

CITY OF SAN MARCOS
**WORKFORCE HOUSING
TASK FORCE**

**COMMUNITY
CONVERSATION
TOOLKIT**

STRATEGIC HOUSING
ACTION PLAN OVERVIEW





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ABOUT

ABOUT THE SMTX 4 ALL HOUSING INITIATIVE

The City Council has identified **Workforce Housing** as one of the five **Strategic Initiatives** for two years in a row. 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 Initiative**.



HOUSING TASK FORCE

- **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

COUNCIL WORKFORCE HOUSING COMMITTEE

Members include Lisa Prewitt, Place 1, Melissa Derrick, Place 6, and Saul Gonzales, Place 2.

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. 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 interactive Needs Assessment can be viewed online at:
<http://sanmarcos.konveio.com/>

PROGRAM TIMELINE



ABOUT

THE STRATEGIC HOUSING ACTION PLAN

What is the Strategic Housing Action Plan?

The Housing Action Plan represents a synthesis of the work of the Workforce Housing Task Force over the last 9 months to better understand housing in San Marcos and propose solutions to address the challenges faced by working families in San Marcos. **The draft of the Strategic Housing Action Plan was released on June 17, 2019.**

Why create a Housing Action Plan?

The Housing Action Plan provides a framework for getting things done to address housing. It provides City Council with a consolidated document on steps and actions to help address housing affordability. It incorporates community and stakeholder input, and guidance from City Council to ensure the document reflects San Marcos' needs.

How will the plan be implemented?

3-Year Implementation Plan

Addressing housing will be an on-going process in our community, but key action items have been identified to begin addressing the most pressing needs immediately. These action items were selected to focus limited resources to provide the greatest benefit.



What's in the Draft?

The initial draft represents a place to start in identifying solutions to this complex challenge. In the draft, you'll find a summary of the SMTX 4 All Initiative, public input, our key housing needs, and goals, strategies, and actions needed to meaningfully address this challenge.

What's Next?

Now that the Draft is available, we are asking the community for feedback on the document. The Task Force will use this feedback to refine the document and present a final draft in August/September for City Council consideration.

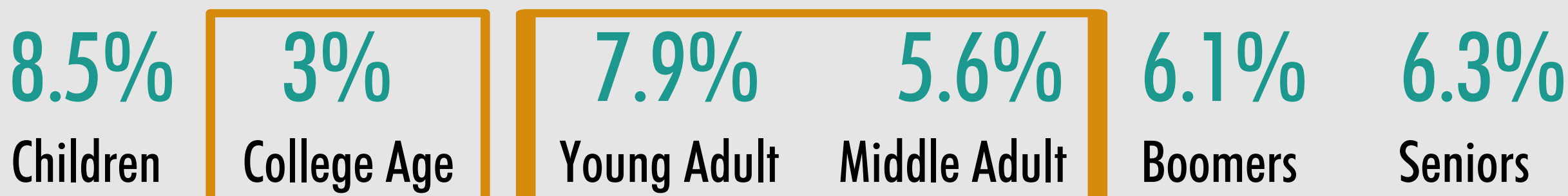
This Community Conversation Toolkit is a summary of the Draft Action Plan. You can also access the full Action Plan and comment on the document at:

www.sanmarcos.konveio.com

DEFINING THE HOUSING CHALLENGE IN SAN MARCOS

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

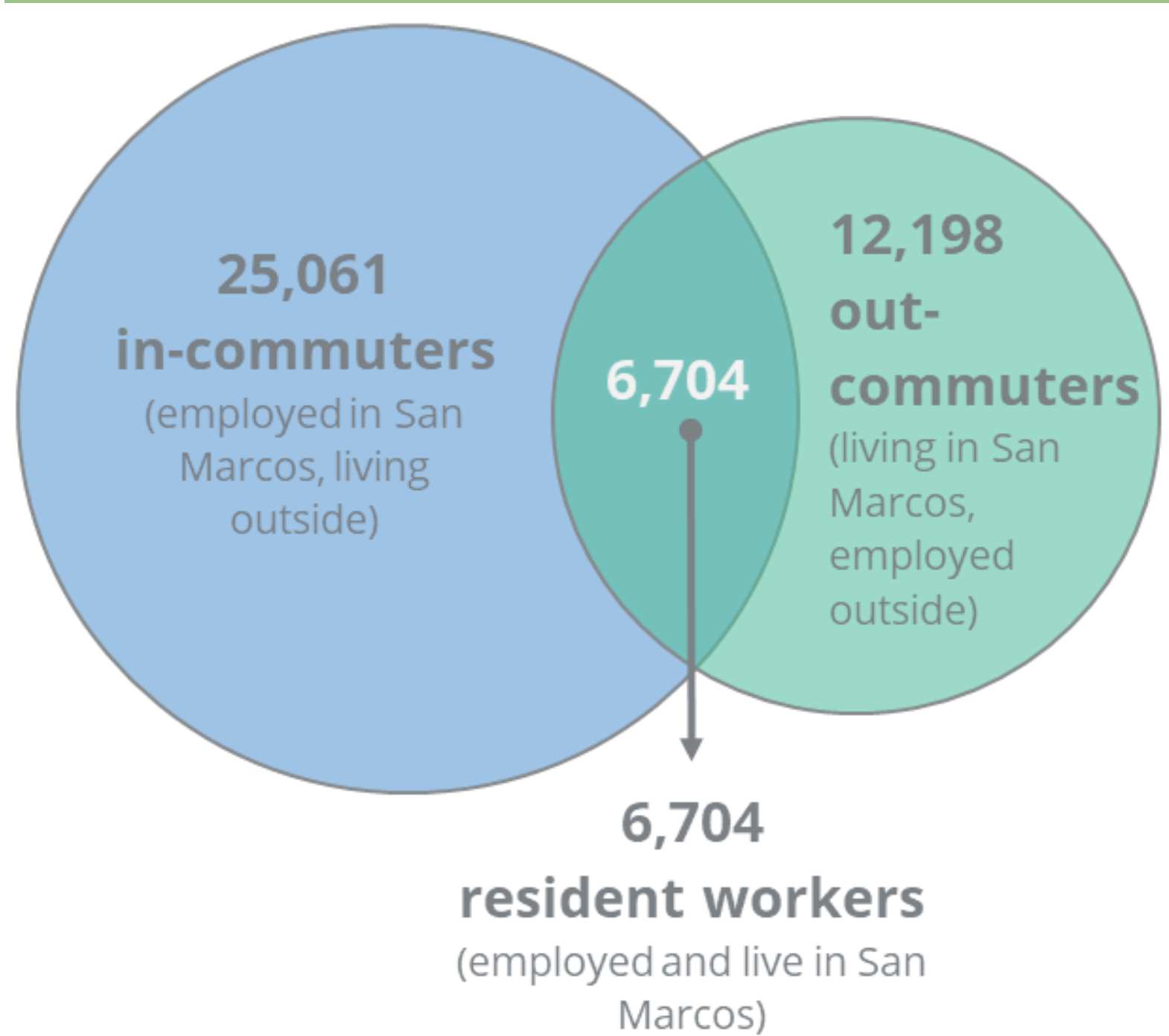
POVERTY RATE COMPARISONS

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.

| | 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% |

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

WHO LIVES & WORKS IN SAN MARCOS?



OPTIONS FOR RENTERS WANTING TO BUY

5,000 Renters (31% of all renters) earned between **\$25,000 - \$50,000** in 2017 and can afford a maximum home price of about **\$160,000**.

However, only **94 homes** (6% of all listed/sold homes) were listed or sold for \$160,000 or less in 2017-2018. 24% of those were **attached homes** like condos or townhomes.

COST BURDENED - 2017



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

HOUSING AND RENTAL MARKET

 Median Sale Price Single Family 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

FROM NEEDS TO STRATEGIES

In order to address the community's housing challenges, it was important to first identify the key needs. The Housing Needs Assessment indicates the following core housing needs in San Marcos:

- We need additional affordable rentals for residents earning less than \$25,000;
- We need to prevent displacement;
- We need homes priced near or below \$200,000 and increased ownership product diversity; and
- We need to improve the condition and accessibility of existing housing stock.

A framework of 4 Goals, 6 Strategies and 23 Actions have been outlined in the Strategic Housing Action Plan to address these needs. This summary document is meant to provide an overview of the 6 strategies including:

- A ADVANCE HOME MAINTENANCE AND REPAIR PROGRAMS**
- B IMPLEMENT LIFE CYCLE AND DIVERSE HOUSING PRINCIPLES**
- C FOCUS ON PROGRAMS THAT CREATE, PRESERVE, AND EXTEND LONG TERM AFFORDABILITY AND INDIVIDUAL WEALTH CREATION**
- D PRE-APPROVE RESIDENTIAL DEVELOPMENT IN STRATEGIC LOCATIONS**
- E REMOVE REGULATORY AND PROCEDURAL BARRIERS TO ENCOURAGE DIVERSE AND AFFORDABLE HOUSING**
- F PROMOTE SAN MARCOS AS A PLACE FOR ALL TYPES OF HOUSING IN ALL TYPES OF PLACES FOR ALL TYPES OF PEOPLE THROUGH A ROBUST EDUCATION AND MARKETING CAMPAIGN.**

To learn more about these strategies and the associated actions, we encourage you to read and comment on the full draft Strategic Housing Action Plan online at sanmarcos.konveio.com.

STRATEGY



ADVANCE HOME MAINTENANCE AND REPAIR PROGRAMS

DEFINING OUR CHALLENGE:

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.

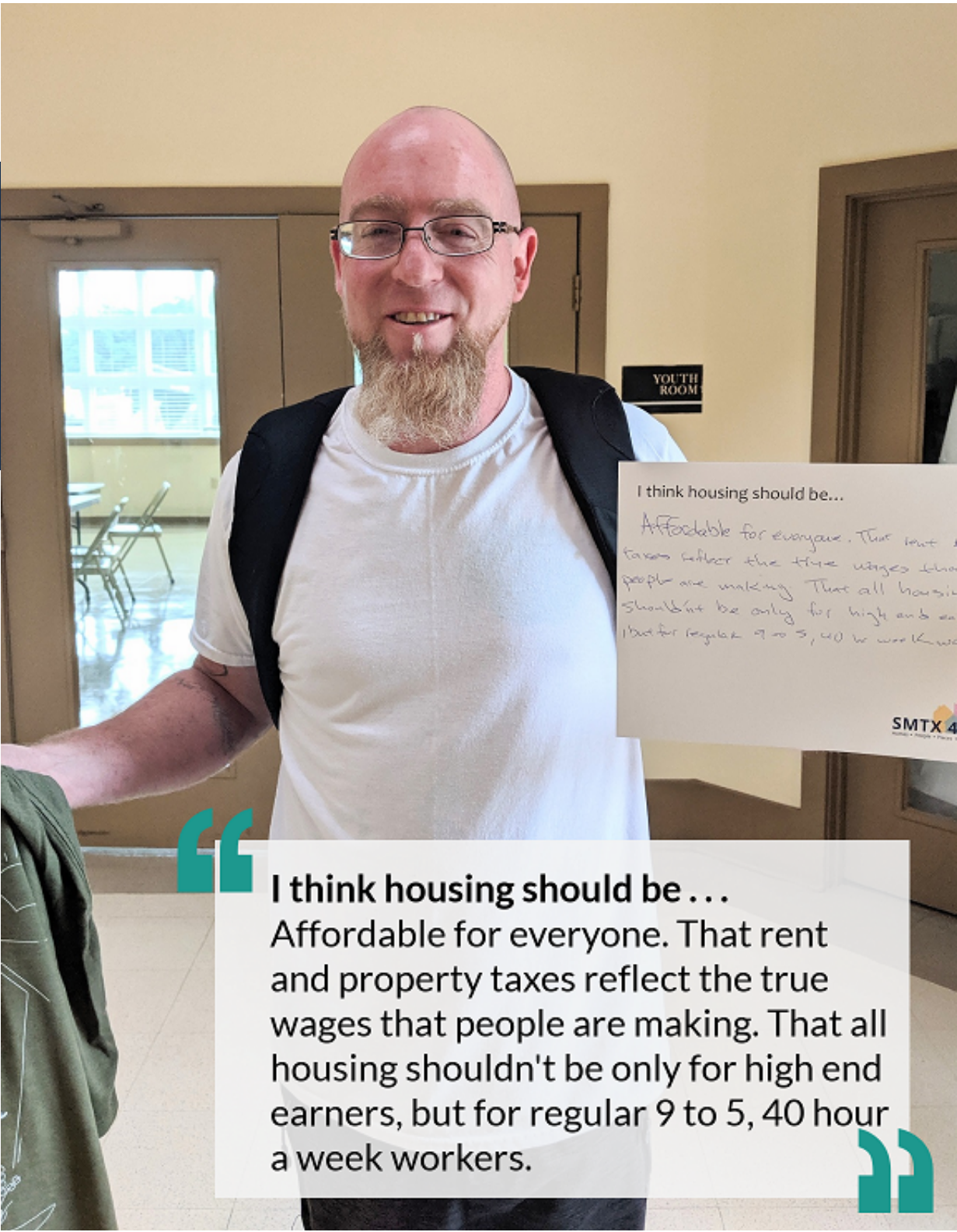
Among non-student in-commuters who considered San Marcos, **1 in 3** chose to live elsewhere because:

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

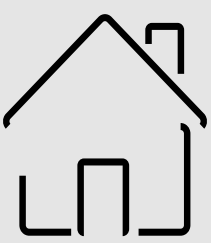
Source: Housing Choice Survey, Root Policy Research



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



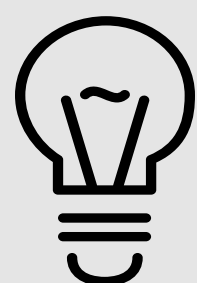
STRATEGY THOUGHTS:



How do we address the quality of rental properties? Rental properties in disrepair can make renters feel helpless. Enhanced code enforcement and a rental registry program can provide for more oversight into safe rental conditions.



What is needed to assist homeowners? A variety of different assistance programs and partnerships can be used to help homeowners get out from under an ever growing list of necessary home repairs such as rehabilitation and maintenance programs coupled with dedicated and stable funding sources.



Recommendations for this strategy? Include programs and policies that help people stay in and improve their current living situation, assist neglected renters, and enhance properties that are in disrepair.



EXAMPLE CITY: SAN ANTONIO

San Antonio's **Green & Healthy Homes** program is intended to address and prevent housing-related health and safety hazards for homes older than 1978 and have a young child living in the home. The **Minor Repair Program** provides a one-time grant up to \$25,000 for ADA and safety code repairs. The **Owner-Occupied Rehabilitation Program** helps low- to moderate-income households rehabilitate their non-code complaint home by offering a deferred forgivable loan. The **Under 1 Roof Residential Roof Repair Program** helps homeowners repair or replace roofs with energy efficient roofs through a one-time grant up to \$14,000.

HOW TO MEASURE SUCCESS?



- # of households assisted through repair and rehabilitation programs (community partners, location, and demographics)
- # of renovation permits issued
- # of serious code violations and repeat offenders
- # of rentals on rental registry

STRATEGY



IMPLEMENT LIFECYCLE AND DIVERSE HOUSING PRINCIPLES

DEFINING OUR CHALLENGE:

San Marcos has a shortage of units for residents earning less than \$75,000. 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.



\$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)

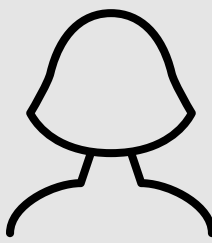
Source: Housing Choice Survey, Root Policy Research



First, we shared a rental home off Holland with a friend who was still in school at Texas State. It was the best way for us (poor newlyweds) and our college student friend to find affordable housing. Once she graduated, we knew we wanted to start aggressively saving to buy in this area. That meant trying to find cheap housing in the interim. We ended up in a really poorly run, “updated” apartment complex east of i35. It was less than ideal, but eventually we saved enough to buy the beautiful home we bought in Feb 2017. We love our location (just off Hunter) and our friendly, quiet neighborhood. San Marcos really feels like home for us two, non native Texans and we are thrilled to live here!

- ALLI

STRATEGY THOUGHTS:



What is lifecycle housing? Principles of lifecycle housing enable a diversity of housing types that respond to the evolving housing needs of residents as they age. This includes college students, young families, people with aging parents and seniors.



How do we provide affordable and diverse housing options? To do this, development processes and zoning codes must allow and encourage, rather than inhibit such uses. Key challenges with developing affordable housing often include cost of land, lot and unit size requirements, length permit processes, and neighborhood push-back.



Recommendations for this strategy? Expand zoning districts and the building types allowed within existing neighborhoods to support diverse housing products. Encourage diversity of housing in all new developments and assist builders willing to construct affordable infill housing products.

EXAMPLE CITY: GRAND RAPIDS, MI

In an effort to incentivize small scale development, the City of Grand Rapids is changing select standards for development site layout and building placement to encourage missing middle products and other options smaller than a large house.

- **Reducing the minimum width for dwelling units** from 18 feet to 14 feet;
- **By-right development of two-family units** in certain districts when located on a corner lot or within commercial or transit related areas;
- **Removing minimum lot area** requirements for multi-family residential;
- Allowing **by-right construction** of multifamily units with no more than four units per building in certain districts or when near commercial or transit; and
- Creating **Design Guidelines** to preserve the character of existing neighborhoods.

HOW WOULD WE MEASURE SUCCESS?



- # of lots rezoned to accomodate diverse housing types
- # of diverse housing types constructed, including: small lots single family, accessory dwelling units, townhomes, condos, all multifamily complexes up to a maximum of 24 units per project.

STRATEGY



FOCUS ON PROGRAMS THAT CREATE, PRESERVE, AND EXTEND LONG TERM AFFORDABILITY + INDIVIDUAL WEALTH CREATION

DEFINING OUR CHALLENGE:

The city’s housing market is generally affordable for people earning more than \$50,000 per year (depending on the type of housing they pursue). However, the 2017 median family income was \$49,551 and median household income was \$34,748. This means that homeownership in the current market is out of reach for many people in San Marcos.

Top reason non-student renters want to move?

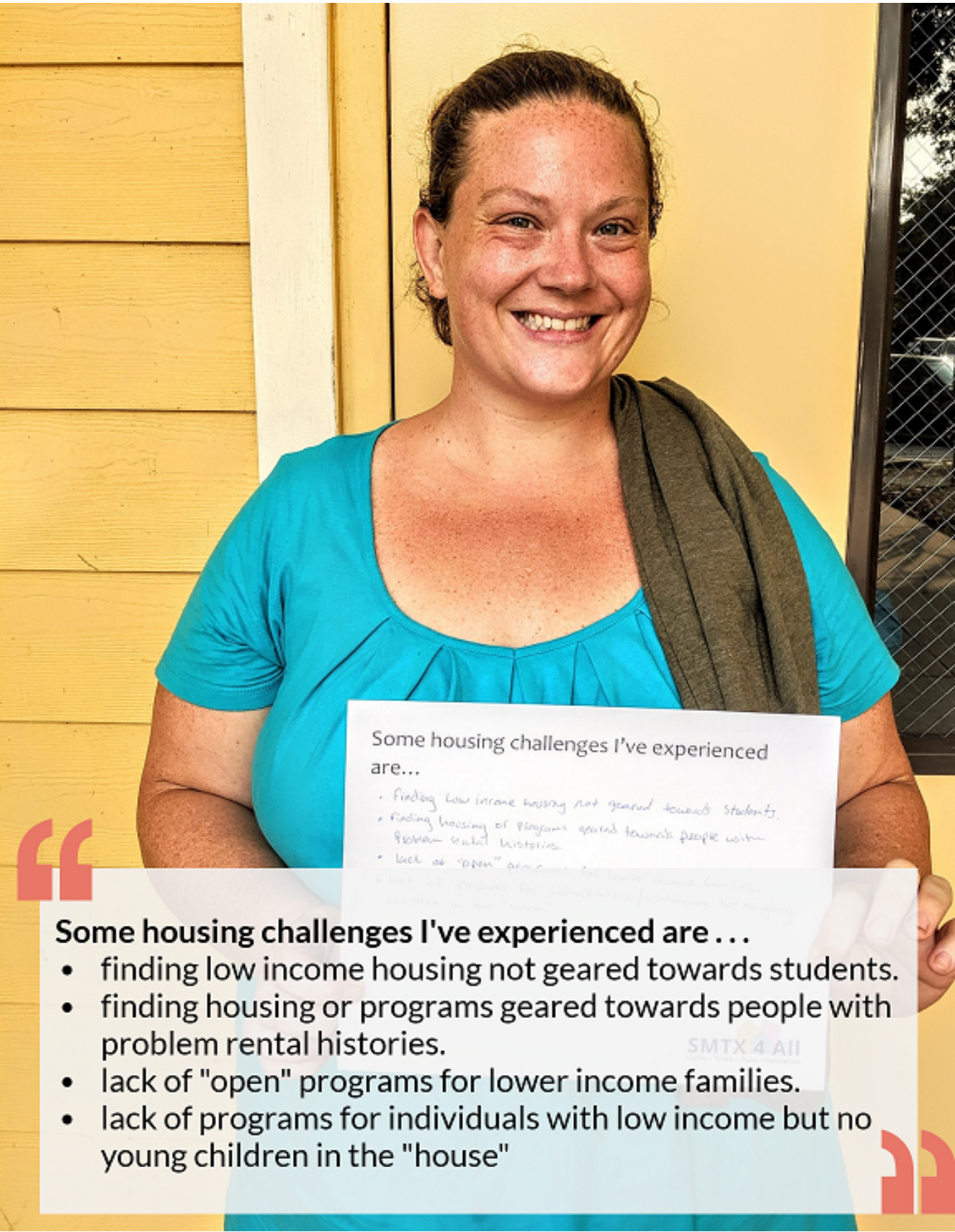
To become homeowners

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.

Nearly 50%

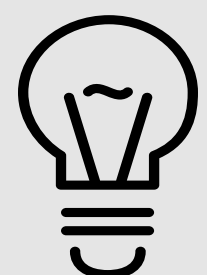
of non-student renters who experienced displacement did so because their rent increased more than their ability to pay.



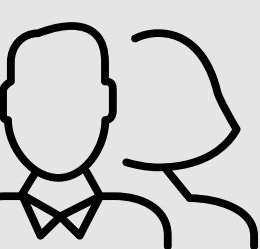
STRATEGY THOUGHTS:



How do we manage rising housing costs? Without the creation of long-term housing affordability, the impact of growing housing costs will continue to increase.



Recommendations for this strategy? This strategy includes a variety of programs and policies that support the preservation of affordability within neighborhoods, and help individuals access housing that might otherwise be out of reach



What programs need to be created? A legal entity can be created to share in equity of housing as a means of keeping costs low for home buyers. Other programs, such as land banking, can help offset the cost and preserve land for future affordable housing. With a variety of potential solutions, it is recommend that a Community Advisory Group be created to help guide the long-term implementation of various programs.



EXAMPLE CITY: HOUSTON LAND BANK

Houston's Land Bank acquires, flips, and sells properties in order to provide residents with an opportunity to build wealth through home ownership and leads to increased tax revenue to help fund public schools, the City, and Harris County programming.

- They provide **new affordable homes** to qualified buyers through a partnership.
- **Builders** can purchase lots at a discount to provide new affordable housing
- They utilize investment, redevelopment, and contract **partners** to help achieve their mission.
- **Citizens** can stay up to date with the Land Bank through a transparent process.

HOW WOULD WE MEASURE SUCCESS?



- # of shared equity or land trust homes created
- # of households assisted through down payment assistance
- # of parcels land-banked and transitioned to housing.
- # of households assisted through other policies
- Inventory of City-owned parcels and their suitability for housing

STRATEGY



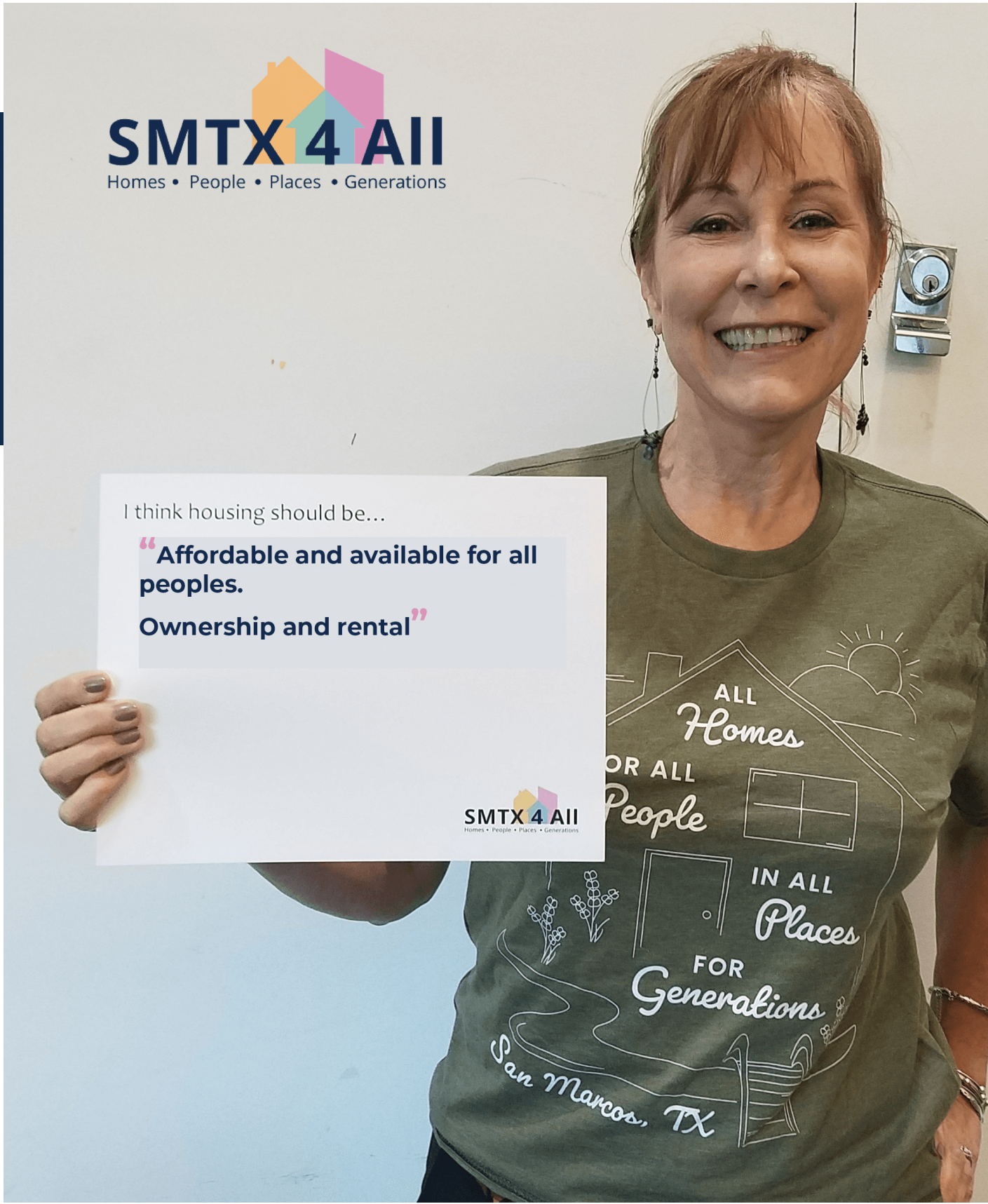
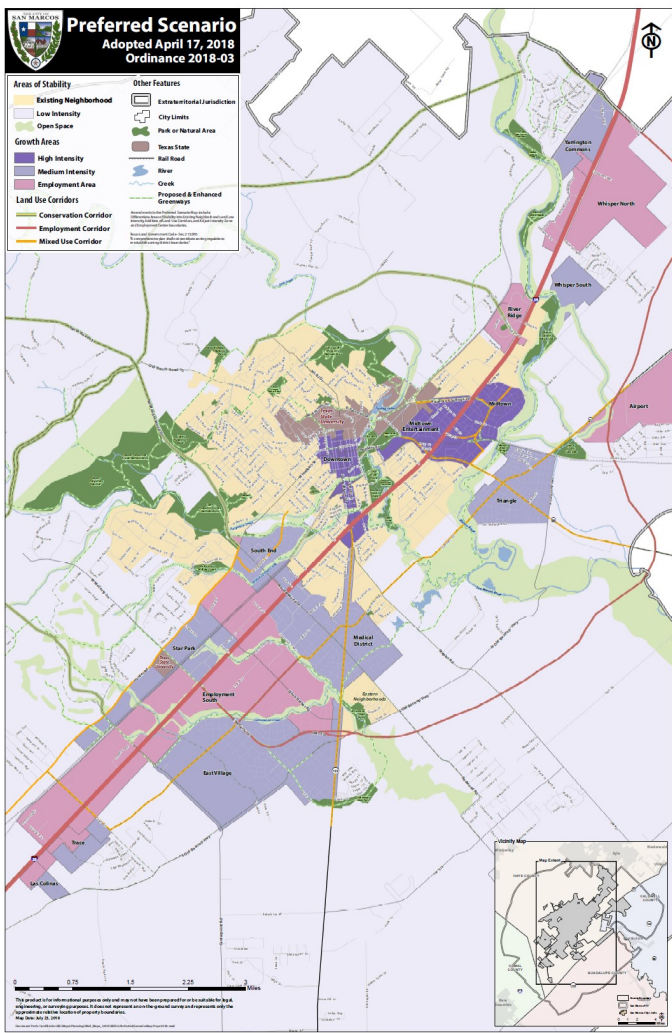
PRE-APPROVE RESIDENTIAL DEVELOPMENT IN STRATEGIC LOCATIONS

DEFINING OUR CHALLENGE:

The city needs more housing to keep up with a growing population. Key needs include additional rentals affordable to people earning less than \$25,000, family homes near or below \$200,000, and increased ownership product diversity.

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

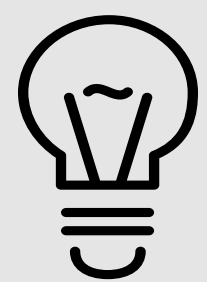
As part of the Vision San Marcos Comprehensive Plan, the City identified a series of **Intensity Zones** where the majority of growth is anticipated over the next 30 years. It will be important to plan for and accommodate new residential development in these areas through zoning.



STRATEGY THOUGHTS:



How can we increase the amount of housing in San Marcos? A variety of regulatory and financial strategies can be used to allow, and even encourage, greater density and overall residential development in strategic areas.



What is an Opt-in overlay district? Opt-in overlay districts can be used to incentivize development of affordable housing while preserving the character of existing neighborhoods. These are areas where property owners can choose to "opt-in" to a certain zoning district that would allow the development of more housing in exchange for some level of affordability. Proactively zoning undeveloped and infill areas to allow for residential growth can help to reduce the time and complexity of development.



What is TIF? Tax Increment Financing is a set aside of increased property values that can be used towards the development of affordable housing. The formation of a TIF can help with on-going funding of housing in these key areas.



EXAMPLE CITY: AUSTIN, TX

Austin's **University Neighborhood Overlay (UNO)** zoning district is a mechanism to create a densely populated but livable pedestrian friendly environment near the University of Texas campus. The district proposed high density development while protecting the character of single-family neighborhoods adjacent to the district and incorporating affordability.

Student housing is provided for students but a large percentage of people live in the neighborhoods around campus. In an effort to preserve the character of existing neighborhoods, the City create this incentive-based overlay. The overlay provides an alternative set of development regulations (e.g., reduced parking, increased density) in exchange for affordable housing. As of December 2018, over 10,000 new units/bedrooms were built or approved, over \$1 billion value of new buildings, and over \$25 million annual tax revenue.

HOW WOULD WE MEASURE SUCCESS?

- # and type of development incentives utilized (and number of affordable units generated through incentives and level of affordability by AMI)
- Implementation of any zoning changes or overlays that facilitate diversity of housing choice.

STRATEGY



REMOVE REGULATORY AND PROCEDURAL BARRIERS TO ENCOURAGE DIVERSE AND AFFORDABLE HOUSING

DEFINING OUR CHALLENGE:

There is a shortage of units priced affordably for renters earning less than \$25,000 per year. In addition, more homes priced near or below \$200,000 are needed. Stakeholders identified families with household incomes of \$60,000 to \$80,000 to have the greatest unmet need for both rental and ownership products.

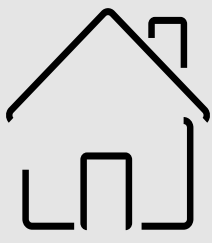
Families with children and large households may have a particularly difficult time finding affordable units.

Only 7% of non-student apartments have 3+ bedrooms

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



STRATEGY THOUGHTS:



What impacts home pricing? Home pricing and timing of construction can be significantly impacted by regulatory requirements and approval procedures. Conversely, regulations can be intentionally written to encourage development of affordable and varying housing products.



Recommendations for this strategy? Include policies that remove barriers to the delivery of diverse and affordable housing. These include:

- adding to the list of permitted uses and adjusting development standards to encourage more diverse housing types.
- procedural and regulatory changes to create a clear path to a permitted development that helps the City address its growing housing challenges.



EXAMPLE CITY: EUGENE, OR

The Opportunity Village Eugene (OVE) is a tiny house community that will provide 22 tiny homes to people in need of affordable housing. The development is being created by Square One Villages, a non-profit organization.

As a pilot project, the City of Eugene provided a one-year lease for one acre of land to OVE for \$1 per year. Funds for development of the site were raised by the local community and local architects and builders helped design and build some of the homes. The City is also providing some credit towards System Development Charges (impact fees) to help reduce costs.

OVE illustrates that with accommodating regulations; strategic partnerships; and a small amount of land; affordable, diverse housing products can be provided.

HOW WOULD WE MEASURE SUCCESS?



- # of manufactured or tiny home parks and/or expansion to capacity for manufactured homes due to zoning changes.
- # of Accessory dwelling units permitted
- # and type of publicly assisted units and when the affordability contract expires.

STRATEGY



PROMOTE SAN MARCOS AS A PLACE FOR ALL TYPES OF HOUSING IN ALL TYPES OF PLACES FOR ALL TYPES OF PEOPLE THROUGH A ROBUST EDUCATION AND MARKETING CAMPAIGN

DEFINING OUR CHALLENGE:

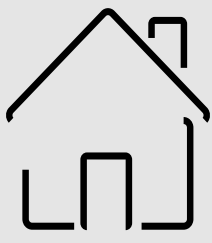
San Marcos residents believe it is very important that there is a place for middle class families, public servants, residents living on fixed incomes, the retail workforce, first-time homebuyers, and low and moderate income families, in San Marcos.



While housing survey respondents indicated that providing a place for diverse people was important, San Marcos residents, especially homeowners, are not inclined to agree that housing types other than larger lot single family homes are appropriate in their neighborhoods.



STRATEGY THOUGHTS:



Achieving our housing goals. Addressing all of the key needs identified in the Housing Needs Assessment will require partnerships and community buy-in. If the City is going to truly accommodate lifecycle housing throughout the community, a targeted education campaign will be needed to help residents understand the value and need for different housing types. Being situated relatively close to other strong housing markets, it is also necessary to strategically target and market to the development community.



Recommendations for this strategy? Include programs that promote affordable needs and opportunities to the community, the development community, and potential residents through major employers.

EXAMPLE CITY: HOUSTON, TX

The City of Houston has seen home prices escalate beyond affordable levels for many entry level professionals. In an effort to increase awareness about the need for affordable home development and address community opposition and misconceptions, the Houston Housing and Community Development Department launched their "Can I Be Your Neighbor?" campaign.

The campaign includes a series of flyers in English and Spanish. Each flyer provides ideas and opportunities for people to participate passively and actively to help address the issue.



HOW WOULD WE MEASURE SUCCESS?

- # of marketing efforts and/or educational and engagement opportunities for residents.



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, August 14

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

Location: San Marcos Activity Center, 501 East Hopkins Street.



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 the website below to participate.



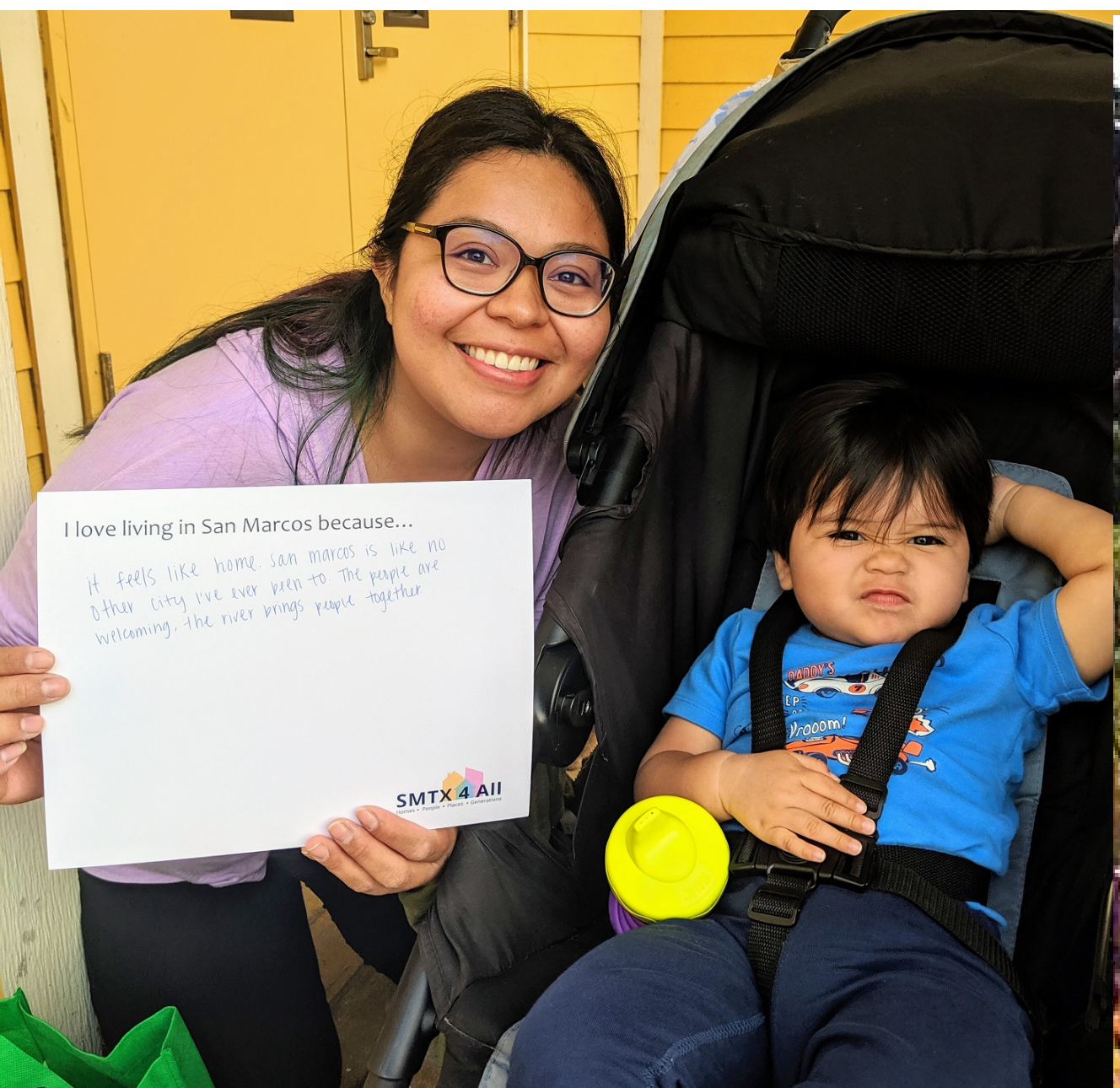
HOST A COMMUNITY CONVERSATION

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.



SHOW YOUR SUPPORT FOR THE SMTX 4 ALL HOUSING INITIATIVE

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 **sanmarcostx.gov/smtx4all** to fill out this form electronically.

1. The Strategic Housing Action Plan identifies 6 strategies to address our housing challenges. On a scale of 1 to 4, which strategies are most important? (circle below)

- A. Advance Home Maintenance and Repair Programs**

1. Not Important 2. Somewhat Important 4. Important 5. Very Important
- B. Implement Lifecycle and Diverse Housing Principles**

1. Not Important 2. Somewhat Important 4. Important 5. Very Important
- C. Focus on Programs that Create, Preserve, and Extend Long Term Affordability and Individual Wealth Creation**

1. Not Important 2. Somewhat Important 4. Important 5. Very Important
- D. Pre-Approve Residential Development in Strategic Locations**

1. Not Important 2. Somewhat Important 4. Important 5. Very Important
- E. Remove Regulatory and Procedural Barriers to Encourage Diverse and Affordable Housing**

1. Not Important 2. Somewhat Important 4. Important 5. Very Important
- F. Promote San Marcos as a place for all types of housing in all types of places for all types of people through a robust education and marketing campaign.**

1. Not Important 2. Somewhat Important 4. Important 5. Very Important

2. Do you think the City should adopt a Strategic Housing Action Plan? (circle below)

- A. Yes
- B. No

Why or Why Not?

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

