



Comprehensive Housing Needs Assessment and Strategic Housing Plan

City of San Antonio

June 2013

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INTRODUCTION

This document represents an effort to create a unified Comprehensive Housing Needs Assessment and Strategic Housing Plan for the City of San Antonio for the period of FY 2012 to 2016. The effort has involved a review of the City's existing housing policies and programs to determine effectiveness compared to current market conditions, an analysis of the existing inventory of sales and rental housing in the City and a projection of net housing demand for housing units by tenure and income level. Finally, the Comprehensive Housing Needs Analysis and Strategic Housing Plan offers specific guidelines for adjustments to the City's housing policies. All of these elements will inform the overall action-oriented strategic housing plan for the City.

The housing market analysis identifies and analyzes demographic and economic trends that affect the demand for housing, defines the supply and demand characteristics of the City's housing market and examines projections that will shape City housing policy for the next five years.

The geographic area covered by this study is coterminous with the current boundaries of the City of San Antonio. For the purpose of dividing this area into practical smaller units, current council districts appear in projections and in maps throughout the document. Many data elements, including those appearing in maps, were analyzed at the census tract level to precisely describe trends. Comparisons with trends across Bexar County and the metropolitan statistical area are included for context.

Data included in this report has been gathered from a variety of statistical and local sources. Statistical information from the U.S. Census Bureau, the Bureau of Labor Statistics, the Texas State Data Center, the Real Estate Center at Texas A&M University and similar sources has been collected, organized and analyzed.

This report defines consumers of housing in terms of household income characteristics. In this report, household projections and housing need are presented by tenure (owner vs. renter) and income level. In 2010, San Antonio's median household income was \$43,758. Household incomes have been divided among the following categories:

Extremely low income	Very low income	Low income	Moderate income	Upper income
Up to 30% of the median household income	From 30% to 60% of the median household income	From 60% to 80% of the median household income	From 80% to 120% of the median household income	Above 120% of the median household income

DEMOGRAPHIC PROFILE

Population and household growth trends are a driving force of regional housing markets. Variables such as expanding population, decreasing household size, new household formation, and migration determine housing demand. While demographics are not the only determining factor in future trends of a housing market, they are a key indicator of the size and nature of demand for housing.

According to the 2010 Census, San Antonio had the seventh largest population of U.S. cities, and was the second largest city in Texas, behind #4 Houston and just ahead of #9 Dallas.

Of the 10 largest cities, San Antonio grew at the fastest rate between 2000 and 2010, growing at a rate of nearly 16%. The average growth for these 10 cities was 4.5%. Houston and Dallas grew at rates of 7.5% and 0.8%, respectively. Though San Antonio was well above the national population growth rate for this period of 9.7%, it was slightly below the Texas growth rate of 20.6%.

Of these 10 major cities, San Antonio was the fourth largest city in terms of land size. Accordingly, San Antonio's density was 2,880 people per square mile, the second lowest density, just greater than Phoenix's and less than that of Houston and Dallas (3,501 and 3,518, respectively).

Figure 1: Growth of the 10 Largest U.S. Cities, 2000 - 2010

Rank	City	2000 population	2010 population	Growth (2000-2010)	2010 land size	2010 density
1	New York, NY	8,008,278	8,175,133	2.08%	302.6	27,016
2	Los Angeles, CA	3,694,820	3,792,621	2.65%	468.7	8,092
3	Chicago, IL	2,896,016	2,695,598	-6.92%	227.6	11,844
4	Houston, TX	1,953,631	2,099,451	7.46%	599.6	3,501
5	Philadelphia, PA	1,517,550	1,526,006	0.56%	134.1	11,380
6	Phoenix, AZ	1,321,045	1,445,632	9.43%	516.7	2,798
7	San Antonio, TX	1,144,646	1,327,407	15.97%	460.9	2,880
8	San Diego, CA	1,223,400	1,307,402	6.87%	325.2	4,020
9	Dallas, TX	1,188,580	1,197,816	0.78%	340.5	3,518
10	San Jose, CA	894,943	945,942	5.70%	176.5	5,359

Source: Census Bureau

2000	2010
<i>Total Population</i>	
1,144,646	1,327,407
<i>Hispanic Residents</i>	
671,394	838,952
<i>Non-Hispanic Black Residents</i>	
74,778	83,365
<i>Non-Hispanic Asian Residents</i>	
17,084	30,596
<i>Total Households</i>	
405,474	479,642
<i>Median Household Income (in 2010 \$)</i>	
\$45,858	\$43,758
<i>Households in Poverty</i>	
24.6%	28.0%
<i>Percent Renter Households</i>	
39.2%	39.8%



San Antonio was the fastest-growing large city in the U.S. between 2000 and 2010.



Within the City, areas of higher growth since 2000 included the north/northeast, western and downtown areas.

During the past 20 years, the San Antonio region has experienced astonishing growth. The San Antonio-New Braunfels metropolitan statistical area (MSA) grew nearly 65% from 1990 to 2010. Bexar County and San Antonio City have also grown at impressive rates during this period, at 44.7% and 41.8%, respectively. While a sizable portion of this population growth occurred between 1990 and 2000, significant growth also occurred during the most recent decade. Both the MSA (34.55%) and Bexar County (23.11%) outpaced the City's 15.97% growth rate during this period.

Figure 2: Regional Population Profile

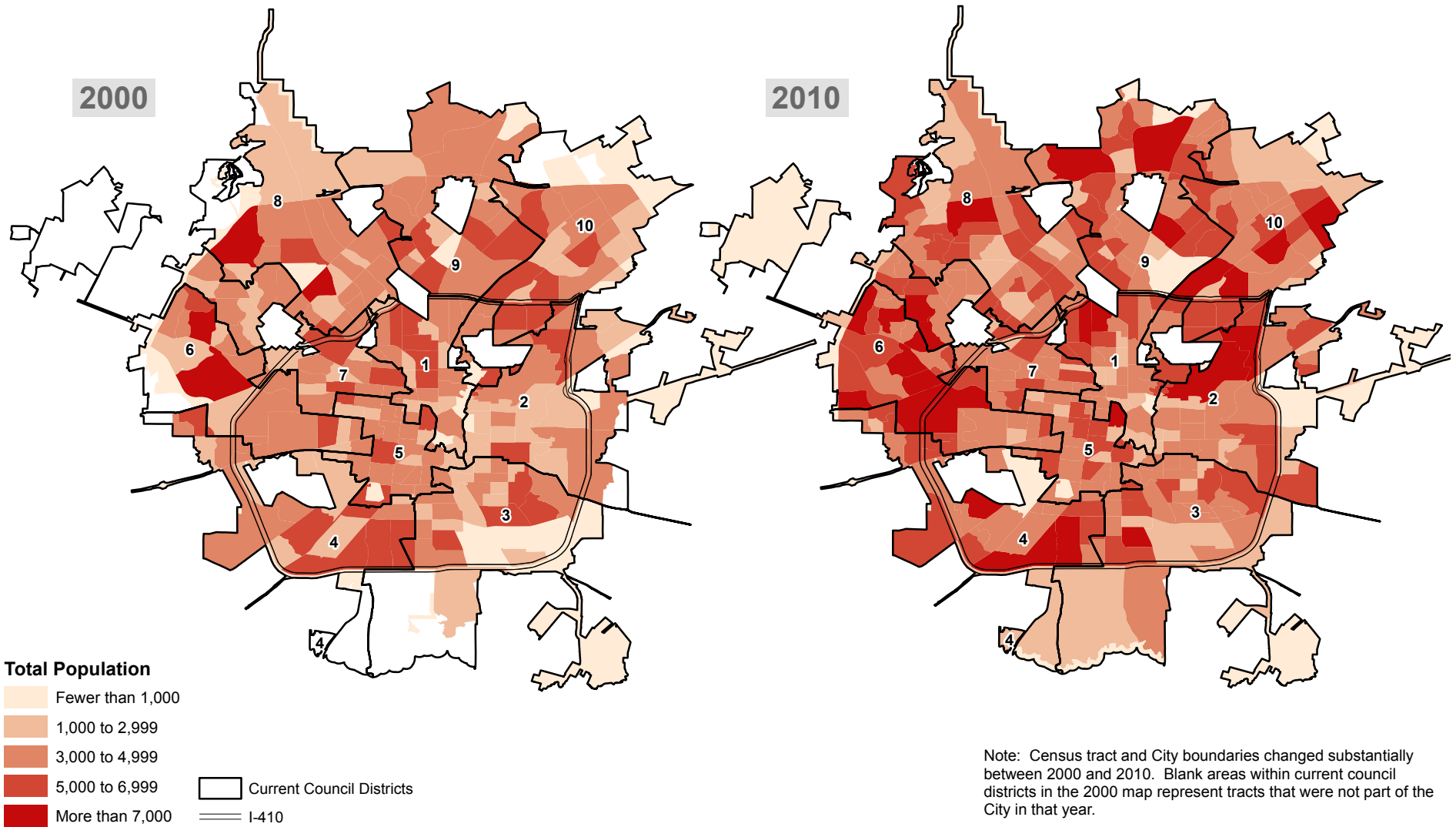
Area	1990	2000	2010	Change 1990-2010	Change: 2000-2010
San Antonio	935,933	1,144,646	1,327,407	41.8%	16.0%
Bexar County	1,185,394	1,392,931	1,714,773	44.7%	23.1%
San Antonio-New Braunfels MSA	1,302,099	1,592,383	2,142,508	64.5%	34.5%

Source: Census Bureau

Between 2000 and 2010, population growth occurred across San Antonio, as indicated in Map 1 on the following page. In 2010, the highest concentrations of population were in the north/northeast, western, and downtown regions of the City.

Map 1

Comparison of Total Population by Census Tract, 2000 and 2010





The majority of predominantly Hispanic neighborhoods are found in the southern half of the City.



At roughly two-thirds of all residents, those who are Hispanic represent the largest ethnic group in San Antonio.

San Antonio's population is largely comprised of Hispanic/Latino individuals. In 2010, approximately 63% of the population was of Hispanic/Latino origin. This proportion was slightly higher than the populations for the entire MSA, in which 54% of the population was of Hispanic descent. The Hispanic/Latino share has steadily increased over the past 20 years. Between 1990 and 2010, the Hispanic/Latino population grew by 318,670 people, resulting in a share increase of approximately eight percentage points. A similar increase in share occurred in the MSA.

The Hispanic/Latino population is largely concentrated in the southern portion of the City, as is illustrated in Map 2. However, the concentration of this population grew throughout the City, especially in the central and eastern areas of San Antonio.

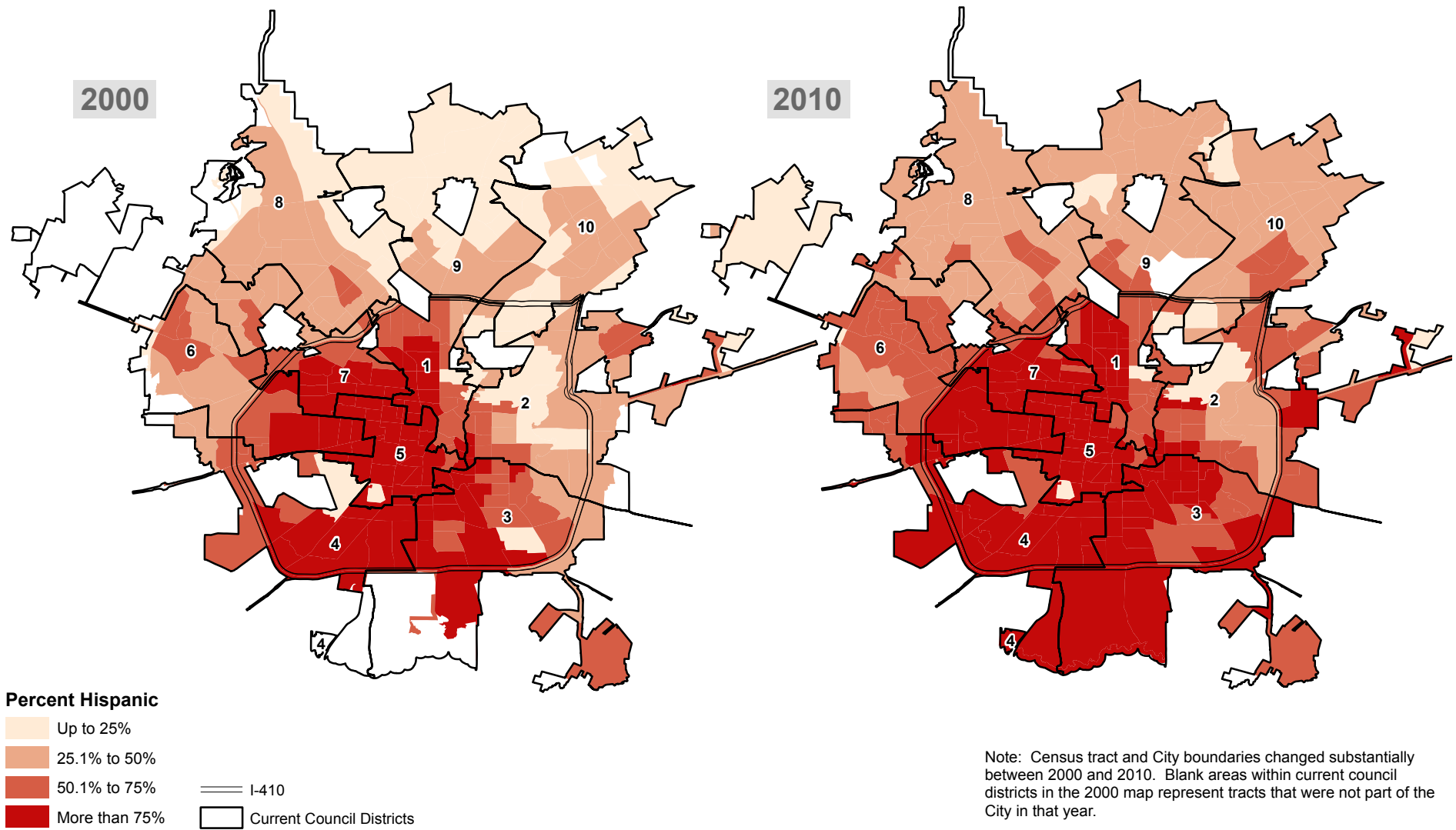
Figure 3: Hispanic/Latino Population

Area	1990	% share	2000	% share	2010	% share
San Antonio City	520,282	55.6%	671,394	58.7%	838,952	63.2%
Bexar County	589,180	49.7%	757,033	54.3%	1,006,958	58.7%
San Antonio-New Braunfels MSA	620,290	47.6%	816,037	51.2%	1,158,148	54.1%

Source: Census Bureau

Map 2

Comparison of Hispanic Population by Census Tract, 2000 and 2010





While the number of non-Hispanic White residents has increased by around 14,000 since 1990, this group represents a decreasing share of the total population, due to faster growth among other groups.

The share increase of Hispanic/Latino individuals between 1990 and 2010 was countered by a decrease in the share of the non-Hispanic White (NH White) population in San Antonio. Between 1990 and 2010, the NH White population increased by slightly less than 14,000 people, resulting in the share declining by nearly ten percentage points. Trending similarly to the Hispanic/Latino population, the share of the NH White population in the entire MSA also decreased. In 2010, the share of NH Whites in San Antonio was approximately 26%, compared to 36% in the MSA.

The NH White population is largely concentrated in the northern quadrant of the City, as demonstrated in Map 3. However, the relative concentration of this population declined between 2000 and 2010, reflecting the decrease in its overall share of San Antonio's population.

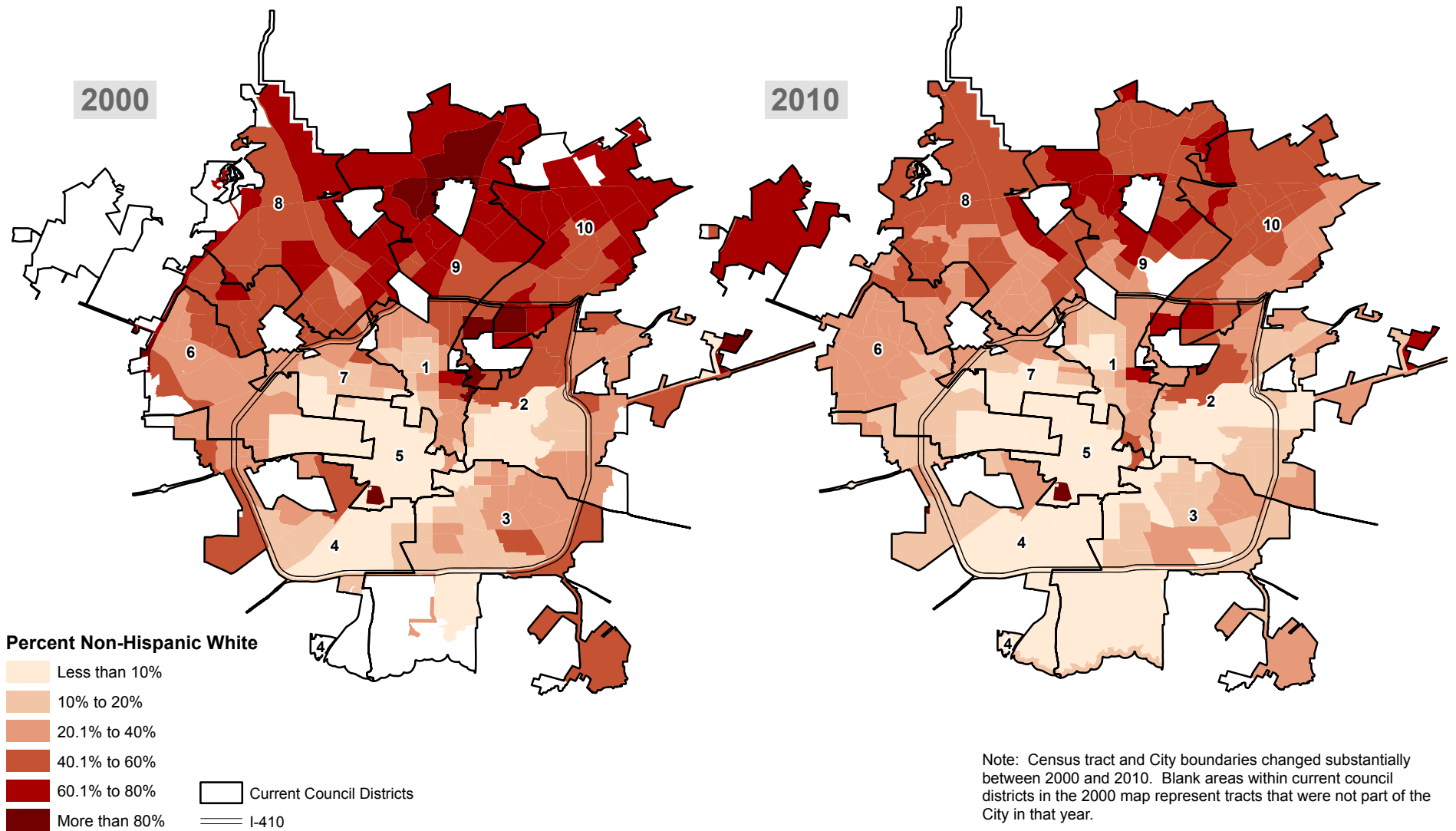
Figure 4: Non-Hispanic White Population

Area	1990	% share	2000	% share	2010	% share
San Antonio City	339,115	36.2%	364,357	31.8%	353,106	26.6%
Bexar County	496,149	41.9%	496,245	35.6%	519,123	30.3%
San Antonio-New Braunfels MSA	576,836	44.3%	627,176	39.4%	773,807	36.1%

Source: Census Bureau

Map 3

Comparison of Non-Hispanic White Population by Census Tract, 2000 and 2010





While the number of non-Hispanic Asians in San Antonio is growing, this group represents a small share of the total population, residing primarily in the City's northern neighborhoods.

While San Antonio is predominantly comprised of Hispanic/Latino and NH White populations, there is also a small share of non-Hispanic Black (NH Black) and non-Hispanic Asian (NH Asian) populations. The NH Asian population total is 30,596 people, or 2.3% of the City's population. This share grew significantly since 2000, growing by roughly 13,500 people or 79%. The NH Asian population is largely concentrated in small pockets in the north and northwest areas of the City, as illustrated in Map 4.

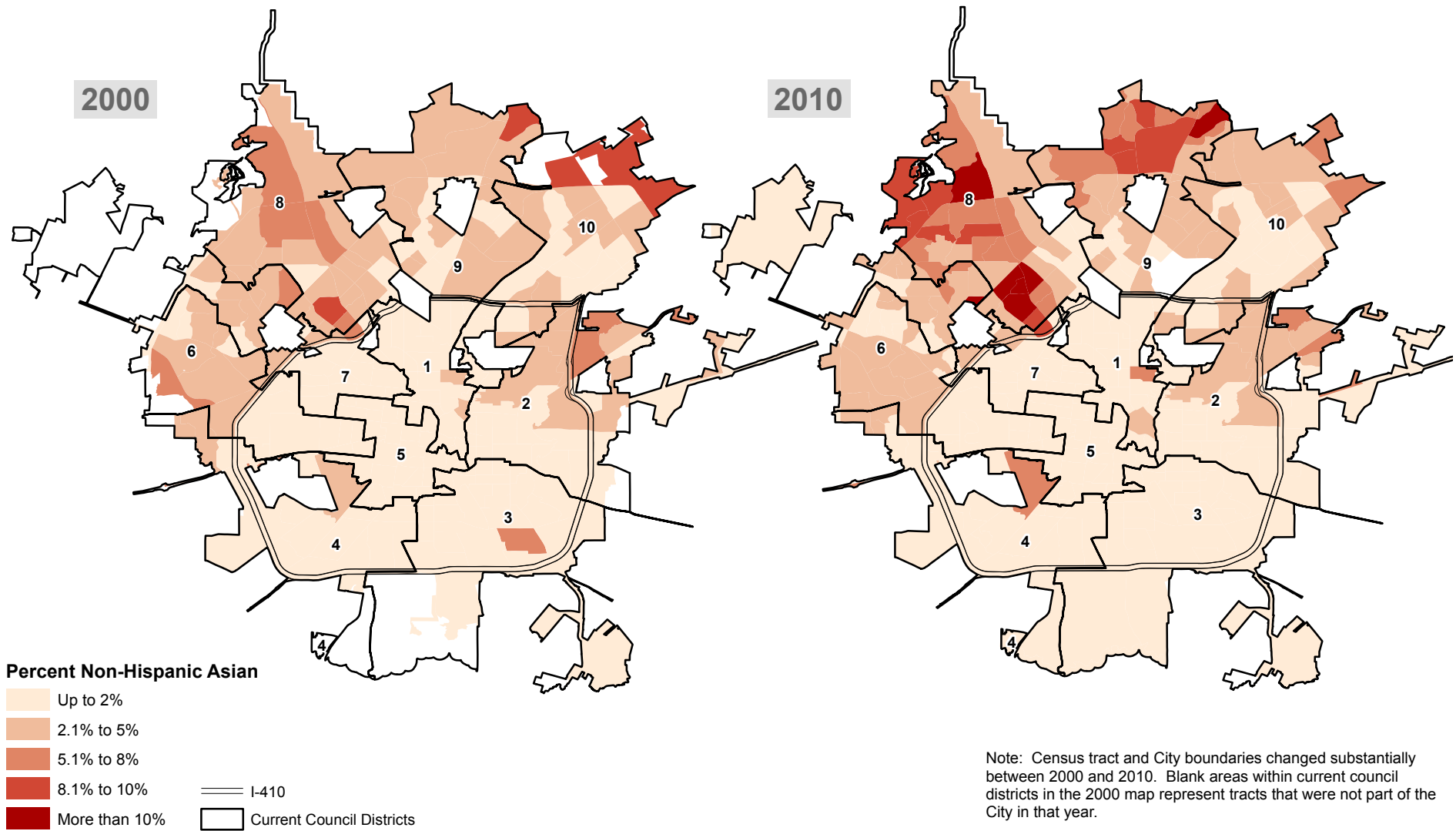
Figure 5: Non-Hispanic Asian Population

Area	1990	% share	2000	% share	2010	% share
San Antonio City	9,537	1.0%	17,084	1.5%	30,596	2.3%
Bexar County	13,832	1.2%	21,369	1.5%	39,561	2.3%
San Antonio-New Braunfels MSA	14,380	1.1%	22,538	1.4%	42,924	2.0%

Source: Census Bureau

Map 4

Comparison of Non-Hispanic Asian Population by Census Tract, 2000 and 2010





The number of non-Hispanic Black residents in San Antonio has increased since 1990, though this group represents a stable percentage of the total population due to growth among other groups.



Between 2000 and 2010, the geographic distribution of race and ethnic groups across the City changed, reflecting increased Hispanic/Latino representation in the central and eastern regions.

The NH Black population is slightly larger than the NH Asian population, and accounted for 6.28% of the City's population in 2010. The NH Black population share has remained relatively stable over the past 20 years as the share in 1990 was 6.8% and 6.5% in 2000. The share of this demographic in the entire MSA in 2010 was 6.07%, very similar to the City's share. The NH Black population is concentrated in the eastern area of the City, as demonstrated by Map 5.

Figure 6: Non-Hispanic Black Population

Area	1990	% share	2000	% share	2010	% share
San Antonio City	63,260	6.8%	74,778	6.5%	83,365	6.3%
Bexar County	71,356	6.0%	95,984	6.9%	118,460	6.9%
San Antonio-New Braunfels MSA	85,228	6.5%	101,348	6.4%	130,070	6.1%

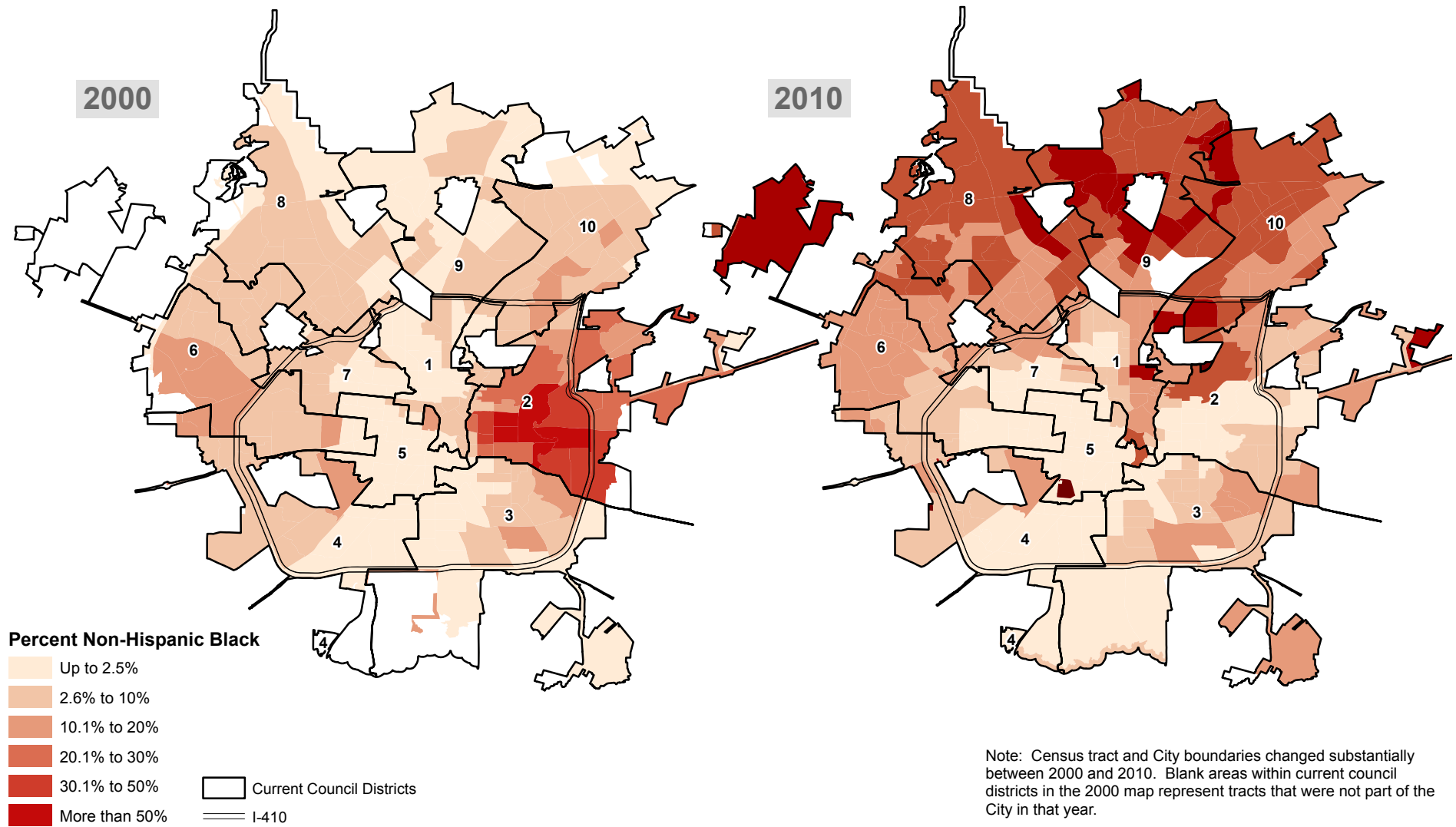
Source: Census Bureau

Overall, the maps clearly indicate the shifting concentrations of racial demographics between 2000 and 2010. In 2000, the northern portion of the City was predominantly NH White. The southern and central regions of the City were predominantly comprised of Hispanic/Latino populations. The eastern region was comprised of NH White populations to the northeast, NH Black populations due east, and Hispanic/Latino populations in the southeast. The western region of the City was more multi-racial and did not have the same levels of concentration.

However, in 2010, the population concentrations shifted to reflect the increased share of Hispanic/Latino persons and the decreased share of NH White persons. The Hispanic/Latino concentration increased in the central and eastern regions of the City. The NH White concentration became comparatively less widespread in the northern area, while the NH Black population remained largely concentrated in the eastern area of San Antonio.

Map 5

Comparison of Non-Hispanic Black Population by Census Tract, 2000 and 2010





Although increasing in numbers, the 0-19 and 20-24 age cohorts are decreasing as a percentage of the population. Concurrent increases were noted in the 45-64 age cohort.

Rapid growth in the City's population between 1990 and 2010 was not experienced at the same rate across all age groups. The largest expansion was among persons age 45 to 64, the number of whom has doubled since 1990. This age cohort expanded even more quickly in other areas of Bexar County and in the MSA, where the 45 to 64 population grew 135.6%. Not surprisingly, this group represents an increasing share of the population of the City, County and MSA, growing from 16.6% of all City residents in 1990 to nearly one in every four in 2010. On the other hand, the share of City residents under age 20 has fallen from 32.5% in 1990 to 30.1% in 2000, and those who are between 20 and 24 have also grown in number, but fallen in terms of percentage of total population. The share of seniors age 65 and up who live in the City has remained steady around 10.5%.

As indicated in map 6, the southern half of San Antonio tends to be younger. The City's largest concentrations of elderly persons and individuals between the ages of 25-44, who may have young families, are in the north and central areas of the City.

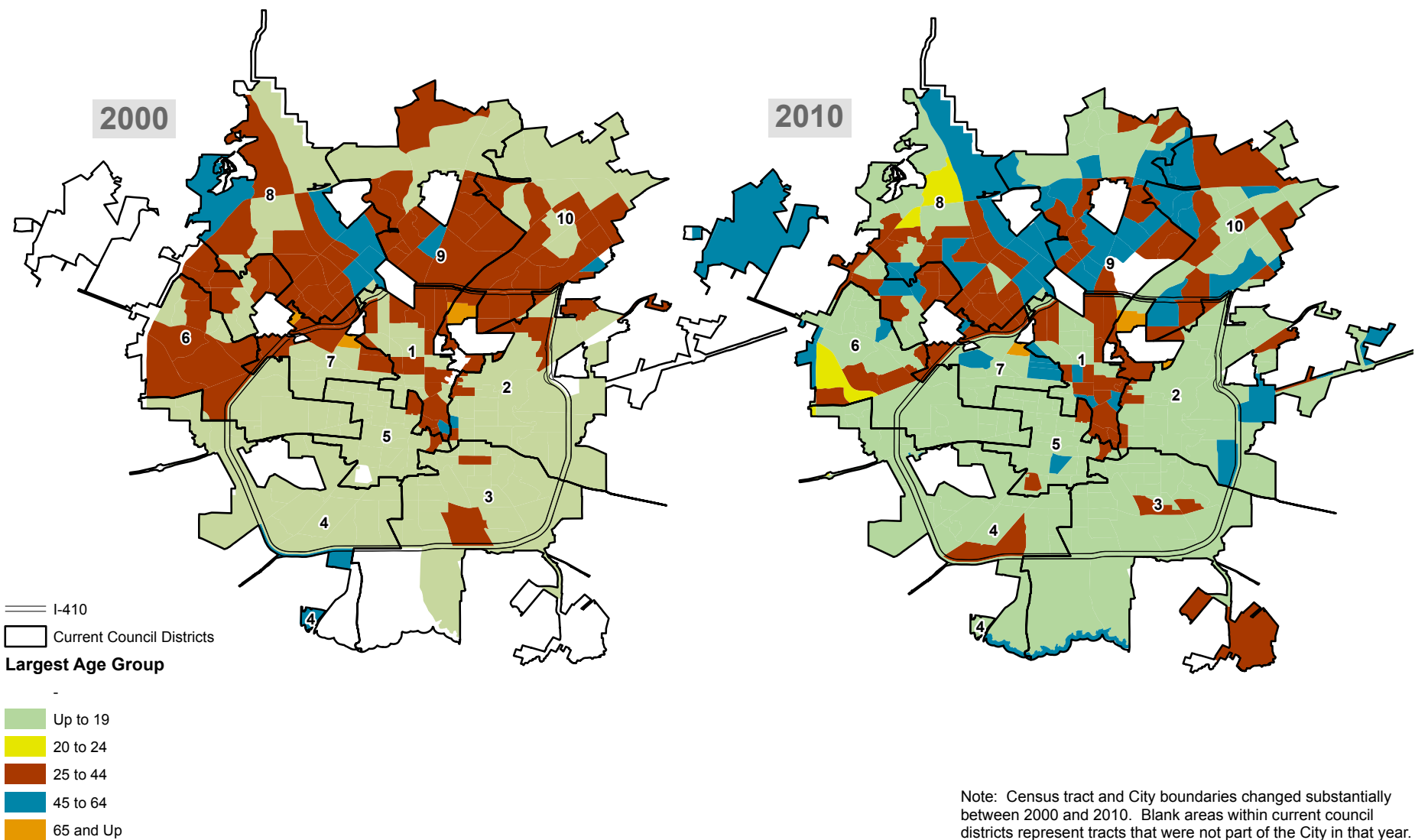
Figure 7: Population by Age

Area	Year	0-19	Share	20-24	Share	25-44	Share	45-64	Share	65+	Share
San Antonio	1990	304,303	32.5%	78,633	8.4%	299,708	32.0%	154,924	16.6%	98,365	10.5%
	2000	362,359	31.7%	87,684	7.7%	352,652	30.8%	222,589	19.4%	119,632	10.5%
	2010	399,706	30.1%	107,623	8.1%	372,830	28.1%	308,644	23.3%	138,604	10.4%
	Change	31.4%		36.9%		24.4%		99.2%		40.9%	
Bexar County	1990	388,002	32.7%	95,570	8.1%	385,681	32.5%	198,771	16.8%	117,370	9.9%
	2000	441,426	31.7%	103,642	7.4%	425,956	30.6%	277,509	19.9%	144,398	10.4%
	2010	521,171	30.4%	133,455	7.8%	484,021	28.2%	400,243	23.3%	175,883	10.3%
	Change	34.3%		39.6%		25.5%		101.4%		49.9%	
San Antonio-New Braunfels MSA	1990	423,096	32.5%	102,623	7.9%	420,582	32.3%	222,260	17.1%	133,538	10.3%
	2000	501,759	31.5%	113,889	7.2%	482,572	30.3%	324,415	20.4%	169,748	10.7%
	2010	642,520	30.0%	155,534	7.3%	585,832	27.3%	523,556	24.4%	235,066	11.0%
	Change	51.9%		51.6%		39.3%		135.6%		76.0%	

Source: Census Bureau

Map 6

Largest Age Group of Population by Census Tract, 2000 and 2010





Poverty increased from 17.3% in 2000 to 19.1% in 2010. Children under 18 were twice as likely to live in poverty than the elderly.



High-poverty areas coincided with low-growth areas of predominantly Hispanic and Black residents.



More than 130,000 families were living at 125% of poverty in 2010, equivalent to \$22,050 for a family of four.

The City's poverty rate among individuals in 2010 was 19.1%, a substantial increase of 9.4% from the 2000 poverty rate. The 2010 poverty rate in San Antonio was nearly 3% greater than the poverty rate in the entire MSA. The poverty rate for the population under 18 was much higher than the overall rate (28%) and increased at a rate over 12% between 2000 and 2010. While the under-18 poverty rate increased significantly between 2000 and 2010, the over-65 poverty rate increased by half of a percentage point between 2000 and 2010 in San Antonio. Like the overall poverty rate, the rate in the City was greater than the rate in the entire MSA. Map 7 illustrates a higher density of persons in poverty in the core of the City.

Figure 8: Regional Poverty Rates, 2000 - 2010

Area	2000 poverty rate	2010 poverty rate	% change
San Antonio	17.3%	19.1%	9.4%
Bexar County	15.9%	16.9%	5.9%
San Antonio-New Braunfels MSA	15.1%	16.3%	7.4%

Sources: Census 2000, ACS 2010

Figure 9: Poverty Rates by Age Category, 2000 - 2010

Area	Under 18			65 and over		
	2000 poverty rate	2010 poverty rate	% change	2000 poverty rate	2010 poverty rate	% change
San Antonio	24.6%	28.0%	12.1%	13.5%	14.0%	3.6%
Bexar County	22.7%	24.5%	7.3%	12.2%	12.4%	1.6%
San Antonio-New Braunfels MSA	21.5%	23.8%	9.7%	11.8%	11.1%	-6.3%

Sources: Census 2000, ACS 2010

Figure 10: Income Ranges Compared to Poverty, 2000 - 2010

Area	Population at 50% Poverty Rate			Population at 125% Poverty Rate		
	2000	2010	% change	2000	2010	% change
San Antonio	85,107	102,552	17%	258,832	330,301	22%
Bexar County	93,803	117,577	20%	289,672	382,316	24%
San Antonio-New Braunfels MSA	100,891	139,999	28%	317,169	459,359	31%

Source: Census 2000; ACS 2010

Map 7

Percent below Poverty Line by Census Tract, 2010

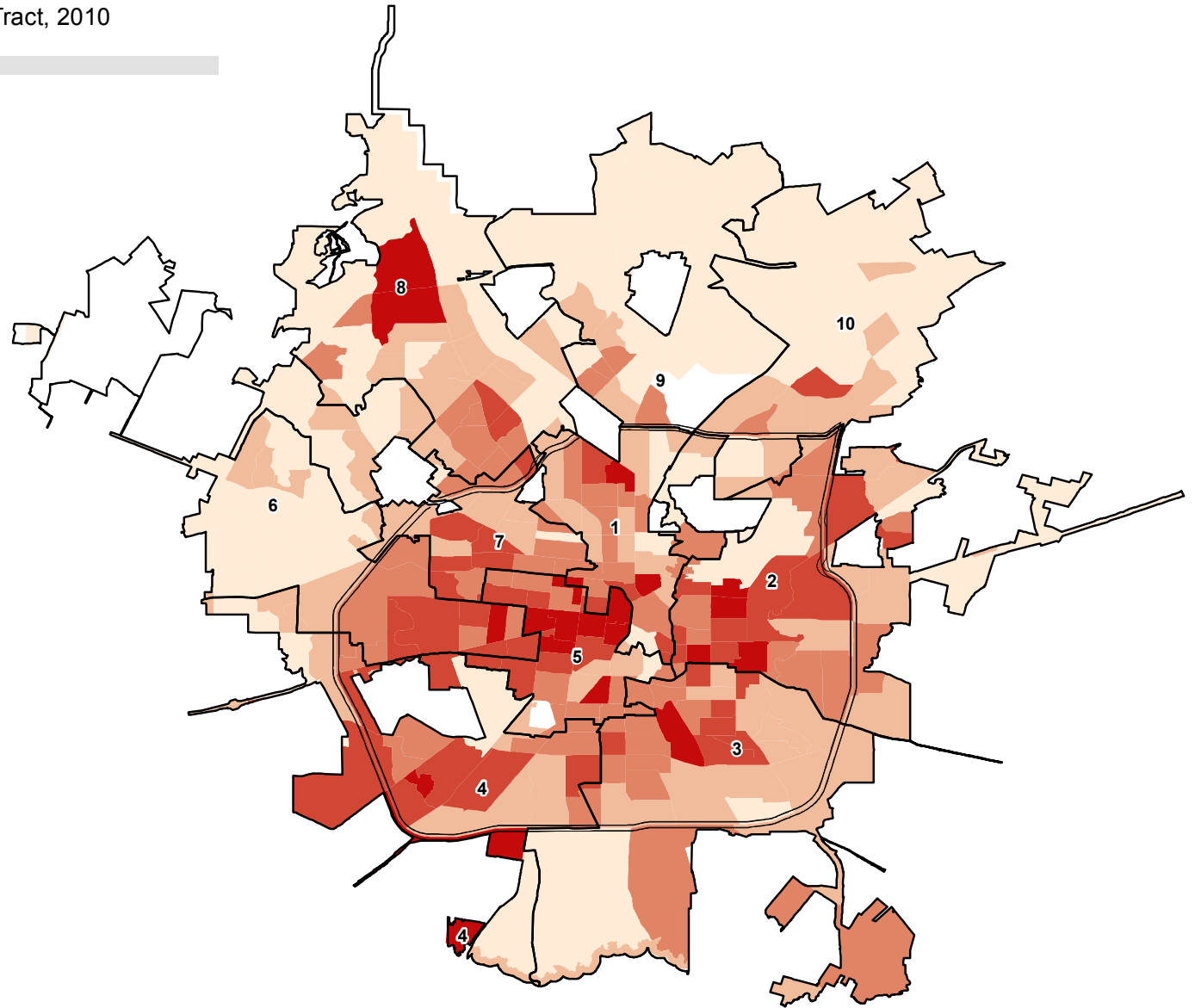
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Census Tracts

Percent below Poverty

- Less than 10%
- 10% to 20%
- 20% to 30%
- 30% to 40%
- More than 40%

□ Current Council Districts



Household growth outpaced population, increasing the demand for housing.

Household size is shrinking, with the largest decrease occurring among Hispanics. This trend will increase demand for smaller dwelling units.

The outpacing of growth in households over growth in total population suggests an increase in single-person households and two-person households without children.

In 2010, there were 479,642 households in San Antonio. The number of households grew 47% between 1990 and 2010 and 18% between 2000 and 2010, outpacing population growth by several percentage points. The number of households grew at faster rates in Bexar County and the MSA, matching the more rapid population growth in those areas.

Figure 11: Regional Change in Total Households, 1990 - 2010

	1990	2000	2010	% change 1990 - 2010	% change 2000 - 2010
San Antonio	326,761	405,474	479,642	46.8%	18.3%
Bexar County	409,043	488,942	608,931	48.9%	24.5%
San Antonio-New Braunfels MSA	451,021	559,946	763,022	69.2%	36.3%

Source: Census Bureau

The higher rate of household growth over population growth translates to slightly smaller household sizes in 2010 when compared with 2000. However, the largest change in household size was experienced by the Hispanic/Latino demographic as households in 2010 averaged 3.04 persons compared with 3.19 persons in 2000. The household size of NH White, NH Black, and NH Asian remained relatively stable. NH White and NH Asian households were 2.66 and 2.68 persons, respectively, and NH Black households averaged 2.41 persons. The households in San Antonio were slightly smaller than the same demographic's household size in the MSA and Bexar County.

Figure 12: Household Size by Race and Ethnicity, 2000 - 2010

Area	Year	Hispanic/Latino	Non-Hispanic White	Non-Hispanic Black	Non-Hispanic Asian
San Antonio	2000	3.19	2.64	2.54	2.69
	2010	3.04	2.66	2.41	2.68
Bexar County	2000	3.21	2.65	2.63	2.73
	2010	3.08	2.7	2.54	2.75
San Antonio-New Braunfels MSA	2000	3.22	2.66	2.64	2.74
	2010	3.11	2.69	2.56	2.77

Source: Census Bureau

ECONOMIC CONDITIONS

Labor Market and Employment

Economic trends are important to the understanding of the housing market because of the relationship between jobs, income and housing. An area that is adding jobs attracts new households. Conversely, an area that is declining as an employment center might lose population and households over time. Trends in employment and wages impact housing demand and supply. The following discussion of San Antonio's current economic trends and projections for future employment and income growth provides the basis for later discussion of housing affordability.

According to 2010 ACS survey data, San Antonio's current labor force includes 660,424 people. The overall San Antonio-New Braunfels MSA's labor force is approximately 400,000 people greater than the City's labor force, accounting for 1,076,281 people. As indicated in the table below, the regional economy is supported by a diverse set of businesses, including the military (Lackland Air Force Base, Fort Sam Houston, and Randolph Air Force Base), financial services, private businesses, and local government.

The diversified economy of San Antonio has sustained lower unemployment since 2005. The City's unemployment rate peaked at 8% in July 2011 but fell to 7.3% in October 2011.

Figure 13: Top 10 Regional Employers, 2010

Company	Business	Employed in San Antonio
Lackland Air Force Base	Military	37,097
Fort Sam Houston – U.S. Army	Military	32,000
USAA	Financial Services and Insurance	14,832
H-E-B	Super Market Chain	14,588
Northside I.S.D.	School District	13,300
Randolph Air Force Base	Military	11,068
North East I.S.D.	School District	10,522
City of San Antonio	City Government	9,145
San Antonio I.S.D.	School District	7,581
Methodist Healthcare System	Health Care Services	7,500

Source: San Antonio Economic Development Foundation



The City's major employment centers are located downtown and north of I-410. In contrast, the higher-poverty areas are south of downtown.

San Antonio's largest employment sector is the government (including the military bases), with 163,900 employees in May 2011. Other sectors employing more than 100,000 people include Trade, Transportation, and Utilities; Education and Health Services; and Leisure and Hospitality. Of the leading employment sectors listed below, they remained relatively static in size between May 2010 and 2011, none losing more than 5,000 employees and none gaining more than 7,400 employees.

Figure 14: Leading Employment Sectors, 2011

Sector	May 2011 Employment	May 2010 Employment	Change from May 2010	% Change 2010-2011
Total Nonfarm	855,800	850,800	5,000	0.6%
Government	163,900	164,300	-2,400	-1.4%
Trade, Transportation and Utilities	142,700	141,900	800	0.6%
Education and Health Services	135,800	128,400	7,400	5.8%
Leisure and Hospitality	106,600	105,400	1,200	1.1%
Professional and Business Services	99,500	100,700	-1,200	-1.2%
Financial Activities	65,400	65,900	-500	-0.8%
Manufacturing	44,900	43,900	1,000	2.3%
Construction	43,600	44,300	-700	-1.6%
Other Services	32,100	31,700	400	1.3%
Information	17,600	18,900	-1,300	-6.9%
Mining and Logging	3,700	3,400	300	8.8%

Source: San Antonio Economic Development Foundation; Texas Workforce Commission

According to Map 8 and the following City-generated map of central employment areas, the majority of San Antonio jobs are concentrated just north of the downtown area, abutting the Interstate 410 beltway. As indicated in the map below, these areas of high job density align with the medical center, commercial center, airport and downtown. The City accounted for more than 31,000 employees in the downtown area in October 2011 and 15,000, 8,000 and 8,000 in the commercial center, medical center and airport, respectively.

Map 8

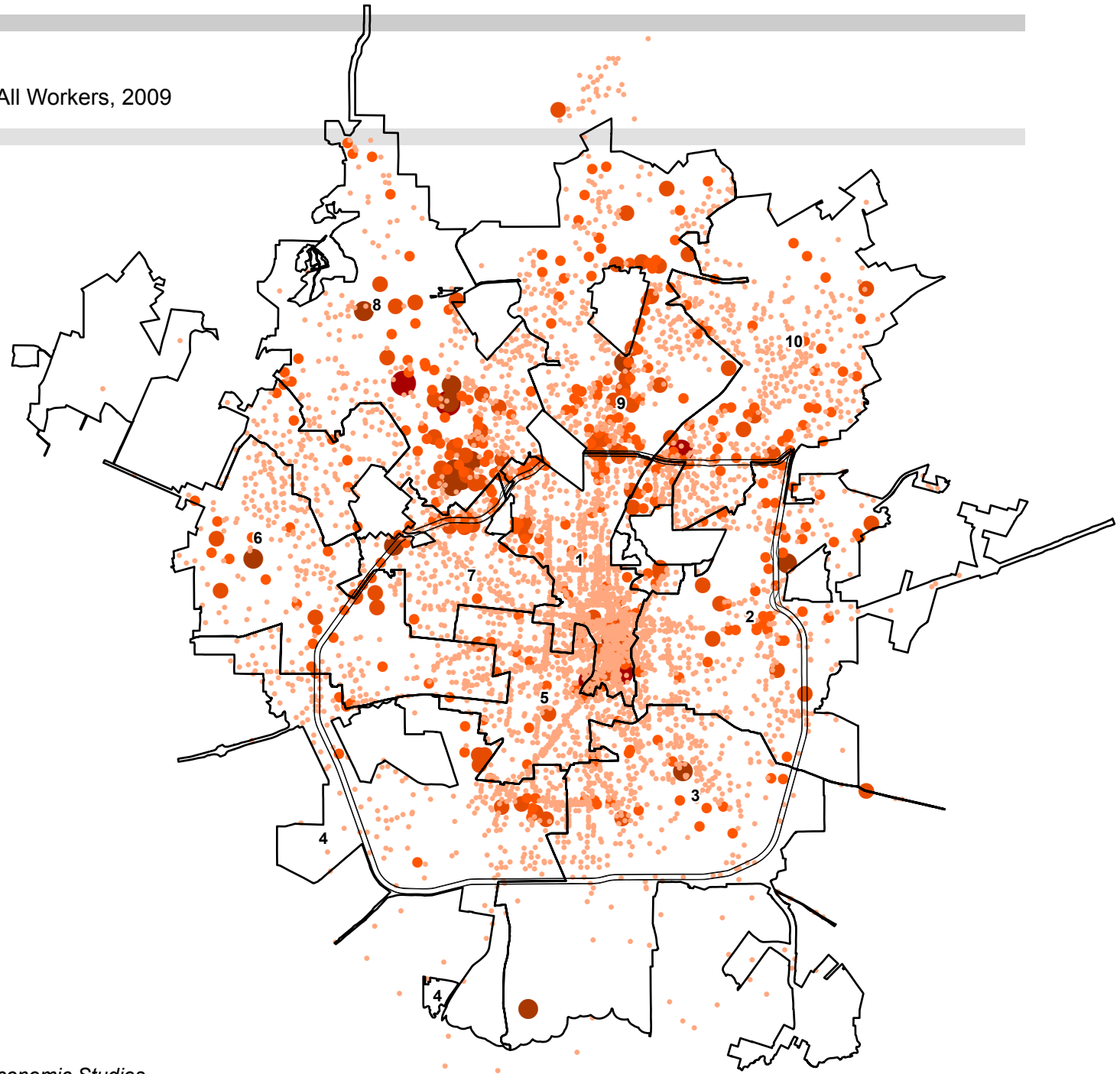
Concentration of Primary Job Sites for All Workers, 2009

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Jobs

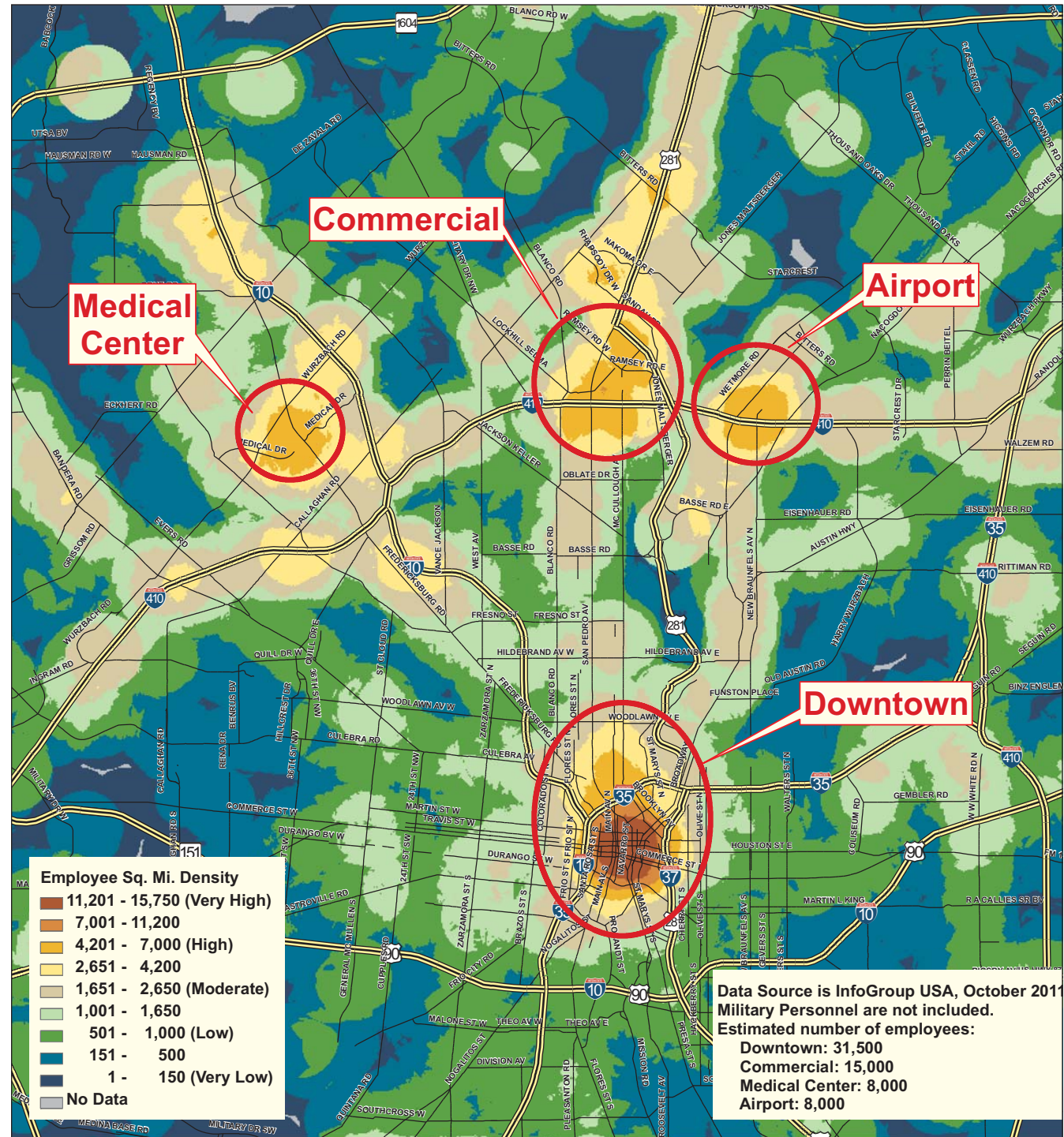
- Up to 250
- 251 to 1,000
- 1,001 to 3,000
- 3,001 to 7,000
- 7,001 to 13,088

Current Council Districts



Source: OnTheMap, Census Bureau for Economic Studies

Map 9
Major Employment
Areas



Source:
City of San
Antonio

Breaking down the employment sectors further, the largest industry among private firms only in 2010 was Food Services and Drinking Places, employing just over 71,000 people. Of the 10 largest industries, seven exhibited positive growth between 2009 and 2010. Likewise, seven exhibited positive earning growth over the same period.

Figure 15: Top Industries by Average Quarterly Employment

Rank	Industry	Average Quarterly Employment (2010)	Growth in Employment (%) (2009-10)	Hiring Growth (2009-10)	Hiring Growth (%) (2009-10)	Average Monthly Earnings (\$) (2010)	Earning Growth (\$) (2009-2010)
	All NAICS subsectors	659,171	0.73	3,752	7.02	3,518	131
1	722 Food Services and Drinking Places	71,336	1.12	1,052	11.82	1,494	86
2	621 Ambulatory Health Care Services	56,733	4.42	123	2.39	3,803	47
3	561 Administrative and Support Services	49,960	2.56	74	1.28	2,871	87
4	541 Professional, Scientific, and Technical Services	40,288	0.27	163	5.86	5,254	316
5	238 Specialty Trade Contractors	25,186	-7.41	55	2.65	3,507	-16
6	622 Hospitals	24,920	3.77	-15	-1.15	4,511	73
7	522 Credit Intermediation and Related Activities	22,950	-1.98	-17	-1.20	4,195	43
8	524 Insurance Carriers and Related Activities	22,783	1.62	144	15.67	6,434	-73
9	623 Nursing and Residential Care Facilities	16,787	5.35	-102	-6.03	2,388	111
10	452 General Merchandise Stores	16,746	-3.50	154	12.34	2,093	-91

*Private Firms Only

Source: U.S. Census Bureau, Local Employment Dynamics

Monthly earnings among the top 10 industries averaged \$3,518 in 2010, equating to an annual income of \$42,216. This was 96.5% of the 2010 median household income in San Antonio.



Specialized technical industries are among those growing the fastest in San Antonio.



With the exception of the private household and social assistance areas, high-growth industries are higher-paying, higher-skill jobs.

Five industries in San Antonio exhibited growth rates exceeding 10%. With the exception of two, these industries are highly specialized technical industries. They include Computer and Electronic Manufacturing (40.9%), Transportation Equipment Manufacturing (21.48%), Waste Management and Remediation Services (12.84%), Private Households (12.40%), and Support Activities for Mining (11.44%). The 10 fastest growing industries identified below employed just over 50,000 people.

Figure 16: Top Industries by Employment Growth

Rank	Industry	Growth in Employment (%) (2009-10)	Average Quarterly Employment (2010)	Hiring Growth (2009-10)	Hiring Growth (%) (2009-10)	Average Monthly Earnings (\$) (2010)	Earning Growth (\$) (2009-2010)	Average Earning Growth (%) (2009-10)
1	334 Computer and Electronic Product Manufacturing	40.90	1,739	40	62.50	5,293	-363	-6.28
2	336 Transportation Equipment Manufacturing	21.48	9,168	846	136.89	4,150	170	3.66
3	562 Waste Management and Remediation Services	12.84	1,310	3	3.77	3,935	268	6.53
4	814 Private Households	12.40	3,567	33	6.73	1,503	-4	-0.26
5	213 Support Activities for Mining	11.44	1,294	50	69.44	8,531	1,009	10.76
6	221 Utilities	9.08	977	52	110.64	5,380	155	2.58
7	611 Educational Services	8.09	12,657	249	17.57	3,174	90	2.78
8	624 Social Assistance	7.09	13,795	17	1.07	2,050	100	4.57
9	425 Wholesale Electronic Markets and Agents and Brokers	6.84	3,730	88	36.51	5,514	-236	-4.06
10	333 Machinery Manufacturing	6.72	2,038	61	79.74	4,047	181	4.25

* Private Firms Only

Source: U.S. Census Bureau, Local Employment Dynamics

Since 2005, San Antonio's unemployment rate has remained below the national and state unemployment rates. In October 2009, when the national unemployment rate was 9.5% and Texas's rate was 7.9%, San Antonio's rate was 6.6%. Over the past decade, San Antonio's unemployment rate peaked in July 2011 at 8.0%, however has trended downward since then to 7.3% in October 2011.

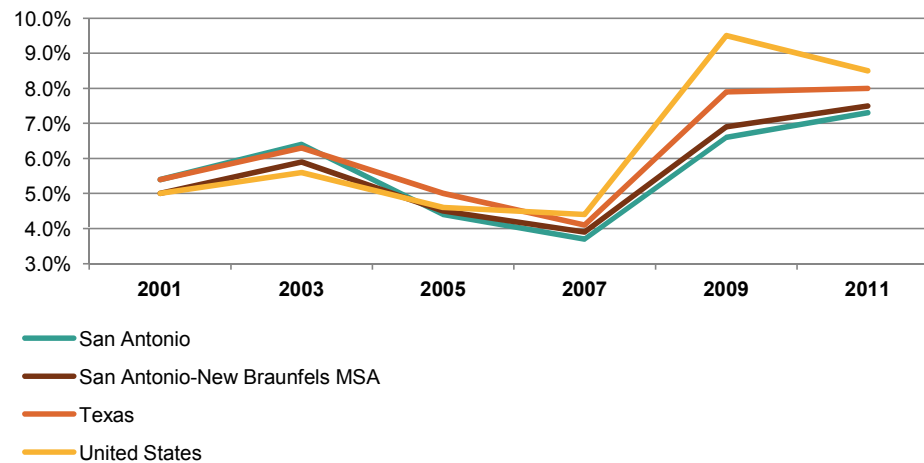
Figure 17: Regional Unemployment Rates, 2001 - 2011

Area	2001	2003	2005	2007	2009	2011
San Antonio	5.4%	6.4%	4.4%	3.7%	6.6%	7.3%
San Antonio-New Braunfels MSA	5.0%	5.9%	4.5%	3.9%	6.9%	7.5%
Texas	5.4%	6.3%	5.0%	4.1%	7.9%	8.0%
United States	5.0%	5.6%	4.6%	4.4%	9.5%	8.5%

Note: From October of each month

Source: Bureau of Labor Statistics

Figure 18: Annual Unemployment Rates, 2001 - 2011





Less than 3% of employees use public transit to commute to work in San Antonio.

Transportation

San Antonio workers largely rely on private transport to commute to and from work. In 2000, 77% of all workers drove alone and an additional 15.5% carpooled in a private vehicle to and from work. Less than 4% of all commuters used public transit for their daily commute. In 2010, a greater percentage of individuals drove alone (nearly 83%) and 11% carpooled. Only 2.6% of all commuters used public transportation. To be expected, the percentage of those who drive to work or car pool in Bexar County and in the MSA are greater than in San Antonio itself.

Figure 19: Regional Modes of Transportation to Work, 2010

	Total Workers*		Drive Alone	Share	Carpool	Share	Public Transit	Share
San Antonio	2000	480,760	371,456	77.3%	74,644	15.5%	18,632	3.9%
	2010	689,601	571,559	82.9%	77,322	11.2%	17,938	2.6%
Bexar County	2000	592,649	460,413	77.7%	89,412	15.1%	20,089	3.4%
	2010	794,997	658,195	82.8%	88,957	11.2%	19,844	2.5%
San Antonio-New Braunfels MSA	2000	580,739	532,670	91.7%	102,719	17.7%	20,213	3.5%
	2010	922,348	762,451	82.7%	107,630	11.7%	19,915	2.2%

* Do not work from home

Source: 2010 ACS

In 2010, the mode of transport for commuting varied little between different demographic groups. Approximately 80% of both Hispanic/Latino and Black populations drove alone for their commutes. Similarly, 83% of White persons drove alone. Black populations walked or used more public transportation slightly more than Hispanic/Latino and White populations, 10% for Black persons compared to 5% for Hispanic/Latino persons and 4% for White persons.

Hispanics and Blacks are more likely to ride transit than Whites.

Figure 20: Modes of Transportation to Work by Race and Ethnicity, 2010

White

	Total*	Drove Alone		Carpooled		Public transit		Walked		Other	
San Antonio	440,484	367,536	83.4%	47,030	10.7%	10,344	2.3%	9,585	2.2%	5,989	1.4%
Bexar County	572,196	477,495	83.4%	62,492	10.9%	11,663	2.0%	11,739	2.1%	8,807	1.5%
San Antonio-New Braunfels MSA	736,346	615,614	83.6%	83,669	11.4%	11,706	1.6%	14,479	2.0%	10,878	1.5%

*Excludes those working from home

Source: 2010 ACS

Black

	Total*	Drove Alone		Carpooled		Public transit		Walked		Other	
San Antonio	34,109	27,391	80.3%	2,476	7.3%	1,965	5.8%	1,260	3.7%	1,017	3.0%
Bexar County	52,545	42,394	80.7%	4,698	8.9%	2,318	4.4%	1,667	3.2%	1,468	2.8%
San Antonio-New Braunfels MSA	58,637	47,665	81.3%	5,216	8.9%	2,318	4.0%	1,794	3.1%	1,644	2.8%

*Excludes those working from home

Source: 2010 ACS

Hispanic

	Total*	Drove Alone		Carpooled		Public transit		Walked		Other	
San Antonio	346,481	276,222	79.7%	46,220	13.3%	11,634	3.4%	6,648	1.9%	5,757	1.7%
Bexar County	414,634	334,089	80.6%	54,410	13.1%	12,274	3.0%	7,292	1.8%	6,569	1.6%
San Antonio-New Braunfels MSA	477,963	383,995	80.3%	65,801	13.8%	12,307	2.6%	8,593	1.8%	7,267	1.5%

*Excludes those working from home

Source: 2010 ACS



***More workers are willing
to commute farther
distances than before.***

In 2010, the average commute time for San Antonio residents was just under 25 minutes. Thirty-eight percent of commuters had commute times of less than 20 minutes. Just over 80% had commute times under 35 minutes. This is a slight decrease from 2000, when over 86% of workers' daily commutes were under 35 minutes. Commute times for Bexar County and the MSA did not vary significantly from the times of San Antonio.

Figure 21: Regional Durations of Commute, 2010

		Total Workers*	0-19 min.	20-34 min.	35-59 min.	60+ min.
San Antonio	2000	480,760	42.2%	44.4%	8.8%	4.5%
	2010	689,601	38.0%	42.8%	14.2%	5.0%
Bexar County	2000	592,649	41.6%	44.2%	9.6%	4.5%
	2010	794,997	38.4%	42.5%	14.1%	5.0%
San Antonio-New Braunfels MSA	2000	680,739	41.6%	42.5%	10.9%	5.0%
	2010	922,348	40.4%	40.7%	13.7%	5.2%

* Do not work from home

Source: 2010 ACS

Migration Patterns

In 2010, more than 92% of home-owners and 63% of renters remained in their same house or apartment from the year before. Of those who moved, the vast majority remained in the same county. Just over 1% of all homeowners moved to a different state or abroad. Likewise, just less than 5% of all renters moved to a different state or abroad.

Figure 22: Migration Patterns by Tenure, 2010

Owner

	Owner-Occupied Units	Same House 1 year ago		Moved - Same County		Moved - New County, Same State		Moved - Different State		Moved - Abroad	
San Antonio	773,886	713,981	92.3%	41,602	5.4%	8,264	1.1%	6,713	0.9%	3,326	0.4%
Bexar County	1,060,604	969,867	91.4%	59,785	5.6%	14,736	1.4%	11,171	1.1%	5,045	0.5%
San Antonio-New Braunfels MSA	1,387,009	1,270,270	91.6%	66,503	4.8%	29,640	2.1%	14,831	1.1%	5,765	0.4%

Source: 2010 ACS

Renter

	Renter-Occupied Units	Same House 1 year ago		Moved - Same County		Moved - New County, Same State		Moved - Different State		Moved - Abroad	
San Antonio	517,439	327,152	63.2%	145,705	28.2%	19,089	3.7%	17,953	3.5%	7,540	1.5%
Bexar County	604,572	385,874	63.8%	163,640	27.1%	22,021	3.6%	24,160	4.0%	8,877	1.5%
San Antonio-New Braunfels MSA	701,459	448,631	64.0%	181,055	25.8%	34,810	5.0%	27,751	4.0%	9,212	1.3%

Source: 2010 ACS

SPECIAL NEEDS

A wide array of subpopulations in San Antonio require special consideration due to their particular housing needs. The needs of the homeless, veterans and persons with disabilities are included here to describe their particular local prevalence.

More than 3,600 people in Bexar County are homeless. Of these, 44% are unsheltered.

Of the homeless population, 46.6% belong to a special-needs category.

Homeless Individuals and Households

Each year, the San Antonio/Bexar County Continuum of Care conducts a point-in-time count of persons residing in shelter and transitional housing facilities or living unsheltered within the County. The count is a statistically reliable tally of who is homeless on a given night and where they are staying. The following figure provides information on the number of sheltered homeless families and individuals, and unsheltered persons on a single night in January 2012. A total of 3,670 homeless persons were identified, 1,627 (44.3%) of whom were unsheltered. About 1,100 families with a total of 2,043 people were staying at one of the community's emergency shelters or transitional housing programs on the night of the count. Roughly two-thirds of all homeless persons identified belonged to a household with children, while 30.1% were in childless households and the remaining 5% were unaccompanied youth.

Figure 23: Point-in-Time Homelessness Count, January 2012

	Sheltered			Unsheltered	Total
	Emergency Shelter	Transitional Housing	Safe Haven		
Households with children	500	143	-	380	1,023
Households without children	143	151	42	764	1,100
Child-only households	99	27	-	20	146
Total households	742	321	42	1,164	2,269
Persons in households with children	1,066	478	-	837	2,381
Persons in childless households	143	152	42	770	1,107
Persons in child-only households	99	63	-	20	182
Total persons	1,308	693	42	1,627	3,670

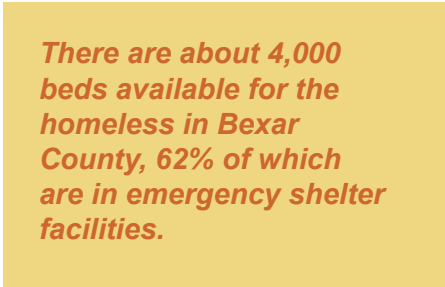
Homeless subpopulation	Sheltered	Unsheltered	Total
Chronically homeless	272	254	526
Severely mentally ill	348	89	437
Chronic substance abuse	89	76	165
Veterans	221	65	286
Persons with HIV/AIDS	17	7	24
Victims of domestic violence	112	13	125
Unaccompanied youth under 18	126	20	146

Source: San Antonio/Bexar County Continuum of Care, 2012

Certain subcategories within the homeless subpopulation are enumerated to gain a better understanding of the types of persons disproportionately represented, as described in Figure 23. There is continued need among all subcategories, including people with severe mental illness, veterans, unaccompanied youth, chronic substance abusers, victims of domestic violence and persons living with HIV/AIDS. Bexar County's homeless population reflects the diversity, complex characteristics and needs of homeless persons across the United States. Even with other contributing factors, at its core, homelessness is a poverty issue. Poor people who have a serious mental illness or addiction are at higher risk for homelessness than are people with disabilities who are not poor. People living in poverty face difficult, if not impossible, choices between housing, food, child care, transportation and other living expenses. They are often one family or financial crisis away from becoming homeless. Rent and utility arrearages, high medical bills, bad credit, inadequate income and family conflicts can result in formal or informal evictions and homelessness.

In January 2012, the point-in-time count identified 526 people considered to be chronically homeless. This is a decrease from 2011, when there were 676 in this category, but is on par with 2010, when there were 520. According to the Continuum of Care, the fluctuation reflects "hidden" homeless people coming forward due to the increasing availability and accessibility of services, as the Haven for Hope homeless services campus has become established as a visible key link. Haven for Hope opened in 2010 to provide transitional and emergency housing as well as a wide array of supportive services, such as employment training and behavioral health care. The Continuum of Care is working to increase the number of beds available for the chronically homeless, climbing from a total of 132 in 2011 to a goal of 305 in 2021.

Figure 24, on the following page, inventories the facilities available to serve homeless individuals and families. As of 2012, the Continuum of Care provided a total of 4,035 beds for individuals and persons in families with children in emergency shelter, safe haven, rapid rehousing, transitional and permanent supported housing facilities. Single individuals had access to 816 emergency shelter beds, 22 safe haven beds, 228 transitional housing units and 428 permanent supportive housing units. Persons in families with children had access to 618 emergency shelter units, 16 rapid rehousing units, 566 transitional housing units and 1,300 permanent supportive housing units. On the night of the January 2012 point-in-time count, emergency shelters were 90% full.



There are about 4,000 beds available for the homeless in Bexar County, 62% of which are in emergency shelter facilities.

Figure 24: Inventory of Housing Facilities Serving the Homeless Population, 2012

Type	Organization	Program	Target Population 1	Target Population 2	Beds HH w/ Children	Units HH w/ Children	Beds HH w/o Children	Beds Chronically Homeless	PIT Count	Total Beds	Utilization Rate
Emergency Shelter	George Gervin Youth Center, Inc.	Basic Center	HC		4	1			4	4	100%
	Family Violence Prevention Services	Battered Women's Shelter	SFHC	DV	70	18	64		134	134	100%
	Catholic Worker House	Catholic Worker House ES	SMF+HC						7	7	100%
	Salvation Army	Dave Coy Center	SM				143		143	155	92%
	Respite Care of San Antonio Inc.	Davidson Respite House	YMF		20	7			20	20	100%
	The Salvation Army	Emergency Family Shelter	SFHC	NA	79	34	42		121	121	100%
	SAMMinistries	Emergency Shelter 1	HC	NA	87	67			79	87	91%
	SAMMinistries	Emergency Shelter 2	YMF	NA	181	67			172	181	95%
	SAMMinistries	Emergency Shelter 3	SF	NA			175		153	175	87%
	SAMMinistries	Emergency Shelter 4	SM	NA			392		341	392	87%
	STPJ Children's Home	Project Ayuda	YMF	DV	139	60			99	139	71%
	Roy Maas Youth Alternatives	The Bridge Emergency Shelter	YMF		18	5			17	18	94%
	Roy Maas Youth Alternatives	Turning Point Independent Living	YMF		20	5			18	20	90%
Total Emergency Shelter					618	264	816		1,308	1,453	90%
HRP	Family Violence Prevention Services	HRP	HC	DV	16	8			16	16	100%
Total Homelessness Prevention Rapid Rehousing					16	8			16	16	100%
Permanent Supportive Housing	San Antonio Urban Ministries	Fairweather Family Lodge	SFHC		60	20		0	59	60	98%
	San Antonio Urban Ministries	Fairweather Lodges	SMF				23	23	23	23	100%
	San Antonio Housing Authority	Homeless Services Program 1	HC		400	400			301	400	75%
	San Antonio Housing Authority	Homeless Services Program 2	HC		200	200			38	200	19%
	San Antonio AIDS Foundation	Housing and Supportive Services	SMF	HIV			38	0	38	38	100%
	Children's Advocacy Alliance	Housing for Families with Children	HC		90	50		0	80	90	89%
	San Antonio AIDS Foundation	Long-Term Rental Asst. - HIV/AIDS	SMF+HC	HIV	20	10	90		92	110	84%
	San Antonio Housing Authority	Shelter Plus Care 1	SMF+HC	NA	86	86			78	86	91%
	San Antonio Housing Authority	Shelter Plus Care 2	SMF+HC		15	15			12	15	80%
	SAMMinistries	Single Room Occupancy	SMF	NA			88	88	51	88	58%
	American GI Forum	SRO I	SMF	VET			30	10	20	30	67%
	American GI Forum	SRO II	SM	VET			30	10	25	30	83%
	Alamo Area Resource Center	Supportive Housing Program	SFHC		13	3	7	20	20	20	100%
	San Antonio Housing Authority	VASH	SMF+HC	VET	142	40	122	0	265	264	100%
	San Antonio Housing Authority	VASH 2	SMF+HC	VET	125	125			5	125	4%
	American GI Forum	Veterans Lease Housing	SMF+HC	VET	21	14				21	
	SAMMinistries	Woodhill	HC		72	24			68	72	94%
	Seton Home	Youth Supportive Housing	YF		56	15				56	
Total Permanent Supportive Housing					1,300	1,002	428	151	1,175	1,728	68%
SH	Center for Health Care Services	Female Safe Haven	SF				22		20	22	91%
	Center for Health Care Services	Male Safe Haven	SM				22		22	22	100%
Total Safe Haven							22		42	44	95%
Transitional Housing	U. S. Department of Veterans Affairs	Crosspoint, Inc.	SM	VET			21		21	21	100%
	U. S. Department of Veterans Affairs	Domiciliary	SMF	VET			40		33	40	82%
	SAMMinistries	Houses	HC	NA	115	25			91	115	79%
	Family Violence Prevention Services	La Palomo	SFHC	DV	32	12	4		31	36	86%
	Salvation Army	New Start	SF	NA	8	8			7	8	88%
	Seton Home	Safe Place I	SMF+HC		40	10	40		72	80	90%
	Salvation Army	Scattered Sites	SFHC		68	23	4		68	72	94%
	Family Violence Prevention Services	Scattered Sites TH	SFHC	DV	28	8			19	28	68%
	Salvation Army	Shining Star	SF	NA			8		6	8	75%
	Salvation Army	Stepping Forward	SFHC		23	8	0		19	23	83%
	Strong Foundation Ministries	Strong Foundation	SFHC		70	20	10		75	80	94%
	SAMMinistries	TLLC	HC		160	40			145	160	91%
	Catholic Worker House	Transition Housing	SMF+HC		6	2	1		7	7	100%
	American GI Forum	Transitional Houses	SMF	VET			80		68	80	85%
	Visitation House Ministries	Transitional Housing	HC	NA	16	5			11	16	69%
	San Antonio AIDS Foundation	Transitional Housing - AIDS	SMF	HIV			20		20	20	100%
Total Transitional Housing					566	161	228		693	794	87%
TOTAL: ALL TYPES					2,500	1,435	1,494	151	3,234	4,035	80%

Source: 2012 Inventory, San Antonio/Bexar County Continuum of Care

Veterans

The military presence in San Antonio continues to be substantial. In 2005, as a result of a Base Realignment and Closure Round conducted by the Department of Defense, installation support functions at the Army's Fort Sam Houston were combined with those at Randolph and Lackland Air Force Bases under a single organization to form the largest joint base in the Department. The Joint Base San Antonio supports more than 250,000 personnel and has 80,000 members. As a result, the community works to meet the needs of a large number of military veterans. The South Texas Veterans Care System, as a part of the U.S. Department of Veterans Affairs (VA), serves as a leader in the San Antonio Regional Alliance for Homelessness (SARAH). According to the Continuum of Care, the VA provides transitional housing to homeless veterans directly through a domiciliary care facility and by contracting with the American GI Forum (AGIF) to operate a transitional grant per diem program. AGIF also provides permanent housing to homeless veterans and a nationally recognized job training program. Haven for Hope identifies all veterans accessing services and seeks to link them to the VA. San Antonio Family Endeavors identifies and provides outreach and case management to homeless veterans. The San Antonio Housing Authority works closely with the VA in implementing HUD-VASH and maintains a local voucher preference for homeless veterans.

Physical or Developmental Disabilities

The base definition of developmental disability is an IQ score of less than 70. The majority of people with psychiatric or developmental disabilities experience housing problems or have housing needs in some form: cost prohibition or rent burden; overcrowding; substandard housing; inability to move out of an institutional or residential treatment setting beyond the period of need; and homelessness. Physically disabled individuals usually require modifications to their living space, including the removal of physical barriers. Generally, accommodations can be made to adapt a residential unit for use by wheelchair-bound persons or persons with hearing or vision impairments. It is difficult to identify private rental units that have been adapted.

The Census Bureau reports disability status for non-institutionalized persons age 5 and over. As defined by the Census Bureau, a disability is a long-lasting physical, mental or emotional condition. The 2011 American Community Survey, the latest source of data available, estimated that of 993,075 San Antonio residents age 16 and up in the survey sample, 162,924 (16.4%) were living with a disability. Of the disabled population in the City, 25.4% had incomes below the poverty level, compared to 16.8% of people without disabilities. The median income was \$18,847 for those with disabilities, compared to \$25,483 for those without. There is no source of data that enumerates local housing need by category of disability. However, many disabled persons in San Antonio are served by public and assisted housing facilities as a result of local public housing preferences.

Veterans' needs are an area of major focus among local social service agencies, due to the strong local military presence.

One-quarter of San Antonio residents with disabilities live below the poverty line, compared to 16.8% of those without disabilities.



Growth has been strongest in suburban and exurban areas.



The increase in the City's housing inventory has been driven primarily by annexation.

HOUSING MARKET

Housing Inventory

According to the San Antonio Board of Realtors and by indicators of low foreclosure and strong job growth, the San Antonio real estate market is currently among the healthiest in the United States. Additionally, the National Association of Realtors ranked San Antonio the 4th best rental market in the country in June 2013, citing the City's affordable lifestyle and impressive growth.

Across the eight-county San Antonio-New Braunfels metropolitan statistical area (MSA), the rate at which housing units were added to the inventory during the last decade greatly outpaced growth in the 1990s. In 2010, the MSA had more than a quarter-million more units than in 2000, a change of 39.7% in a single decade. The City of San Antonio represents a large portion of that change, having added 91,124 units since 2000. While much of the raw-numbers growth occurred within Bexar County, growth rates were highest in portions of the MSA outside the County, indicating strong development in suburban and exurban areas.

Map 10 illustrates the distribution of housing units across the City in 2000 and 2010. Comparison of this statistic between the two years is somewhat limited by a large number of census tract boundary changes. However, the map serves to demonstrate a few facts. First, the growth in housing units within the City is in part due to annexation. The physical area captured by the City's border expanded considerably in the 1990s and again in the 2000s. Annexation has added units to the City's inventory that were previously counted outside of the City. Secondly, neighborhoods of varying housing density are scattered evenly throughout portions of the City that are not recent annexations. None of the City's 10 council districts appear to have undergone dramatic change in the density of housing units, though individual neighborhoods have experienced decreases or increases according to property development, redevelopment, conversion or clearance.

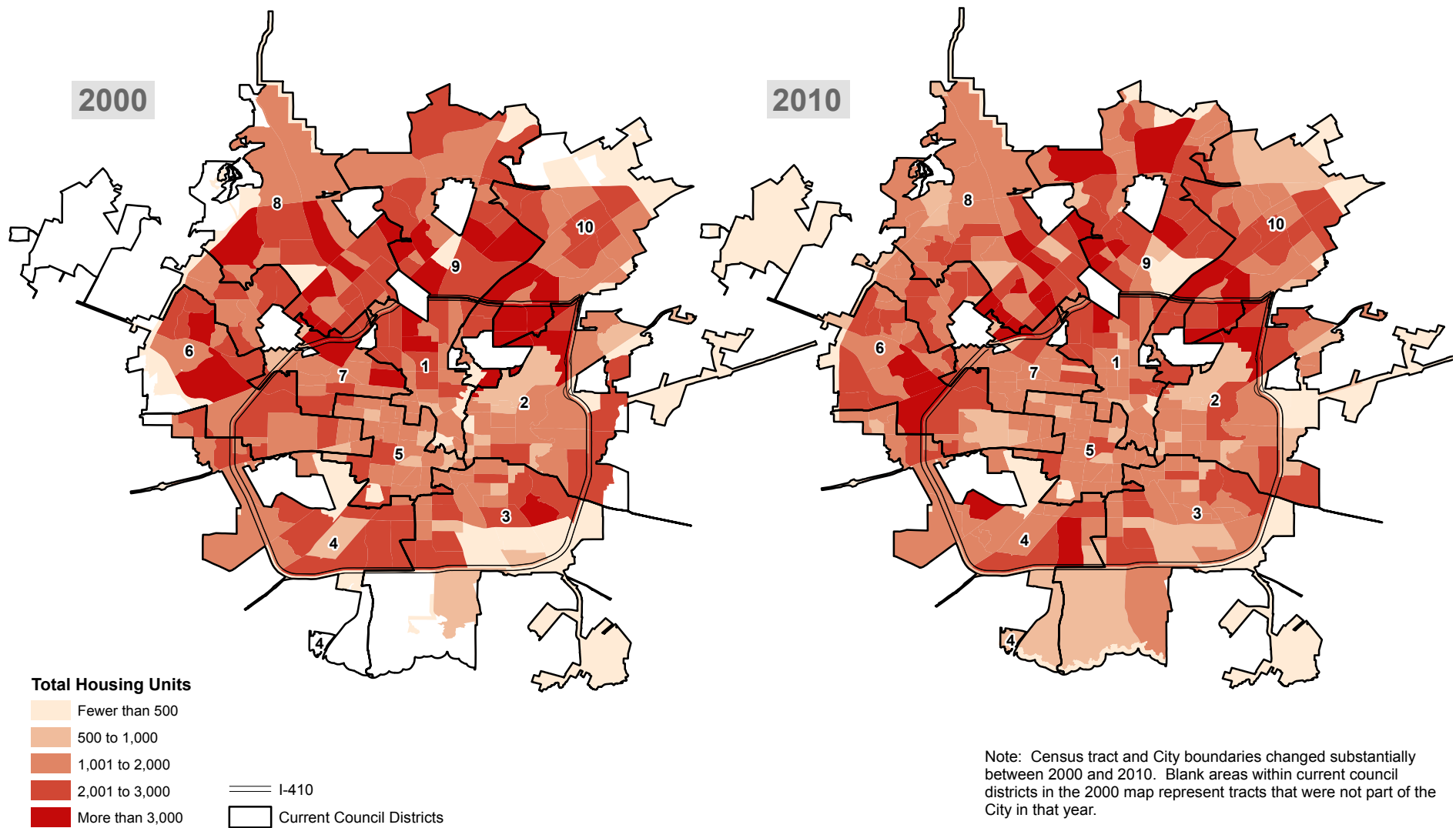
Figure 25: Trends in Housing Inventory, 1990 - 2010

	1990	2000	Average Annual Change	Change 1990-2000	2010	Average Annual Change	Change 2000-2010
San Antonio	365,414	433,122	6,771	18.5%	524,246	9,112	21.0%
Bexar County	455,832	521,359	6,553	14.4%	662,872	14,151	27.1%
San Antonio-New Braunfels MSA	504,411	599,772	9,536	18.9%	837,999	23,823	39.7%

Source: U.S. Census Bureau

Map 10

Total Housing Units by Census Tract, 2000 and 2010





Higher rates of residential development are occurring in the northern neighborhoods of the City.

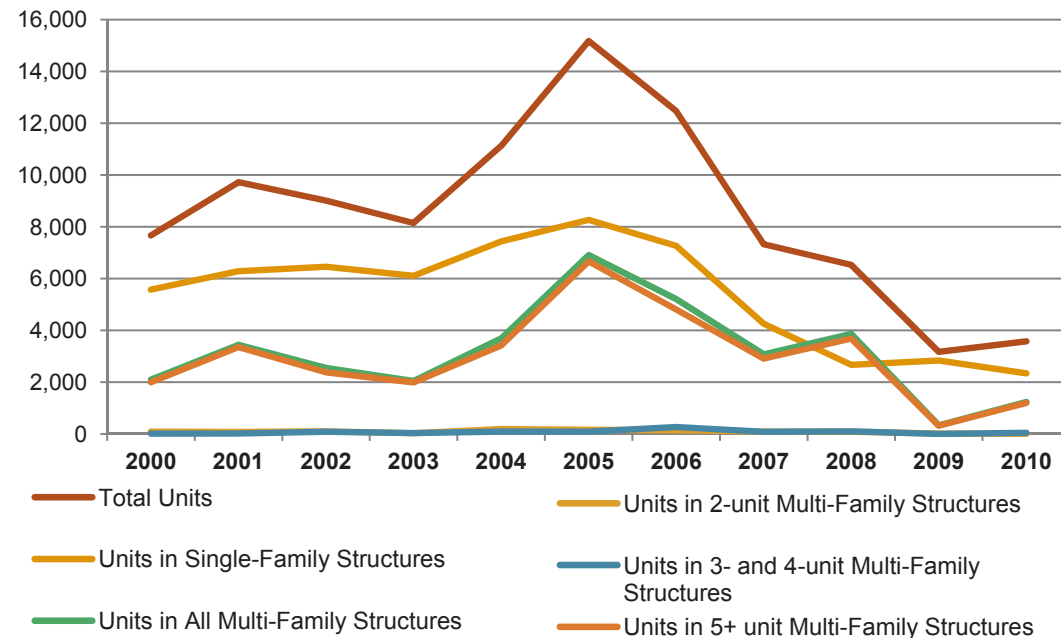


Despite a desire to prevent sprawl, more than 60% of permits issued between 2000 and 2010 were for lower-density single-family units.

Further insight into the nature of change in the City's total number of housing units can be gained by examining the volume and type of building permits issued. Between 2000 and 2010, San Antonio issued permits for the construction or addition of 93,911 housing units across the City. This fairly closely approximates the Census figure for the difference in units between those years, 91,124, especially considering that not all permits result in finished units. Of the total permits issued, 63.3% were for single-family structures, while 1.9% were for units in two- to four-unit structures and the remaining 34.8% were for structures with five or more units. As demonstrated by Figure 26, the number of permits issued was not steady over time, but tapered precipitously after 2005, consistent with national trends related to the market downturn in following years.

As described by the San Antonio Board of Realtors, the local landscape has begun to shift toward what would be considered a seller's market, as the average number of days a home remains on market is falling and supply is tightening up. However, sales volume is still substantially (around 60%) below the peak it attained in 2005.

Figure 26: Residential Building Permits Issued by Year and Structure Size, 2000 - 2010



Single-family housing units remain the predominant housing type available in the City. Specifically, single-family dwellings represented 66.7% of San Antonio's housing inventory in 2010. Multi-family housing units represented 30.7% of the City's housing stock, while mobile homes accounted for 1.5%. Mobile homes were much more prevalent elsewhere in the MSA, where they constitute 6.6% of all residences. The MSA and Bexar County are even more predominantly single-family, with this structure type representing 70% of all housing units in both geographic areas.

Growth in multi-family development has occurred in higher-growth areas near major employment centers, outside of higher poverty, higher minority areas.

Figure 27: Types of Housing Units, 2010

	Total Units	Single-family units	Multi-family units				Total	Mobile home	Boat, RV, van, etc
			2 to 4	5 to 9	10 to 19	20 or more			
San Antonio	512,439	346,848	33,846	40,303	44,486	38,924	157,559	7,825	207
Bexar County	642,854	452,098	37,401	42,996	47,517	42,801	170,715	19,771	270
San Antonio-New Braunfels MSA	810,455	572,354	42,626	46,018	49,465	45,776	183,885	53,559	657

Note: Totals differ from decennial 2010 figures reported; ACS estimates are based on sample data.

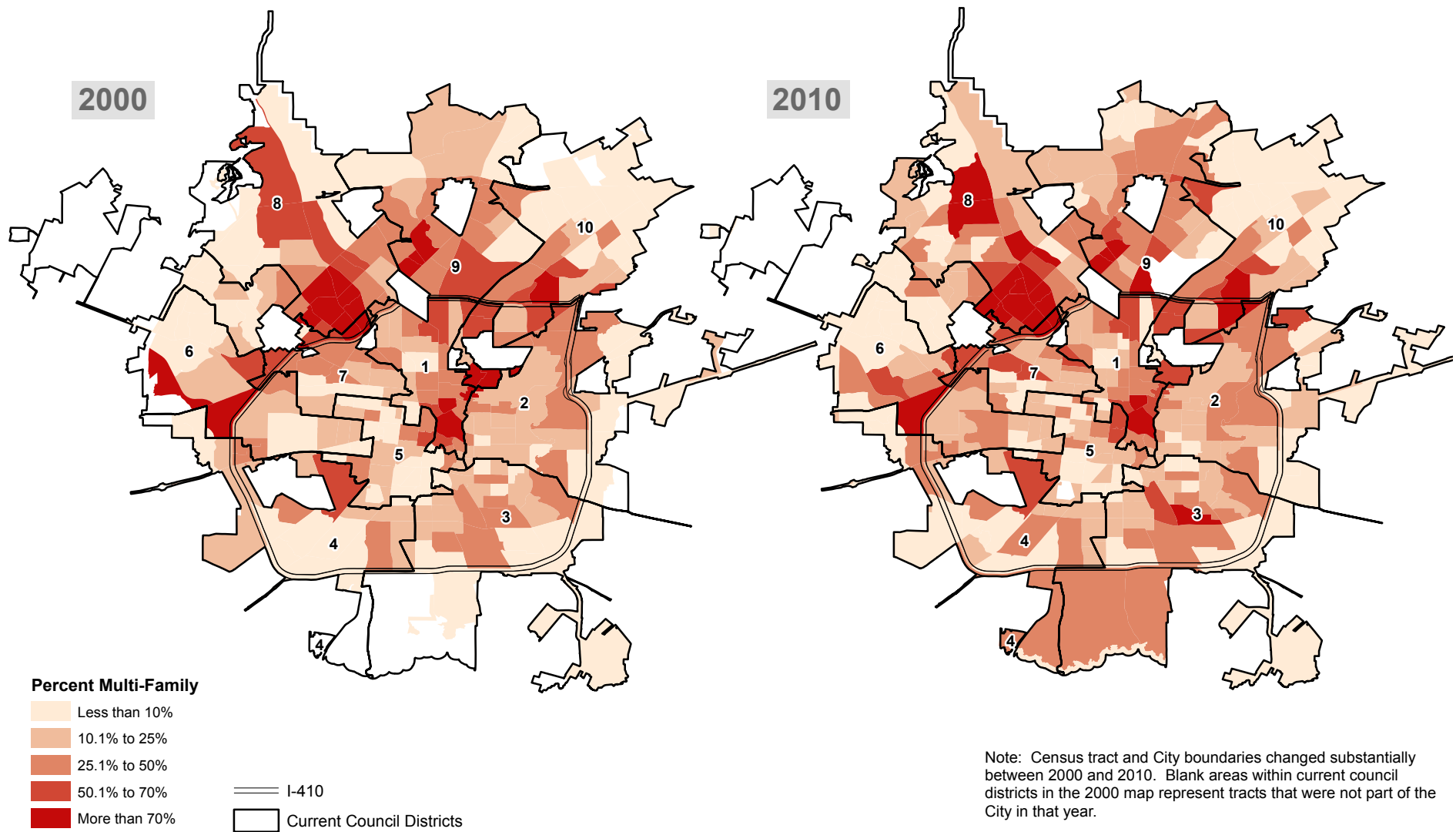
Source: U.S. Census Bureau, 2006-2010 ACS 5-year Estimates

Map 11 illustrates the distribution of multi-family units across the City, displaying a relatively balanced distribution of housing structure types. Relatively wealthy northern council districts 9 and 10, areas of high growth, share a proportion of multi-family housing.

Multi-family home starts were down as of Summer 2012, according to the San Antonio Board of Realtors, due to a lack of lot supply, as planned subdivisions were being built out and no new subdivisions were being planned.

Map 11

Percent Multi-Family Housing by Census Tract, 2000 and 2010



The homeowner vacancy rate in the City of San Antonio was 1.9% in 2010, a decrease from 3.2% in 1990, but a slight increase compared to 1.4% in 2000. Generally, a homeowner vacancy rate between 3% and 5% of the sales housing inventory is preferable because it allows some mobility and flexibility for households that are moving. A low rate of vacant-for-sale-only units impacts the affordability of housing because of a lower number of available units on the market at any given time, which causes a rise in home prices due to demand exceeding a limited supply. The following figure provides additional detail on homeowner vacancy rates.

Figure 28: Trends in Owner-Occupied Unit Vacancies, 1990 - 2010

	Housing Units		Owner-occupied Units			
	Total	Occupied	Total	%	Vacant Units For Sale Only	Vacancy Rate
1990						
San Antonio	365,414	326,761	176,422	48.3%	5,860	3.2%
Bexar County	455,832	409,043	236,411	51.9%	8,461	3.5%
San Antonio MSA	504,411	451,021	483,909	95.9%	9,375	3.4%
2000						
San Antonio	433,122	405,544	235,584	54.4%	3,428	1.4%
Bexar County	521,359	488,942	299,171	57.4%	4,324	1.4%
San Antonio MSA	599,772	559,946	354,788	59.2%	5,288	1.5%
2010						
San Antonio	524,246	479,642	271,070	51.7%	5,258	1.9%
Bexar County	662,872	608,931	368,638	55.6%	7,235	1.9%
San Antonio-New Braunfels MSA	837,999	763,022	488,523	58.3%	9,893	2.0%

Source: U.S. Census Bureau

A homeowner vacancy rate of 1.9% is too low to adequately meet demand. Conversely, the rental vacancy rate of 10.8% indicates excess inventory.

Across the entire MSA, single-family building permits peaked in 2005, when 14,706 were issued. In that year, San Antonio accounted for roughly half of such permits. In 2010, only 5,144 single-family permits were issued across the eight-county MSA, with less than half issued by the City of San Antonio.

The MSA-wide sales market tightened between 1990 and 2010. Increasing growth has widened demand for sales housing, and the market appears to be just keeping up.



Updated rental vacancy data indicates that the City's rental market is increasingly tight.

Rental vacancy rates, by comparison, are considerably higher than owner vacancy rates across the City. In 2010, the Census Bureau reported more than 22,000 vacant renter units, representing 10.8% of the rental housing stock. This represents an increase from the 2000 rate of 7.4%. Generally, a rental vacancy rate of 5% to 9% is preferred because it allows mobility and greater choice for households that are moving. A lower rental vacancy rate exerts upward pressure on rents, negatively impacting the ability of lower-income households to find affordable housing.

According to market data provided via Austin Investor Interests, the rental vacancy rate in San Antonio was 4.6% in the second quarter of 2012, compared to 4.4% one year prior and 6.2% two years prior. Rates were virtually identical across Bexar County overall, though they varied widely among City neighborhoods according to the location and age of buildings. This sub-5% rate in 2012 is substantially lower than the previously mentioned Census rental vacancy rate of 10.8% in 2010, but another source suggests that the rate did indeed decrease in those two years. According to the Census Bureau's Housing Vacancies and Homeownership Survey, which releases quarterly estimates at the metropolitan level, San Antonio's rental vacancy rate fell from 13.2% in the first quarter of 2010 to 7.5% by the final quarter of 2012.

Figure 29: Trends in Rental Housing Vacancies, 1990 - 2010

	Housing Units		Renter-occupied Units			
	Total	Occupied	Total	%	Vacant Units	Rental Vacancy Rate
1990						
San Antonio	365,414	326,761	150,339	41.1%	19,785	13.2%
Bexar County	455,832	409,043	172,632	37.9%	22,616	13.1%
San Antonio MSA	504,411	451,021	183,909	36.5%	24,135	13.1%
2000						
San Antonio	433,122	405,544	169,960	39.2%	12,591	7.4%
Bexar County	521,359	488,942	189,771	36.4%	13,732	7.2%
San Antonio MSA	599,772	559,946	205,158	34.2%	15,301	7.5%
2010						
San Antonio	524,246	479,642	208,572	39.8%	22,454	10.8%
Bexar County	662,872	608,931	240,293	36.3%	22,551	9.4%
San Antonio-New Braunfels MSA	837,999	763,022	274,499	32.8%	28,717	10.5%

Source: U.S. Census Bureau

Overall, the City's housing stock was 8.5% vacant in 2010, lower than the 8.9% rate across the eight-county MSA. Vacancy has increased since 2000, when the City's rate was 6.4% and the MSA's was a comparable 6.6%. Higher vacancy rates exert more downward pressure on home prices. Rising vacancy rates are also evidence of a potential slowing in the home building industry as developers try to sell their stock of vacant units. A softening housing market between 2000 and 2010 is confirmed by a decline in the number of building permits issued annually by the City for the construction of single-family homes.

HUD's Comprehensive Housing Market Analysis for the San Antonio-New Braunfels MSA, released in September 2011, describes the rental market across the eight-county area as "soft, but improving," with an expected demand of 13,200 new units between 2011 and 2014. The same analysis finds the sales market to be soft, with an estimated vacancy rate of 2%. HUD projected demand for 30,800 new market-rate sales units between 2011 and 2014 and an additional 2,650 mobile homes. Finally, HUD suggested that some demand could be satisfied by a portion of the 36,000 vacant units across the MSA coming back online.

The following figure provides additional information on the overall vacancy rates between 1990 and 2010.

Figure 30: Overall Housing Vacancies, 1990 - 2010

	Total Housing Units	Total Vacant Units	
		#	%
1990			
San Antonio	365,414	38,653	10.6%
Bexar County	455,832	46,789	10.3%
San Antonio MSA	504,411	53,390	10.6%
2000			
San Antonio	433,122	27,648	6.4%
Bexar County	521,359	32,417	6.2%
San Antonio MSA	599,772	39,826	6.6%
2010			
San Antonio	524,246	44,604	8.5%
Bexar County	662,872	53,941	8.1%
San Antonio-New Braunfels MSA	837,999	74,977	8.9%

Note: Total vacancy rate is calculated as the total number of vacant units divided by total housing units. Total vacancy rates, while calculated differently than rental or homeowner vacancy rates, can provide an indication of the increase or decrease in the total number of vacant housing units in a market.

Source: U.S. Census Bureau



As of 2010, 56.5% of San Antonio households are homeowners.

Tenure

Home ownership rates have decreased across the City since 2000 from 58.1% to 56.5%, as demonstrated in the following summary table. A similar trend was reported for Bexar County, though ownership increased in the MSA, indicating that home ownership increased in rural counties. The number of owner-occupied units increased 15.1% during the same years, but the increase was outpaced by a 22.7% expansion in the number of renter-occupied units. The number of vacant units increased 61.3% between 2000 and 2010.

Figure 31: Housing Tenure, 1990 - 2010

	Housing Units		Owner-Occupied Units		Renter-Occupied Units		Vacant Units	
	Total	Occupied	#	%*	#	%*	#	%**
1990								
San Antonio	365,414	326,761	176,422	54.0%	150,339	46.0%	38,653	10.6%
Bexar County	455,832	409,043	236,411	57.8%	172,632	42.2%	46,789	10.3%
San Antonio MSA	504,411	451,021	267,112	59.2%	183,909	40.8%	53,390	10.6%
2000								
San Antonio	433,122	405,544	235,584	58.1%	169,960	41.9%	27,648	6.4%
Bexar County	521,359	488,942	299,171	61.2%	189,771	38.8%	32,417	6.2%
San Antonio MSA	599,772	559,946	354,788	63.4%	205,158	36.6%	39,826	6.6%
2010								
San Antonio	524,246	479,642	271,070	56.5%	208,572	43.5%	44,604	8.5%
Bexar County	662,872	608,931	368,638	60.5%	240,293	39.5%	53,941	8.1%
San Antonio-New Braunfels MSA	837,999	763,022	488,523	64.0%	274,499	36.0%	74,977	8.9%

*Calculated as a percent of total occupied units.

**Calculated as a percent of total units.

Source: U.S. Census Bureau

Characteristics of homeowners and renters by age of the householders include the following:

- The youngest households are predominantly renters.
- There are more renters than owners found among the 25-34 age cohort.
- By age 35, renter rates begin to fall significantly and continue decreasing as households age.

Non-Hispanic minority households were less likely to be homeowners.



Figure 32: Housing Tenure by Age of Household, 2010

Age of Householder		
	% Own	% Rent
15 to 24	9.7%	90.3%
25 to 34	35.8%	64.2%
35 to 44	58.4%	41.6%
45 to 54	66.5%	33.5%
55 to 64	74.4%	25.6%
65 to 74	80.2%	19.8%
75 to 84	79.0%	21.0%
85 and older	71.7%	28.3%
All Households	58.6%	41.4%

Source: U.S. Census Bureau

In San Antonio, NH White households were more likely to be homeowners than minority households in 2010, as 63.7% owned their homes. Hispanic households had the highest rate of homeownership among all minorities across the City at 54.9%. The lowest ownership rate, 39.6%, was reported among Black households.

Figure 33: Housing Tenure by Race and Ethnicity, 2010

Race of Householder		
	% Own	% Rent
Non-Hispanic	58.5%	41.5%
White	63.7%	36.3%
Black	39.6%	60.4%
AIAN	49.9%	50.1%
Asian/Pacific Islander	50.4%	49.6%
Other	47.0%	53.0%
Two or More Races	42.8%	57.2%
Hispanic	54.9%	45.1%

Source: U.S. Census Bureau





The City's housing stock is relatively new, with only 22.2% of all units built prior to 1960.

Physical Condition of Housing

The age of a residential structure demonstrates the time the unit has been in the inventory and the duration of time over which substantial maintenance is necessary. The age threshold commonly used to signal a potential deficiency is represented by the year built with units that are 50 years old or over (i.e. built prior to 1960) used as the threshold. However, the age of a structure alone cannot be used to determine the condition of housing. Many older units are well-maintained. Older units, however, have a greater need for maintenance, including the replacement of expensive building systems. Newer housing units with larger rooms and modern amenities generally have higher sales values reflecting a preference for newer units. Geographic locations with a variety of new housing types are often more attractive to new households, but generally less affordable to lower income households.

The housing inventory in San Antonio is relatively young, with less than one-quarter of the City's housing stock built prior to 1960. More than 10% of the City's housing stock was built during the last decade. Rental housing is generally older than owner housing, with 25.5% of units built prior to 1960, compared to 17.6% of owner units. Construction since 2000 has created 33,010 rental units and 44,712 owner units.

Figure 34: Year Built by Tenure, 2010

	Rental Housing		Owner Housing		Total	
	#	%	#	%	#	%
Built 2005 or later	12,421	6.5%	15,758	5.8%	28,179	6.1%
Built 2000-2004	20,589	10.8%	28,954	10.7%	49,543	10.7%
Built 1990-1999	23,762	12.4%	40,078	14.8%	63,840	13.8%
Built 1980-1989	38,959	20.4%	42,502	15.7%	81,461	17.7%
Built 1970-1979	41,750	21.9%	41,441	15.3%	83,191	18.0%
Built 1960-1969	19,949	10.4%	32,521	12.0%	52,470	11.4%
Built prior to 1960	33,624	17.6%	68,831	25.5%	102,455	22.2%
TOTAL UNITS	191,054	100.0%	270,085	100.0%	461,139	100.0%

Source: US Census Bureau, 2006-2010 ACS 5-year Estimates

Another variable used to identify housing condition is overcrowding, which is directly related to the wear and tear sustained by the residential structure. Occupancy at levels greater than one person per room (1.01) is used by the Census Bureau as the threshold for defining living conditions as substandard. Finally, a lack of complete plumbing facilities is identified as a variable with the sharing of facilities between households used as an index of deficient housing conditions.

Across San Antonio, more rental units than owner units were overcrowded in 2010. More than 4% of occupied housing units in the City were overcrowded. Among the 19,871 overcrowded units in the City, 57.2% were renter-occupied.

Figure 35: Overcrowded Housing Units, 2010

Total Occupied Housing Units	461,139
Owner-Occupied Units	270,085
Overcrowded Units	8,509
Renter-Occupied Units	191,054
Overcrowded Units	11,362
Total Overcrowded Units	19,871
% of Total Occupied Units	4.3%

Note: Totals differ from decennial 2010 figures reported; ACS estimates are based on sample data.

Source: US Census Bureau, 2006-2010 ACS 5-year Estimates

Only 0.6% of the occupied housing units in the City of San Antonio lacked complete plumbing facilities in 2010. More than half (56.9%) of units lacking facilities were renter-occupied. No data is available to describe how many units in the City are considered substandard by other definitions, such as the failure of major systems (roof, foundation, heat).

Figure 36: Substandard Housing Units, 2010

Total Occupied Housing Units	461,139
Owner-Occupied Units	270,085
Lacking Complete Plumbing Facilities	1,172
Renter-Occupied Units	191,054
Lacking Complete Plumbing Facilities	1,545
Total Units Without Complete Plumbing	2,717
% of Total Occupied Units	0.6%

Note: Totals differ from decennial 2010 figures reported; ACS estimates are based on sample data.

Source: US Census Bureau, 2006-2010 ACS 5-year Estimates

Despite decreasing household size and more than 33,000 new rental units added to the inventory since 2000, more than 11,300 renter units were overcrowded in 2010. Factor in a 4.6% rental vacancy rate and it becomes clear that affordability is an issue.

Housing Costs

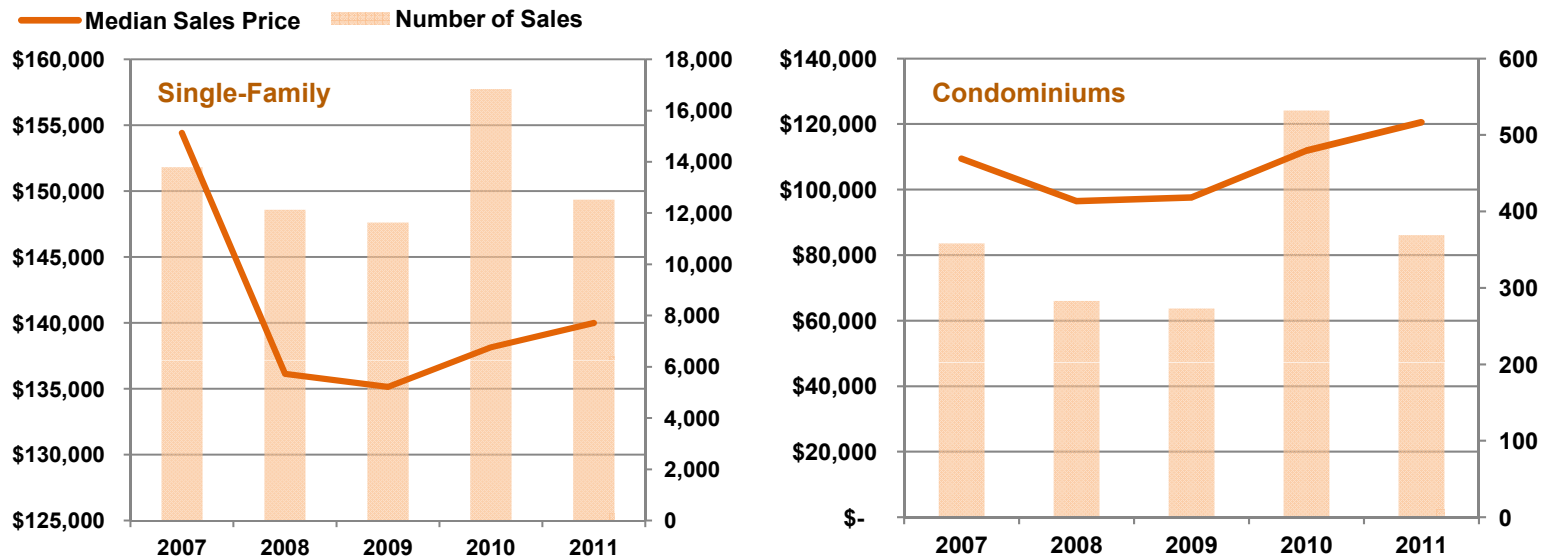
Data on residential property sales between 2007 and 2010 was provided by the local multi-list service via the City of San Antonio. According to this source, the median value of single-family homes sold in San Antonio fell from \$154,413 in 2007 to \$140,000 in 2011, while the median value of condominiums sold -- representing a much smaller fraction of the market -- climbed from \$109,426 to \$120,562. The condo market, according to HUD's 2011 Comprehensive Housing Market Analysis for the MSA, is concentrated primarily Downtown, and construction has come to a "virtual halt" due to high prices, higher lending standards and the weakened economy. Overall, Realtors estimated that a seven-month inventory of housing was on the market as of August 2012.

Figure 37: Annual Residential Sales, 2007 - 2011

	Single-Family			Condominium		
	# sales	median price	median gross area	# sales	median price	median gross area
2007*	13,793	\$ 154,413	1,980	358	\$ 109,426	1,026
2008	12,125	\$ 136,141	2,063	283	\$ 96,500	1,101
2009	11,629	\$ 135,143	2,192	273	\$ 97,628	1,120
2010	16,845	\$ 138,147	2,081	532	\$ 111,891	1,079
2011**	12,527	\$ 140,000	2,072	369	\$ 120,562	1,159

* April through December only

** January through partial December

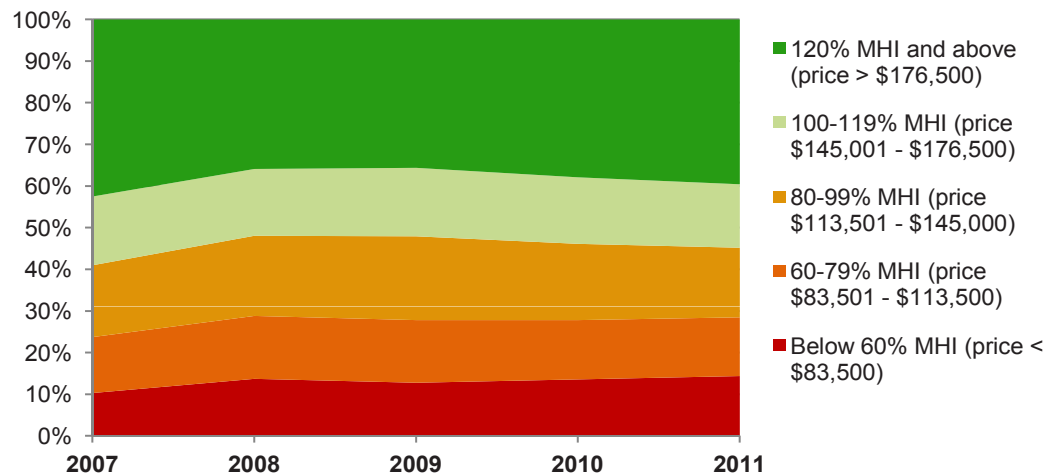


By comparing sales price data with median income, it is possible to determine which segments of the market are affordable to individual income tiers. The table below divides all residential sales for each year among levels of affordability compared to the median income, which in 2010 was \$43,758. In 2011, 14.4% of the inventory sold was affordable to households making 60% or less of MHI, who represented 29% of all households in 2010.

Figure 38: Units Sold by Affordability Level, 2007 - 2011

Units affordable to:	2007		2008		2009		2010		2011	
	#	%	#	%	#	%	#	%	#	%
Below 60% MHI (price < \$83,500)	1,798	10.3%	2,238	13.8%	2,025	12.8%	2,350	13.6%	1,551	14.4%
60-79% MHI (price < \$113,500)	4,133	23.8%	4,692	28.8%	4,404	27.8%	4,806	27.8%	3,065	28.5%
80-99% MHI (price < \$145,000)	7,120	41.0%	7,821	48.1%	7,584	47.9%	7,975	46.1%	4,865	45.2%
100-119% MHI (price < \$176,500)	9,998	57.5%	10,434	64.1%	10,182	64.4%	10,740	62.1%	6,502	60.4%
120% MHI and above (price > \$176,500)	17,380	100.0%	16,267	100.0%	15,821	100.0%	17,291	100.0%	10,757	100.0%
Total	17,380	100.0%	16,267	100.0%	15,821	100.0%	17,291	100.0%	10,757	100.0%

Notes: Table includes only records for which a price was listed. Additionally, 5,307 sales in 2010 and 5,505 in 2011 included no price data. 2007 data is April through December, and 2011 data is January through partial December.



In recent years, 14.4% of the sales market has been available to households earning 60% or less of MHI, and about one-quarter of the market has been affordable to households earning up to 80% of MHI.



The affordability of homes sold in 2011 ranges widely among neighborhoods, with less than 5% of homes selling for less than \$83,500 in council districts 9 and 10 and more than 50% of homes selling below that price in districts 2 and 5.

Map 12 illustrates the distribution of homes sold across the City in 2011 by affordability level. Units selling for less than \$83,500, affordable to households at or below 60% of the median income, are far more prevalent in the City's southern half, while units priced above \$176,500, affordable to households earning 120% or more of the median, are sparse in that area. Higher-priced housing is concentrated more heavily in council districts 8 and 9 in the northern part of the City and just outside of City borders. Some mixed-income neighborhoods are suggested in districts 1, 6 and 8 by sales in 2011 at a range of affordability levels.

The following table, extracted from Map 12, breaks down the affordability level of units sold in each council district during 2011. The highest number of residential sales was reported in district 9, where 1,688 homes were sold, comprising 17.1% of all homes sold in the City. In this popular area, only 3.4% of sales would have been affordable to families at or below 60% MHI, and only 7.7% would have been affordable to those at or below 80%. By contrast, more than three-quarters of the homes sold in district 5 were priced below \$85,300, a level affordable to those earning 60% MHI.

Figure 39: Affordability of Homes Sold by Council District, 2011

	#	%	#	%	#	%	#	%	#	%
<i>Units affordable to:</i>	District 1		District 2		District 3		District 4		District 5	
Below 60% MHI (price < \$83,500)	124	33.5%	229	50.8%	136	42.6%	170	45.1%	132	77.2%
60-80% MHI (price < \$113,500)	223	60.3%	318	70.5%	245	76.8%	275	72.9%	156	91.2%
80-100% MHI (price < \$145,000)	268	72.4%	390	86.5%	295	92.5%	341	90.5%	161	94.2%
100-120% MHI (price < \$176,500)	293	79.2%	431	95.6%	312	97.8%	363	96.3%	163	95.3%
120% MHI and above (price > \$176,500)	370	100.0%	451	100.0%	319	100.0%	377	100.0%	171	100.0%
No price data*	362	49.5%	542	54.6%	364	53.3%	351	48.2%	329	65.8%
Total**	732	7.4%	993	10.1%	683	6.9%	728	7.4%	500	5.1%

	#	%	#	%	#	%	#	%	#	%
<i>Units affordable to:</i>	District 6		District 7		District 8		District 9		District 10	
Below 60% MHI (price < \$83,500)	129	17.1%	82	13.4%	44	4.5%	43	3.4%	80	9.2%
60-80% MHI (price < \$113,500)	318	42.2%	220	35.9%	120	12.2%	98	7.7%	249	28.7%
80-100% MHI (price < \$145,000)	546	72.5%	386	63.0%	285	28.9%	223	17.5%	467	53.8%
100-120% MHI (price < \$176,500)	672	89.2%	508	82.9%	457	46.3%	414	32.5%	631	72.7%
120% MHI and above (price > \$176,500)	753	100.0%	613	100.0%	987	100.0%	1,273	100.0%	868	100.0%
No price data	348	31.6%	286	31.8%	379	27.7%	415	24.6%	311	26.4%
Total	1,101	11.2%	899	9.1%	1,366	13.8%	1,688	17.1%	1,179	11.9%

Note: Percentages by category are divided by total of units with price data. Total percentages represent share of citywide units sold in each district.

Source: 2011 MLS Data, City of San Antonio, Calculations by Mullin & Loneragan Associates

Map 12

2011 Home Sales by Affordability

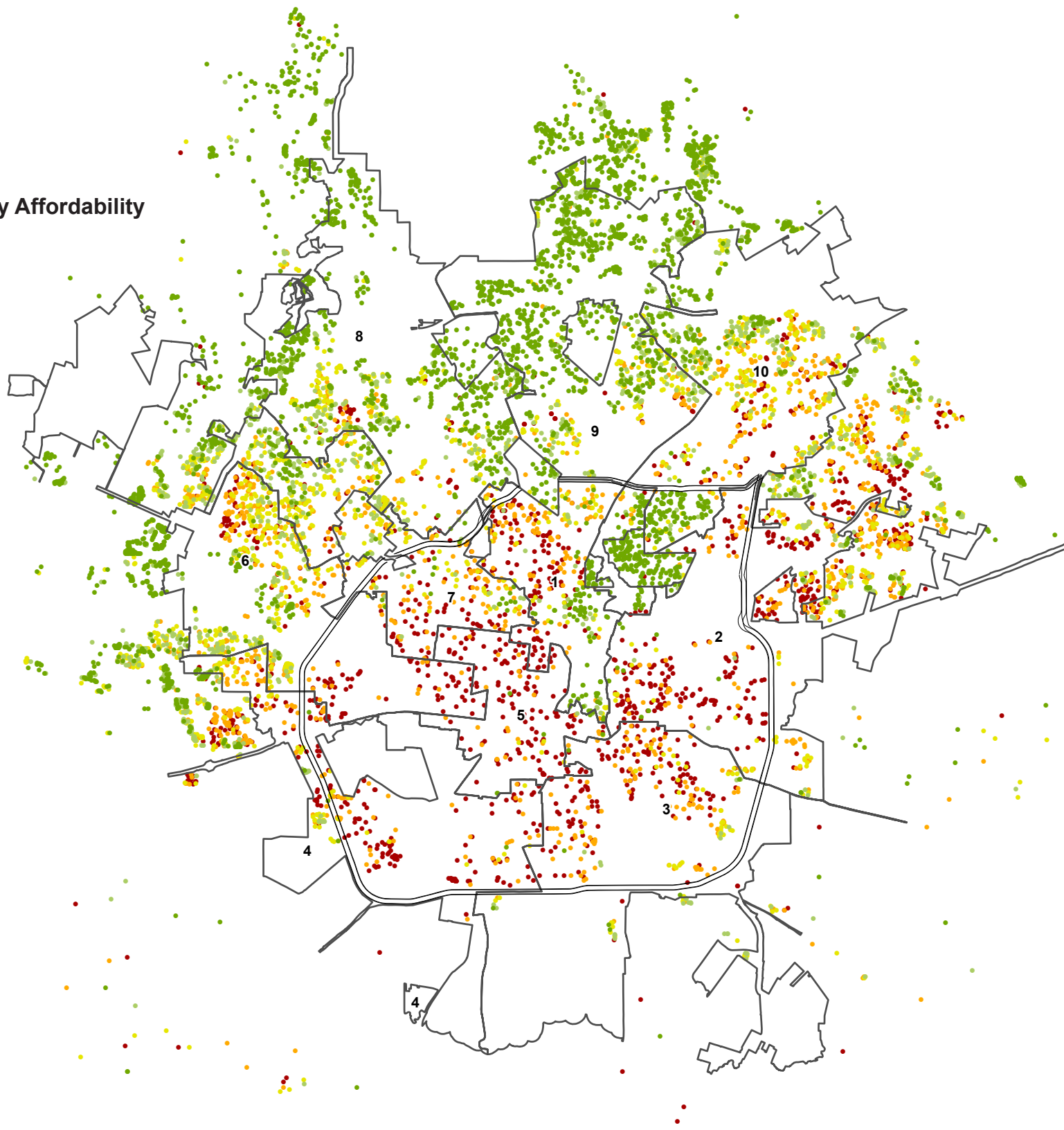
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2011 Home Sales

Affordable to households earning:

- Up to 60% MHI
- 60% to 80% MHI
- 80% to 100% MHI
- 100% to 120% MHI
- More than 120% MHI

□ Council Districts





In order to afford the 2011 median home sales price of \$130,000, a household would require a minimum income of \$48,500, or 110% of the median household income for the City.



The fact that median-income households can afford less than half of homes on the market indicates that as a whole, the local housing market is inherently unaffordable.

Affordable housing, regardless of income level, is housing for which all combined expenses, including mortgage or rent, utilities, insurance and taxes, cost no more than 30% of gross household income. When a household pays more than 30%, the household is considered cost burdened. Cost-burdened households are often forced to compromise other basic necessities, such as food, clothing and health care. Additionally, households that are cost burdened may have trouble maintaining their dwellings, which generally results in deferred maintenance and repair. Eventually, cost burdened households may be living in deficient dwelling units. Cost burden is of particular concern among lower-income households with fewer housing choices.

One method used to determine the inherent affordability of a housing market is to calculate the percentage of homes that could be purchased by households at the median income level. The median household income in San Antonio was \$43,758 in 2010. With this income, a household could purchase a home selling for \$108,000, which is below the median sales price of \$130,000 in September 2011. This suggests that persons earning the median household income in San Antonio would be able to afford less than half of the homes on the market. The following assumptions were made to determine this statistic:

- The mortgage was a 30-year fixed rate loan at a 4.0% interest rate,
- The buyer made a 10% down payment on the sales price,
- Principal, interest, taxes, and insurance (PITI) plus consumer debt equaled no more than 35% of gross monthly income,
- Property taxes were assessed at the City's combined 2011 rate of 2.580194% of the property's assessed value,* and
- Additional consumer debt (credit cards, loans, etc.) averaged \$500.

Given these assumptions, a household would require a minimum income of \$48,500 in order to afford a home selling for the median sales price of \$130,000. This income amount is equivalent to 110% of the median household income for the City in 2010. Figure 40 provides a summary of the incomes, monthly mortgage payments, and maximum affordable purchase prices for households at various income levels in San Antonio.

Changes in the local lending environment, particularly tightened underwriting standards in the wake of the Dodd-Frank Act of 2010, present further challenges for would-be homebuyers. The San Antonio Board of Realtors reported in summer 2012 that banks generally require 10% to 20% in down payment for buyers with fair to excellent credit scores of 640 and up, with exception for FHA and VA loans. Nationally, a 20% down payment requirement is now common among conventional loans.

* According to the Bexar County Tax Collector's office, the City's levy was 0.565690/\$100, the school district's was 1.307600/\$100, and the local municipal utility district's was 0.706904/\$100. No exemptions were assumed.

Figure 40: Housing Affordability by Income Level

Percent MHI	Income	Monthly Mortgage Payment				Maximum Affordable Purchase Price
		Mortgage Principal & Interest	Real Estate Taxes	Insurance & PMI	Total Debt Service*	
30%	\$13,127	No affordability - \$500 debt service is above 35% income				
60%	\$26,255	\$122	\$61	\$80	\$764	\$28,500
80%	\$35,006	\$292	\$146	\$80	\$1,018	\$68,000
100%	\$43,758	\$464	\$232	\$80	\$1,276	\$108,000
120%	\$52,510	\$634	\$317	\$80	\$1,531	\$147,500
September 2011 Median Sales Price: \$130,000						

* Includes PITI and \$500 in assumed average monthly consumer debt service

Sources: ACS 2010, Bexar County Tax Collector's Office, Calculations by Mullin & Lonergan Associates

One of the most credible and widely used sources of information about rental housing cost and affordability is the National Low Income Housing Coalition's (NLIHC) annual publication Out of Reach. The Out of Reach publication provides housing cost data for counties, metropolitan areas, non-metropolitan areas and states.

In Bexar County, the HUD Fair Market Rent (FMR) for a two-bedroom apartment was \$842 in 2011. According to Out of Reach, affording this rent without paying more than 30% income on housing would require annual earnings of \$33,680. Over a 40-hour workweek for 52 weeks per year, this amounts to \$16.19 per hour.

At other income levels:

- In order to afford the FMR for a two-bedroom apartment on the minimum wage of \$7.25, a single worker would be required to work 89 hours per week. Alternately, 2.2 full-time minimum-wage workers could afford a unit at this price.
- The average wage for workers in Bexar County was \$12.18 per hour in 2011, at which rate a worker would be required to log 53 hours per week year-round to afford the two-bedroom FMR. The two-bedroom FMR would be affordable to 1.3 full-time workers earning \$12.18 per hour.
- In 2011, Supplemental Security Income (SSI) payments for an individual were \$674. For individuals with no other income source, \$202 in monthly rent is affordable. However, the HUD FMR for a one-bedroom unit is more than triple that cost at \$682.

To afford the two-bedroom fair market rent in Bexar County without paying more than 30% of income on housing costs, a household would need to earn \$33,680, or \$16.19 per hour over a 40-hour workweek.

The average hourly wage for workers in Bexar County was \$12.18 in 2011.



As of 2010, more than half of renter households would not have been able to afford the two-bedroom fair market rent, which requires an income of at least \$33,680.



When transportation costs are factored into housing expenses, only 29% of households in the MSA were living in areas considered to be affordable in 2009.

The following table contains Census 2010 estimates for household income among San Antonio's population of renter households. According to this data, 116,964 renter households, or 56.4%, had incomes below \$35,000. Most of these households would be unable to afford the two-bedroom FMR, which requires an income of at least \$33,680. The one-bedroom FMR, which requires an income of at least \$26,960, would be unaffordable to the 87,603 renter households making less than \$25,000, who comprise 42.2% of all renters. However, only a segment of these households would need a one-bedroom unit.

Figure 41: Renter Household Income, 2010

Less than \$5,000	16,407	7.9%
\$5,000 to \$9,999	17,762	8.6%
\$10,000 to \$14,999	18,988	9.2%
\$15,000 to \$19,999	16,919	8.2%
\$20,000 to \$24,999	17,527	8.5%
\$25,000 to \$34,999	29,361	14.2%
\$35,000 to \$49,999	35,411	17.1%
\$50,000 to \$74,999	30,455	14.7%
\$75,000 to \$99,999	13,722	6.6%
\$100,000 to \$149,999	7,301	3.5%
\$150,000 or more	3,566	1.7%
Total	207,419	100.0%

Source: ACS 2010 (B25118)

Homes in San Antonio are generally considered to be less affordable if transportation costs are factored in. The only national data source for household transportation costs at this scale is the Housing + Transportation Affordability Index (H+T Index). The Center for Neighborhood Technology (CNT) developed the H+T Index to provide a single source of information on housing and transportation costs at the neighborhood level for metropolitan areas across the United States. Considering housing costs alone, 79% of households in the San Antonio-New Braunfels metropolitan area were affordable at less than 30% of total income for the typical household in 2009. However, when CNT factors transportation costs into the equation, only 29% of households were living in affordable areas (at less than 45% total income for both housing and transportation costs). Further analysis is included in the "Linkages" section of this report.

Foreclosure

During the past five years, soaring foreclosure rates across the country have threatened the viability of neighborhoods and the ability of families to maintain housing. Aside from its most direct consequences of displacing families and depleting the local tax base, foreclosure on a large scale results in neighborhood deterioration, as structures are abandoned and streets become blighted, devaluing nearby property and contributing to nuisance activity. The market value and assessed value of abandoned properties continue to slide, but overall property-related service costs (such as street maintenance, police and fire protection) do not.

According to the RealtyTrac U.S. Foreclosure Market Report for the third quarter of 2011, the most recent data available at the time this report was generated, foreclosure activity in Bexar County, Texas was above the statewide average. Foreclosure filings were sent to 811 properties in the County in November 2011, or one in every 762 housing units, compared to one in every 961 units statewide. Higher rates are generally reported for urban areas of the state.

However, the San Antonio metropolitan area has been relatively insulated from the high rates of mortgage delinquency that occurred and continue to occur in other regions of the U.S. The Center for Metropolitan Studies and the Urban Institute released 2011 mortgage delinquency and foreclosure data ranking all metropolitan areas across the country. The San Antonio metropolitan area's foreclosure rate of 2.9% in June 2011 ranks the area 310th of 366 total metropolitan areas studied, suggesting that most areas of the country fared worse. The foreclosure rate of prime loans was 1.6%, while the foreclosure rate of subprime loans was substantially higher at 13.7%.

The MSA's rate of serious delinquency, which includes mortgages either 90 days or more past due or currently in foreclosure, was 5.8% in June 2011, which ranked 282nd out of 366 metropolitan areas. Between June 2010 and June 2011, the metro's serious delinquency rate dropped 0.5%. Accurate foreclosure data on a more local level is difficult to obtain from non-proprietary sources. However, an accurate proxy is available in the form of the Intra-Metropolitan Foreclosure Risk Score published by the Local Initiatives Support Corporation, a community development support organization, in late 2011. The risk score describes foreclosure risk for each ZIP code relative to other ZIP codes in a metropolitan area based on the frequency of foreclosures, subprime loans, delinquencies, and vacancies. The highest risk ZIP code in each metropolitan area receives a score of 100, so a ZIP code with a score of 50 is estimated to have one-half the risk level of the worst-off ZIP code.

Map 13 illustrates the distribution of risk scores across ZIP codes in the City of San Antonio and beyond. Perhaps unsurprisingly and nearly exclusively, the highest risk scores are concentrated within City limits. This reflects the higher occurrence of actual foreclosures within San Antonio relative to outlying areas and an increased likelihood of subprime lending and property abandonment.

San Antonio has remained relatively insulated from the high rates of mortgage delinquency occurring elsewhere in the U.S.

Foreclosure risk scores were higher in predominantly Hispanic neighborhoods.

Map 13

Intra-Metro Foreclosure Risk Score by ZIP Code, 2011

== I-410

ZIP Code

Foreclosure Risk Score

Up to 5

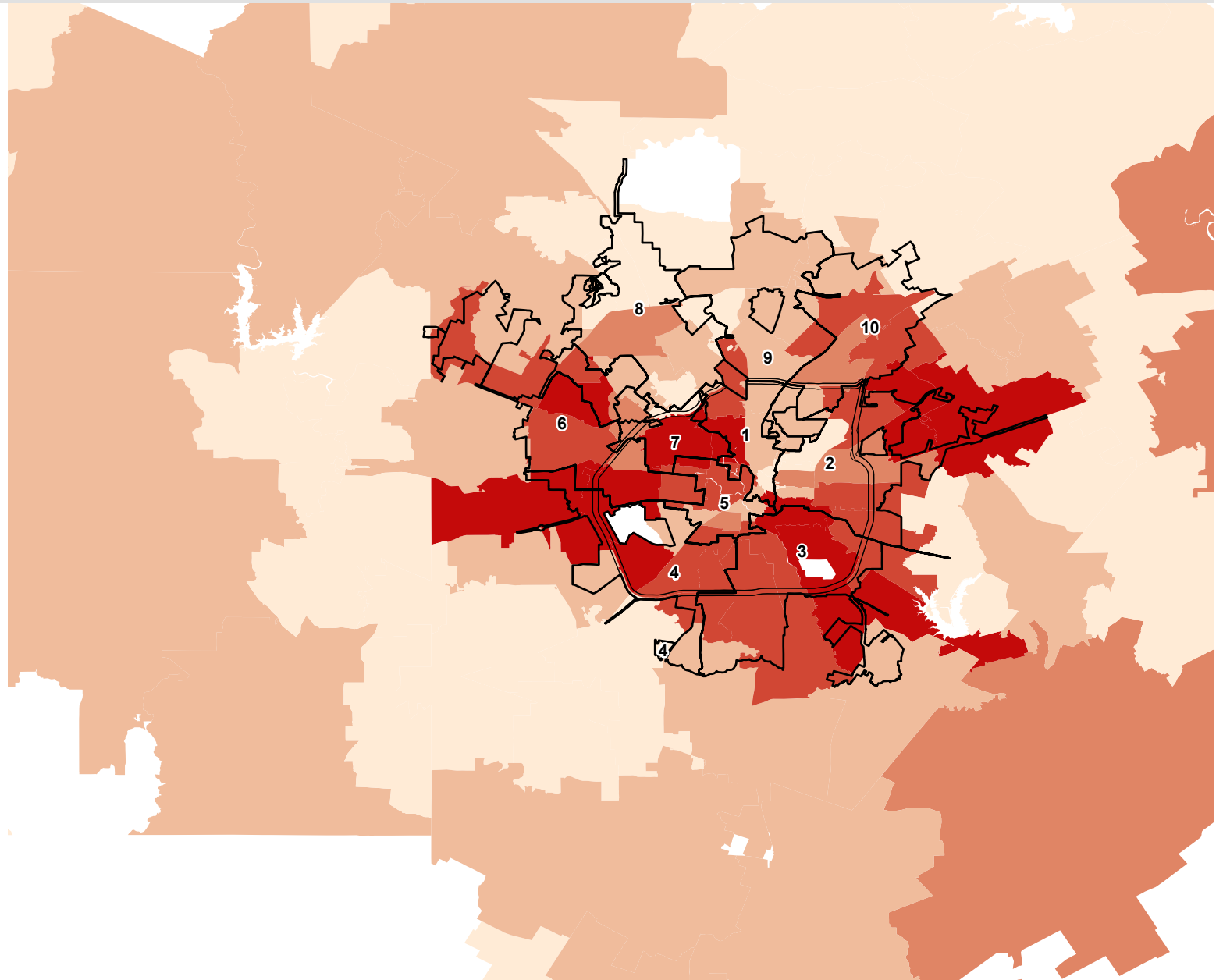
5 to 15

15.1 to 25

25.1 to 50

50.1 to 100

Current Council Districts



Subsidized Housing

San Antonio Housing Authority (SAHA) is the City's largest provider of subsidized housing for low-income residents. As of 2010, when public housing inventory figures were reported in the Five-Year Consolidated Plan, SAHA owned and managed 6,177 public housing units and 6,399 mixed-income units. The Authority also administers Housing Choice Vouchers to give families access to privately owned rental units. In 2010, the Authority managed 12,775 vouchers. The Authority reported that nearly half of the 65,000 people using its programs are elderly or disabled.

The waiting list for public housing or rental assistance programs is a strong indicator of housing need among lower-income populations. In 2010, there were 13,155 households on SAHA's waiting list for family public housing, 1,372 households waiting for elderly public housing and 399 households waiting for a unit accessible to residents with disabilities. Of the 13,155 households waiting for public housing, 78.1% were headed by females. About one in 10 had at least three minor children. Two-thirds (67.9%) were Hispanic; 14.7% were Black and 16.6% were White. Nearly all on the waiting list for family public housing, 99.9%, were classified as extremely-low-income households. The racial and ethnic distribution was similar for the 1,372 households waiting for elderly public housing. Nine in 10 were single-person households, and 99.8% qualified as extremely-low-income. Of the 399 households waiting for an accessible unit, a higher percentage (27.6%) were White; 12.3% were Black and 58.4% were Hispanic.

In addition to the public housing inventory, there is a substantial inventory of private assisted housing in San Antonio. Private assisted housing is privately owned, but affordable due to the funding source used to develop the housing units. This type of subsidized housing differs from public housing that is owned by a government entity. Eligible resident households typically include those who are elderly (either 55 or 62 years of age or older), low income (80% of median income or less) or disabled. Financing for these affordable units typically comes from state and federal sources such as the Low Income Housing Tax Credit Program (LIHTC); the U.S. Department of Agriculture's Section 515 Program; HUD's Section 202 (elderly), Section 811 (disabled), and Section 236 and Section 221(d) (family) Programs.

HUD provides data on all federally subsidized housing in the United States through its "A Picture of Subsidized Households" tool. This source describes the characteristics of assisted housing units and residents, summarized at the national, state, public housing agency, project, census tract, county, statistical area and city levels. Using this source and SAHA inventory data, the following tables provide detail on public and private assisted housing projects in the City of San Antonio. Detailed resident data is available for some sites, demonstrating that the units serve a variety of low-income special needs constituencies. In total, HUD reported in 2008 that San Antonio has 8,004 tax-credit units, 3,498 project-based Section 8 units and 2,087 units financed through other HUD sources, for a total of 13,589 assisted units.

Map 14 illustrates the distribution of public and assisted housing sites by type and number of units. Public housing is loosely concentrated in and around the City's downtown core, while low-income housing tax credit (LIHTC) sites and those built using other funding sources are scattered farther into outlying neighborhoods. According to HUD data, there is no public or assisted housing in council district 9 and only a handful of such sites in district 10. Assisted housing is relatively scarce in the City's north side. A full list of all public and assisted housing by type appears in Appendix A.

Minority households are disproportionately represented among public housing residents and housing voucher tenants.

Public housing is concentrated in the central core of the City, while other assisted housing has been distributed across more predominantly White and higher-growth, higher-income areas.

Map 14

Distribution of Affordable Housing Financed by HUD, 2008

I-410

Current Council Districts

Major Roads

Project-Based Voucher Units

- Fewer than 50
- 51 to 100
- 101 to 200
- 201 to 400
- More than 400

Section 236 Units

- 101 to 200
- 200 to 400

Public Housing Units

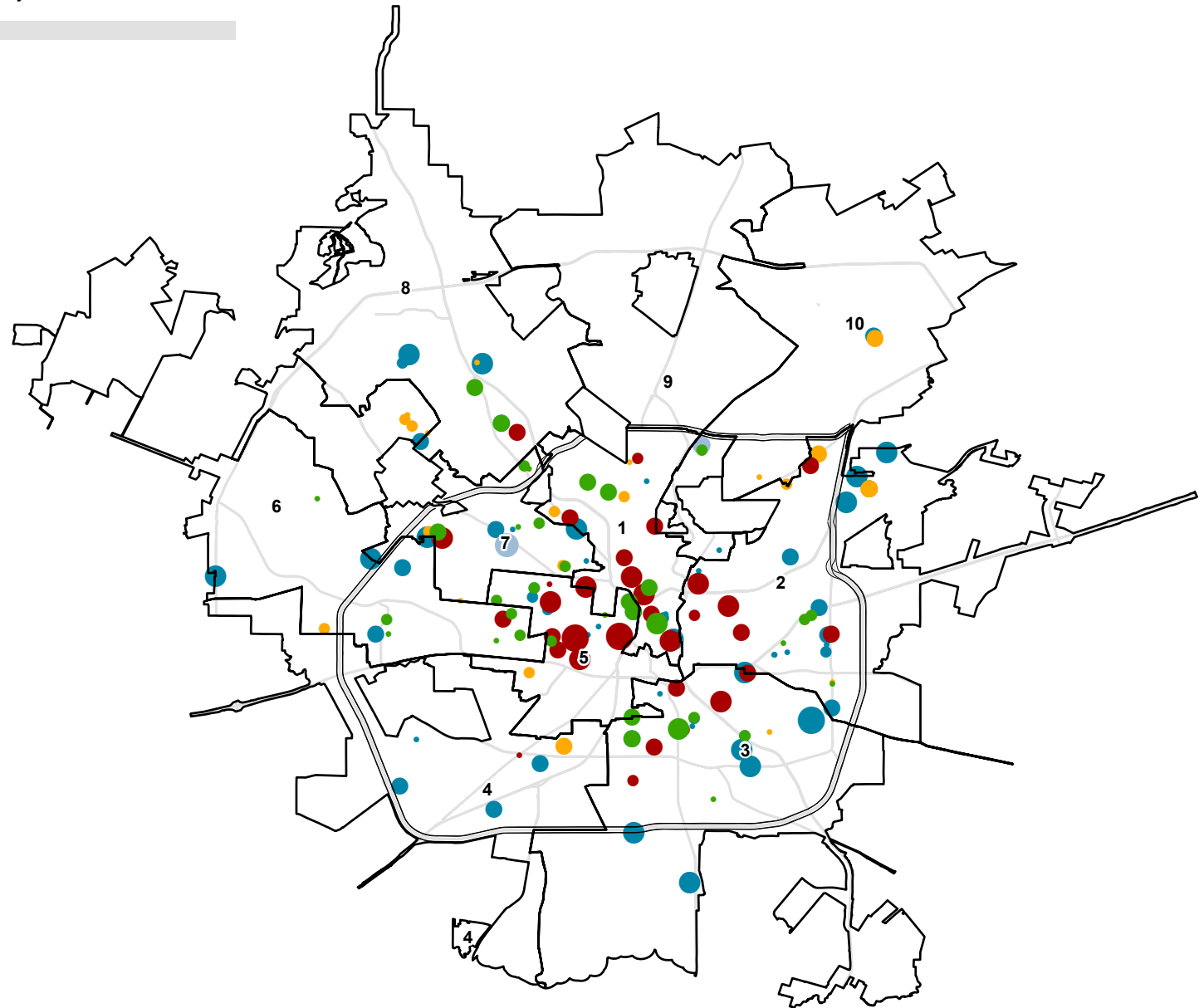
- Fewer than 50
- 50 to 100
- 101 to 200
- 201 to 400
- More than 400

MF/Other Units

- Fewer than 50
- 50 to 100
- 101 to 200
- 201 to 400
- More than 400

LIHTC Units

- Fewer than 50
- 50 to 100
- 101 to 200
- 201 to 400
- More than 400



PROJECTIONS

This section of the report includes an overview of 2011 estimates and 2016 projections of households by income in each council district of the City of San Antonio. Household projections by income group were obtained from Nielsen Claritas, Inc. The data is based on Census figures and updated based on such sources as local governments, consumer databases, postal delivery counts and credit reports. The 2011 estimates and 2016 projections will be used to forecast potential demand for housing and overall projected growth across the City.

In total, the number of households in the City of San Antonio is expected to increase by 35,635, or 7.6%, from 470,998 in 2011 to 506,633 in 2016. The City's housing stock is projected to expand by a comparable 7.6%, from 507,871 units to 546,233 units. The vacancy rate should hold steady at 7.2% as 2,727 additional units become vacant.

Projections by Income Level

The median household income (MHI) in the City is projected to increase from an estimated \$45,457 in 2011 to \$46,397 in 2016, a change of 2.1% that constitutes a decline in real, inflation-adjusted dollars. In 2016, \$46,397 will be equivalent to \$41,989 in 2011 dollars, so the projected increase in median income across the City is a decrease of 7.6% in practical terms.

Estimated median incomes vary across the City's 10 council districts. The highest MHI in both 2011 and 2016 was reported for District 9 at \$70,496 and \$71,796 respectively. The City's wealth is somewhat concentrated in this area, as the next highest median, in neighboring District 10, was about \$15,000 lower in both years. These areas are located in the City's northeast region and are both predominantly areas of non-Hispanic White concentration, though diversity has increased during the past decade. The lowest MHIs were reported in District 5, at \$26,634 in 2011 and \$26,937 in 2016. District 5, at the center of the City, is more than 75% Hispanic.

Based on these household projections, the demand for new affordable housing will expand by 2016 across the City. The total number of households is expected to expand by 35,635, or 7.6%. Of this total, 10,998 (30.9% of) households are expected to have incomes that fall below 80% of the MHI, with 7,396 falling below 60% of MHI.

The distribution of projected change by income tier is examined further in a subsequent section of this report, as these calculations are used to determine projected demand for housing.

About 35,600 new households are expected to live in San Antonio by 2016, 11,000 of which (30.9%) will have incomes that fall below 80% of the median.



* Future inflation is estimated using OMB indices. The inflation index between 2016 and 2011 is 0.905.

By 2016, the number of renter and owner households in San Antonio is expected to increase 9.8% and 7.2%, respectively.

Projections indicate that on the whole, the population is aging, with an expected increase in median age by 2016 for both renters and owners. This is consistent with the observation that the 45-64 age cohort represents a growing share of all residents.

Projections by Age and Tenure

Between 2011 and 2016, the number of renter households is expected to increase 9.8%, compared to a 7.2% gain across owner households. While the median age of householders in both groups should increase, owners remain generally older than renters, at a projected median of 53.3 years in 2011 and 2016, compared to medians of 39.6 and 41.1 for renter households.

Figure 42: Projected Change in Households by Age and Tenure, 2011 to 2016

	Renter		Owner		Total	
2011	#	%	#	%	#	%
Median Age	39.6		53.3			
15 to 24	20,958	10.8%	3,619	1.3%	24,577	5.3%
25 to 34	56,465	29.1%	31,958	11.7%	88,423	18.9%
35 to 44	46,403	23.9%	52,443	19.2%	98,846	21.1%
45 to 54	30,946	15.9%	63,109	23.0%	94,055	20.1%
55 to 64	18,405	9.5%	56,737	20.7%	75,142	16.1%
65 to 74	9,530	4.9%	36,980	13.5%	46,510	9.9%
75 to 84	7,141	3.7%	22,115	8.1%	29,256	6.3%
85 and older	4,357	2.2%	6,832	2.5%	11,189	2.4%
All Households	194,205	100.0%	273,793	100.0%	467,998	100.0%
2016	#	%	#	%	#	%
Median Age	41.1		54.3			
15 to 24	22,396	10.5%	3,768	1.3%	26,164	5.2%
25 to 34	55,511	26.0%	32,595	11.1%	88,106	17.4%
35 to 44	52,862	24.8%	53,381	18.2%	106,243	21.0%
45 to 54	35,588	16.7%	63,853	21.8%	99,441	19.6%
55 to 64	21,901	10.3%	64,098	21.8%	85,999	17.0%
65 to 74	12,343	5.8%	45,644	15.6%	57,987	11.4%
75 to 84	7,646	3.6%	22,392	7.6%	30,038	5.9%
85 and older	4,979	2.3%	7,676	2.6%	12,655	2.5%
All Households	213,226	100%	293,407	100.0%	506,633	100.0%

Sources: Neilsen Claritas, Calculations by City of San Antonio and Mullin & Lonergan Associates, Inc.

LINKAGES

A Housing and Transportation Study conducted by the San Antonio-Bexar County Metropolitan Planning Organization in 2005 examined household transportation costs for the eight-county region to characterize the burden of transportation costs on housing affordability. Among the report's findings are the items listed to the right.

The importance of integrating transportation, land use and housing policy is apparent given these findings, as transportation is a primary factor in housing choice. The following series of maps provides an updated view of the ways in which public transit routes, job sites and affordable housing intersect within the City. VIA public transportation routes provide comprehensive service to San Antonio's most densely developed neighborhoods, linking most neighborhoods to the City's downtown core. Fewer routes exist in the northern end of the City, and few routes extend into outlying parts of Bexar County and beyond. Public transportation into outlying suburban and rural areas is extremely limited. Service between cities is provided primarily by private operators.

Map 16, which compares public transit routes with job sites, demonstrates that access is available to most major centers of employment throughout the City, though there is a relative scarcity of routes that would supply access to the scattered sites in the northern region of the City providing up to 1,000 jobs, particularly in council districts 8 and 9.

Maps 17 and 18, comparing public transit routes with subsidized housing sites and with the distribution of multi-family housing, demonstrate that these housing types have access to VIA routes, more so in the central city neighborhoods than in the outlying neighborhoods.

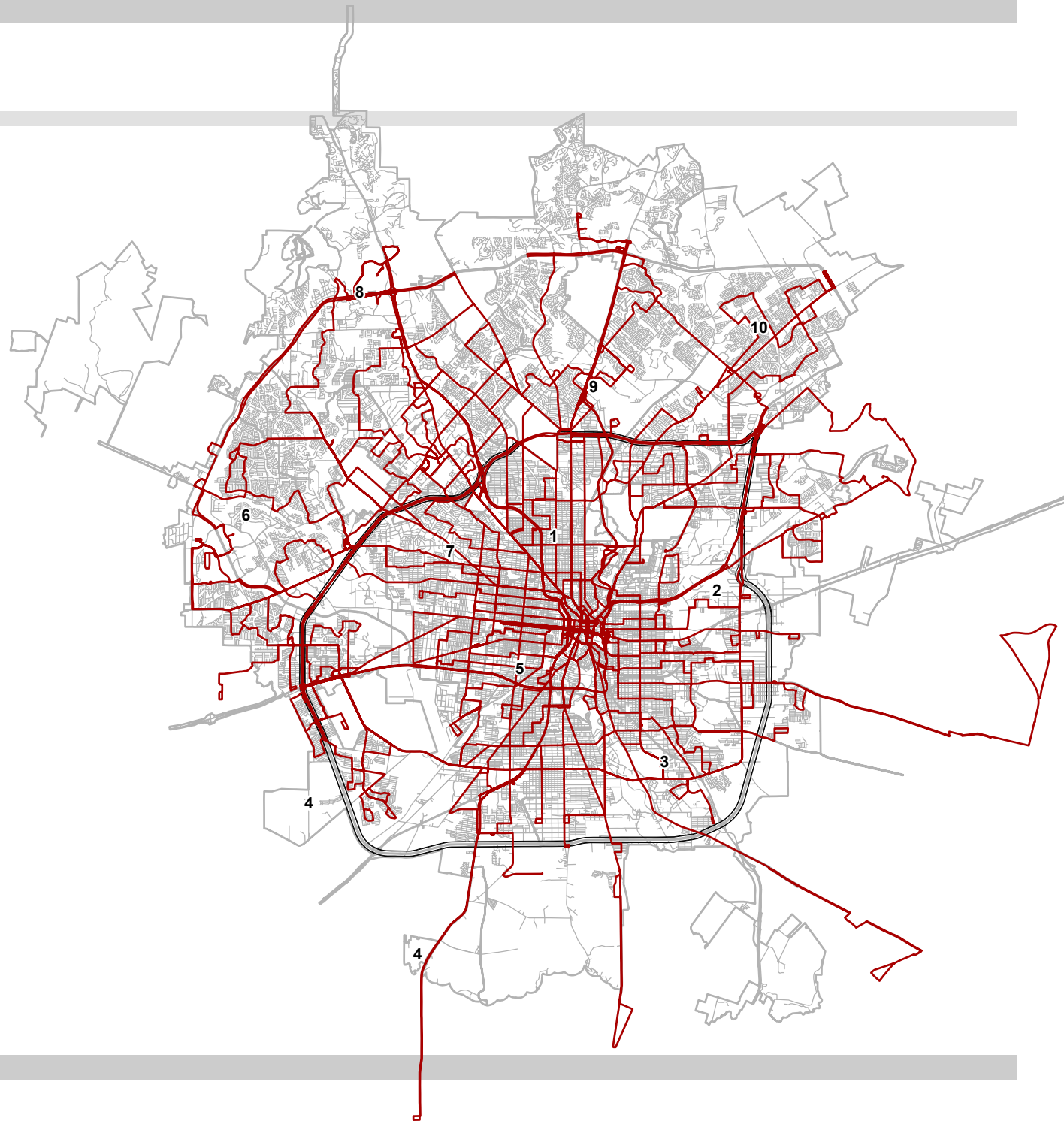
Maps 19 and 20 incorporate MLS residential sales data from 2011. Map 19 shows a correlation between lower-priced homes and proximity of VIA routes (due in at least some part to design, as VIA endeavors primarily to serve transit-dependent populations, who are largely low-income). Conversely, more expensive housing is scattered within a larger buffer of routes, a fact likely related to the lower likelihood of higher-income households to use public transportation. In addition, the more traditional grid street pattern in the central neighborhoods is more conducive to bus service. Map 20 isolates only those home sales that were affordable to families below 80% of the median income in San Antonio and compares these home sites to the location of jobs. In some employment clusters, particularly downtown and north of downtown, very few lower-price homes were recently sold, suggesting that the City needs to ensure that these areas are accessible to lower-income workers or stimulate the expansion of affordable housing stock in the vicinity.

- About one in 10 households in the metro area are transit-dependent.
- In 2004, the average household expenditure for transportation was 10.2% of the average annual income, below the national average expenditure of 14.8% of income.
- Transportation costs are disproportionately burdensome to lower-income households, as affordable housing tends to be located in inner-city areas and in outlying suburbs and rural areas, while jobs are increasingly located in more affluent suburbs.
- The average transportation plus housing cost as a percentage of income exceeded 50% for households making less than \$20,000 per year, compared to a percentage of income below 30% for households making more than \$50,000.
- The design of San Antonio's neighborhoods, commercial areas and street network contribute to a heavy reliance on automobiles. In densely developed areas where mixed land uses are more prevalent and public transit options are available, housing and transportation costs are lowest.

Map 15

VIA Public Transit Routes, 2012

- VIA Bus Routes
- I-410
- CityRoads
- Current Council Districts



Source: City of San Antonio, Census OnTheMap

Map 16

Comparison of VIA Public Transit Routes and Primary Job Sites

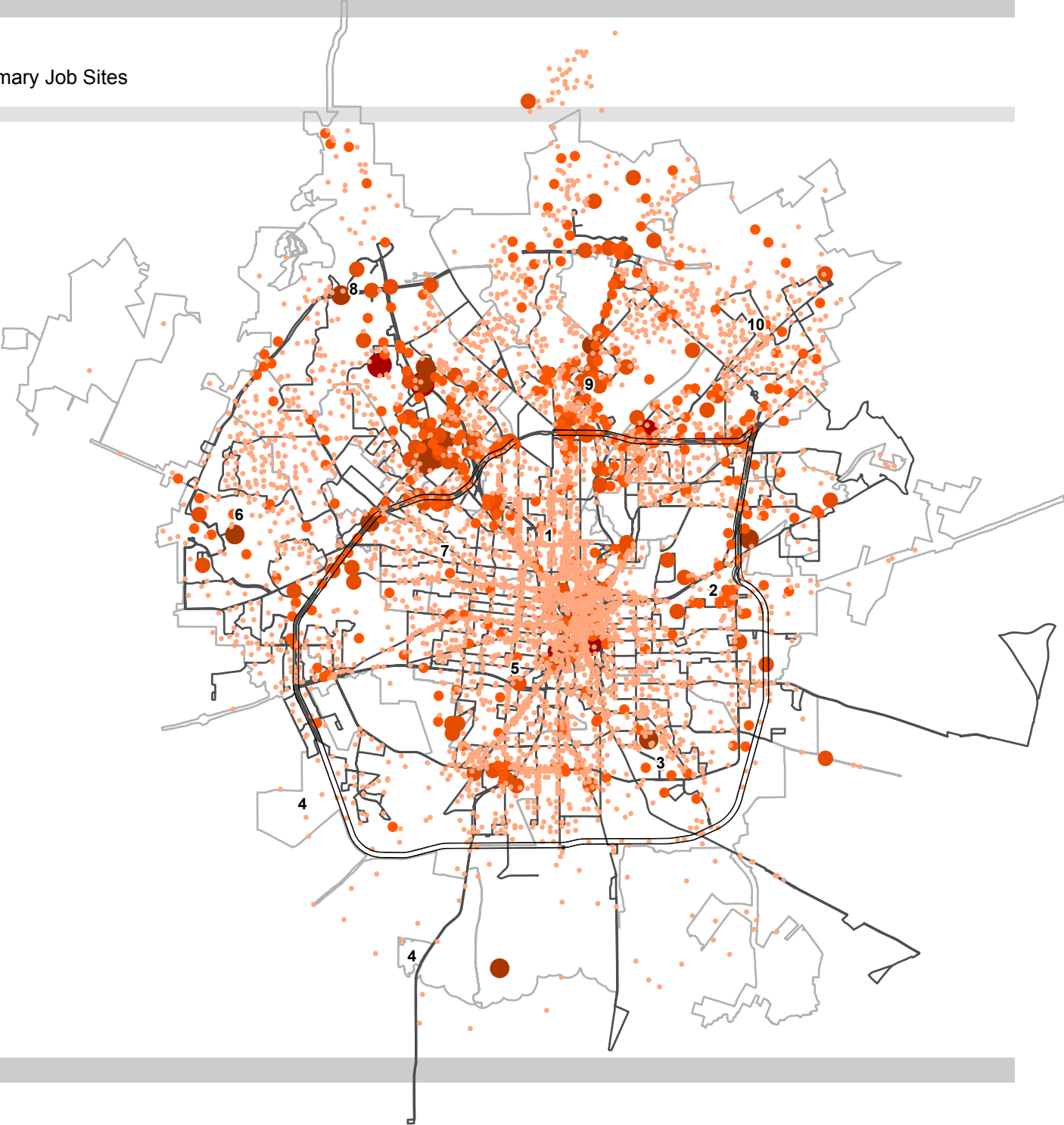
I-410

Jobs

- Up to 250
- 251 to 1,000
- 1,001 to 3,000
- 3,001 to 7,000
- 7,001 to 13,088

VIA Bus Routes

Current Council Districts



Source: City of San Antonio, Census OnTheMap

Map 17

Comparison of VIA Public Transportation Routes and
Public and Assisted Housing Sites

I-410

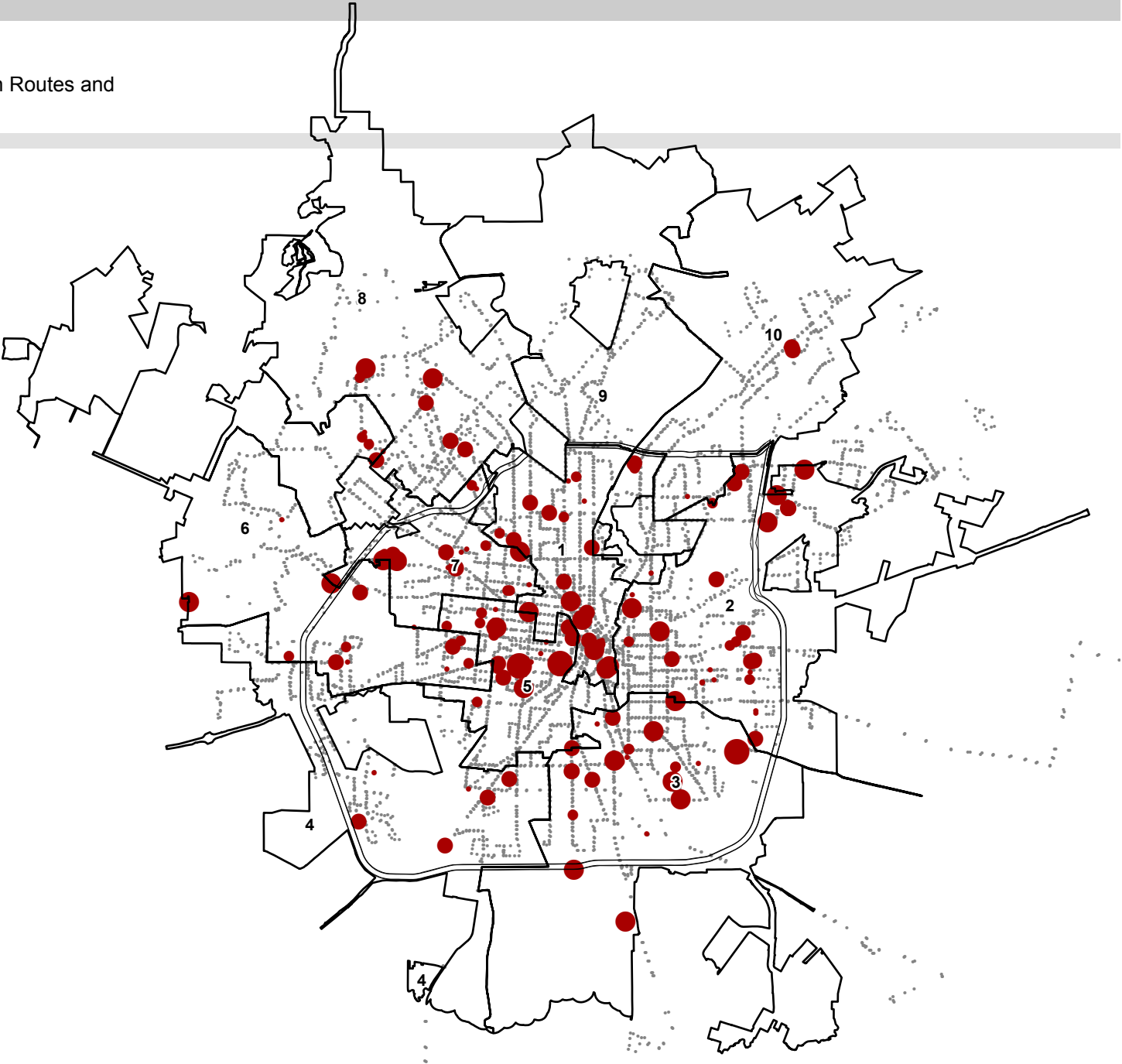
Public and Assisted Housing Sites

Total Units

- Fewer than 50
- 50 to 100
- 101 to 200
- 201 to 400
- More than 400

VIA Bus Stops

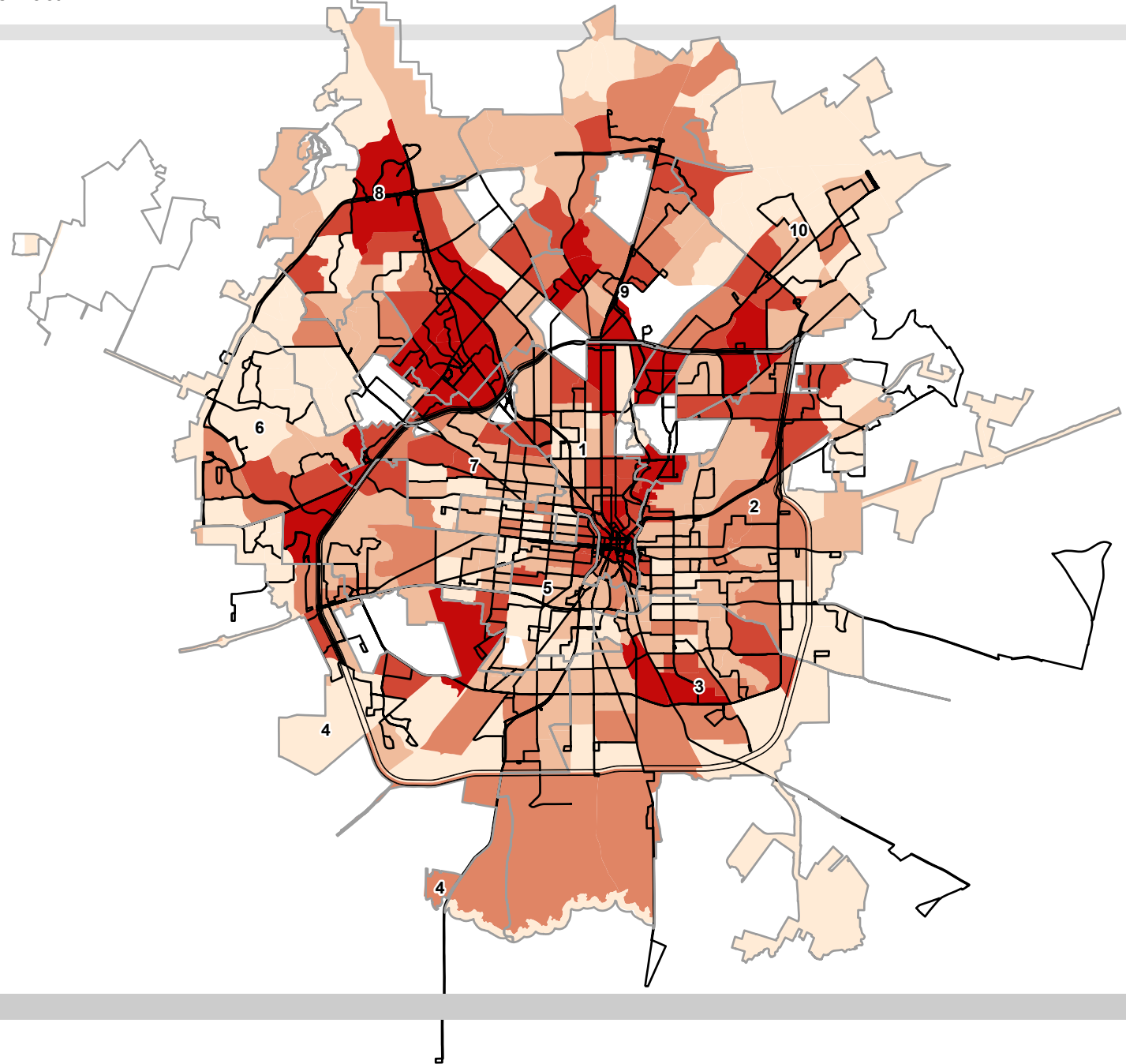
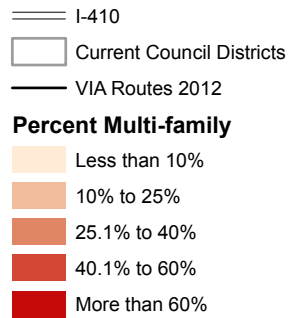
Current Council Districts



Sources: OnTheMap, Census Bureau Center
for Economic Studies, City of San Antonio

Map 18

Comparison of VIA Public Transportation Routes and
Percent Multi-family Housing by Census Tract



Sources: City of San Antonio, 2010 ACS

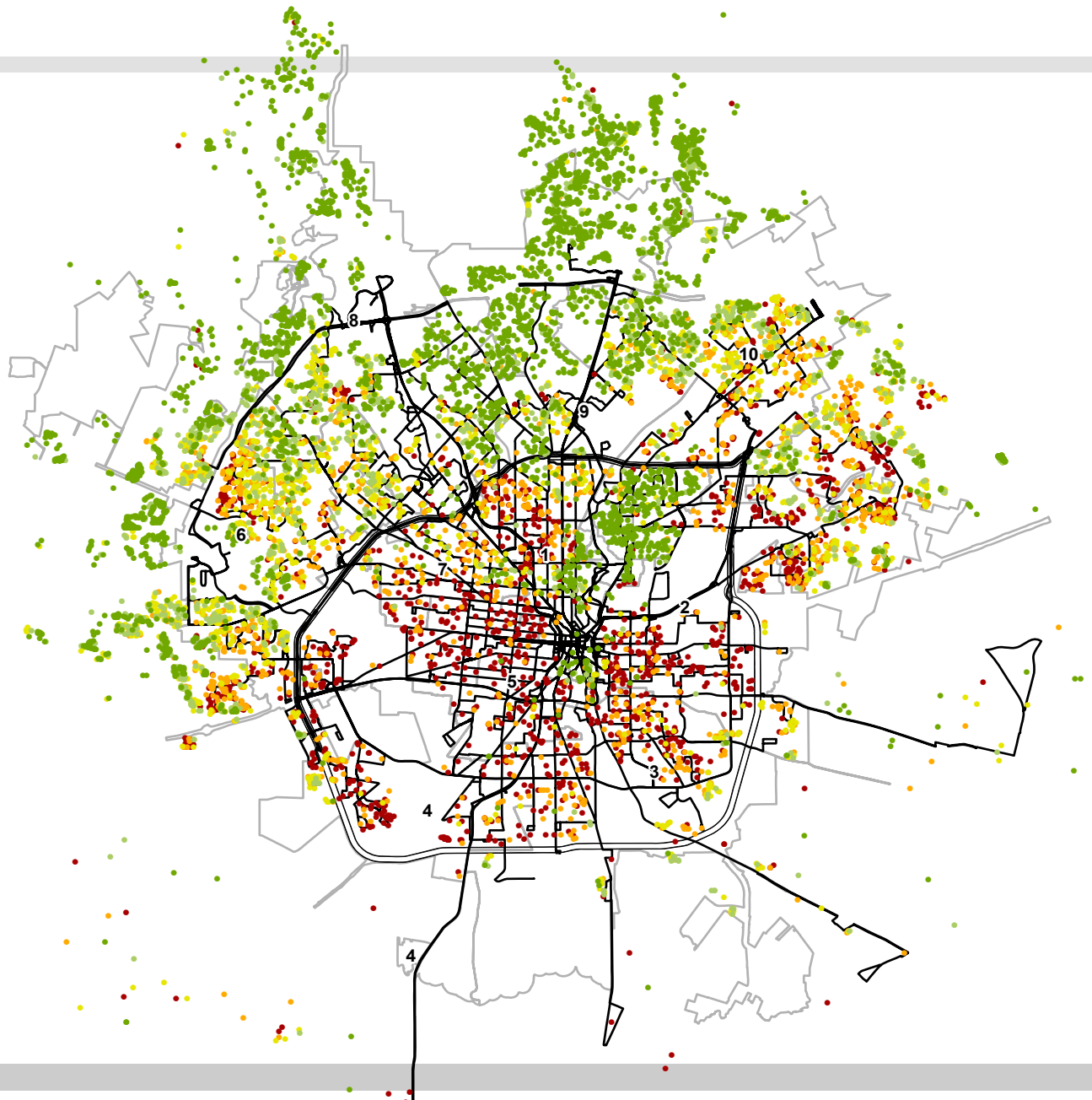
Map 19

Comparison of Public Transportation Routes and
2011 Home Sales Affordability

2011 Home Sales

Affordable to HHs making:

- Up to 60% MHI
 - 60% to 80% MHI
 - 80% to 100% MHI
 - 100% to 120% MHI
 - More than 120% MHI
- Council Districts
- I-410
- VIA Routes 2012



Source: City of San Antonio

Map 20

Comparison of Job Concentrations and 2011 Home Sales Affordable to Households Making 80% or Less of Median Household Income

□ Council Districts
— I-410

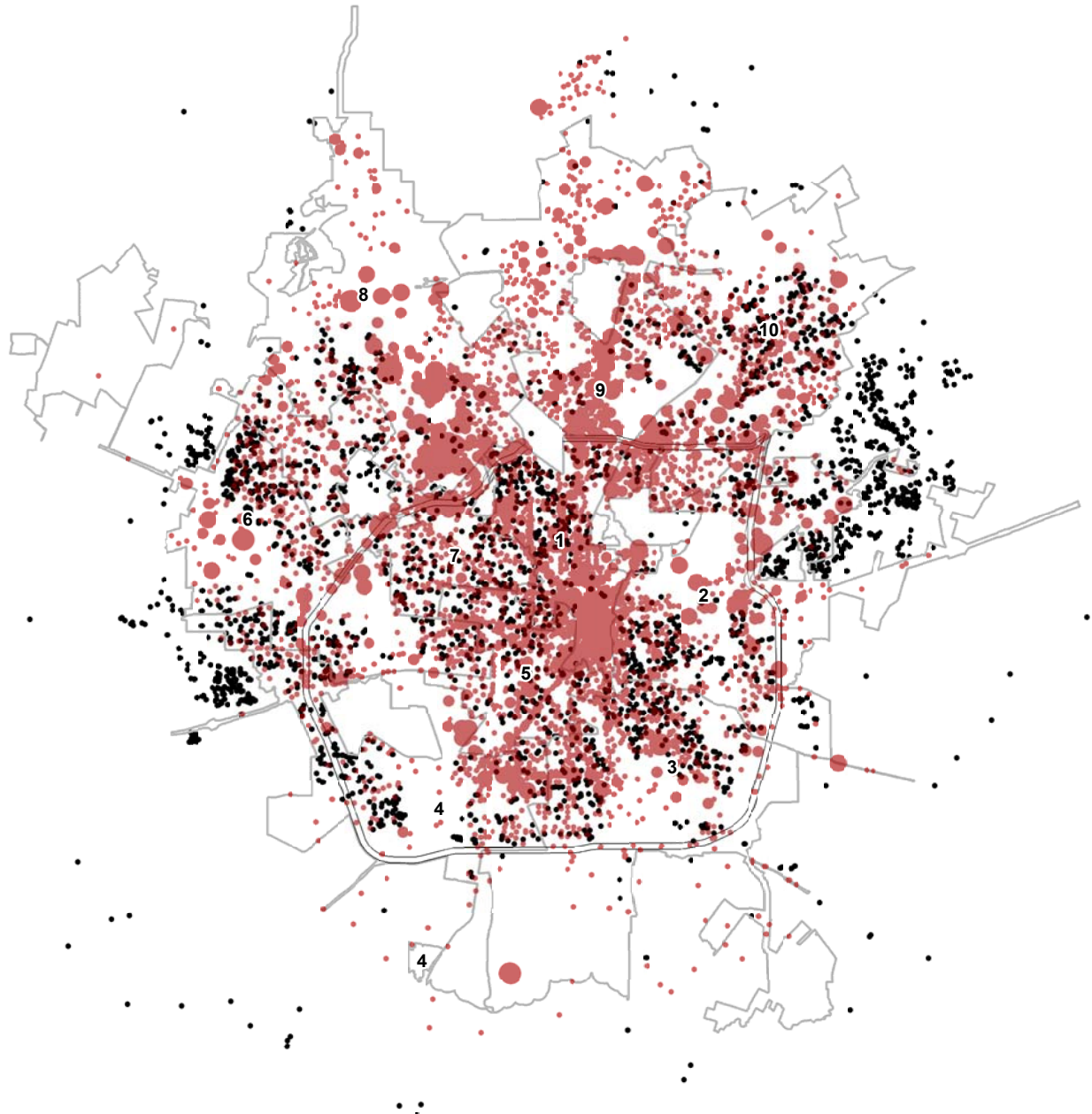
Jobs

- Up to 250
- 251 to 1,000
- 1,001 to 3,000
- 3,001 to 7,000
- 7,001 to 13,088

2011 Home Sales

Price Category

- Affordable to HHs Making up to 80% MHI



Source: City of San Antonio

CALCULATION OF HOUSING NEED

Two components are used to identify the housing needs of a geographic area: demand and supply. The degree to which existing housing supply meets the demand determines the housing deficit. The affordable housing deficit is the target number of housing units that would need to be achieved in order to create a diverse and healthy housing market for a variety of household types and income ranges.

The first component, housing demand, can be further categorized into existing demand and projected demand. For this report, existing demand is described primarily by 2010 and 2011 variables. Projected demand is defined as the net increase in households of various types between 2012 and 2016. This estimate was determined using data projections produced by Nielsen Claritas, which are based on Census data and updated with demographic data from many sources, including local governments, consumer databases, postal delivery counts and credit reports. This constitutes a “bottom-up” methodology grounded in authoritative local data.

Projected affordable housing demand covers the five-year period of 2012 to 2016. The City’s Comprehensive Plan provides a long-range vision for land use and physical development spanning decades. However, the affordable housing deficit is more appropriately addressed on a short-range basis. Data projections of any type do not take into account cataclysmic events, such as the 2007-2009 recession. Events such as this may be predicted by economic experts years in advance, but specific data projections do not include their impact because the extent of their impact is unknown. While new and unexpected economic events with far-reaching impacts may occur in the future, limiting the range of this study to five years provides a more realistic time frame during which modifications can be made to the strategic plan.

The second component of the local housing market is supply, which can be further categorized into existing supply and projected supply. Existing supply includes housing data from Census 2010 described within the context of trends dating back to 1990. This data source is supplemented with local building permit data, real estate sales data and data from local builders and developers of affordable housing.

The projected affordable housing supply is the sum of all housing units (rental and owner) expected to be constructed and occupied between 2012 and 2016 and that are affordable to households earning less than 80% of the median household income. Identifying the projected housing supply reveals the degree to which the local market and current affordable housing initiatives will meet the affordable housing demand. Finally, the unmet demand is the affordable housing deficit.

Calculation of Existing Housing Demand

Net demand for housing comprises both existing demand and projected demand. Existing demand for housing is based on the number of households in a given study area, in this case, the City of San Antonio, that are experiencing housing problems. Projected demand is based on the increase in the number of households expected to reside in the study area regardless of housing condition. The combination of existing demand plus projected demand provides an estimate of the overall demand for housing units.

To estimate existing housing demand, households with housing problems were identified using 2010 American Community Survey (ACS) data, via Public Use Microdata Samples made available by the U.S. Census Bureau. This data source was determined to be preferable to CHAS data from HUD's State of the Cities Data System, which is also based on ACS, but provided older estimates (2005-09) that could not be broken down by detailed income and age tiers. Housing problems were defined as including the following two characteristics: (1) households that were cost burdened, paying more than 30% of gross income on housing, and (2) households that were living in dwelling units with physical deficiencies (overcrowded conditions and/or without complete plumbing or kitchen facilities).

Across the City, a total of 6,929 households were living in physically deficient units in 2010, and 13,638 were living in overcrowded units, defined as more than one person per room. Cost burden was identified as a housing problem for 118,293 renter households and 56,753 owner households. Details by income tier appear in Figure 41 on the following page.

As of 2010, about 3% of San Antonio households lived in an overcrowded unit, and 1.5% lived in units lacking kitchen or plumbing facilities.

More than one-third of all households were cost burdened. Of these, 75.8% had incomes at or below 80% of the median. Renters were much more likely to be cost burdened than owners (57% vs. 21.6%, respectively).

Eight in every 10 renter households making 80% or less of the median income were cost burdened.

Figure 43: Housing Problems by Tenure and Income Tier, 2010

	Renters		Owners		Total	
	#	%	#	%	#	%
All Households	207,419	100.0%	262,804	100.0%	470,223	100.0%
Living in overcrowded unit	3,972	1.9%	9,666	3.7%	13,638	2.9%
Living in unit with physical deficiencies	4,632	2.2%	2,297	0.5%	6,929	1.5%
Cost burdened	118,293	57.0%	56,753	21.6%	175,046	37.2%
Extremely Low Income Households (0% to 30% of MHI)	53,157	25.6%	22,582	8.6%	75,739	16.1%
Living in overcrowded unit	2,210	4.2%	478	2.1%	2,688	3.5%
Living in unit with physical deficiencies	1,350	2.5%	287	1.3%	1,637	2.2%
Cost burdened	47,510	89.4%	15,884	70.3%	63,394	83.7%
Very Low Income Households (30.1% to 60% of MHI)	34,446	16.6%	23,545	9.0%	57,991	12.3%
Living in overcrowded unit	1,615	4.7%	531	2.3%	2,146	3.7%
Living in unit with physical deficiencies	718	2.1%	266	1.1%	984	1.7%
Cost burdened	28,944	84.0%	11,330	48.1%	40,274	69.4%
Low Income Households (60.1% to 80% of MHI)	29,361	14.2%	25,904	9.9%	55,265	11.8%
Living in overcrowded unit	743	2.5%	1,234	4.8%	1,977	3.6%
Living in unit with physical deficiencies	372	1.3%	352	1.4%	724	1.3%
Cost burdened	19,946	67.9%	8,987	34.7%	28,933	52.4%
All Households Under 80% MHI	116,964	56.4%	72,031	27.4%	188,995	100.0%
Living in overcrowded unit	4,568	3.9%	2,243	3.1%	6,811	3.6%
Living in unit with physical deficiencies	2,440	2.1%	905	1.3%	3,345	1.8%
Cost burdened	96,400	82.4%	36,201	50.3%	132,601	70.2%
Moderate Income Households (80.1% to 100% of MHI)	23,607	11.4%	26,510	10.1%	50,117	10.7%
Living in overcrowded unit	447	1.9%	1,053	4.0%	1,500	3.0%
Living in unit with physical deficiencies	715	3.0%	96	0.4%	811	1.6%
Cost burdened	10,730	45.5%	6,412	24.2%	17,142	34.2%
Upper Income Households (100.1% to 120% of MHI)	24,034	11.6%	35,315	13.4%	59,349	12.6%
Living in overcrowded unit	376	1.6%	1,627	4.6%	2,003	3.4%
Living in unit with physical deficiencies	501	2.1%	574	1.6%	1,075	1.8%
Cost burdened	6,634	27.6%	5,455	15.4%	12,089	20.4%
High Income Households (120% of MHI and above)	42,814	20.6%	128,948	49.1%	171,762	36.5%
Living in overcrowded unit	208	0.5%	4,747	3.7%	4,955	2.9%
Living in unit with physical deficiencies	970	2.3%	692	0.5%	1,662	1.0%
Cost burdened	1,663	3.9%	7,219	5.6%	8,882	5.2%

Source: ACS 2010 Public Use Microdata Sample, Calculations by Mullin and Lonergan Associates, Inc.

After controlling for double counting (ensuring that a cost-burdened household living in an overcrowded or deficient unit is counted only once), the existing housing demand is **192,773** units: 125,578 renter and 67,195 owner. Though households making 80% or less of the City's median household income (\$43,758 in 2010) represent only 40.2% of all households, these lower-income families constitute a much higher percentage of existing demand (74%), due to their substantially higher likelihood of experiencing cost burden or living in an overcrowded or substandard unit.

Households making 80% or less of the median income constitute 74% of existing housing demand, primarily due to cost burden.

Figure 44: Existing Housing Demand by Income Tier, 2010

	Renters	Owners	Total
All Households	125,578	67,195	192,773
Extremely Low Income Households (0% to 30% of MHI)	51,043	16,644	67,687
Very Low Income Households (30.1% to 60% of MHI)	31,246	12,121	43,367
Low Income Households (60.1% to 80% of MHI)	21,053	10,567	31,620
All Households Under 80% MHI	103,342	39,332	142,674
Moderate Income Households (80.1% to 100% of MHI)	11,884	7,555	19,439
Upper Income Households (100.1% to 120% of MHI)	7,511	7,652	15,163
High Income Households (120% of MHI and above)	2,841	12,656	15,497

Source: ACS 2010 Public Use Microdata Sample, Calculations by Mullin and Lonergan Associates, Inc.



Housing problems were most common among renters under age 25 or above age 75, a fact that can be largely attributed to limited or fixed incomes among these age groups.

The distribution of housing problems across age groups was somewhat more balanced. Renter households with householders under age 25 or above age 75 were significantly more likely to experience housing problems, while owners under age 35 were more likely.

Figure 45: Housing Problems by Tenure and Age Tier, 2010

	Renters		Owners		Total	
	#	%	#	%	#	%
Householder age 15 to 24	25,239	12.2%	2,167	0.8%	27,406	5.8%
Living in overcrowded unit	1,122	4.4%	120	5.6%	1,242	4.5%
Living in unit with physical deficiencies	421	1.7%	0	0.0%	421	1.5%
Cost burdened	18,509	73.3%	843	38.9%	19,352	70.6%
Householder age 25 to 34	61,763	29.8%	28,487	10.8%	90,250	19.2%
Living in overcrowded unit	5,982	9.7%	2,383	8.4%	8,365	9.3%
Living in unit with physical deficiencies	417	0.7%	340	1.2%	757	0.8%
Cost burdened	32,273	52.3%	8,172	28.7%	40,445	44.8%
Householder age 35 to 44	41,117	19.8%	45,296	17.2%	86,413	18.4%
Living in overcrowded unit	4,414	10.7%	2,926	6.5%	7,340	8.5%
Living in unit with physical deficiencies	883	2.1%	404	0.9%	1,287	1.5%
Cost burdened	24,090	58.6%	10,593	23.4%	34,683	40.1%
Householder age 45 to 54	40,514	19.5%	60,194	22.9%	100,708	21.4%
Living in overcrowded unit	1,708	4.2%	2,886	4.8%	4,594	4.6%
Living in unit with physical deficiencies	976	2.4%	515	0.9%	1,491	1.5%
Cost burdened	20,623	50.9%	12,059	20.0%	32,682	32.5%
Householder age 55 to 64	19,079	9.2%	57,209	21.8%	76,288	16.2%
Living in overcrowded unit	213	1.1%	1,288	2.3%	1,501	2.0%
Living in unit with physical deficiencies	107	0.6%	552	1.0%	659	0.9%
Cost burdened	10,232	53.6%	11,037	19.3%	21,269	27.9%
Householder age 65 to 74	9,752	4.7%	38,026	14.5%	47,778	10.2%
Living in overcrowded unit	0	0.0%	524	1.4%	524	1.1%
Living in unit with physical deficiencies	398	4.1%	175	0.5%	573	1.2%
Cost burdened	5,672	58.2%	8,217	21.6%	13,889	29.1%
Householder age 75 to 84	6,192	3.0%	22,591	8.6%	28,783	6.1%
Living in overcrowded unit	0	0.0%	80	0.4%	80	0.3%
Living in unit with physical deficiencies	491	7.9%	160	0.7%	651	2.3%
Cost burdened	4,030	65.1%	4,646	20.6%	8,676	30.1%
Householder age 85 and up	3,763	1.8%	8,834	3.4%	12,597	2.7%
Living in overcrowded unit	0	0.0%	84	1.0%	84	0.7%
Living in unit with physical deficiencies	645	17.1%	168	1.9%	813	6.5%
Cost burdened	2,903	77.1%	1,683	19.0%	4,586	36.4%

Source: ACS 2010 Public Use Microdata Sample, Calculations by Mullin and Lonergan Associates, Inc.

Calculation of Projected Housing Need

Household projections by income group were obtained from Nielsen Claritas, Inc. The data is based on Census figures and updated based on such sources as local governments, consumer databases, postal delivery counts and credit reports. The 2011 estimates and 2016 projections will be used to forecast potential demand for housing and overall projected growth across the City. Estimates for 2011 and projections for 2016 are separated in the following table into six income tiers.

Figure 46: Household Projections by Detailed Income Tier, 2011 and 2016

	2000 Census	2011 Estimate	2016 Projection	Change from 2011 to 2016		Overall Change from 2000-2016	
					%		%
Median Household Income	\$36,214	\$45,457	\$46,397*	\$940	2.1%	\$10,183	28.1%
Extremely Low Income Households (0% to 30% of MHI)							
City of San Antonio	74,520	75,023	79,144	4,121	5.5%	4,624	6.2%
District 1		9,963	10,178	215	2.2%		
District 2		9,739	10,126	387	4.0%		
District 3		8,918	9,243	325	3.6%		
District 4		6,725	7,180	455	6.8%		
District 5		9,294	9,538	244	2.6%		
District 6		5,783	6,120	337	5.8%		
District 7		6,756	7,216	460	6.8%		
District 8		9,043	10,036	993	11.0%		
District 9		4,756	5,190	434	9.1%		
District 10		4,046	4,316	270	6.7%		
Very Low Income Households (30.1% to 60% of MHI)							
City of San Antonio	61,545	61,733	65,008	3,275	5.3%	3,463	5.6%
District 1		7,536	7,693	157	2.1%		
District 2		6,601	6,817	216	3.3%		
District 3		6,476	6,681	205	3.2%		
District 4		5,896	6,271	375	6.4%		
District 5		6,066	6,216	150	2.5%		
District 6		5,253	5,568	315	6.0%		
District 7		5,921	6,294	373	6.3%		
District 8		7,934	8,694	760	9.6%		
District 9		5,311	5,738	427	8.0%		
District 10		4,740	5,036	296	6.2%		

... cont'd

Council district 8 is expected to experience the greatest overall influx of households by 2016, adding 7,294, or 20% of the projected citywide increase. District 8 will also see the largest increase in households at or below 80% MHI, with an increase of 2,552 by 2016.

	2000 Census	2011 Estimate	2016 Projection	Change from 2011		Overall Change from	
					%		%
Low Income Households (60.1% to 80% of MHI)							
City of San Antonio	59,989	61,981	65,583	3,602	5.8%	5,594	9.3%
District 1		6,668	6,872	204	3.1%		
District 2		6,451	6,690	239	3.7%		
District 3		5,993	6,219	226	3.8%		
District 4		5,265	5,617	352	6.7%		
District 5		4,870	5,000	130	2.7%		
District 6		6,406	6,838	432	6.7%		
District 7		5,904	6,273	369	6.3%		
District 8		8,446	9,245	799	9.5%		
District 9		5,859	6,373	514	8.8%		
District 10		6,119	6,457	338	5.5%		
All Households up to 80% of MHI							
City of San Antonio	196,054	198,737	209,735	10,998	5.5%	13,681	7.0%
District 1		24,167	24,743	576	2.4%		
District 2		22,791	23,633	842	3.7%		
District 3		21,387	22,143	756	3.5%		
District 4		17,886	19,068	1,182	6.6%		
District 5		20,230	20,754	524	2.6%		
District 6		17,442	18,526	1,084	6.2%		
District 7		18,581	19,783	1,202	6.5%		
District 8		25,423	27,975	2,552	10.0%		
District 9		15,926	17,301	1,375	8.6%		
District 10		14,905	15,809	904	6.1%		
Moderate Income Households (80.1% to 100% of MHI)							
City of San Antonio	49,004	56,421	60,251	3,830	6.8%	11,247	23.0%
District 1		5,558	5,726	168	3.0%		
District 2		5,067	5,313	246	4.9%		
District 3		4,913	5,123	210	4.3%		
District 4		4,893	5,221	328	6.7%		
District 5		3,668	3,790	122	3.3%		
District 6		6,410	6,936	526	8.2%		
District 7		5,874	6,265	391	6.7%		
District 8		7,849	8,680	831	10.6%		
District 9		6,003	6,571	568	9.5%		
District 10		6,186	6,626	440	7.1%		

... cont'd

	2000	2011	2016	Change from 2011		Overall Change from	
	Census	Estimate	Projection		%		%
Upper Income Households (100.1% to 120% of MHI)							
City of San Antonio	37,427	66,068	70,711	4,643	7.0%	33,284	88.9%
District 1		5,619	5,850	231	4.1%		
District 2		4,999	5,285	286	5.7%		
District 3		5,419	5,662	243	4.5%		
District 4		5,473	5,876	403	7.4%		
District 5		3,579	3,721	142	4.0%		
District 6		8,625	9,325	700	8.1%		
District 7		7,142	7,631	489	6.8%		
District 8		8,824	9,678	854	9.7%		
District 9		7,977	8,717	740	9.3%		
District 10		8,411	8,966	555	6.6%		
High Income Households (120% of MHI and above)							
City of San Antonio	123,401	149,772	165,935	16,163	10.8%	42,534	34.5%
District 1		7,923	8,428	505	6.4%		
District 2		7,116	7,670	554	7.8%		
District 3		7,221	7,840	619	8.6%		
District 4		7,409	8,190	781	10.5%		
District 5		4,159	4,465	306	7.4%		
District 6		16,773	18,872	2,099	12.5%		
District 7		17,208	19,057	1,849	10.7%		
District 8		25,223	28,200	2,977	11.8%		
District 9		33,555	37,768	4,213	12.6%		
District 10		23,185	25,446	2,261	9.8%		

* Does not reflect inflation adjustment

Sources: U.S. Census Bureau, Nielsen Claritas, Calculations by City of San Antonio and Mullin and Lonergan Associates

The projected increases for 2016 by income tier are, in summary:

- Extremely low income (0% to 30% MHI): **4,121**
- Very low income (30.1% to 60% MHI): **3,275**
- Low income (60.1% to 80% MHI): **3,602**
- Moderate income (80.1% to 100% MHI): **3,830**
- Upper income (100.1% to 120% MHI): **4,643**
- High income (120% MHI and up): **16,163**

Based on these household projections, the demand for new affordable housing will expand by 2016 across the City of San Antonio. The total number of households across the City is expected to grow by 35,635, or 7.6%. Of this total, 10,998 (30.9% of) households are expected to have incomes that fall below 80% of the MHI. However, the highest rate of increase across San Antonio will occur among high-income populations, those defined here as making 120% or more of MHI. This group is expected to expand by 16,163 households, or 10.8%. The increase in total households will occur as a result of 1) new household formation within the existing population, 2) the migration of new households to San Antonio from elsewhere, and 3) new annexation. Household changes between income groups may occur for similar reasons. Additionally, resident households may shift between income categories as a result of changes in financial situations.

More than two-thirds of extremely-low-income households are renters, while more than two-thirds of high-income households are owners.

Claritas data also provided estimates and projections by tenure. For 2011, data indicated that the City had 470,998 occupied units, 197,205 of which (41.9%) were renter-occupied and 273,793 of which (58.1%) were owner-occupied. By 2016, the total number of occupied units is expected to increase 7.6% to 506,633, 213,227 of which (42.1%) will be renter-occupied, and 293,406 of which (57.9%) will be owner-occupied.

ACS data from 2010 can be used to estimate tenure by income tier in order to gain an estimate of projected demand by tenure and income. While households with extremely low incomes are predominantly renters (70.2%), households with high incomes are predominantly owners (75.1%). Upward progression by income tier is strongly related to a higher likelihood of ownership.

Figure 47: Tenure by Income Tier, 2010

	Renters		Owners		Total
	#	%	#	%	
All Households	207,419	44.1%	262,804	55.9%	470,223
Extremely Low Income Households (0% to 30% of MHI)	53,157	70.2%	22,582	29.8%	75,739
Very Low Income Households (30.1% to 60% of MHI)	34,446	59.4%	23,545	40.6%	57,991
Low Income Households (60.1% to 80% of MHI)	29,361	53.1%	25,904	46.9%	55,265
All Households Under 80% MHI	116,964	61.9%	72,031	38.1%	188,995
Moderate Income Households (80.1% to 100% of MHI)	23,607	47.1%	26,510	52.9%	50,117
Upper Income Households (100.1% to 120% of MHI)	24,034	40.5%	35,315	59.5%	59,349
High Income Households (120% of MHI and above)	42,814	24.9%	128,948	75.1%	171,762

Source: ACS 2010 Public Use Microdata Sample, Calculations by Mullin and Lonergan Associates, Inc.

The tenure rates above were applied to projected increases in the number of households by income tier to generate the following table, which describes projected demand by tenure and income tier.

Figure 48: Projected Demand by Income Tier, 2016

	Renters		Owners		Total
	#	%	#	%	
All Households	15,718	44.1%	19,916	55.9%	35,634
Extremely Low Income Households (0% to 30% of MHI)	2,892	70.2%	1,229	29.8%	4,121
Very Low Income Households (30.1% to 60% of MHI)	1,945	59.4%	1,330	40.6%	3,275
Low Income Households (60.1% to 80% of MHI)	1,914	53.1%	1,688	46.9%	3,602
All Households Under 80% MHI	6,806	61.9%	4,192	38.1%	10,998
Moderate Income Households (80.1% to 100% of MHI)	1,804	47.1%	2,026	52.9%	3,830
Upper Income Households (100.1% to 120% of MHI)	1,880	40.5%	2,763	59.5%	4,643
High Income Households (120% of MHI and above)	4,029	24.9%	12,134	75.1%	16,163

Source: ACS 2010 Public Use Microdata Sample, Calculations by Mullin and Lonergan Associates, Inc.

The following table summarizes existing and projected demand by tenure and income tier.

Figure 49: Summary of Demand, 2016

	Renters		Owners		Total	
	Existing	Projected	Existing	Projected	Existing	Projected
All Households	125,578	15,718	67,195	19,916	192,773	35,634
Extremely Low Income Households (0% to 30% of MHI)	51,043	2,892	16,644	1,229	67,687	4,121
Very Low Income Households (30.1% to 60% of MHI)	31,246	1,945	12,121	1,330	43,367	3,275
Low Income Households (60.1% to 80% of MHI)	21,053	1,914	10,567	1,688	31,620	3,602
All Households Under 80% MHI	103,342	6,806	39,332	4,192	142,674	10,998
Moderate Income Households (80.1% to 100% of MHI)	11,884	1,804	7,555	2,026	19,439	3,830
Upper Income Households (100.1% to 120% of MHI)	7,511	1,880	7,652	2,763	15,163	4,643
High Income Households (120% of MHI and above)	2,841	4,029	12,656	12,134	15,497	16,163

Source: ACS 2010 Public Use Microdata Sample, Calculations by Mullin and Lonergan Associates, Inc.

The next step in estimating housing needs in the City of San Antonio is to determine the extent to which housing demand is likely to be met through the existing inventory and any projected new housing development. Housing demand is comprised of different types of housing need. For example, cost-burdened households may benefit from rent subsidies, while new construction may be necessary to meet new demand for homeowners and households living in substandard housing. In order to determine housing supply, it is necessary to study the extent to which the current housing delivery system is already providing housing across income levels. The existing housing inventory, current building activity and housing programs already in place must be evaluated.

As discussed in more detail in the housing market section of this report, the City's housing inventory has expanded tremendously since 2000, having grown by 91,124 units, according to Census figures. Between 2000 and 2010, San Antonio issued permits for the construction of or addition to 93,911 housing units across the City. About two-thirds (63.3%) of total permits issued were for single-family structures, while 1.9% were for units in two- to four-unit structures and the remaining 34.8% were for structures with five or more units.

Projecting net change in the future housing supply can be difficult, given the uncertainty of interest rates, construction costs, mortgage availability, developer behavior and innumerable other factors. However, recent trends as well as projections of housing demand based on household formation rates provide reasonable benchmarks for likely estimates of net change in the housing supply. The following projections are based on the assumption that no changes will be made to local policies and no new policies will be adopted that would affect incentives for housing production.

According to Austin Investor Interests data provided by the San Antonio Apartment Association, as of the second quarter of 2012, there were 7,320 multi-family units under construction in the City (6,577 conventional, 459 publicly subsidized and 284 student housing). Additionally, building permits had been approved for 1,042 units, all conventional multi-family, and plans had been submitted for public approval for an additional 1,915 units (1,693 conventional and 222 student). Finally, another 11,179 multi-family units had been “proposed.” This included 9,265 conventional rentals and 1,914 subsidized units. In total, considering all of these units to be in the pipeline for San Antonio, 18,577 conventional units, 2,373 subsidized units and 506 student rentals will be added to the inventory, a total of 21,456 multi-family units.

It is unclear whether the multi-family units to be created are apartments or condominiums. In 2010, condos represented 3% of all residential sales in San Antonio. Therefore, for the sake of this analysis, it is assumed that 3% of the multi-family units in the pipeline, or 657 units, will be condominiums, while the remaining 97%, 20,799 units, will be apartments.

Across the City, Nielsen Claritas calculations anticipate that the total number of housing units will increase from 524,246 in 2010 to 548,233 in 2016. This net change of 23,987 units is equivalent to an average annual production of roughly 4,000 units. Based on recent trends, it is expected that the private housing market will continue to favor higher-income households and homeowners over lower-income households and renters.

No local data was supplied to describe newly constructed single-family units that will come online by 2016.

The following table compares housing demand, consisting of both existing and projected demand, with the number of units expected to be created by 2016. The net demand, 204,420, suggests that the expansion in the City’s housing stock projected to occur during the next five years would address future demand as predicted, but would be insufficient to address the current number of households experiencing housing problems, particularly those with lower household incomes.

Figure 50: Calculation of Net Demand, 2016

HOUSING DEMAND	Renter	Owner	Total
Existing Demand for Affordable Housing (2010)			
Extremely Low Income Households (0% to 30% of MHI)	51,043	16,644	67,687
Very Low Income Households (30.1% to 60% of MHI)	31,246	12,121	43,367
Low Income Households (60.1% to 80% of MHI)	21,053	10,567	31,620
Moderate Income Households (80.1% to 100% of MHI)	11,884	7,555	19,439
Upper Income Households (100.1% to 120% of MHI)	7,511	7,652	15,163
High Income Households (120% of MHI and above)	2,841	12,656	15,497
Future Demand for Affordable Housing (2016)			
Extremely Low Income Households (0% to 30% of MHI)	2,892	1,229	4,121
Very Low Income Households (30.1% to 60% of MHI)	1,945	1,330	3,275
Low Income Households (60.1% to 80% of MHI)	1,914	1,688	3,602
Moderate Income Households (80.1% to 100% of MHI)	1,804	2,026	3,830
Upper Income Households (100.1% to 120% of MHI)	1,880	2,763	4,643
High Income Households (120% of MHI and above)	4,029	12,134	16,163
Total Housing Demand	140,042	88,365	228,407
HOUSING SUPPLY			Total
Units Expected to be Created between 2010 and 2016			
Claritas Projection	4,655	22,336	26,991
Units Identified in the Development Pipeline	20,799	657	21,456
Total Housing Supply	25,454	22,993	48,447
HOUSING NEED			Total
Difference between Demand and Supply	114,588	65,372	179,960

SUMMARY OF LOCAL POLICIES GOVERNING HOUSING

This section evaluates the intent, interaction and effects of policy initiatives that have intended to guide housing and other types of development across the City of San Antonio. A review of planning documents, which typically include existing conditions reports as well as goals, objectives and proposed actions for particular or citywide areas, is followed by a review of 10 specific development incentive policies, many of which were adopted as a step toward implementing the associated plans.

This analysis encompasses a series of studies and plans prepared within the past decade that stakeholders suggested could impact this report in one way or another. Based on a review of these documents, a series of guiding principles was identified to assist the City in generating a practical housing strategy based on current market conditions, existing and projected housing demand and relevant planning documents. The documents reviewed for this project included:

- Housing Master Plan, City of San Antonio (2001)
- Transportation and Housing Study: San Antonio – Bexar County MPO (2005)
- Housing + Transportation Affordability in the San Antonio Metro Region (2008)
- Strategic Plan for Community Development (2009-2012)
- Master Plan Policies Update: Shaping the Future of San Antonio (2010)
- 2010-2014 Five-Year Consolidated Plan
- City of San Antonio Housing Policies for Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME) (2010)
- San Antonio Comprehensive Master Plan Framework: Planning for a Better Tomorrow (2011)
- SA2020
- City of San Antonio Annexation Policy
- State of Texas Qualified Allocation Plan
- Mobility 2035: San Antonio-Bexar County Metropolitan Transportation Plan

When beginning a new planning initiative, it is always practical to review previous plans. Knowing what has been proposed in the past, how well it has succeeded, and what lessons can be learned from earlier efforts can set the foundation for a more relevant and useful new plan. Building on what has worked well, understanding and modifying what was not achievable, and incorporating new innovative concepts along with current conditions will increase the likelihood of continued future success. For these reasons, the current housing plans and policy documents for the City of San Antonio were reviewed in order to link past planning with future planning initiatives.

There are two over-arching themes in the City's current planning and policy documents. The first is recognition of the inextricable link between transportation and land use planning. When undertaken in tandem, transportation and land use planning can create walkable, pedestrian-oriented neighborhoods where residents work, play and live, and where small businesses thrive. The second major theme is similar to the first: the concept of vital neighborhood centers as a primary City component. Outside of an economically-vibrant Downtown, a collection of healthy mixed use, mixed income neighborhoods throughout San Antonio can create an economic competitiveness usually present in much larger metropolitan cities like Chicago or New York. However, San Antonio's diversity can be used as the perfect catalyst to focus on the establishment of neighborhood centers.

Perhaps the most important planning document reviewed for this study was the SA2020 document. This visioning plan was unique: it was the result of a massive community-driven process that involved hundreds of residents, business owners and community leaders in San Antonio. The common force driving the participants was a strong desire to inspire San Antonians to envision their future as a world-class Big City with high-quality Small Town values. This rich vision statement included 11 areas of focus, six of which are relevant to this study and include the following:

- **Downtown Development**
- **Economic Competitiveness**
- **Health & Fitness**
- **Natural Resources & Environmental Sustainability**
- **Neighborhoods & Growth Management**
- **Transportation**

Eight guiding principles were common to most of the planning documents reviewed. These included the following:

- Higher density, mixed use development within a quarter-mile radius of public transit stops or stations
- Walkable neighborhoods with streetscapes that encourage walking, bicycling and other non-auto-dependent options and contribute to increasing transit-dependent ridership
- Mixed-income housing in close proximity to jobs and transit opportunities
- A broad range of quality housing to meet all demographic markets and support neighborhoods that are safe and include resources to promote a high quality of life
- Integrated transportation and land use planning to enhance the quality, livability and character of communities
- Public investment in transportation guiding development decisions for new land uses with housing located in proximity to employment opportunities, schools and other amenities
- Economic diversity that promotes a highly-educated job force, takes advantage of public-private partnerships, and strategically targets geographic areas such as areas with existing resources, downtown, and transit-oriented development
- Environmental sustainability practices involving air quality, energy sources, water quality, and the built environment.

Together, these eight guiding principles form the framework of smart growth. Smart growth includes creative strategies that advocate for a range of housing unit types to accommodate households of all ages, abilities and income levels that are located in neighborhoods with shops, offices, schools, churches and a wide variety of land uses in close proximity. Access to amenities can be achieved through alternative modes such as biking, walking and public transit. Land uses are mixed to

promote vibrant neighborhoods with economically viable commercial districts dispersed across a city. Higher density housing promotes the preservation of natural resources, reinvestment in existing infrastructure, and opportunities to create affordable housing options near employment centers and within walking distance of public transit. A key component of smart growth is the critical linkage between land use and transportation planning.

One of the City's current policies that may work against smart growth is annexation of contiguous land within the City's extra-territorial jurisdiction. Over the past two decades, San Antonio has annexed nearly 84,000 acres or 141 square miles, which has strongly contributed to the addition of about 159,000 housing units to the City's inventory during the same years. In 2012, the City prepared a draft Annexation Policy that details the conditions under which it will consider future annexations. Significantly, a fiscal impact analysis will be conducted as part of the Annexation Program. The analysis must include an estimation of all expenditures and revenues associated with anticipated municipal services, as well as estimated build-out, debt service and projected land use and rate of development. Specifically, the policy identifies potential areas for annexation that coordinate with existing plans, fiscal considerations, service delivery needs, public health, intergovernmental relations and non-annexation agreements. The plan allows the City to annex land only if it is contiguous to City limits, within the City's extra-territorial jurisdiction, is at least 1,000 feet wide and if the City has not annexed more than 10% of its existing land area in a given year. The purpose of the Annexation Program (including the fiscal impact analysis) is to proactively analyze and identify potential annexation areas and the associated costs and benefits to the City. In order to achieve the vision of a higher-density City with walkable, mixed use neighborhoods, higher-density mixed-use housing development should be the rule rather than the exception, with the intent of increasing the density within inner-City neighborhoods around public transit and major employment centers.

City policies are implemented within the larger context of state and federal policies. One state policy of particular local relevance is the Qualified Allocation Plan (QAP) used by Texas Department of Housing and Community Affairs (TDHCA) to allocate Low Income Housing Tax Credits (LIHTC). LIHTC represents the state's primary means of creating rental housing affordable to lower-income households, and the QAP dictates ways in which the state will make low-income housing projects economically feasible for developers. In 2012, a federal judge ruled that in TDHCA discriminated illegally in its allocation of housing tax credits by disproportionately approving projects in minority-concentrated areas and disproportionately denying projects in White-concentrated areas. The policy was determined to have a "disparate impact," though TDHCA was found to be discriminating unintentionally. As a result, TDHCA is implementing a court-adopted remedial plan to incentivize projects proposed in higher-opportunity areas, such as those with lower poverty levels and high-performing schools.

The eight guiding principles identified in this section as common among local plans articulate a well-rounded yet ambitious vision for the future San Antonio. Specific policies and strategic actions with measurable benchmarks will be necessary to achieve this vision.

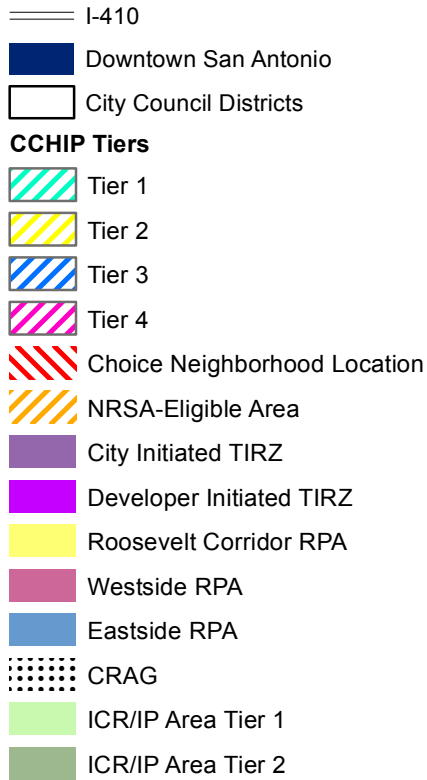
Eleven City policies provide for incentives for development in specified areas of San Antonio. They are summarized in this section of the report in order to facilitate comparison and analysis of the goals, rules, advantages, disadvantages and outcomes of each. The items reviewed are included in the box below. Their spatial footprints overlap as demonstrated in Map 21.

Map 21 additionally displays the footprint of the Choice Neighborhoods initiative led by San Antonio Housing Authority (SAHA). In 2011, SAHA received a HUD Choice Neighborhood Planning Grant to create a transformation plan for the Eastside, including a variety of achievable, effective reinvestment and redevelopment strategies. To do this, SAHA has forged partnerships with schools and employers, including the PROMISE grant recipients led by the United Way. Recommendations included as part of this report will examine ways in which City policies and programs can capitalize on the Choice Neighborhoods initiative.

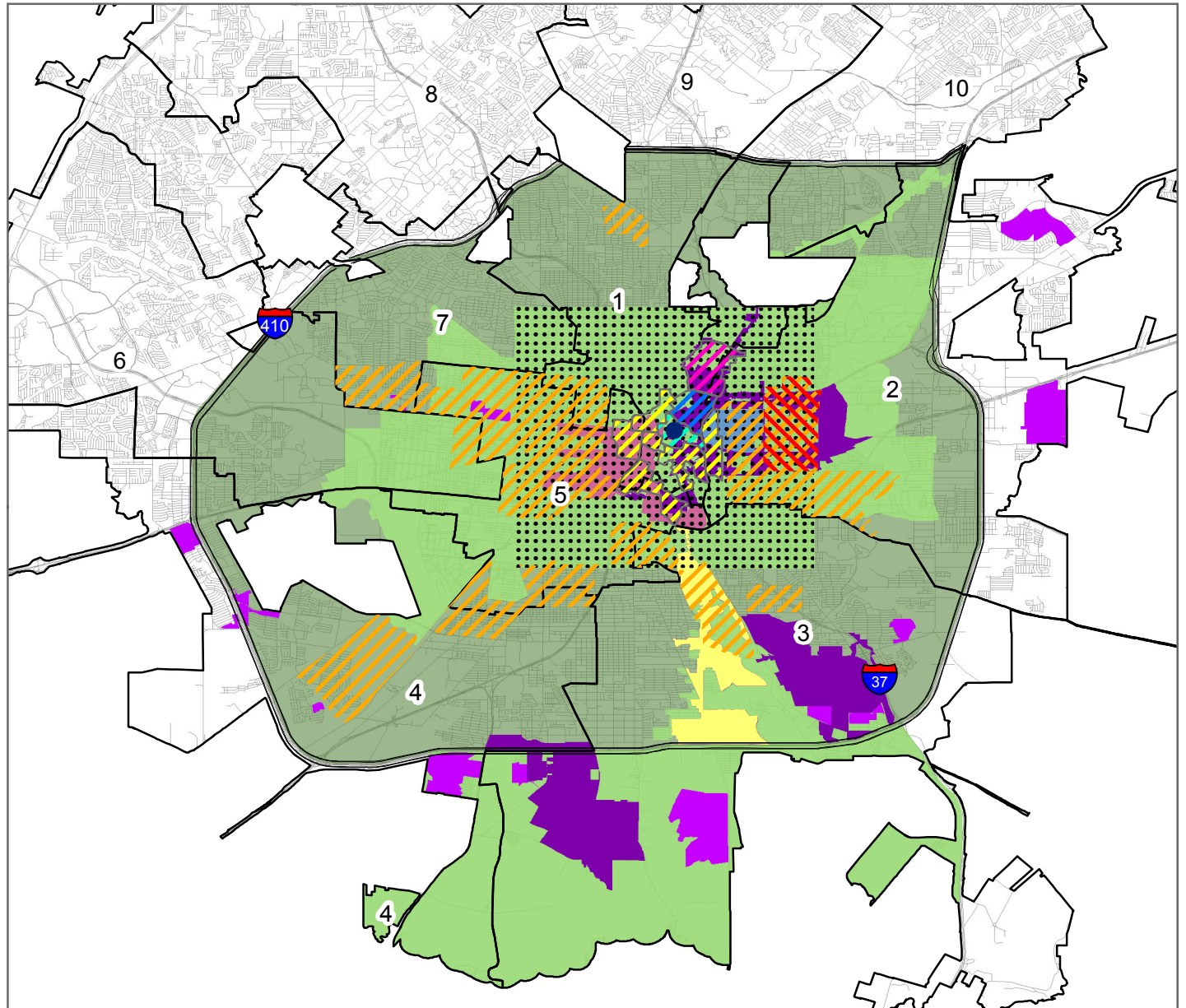
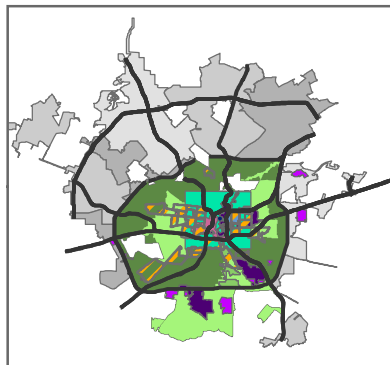
- City-Initiated Tax Increment Reinvestment Zones (TIRZ)
- Developer-Initiated/Petition-Driven TIRZ
- Roosevelt Corridor Reinvestment Plan Area (RPA)
- Westside RPA
- Eastside RPA
- Community Revitalization Action Group (CRAG)
- Inner City Reinvestment/Infill Policy (ICR/IP) Areas
- Neighborhood Revitalization Strategy Area (NRSA)
- Tax Abatement Program
- Center City Housing Incentive Policy (C-CHIP)
- San Antonio Water System Impact Fee Waiver

Map 21

Comparison of Development Incentive Policies



City-Wide Map



City-Initiated Tax Increment Reinvestment Zones (TIRZ)

The City of San Antonio updated its TIRZ policies in 2008 to use as a tool to encourage economic development in targeted areas of the City. City-initiated TIRZ are designed to assist ongoing revitalization and reinvestment initiatives by implementing the goals of existing City programs and City-adopted plans. TIRZ maximizes the benefits of public-private collaboration by focusing exclusively on areas of the City that have been predetermined to be eligible for tax increment financing (TIF); by using a comprehensive Reinvestment Plan (the “RPAs”) to coordinate development incentives and set development standards that encourage long-term, high-quality investment; and by using an RFQ and/or RFP process to identify consultants with the most appropriate skills to meet the specific challenges posed by each TIRZ.

Purpose: The future value of private investment within a TIRZ is leveraged to finance public improvements, to enhance existing public infrastructure, and to maximize the benefits of other incentive tools. Public investment in TIRZ, using tax increment as a financing mechanism, stimulates private sector investment in areas of the City that would not otherwise attract market interest. Taxing entities can opt in at a participation rate of their choosing, electing to contribute 0% to 100% of their tax increment.

Benefits: To maximize the benefits of public-private collaboration by focusing exclusively on areas of the City that have been predetermined to be eligible for TIF.

Goals: The City has established a point system to award TIF applications that meet certain criteria in order to become a qualified TIRZ. A project must achieve a minimum score of 60 to be considered for a TIF.

If a project area is located within CDBG eligible census tracts, the Empowerment Zone and/or Enterprise Zone, High Health Risk ZIP Codes, and/or the CRAG, those projects will receive the points outlined below. If a project area is located within a census block area that demonstrates high levels of poverty, low educational attainment levels, and high levels of unemployment, it will receive up to the maximum points outlined below, depending on the percentage of the specific demographic.

- 1) CDBG census tracts
- 2) High Health Risk ZIP Codes
- 3) Empowerment Zone & Enterprise Zone
- 4) CRAG
- 5) Poverty
- 6) Education
- 7) Unemployment

The TIF Act authorizes taxing entities to determine the amount of tax increment to contribute to a TIRZ.

Objectives: The incentive program fully supports the City's primary revitalization programs and initiatives, including Neighborhood Commercial Revitalization, Neighborhood Sweeps, Affordable Showcase of Homes, Enterprise Zones, and Empowerment Zones. In addition to these programs, the TIF Program implements the goals, policies, and recommendations of the City's Master Plan, Housing Master Plan, Community Revitalization Action Group (CRAG), and other adopted City plans.

*Developer-Initiated Tax Increment Reinvestment Zones (TIRZ),
also known as Petition-Driven TIRZ*

A petition-driven TIRZ allows property owners, residents, and project developers to contract with the City to bring high-quality development/redevelopment to areas that have not seen any significant development in recent history. The City issues an annual call for TIF petitions. Petitions are submitted by the property owners whose ownership constitutes at least 50% of the appraised value of the property in the proposed TIRZ, according to the most recent certified appraisal roll. To be considered for TIF, at least 20% of the proposed units must be affordable as defined by the City. Any subsequent changes to the City's definition of affordable housing immediately apply to the requirements of the TIF Manual.

Purpose: The purpose of the petition-driven TIRZ is to bring high-quality development/redevelopment to areas lacking in recent significant development. A petitioner or developer considering the submission of a petition may request a meeting with the Housing and Neighborhood Housing Services TIF Department unit. A fee of \$40,000 is required along with a completed application. Similar to the City-driven TIRZ, the project area must score a minimum of 60 points to be considered for a TIF.

Benefits: The project must add long-term value to the public realm. This is defined by the level that the proposed TIRZ meets the long-term revitalization goals, as outlined in an adopted City plan, or similar document, for the proposed area.

Goals and Objectives: Similar to the City-driven TIRZ.

Roosevelt Corridor Reinvestment Plan Area (RPA)

The Roosevelt Corridor RPA evolved out of a planning process that was designed to leverage an important corridor that parallels the north-south flow of the San Antonio River. This corridor links some of San Antonio's key recreational, historical and cultural assets. The focus of the RPA is enhancing the infrastructure, including road and flood control upgrades, to leverage greater public and private investment. Two sites were identified as links in the RPA: the former Mission Drive-In site, which is being developed into a mixed-use complex and new branch library, and the San Antonio River Improvements project, which will provide recreational and infrastructure enhancements. RPAs are generally comprised of two or more adjacent neighborhoods, connected by a transportation corridor and/or a natural feature. The Roosevelt Corridor RPA meets this criterion. The RPA was one of three Reinvestment Plans completed in 2009.

The Roosevelt Corridor RPA includes seven reinvestment strategies outlined in addition to action items, partners, funding sources, and time frames. The actual time frames were noted as being dependent upon actual funding and the support of the community stakeholders. The Reinvestment Plan identifies infrastructure priority projects, community-based initiatives, and tools for proactive land use planning. The Reinvestment Strategies and individual actions items were developed through a community-based process that included residents, business and property owners, neighborhood associations, public agency representatives and design and finance professionals.

Purpose: The corridor has long been considered a neglected area of the City. The purpose of the RPA is to leverage the current redevelopment projects into a cohesive redevelopment area that creates added development for the City. The RPA was envisioned as a method of focusing and coordinating private and public sector investment along the Roosevelt Corridor. The integration of these investments into a coordinated effort is the long-term goal.

Benefits: The primary benefit of the Roosevelt Corridor RPA is a coordinated and strategic investment in a highly visible corridor that will result in additional economic development and infill development. Additional benefits include prioritization of CDBG/HOME funds to Reinvestment Plan areas and enhanced financing tools.

Goals: Seven reinvestment strategies were outlined, including action items, partners, funding sources, and time frames.

- 1) Leverage river improvements and Mission Drive-In redevelopment
- 2) Invest in drainage, street and sidewalk infrastructure
- 3) Phase out high-intensity commercial and industrial zoning
- 4) Adopt unifying design standards for new construction
- 5) Launch community-based initiatives to improve quality of life
- 6) Link existing business and property owners with sources of funding
- 7) Create investment opportunities

Proposed funding for the seven reinvestment strategies include tax increment reinvestment zone (TIRZ) funds, CDBG, foundation grants, CIP and bond funds, private donors and an array of additional public funds.

Westside Reinvestment Plan Area (RPA)

The Westside RPA was developed as part of an effort to coordinate public resources within the area immediately west and south of Downtown San Antonio in order to stimulate private investment. A portion of the Westside RPA is located in the Westside Tax Increment Reinvestment Zone (TIRZ). The Westside RPA serves as a guide to the development of the TIRZ Project Plan, and is an outgrowth of a proposed Westside Multimodal Station.

Due to the size of the Westside area and the large scope of outlined projects, the Westside RPA was divided into five areas based on geography, character, and commonalities between stakeholders. The goal was to show the interrelated nature of the five areas through overlap of the geographic boundaries. The Westside RPA was one the three Reinvestment Plans completed in 2009.

Purpose: The Westside area has, over the years, seen a number of studies and plans conducted that address a range of community development issues. The Westside RPA was an attempt to leverage the existing plans and to build on the goals and objectives of previous studies to be used as a guide for future development. The goals in those plans have been inventoried into a strategic set of concrete priority actions that outline the framework for implementation.

Benefits: The primary benefit of the Westside RPA is to coordinate and build on the goals and strategies outlined in previous plans conducted in the Westside.

Goals: Based on the priority actions identified within each of the segments of the RPA, six overarching strategies were identified to guide public investment. Collectively, the following strategies are critical to the successful redevelopment of the Westside RPA:

- 1) Invest in public infrastructure improvements to catalyze additional private investment
- 2) Adopt updates to land use plans, rezonings and design standards that uphold the vision for an area
- 3) Restore and enhance Westside Creek and leverage public improvements
- 4) Create a sense of place and destination points through public art
- 5) Promote historic preservation strategies that balance preservation and redevelopment
- 6) Create investment opportunities

Proposed funding for the six reinvestment strategies include TIRZ funds, CDBG, foundation grants, CIP and bond funds, private donors, and other public funds.

Eastside Reinvestment Plan Area (RPA)

The Eastside RPA, also known as Dignowty Hill, was developed in conjunction with the development of the Dignowty Hill Neighborhood Plan. The reinvestment plan implements the goals and objectives of the Dignowty Hill Neighborhood Plan in addition to taking into consideration the goals and recommendations of other previous plans and policies. The Eastside RPA was one the three Reinvestment Plans completed in 2009. All of the reinvestment strategies were designed to be interrelated and dependent upon one another. An integrated approach to reinvestment was deemed essential, and that investments in housing development or businesses needed to be done in conjunction with infrastructure improvements and crime prevention. The long-term vision for reinvestment in the Dignowty Hill neighborhood was determined to be achievable through strategic incremental investment by using both private and public funds.

Purpose: The purpose of the Eastside RPA is to coordinate economic development efforts to link the goals and objectives of the Neighborhood Plan with specific, tangible projects.

Benefits: The primary benefit of the Eastside RPA is to leverage and build upon the work that has been done to create the Dignowty Hill Neighborhood Plan.

Goals: Based on the planning process that was underway for Dignowty Hill, the following eight overarching reinvestment strategies were identified based on priority.

- 1) Implementation cooperation
- 2) Infill development and housing rehabilitation
- 3) Safe environment
- 4) Transportation networks and complete streets
- 5) Economic development
- 6) Enhance community facilities
- 7) Preserve and promote the historic character
- 8) Showcase environmental sustainability

Proposed funding for the eight strategies include TIRZ funds, CDBG, foundation grants, CIP and bond funds, private donors, and other public funds.

Community Revitalization Action Group (CRAG)

The inner-city area defined by the Community Revitalization Action Group (CRAG) is the original San Antonio city limits prior to 1940, which is a 36-square-mile area with the dome of the San Fernando Cathedral at its center. This area has expanded with the addition of further target areas. The core Inner City Reinvestment / Infill Policy Target Area (ICR/IP) follows an expanded version of the CRAG boundaries, and includes Reinvestment Plan Areas and City-initiated Tax Increment Reinvestment Zones (TIRZ) designated within the Interstate 410 Loop area.

Purpose: The CRAG is more of a defined geographic area than a specific policy or action. The City Reinvestment / Infill Policy Target Area (ICR/IP), which contains policy prescriptions, follows and expands upon the CRAG boundary.

Benefits: The key incentives include waiving City assessment fees for projects in the target area, targeting all City incentives in the area, land banking and the creation of an Interdepartmental Oversight / Single Point of Contact.

Inner City Reinvestment/Infill Policy (ICR/IP) Areas

The Inner City Reinvestment / Infill Policy is currently the primary vehicle for coordinating City resources to encourage reinvestment in the core of the City. The Policy implements goals of the Strategic Plan for Community Development and corresponding implementation strategies. The guiding principle for the ICR/IP policy is that private-sector investment follows public-sector investment. The goal is to leverage public infrastructure investments. The City applies the Citywide Real Estate Market Value Analysis (MVA) to determine the viability of existing and proposed ICR/ IP and Reinvestment Plan Areas (RPAs).

Purpose: The City of San Antonio has outlined a policy to promote growth and development in areas of the City that are currently served by public infrastructure and transit, but underserved by residential and commercial real estate markets. The Inner City Reinvestment / Infill Policy (ICR/IP) is an effort to provide the full range of incentives, including financing and regulatory incentives, to foster development.

Benefits: To stimulate private investment that results in walkable, sustainable communities that are the building blocks of a sustainable region.

The city uses the ICR/IP area as the target area for a variety of incentive programs. San Antonio waives all city fees and offers tax abatements for the following types of projects within the ICR/IP areas:

- 1) Residential/Mixed-Use Development
- 2) Commercial/Industrial Development

The San Antonio Water System (SAWS) commits \$2 million annually in impact fee waivers to be used in the ICR/IP areas. All projects in the ICR/IP areas are eligible for waivers equal to 1% of the total project investment. The City also focuses its weatherization program and its CDBG and HOME funds within the inner city target area.

Goals: The goals of the Inner City Reinvestment / Infill Policy are:

- 1) Increase new development (housing and commercial) on vacant lots
- 2) Increase redevelopment of underused buildings and sites
- 3) Increase rehabilitation, upgrade, and adaptive reuse of existing buildings
- 4) Improve maintenance of existing buildings and sites
- 5) Increase business recruitment and assistance

Neighborhood Revitalization Strategy Area (NRSA)

Entitlement communities receiving Community Development Block Grant (CDBG) program funds are encouraged by HUD to develop Neighborhood Revitalization Strategy Areas (NRSA) for specific neighborhoods where new investment would benefit from certain incentives. The designation of an NRSA eases some of the regulatory requirements of the CDBG program. To qualify, the neighborhood must include a contiguous area, primarily residential in nature, with a percentage of low- and moderate-income (LMI) persons that is equal to the upper quartile percentage or 70%, whichever is less, but in any event is not less than 51%, as outlined in HUD CPD Notice 96-01.

The incentives provided through NRSA designation include the following:

- 1) Job creation / retention as LMI area benefit: such activities may qualify as meeting area benefit requirements, thereby eliminating the need for individual businesses to track the income of persons considered for, or who fill, such jobs
- 2) Aggregation of housing units: housing units occupied by non-LMI households can be assisted if at least 51% of the total housing units assisted are occupied by LMI households
- 3) Aggregate public benefit standard exemption: jobs created with CDBG funds are exempted from the regulatory requirement of requiring the creation of one job per \$35,000 investment of CDBG funds
- 4) Public service cap exemption: public service activities carried out by community-based development organizations are exempt from the regulatory 15% cap on public service activities

One of the lesser-known benefits of an NRSA is the potential to economically integrate a neighborhood. Through the easing of the regulatory requirements, San Antonio could invest CDBG funds and assist non-LMI housing units, households and businesses located in an NRSA, thereby creating opportunities for mixed-income neighborhoods to evolve and thrive.

Tax Abatement Program

The City of San Antonio adopted a tax abatement policy in December, 2012 with the goal of increasing sustainability, growth and economic diversity. The tax abatement policy identifies targeted incentive areas and job creation to promote balanced growth throughout the community. The policy outlines minimum eligibility criteria for projects including minimum investment, minimum job creation levels, minimum living wage requirements, targeted industries, and access to health benefits. The level of the tax abatement varies based on the project's location.

Purpose: To offer public incentives to attract new investment and retain/create jobs in the City's targeted industries of Healthcare and Biosciences, Information Technology and Information Security, Aerospace, and the New Energy Economy. In addition, the City Council created targeted areas of existing infrastructure and transit coverage where any project is eligible for a tax abatement.

Benefits: Promotes growth through financial incentives offered to specific industries and areas. Companies taking advantage of the program are required to offer employees health care benefits and a minimum living wage.

Any projects located in the ICR/IP area are eligible for a 10-year, 100% tax abatement. Projects outside this area but with investments over \$30 million, or which will create more than 500 new jobs, are also eligible for a 10-year, 100% tax abatement. Projects outside the ICR/IP area are eligible for a 6-year tax abatement, while projects in the Edwards Recharge or Contributing Zones are ineligible unless they do not add to the impervious area.

Goals: The goals of the Tax Abatement program are:

- 1) Attract, retain and expand targeted industries
- 2) Increase employment and high-wage jobs
- 3) Expand the tax base
- 4) Create long-term capital investment and new wealth opportunities in the community

Center City Housing Incentive Policy (C-CHIP)

The Center City Housing Incentive Policy (CCHIP) was adopted in 2012 as a tool for undertaking the Center City Implementation Plan. The CCHIP provides coordinated incentives to multi-family rental and for-sale housing projects to stimulate investment in market-rate projects. Additional incentives are available to projects that include commercial or retail space as part of a larger mixed-use development. While targeted to the CRAG area, the policy identifies four additional incentive tiers that receive greater incentives.

Purpose: The Center City Implementation Plan provided recommendations on how best to implement the Downtown Strategic Framework Plan through increased public investment, creation of a housing finance strategy, coordinated management, and regulation of development. The Implementation Plan recommended that the City establish a predictable incentive system for housing in the Center City. To accomplish this, City Staff developed the CCHIP to provide coordinated incentives of sufficient size to encourage reinvestment in Center City housing.

Benefits: The CCHIP incorporates the goals and objectives of the Implementation Plan by providing greater incentives to housing projects. It encourages historic rehabilitation, adaptive reuse, brownfield redevelopment, and transit-oriented development while also rewarding good urban design, and mixed-use and mixed-income developments.

Eligible projects receive city fee waivers, SAWS impact fee waivers, real property tax reimbursement grants, inner city incentive fund loans, and mixed-use development forgivable loans. Certain incentives including the real property tax reimbursement grant and the inner city incentive loan fund change based on the project's location in one of four tiered target areas.

Goals: The goals of the Center City Housing Incentive Policy are:

- 1) Normalizing land values
- 2) Providing greater certainty to developers
- 3) Increasing the speed of approvals
- 4) Reducing the risk associated with infill development

San Antonio Water System (SAWS) Impact Fee Waiver Guidelines

The San Antonio Water System Impact Fee Waivers represent one incentive available in the ICR/IP area to encourage walkable neighborhoods, infill development, and job creation. The program waives the San Antonio Water System's impact fees to encourage development in targeted areas, industries, and for projects of significant size. Additionally, developments which include affordable housing or community services which occur outside the targeted area are eligible.

Purpose: To support San Antonio's Inner City Reinvestment/Infill Policy with development incentives. These incentives are targeted to specific growth industries and areas for the purpose of promoting walkable communities and the reuse of existing infrastructure.

Benefits: Projects are eligible for an impact fee waiver equal to 1% of the total project investment, with a minimum waiver of \$5,000. All projects within the ICR/IP area are eligible for a waiver to the maximum amount of \$500,000. Projects located outside the target area but in a targeted industry and which include a capital investment of at least \$50 million dollars, or which create at least 500 new full-time jobs are eligible for a maximum waiver in the amount of \$100,000. Additionally, housing projects which include affordable residential units are eligible for a partial SAWS waiver equal to the percent of units which are affordable.

Goals: The goals of the SAWS Impact Fee Waiver align with the goals of the Inner City Reinvestment/Infill Policy. Those goals are:

- 1) Increase new development (housing and commercial) on vacant infill lots
- 2) Increase redevelopment of underused buildings and sites
- 3) Increase rehabilitation, upgrade and adaptive reuse of existing buildings
- 4) Increase business recruitment and expansion in the City's targeted industries

POLICY RECOMMENDATIONS

The policy recommendations included herein are based on the identified housing need calculated for San Antonio, a review of current City policies and plans, and the acknowledgment of decreasing public resources available for housing and community development initiatives. The recommendations reflect the following over-arching themes:

- As a HUD entitlement community, San Antonio receives approximately \$17.7 million in CDBG, HOME, ESG and HOPWA funds. One of the statutory requirements for receiving these funds is the City's legal obligation to implement its housing programs in a non-discriminatory manner. Towards this end, the City has an obligation to affirmatively further fair housing by creating affordable housing opportunities for members of the protected classes outside of predominantly low income, minority neighborhoods. The policy recommendations that follow will, if implemented, assist the City in achieving this obligation.
- Since 2005, the City's total HUD entitlement grants have decreased 30% from \$25.3 million to \$17.7 million in 2013. The current fiscal and political environment at the federal level does not offer optimism for a reversal of this trend. As a result, the City's financial resources for investing in neighborhood revitalization have diminished to the point where triage has become necessary. Spreading resources thinly across most of San Antonio will no longer have the effect of changing the course of neighborhoods in a positive and upward trajectory. Instead, targeting of limited resources over a sustained period will significantly increase the likelihood of tipping a neighborhood from marginal to marketable.
- Targeting resources, with a focus on neighborhoods adjacent to Downtown San Antonio, could optimize the City's plan for creating 5,000 residential units in the downtown area. In designating targeted neighborhoods, the City can capitalize on the investments made by other entities. SAHA's Choice Neighborhood investment in the Wheatley neighborhood is the best example for implementing this policy. The City's contribution above and beyond SAHA's \$30 million investment in redevelopment will further advance the authority's objectives and provide the City with enormous opportunity to leverage housing, public infrastructure, public facility, an opportunity for acquisition of vacant property for re-use, demolition of economically infeasible structures, and social service enhancements on a level unimaginable without such a partnership.
- Improving housing in most of the City's central neighborhoods will require expanding the focus to include comprehensive neighborhood revitalization, thus increasing the City's ability to improve the quality of life for residents. Expanding affordable housing opportunities also means improving employment opportunities and linkages between where residents live and where they work. Decisions on where to target limited resources will need to focus on areas that present the best opportunities citywide, and not always on those in greatest need.

Key Findings: Rental Housing

The most obvious trend presented by the data analysis in the Needs Assessment is the strong demand for affordable rental housing. This is supported by the following facts:

- 57% of renter households with incomes below 80% of the median are cost burdened and paying more than 30% of income on housing (equal to over 118,000 renter households)
- Almost 6% of all renter households (over 11,000) are overcrowded
- Housing problems were most common among renters under age 25 or above age 75, a fact that can largely attributed to limited or fixed incomes among these age groups
- More than 116,000 renter households had incomes below \$35,000 and could not afford the two-bedroom Fair Market Rent of \$842/month
- There are more than 13,000 households on the waiting list for public housing and Section 8 vouchers, virtually all of which (99.9%) are extremely low income with incomes below 30% of the median
- Projection data estimates reveal another 6,800 renter households with incomes below 80% of median are expected to reside in San Antonio by 2016
- Existing demand calculations for rental housing that is affordable to households below 80% of median revealed a total need of 103,342 units, with existing demand for LMI rental units exceeding projected demand by a factor of 15

Notably, there are also several trends that appear to be contradictory to a growing demand for affordable rental housing, such as:

- A rental vacancy rate of almost 11% in the City, equivalent to more than 22,000 units.
- The presence of a large military population, which generally tightens a rental housing market due to strong demand, and
- The issuance of more than 33,000 permits for new multi-family housing between 2000 and 2010.

Key Findings: Owner Housing

While renter housing demand greatly exceeds owner housing demand in San Antonio, there remains a significant challenge to address owner housing. The facts supporting this statement include the following:

- The homeownership rate fell from 58.1% in 2000 to 56.5% in 2010
- Foreclosure rates were highest in predominantly lower-income Hispanic neighborhoods, where the lowest rates of homeownership were found
- More than 3% of all owner-occupied units were identified as substandard, equating to 8,500 units
- Projection data estimates reveal another 4,200 owner households with incomes below 80% of median are expected to reside in San Antonio by 2016
- Existing demand calculations for owner housing that is affordable to households below 80% of median revealed a total need of 39,332 units, with existing demand for LMI owner units exceeding projected demand by a factor of 9.4

Fortunately, the sales market in San Antonio is an inherently affordable one: median income households earning \$45,457 can afford more than 50% of the sales market homes. Furthermore, in recent years, about 25% of the sales market has been affordable to households at 80% of median, indicating an affordable housing market for a segment of the lower income population in San Antonio. However, a vacancy rate of only 1.9% exists among owner units, indicating a lack of adequate inventory for future homebuyers.

Recommendations

► Targeting Resources

1

Designate three or four central neighborhoods for intense targeting of resources for a pre-determined number of years.

- a. Potential “Reinvestment Neighborhoods” might include the areas of Wheatley/North, Edgewood, Palm Heights, Harlandale, and University Park Blueridge based on the location of planned bond-funded projects, public improvement projects, active and cohesive neighborhood organizations, development incentive policies, convenient access to major employment centers, etc.
- b. Extend the designation for a period of no less than five consecutive years during which an annual allocation of CDBG and HOME funds is guaranteed for eligible activities in each target area. In addition, give funding preferences to projects requesting City resources in these neighborhoods.
- c. For each designated neighborhood, establish baseline data prior to any investment. Indicators might include renter occupancy rate, homeownership rate, vacancy rate, assessed home value, median sales value, unemployment rate, etc.
- d. Establish specific benchmarks for addressing identified housing needs within the City (e.g., creation of **xxx** number of rental units for households at various income tiers). These benchmarks should directly correspond to the City’s Strategic Plan in its Consolidated Plan.
- e. At the end of the five-year designation, re-assess all indicators. Thereafter, assess all indicators every three to five years to track the impact of the public investment.

2

Designate a HUD Neighborhood Revitalization Strategy Area (NRSA) that meets all requirements of CPD Notice 96-1 in the Wheatley neighborhood of SAHA's Choice Neighborhood Implementation initiative.

- a. As a CDBG entitlement community, the City can create a HUD approved NRSA where new investment would benefit from the easing of some of the regulatory requirements of the CDBG program. To qualify, the neighborhood must include a contiguous area, primarily residential in nature, with a percentage of low- and moderate-income persons that is equal to the upper quartile percentage or 70%, whichever is less, but not less than 51%. The Wheatley neighborhood is one area in the City that meets these criteria.
- b. The NRSA designation would enable the City to (i) qualify job creation/retention and housing activities on an aggregate basis (rather than on a per-business or per-unit basis) for the entire area, (ii) be exempted from the one-job-per-\$35,000-investment requirement, and (iii) exceed the regulatory 15% cap on public service activities.
- c. Devise a five-year plan for major capital investments within the NRSA.
- d. The NRSA must be reviewed and approved by HUD prior to implementing it. The NRSA should be submitted as an appendix to the City's next Consolidated Plan and approved.

3

Partner with SAHA to implement an acquisition/rehabilitation initiative focusing on available vacant multi-family properties within one quarter mile of public transit stops and stations and in proximity to major employment centers.

- a. The City can identify, acquire and assemble eligible properties that can be transferred to SAHA for redevelopment. SAHA can rehabilitate and manage the structure, selecting eligible tenants from its waiting lists for public housing and Section 8 vouchers.

4

Preserve the existing affordable housing stock.

- a. Revise the City's owner-occupied rehabilitation program guidelines to allow forgivable loans for households below 50% of the median. This would provide additional incentive for extremely and very low income households to maintain their homes.
- b. Revise the City's owner-occupied rehabilitation program guidelines to allow forgivable loans for households below 80% of the median located within one-half mile of public transit stops and stations, and in the designated Reinvestment Neighborhoods.

► Affirmatively Furthering Fair Housing

1

Create opportunities for new mixed-income housing in lower income neighborhoods through an aggressive acquisition, demolition, land banking, and new construction initiative.

- a. Within the designated Reinvestment Neighborhoods, devise a plan for the identification of vacant and blighted structures that can be acquired by the City (or its agent) for demolition and land banking. The primary objective should be the identification of numerous structures within a block for the purpose of packaging larger parcels of land for resale and redevelopment.
- b. Once eligible structures have been demolished, seek proposals from eligible developers for new construction of mixed-income sales and/or rental housing that addresses an identified housing need within the City.
- c. Create a selection of residential design features that are compatible with surrounding buildings to guide appropriate redevelopment initiatives.

2

Create opportunities for new affordable housing in the downtown area and outside of the I-410 loop neighborhoods.

- a. Expand housing choice for lower income minorities to non-traditional neighborhoods by requiring an affordable housing set-aside for all residential initiatives that receive any amount of public financing. Whether City bond financing or federal CDBG funds, if a developer proposes residential units in downtown San Antonio or outside of the I-410 loop, require that a minimum of 10%-15% of the total number of dwelling units be made affordable to households earning between 60%-120% of the median income. It is understood that City CDBG funds can only be used for households at or below 80% of median.
- b. With the City's HOME funds, give preference to affordable housing activities proposed outside of predominantly lower income minority neighborhoods. Increase the per-unit subsidy for new affordable housing development in high-cost areas.
- c. Consider partnering with the SAHA to provide project-based vouchers, to the extent possible, for housing developments outside of the I-410 loop and near major employment centers.

3

Develop a Neighborhood and Site Selection policy (similar to the policy required as part of the HOME program) to guide development of affordable rental housing outside of predominantly lower income minority neighborhoods.

- a. Clearly stated, objective criteria should become a part of the annual decision-making process. Criteria should reflect the City's goals for achieving its vision:
 - The project is located with one quarter mile of a transit stop or station
 - The project proposes to provide 30% of the total units as affordable to renter households earning below 80% of the median income
 - The project is located within a 20-minute commute of a major employment center
 - The developer is leveraging 50% of the total development costs.
- b. In developing its Neighborhood and Site Selection policy, the City should consider the Qualified Allocation Plan adopted by the Texas Department of Housing and Community Affairs, which since 2012 has incorporated measures carrying the intent and effect of affirmatively furthering fair housing.

4

Create opportunities for high density housing along major corridors served by public transit.

- a. Increase maximum zoning densities permitted along major public transit routes to incentivize higher density, mixed-income, multi-family dwelling communities.
- b. Designate transit-oriented development districts within a quarter-mile radius of major transit stops and multi-nodal facilities. Within each TOD district, provide a density bonus to developers who agree to provide 30% of all housing units as affordable for households up to 80% of the median income.
- c. Extend the City tax abatement incentives to affordable rental housing developments (including mixed-income) to projects occurring under TOD zoning provisions and/or along major transit corridors. By restricting the location of residential tax abatement to these areas, the City can guide higher density housing near major employment centers north of Downtown and along thoroughfares served by public transit now and in the future.

5

Waive or decrease by 50% the building, permit and impact fees for all new rental housing made affordable for households up to 80% of the median income.

6

Ensure that the approval process for new multi-family housing development is objective and consistent with fair housing standards.

- a. If a council member's approval is required for only publicly financed rental housing projects proposed for its district, while market-rate rental housing proposals are not subject to the same scrutiny, then this may be a discriminatory act. It also allows for NIMBY-ism to kill an affordable rental housing project for which demand is very high. Leaving room for discrimination in the local approvals process exposes the City to potential legal challenge.

► Maximize federal resources

1

Utilize Tax Incremental Financing (TIF) proceeds to retire Section 108 loan debt.

- a. In FY 2013, the City was required to allocate \$4.8 million of CDBG funds to retire existing Section 108 loan debt. This amounted to 42% of the City's total CDBG grant. This required debt service on the Section 108 loan prevented the City from investing limited CDBG resources on other eligible activities. The City should consider combining Section 108 and TIF to reduce the need for repayment of Section 108 loan debt with its annual CDBG allocation. The City could overlay a TIF district where it is expanding infrastructure through Section 108 loan funded projects. If this were to occur, the City could use TIF proceeds to retire Section 108 loan debt and use annual CDBG funds on actual projects instead of debt repayment.

2

Provide incentives to major employers who create employer-assisted housing programs for homebuyers.

- a. Participating employees should be given high priority in the City's downpayment and closing costs assistance program.
- b. The City could provide property tax rebates for households who participate in this type of program.

Appendix A

Inventory of Public and Assisted Housing



Public Housing Properties

Name	Total Units	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	Single-Family	Family	Senior	Accessible
Alazan-Apache Courts	741		698, various sizes					43	X		
Blanco Apartments	100									X	
Blue Ridge	82							82	X		
Cassiano Homes	499								X		
Charles Andrews	52								X		X
Cheryl West	82								X		X
Col. George Cisneros	55		51			4				X	
College Park	78		78 1BR and 2BR							X	
Cross Creek	66		66 1-4BR						X		
Christ the King	48									X	
Escondida Apartments	15		15							X	X
Fair Avenue	216	129	86						X		X
Francis Furey	66								X		
Frank E. Hornsby	59								X	X	X
Glen Park	26			26						X	
Henry B. Gonzalez	51									X	X
Highview Apartments	68								X	X	X
Jewett Circle	75		69	6						X	
Kenwood Manor	9				9			9	X		
Kenwood North	53		53 1BR and 2BR							X	
L.C. Rutledge	66		66 1-4BR						X		
LeChalet Apartments	35		35 1BR and 2BR							X	
Lewis Chatham	119									X	
Lila Sockrell	62		56	6						X	X
Lincoln Heights	338		338 1-4BR						X		
Linda Lou	10		10							X	X
Madonna	60		60 1BR and 2BR							X	
Marie McAguire	63	42	15	6						X	
Midway	20		20							X	X
Mirasol	174			20	67			87	X		
Mission Park	100		100 1-5BR						X		
Morris C. Beldon	35		35 1-3BR						X		
O.P. Schnable	70		66	4						X	X
TOTAL	3,593										

Note: Does not include scattered-site units

Source: San Antonio 2010-2014 Consolidated Plan

Tax-Credit Properties

Development Name	Total Units	Percent Occupied	Percent Minority	Percent Below Poverty Line	Development Name	Total Units	Percent Occupied	Percent Minority	Percent Below Poverty Line
1837 WOODLAWN	2	100	79	7	PARQUE DE ORO APARTMENTS	198	99	80	18
519 ELMHURST	1	100	58	26	PRIMROSE AT MISSION HILLS	252	100	76	27
762 G STREET	2	100	95	23	PRIMROSE AT MONTICELLO PARK	248	100	80	18
767 G STREET	2	100	95	23	RANCHO SIERRA	280	100	90	34
771 G STREET	2	100	95	23	REFUGIO PLACE APARTMENT HOMES	210	50	91	33
92142 SUTTON DRIVE	18	100	85	24	ROSEMONT AT HIGHLAND PARK	252	100	95	23
951 F STREET	2	100	96	31	ROSEMONT AT MILLERS POND	176	80	91	26
ARBORETUM APARTMENTS THE	136	41	48	12	ROSEMONT AT UNIVERSITY PARK	240	100	86	42
ARTISAN AT SALADO CREEK (SAN	200	80	95	28	SA UNION PARK APARTMENTS	100	100	85	23
ARTISAN ON THE BLUFF	250	100	53	32	SA UNION PINES II APARTMENTS	152	100	88	24
BABCOCK NORTH EXPANSION	72	100	54	8	SADDLEBROOK APARTMENTS	412	99	73	22
BENTLEY PLACE APARTMENTS	208	80	64	10	SAGEWOOD APARTMENTS	336	100	88	21
BEXAR CREEK	72	85	99	24	SCIENCE PARK SENIORS	120	75	87	26
BRIGHTON TERRACE APARTMENTS	31	100	87	20	SETON HOME CENTER FOR TEEN MOMS	24	100	93	31
BRIGHTWAY MANOR APARTMENTS	23	100	64	17	SPRINGHILL APARTMENTS	132	100	74	27
CALCASIEU APARTMENTS THE	49	100	70	37	STONEHOUSE VALLEY APARTMENTS	248	100	51	8
COSTA DORADA	248	75	76	27	SUMMERCITY TOWNHOMES	200	75	88	26
DINEEN ARMS	3	100	88	45	THE VILLAS AT COSTA BISCAYA	250	100	74	27
FRANK E. HORNSBY JR. SENIOR	58	100	81	29	THE VILLAS AT COSTA CADIZ APARTMENTS	172	100	81	29
HOMESTEAD APARTMENTS	0	0	79	26	TIGONI VILLAS	140	80	91	33
HUNTER'S GLEN TOWNHOMES	144	75	93	32	VERA CRUZ SENIOR CITIZENS	9	100	97	30
LAGO VISTA VILLAGE	90	74	99	38	VERA CRUZ SENIOR CITIZENS	20	100	0	0
LEGACY AT O'CONNOR ROAD	150	75	49	9	VILLA DE ORO APARTMENTS	174	100	94	18
MARBACH MANOR APARTMENTS	123	100	78	20	VILLAS AT COSTA BRAVA	240	63	71	9
MAVERICK APARTMENTS	90	83	70	37	WESTCREEK TOWNHOMES	220	75	46	5
MAYFIELD GARDENS APTS	50	100	95	26	WETGATE APARTMENTS	48	100	58	26
MCMULLEN SQUARE APARTMENTS	100	87	99	30	WHITEFIELD PLACE APARTMENTS	80	60	76	27
MONTICELLO MANOR APARTMENTS	154	99	78	20	WOODMANOR DUPLEX HOMES	26	100	0	0
OUTSPAN TOWNHOMES	200	60	0	0	WURZBACH MANOR APARTMENTS	161	99	71	23
PALACIO DEL SOL	200	100	89	44	Total	8,004	84.0%	75.9%	21.6%
PARK ON GOLDFIELD APARTMENTS	204	87	74	27	Source: HUD Picture of Subsidized Housing, 2008				



Project-Based Section 8 Properties

Development Name	Total Units	Percent Occupied	Average Monthly Rent	Percent with Incomes below 30% MFI	Percent Below Poverty Line	Percent with Disability	Percent Black	Percent Hispanic	Percent Minority
ANTIOCH SAN ANTONIO PARTNERS LP	96	93	155	93	26	20	84	6	88
AURORA APARTMENTS	105	95	208	86	26	83	14	46	80
CANDLERIDGE APARTMENTS	70	95	231	72	20	27	14	77	78
CHEYENNE VILLAGE APARTMENTS	60	99	177	82	32	27	0	100	98
CHISOLM TRACE	126	94	222	74	22	31	12	34	61
COUNTRY CLUB VILLAGE	82	99	253	64	15	110	1	66	73
GRANADA HOMES	250	95	217	79	37	0	1	73	70
INDEPENDENCE SQUARE	9	86	244	64	25	100	36	14	84
INGRAM SQUARE APTS	120	99	225	78	26	29	5	88	87
LAS PALMAS GARDENS APTS	100	63	245	73	36	10	0	97	98
LASKER O. HEREFORD APTS	40	98	223	84	2	100	0	47	50
MCMULLEN SQUARE	100	96	233	78	30	10	3	94	99
MT. ZION SHELTERING ARMS	40	91	231	76	31	0	89	11	96
PALACIO DEL SOL	200	99	205	92	44	0	2	95	89
PAN AMERICAN LEAGUE HOMES	100	91	165	88	24	18	4	91	99
PECAN HILL APTS	100	91	239	72	14	100	12	40	54
PIN OAK APARTMENTS	50	89	216	78	15	100	4	63	73
ROSEVILLE APTS	88	94	237	71	26	100	98	0	88
SACRED HEART VILLA	48	98	199	92	30	0	6	94	97
SAN JOSE APARTMENTS	220	89	201	81	45	23	1	95	88
SUNSHINE PLAZA APTS	100	92	218	81	15	100	6	69	62
SUTTON SQUARE DUPLEXES	30	96	174	94	24	14	9	84	85
UNION PARK APARTMENTS	100	97	223	84	23	19	2	93	85
UNION PINES APARTMENTS	152	98	173	89	24	17	1	91	88
VILLA ALEGRE	40	87	204	85	24	33	0	100	80
VILLA DE AMISTAD	107	97	218	84	23	100	0	92	93
VILLA O'KEEFE APTS	50	95	211	92	13	40	60	8	73
VISTA VERDE APARTMENTS	190	93							
WEST AVENUE APTS	150	95	234	77	14	28	2	88	75
WEST DURANGO PLAZA	82	75	174	79	27	0	5	95	98
WEST END BAPTIST MANOR	50	96	238	68	27	31	13	87	98
WESTMINSTER SQUARE	107	97	233	65	20	100	6	65	85
WHITEFIELD PLACE APTS	80	98	247	71	27	24	4	94	76
WILLIAM BOOTH GARDENS APTS	95	98	220	81	26	100	1	80	92
WURZBACH MANOR APTS/115-N1010	161	95	260	69	23	12	35	42	71
Total	3,498	93.6%	216	75.2%	25.3%	36.3%	11.6%	68.2%	77.6%

Source: HUD Picture of Subsidized Housing, 2008

Affordable Housing Financed through Other HUD Sources

Development Name	Total Units	Percent Occupied	Average Monthly Rent	Percent with Incomes Below 30% MFI	Percent Minority	Percent Black	Percent Hispanic	Percent Below Poverty Line
200 OBLATE INC. MURRAY MANOR	16	90	280	59	50	18	32	17
BEXTON PLACE	54	96						
BUD O'KEEFE VILLAGE	18	100	230	71	65	6	53	10
CASA DE AMISTAD INC.	61	88	223	78	91	0	91	18
CASA DE ESPERANZA APTS	69	94	233	70	54	4	45	10
CATHERINE BOOTH APARTMENTS	61	96						
CHARLES A. GONZALES SENIOR COMMUNITY RESIDENCE	60	99	205	86	98	0	98	36
ERNEST M. OLIVARES SENIOR COMMUNITY RESIDENCES	59	98	219	81	93	0	93	58
FRIO CROSSING	68	99	210	79	65	5	56	12
GLENNWOOD APARTMENTS	100	96						
GUILD PARK APARTMENTS	114	87	219	87	97	1	96	26
LASKER VILLAGE APTS	24	99	214	88	79	67	13	13
MEADOW BROOK APTS	16	100	260	61	22	11	11	5
MONARCH PLACE APTS	20	95	208	82	0	0	0	18
NEWELL RETIREMENT	54	95	225	81	76	43	33	12
OAK KNOLL VILLAS	61	86	239	77	58	2	53	26
OAK MANOR APARTMENTS	100	95	211	80	93	42	42	27
OAK VILLAGE APTS	128	95	203	82	91	50	30	27
OKEEFE GARDEN BROOK	58	97	232	77	84	5	75	10
OXFORD TRACE	12	90	221	75	50	25	25	10
PALACIO DEL SOL II	22	99	197	92	96	0	96	44
REAGAN WEST	15	79	168	79	93	0	93	33
REGAL VILLAGE	24	100	212	77	59	18	41	12
SAN ANTONIO VOA ELDERLY	67	46	231	71	69	4	58	-2
SA-VOA LIVING CENTER	14	90	226	67	27	0	20	10
SPRINGHILL I APARTMENTS	143	79	155	89	85	47	33	27
SPRINGHILL II APARTMENTS	125	88	145	93	87	63	16	27
VICEROY APTS	18	96	208	88	31	13	19	13
VILLA DE VALENCIA	104	71	157	88	84	43	41	9
WOODHILL APARTMENTS	50	89	219	71	67	11	56	8
CHAMINADE APARTMENTS	200	94	242	71	86	0	86	33
RIDGECREST APARTMENTS	152	95	254	79	83	10	72	14
Total	2,087	90.0%	215	72.0%	71.8%	18.5%	50.5%	19.5%

Source: HUD Picture of Subsidized Housing, 2008