCREMENT REINVESTMENT ZONES, AND CHAPTER 380 ECONOMIC DEVELOPMENT GRANTS), FOR RESIDENTIAL DEVELOPMENT TO ALLOW THE CITY TO COMPLETE ITS REWRITE OF ITS COMPREHENSIVE PLAN IN ORDER TO DETERMINE IF THERE IS A NEED TO OFFER SUCH INCENTIVES AND WHAT POLICIES THE CITY WILL ADHERE TO WHEN EVALUATING SUCH REQUESTS; AND TO DECLARE 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 for a period of two years from the date of this resolution, or until the City Council has approved a specific policy that is consistent with the newly adopted Comprehensive Plan.

2. The restriction identified in 1 above, shall not apply to applications for financial incentives that:
 - a. Are for infill developments. Infill developments shall be defined as new development on land that had been previously developed including without limitation, greyfield and brownfield sites and cleared land within urbanized areas.
 - b. Are for developments that would require at least 51% of the residential units be Workforce Housing. Workforce Housing shall be defined as 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.
 - d. Are for, or relate to, previously approved developments.
3. This Resolution shall be in full force and effect from and after its passage.

ADOPTED on _____.