



CITY OF HOUSTON

Planning & Development Department

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September 12, 2022

RE: Testimony on Extraterritorial Jurisdiction, Annexation, and Special Districts

Thank you for accepting these comments on the charges before the Committee. The City of Houston feels strongly that municipal facilitation of development in the ETJ, through limited planning authority and the oversight of public facilities in special districts should be preserved. In addition, annexation authority should allow ETJ residents to become part of the City of Houston if they so desire.

The City of Houston ("COH") is the largest city in Texas and has the largest extra-territorial jurisdiction ("ETJ"). The COH is, overall, lightly regulated within its boundaries, due in part to the absence of zoning. Since the legislative inception of ETJ, the COH has ensured responsible development in its ETJ through, ensuring sound subdivision planning and minimum standards for new infrastructure that ensure the health, safety, and welfare of the residents of the ETJ. The entire region has benefitted from this symbiotic relationship between those who live inside city limits and those living in the ETJ. COH services provided in the ETJ have ensured logical development, with minimum safe street standards, a clean and adequate water supply and sewer services for these residents. These services have prevented the creation of irresponsible or sub-standard utilities that could negatively affect the residents and region. ETJ residents receive these benefits that are funded by City taxpayers.

Regional Daily Travel. Many ETJ residents commute in to the COH for numerous reasons including work, school, recreation, culture, and medical services. Eighty-seven percent of commuters who live 10-90 miles outside the city travel into the city using roads and streets maintained and paid for by in-city resident taxpayers. This highlights the relationship between ETJ residents and City residents, and the importance of ensuring the implementation of the Major Thoroughfare and Freeway Plan, which anticipates growth on a regional basis. The following chart shows the number of commuters by distance coming into the COH:

Super Commuters by distance from city hall of primary city

Select Region:

Houston-The Woodlands, TX

Distance from City Hall	Number of Super Commuters	Super Commuters as a Share of Workforce	Growth in Super Commuters 2010-2019	Share of all Super Commuters within 90 Mile Radius of City Hall
0-10 miles	10,035	1.6%	-13%	13%
30-90 miles	17,115	3.6%	16%	22%
10-30 miles	51,466	2.5%	59%	65%
Total	78,616	2.5%	34%	100%

ACS, 2019 chart

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Development processes in the ETJ. The COH has a proven track record of quick, timely review of development requests, and this serves potential developers to know they will not be delayed or impeded when they undertake development in Houston's ETJ.

Given the expected continued growth of the Houston region, it is important to note that counties may not provide the same level of services that the COH can provide to ETJ residents. Counties are extremely limited in land development authority, and especially in fast-growing regions, may not have the staff or other resources to process the number of applications and inspections of water and sewer or roadways for development in the ETJ.

Benefits afforded by Houston's investment in facilitating development in the ETJ include:

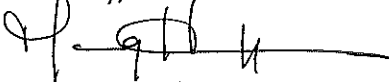
- Reviews of flood mitigation and drainage plans in conjunction with county engineers' offices.
- Consistent implementation of the Major Thoroughfare and Freeway plan and ensuring roadways are developed with growth in mind and the roadways share the same standards throughout the region.
- Control of the types of water/wastewater systems allowed in the ETJ which could affect the water supply for the entire region. "Control" is a strong word but is appropriate and critical for the safety of the water and sewer plant development and management that directly impact, daily, the lives of residents of the ETJ.
- A proven, successful process for approval of development plans in the ETJ to ensure safe and logical development region wide.
- A proven track record of working with counties and other cities in the region to facilitate sound and logical development through the release of land in the ETJ for annexation into municipalities where there are better utility options.
- A proven good relationship with and regulation of management districts and utility districts that are formed and operate within the ETJ.

Annexation authority. It also makes sound regional planning sense to reinstate annexation authority for cities that provide these kinds of services to non-residents who commute into the city daily for work. The "Houston region" is, effectively, a decentralized city. The ETJ was originally created with annexation of those areas in mind. Cities were intended to have some input in the development of land that could become a part of their city. The COH already had limited authority under the former rules to annex areas in its ETJ due to the number of special districts with bond debt, limiting their annexation. The COH has not annexed any property without the request of the property owner in over 25 years. Under the current annexation regulations, development is challenged due to the difficulties in annexation law.

The COH regularly gets inquiries requesting annexation of developed subdivisions in the ETJ. Sometimes this is a request due to the dissolution of a special district, and thus there is no entity to maintain improvements. It is all but impossible to annex these areas under current law. As the area population continues to grow, annexation options will become increasingly important to maintain current standards for roads, water, wastewater, parks, and other public amenities in a cost-effective manner.

Another benefit of restoring annexation powers to cities will be to enhance public transportation options throughout the region. Even regional transportation authorities are reluctant to unfairly burden taxpayers with transportation costs that benefit commuters from outside the taxing area. If cities are allowed to grow, the taxes will be more apportioned.

Sincerely,



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Director