The King William Neighborhood is a beautiful treasured historic district just south of downtown San Antonio. The neighborhood was originally part of the Mission San Antonio de Valero (El Alamo). When the mission was secularized in 1793, the lands were divided among the resident Indian laborers from the mission or sold at public auction.

By the 1860s, a large number of Germans had immigrated to Texas and began to settle in this area. As a result, it became known as “German Colony” due to the influx of Germans. The area known today as the King William Neighborhood was subdivided into lots in the 1860s and sold at public auction. One of the earliest streets was Carlos Guernier, a German immigrant who built Pioneer Flour Mills on the lower bank of the San Antonio River, which is still in operation. A number of other successful and influential German immigrants discovered the area and began building mansions, using Greek Revival, Victorian, and Italianate architectural styles. The primary street was given the name King William in honor of King William I, King of Prussia, in the 1870s. During World War I, when America was at war, Germans in the area changed to German Avenue. A few years after the war, the original name was restored, but this time it was given the English version of the name, King William, and it has remained so since.

In the early 1900s, King William began to serve as a fashionable neighborhood, and by 1920 many of the original homebuilders had passed, and their children moved to uptown parts of San Antonio. During the 1930s and 1940s the neighborhood declined. Many of the first-old homes were connected into apartments and only a few of the older residents remained.

Around 1950, however, the area began to attract a group of people who found its proximity to the downtown business district attractive and, what was then, the potential for restoration of the fine older homes and smaller cottages. This interest in the preservation of the area began to arise, and it once again became a “Nathan”—and desirable place to live. One resident, Walter Mathis, personally purchased and rehabilitated noveau houses in the neighborhood, including his own home at 401 King William Street, known as Villa Flora.

In 1967 the King William District was designated the first Local Historic District in San Antonio. In addition to local historic district designation, King William also became a National Register Historic District in 1972. Expansion of the district known as the South Alamo Street-South St. Mary's Street Historic District was listed in the National Register in 1984. The local historic district also expanded to include this more extensive neighborhood of cottages and bungalows south of Alamo Street affectionately known as "Bayo King William."