



City of Dripping Springs

Post Office Box 384
511 Mercer Street
Dripping Springs, Texas 78620

Agenda Item Report from: Laura Mueller, City Attorney; Tory Carpenter, Senior Planner; Howard Koontz, Planning Director

Meeting Date:	October 19, 2021
Agenda Item Wording:	Discuss and take possible action on a Memorandum of Understanding between the City of Dripping Springs and New Growth related to wastewater, transportation, and density for a property north of Highway 290 on Roger Hanks Parkway. Applicant: Isaac Karpay, New Growth Enterprises, L.L.C.
Agenda Item Requestor:	Isaac Karpay, New Growth Enterprises, L.L.C.
Applicant:	Isaac Karpay, New Growth Enterprises, L.L.C.
Owner:	Whit Hanks
Staff Recommendation	<u>Approval of the MOU agreement as presented:</u> The City of Dripping Springs agrees to allow a maximum of 275 dwelling units, constructed as a mix of one-family attached and detached units.
Alternatives	<u>Postponement</u> for full Planned Development District review with direction from City Council and the Development Agreement Working Group. <u>Disapproval.</u>
	<p>LEGEND</p> <p>1-STORY RESIDENTIAL</p> <p>2-STORY RESIDENTIAL</p> <p>CONCEPTUAL PROJECT INFORMATION*</p> <p>TOTAL RESIDENTIAL AREA - 28.78 ACRES</p> <p>RESIDENTIAL - 275 UNITS AT ± 9.56 DUAL GROSS</p> <p>1 BD DUST HOME - 1 STORY DUPLEX - 46 UNITS</p> <p>2 BD COTTAGE HOME - 1 STORY ATTACHED GARAGE - 34 UNITS</p> <p>2 BD COTTAGE HOME - 2 STORY ATTACHED GARAGE - 50 UNITS</p> <p>3 BD COTTAGE HOME - 2 STORY ATTACHED GARAGE - 49 UNITS</p> <p>TOWNHOMES - 2 STORY ATTACHED GARAGE - 76 UNITS</p> <p>*PROJECT DETAILS ARE REPRESENTATIVE AND MAY CHANGE BASED ON FURTHER ANALYSIS DURING THE DESIGN PROCESS</p> <p>NEW GROWTH - DRIPPING SPRINGS DRIPPING SPRINGS, TEXAS Illustrative Site Plan</p> <p>NEW GROWTH LIVING RENTABLE LIFESTYLE COMMUNITIES</p> <p>www.newgrowthliving.com</p>

Summary/Background:

The application is to establish an understanding between the developer/owner and the city for a total development count of residential units on the 36-acre +/- tract. The owner has filed an application for a Planned Development District for zoning which will facilitate the construction of 275 residential units, plus a commercial center on 36 acres. The property is located at the southwest corner of U.S. 290 and Roger Hanks Parkway, with a portion of the lot extending east across Roger Hanks, south of the County Tax Office. The proposal includes approving the residential density of the project (10 units per acre based on net acreage of the residential site area) and that the residential product is a mix of rental townhomes and rental single-family detached product. All other matters will be determined by separate agreement or during the Planned Development District process. The preliminary Transportation indicates required improvements to Roger Hanks Parkway, to be finalized during the PDD process.

Physical and Natural Features:

The property is vacant, undeveloped of structural improvements except for a 'No Outlet' street, and features light/sparse tree coverage.

Surrounding Properties:

The northern border of this property fronts U.S. 290. The lot straddles Roger Hanks Parkway. It is adjacent to the west (across Roger Hanks) from the Hays County Tax/Precinct #4 office.

Utilities:

The City will provide wastewater. Water will be provided by the Dripping Springs Water Supply Corporation.

Memorandum of Understanding approval:

- Up to 275 residential units (10 units per acre)
- Townhome rentals

Evaluation of the Proposed MOU:

Density: The property is currently zoned Commercial Services. This would allow this property to be used for any use allowed for in the Commercial Services district, including less intense uses as provided in the city land use chart. Our prior interpretation of this cumulative zoning has included allowing multi-family and townhome uses. The Proposed MOU would be to change this property to a Planned Development District that will include rental one-family residences and rental townhomes, which is a hybrid of a townhome zoning use and a traditional multi-family use. If used as an SF-5 (attached residential district) the units would be around 17 units per acre (minimum 2500 sq ft lots). If allowed as a Multi-Family use it would allow 24 dwelling units per acre.

Zoning Districts	Lot Size	Units per acre*	parkland per acre**
SF-1	1 acre	1	0.04
SF-2	0.5 acre	2	0.08
SF-3	3,500 sq ft	12.5	0.5
SF-4	10,000 sq ft	4.35	0.174
SF-5	2,500 sq ft	16.67	0.6668
MF	1,815 sq ft	24	0.96

1 acre= 43,560 sq ft

*Maximum density a subdivision can build to

The proposed units per acre is 10 per acre which would be allowed in SF-3; SF-5; or Multi-Family.

In response to the question whether 275 residential rental units would be appropriate in this location as proposed by this specific application, planning staff finds that the proposed density in this area is not inherently inappropriate. However, the following staff recommendations should be seriously considered during Planned Development District negotiations to reduce potential negative impacts before the project is finalized.

1. “The Project is within the area specifically designated by the City’s Comprehensive Plan – Emerging Mixed Use Activity Center...” Staff would prefer the overall project included a more significant proportion of mixed uses than what’s represented on the proposed concept plan: 2.4-acres of Retail/Commercial, and the remaining 28 +/- acres single-family residential. An increase in the diversity of uses will similarly create the opportunity for activities.
2. Provide additional amenities within the development: The goal is to increase the likelihood that residents will want to do things within the development, even when they aren’t in their homes. Improvements could include expanding the on-site uses, providing active/structured recreation, or improving the existing facilities and/or adding new ones.
3. Rethink the purpose of the commercial site into an amenity to serve the project, not the motoring public: The existing layout of the commercial development should be oriented towards the development, as opposed to US 290. This would encourage commercial uses that serve the residents and increases the likelihood that residents will walk to these services, activating the streets/trail network and lending credibility to the idea that this becomes an activity center. A redesign of the commercial site should include direct pedestrian connections aside from Roger Hanks Pkwy.
4. The locations of the home sites seemingly aren’t geared towards interactions between neighbors, but appear to be more an exercise in maximizing on-site development density.
5. System-wide, the current transportation infrastructure in the vicinity of the project is under-performing. The introduction of 275 dwelling units will add roughly 2,000 trips/day onto- and off of the site. The Transportation Impact Assessment makes

assumptions for not only land uses but ultimate destinations for residents of this project. These assumptions should be confirmed prior to moving forward. Additionally, mobility considerations should include: considerations for the current condition and performance of Creek Road, off highway improvements for non-automobile travel, and a Safe Route to School for sites north (DSHS) and west (DSMS).

6. Other significant issues that will need to be specifically addressed in the PDD include: (a) parking; (b) parkland dedication fee in lieu (private amenities should not receive public credits); (c) maintenance of the infrastructure and facilities; (d) facades and exterior architectural standards; and (e) adequate road infrastructure including street sections.

This memorandum of understanding is just a part of the process. This project will not be finalized until the zoning is approved, wastewater is negotiated, transportation infrastructure is determined and agreed upon, and the parkland plan is approved by City Council. If approved, this project will go to a Development Agreement Work Group, and then reviewed by the Planning and Zoning Commission, Parks Commission, Transportation Committee, and City Council before the plan is finalized.

Transportation: The DAWG requested that the developer make improvements to Roger Hanks Parkway including a median. In the MOU, the developer has agreed to make whatever transportation improvements are required by the TIA and to work with City Staff on the planned improvements.

Wastewater: The DAWG requested that the developer find a backup/interim method of wastewater that did not include pump and haul. They have agreed to not use pump and haul and work with the City on whatever wastewater plan works best for the City and the developer.

Parks: The parkland proposal, which is not being approved in the MOU, is short 1.41 acres. The proposal will need to be taken to the Parks Commission as we work through the Planned Development process. The review will be whether the proposed amenities are sufficient or whether the project will need to dedicate additional parkland or pay a parkland dedication fee. The project will pay the Park Development Fee.

Cost of Units: In the applicant's presentation and in the memorandum of understanding, there is reference to this project's primary benefit being the provision of attainable and affordable housing. The applicant has stated that the units will be priced between \$1350 and \$2900 a month. These amounts equal \$16,200 to \$34,800 a year in rent. These rent levels lead to a recommended household income be at least \$58,000 (\$28 an hour) pretax for the least expensive rent to \$120,000 (\$58 an hour) pretax for the largest homes within in the project. (using 30% of income as the basis for rent as the recommended amount). The median household income in Dripping Springs based on the 2020 U.S. Census is \$80,000 (\$38 an hour).

Commission Recommendations:	The DAWG discussed this project and had serious questions related to the density, traffic on Creek Road, and recommended the transportation and wastewater plan in the proposed MOU. The DAWG will be reviewing this project if it moves forward and the density may require substantial changes to the proposed project plan, transportation infrastructure, and other requirements. If these changes cannot be made to the project plan and the improvements related to the project cannot be agreed on, the density would need to change.
Actions by Other Jurisdictions/Entities:	N/A
Previous Action:	N/A
Recommended Action:	Provide specific recommendations related to the density and product proposals for this project.
Budget/Financial Impact:	The City will gain additional property tax, roads, trails, and various development fees.
Attachments:	<ul style="list-style-type: none"> - Proposed MOU - Exhibits - Staff Report
Related Documents at City Hall:	PDD Application and Draft
Public Notice Process:	Notice will be published for Zoning.
Public Comments:	Comments have not been received.
Enforcement Issues:	N/A
Comprehensive Plan Element:	Mixed Use