

CITY OF SAN MARCOS
HOUSING TASK FORCE

COMMUNITY
CONVERSATION
TOOLKIT

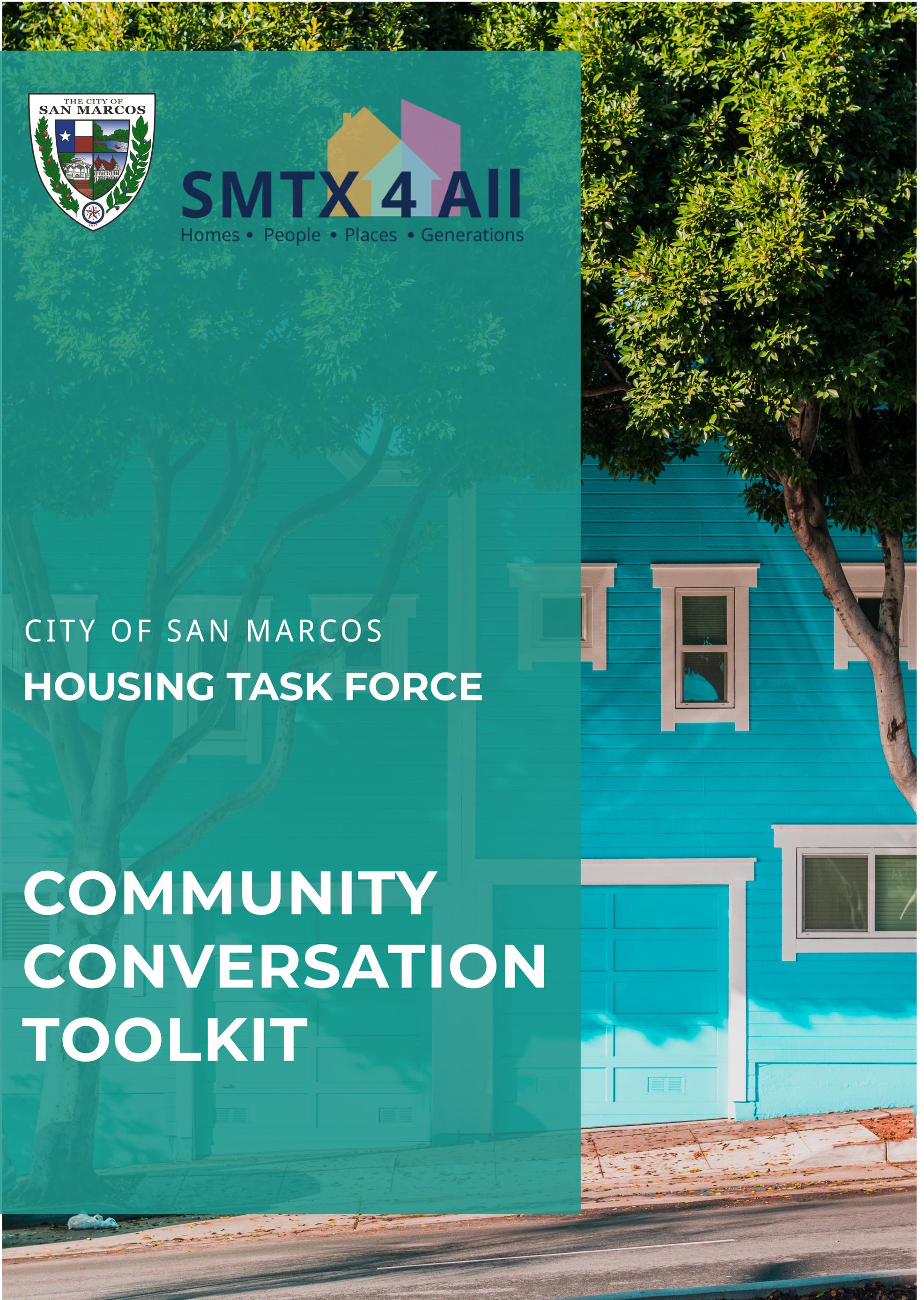


TABLE OF CONTENTS

ABOUT

THE STRATEGIC HOUSING ACTION PLAN

THE DECISION MAKERS

THE HOUSING NEEDS ASSESSMENT

WHY ADDRESS HOUSING NEEDS IN SAN MARCOS?

KEY FINDINGS

- 1** WE NEED ADDITIONAL AFFORDABLE RENTALS FOR RESIDENTS EARNING LESS THAN \$25,000
- 2** WE NEED TO PREVENT DISPLACEMENT
- 3** WE NEED HOMES PRICED NEAR OR BELOW \$200,000 AND INCREASED OWNERSHIP PRODUCT DIVERSITY
- 4** WE NEED TO IMPROVE THE CONDITION AND ACCESSIBILITY OF EXISTING HOUSING STOCK

CALL TO ACTION

PROVIDE YOUR FEEDBACK

ABOUT

THE STRATEGIC HOUSING ACTION PLAN

In 2017, the City Council identified Workforce Housing as one of the five Strategic Initiatives.

The Workforce Housing Strategic Initiative was also identified in 2018 and 2019. A **City Council Workforce Housing Committee** was formed to further the goals of this initiative. In addition, a **Housing Task Force** was formed to assist the City Council Workforce Housing Committee in developing a strategic action plan aimed at addressing the housing needs in San Marcos. The Housing Task Force will work in tandem with City Staff and local stakeholders to address our housing challenges through the **SMTX 4 ALL Housing Program**.

SMTX 4 ALL - PROGRAM TIMELINE

2018

August

Project Launch / Assemble Housing Task Force

October

Housing Choice Survey

- 2,000 regional residents participated in the survey.
- Participants: Non-student and student residents of San Marcos, and in-commuters
- Focus Groups: Social service providers, business community, and the university community

2019

March

Draft Housing Needs Assessment - Root Policy Research

- **Identifies 4 Key Findings**
- Sets the stage for understanding the state of housing in San Marcos
- Provides key data for San Marcos' demographic, economic, and housing profile
- Includes community input from Housing Choice Survey

May

Public Outreach Kick-Off

- Phase 1: Public input on the state of housing in San Marcos
- Events include an Open House, Community Conversations and the "Tell Your Housing Story!" Campaign

June

Draft Strategic Action Plan

- Present draft goals, strategies, and action items identified by the Task Force to address housing challenges

July

Public Feedback

- Phase 2: Gather feedback on draft action plan
- Events include an Open House, Community Conversations and the "Tell Your Housing Story!" Campaign

September

Final Strategic Action Plan

- The Task Force will recommend the Final Action plan to the City Council for their consideration

ABOUT

THE DECISION MAKERS

CITY COUNCIL WORKFORCE HOUSING COMMITTEE

The purpose of the Workforce Housing Council Committee is to further the goals of the Workforce Housing Strategic Initiative. Members include Lisa Prewitt, Place 1, Melissa Derrick, Place 6, and Saul Gonzales, Place 2.

HOUSING TASK FORCE

The purpose of the Housing Task Force is to assist the City Council's Workforce Housing Committee in developing a Strategic Action Plan aimed at addressing the continuum of housing needs in San Marcos. To develop this Strategic Action Plan, the Task Force has held several meetings and Working Groups that focus on certain aspects of housing challenges and potential strategies.

Task Force Goals

- Expand Opportunities for Housing
- Preserve and Enhance Existing Housing Stock
- Leverage Community and Regional Partners
- Quantify and Meet the Housing Needs of Current and Future Residents

Task Force Members

- **Chair: Laura Dupont, Corridor Title**
- **Vice Chair: Gloria Salazar, El Centro**
- Ramika Adams, Calaboose Museum
- Melissa Nicewarner Daly, HomeAid
- Andrew Fernandez, SMCISD
- Dr. Thomas Longoria, Texas State
- Ruben Garza, Southside
- Will Holder, Ret. Trendmaker Homes
- Michael Nolen, McNabb & Co.
- Ryan Pearl, Amazon
- Roland Saucedo, Neighborhood Representative
- John Schawe, Frost Bank
- Jack Seaborne, Seaborne Architects
- Albert Sierra, SM Housing Authority
- Dr. Chris Smith, Texas State
- Caitlyn Strickland, Hays County
- Scott Turner, Brookfield
- Dr. Monica Valadez, SMCISD
- Robert Watts, Habitat for Humanity



ABOUT

THE HOUSING NEEDS ASSESSMENT

The Housing Needs Assessment was conducted by Root Policy Research to identify the most pertinent housing needs in San Marcos. The Housing Needs Assessment includes population levels and trends, household diversity, and economic health. Root Policy Research utilized various sources, including the U.S. Census Bureau, Texas Demographic Center, Bureau of Labor Statistics, the Greater San Marcos Partnership, San Marcos Planning Department, and the U.S. Department of Housing and Urban Development.

In addition to the demographic and housing market analysis, the assessment includes the results from the Housing Choice Survey that included 2,000 respondents. The Housing Choice Survey was available in English and Spanish, online, and in postage-paid mail. It also included three focus groups with key stakeholder elements - social service providers, business community, and university.

The interactive Needs Assessment can be viewed online at:

<http://sanmarcos.konveio.com/>

BIG PICTURE: WHO ARE WE AS A COMMUNITY?

2017 Population **63,071**

ANNUAL GROWTH RATE BY AGE, 2010-2017



Despite a growing University, the college age growth rate is slower than for Young and Middle Age Adults

Young and Middle Age Adults are growing the fastest. Future housing goals should focus on providing housing for these groups which include homes for families

POVERTY RATE COMPARISONS

	Poverty Rate (all people)	Poverty Rate (excluding students)
San Marcos	35%	19%
Waco	26%	20%
College Station	32%	10%
Austin MSA	12%	10%
San Antonio MSA	15%	14%
Texas	16%	14%

While San Marcos' poverty level decreases dramatically after adjusting for students, its adjusted poverty remains **substantially higher** than those of Austin MSA, San Antonio MSA and the rest of Texas.

MSA = Metropolitan Statistical Area

INFLOW AND OUTFLOW OF PRIMARY JOBS - 2015

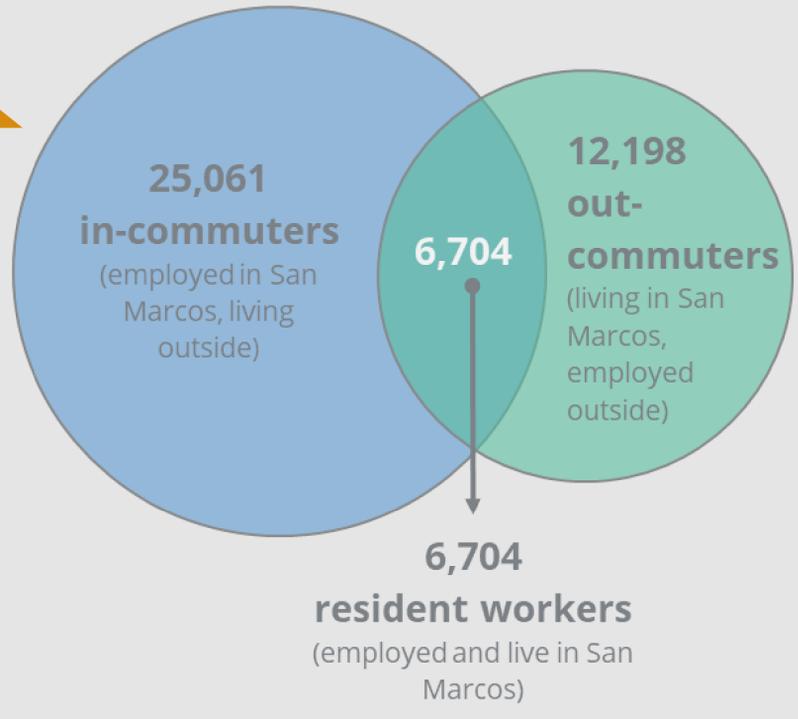
There are **37,765** workers whose primary jobs are located in San Marcos.

Those jobs are filled by 25,061 in-commuters (**79% of primary jobs**) and 6,704 San Marcos residents (**21% of primary jobs**).

Another **12,198** San Marcos residents commute to a primary job located outside of San Marcos.

In other words, **64%** of working San Marcos residents are out-commuters and **36%** of San Marcos residents live **AND** work in San Marcos.

The majority of workers whose primary jobs are located in San Marcos do not live in San Marcos.



Sources: 2010 U.S. Census, 2017 5-year ACS, US Census Bureau's Longitudinal Employer-Household Dynamics; Root Policy Research.



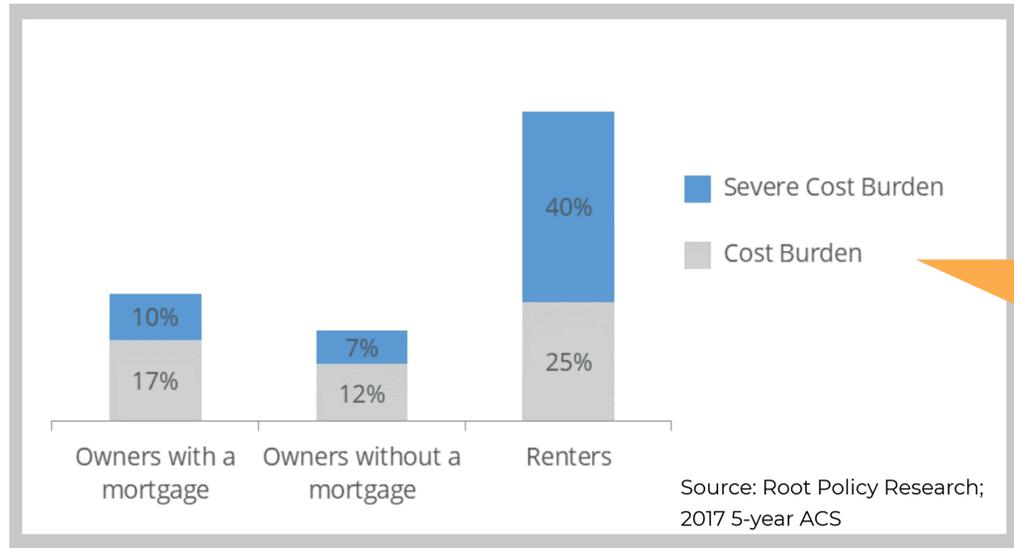
COST BURDENED OWNERS AND RENTERS - 2017

Households paying >30% for housing are "**cost burdened**"

Households paying >50% for housing are "**severely cost burdened**"



housing costs = the rent or mortgage, plus taxes and utilities



65% of San Marcos renters are cost-burdened (9,700 renter households) compared to the state average of **44%** of renters

HOUSING AND RENTAL MARKET



Median Sale Price Single Family Detached Home (2017-18) = **\$256,000**



Median Rent (2017) = **\$966 in 2017**
\$622 in 1999

San Marcos is home to more renters (72%) than owners (28%).

55% increase in rent compared to a **37% increase in median income**

Source: Root Policy Research; 2017 5-year ACS

MARKET OPTIONS FOR RENTERS WANTING TO BUY

5,000 Renters (31% of all renters) earned **\$25,000 - \$50,000** in 2017

and can afford a maximum home price of about **\$160,000**

Source: Root Policy Research; 2017 5-year ACS

Only **94** homes (6% of all listed/sold homes) were listed or sold in San Marcos in 2017-2018 in the \$25,000 - \$50,000 price range. 24% of those were attached homes like condos or townhouses.



WHY ADDRESS HOUSING NEEDS IN SAN MARCOS?

Housing needs in San Marcos are important to all of our residents. The SMTX 4 ALL program focuses on working towards initiatives that provide all homes, for all people, in all places, for all generations.

Key statements from the Needs Assessment reflect that housing should be for all:



Add Diverse Housing - "A balanced housing stock accommodates a 'life cycle community' - where there are housing options for each stage of life from career starters through centenarians - which in turn supports the local economy and contributes to San Marcos' community culture."



Preserve Existing Housing - "Actions that help mitigate price increases, preserve both market-rate and publicly assisted housing affordability, and generate diverse and affordable housing options will also help preserve the culture and identity of the community itself."



Be an Inclusive Community - "As part of the Housing Survey, San Marcos residents rated the level of importance they associate with a diverse, local housing supply that is suitable for a variety of different household types. The ratings reflect the importance to residents that the San Marcos housing stock be a true mix of housing types accommodating the preferences and incomes of a diversity of residents and households."

San Marcos residents believe it is very important that there is a place for middle class families, public servants, residents living on fixed incomes, the retail workforce, first-time homebuyers, and low and moderate income families, in San Marcos.

KEY FINDINGS

THE HOUSING NEEDS ASSESSMENT INDICATES THE FOLLOWING CORE HOUSING NEEDS IN SAN MARCOS:

- 1 WE NEED ADDITIONAL AFFORDABLE RENTALS FOR RESIDENTS EARNING LESS THAN \$25,000**
- 2 WE NEED TO PREVENT DISPLACEMENT**
- 3 WE NEED HOMES PRICED NEAR OR BELOW \$200,000 AND INCREASED OWNERSHIP PRODUCT DIVERSITY**
- 4 WE NEED TO IMPROVE THE CONDITION AND ACCESSIBILITY OF EXISTING HOUSING STOCK**

1

WE NEED ADDITIONAL AFFORDABLE RENTALS FOR RESIDENTS EARNING LESS THAN \$25,000

DEFINING OUR CHALLENGE: MARKET GAP

- Between 2000 and 2017, the city **lost 2,800 rentals** affordable to households earning less than \$25,000 per year due to price increases.
- At the same time, the city **gained 2,230 residents** earning less than \$25,000.
- As a result, San Marcos has a shortage of 5,950 rental units priced affordably for renters earning less than \$25,000 per year.

In San Marcos, the **loss of affordable rentals** and **increase in low income households** increased the gap between demand and supply of affordable rentals.

In San Marcos, this housing gap reflects:

- 3,190** Non-Student households
- 2,760** student renter households that do not receive financial assistance from parents to cover housing costs.

Options for Families: **Only 7%** of non-student apartments have 3+ bedrooms

\$1,300-\$1,450 Median rent for 3 & 4 bedroom apartments

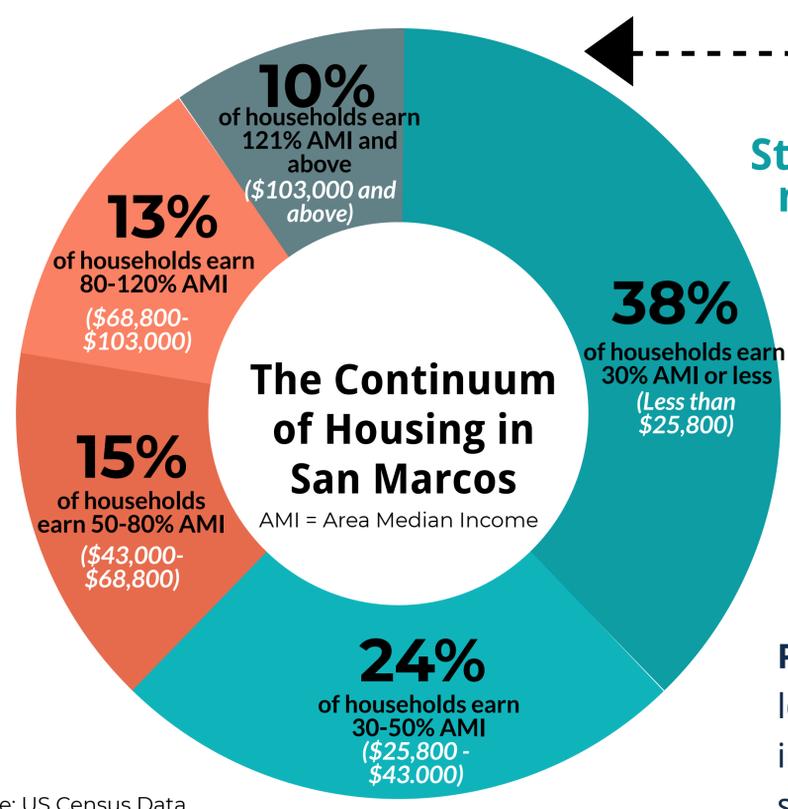
Families with children and large households may have a particularly difficult time finding affordable units.

Source: 2017 5-year and Root Policy Research

THE CONTINUUM OF HOUSING

What is the Continuum of Housing? It indicates the percentage of residents within each income threshold.

Why is it Important? As you move throughout the continuum of housing, different strategies are needed to address housing affordability challenges that are unique to each income threshold.



Source: US Census Data

Key Strategies needed

Income Thresholds. Households making less than \$25,000 a year are considered "extremely" low income based on Area Median Incomes for the Austin MSA.

Providing Housing for incomes less than \$25,000 a year may include strategies and partnerships such as **public housing, section 8, tenant-based rental assistance, transitional housing, and other subsidized rentals.**

POTENTIAL TOOLS

- Establish Partnerships
- Preserve Existing Affordability
- Education
- Incentivize Affordable Housing

2

WE NEED TO PREVENT DISPLACEMENT

DEFINING OUR CHALLENGE

- According to survey results, in the past five years, **nearly one in five (18%) of renters experienced displacement**—having to move from a home when they did not want to move.
- The most common factors were **rent increases, flood damage**—including damage from the 2015 flood—**cost of utilities, and landlord selling the home**.

Hispanic renters, households with children under 18, and households with incomes of \$25,000 to \$50,000 were more likely than the typical renter to experience displacement.

Nearly 50%

of non-student renters who experienced displacement did so because the rent increased more than their ability to pay.

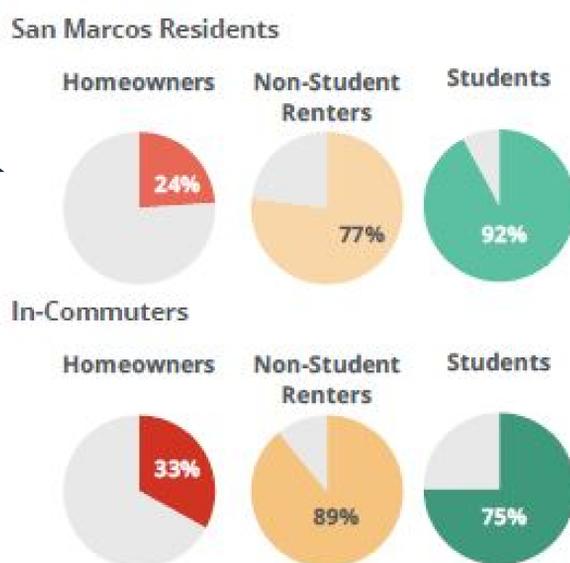
STRATEGIES TO MANAGE HOUSING COSTS

11% of San Marcos residents who participated in the Housing Survey have a friend or family member living with them due to a lack of affordable rental housing

It is not unusual for residents to form large households or to live in **multigenerational or non-traditional arrangements** to manage housing costs due to lack of affordable units. **Occupancy limits** (limiting the number of occupants in a unit to no more than 2 unrelated) make it difficult for these households to meet the need of their family and comply with this regulation.

RESIDENTS CHOOSING TO MOVE

Percent of respondents who are planning to move in the next 5 years



Top reason non-student renters want to move?

To become homeowners

Reasons prospective buyers continue to rent even though they want to buy?

Housing not being affordable where they want to live, and lack of a down payment.

Source: Housing Choice Survey, Root Policy Research

POTENTIAL TOOLS

- Home Maintenance and repair programs
- Stabilize property values
- Stabilize households
- Modify Development Codes

3

WE NEED HOMES PRICED NEAR OR BELOW \$200,000 AND INCREASED OWNERSHIP PRODUCT DIVERSITY

DEFINING OUR CHALLENGE

- San Marcos has experienced a substantial increase in home prices since 2000, with particularly sharp increases in the last 5 years.
- Median incomes, however, have not kept pace. In 2017-2018, San Marcos' **median sale price was \$256,600**.
- Stakeholders identified families with household incomes of \$60,000 to \$80,000 to have the greatest unmet affordable housing need, for both rental and ownership products.

FOR-SALE HOUSING GAP: 2017-2018

Income Range	Max Affordable Home Price	Cumulative Housing Gap
\$25,000-\$34,999	\$112,271	-14%
\$35,000-\$49,999	\$160,388	-25%
\$50,000-\$74,999	\$240,584	-3%
\$75,000 - \$99,999	\$320,779	24%
\$100,000-\$149,999	\$481,171	39%
\$150,000 or more	\$481,172+	46%

Source: Housing Choice Survey, Root Policy Research

Negative numbers indicate a shortage of units at each specific income level.

It is important to note that home size, condition and housing preferences are not considered in the affordability model.

The San Marcos Market is relatively affordable for renters earning more than \$75,000 per year and manageable for renters earning between \$50,000 and \$75,000, assuming a willingness to consider attached housing options.

San Marcos is home to more renters (72%) than owners (28%). When considering only householders that are 25 years old or older (generally, the non-student population), the homeownership rate jumps to 40 percent.

SHORTAGE OF MISSING MIDDLE PRODUCTS



"Missing Middle" products such as townhomes, duplexes, triplexes, condos serve as a gateway to homeownership for residents and are alternatives to detached single family.

\$180,500

= Median price for attached homes in 2017-2018 (average 25 days on market)

\$295,000

= Median price for a detached home in 2017-2018 (average 74 days on market)

Contributing to this shortage in San Marcos is the difficulty in developing such units in residential neighborhoods in San Marcos due to lack of available zoning. Results from the Housing Survey show that respondents, especially homeowners, are not inclined to agree that housing types other than single family homes are appropriate in their neighborhoods.

Source: Housing Choice Survey, Root Policy Research



POTENTIAL TOOLS

- First Time Homebuyer Program
- City Land Bank
- Pre-Approve Residential Development in Strategic Areas
- Remove Regulatory Barriers to Affordable Housing

4

WE NEED TO IMPROVE THE CONDITION AND ACCESSIBILITY OF EXISTING HOUSING STOCK

DEFINING OUR CHALLENGE

- Overall about 33% of all renters and 9 percent of owners in the city said their home was in fair or poor condition.
- Though most residents do live in housing that is in good condition, the need for improvements has a disproportionate impact on vulnerable populations.

Most vulnerable?

San Marcos families with children under the age of 18 who rent (49%) and renters whose household includes a member with a disability (44%) are more likely to assess their housing as in fair or poor condition than other groups.

2 in 5

San Marcos residents with disabilities and in-home accessibility needs (43%) live in housing that does not meet their accessibility needs.

Most common accessibility improvements needed are ramps, grab bars in bathrooms, and wider doorways.

Source: Housing Choice Survey, Root Policy Research

Percent of renters who are more likely to assess their housing in fair or poor condition.



Housing suitable for small families, young couples, and non-student single individuals is in high demand, however, existing housing stock is in need of repairs or is in too poor of a condition to meet the desires of these groups.

CHOOSING SAN MARCOS

Working to improve conditions and accessibility will help serve existing residents but also attract families to the city.

Among non-student in-commuters who considered San Marcos, **1 in 3** chose to live elsewhere because:

"housing I could afford was lower quality and/or needed repairs/improvements"

Source: Housing Choice Survey, Root Policy Research



Single family homes priced below \$200,000 are in high demand, but many homes on the market in this price range are fixer uppers.

POTENTIAL TOOLS

- Owner Occupied Rehabilitation Programs
- Land and Dilapidated Structure Analysis
- Rental Preservation and Education
- Development Codes and Growth Policies

CALL TO ACTION

There are many ways to get involved in the housing conversation:



ATTEND AN UPCOMING OPEN HOUSE

Join us for an informative open house on the housing needs in San Marcos and explore potential strategies identified by the Housing Task Force to begin addressing our affordability challenges in San Marcos.

Date: Wednesday, May 22

Time: 5:30 - 7:30 p.m. and Presentation at 6:00 p.m.

Location: San Marcos Rec Hall, 216-298
Jowers Access Road



TELL YOUR HOUSING STORY

Share your housing story at the Open House or online through a photo campaign. Stories like yours illustrate that housing should be for all people, in all places, for all generations. Visit sanmarcostx.gov/smtx4all to participate.



HOST A COMMUNITY CONVERSATION

We invite community groups and stakeholders to host a Community Conversation with your neighborhood, school, or business associations to learn more and provide input for consideration by the Housing Task Force! Visit our website below to schedule a Community Conversation or email us at planninginfo@sanmarcostx.gov.



SPREAD THE WORD: #SMTX4ALL

For more information visit www.sanmarcostx.gov/smtx4all





PROVIDE YOUR FEEDBACK

Please provide your input below! Tear out this sheet and hand it to your City or Task Force representative OR provide your input on social media by using the tag **#smtx4all**. If completing on your own you can email this page to us at **planninginfo@sanmarcostx.gov** or visit <https://forms.gle/ibVMoWQzjVidkRL6> to fill out this form electronically.

1. What role do you believe the City should play in addressing affordability in San Marcos? (circle all that apply)

- A. Financial - The City should allocate funds to programs that produce or facilitate housing**
1. Not Important 2. Somewhat Important 4. Important 5. Very Important
- B. Policy - The City should create policies and ordinances to encourage construction of housing that addresses the City's housing needs.**
1. Not Important 2. Somewhat Important 4. Important 5. Very Important
- C. Facilitation/Organization - The City should create partnerships and support other entities (non-profits, etc.) addressing housing within the community.**
1. Not Important 2. Somewhat Important 4. Important 5. Very Important
- D. None - It is not the City's role to address housing affordability**

2. The Housing Task Force has identified 4 goals to address the key findings in the Needs Assessment. On a scale of 1 to 4, which goals are most important? (circle below)

- A. Leverage Community & Regional Partners**
1. Not Important 2. Somewhat Important 4. Important 5. Very Important
- B. Preserve and Enhance Existing Housing Stock**
1. Not Important 2. Somewhat Important 4. Important 5. Very Important
- C. Expand Opportunities for Housing**
1. Not Important 2. Somewhat Important 4. Important 5. Very Important
- D. Quantify and Meet the Needs of Existing and Future Residents**
1. Not Important 2. Somewhat Important 4. Important 5. Very Important

3. Anything else you'd like to tell us?

4. Want to give more feedback? "Share Your Housing Story" on social media! Use the tag #smtx4all and post your housing story along with a picture or video. You'll receive a **FREE SMTX 4 ALL T-SHIRT!**

Here's some questions to get you thinking:

Why do you love living in San Marcos? What are your hopes for the future of housing in San Marcos? What makes a happy, healthy, and welcoming City? What's your take on our housing challenges?

For more information

visit www.sanmarcostx.gov/smtx4all

