

City Council Meeting

Agenda Item

Data Sheet

Meeting Date: September 20, 2021

Topic:

Approve Resolution No. 2021-24, a Resolution Making Findings in Connection with the Proposed Public Improvement District Number Thirteen Related to the Advisability of the Improvements, the Nature of the Improvements, the Estimated Cost of the Improvements, the Boundaries of the Proposed District, the Method of Assessment and the Apportionment of Cost between the District and the City as a Whole; and Making Other Findings Related to the District [TPID 13 Pine Trails Subdivision]

Background:

Council Action Requested

It is requested that City Council hold a public hearing on September 20 to approve the proposed PID through adoption of the findings and creation resolutions. A development agreement between the City and Developer will be presented for consideration at a later date. The development agreement describes the terms of the PID and the reimbursement of public infrastructure costs.

Area

Public Improvement District Number Thirteen would be approximately 13.38 acres representing the entirety of the proposed Pine Trails Subdivision, a subdivision that will be developed in one (1) section containing 50 lots. The land is located near the intersection of Brown and Quinn as shown on the attached map.

Purpose

The purpose of the PID is to assist the developer with public infrastructure costs. Through the PID, the developer will recover certain costs through an assessment on each lot. This arrangement is similar to a municipal utility district (MUD) and the MUD tax used for the same purpose.

Assessment Rate

The PID assessment is expected to be approximately \$2,700 per lot per year, or the equivalent of a 72-cent tax rate on a \$375,000 home. Included in the annual payment are financing and interest costs allowing for a level annual payment over the proposed fifteen (15) year term of the PID. For planning purposes, the principal amount for each lot equals \$28,996.77 and the interest rate on financed assessments is 4.5%. The principal amount of the assessment will be payable at any time by the homeowners which would terminate the assessment, and an amortization schedule will be kept for each property covered by the assessment to track annual payments and the outstanding principal balance. An additional City administrative fee and management fee will be assessed and added to the annual payment.

Disclosure

Proper disclosure notices detailing the assessment will be presented to potential homebuyers by the builders, and for acknowledgement at closing in the same manner as disclosure notices used in MUDs and other special districts with an ad valorem tax rate.

If created, the PID would still need City Council approval of the Service and Assessment Plan and all Assessment Rolls (i.e. no assessments can be implemented without City Council approval). The District Administrator will write the Service and Assessment Plans and formulate the Assessment Rolls for consideration by City Council. The District Administrator will work with the City and the Harris County Tax Assessor to have the assessments placed on the County tax bills. The PID assessments will be collected on an annual basis in the same manner as property taxes and transferred to a City-established PID revenue fund.

Recommendation:

Party(ies) responsible for placing this item on agenda: David Esquivel, City Manager

If no, funds will be transferred from account # _____ To account # _____

Signed	Doris Speer	8-12-2021	Approved by	
	City Secretary	Date		City Manager