



# Midtown Planning Team

## Meeting #5

Tuesday, December 5th, 2017

Witte Museum Memorial Room

6:30 – 8:30 PM



Cambridge Systematics, Inc.  
Bowtie  
Economic & Planning Systems, Inc.  
Auxiliary Marketing Services  
Mosaic Planning and Development Services  
SJPA



**SA**



**TOMORROW**

Housing Opportunities and  
Challenges

# Housing Overview

Total Population (2016) | **14,443**

Total Households (2016) | **6,087**



Average Household Size

**2.13 persons**

2.73 City of San Antonio Average

**51%** one-person households

28% City of San Antonio Average



**59%** non-family households

35% City of San Antonio Average



**Annual Household Growth** | 2010-2016

Midtown  2.3%

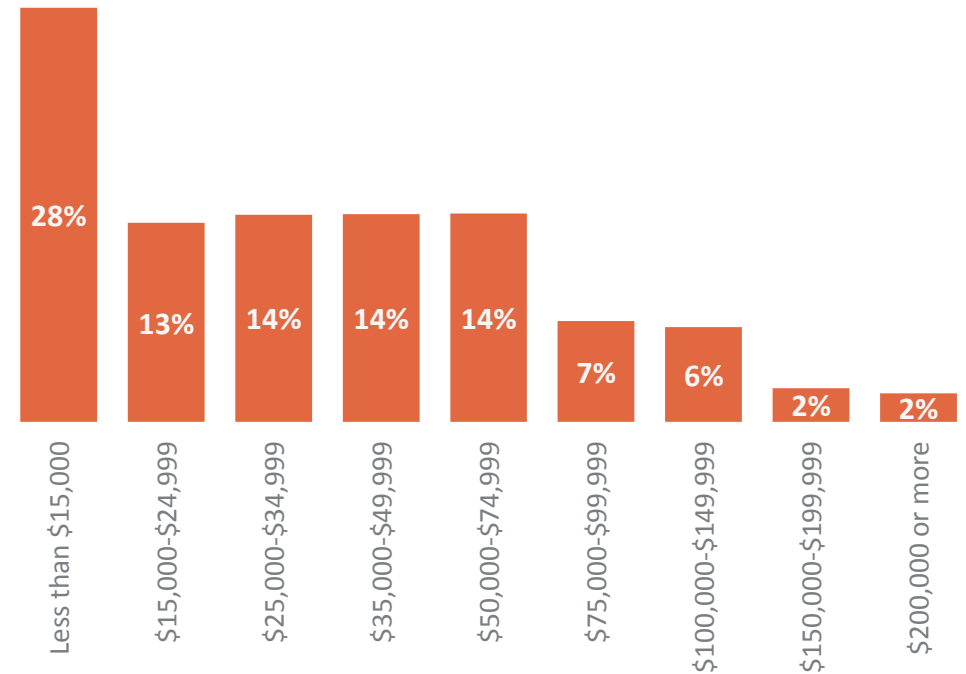
City of San Antonio  1.0%



Household Income

Median HH income is **\$36,100**

**34% lower** than City of San Antonio



Midtown is **growing faster** than the City, and tends to have **smaller, non-family** households with **lower household income**

# Housing Conditions

Total Housing Units (2016) | **7,341**

Vacancy Rate (2016) | **17%**



## Age

**46%** of housing units were built **before 1950**

**22%** of housing units have been built **since 2010**



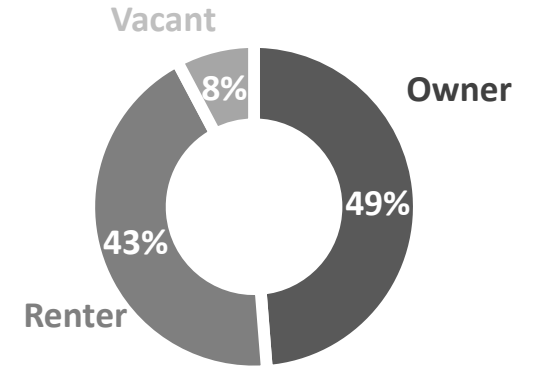
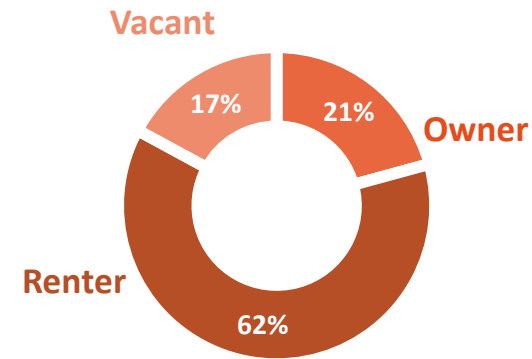
## Units in Structure

**40%** of single-family detached homes are **renter-occupied**

**57%** of rental units are in buildings with **4 or fewer units**



## Tenure



**75%** of occupied housing units are **rented**

**47%** City of San Antonio Average



## New Development

**140** homes and **1,500** apartments built since 2010

New apartments are **46% more expensive** than the County average

Midtown has a **high number of vacant homes** and **lots of renters**, with a **very old** and **very new** housing stock

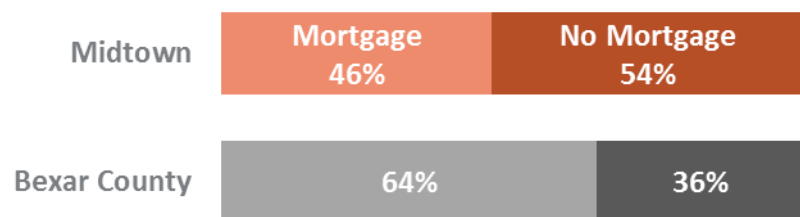
# Housing Accessibility and Affordability



## Owner-Occupied

**54%** of households have **no mortgage**

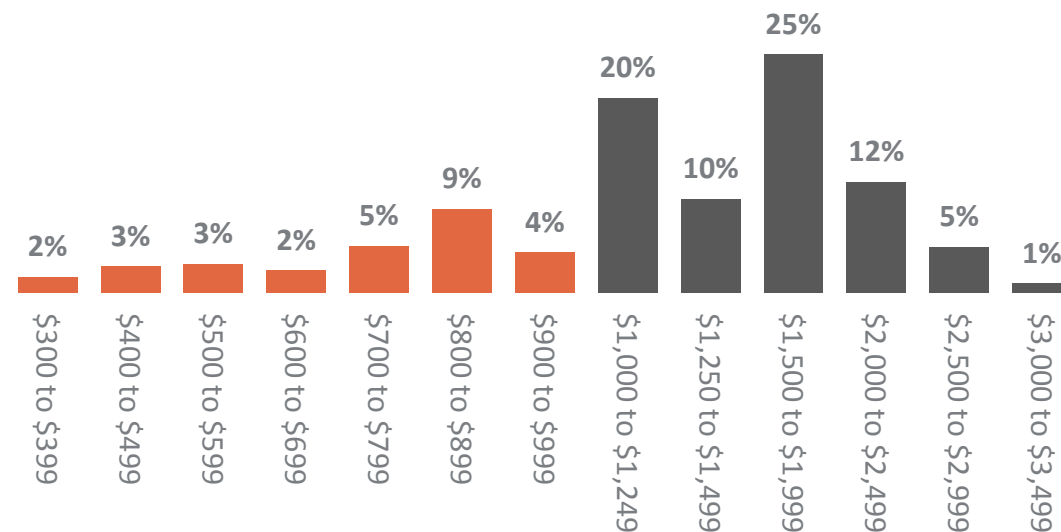
**36%** City of San Antonio Average



Average home value is **\$170,000** (assessor data)

Average home list price is around **\$500,000** (Trulia zip code estimates)

City of San Antonio is around **\$300,000**



Affordable to Median Income

Unaffordable to Median Income

**83%** of households with a mortgage have housing costs under **\$2,000/month**

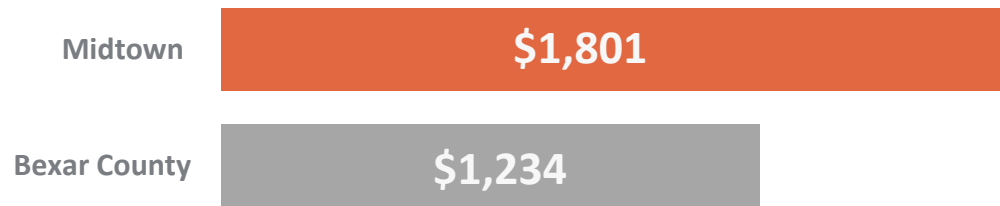
**53%** of Bexar County households  
But only **28%** of households with a mortgage have housing costs that are **affordable** to a household earning the area median income of **\$36,100**

# Housing Accessibility and Affordability



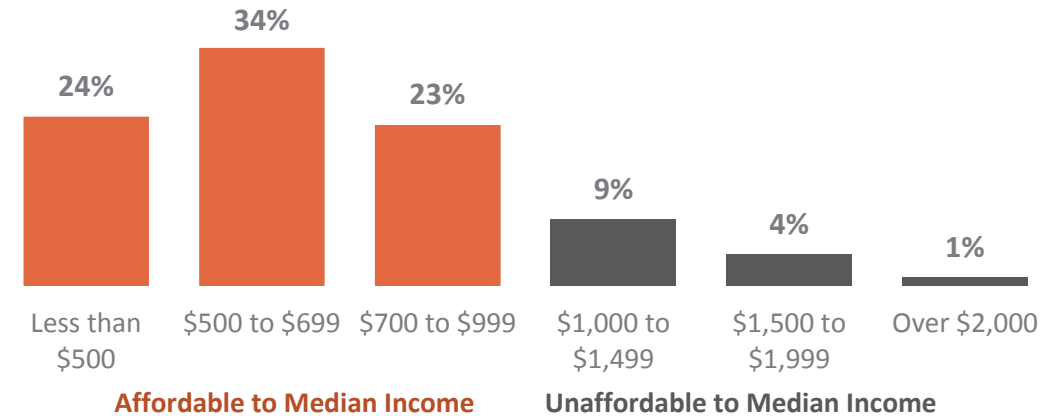
## Renter-Occupied

New apartments in Midtown are **46%** more expensive than the County average (CoStar data)



But there is also an older rental stock, and over **50%** of rentals cost under **\$700/month** (Census data)

Since 2000, average rents have increased **\$650/month** **97%** more than the County overall



**81%** of rentals are affordable to a household earning the area median income of **\$36,100**

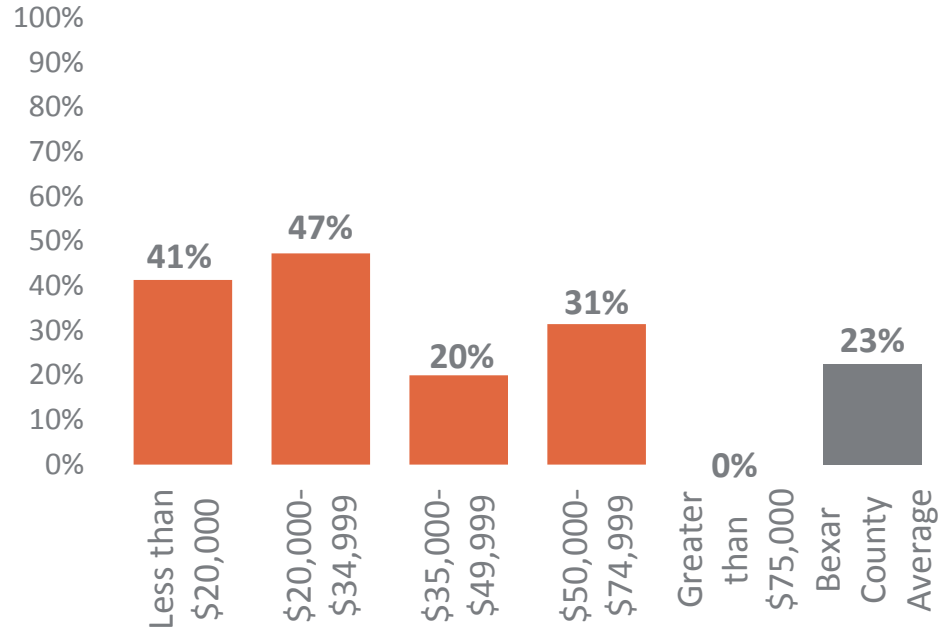
Midtown has an **established homeowner population**, but **rapid new development** may be changing the housing makeup and housing costs in the area

# Cost Burden

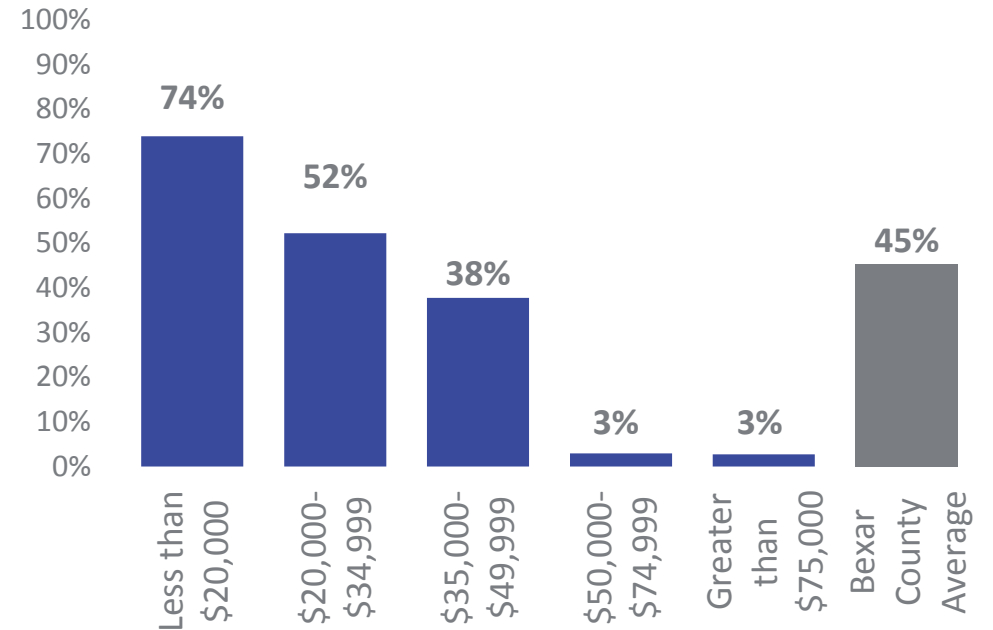
**51%** of renters and **24%** of homeowners pay more than 30% of income towards housing



## Owners



## Renters



## Cost Burden Change | 2000-2015

Midtown



Midtown



Bexar County



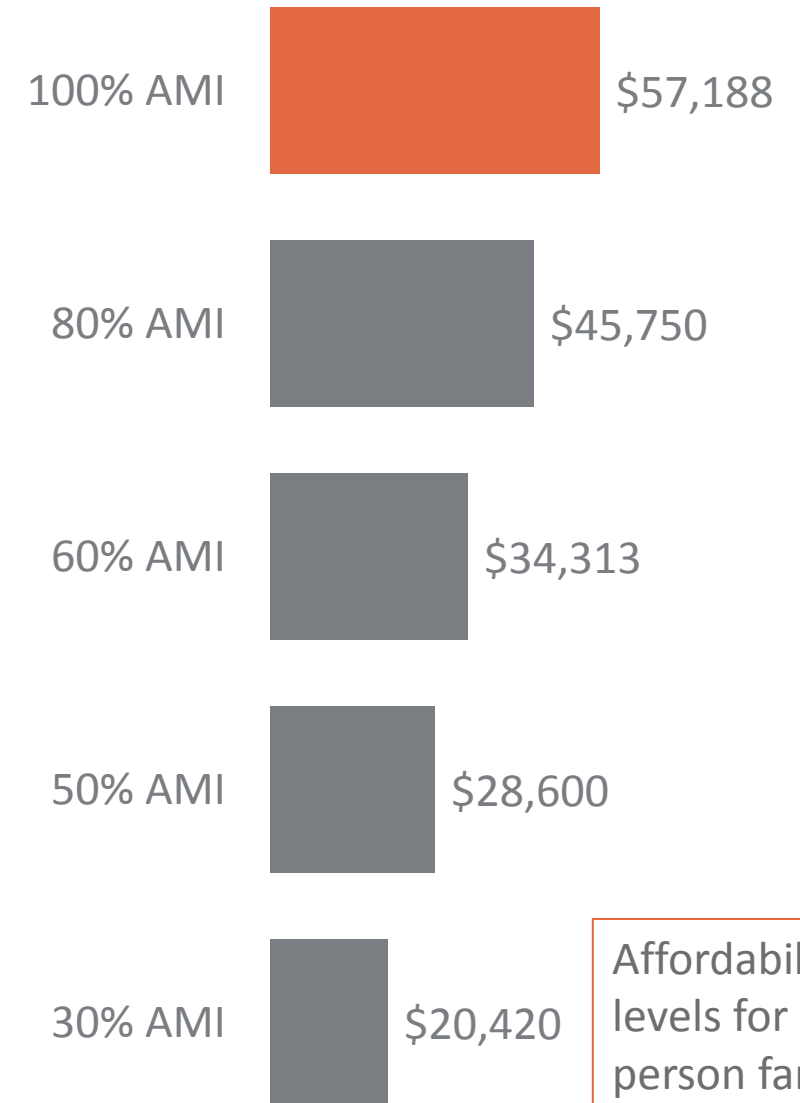
Bexar County



# Understanding Affordable Housing Programs

## Determining Affordability Levels

- Most affordable housing programs are based on providing housing options for households based on income levels. The income levels are most often set by US Dept. of Housing and Urban Development (HUD) based on income and the number people in a household
- HUD specifies the Area Median Income (AMI) for urban counties and metro areas. San Antonio's Area Median Income for a family of 3 people is \$57,200
- Affordable housing development programs used commonly in Texas include Low Income Housing Tax Credit development projects (renters earning 30% to 60% of AMI) and public facility corporations (renters earning 80% of AMI)





# Barriers to Housing Development

## Market Barriers

- Infill and redevelopment is costly with unpredictable conditions. Higher than average rental rates and sales prices are needed to overcome costs.
- Projects in Midtown are achieving rates that support infill, but as a result new development may not be affordable to area residents.
- It can be difficult to develop new housing projects within existing zoning. The City's IDZ zoning overlay is a helpful tool to facilitate infill but the rezoning process is a risk that may deter developers.
- Historic character and designations can complicate development without clear direction on requirements and desired aesthetic.

# Barriers to Housing Development

## Capacity for Growth

- There is an estimated capacity of approx. 100 acres for residential development on opportunity parcels.
- Growth forecast for the area range from 4,700 to 6,900 new units by 2040 which would require new development to be built at density of approx. 45 to 70 units per acre.
- New apartment development in Midtown since 2010 has an average density of 50 units per acre.

# Housing Challenges to Address

## **Potential for displacement of existing residents**

- Rising rental rates, property values and home prices will make it harder for lower income residents to remain in the area, especially renter households

## **Preserving historic character and reinvesting in older housing stock**

- The older single family housing stock gives the area amazing character but is difficult to maintain due to costs of reinvestment and development pressures.

## **Maintaining opportunity for all household types and incomes to live in Midtown**

- Cost of new development and demand for the area make rents and prices for new and even existing homes harder for lower income residents to afford.


# Housing in the Midtown Vision and Goals

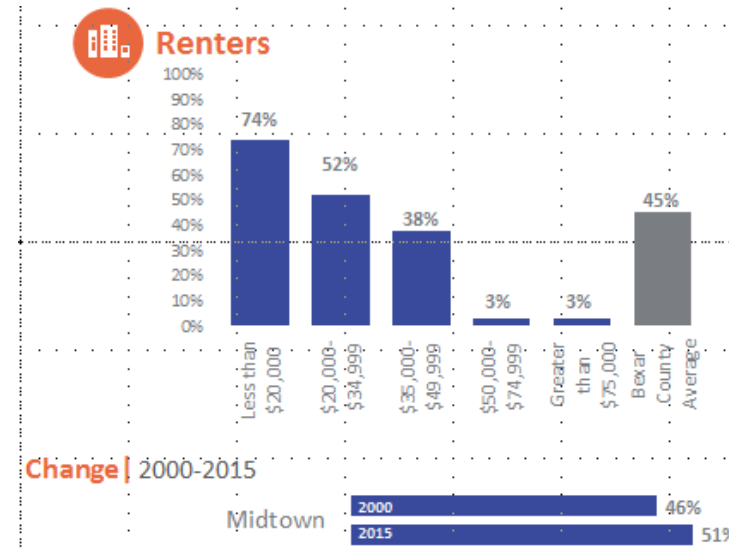
...Midtown's neighborhoods will continue to convey historic character, and will have affordable homes and apartments for a diverse population. People of all ages and circumstances will be able to choose, stay, and call Midtown home...

Offer a range of housing types and price-points to meet the diverse needs of residents such as mixed income, seniors, students, families, and others. Conserve existing affordable housing and the existing diverse mix of housing types, and expand affordable housing options. Rehabilitate or redevelop housing that is in poor condition. Focus most new housing development closer to multimodal transportation corridors.

# Housing Targets

- Support a context sensitive supply of diverse housing to support Midtown’s expected household growth.
- Maintain Midtown’s existing diverse housing types affordable to households earning less than 80% of Area Median Income.
- Encourage new housing that reflects Midtown’s existing housing diversity and affordability
- Direct most new housing growth, including low income housing to multi family buildings in focus areas and near mixed us
- Maintain affordability and a diversity of opportunities for more people to live in neighborhoods with more context sensitive housing in neighborhoods.

 **Household Growth | 2010-2040**  
**4,700 – 6,900** new housing units



Household Size	80% of AMI (annual)	Affordable Monthly Housing Cost
1 person	\$35,600	\$890
2 people	\$40,560	\$1,014
4 people	\$50,800	\$1,270

# Housing Case Studies

**1 – San Antonio Housing Bond**

**2 – Longtime Owner Occupants Program (LOOP)**

Philadelphia, PA

**3 – Low-income Historic Housing Rehabilitation Program**

Phoenix, AZ

**3 – Affordable Housing Rezoning**

Fairfax, Virginia

# Housing Bond San Antonio, TX

- Urban Renewal Plan to guide the implementation of \$20 million Neighborhood Improvements Bond
- Funds may only be used to support permitted activities and cannot result in permanent residential displacement
- At least 50% of the residential units must serve households with incomes at or below 80% of Area Median Income
- Rents on units designated as affordable will be restricted to ensure that they are affordable to the target group
- Mixed-use development will be permitted where appropriate, but non-residential uses may comprise no more than 30% of the gross square footage



East Meadows is an affordable housing project part of the Choice Neighborhoods Initiative (Scott Ball, Rivard Report)

# Longtime Owner Occupants Program (LOOP) in Philadelphia, PA

- Real estate tax discount program for homeowners who lived in their house for at least 10 years
- The property assessment of home must have tripled from one year to the next
- Must be either a single family or multi-unit property



Historic row homes in Philadelphia, PA



Mantua neighborhood in West Philadelphia



# Low-Income Historic Housing Rehabilitation Program in Phoenix, AZ

- The city will pay for 70-80% for eligible rehabilitation work on houses
- The requests must be between \$3,000 and \$30,000
- Owner and rent occupied housing is eligible
- Property owners must have an income at or below 80% of the median household income for Maricopa County
- All properties must be listed on the Phoenix Historic Property Register
- In exchange a conservation easement is sold to the city for 15-20 years



Historic public housing to be upgraded south of downtown Phoenix

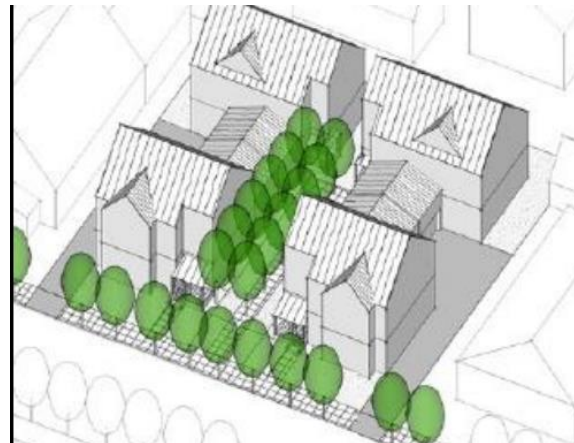
# City Initiated Rezones offer affordability incentives in Fairfax, VA

- City initiated rezones near transit offer intensity bonuses in exchange for 20% of units being affordable
- Targeted income levels (e.g. 70% of area median income)
- 30 to 50 year affordability terms
- Hotel and office development get bonuses and pay a fee to an affordable housing fund.
- Over three years, 14,000 units were approved, including over 4,000 affordable units, and \$64.5 million for the affordable housing fund, to be spent locally.



# Missing middle housing prototypes, toolkit, design competition in Portland, OR

- Design guide to 8-40 unit per acre residential infill in streetcar era neighborhoods
- Design competition resulted in awareness, education, and permissible design prototypes
- Existing development patterns and character guided the project
- Special emphasis on positive outcomes rather than prevention of bad things
- Focus on:
  - Mass
  - Street orientation
  - Trees, landscaping
  - Common play space





# Community Land Trust in Denver, CO

- CLT focuses on affordable multifamily housing and community assets near transit
  - CLT – acquires and encumbers land
  - Fund – \$13.5 million revolving, 5 year loans, < 4% interest
  - Developers – create the housing
  - Others - manage housing
- 1000 affordable units, 80% to very low income
- Non-profit shared space
- Boys and Girls Club
- School facilities
- Public library



**SA**



**TOMORROW**

Economic Strength, Weaknesses,  
Opportunity, and Challenges  
(Midtown)

# Employment

Total Employment (2016) | **20,640**

Number of firms (2016) | **1,282**

Average firm size | **16** employees

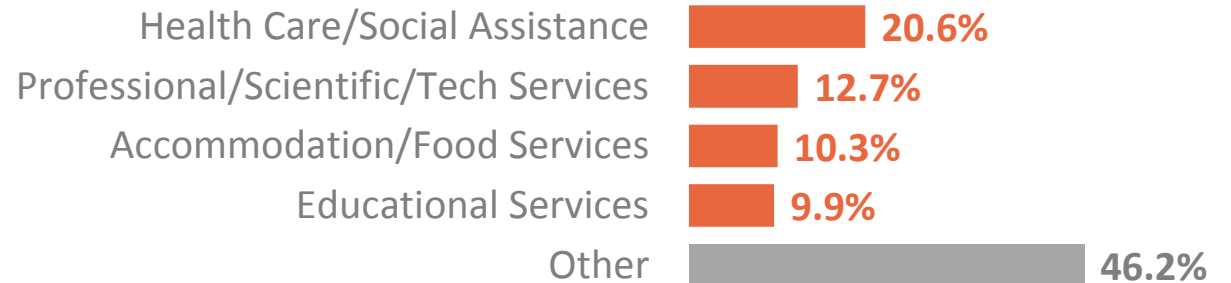
Employment Density | **8.7** jobs/acre

- Mixture of very large employers/institutions and small businesses
- Education, professional services, entertainment and health care are major industries



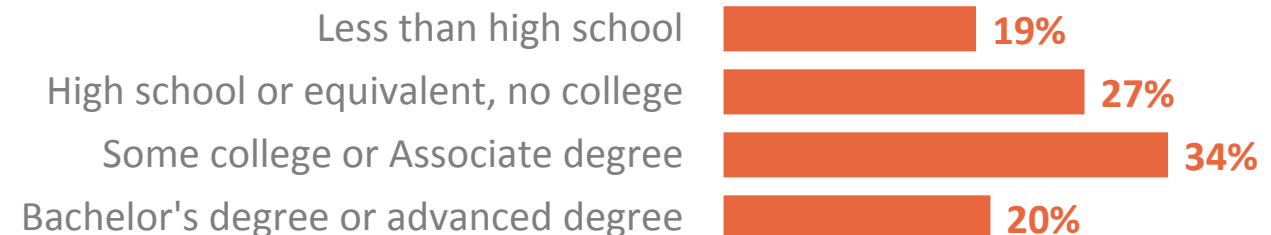
Largest Employment Sectors

**Health Care, Retail Trade, Education, and Accommodation**



Education

**54%** of workers have some college or higher



# Real Estate Conditions

- Burgeoning location for new office development with activity along Broadway
- Commercial inventory is evolving to match changing demographic conditions and retail trends
- Traditional industrial base is eroding with redevelopment pressures

## Commercial and Industrial Development



**Office** | Growing demand for New Space

**2.7 million sq. ft.** **5.5%**

**250,000** net new since 2005

vacancy rate

**10.0%** Bexar County average



**Retail** | Evolving Retail Space Inventory

**1.6 million sq. ft.** **6.1%**

**116,000** net decrease since 2005

vacancy rate

**4.2%**

Bexar County average



**Industrial** | Eroding Industrial Base

**1.7 million sq. ft.** **3.5%**

**246,000** net decrease since 2005

vacancy rate

**5.6%** Bexar County average



**Hotel** | Potential for Demand to Reach Midtown

**5** hotels with **275** rooms

**146** new rooms since 2015

# Economic Strengths

- Major education and institutional anchors
- Collection of arts and culture districts and major cultural institutions
- Diversity of employment in the area means there are a variety of jobs opportunities for residents
- Higher than average concentrations of employment in target industries



Largest Employers

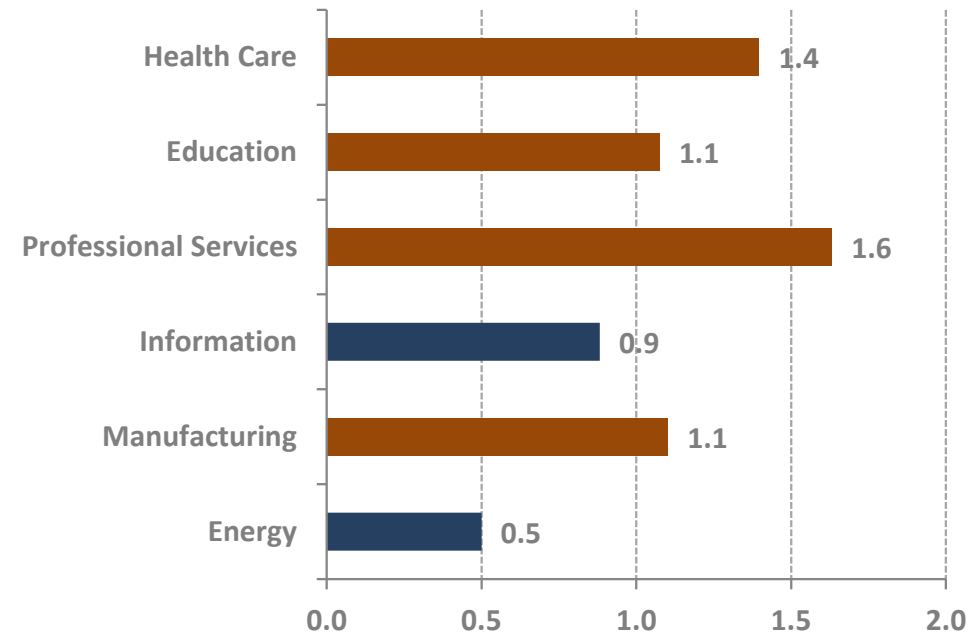
**San Antonio College**

**Metropolitan Methodist Hospital**

**University of Incarnate Word**

**VIA Metropolitan Transit Authority**

Target Industries Location Quotient





# Economic Weaknesses

- Economic activity has been limited to Broadway/Pearl area and within major institutions.
- The area lacks retail and services support local residents and businesses. Residents have to leave the area typically to get daily goods like groceries.
- Lack of sizable collection of office spaces to support medium and large business seeking space. Major of commercial spaces are small and only viable for smaller businesses.
- Lack of definition or cohesion to nodes for employment/retail

# Economic Opportunities

**Educational Hub**

**Arts and Cultural Destination**

**A Place for small businesses and new ideas**

**A Center for Health**

# Economic Challenges to Address

**Mitigating impacts of being a Destination**

**Lack of retail and services oriented to local residents and business**

**Pressure for redevelopment of existing commercial and industrial areas**

# Economic Development in the Midtown Vision and Goals

Create more employment opportunities to continue attracting a diverse residential population. Leverage existing robust employment anchors such as University of Incarnate Word, San Antonio College, and Methodist Hospital. Continue to improve Midtown's great assets and public spaces, such as the Broadway Cultural Corridor, to attract more employers. Cultivate target markets related to arts, culture, entertainment, technology, and wellness.

# Case Studies

## **1 – Supporting New Arts/Culture Districts**

- Colorado and Seattle, WA

## **2 – Existing Industrial Area Preservation**

- Portland Central Eastside, OR

## **3 – Health Hub**

- Little Rock, AR and Great Falls, MT

# Local Arts/Culture Districts

## Colorado Creative Districts

- Managed by the state arts agency, this program encourages formation of Creative Districts in communities, neighborhoods, or contiguous geographic areas
- The two-year incubator-style program offers candidate districts \$5,000 in state funding and \$5,000 in partner foundation funding, as well as professional assistance, training and networking opportunities.
- Areas must be certified - candidate districts are eligible to apply for certification at the end of the two years. If approved, Districts are eligible for a further \$10,000-\$20,000 in funding
- There are 21 designated Creative Districts

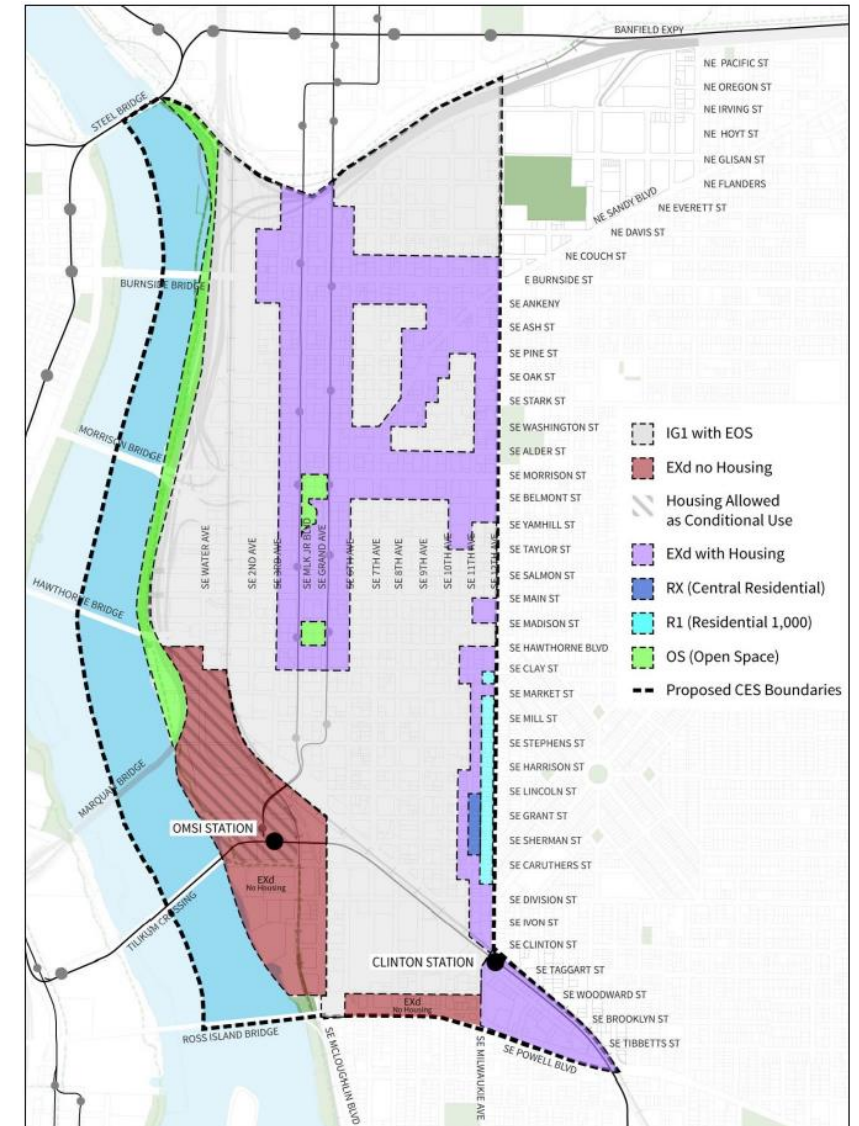
## Seattle Arts & Cultural Districts

- Program managed by the city's Office of Arts & Culture to nurture and protect arts and culture in neighborhoods
- The program includes a "Creative Placemaking Toolkit" which provides a suite of tools to support improved walkability, marketing, right-of-way improvements, wayfinding, cultural preservation, and foster an increased density of arts projects
- There are currently 3 Arts & Culture Districts



# Portland Central Eastside

- Plan for preserving industrial uses in an area rapidly redeveloping
- Traditional employment/industrial area on the east side of the Willamette River from downtown increasing in attractiveness and served by
- Employment zoning districts that limit uses to industrial or employment uses. Varying levels of limited commercial development are allowed with square feet maximums in industrial areas. Housing is a conditional use in employment areas if meeting identified criteria.



This map shows the land use proposals for the SE Quadrant area. Most IG1 zoning is retained and receives additional flexibility for new industrial uses through the Employment Opportunity Subarea (EOS).



# Health District

## The Medical Mile (Little Rock, AR)

- Partnership between the National Park Service Rivers Trails and Conservation Assistance Program, Little Rock Parks and Recreation, and the Heart Clinic of Arkansas
- Raised funds to create The Medical Mile on that Arkansas River Trail in downtown Little Rock
- Created an outdoor linear health museum that uses artistic and architectural features to promote wellness themes



## Great Falls Medical District (Great Falls, MT)

- Collaboration between major medical providers, adjacent property owners, neighborhood councils, and City of Great Falls to implement Master Plan for the Medical District
- Plans for reinvestment, redevelopment, and growth to increase interest in the area for living, working, and business investment
- Desire for a mixed-use area that attracts new residents and businesses
- Includes plans for public spaces, streetscapes, trails, and physical connections between medical facilities, offices, commercial areas, and residences

