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BUILDERS

# An Analysis of Housing Vulnerability in San Antonio

Presentation to the City of San Antonio Housing Commission  
January 30, 2018



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# Recent Experience



Neighborhood Stabilization Program 2:  
2010-2016 \$220 Million Deployed



San Francisco Mission Promise  
Neighborhood Housing Assessment



Guide for Equitable Neighborhood  
Development



City of Tucson commercial corridor  
revitalization



National Fair Housing Outreach  
Campaign and Training



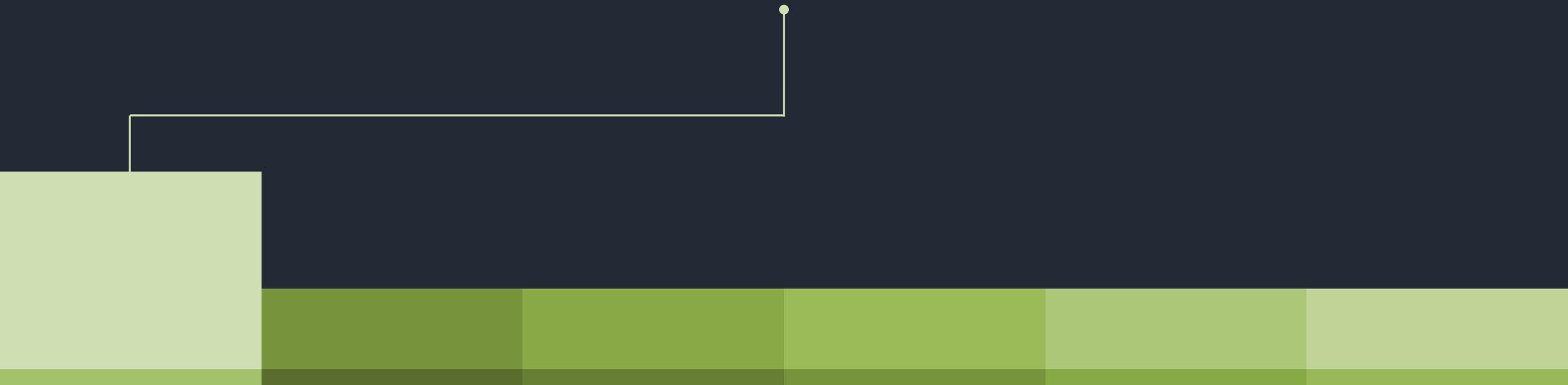
City of San Antonio HUD Technical  
Assistance

## Purpose

NALCAB was engaged by the City of San Antonio's Neighborhood and Housing Services Department to conduct a study of housing vulnerability in San Antonio, including implications for vulnerable populations and vulnerable affordable housing stock.

Study undertaken based on a recommendation from the San Antonio Housing Commission.

# Defining Affordability & Vulnerability



# Housing Affordability

Housing costs are most commonly considered to be affordable when they are equal to 30% or less of household income on a monthly basis.

Many experts agree that combined housing and transportation costs are considered affordable if they do not exceed 45% of income.

Month to month volatility in both household income and expenses can further complicate affordability.

# Affordable Housing

Affordable housing includes the wide range of housing choices that are affordable to at least half of households in the City of San Antonio.

Subsidized housing has legal covenants that typically define an income range for households to be eligible for occupancy and ensure minimum housing quality standard (LIHTC, Section 8, etc.).

“Naturally occurring” affordable housing is typically higher cost than most subsidized housing and/or is of lower quality.

# Households Experiencing Housing Vulnerability

Households experience housing vulnerability when there are factors that threaten their ability to maintain or remain in their home, including

- Income
- Physical/mental health
- Social issues
- Discrimination

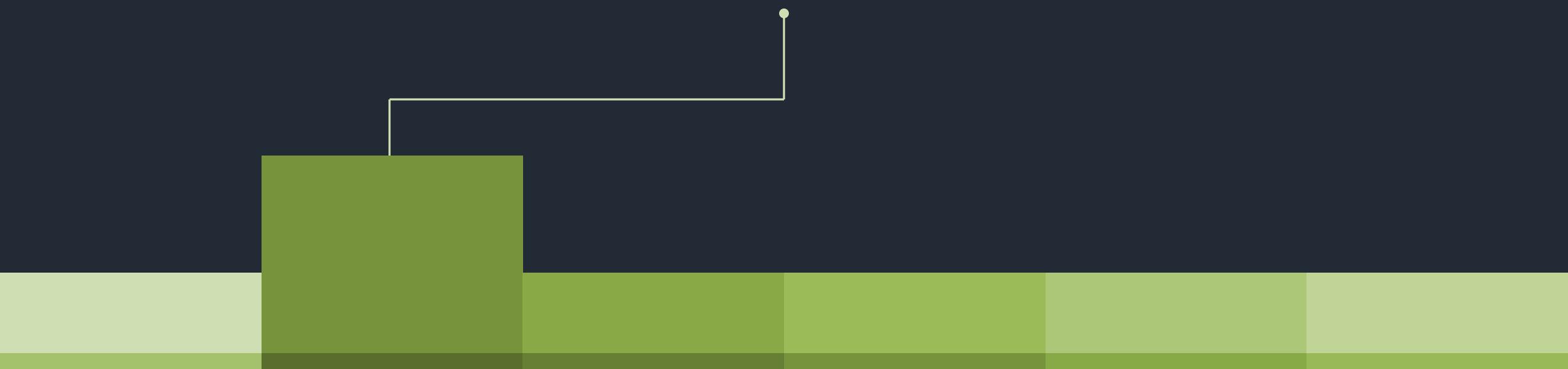
Vulnerable households may be less resilient to changes in the housing market and/or less able to maintain and repair their home.

# Vulnerable Affordable Housing Stock

Existing affordable housing stock may be considered vulnerable due to:

- Factors that could lead to significant price increases, or
- Deteriorating physical condition or geographical location make units unmarketable and/or uninhabitable

# Relevant Demographic & Real Estate Market Trends



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- City of San Antonio population grew by 26% between 2000-2016 (US Census)
- Projected growth of 88,000 additional residents by 2022 (ESRI Community Analyst)

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*Average housing costs are increasing in San Antonio*

- The average effective rent for multifamily apartments in San Antonio rose by 4.5% to \$951 in 2017 (Marcus Millichap)
- Median sale price for a home in Q3 2017 was \$216,000, the highest recorded (National Association of Home Builders/Wells Fargo Opportunity Index)

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- Median household income in the City of San Antonio in 2016 was \$48,143 (US Census 5 Year Estimates)
- 56% of new single family housing starts in San Antonio were priced over \$250,000 (MetroStudy)

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- 56% of new single family housing starts in San Antonio were priced over \$250,000 (MetroStudy)
- The highest multifamily effective rents were in areas with high concentrations of new production (Marcus Millichap)

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- 1998-2016: Riverwalk expansion investment exceeded \$380 million
- 2012-2016: \$593,439,817 leveraged in the private sector through over \$46 million in Center City Development Office incentives
- More than \$50 million in additional federal and private investment has been made in the Eastside Promise/Choice Neighborhood

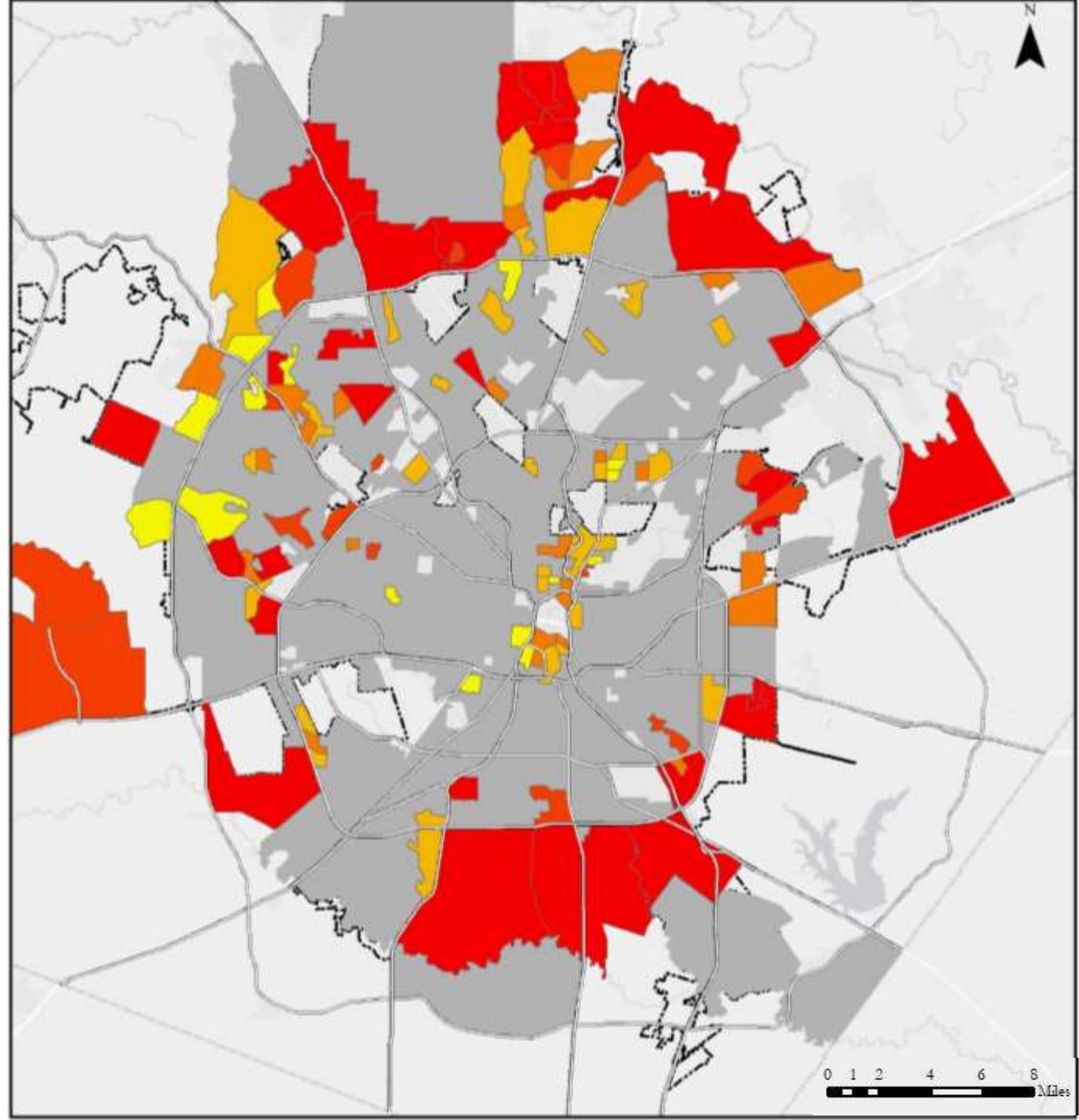
# Aggregated Value of Permits 2011-2016

New and Existing Construction

## Permit Values



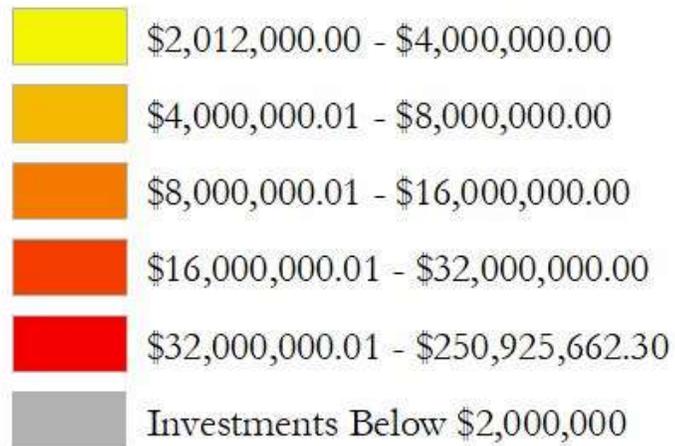
Source: City of San Antonio



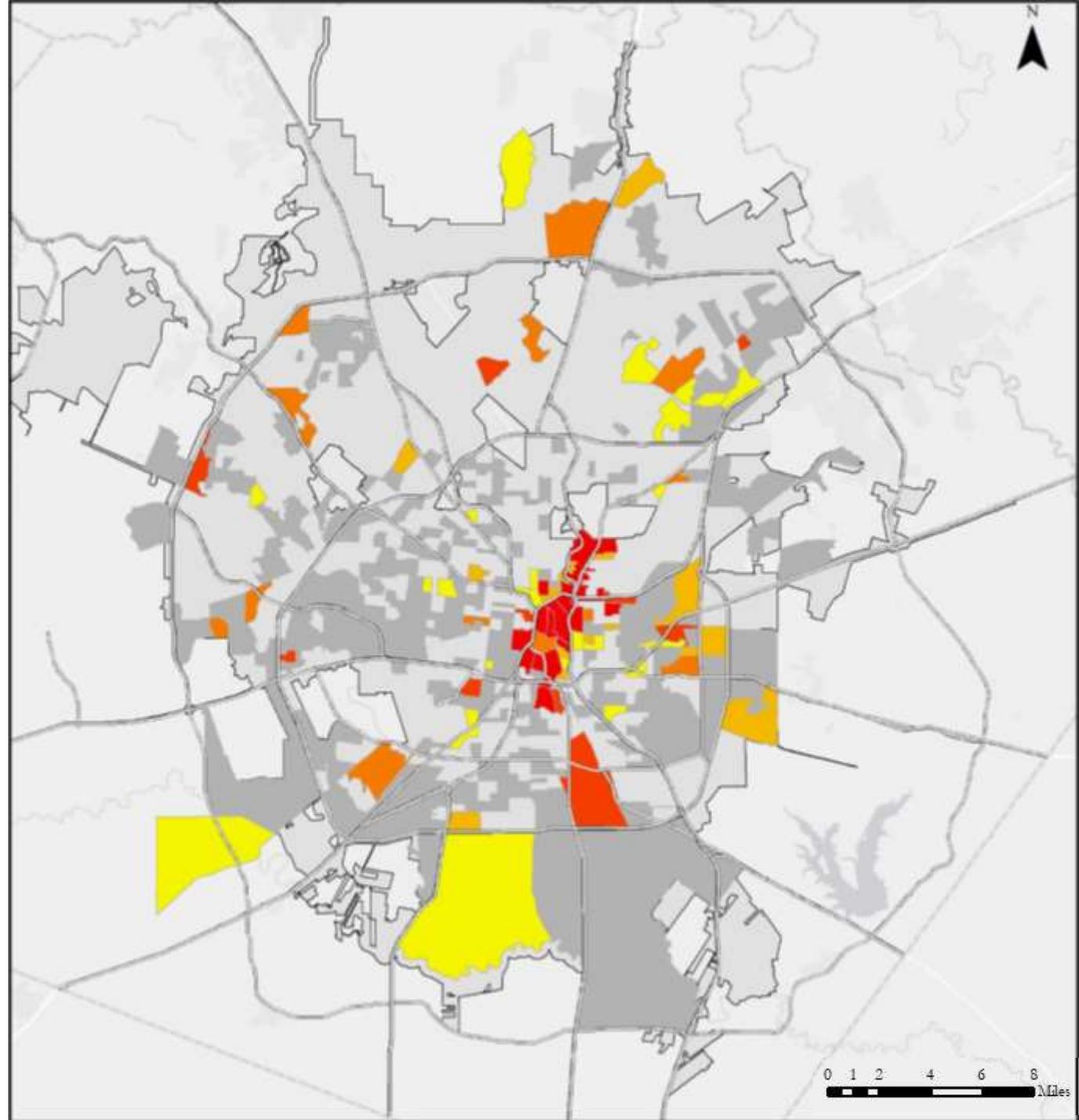
# Aggregate City of San Antonio Investments

Bond 2012, Bond 2017, CCDO 2011-2017, HOME 2011-2016

## Investment Values



Source: HouseCanary, ACS 2011-2015



# Relevant Demographic & Real Estate Market Trends

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- Proprietary data from HouseCanary shows a median increase of single family home values of 39% between 2011-2016

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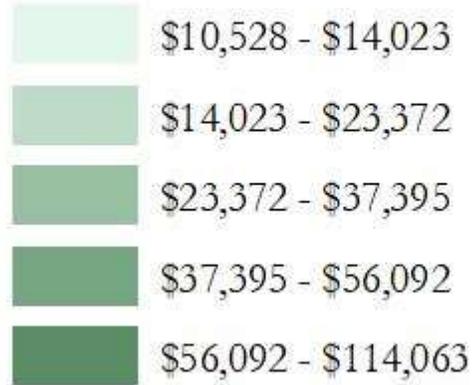
*San Antonio is experiencing broad-based appreciation in housing values, with the highest rates of appreciation in lower income neighborhoods near the center city*

- Proprietary data from HouseCanary shows a median increase of single family home values of 39% between 2011-2016
- Bexar County Appraisal District data indicates a median increase in single family tax appraisals of 26% between 2011-2016

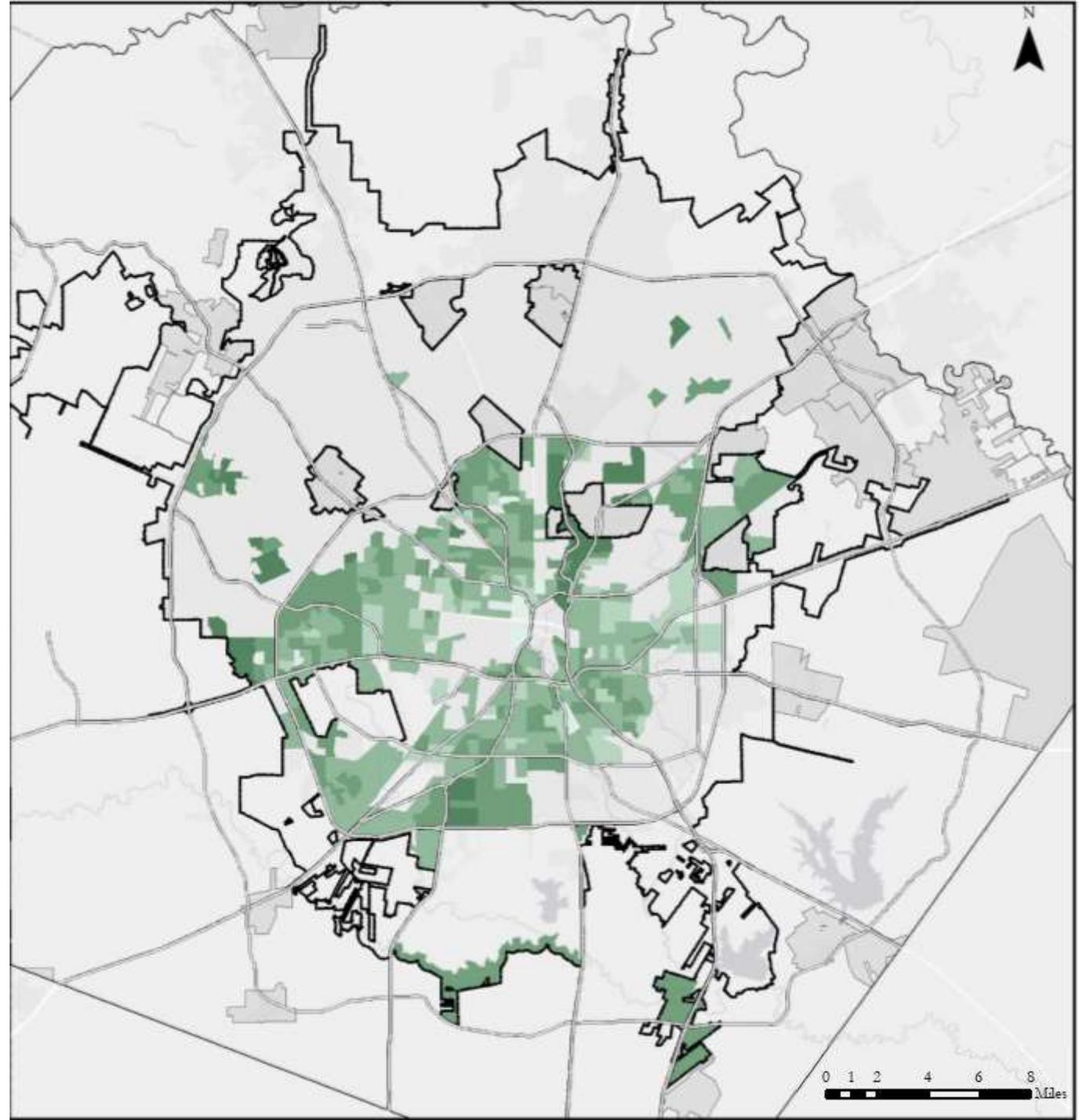
# Block Groups Experiencing Above Average Single-Family Value Appreciation 2011-2016

2011-2016

## Median Household Income

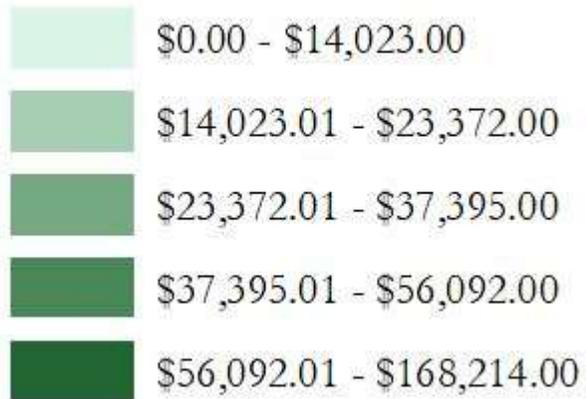


Source: HouseCanary, ACS 2011-2015

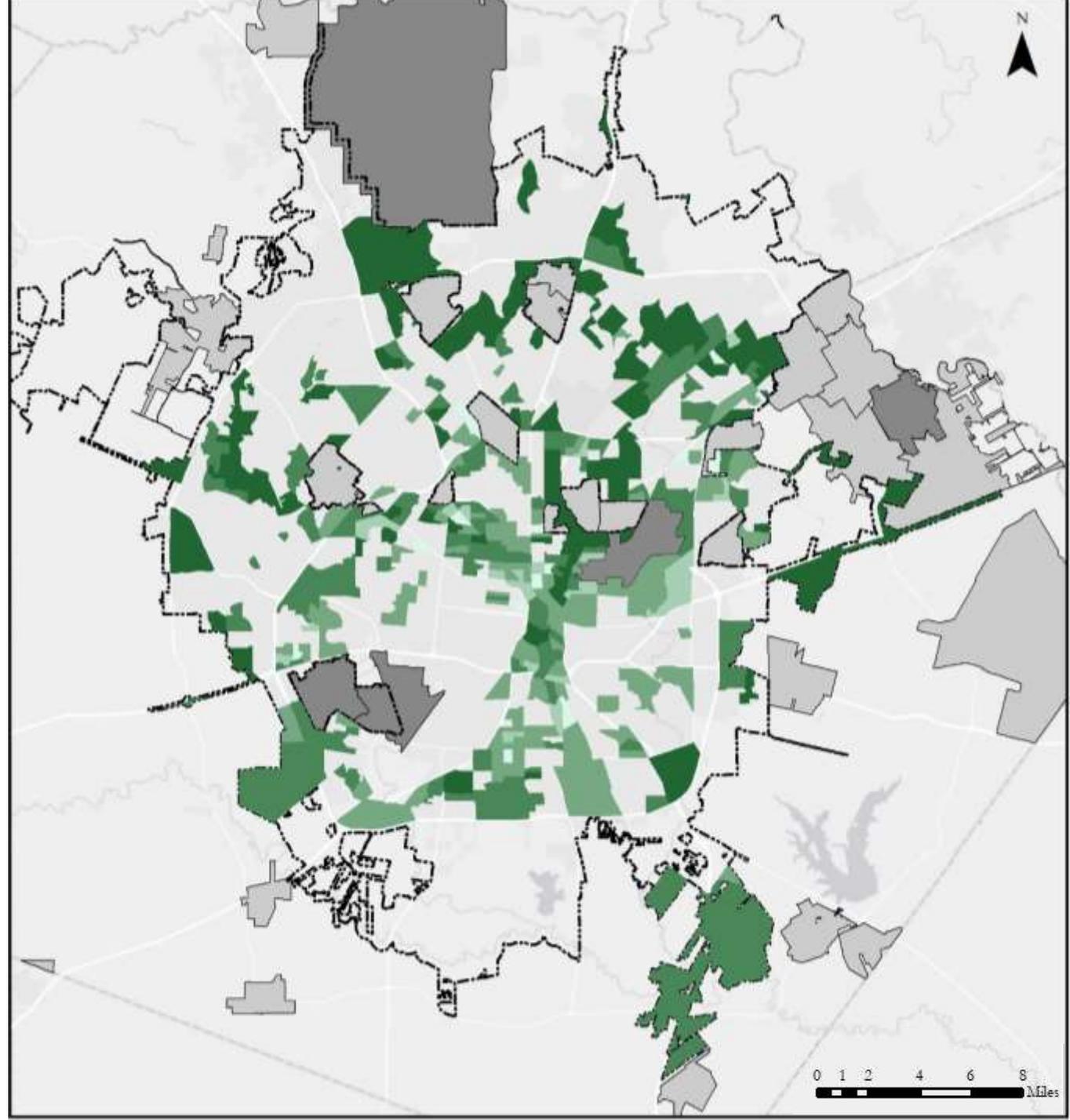


# Block Groups Experiencing Above Average Single-Family Valuation Appreciation 2011-2016

## Median Household Income



Source: Bexar County Appraisal District, ACS 2011-2015



# Relevant Demographic & Real Estate Market Trends

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- 44% of renter households in San Antonio pay more than 30% of their income for housing (Harvard Joint Center for Housing Studies)

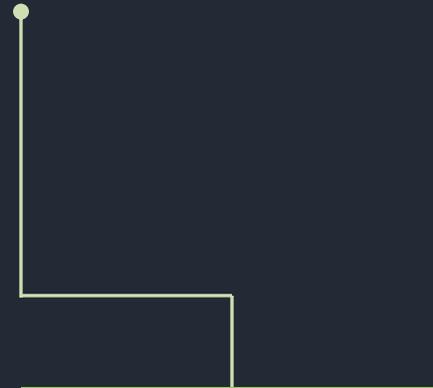
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Occupation	Annual Income	30% of Monthly Income
Office Clerk	\$34,950	\$873
Customer Service Rep	\$32,490	\$812
Retail Salesperson	\$28,940	\$723
Cashier	\$21,010	\$525
Food Prep Worker	\$18,730	\$468

# Analysis



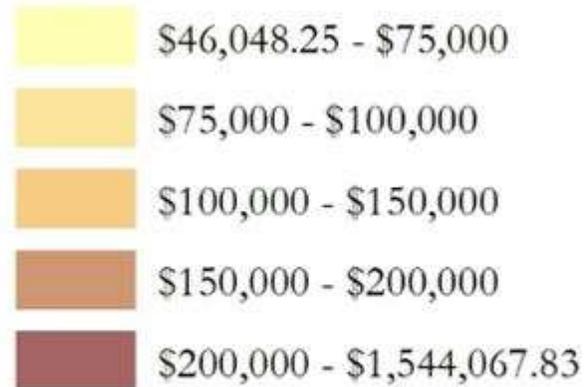
# Analysis

- An increasing number of households that reside in unsubsidized “naturally occurring” affordable housing located in appreciating neighborhoods may be vulnerable to housing cost increases in coming year

# “Naturally-Occurring” Affordable Housing

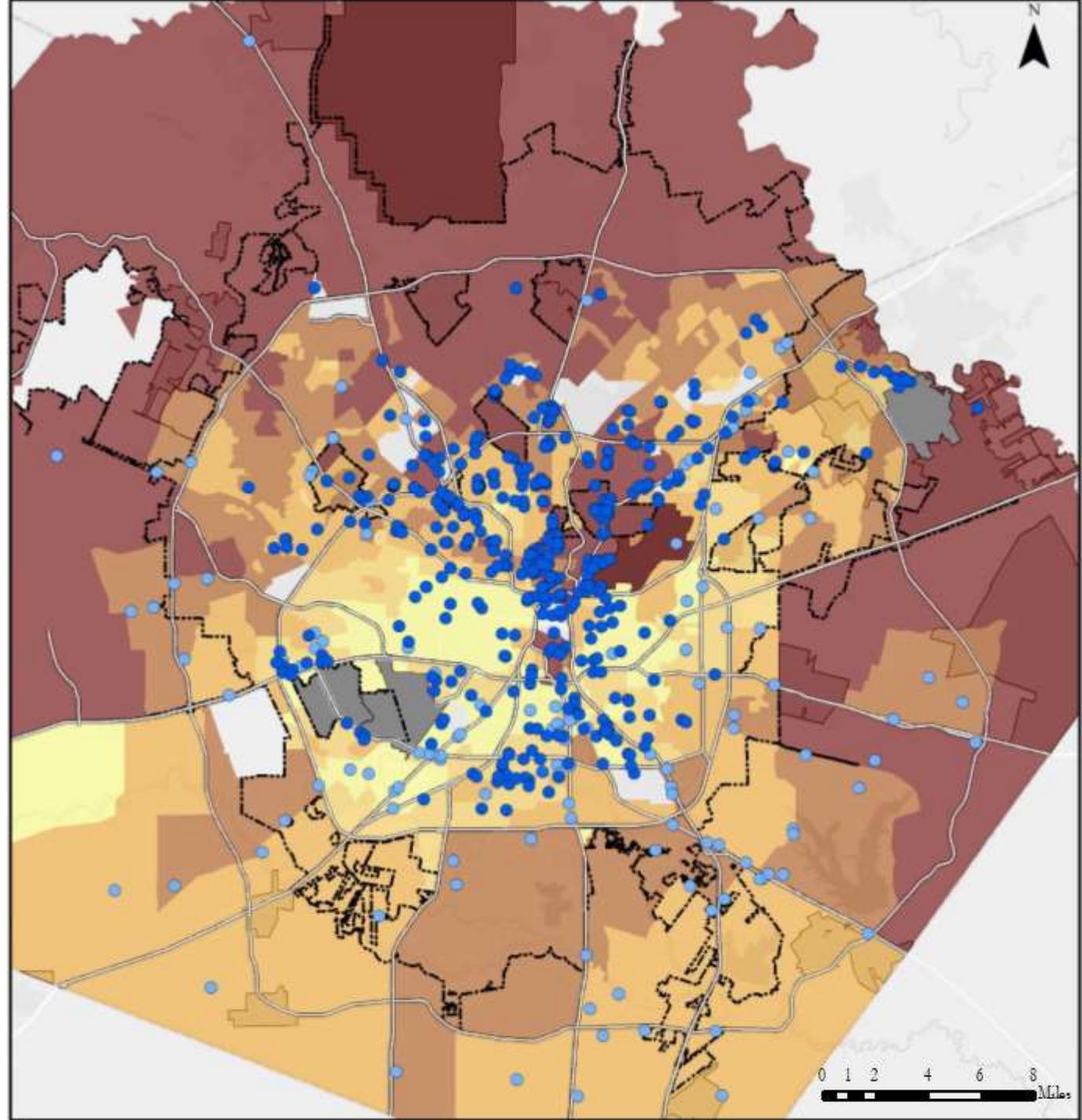
One and Two-Star  
Properties and Mobile  
Home Parks

## Single-Family Avg. Sale Price



- One and Two-Star Properties
- Mobile Home Parks

Source: HouseCanary, City of San Antonio, CoStar



# Analysis

- An increasing number of households that reside in unsubsidized “naturally occurring” affordable housing located in appreciating neighborhoods may be vulnerable to housing cost increases in coming years
- Residents of mobile home communities located in neighborhoods that are experiencing rapid real estate appreciation will be particularly vulnerable to displacement

# City of San Antonio Investments

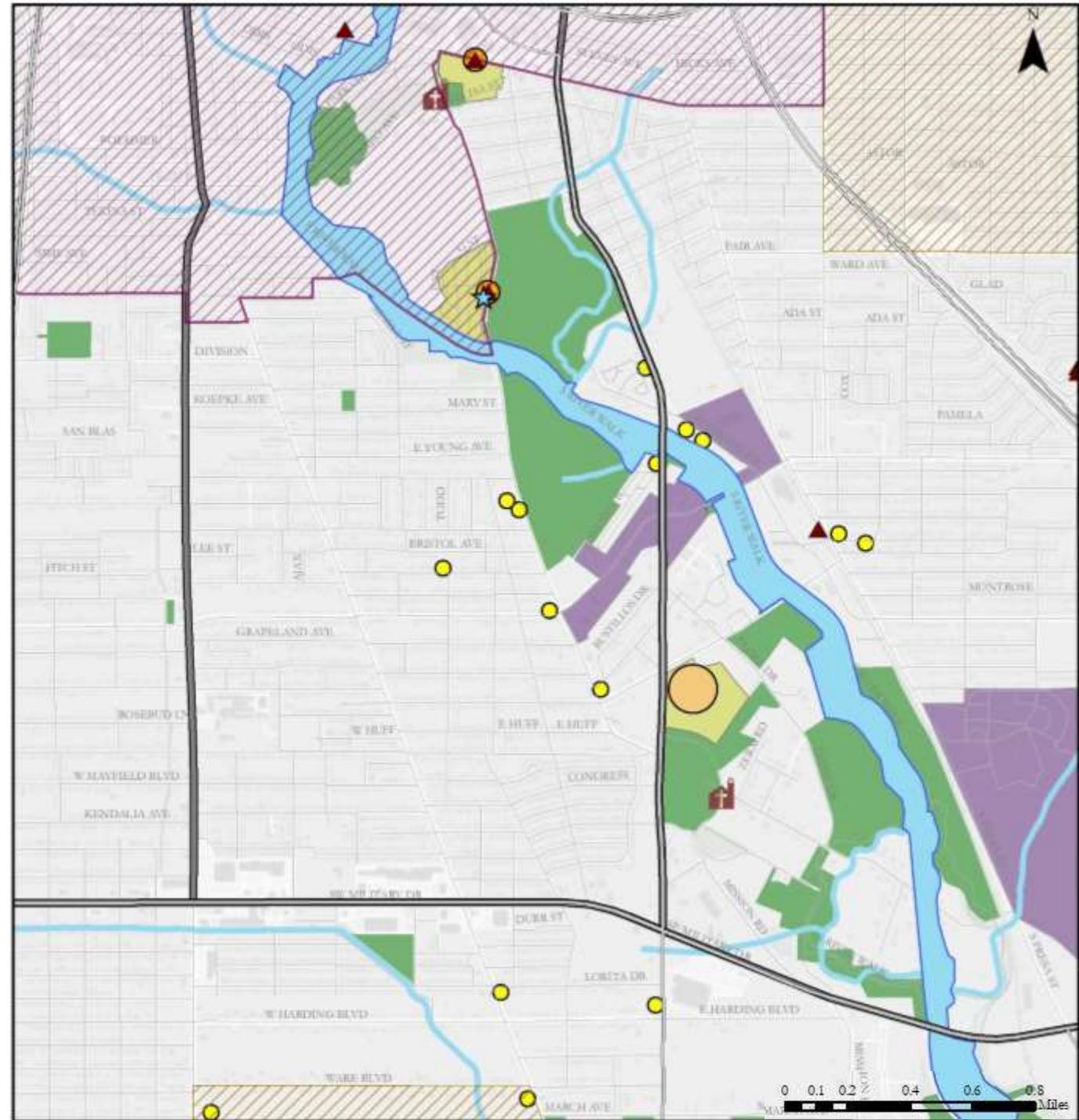
-  Rapidly Changing Score 4
-  Rapidly Changing Score 3
-  Former Mission Trails Site
-  Mobile Home Communities
-  San Antonio Missions
-  Southside Developments
-  Parks

## Investments prior to 2017

-  2007-2012 Bond Projects Over \$4 million
-  CCDO Project Incentives Over \$1 million
-  River Walk extensions

## Investments after 2017

-  2017 Bond Neighborhood Improvement Areas
-  Future Projects 2017-2029
-  2035 VIA Proposed Plan

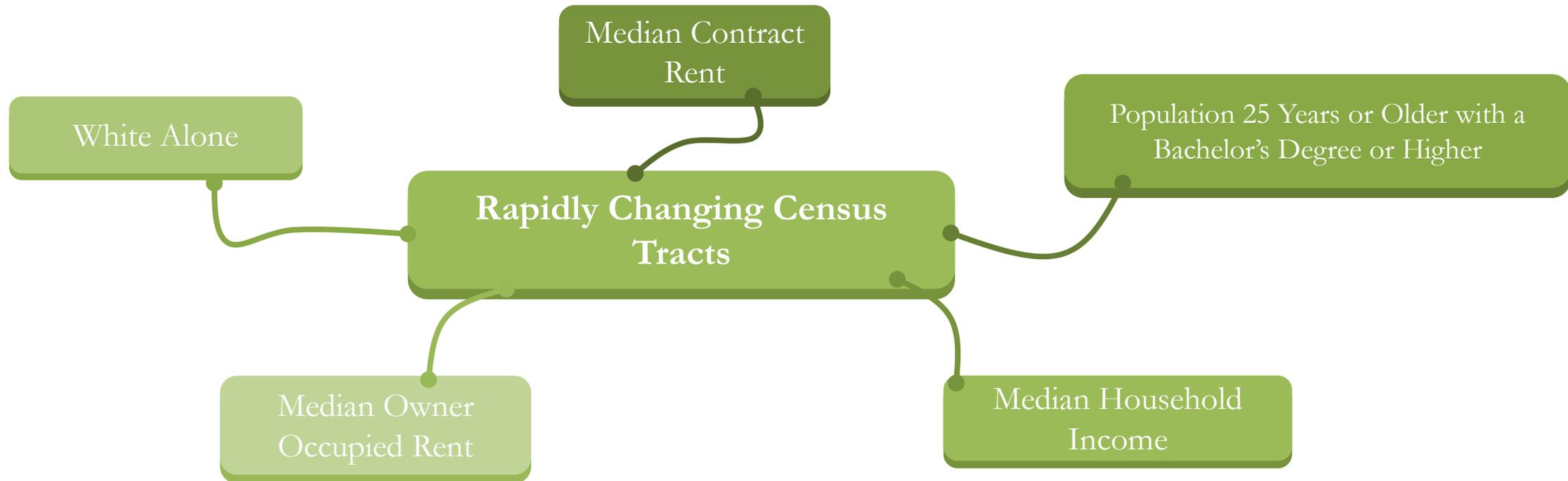


Source: ACS 2011-2016, City of San Antonio, CoStar, VIA Metropolitan Transit

# Analysis

- A subset of appreciating neighborhoods are experiencing significant demographic change

# Neighborhood Trend Analysis

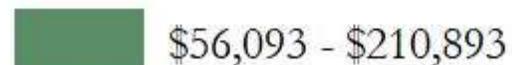
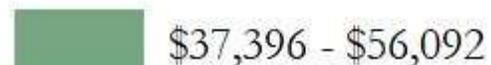
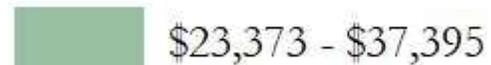
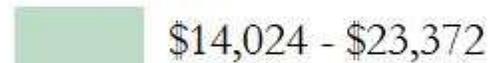
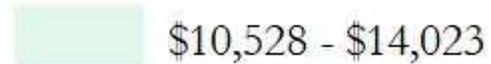


# Neighborhood Trend Analysis 2000-2015

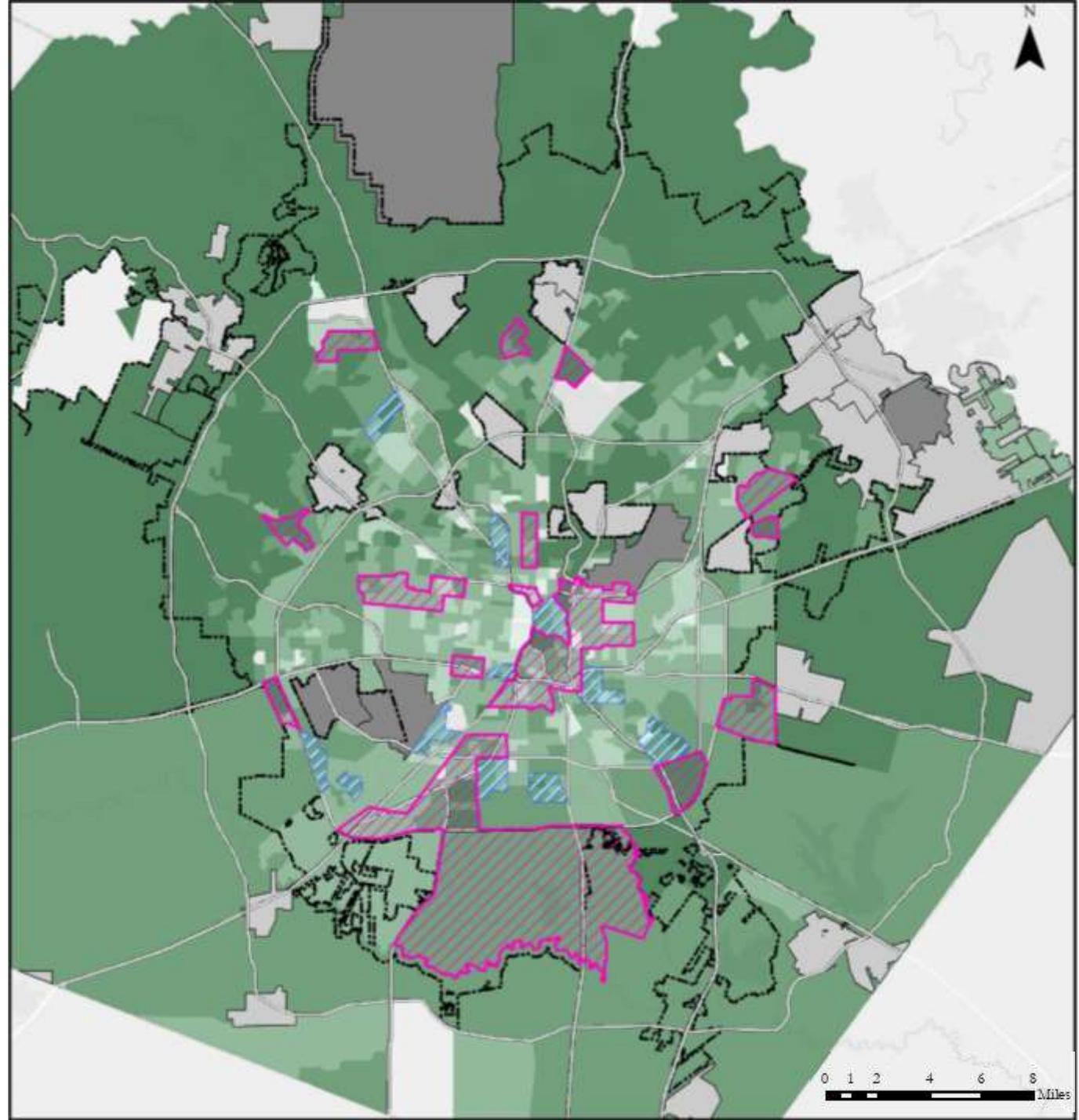
## Rapidly Changing Census Tracts



### Median Household Income



Source: HouseCanary, ACS 2011-2015



# Analysis

- A subset of appreciating neighborhoods are experiencing significant demographic change
- Subsidized housing with expiring affordability covenants located in neighborhoods with higher than median values may be vulnerable to conversion to market-rate

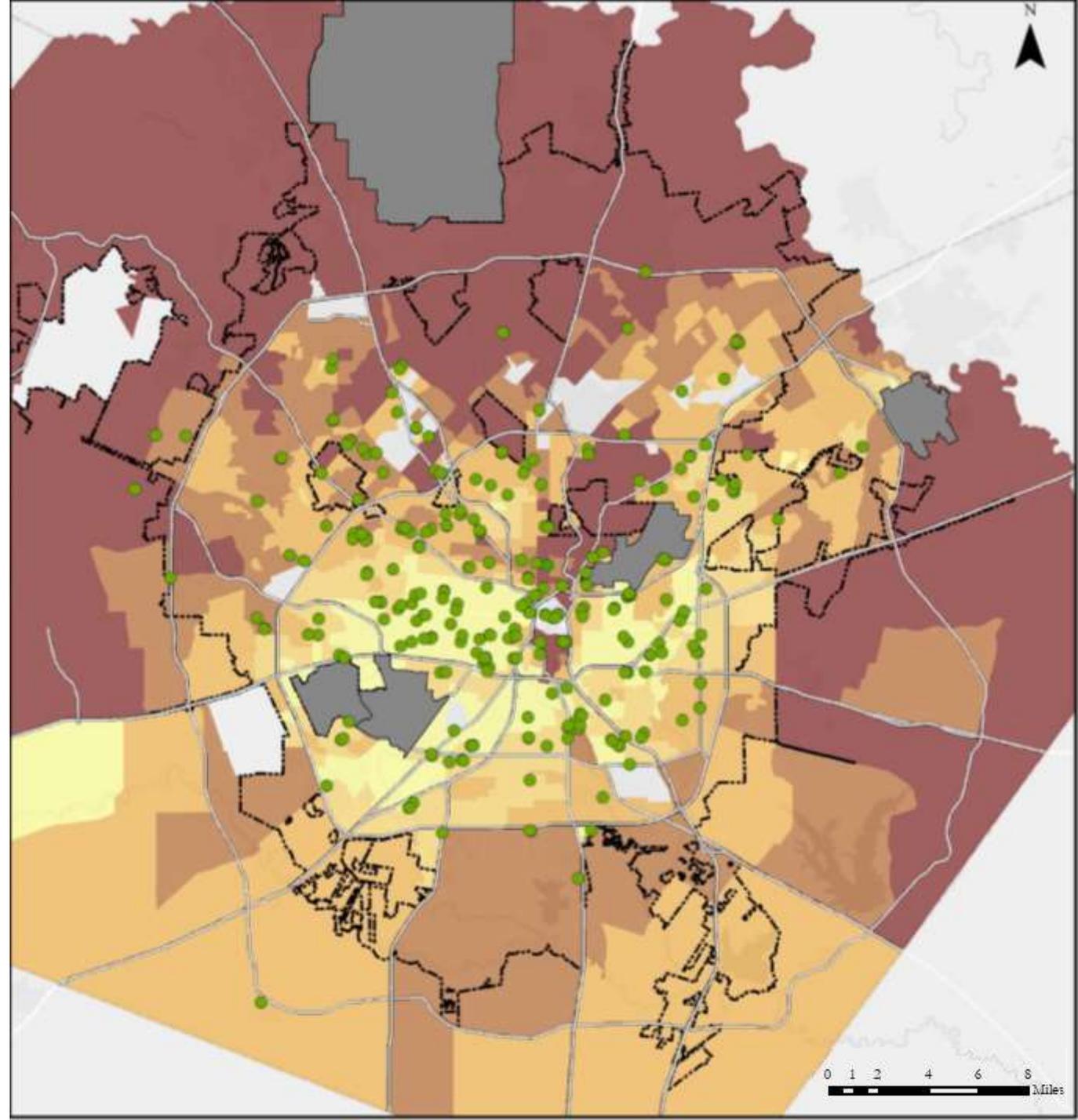
# Publicly Subsidized Affordable Housing

SAHA Properties, Project-Based Section 8, LIHTC, Rent Subsidized/Restricted Two-Star Properties

## Single-Family Home Values



Source: HouseCanary, U.S. Dept. of HUD, City of San Antonio



# Expiring Publicly Subsidized Affordable Housing

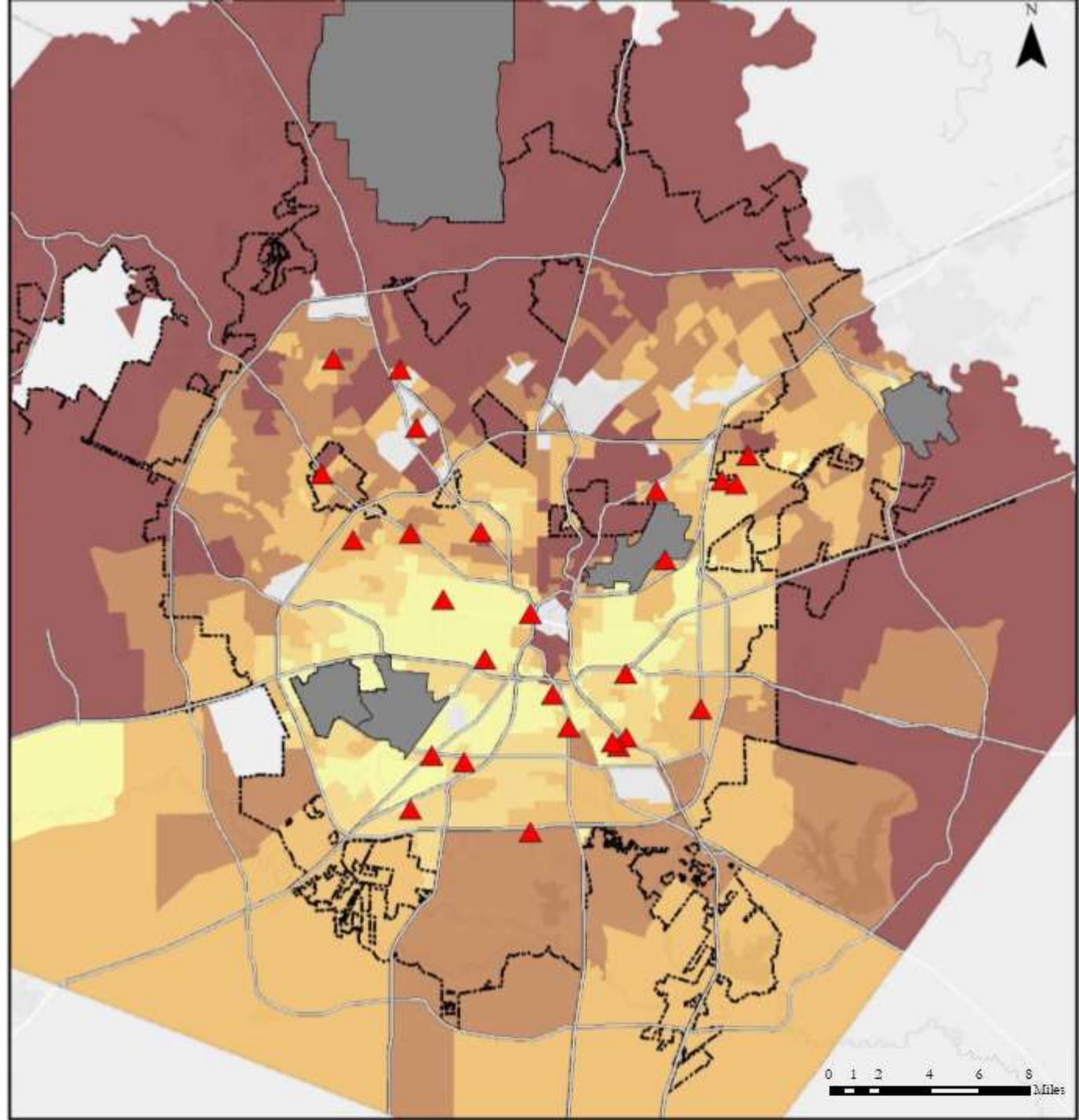
LIHTC Properties Eligible to  
Expire Within 5 Years (2018-2022)

## Single-Family Home Values



▲ LIHTC Expiring in Next 5 Years

Source: HouseCanary, U.S. Dept. of HUD



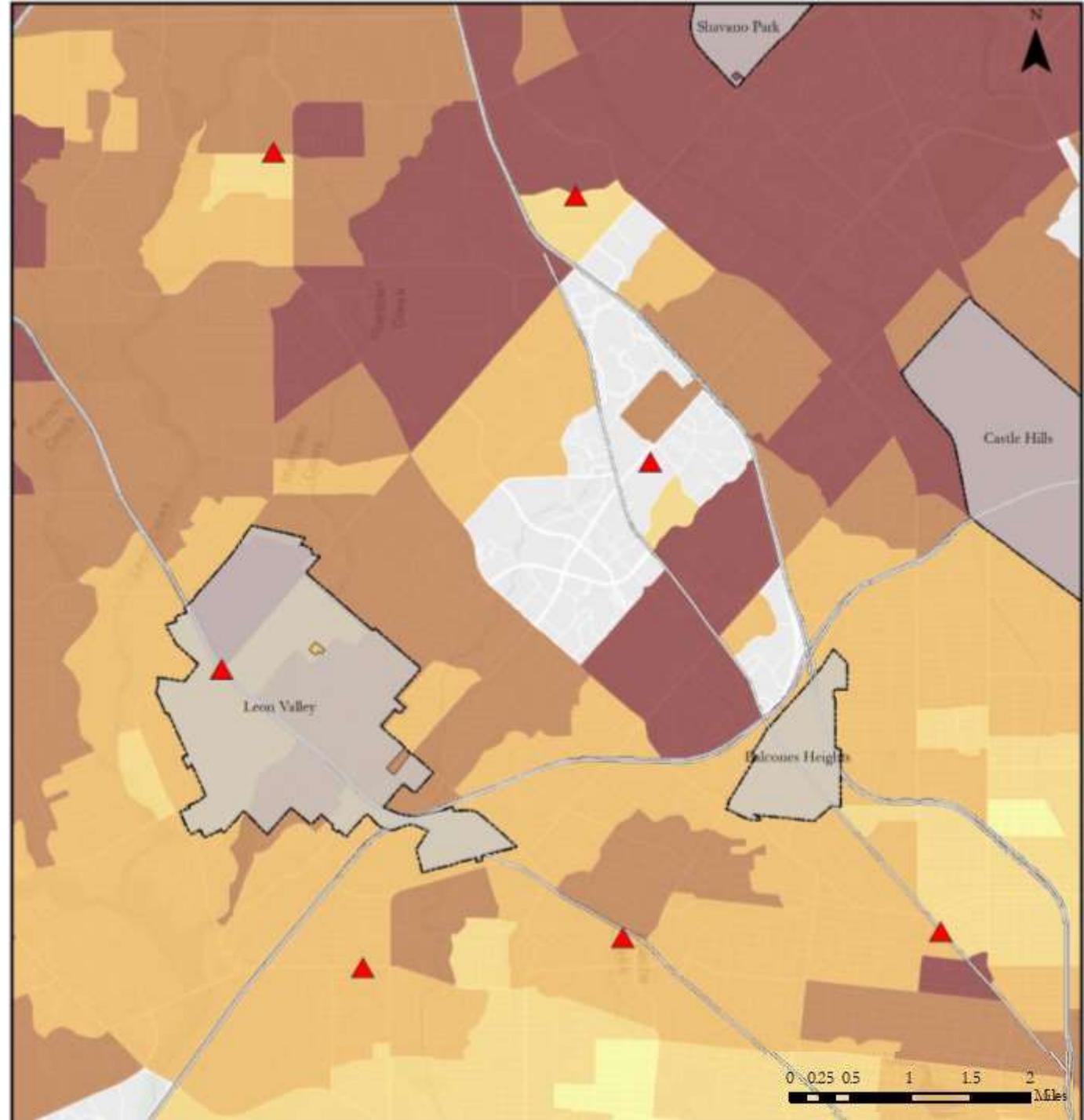
# Expiring Publicly Subsidized Affordable Housing (Medical Center)

LIHTC Properties Eligible to  
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## Single-Family Home Values



Source: HouseCanary, U.S. Dept. of HUD



# Analysis

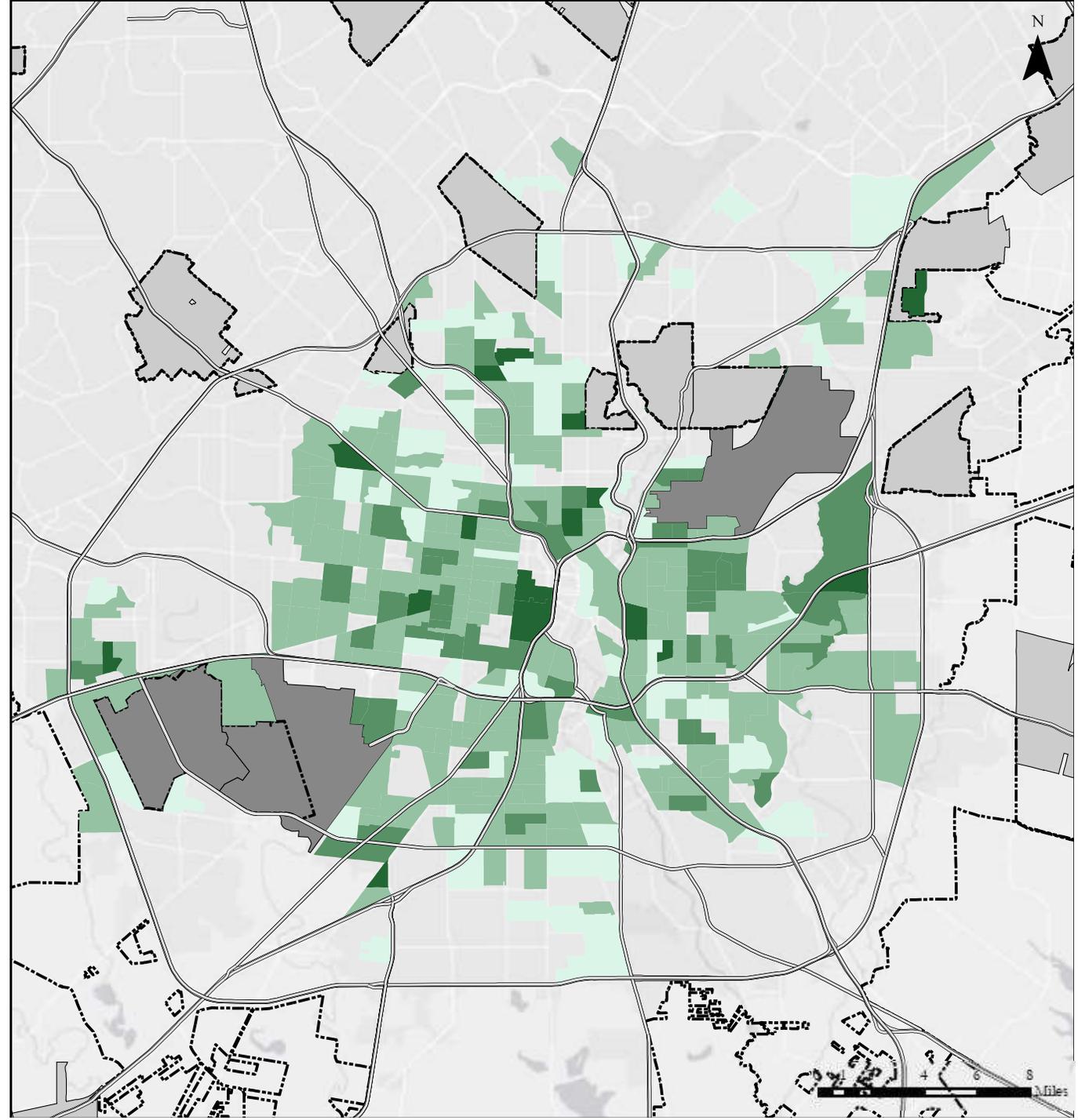
- A subset of appreciating neighborhoods are experiencing significant demographic change
- Subsidized housing with expiring affordability covenants located in neighborhoods with higher than median values may be vulnerable to conversion to market-rate
- There are areas of San Antonio with significant dilapidated housing and high concentrations of vulnerable households

# Median Year Built Before 1970 with Median Household Income Below City Average

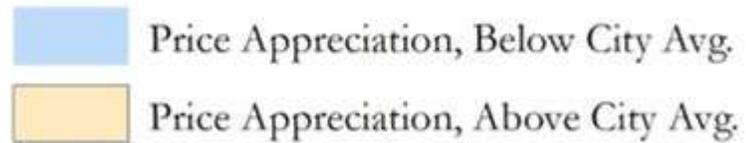
## Median Household Income



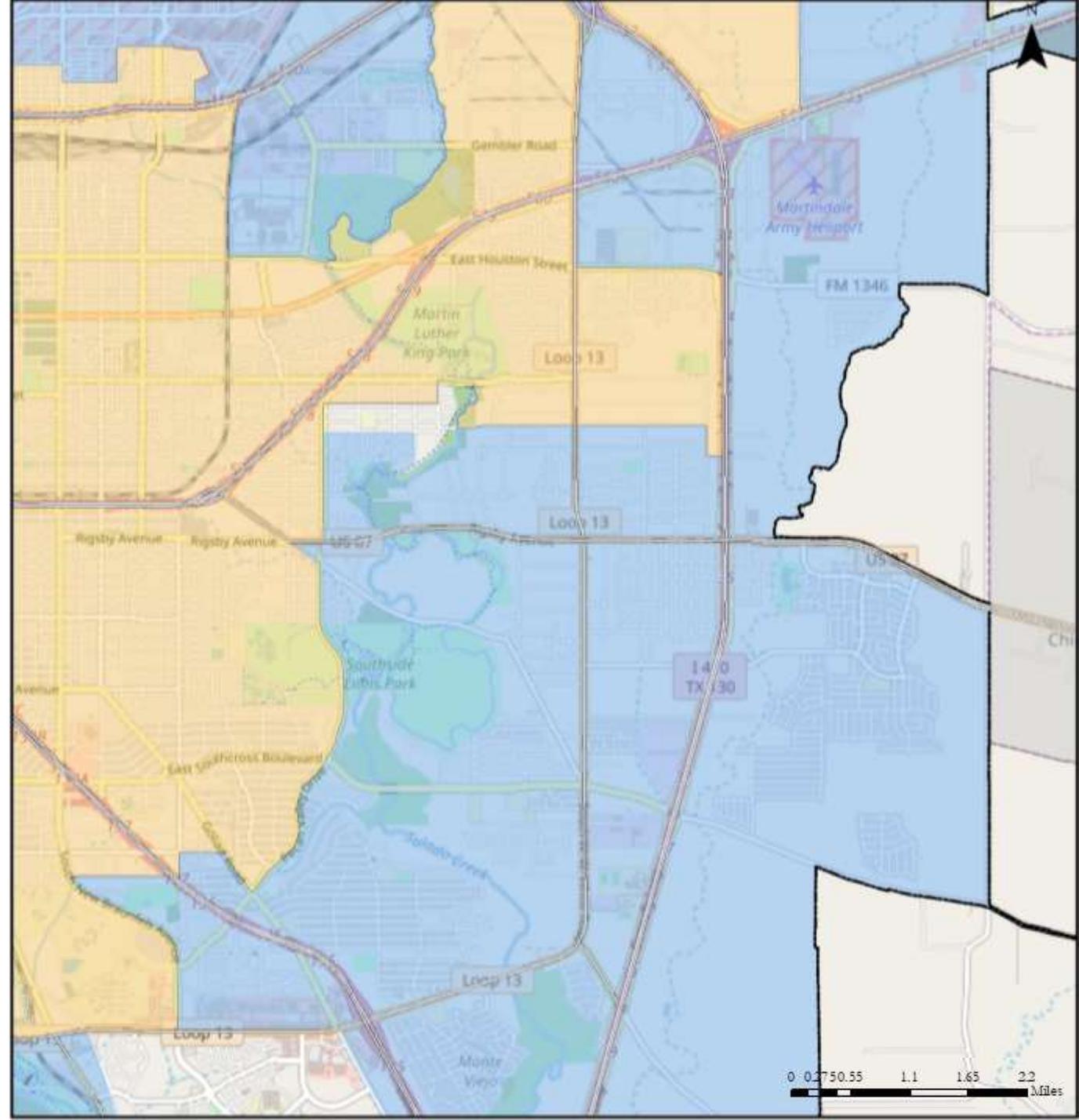
Source: ACS 2011-2015



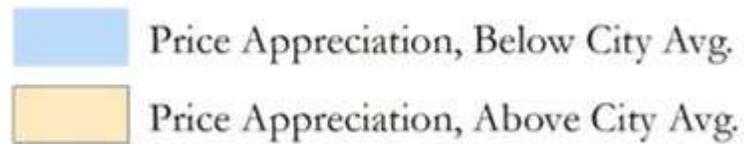
# Block Groups Experiencing Below Average Single-Family Value Appreciation 2011-2016, Far Eastside



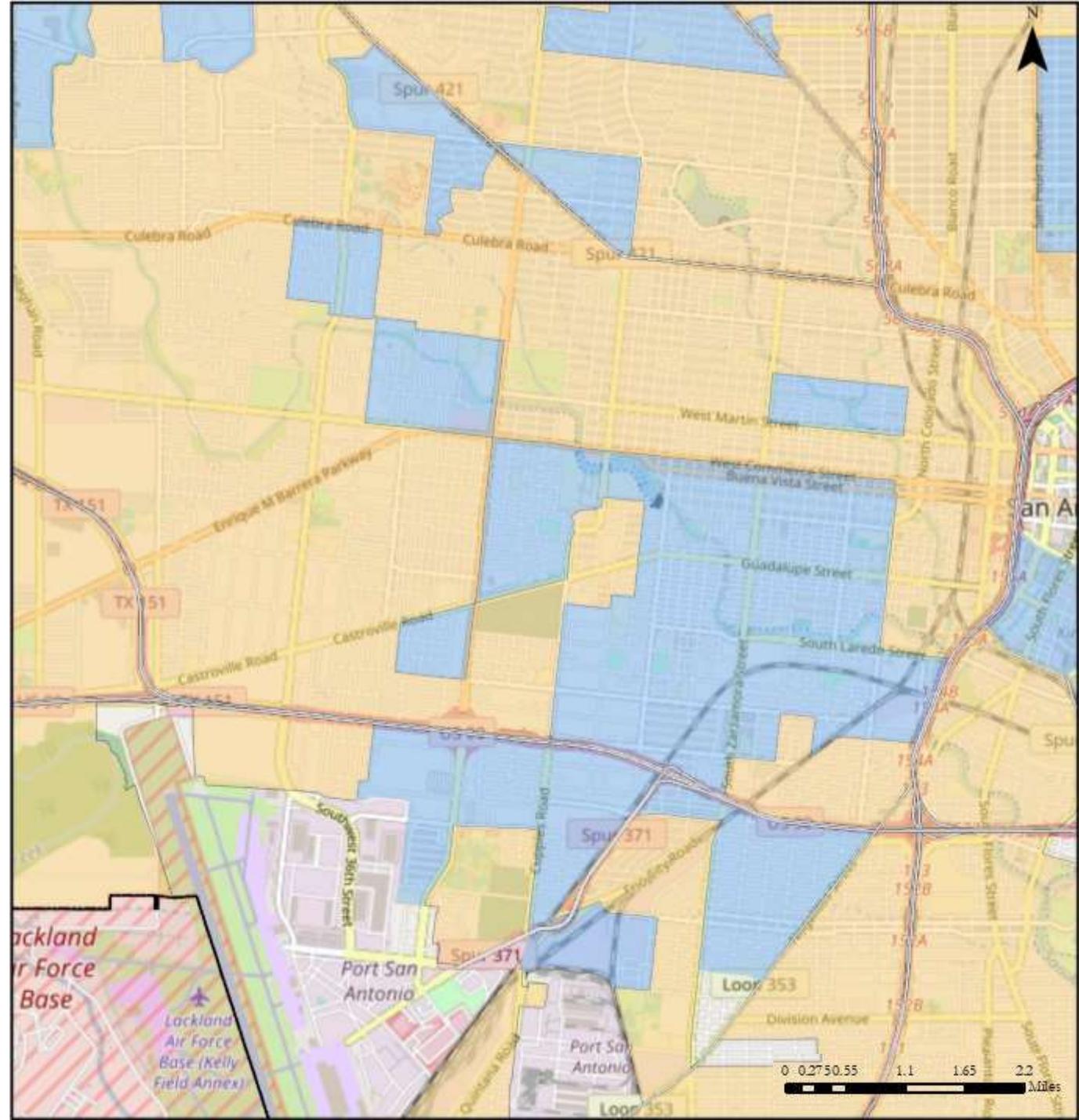
Source: HouseCanary, ACS 2011-2015



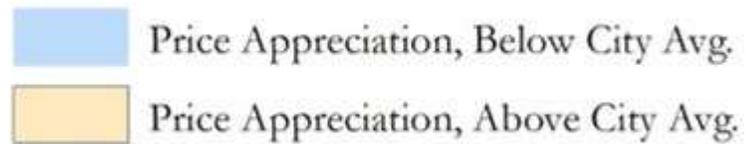
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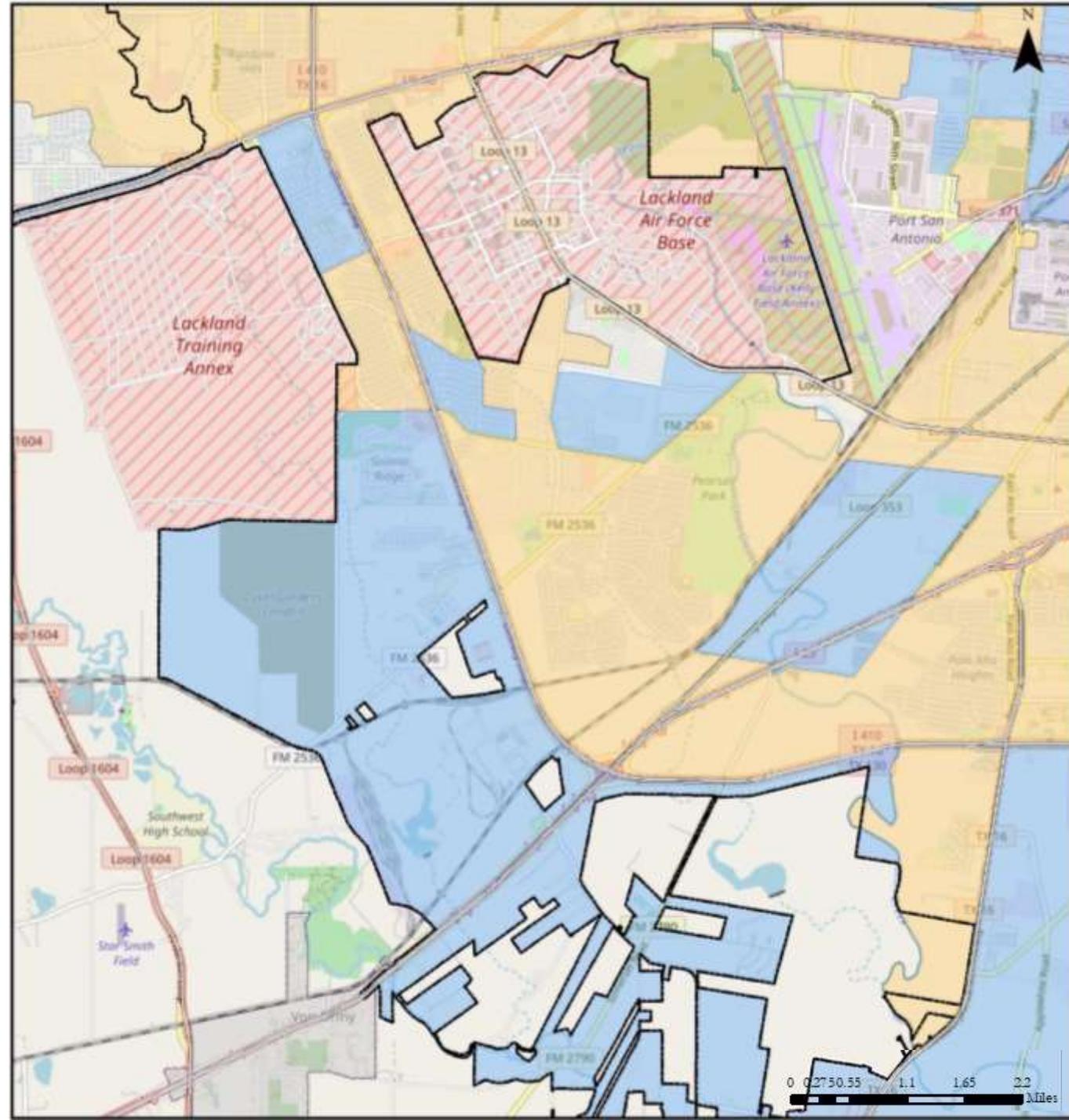
Source: HouseCanary, ACS 2011-2015



# Block Groups Experiencing Below Average Single-Family Value Appreciation 2011-2016, Southwest Side



Source: HouseCanary, ACS 2011-2015



# Block Groups Experiencing Above- Average Single-Family Value Appreciation From 2011-2016 and Percent Disability

## Households with Disability

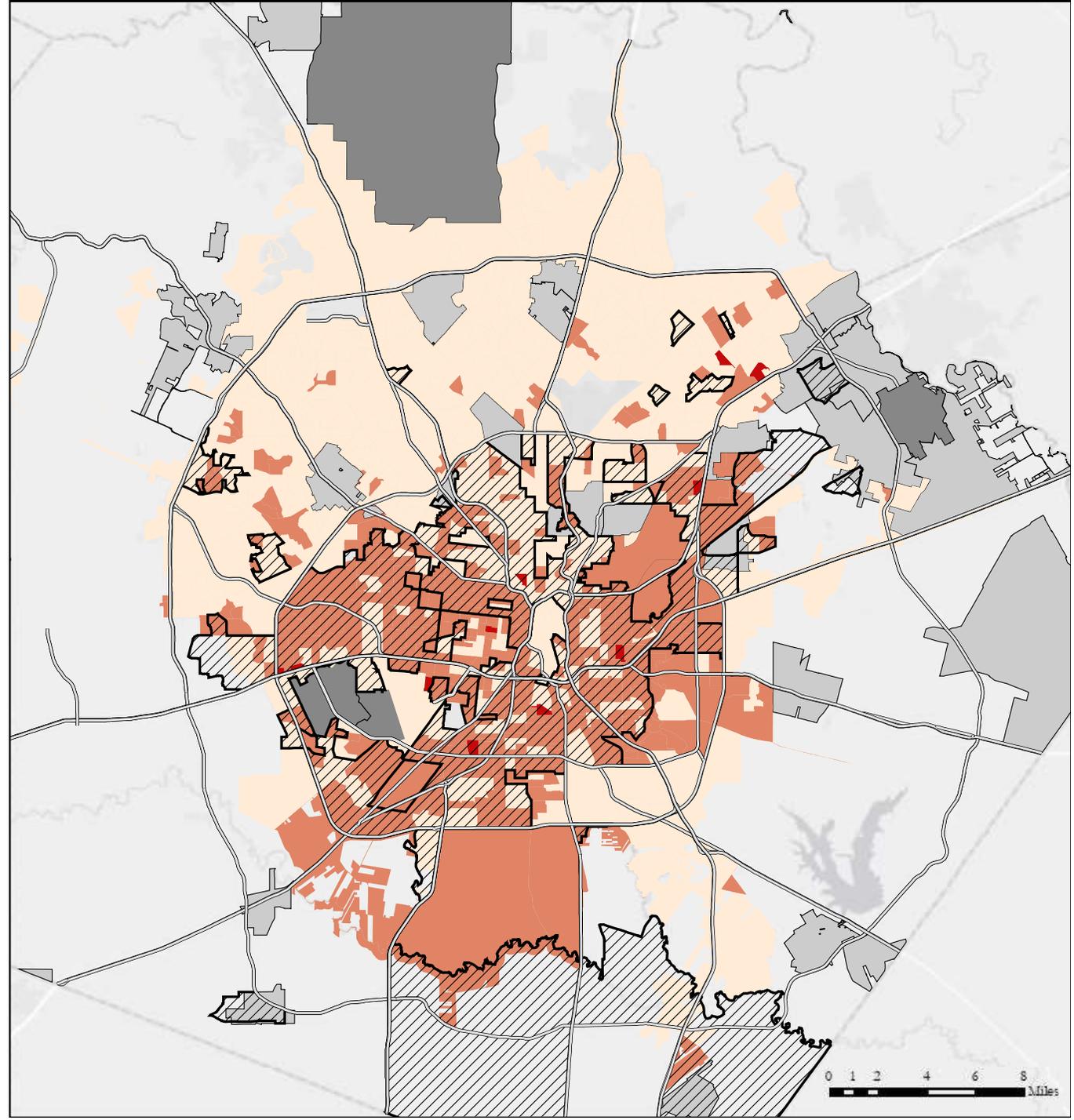
0.0% - 33%

34% - 67%

68% - 100%

Value Appreciation, Above City Avg.

Source: HouseCanary, ACS 2011-2015



# Block Groups Experiencing Above- Average Single-Family Value Appreciation From 2011-2016 and Percent Population 65+

## Percentage 65+

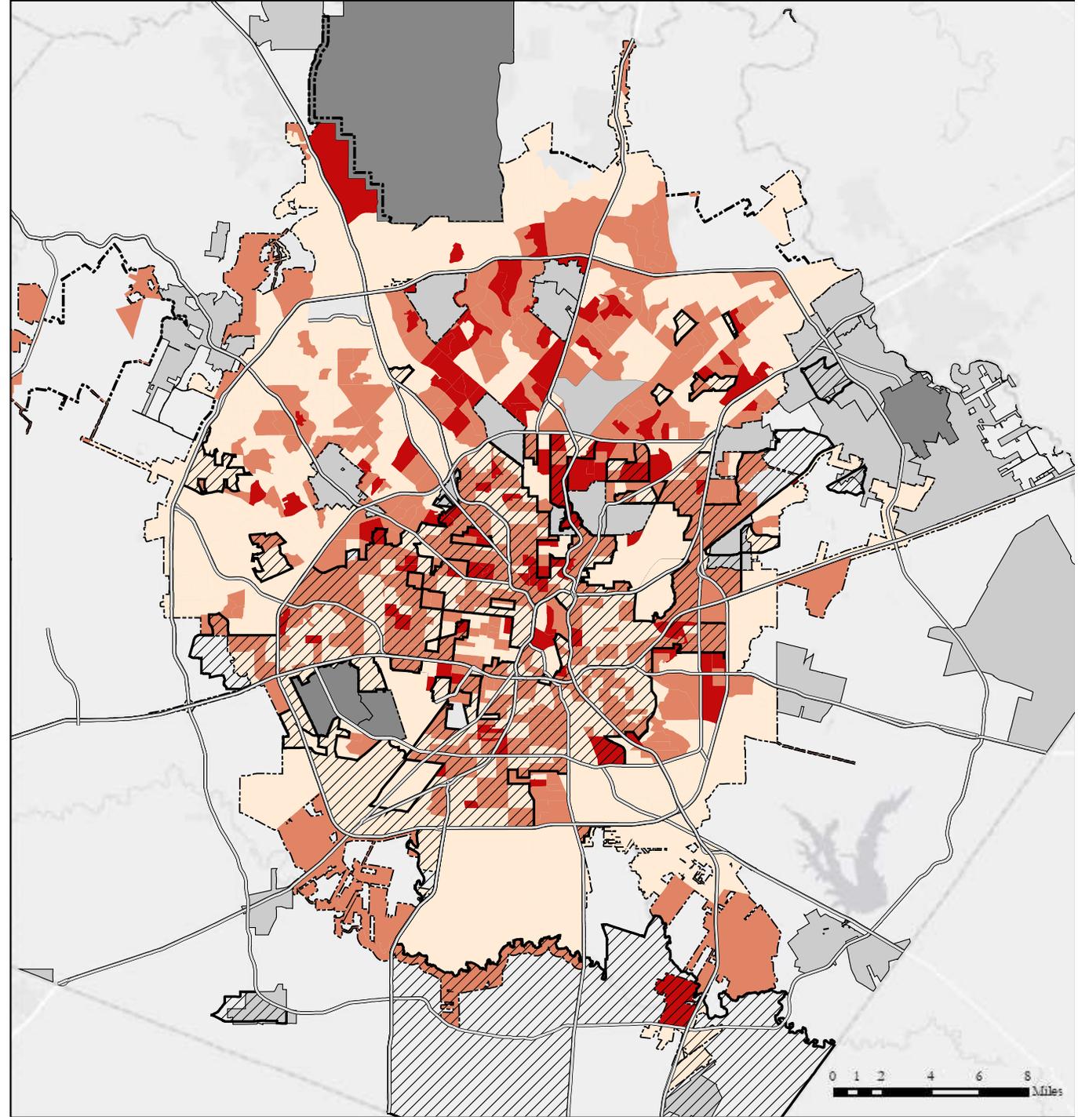
0% - 11%

12% - 20%

21% - 81%

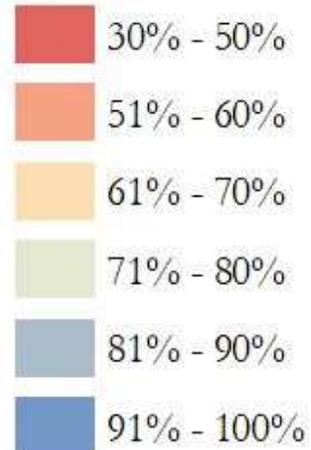
Value Appreciation, Above City Avg.

Source: HouseCanary, ACS 2011-2015



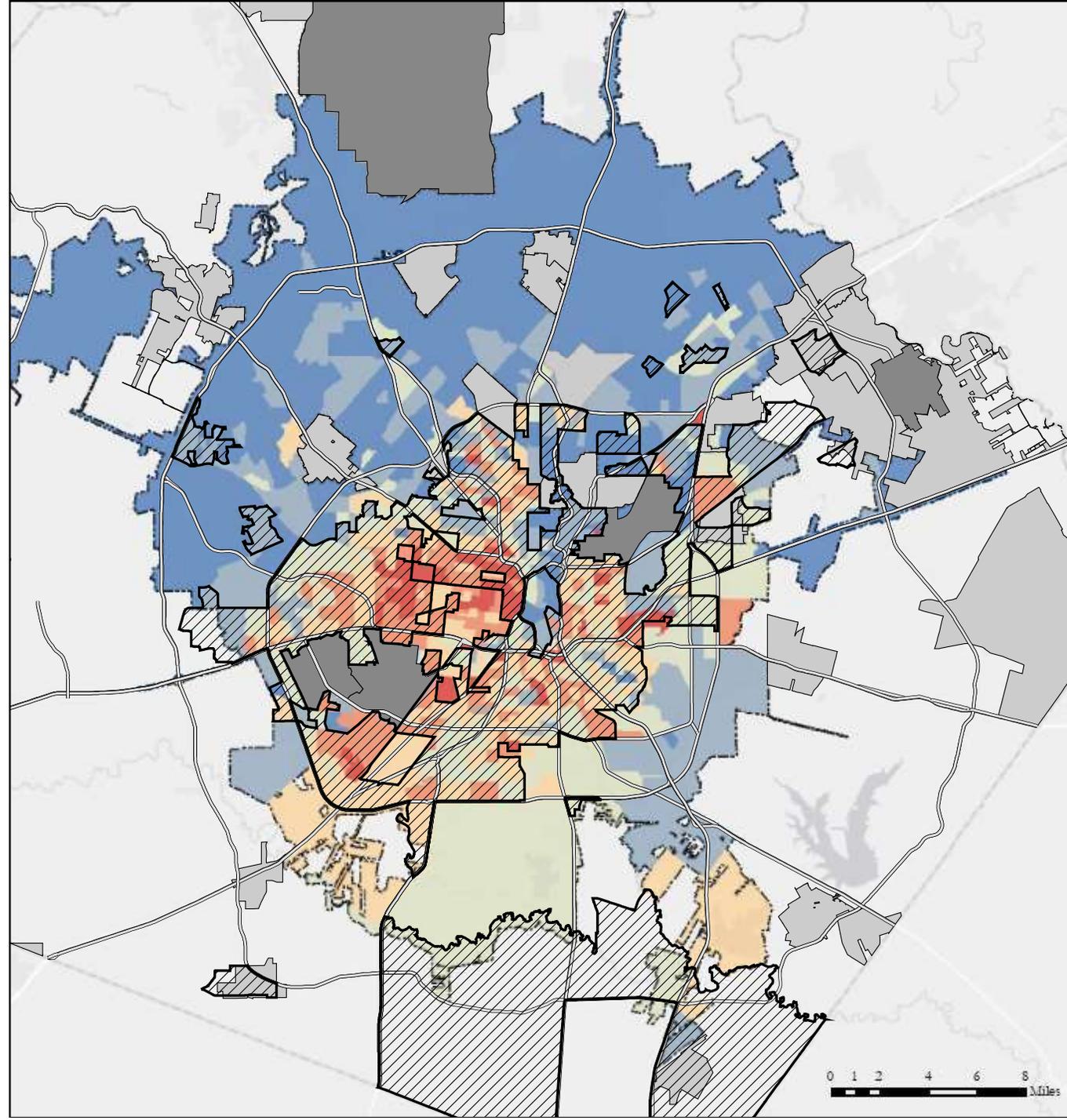
# Block Groups Experiencing Above- Average Single-Family Value Appreciation From 2011-2016 and Educational Attainment

## High School Diploma and Above



Value Appreciation, Above City Avg

Source: HouseCanary, ACS 2011-2015



# Recommendations



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3. Housing and tax policies to address needs of LMI households in rapidly changing neighborhoods, especially in mobile home communities
4. **Develop preservation strategies or subsidized housing expiring affordability covenants**

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3. Housing and tax policies to address needs of LMI households in rapidly changing neighborhoods, especially in mobile home communities
4. Develop preservation strategies or subsidized housing expiring affordability covenants
5. Target supportive services and housing rehabilitation in areas with dilapidated housing and vulnerable households in highly vulnerable areas

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