



OPPORTUNITY AT RISK

San Antonio's Older Affordable Housing Stock

Prepared for the San Antonio Office of
Historic Preservation
Completed by PlaceEconomics
2019

Table of Contents

- 1 EXECUTIVE SUMMARY**
- 2 INTRODUCTION**
 - Overview of Housing Affordability
 - Older Housing Stock and Affordable Housing
- 11 OLDER HOUSING STOCK AND AFFORDABILITY: SAN ANTONIO**
 - Approach to Analysis
 - The Basics
 - Demolition Risk Analysis
 - A Closer Look at Factors Affecting Demolition Risk
- 42 CONCLUSION**
- 43 POSSIBLE TOOLS**
 - Financial Incentives
 - Financial Disincentives
 - Regulatory
 - Knowledge and Planning
 - Civic Engagement
 - Strategic Home Repair
 - Direct Action
- 54 RECOMMENDATION MATRIX**
- 56 ACKNOWLEDGMENTS AND METHODOLOGY**
- 57 APPENDICES**

Executive Summary

22% of all housing units were built before 1960

This study was commissioned by the San Antonio Office of Historic Preservation to understand the contribution of housing stock built before 1960 towards affordable housing. Significant findings include:

- One in three San Antonio households is spending more than 30 percent of their income on housing and nearly half of all renters meet this “cost burdened” threshold.
- Over the last decade, while median household income increased 1.9% per year, housing prices increased at 4.7% per year.
- While San Antonio is experiencing greater than national average growth in jobs and housing, most of the new homes are large and expensive and much of the job growth is in lower wage jobs.
- The existing pre-1960 housing stock is providing largely unsubsidized and unprotected affordable housing.
- Every week over the last ten years, San Antonio has lost 3 units of pre-1960 housing to demolition.
- Twenty-two percent (22%) of all housing units were constructed prior to 1960.
- Pre-1960 homes are smaller than newer homes with a greater share of pre-1960 housing in fair or poor condition than is housing built in 1960 or later.
- Thirty-three percent (33%) of the households making 60% Area Median Income or less live in neighborhoods with a concentration of pre-1960 housing, including a larger share who identify as Hispanic.
- The pre-1960 housing stock in San Antonio is home to a large share of long-term residents.
- Single family, renter occupied structures in fair and poor condition are the most at-risk of demolition.
- Vacancy rates in older, historically redlined areas of the city are higher and homeownership rates, rents, and general condition are lower than the rest of the city.

Given these facts, the use of older, existing pre-1960 housing stock must be a central component of an affordable housing strategy.

Introduction

San Antonio is in a housing affordability crisis. Two recent analyses – *San Antonio’s Housing Policy Framework: The Cornerstone of Economic Development* and *An Analysis of Housing Vulnerability in San Antonio* demonstrate the magnitude of the problem. One in three San Antonio households spends more than 30 percent of their income on housing and nearly half of all renters meet this “cost burdened” threshold. And the situation is getting worse. Over the last decade, while median household income

increased 1.9% per year, housing prices increased at 4.7% per year, meaning the American Dream of homeownership remains just a dream for tens of thousands of San Antonio citizens.

“The existing housing stock is the most affordable housing we have.”
- San Antonio Resident,
Housing Task Force Public Meeting—December 9, 2017

Multiple responses will be necessary to mitigate this crisis and this report focuses on one of them – using the older housing stock as a central component of an affordable housing strategy. Since one cannot build old housing, the essential strategy has to be, “how do we keep what we’ve already got?” This report is focused exclusively on housing units located in the City of San Antonio built prior to 1960. While commissioned by the San Antonio Office of Historic Preservation (OHP), the study focus is not limited to historically designated properties under the purview of that office. In fact, 90% of the properties that were the subject of this analysis (those built prior to 1960) are not subject to OHP review either as being within a Local Historic District or as individually landmarked building.

This report was commissioned to answer four critical questions:

1. What is the **role that older housing stock plays** in meeting the needs of San Antonians in general and households of modest income in particular?
2. What are the **location, condition, and ownership patterns** of these housing units?
3. Which properties appear to be particularly **vulnerable to being demolished**?
4. What are some **ideas that might be utilized** to keep more existing housing units available for sale and for rent?

In addition, and in an attempt to better answer these questions, the report also examined other factors including: the lingering impact of redlining on San Antonio’s older neighborhoods, the distribution and focus of existing City housing related programs, the impact on property values of reinvestment within a property itself and of nearby infill construction, and related concerns.

Older buildings play an important role in housing affordability across the country. First, housing preservation is typically cheaper and faster than constructing new units and effectively combats blight. Older and historic neighborhoods offer a diverse housing stock at varying prices, sizes, and conditions, and are located in close proximity to transit and jobs.

The condition of older housing is regularly cited as a concern. While older housing is more likely to be in poorer condition, the number of properties needing significant repairs is low—according to the 2017 American Housing Survey, only 2% of pre-1960 housing is severely inadequate and only 6% is moderately inadequate. Furthermore, these conditions are generally a result of neglect and vacancy, exacerbated by a lack of means to properly maintain them. Often the legacy of past government policies have compounded the challenges of these structures—it is not simply because the buildings are old. When gentrification is a concern, homeownership is the ultimate defense. Therefore, keeping residents in existing homes should be a priority. Appropriate and quality new construction must occur but doing so will not magically solve the issues at hand. **A city cannot build itself out of a housing crisis—the retention of existing housing stock is critical.**

These national patterns are also true in San Antonio. This analysis found just under a quarter of all housing units in San Antonio were built before 1960; these units are smaller and have a lower overall property condition rating than post-1960 built properties. The pre-1960 properties are more likely to house lower income residents, Hispanic households, and have lower gross rents. The majority of these units are located inside the I-410 Loop nearby transit and jobs in the Central Business District. The reality is that pre-1960 housing stock is already providing relatively affordable housing, the vast majority of which is unsubsidized, unprotected, and at risk of disappearing.

This report should not be seen as an alternative to the excellent recent studies of San Antonio’s affordable housing crisis identified above. Rather the purpose of this study is to identify the role that older pre-1960 housing stock can play in meeting already established city objectives. **There are at least four Policy Priorities that have been identified in the San Antonio Housing Policy Framework for which older housing can play a central role:**

1. Develop a 10-year funding plan for **affordable housing production and preservation.**
2. Stabilize the homeownership rate in San Antonio by increasing the production, **preservation, and rehabilitation of affordable homes.**
3. Increase rehabilitation, production and **preservation of affordable rental units.**
4. Policy Priority: Prevent and mitigate **displacement.**

It is hoped that by more fully understanding what does exist of pre-1960 housing – the number, condition, location, ownership pattern – the City will be better equipped to address these and other action items that have been identified. While many cities facing affordable housing challenges have identified the need to preserve the existing housing stock, few if any have identified older housing retention as a priority strategy. For San Antonio to do so puts the City at the cutting edge of addressing this increasing economic, social, and physical challenge that affordable housing represents.

Finally, this report is based on three demonstrable premises:

1. **One cannot build new and rent or sell cheap without subsidy.**
2. **Almost by definition when a unit of older housing is razed, a unit of affordable housing is lost forever.**
3. **Existing affordable housing programs—as useful and successful as they may be—must be realigned to address older housing stock.**

Until the City of San Antonio can put new programs and policies into place, to reach the goal that the “average San Antonio family can afford to buy a home,” **the data illustrates that San Antonio is systematically razing housing that is affordable and building housing that is not.**

Overview of Housing Affordability

The Nation

Housing affordability is a critical issue throughout the country. According to the National Low Income Housing Coalition, “no state has an adequate supply of homes affordable and available to its lowest -income renters.”¹

A key measurement of affordability is the concept of “cost-burdened.” A household is considered to be cost-burdened when it spends more than 30% of its income on rent and utilities and severely cost-burdened when it spends more than 50%. Nationally there are 20,178,000 Cost Burdened Households of whom 10,704,000 are Severely Cost Burdened. And those numbers just include households who rent. There are an additional 9.8 million homeowners who are spending more than 30% of their income on housing plus 7.5 million who pass the 50% threshold of housing costs to income.²

In 36 of the nation’s 50 largest metros, a household earning the median renter income would be cost-burdened by the median rent.³ An inclusive rental market necessitates not only subsidized housing, but also affordable market rate options to serve the middle class.⁴ It is a major problem in nearly every city and in every state.

This is not just a housing issue. Extremely Low Income renter households have little, if any, money left for other necessities after paying the rent. To make ends meet, severely cost-burdened renters make significant sacrifices on other basic necessities, like food, medicine, or health care. This impacts the overall economy of an area, as less money is available to be spent on goods and services. As housing supply does not keep up with demand—or as housing is demolished to make way for new, more expensive housing—homelessness may increase.

1 “The Affordable Home Crisis Continues, But Bold New Plans May Help.” <https://www.citylab.com/perspective/2019/03/affordable-housing-near-me-data-bold-solutions-funding/584779/>

2 Joint Center for Housing Studies, Harvard University, December, 2018

3 What Can Old Housing Tell Us About the Future of Affordability?, Rentonomics Apartment List, <https://www.apartmentlist.com/rentonomics/older-buildings-losing-affordability/>.

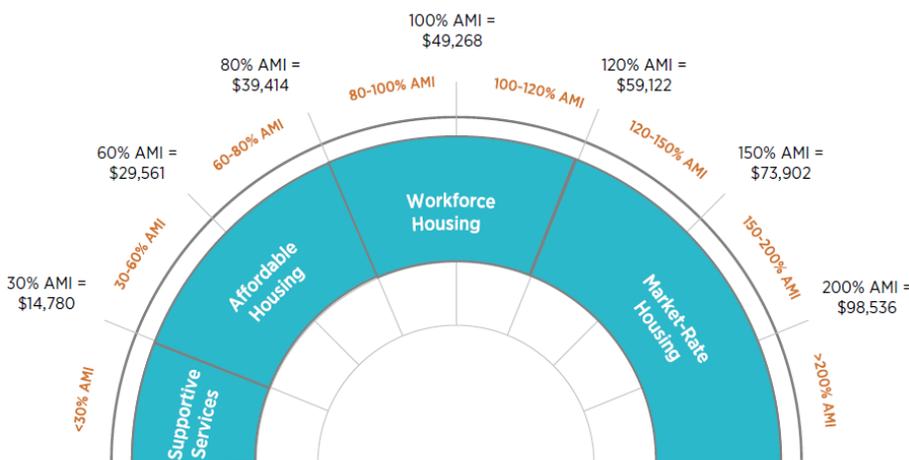
4 Ibid.

San Antonio

This story of housing affordability in the City of San Antonio is similar to that seen nationally. As reported in the Mayor’s Housing Policy Task Force (MHPTF) August 2018 report, San Antonio’s Housing Policy Framework:

The city is experiencing more severe housing insecurity and affordability challenges than ever before. With housing costs increasing at a much faster rate than incomes, people have no choice but to live far from where they work, families are displaced and destabilized, and students suffer in school. All of this impacts the City’s economic gain and San Antonio’s future.

To the average person, “affordable housing” might bring to mind large scale public housing developments or government subsidies and voucher programs. The reality is that affordable housing means a place to live that is “affordable” to a household, typically defined as no more than 30% of the household income. The MHPTF established the income definitions and housing terminology shown below based off the area median income. San Antonio’s housing affordability crisis impacts “high-income earners, hourly-wage workers, young professionals, the elderly on fixed income, and everyone in between.”⁵



Affordable housing terminology and income definition, taken from San Antonio’s Housing Policy Framework (City of San Antonio, 2016)
Source: U.S. Census ACS 1-year estimates, 819019; Economic & Planning Systems

Among the key findings of the Housing Policy Framework report are these:

- Increases in housing costs outpace growth in income. “Between 2005 and 2016, the median sales price of a home increased by an average of 4.7 percent per year (\$120,000 to \$180,000), the city’s AMI increased by an average of just 1.9 percent per year (\$40,100 to \$49,300).”⁶
- The “affordability gap,” the difference between the median sales price of a home and the affordable purchase price for a household keeps widening. A majority of the city’s households cannot afford the median priced home.

- San Antonio households are cost-burdened: one out of every two renter households and one out of every five owner households spends more than 30% of income on housing. This cost-burden disproportionately impacts Hispanic⁷ households.
- Housing supply and demand is uneven. The housing inventory affordable for various incomes does not align with the demand from households at those incomes.
- Homeownership rates and number of households holding a mortgage have dropped.

⁵ San Antonio’s Housing Policy Framework

⁶ Definition: Area Median Income (AMI).

⁷ Hispanic as defined by the US Census Bureau. The authors realize term Hispanic is not reflective of populations that tend to fall under that category including Latino, Latinx, Mexican-American, Puerto Rican, etc.

- Growth of low-paying jobs will continue; nearly half of job growth in the top five industries pay \$12.50 an hour. It takes \$18 an hour to afford the median rent in San Antonio.
- Neighborhood change in real estate and demographics puts many cost-burdened households at risk of displacement and further disruptions to quality of life.
- Currently available subsidized affordable housing programs are insufficient, as the San Antonio Housing Authority cites 50,000 families on the waiting list.
- Structural barriers, including poverty and the lasting legacy of redlining, continue to contribute to housing vulnerability in San Antonio.

Another recent report, *An Analysis of Housing Vulnerability in San Antonio* (January 2018), speaks to housing affordability and vulnerability. Among the report's findings are:⁸

- San Antonio's long-term population growth is the driving force for additional housing.
- New housing is priced well above the median price; in 2017 56% of new homes were priced above \$250,000.
- Home value appreciation in San Antonio has been widespread with the highest rates of single family price appreciation occurring near center city.
- The increased price changes in neighborhood level real estate puts unsubsidized, subsidized, and mobile home housing at risk.
- Affordability covenants on over 5,300 Low Income Housing Tax Credit units and contracts for 4,700 Section-8 units expire in the next five years.

These previous studies are essential to understand why existing affordable housing is vulnerable in San Antonio. But the issues contributing to San Antonio's affordable housing crisis are layered. The analysis undertaken in this report, in addition to the impact of older housing stock, found several other factors contributing to San Antonio's affordability crisis. First, San Antonio's growth outpaces the nation on multiple fronts. Second, new homes built in San Antonio are some of the largest in the country. Third, the increase in the number of single person households exceeds the national average. These factors contribute to the "mismatch" between demand and supply of affordable housing.

The size of a new home built today is nearly double the size of one built a century ago.

The personal finance website, Go Banking Rates,⁹ released an analysis of the ten cities in the US where the cost of living is increasing the fastest, and among them was San Antonio. This firm's measure is "Income needed to live comfortably" in which they include housing, groceries, transportation, utilities, and health insurance premiums. Their estimate for San Antonio for 2017 was \$46,154 but by 2018 increased 26% to \$58,504, driven primarily by the cost of housing.

⁸ *An Analysis of Housing Vulnerability in San Antonio*, January 2018, P. 7

⁹ "Cost of Living Is Rising in These 20 Cities—But Are Salaries?" <https://www.gobankingrates.com/making-money/economy/cost-of-living-rising-in-these-cities-are-salaries/>

The real estate data website, Property Shark, analyzed data on the average home size across 32 cities between 2010 and 2016. Of the 32, only 4 cities rank above the national average of 2,430 square feet: Orlando, San Antonio, Nashville and Dallas. San Antonio is second on the list with average new home size of 2,947.¹⁰ The size of a new home built today is nearly double one built a century ago.

Housing and Job Growth

Verónica Soto, the Director of San Antonio's Neighborhood & Housing Services Department, says, "It's not a housing affordability problem, it's an income problem." She is absolutely right, and the data demonstrates why. San Antonio has a healthy and growing economy. Of the 984,000 jobs in San Antonio, more than a third – 330,000 – pay on average less than \$30,000 per year. From a data analysis standpoint, it can be a challenge to use the income for a single job as a measure of housing affordability, which is generally measured on a household income rather than an individual income basis. For instance, one person making \$30,000 may face difficulties in finding an affordable place to live, a couple, each making \$25,000, may not.

However, the idea that the average household is two parents both working is not the reality in San Antonio. Of working age households in San Antonio (i.e. younger than 65) 51% of them are either one person households or single parent households.

San Antonio Households

Total Households	494,260 ¹¹	100.0%
Less: Over 65 Households	83,079	16.8%
Working Age Households	411,181	83.2%
One Earner Households		
Working Age Households	411,181	100.0%
One Person Households	98,747	24.0%
Single Parent Households	111,449	27.1%

These One Earner households are disproportionately renters.

Owners and Renters among One Earner Households

	Owners		Renters	
One Person Households	30,455	30.8%	68,292	69.2%
Single Parent Households	51,988	46.6%	59,461	53.4%
Total Earner Households	82,443	39.2%	127,753	60.8%

¹⁰ "Who Lives Largest? The Growth of Urban American Homes in the Last 100 Years" <https://www.propertyshark.com/Real-Estate-Reports/2016/09/08/the-growth-of-urban-american-homes-in-the-last-100-years/>

¹¹ Throughout this report there are references to both "Households" and "Housing Units". The number of Households is based on US Census estimates. The number of Housing Units is based on an analysis of Bexar County assessment records of San Antonio City properties. The difference between the number of households and number of housing units is largely accounted for by vacancy. This report estimates 523,614 housing units. Given the 494,260 estimate of households, that would indicate an overall vacancy rate of just under 6%. This is relatively consistent with the American Housing Survey vacancy estimate of 7.7%



Existing affordable housing unit located in the 78212 zip code

Many of these one person or one earner households are unlikely to be able to afford what is typically being built in San Antonio. Since 2000, the number of single person households nationally has increased 21%, but in San Antonio the growth has been 39%.

Furthermore, in the next decade, if the number of jobs in San Antonio grows at the national rate for the job categories currently in the city, there will be nearly 81,000 more workers. Because the economy of San Antonio is growing faster than the nation as a whole, that number could well be greater. That is the good news. The bad (or at least challenging) news is that 32,340 of those jobs – 40% of the total – will be in jobs that today pay less than \$30,000 per year. All of those workers will need housing, and many will find affordable housing a challenge.

While it is good that San Antonio is experiencing greater than national average growth in jobs and housing, the bottom line is that most of the new homes are large and expensive and much of the job growth is in lower paying jobs. This pattern is not sustainable if equitable quality of life is a goal for the city.

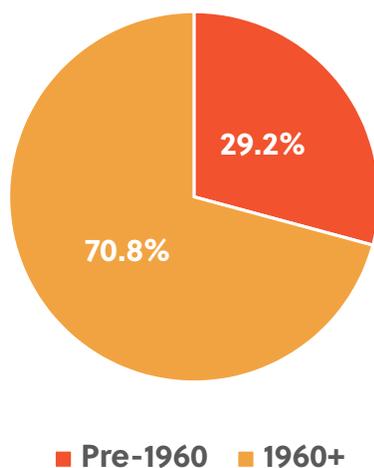
Older Housing Stock and Affordability

The Nation

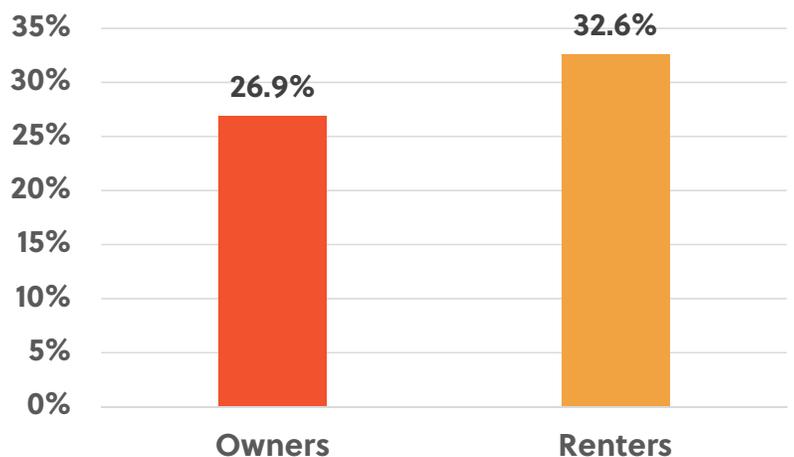
Nationally, older housing stock plays an important and often overlooked role in affordable housing. First, a significant portion of occupied housing units were built pre-1960. These units are more often renter occupied. When both mortgage payments and rent are considered, older housing units are simply cheaper. While many are concerned about the condition of these older units, the vast majority of older units are rated physically adequate and habitable. While some require repairs – often a result of deferred maintenance – it is usually far more cost effective to repair and put in sustainable and safe condition than to raze and build a new unit of affordable housing.

According to data from the American Housing Survey, nationally, nearly a third of housing units were built pre-1960. These units are more likely occupied by renters.

Housing Stock by Age (US)

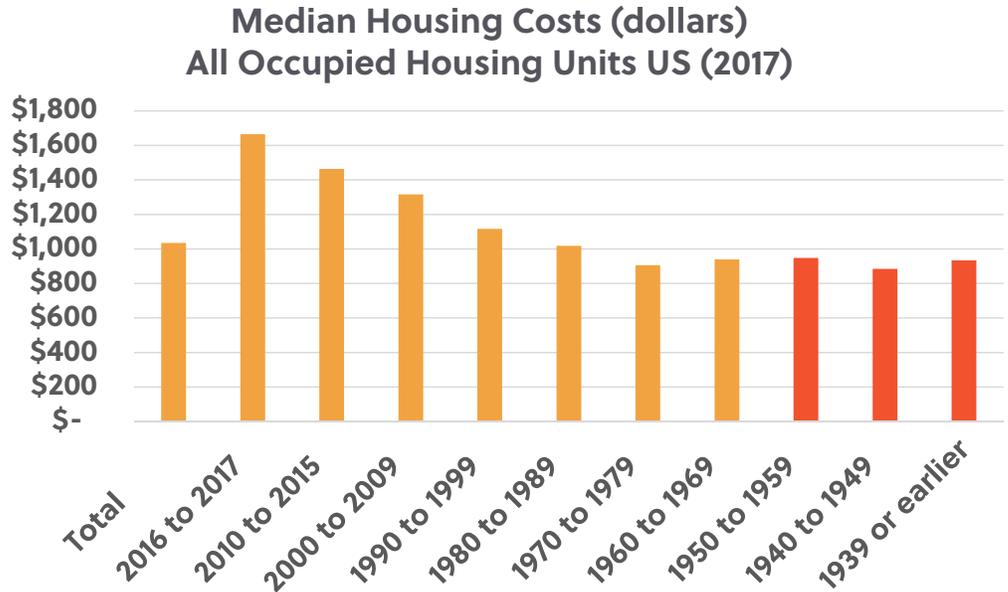


Share of Owners and Renters in Pre-1960 Housing (US)



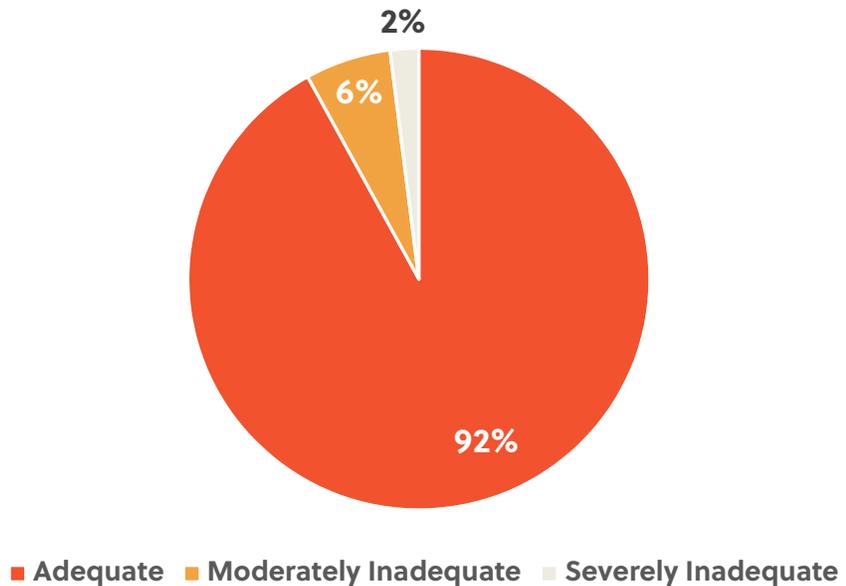
While pre-1960 housing makes up 29% of the units nationally, that older housing is home to 32.4% of households with incomes less than \$40,000.

Across the nation, housing costs per month for older housing are simply less.

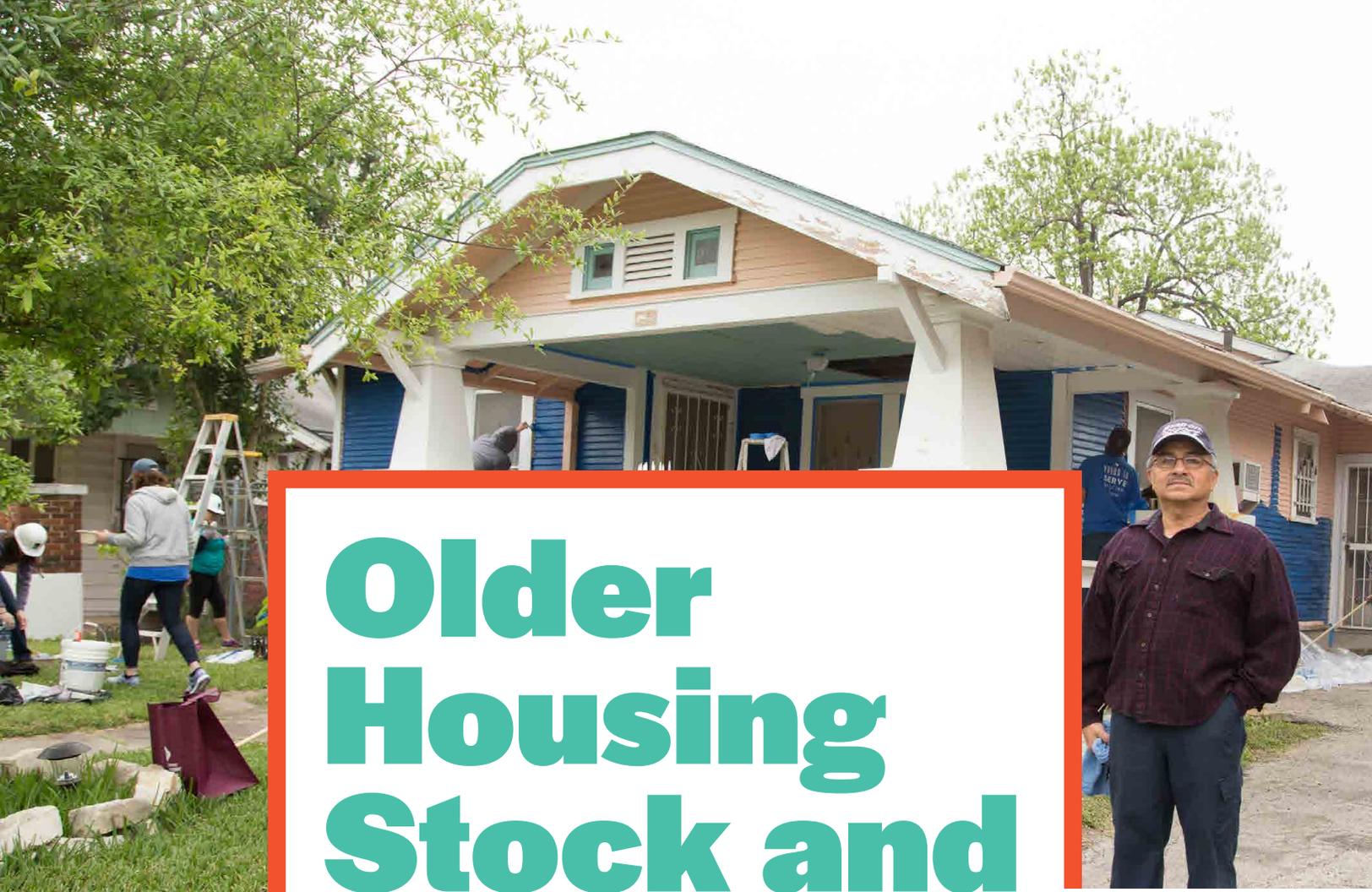


According to data from the most recent (2017) American Housing Survey, the vast majority of pre-1960 occupied housing in the U.S. is habitable.

Pre-1960 Housing Conditions (US)



Across the country, older housing stock is helping to fill the affordable housing gap, providing perfectly adequate housing at an accessible price range—especially to renters, who are often more vulnerable.



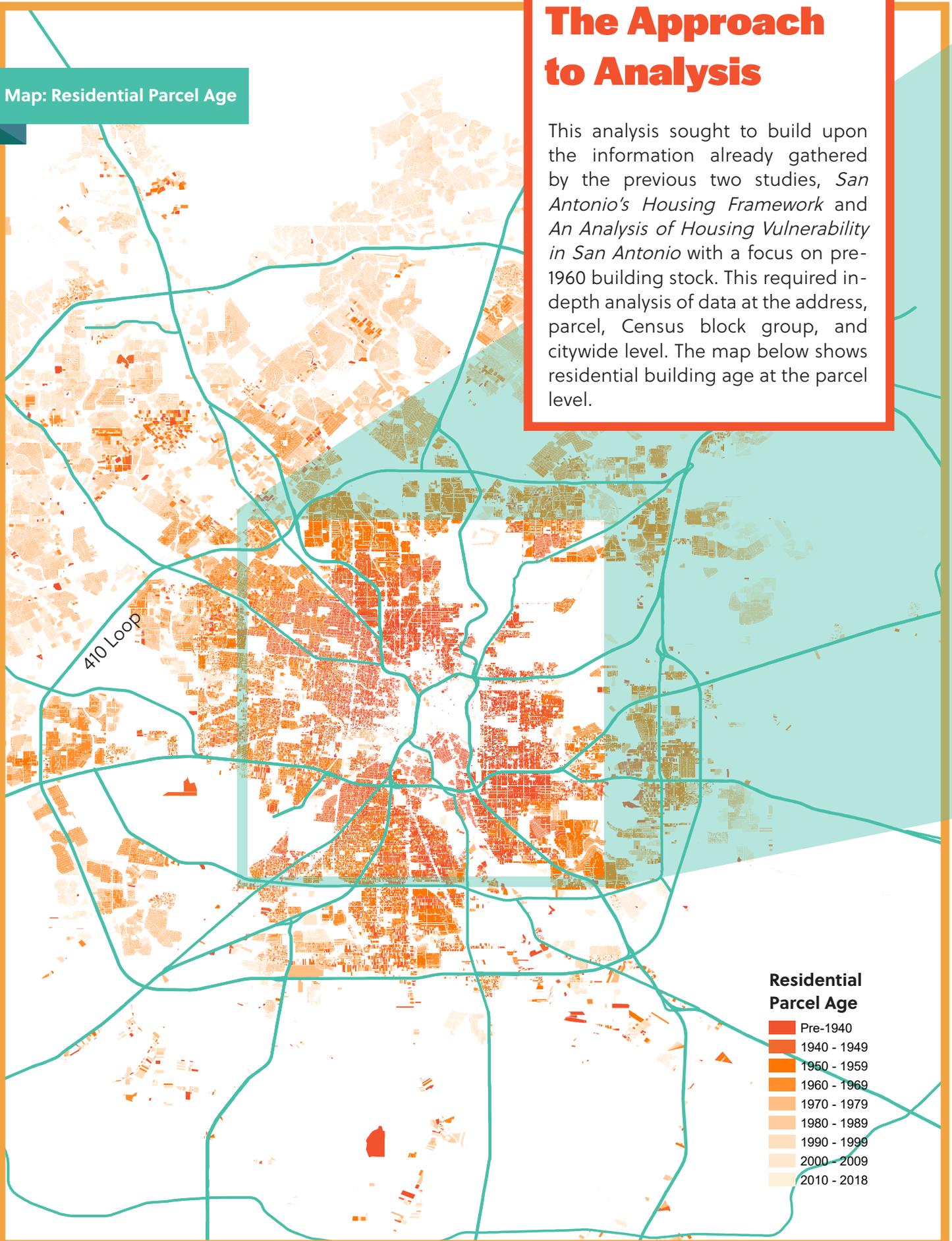
Older Housing Stock and Affordability: San Antonio

With a growing population and a vibrant economy, it is clear that San Antonio needs to add to the supply of both owner occupied and rental housing. At the same time, however, meeting housing needs also means keeping as much existing housing as possible. San Antonio has a substantial number of housing units built before 1960 and still available to help meet housing demand.

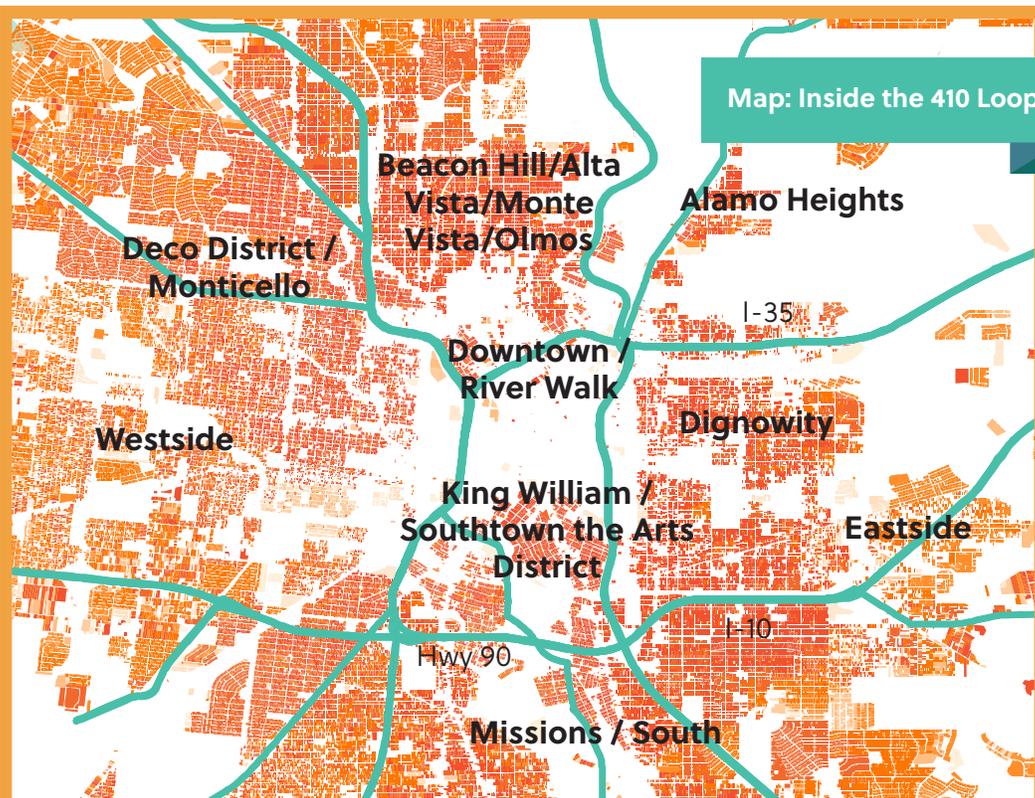
Overall, this analysis found just under a quarter of all housing units in San Antonio were built before 1960; these units are smaller and have a lower property condition rating than post-1960 built properties. The pre-1960 properties are more likely to house lower income residents, Hispanic households, and have lower gross rents. In other words, the pre-1960 housing stock is already providing unsubsidized affordable housing. Yet, this stock is also at risk as much of it is located in quickly appreciating neighborhoods where threats of demolition are common.

The Approach to Analysis

This analysis sought to build upon the information already gathered by the previous two studies, *San Antonio's Housing Framework* and *An Analysis of Housing Vulnerability in San Antonio* with a focus on pre-1960 building stock. This required in-depth analysis of data at the address, parcel, Census block group, and citywide level. The map below shows residential building age at the parcel level.



Map: Inside the 410 Loop

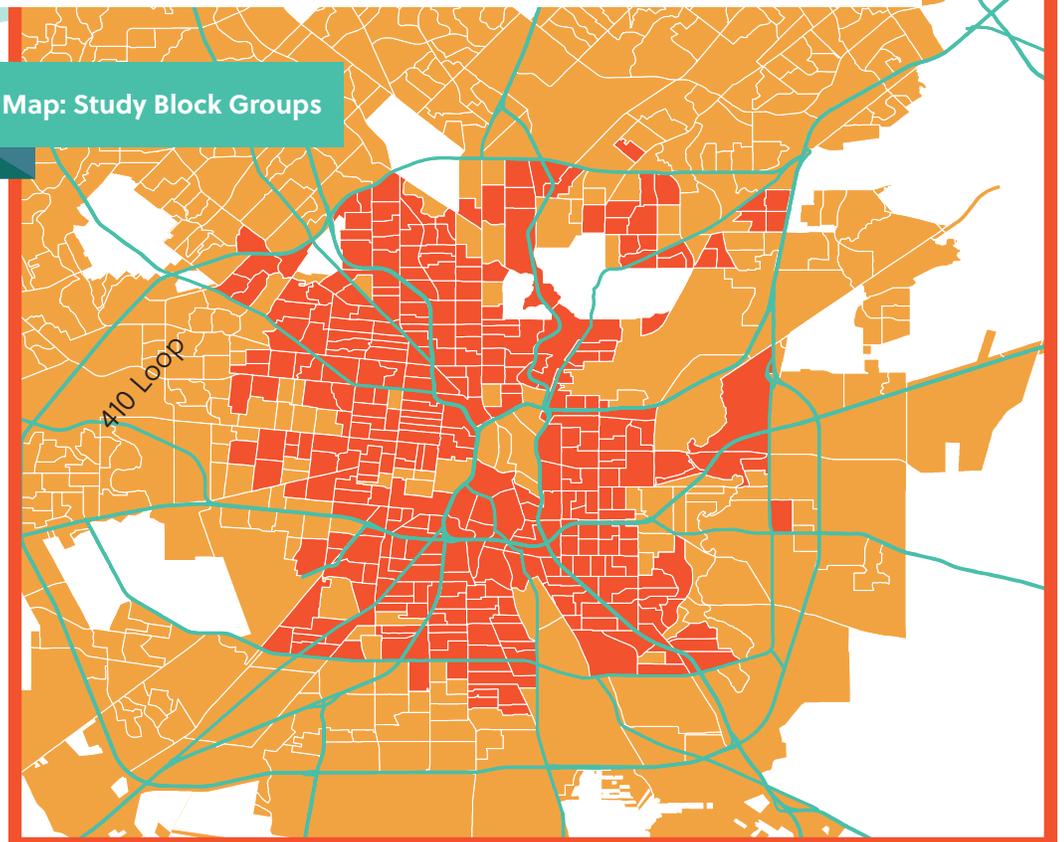


While some information was available at the parcel level (building age, size, condition, etc.) other data is only available on a Census block group level (demographics, rent levels, etc.) To get a general understanding of the patterns of older housing, this analysis selected census block groups where 50% or more of the residential properties were built before 1960. Of the 992 block groups in San Antonio, 331 met that test. The overwhelming majority of these were located within the 410 Interstate loop surrounding downtown.

Map: Study Block Groups

Block Groups with a Concentration of Pre-1960 Housing

- Study Block Groups
- Census Block Groups



The Basics¹²

There are nearly 525,000 housing units in the City of San Antonio. Twenty-two percent (22%) of all housing units were constructed prior to 1960, as were nearly 30% of all single family dwellings. While almost 70% of pre-1960 multi-family units are found in 2-4 unit buildings, that is true of less than 5% of housing units built since 1960.

Housing in San Antonio

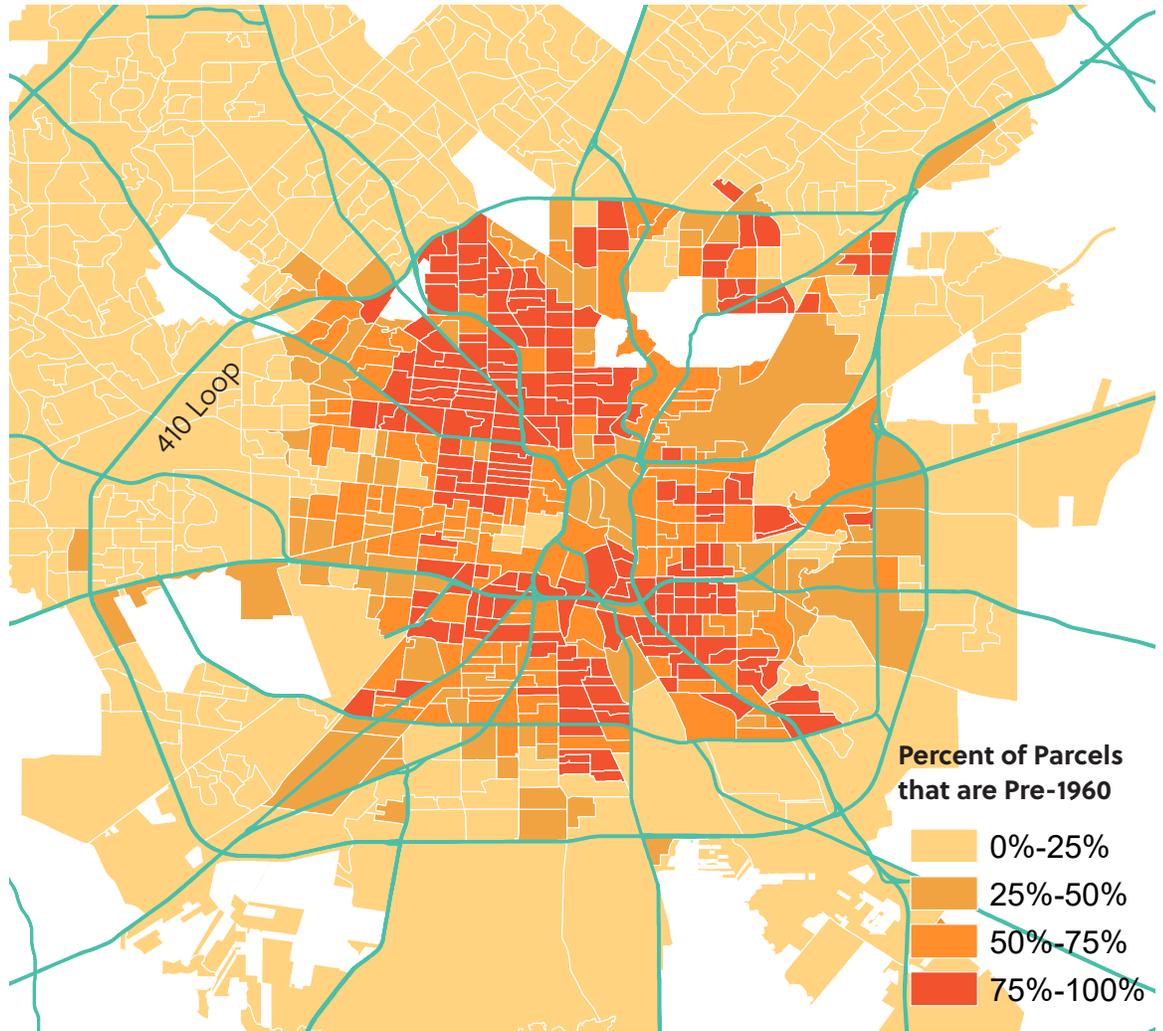
	Pre-1960	1960+	Total
Single Family Houses	103,915 (29.8%)	244,730 (70.2%)	348,645 (100%)
Owner Occupied	60,451 (58.2%)	169,662 (69.3%)	230,113 (66.0%) ¹³
Renter Occupied	43,464 (41.8%)	75,068 (30.7%)	118,532 (34.0%)
Multi Family Housing Units			
Multi Family Housing Units	11,199 (6.4%)	163,770 (93.6%)	174,969 (100.0%)
2-4 Unit	6,664 (59.5%)	6,863 (4.1%)	13,527 (7.7%)
5+ Unit	3,390 (30.3%)	156,354 (95.5%)	159,744 (91.3%)
2-4 with Owner in one Unit	1,145 (10.2%)	553 (.3%)	1,698 (1.0%)
All Housing Units			
All Housing Units	115,114 (22.0%)	408,500 (78.0%)	523,614 (100.0%)
Single Family Houses	103,915 (90.3%)	244,730 (60.0%)	348,645 (66.6%)
Multi Family Housing Units	11,199 (9.7%)	163,770 (40.0%)	174,969 (33.4%)

¹² Multiple sources were used for the estimates of numbers and characteristics of the housing stock, including the US Census, the American Housing Survey, and the Bexar County assessment records. For this report, whichever data source was deemed most detailed at the lowest possible level was used. Because of different databases with different amounts of information based on slightly different years, there is sometimes a minor divergence in the total numbers, but in every case any differences are below the level of statistical significance.

¹³ US Census data estimates overall ownership rates in San Antonio of 54.5%. Estimates for this report are based on Bexar County assessment data indications of which properties are owner-occupied based on their eligibility for certain tax treatment only allowed for homeowners. The Census numbers, although estimates, are probably more reliable, in that it is likely that there are many homeowners in San Antonio who are unaware of the potential homestead tax treatment and have not filed the necessary application to be so treated.

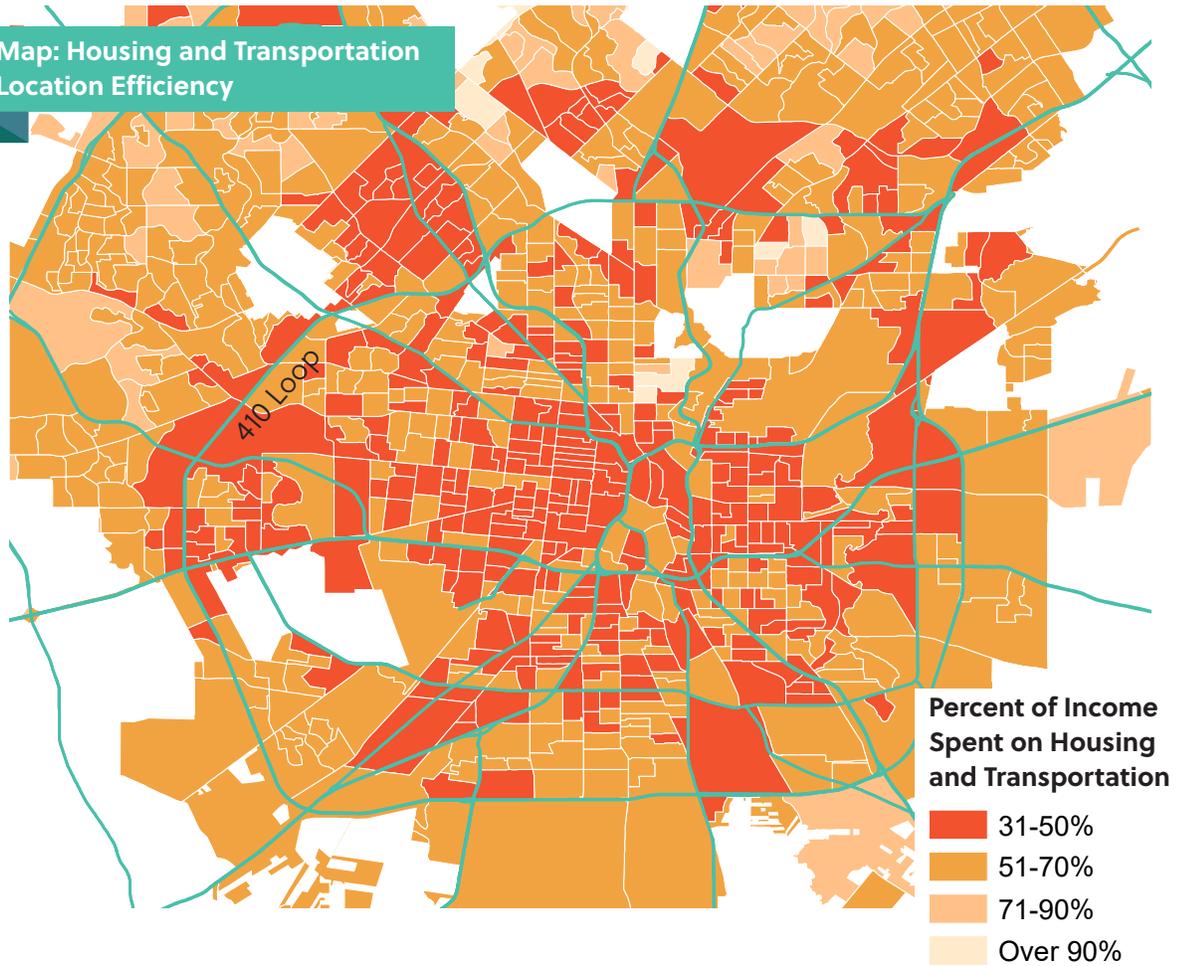
Where are they?

In the City of San Antonio, pre-1960 properties are primarily concentrated within the 410 Interstate loop around the central downtown business core. This suggests a development pattern that is consistent with many other cities around the country: development begins in the city core and expands outward over time.



This proximity and density have implications for affordability. The concentration of these properties near services, transportation, and jobs decreases transportation costs for these households—and transportation costs typically make up the second largest cost burden after housing. In San Antonio, a household making the Area Median Income within this analysis' study block groups spends 44% of their income on housing and transportation, compared to 51% in the rest of the city.

Map: Housing and Transportation Location Efficiency

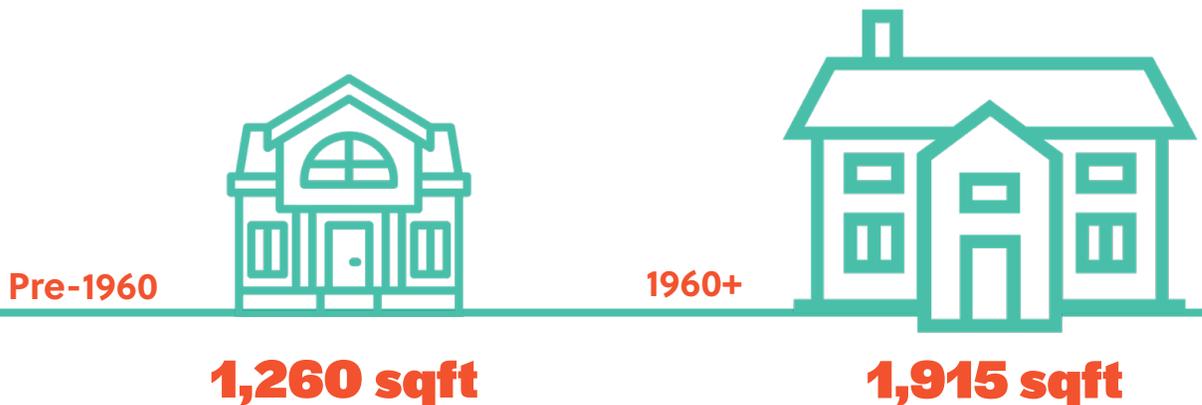


What Size?

One overlooked aspect of affordability is unit size. In general, smaller units tend to be more affordable, making them viable housing options for certain households. While San Antonio has experienced incredible population growth of almost 30% since 2000, the number of single person households has increased 39% in the same period. For many of these households, 1,200 or even 800 square feet is more than adequate.

As previously mentioned, according to Property Shark, San Antonio from 2010 to 2016 built some of the largest average homes in the country. Utilizing the property assessment records, it is clear that pre-1960 homes are much smaller than newer homes.

Single Family Residential Average Square Feet





**Shotgun
house**

The Original Tiny House

In recent years much media attention has been devoted to the “Small House Movement”. Its adherents tout the social, economic, and environmental benefits of abandoning the 2500 square foot and larger home and “downsizing” to a more manageable and cost-effective alternative at half the space or less.

But decades before such a movement, millions of Americans (and thousands of San Antonians) already lived in small houses. There remain in San Antonio 33,000 houses built prior to 1960 that are 1000 square feet or smaller. Many of these are Shotguns, Bungalows, and other traditional styles of the late 19th and early 20th century.

Of course, small houses aren’t for everyone. But more than 58% of all households in San Antonio are composed of one person (28.6%) or two-persons (29.5%). For many of these households a “small house” in traditional styles may be perfectly appropriate.

Further, the most under recognized contributor to housing affordability is housing size. So, when there is a demonstrated market, and a financial need, for San Antonio’s traditional “small houses,” keeping those houses available should be a public policy priority.

What Kind?

A diversity of housing options supports both affordability and neighborhood vibrancy, because a range of building types accommodates a mix of incomes. Older and historic neighborhoods, built compactly and often incrementally, provide this range of housing types. San Antonio is overwhelmingly a city of single-family homes, with single family properties accounting for 66% of all housing units. Yet while 22% of all housing units are pre-1960, these older properties account for 51% of all housing units in small-scale multifamily buildings. These include multi-family residential duplexes, triplexes, four-plexes, and apportioned multi-family properties, where the building owner lives in one unit and rents the other.

Housing Units by Type

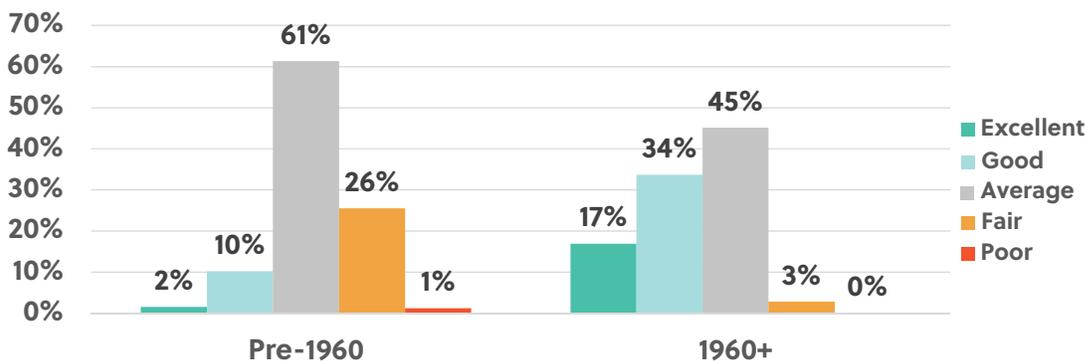
	Total	Pre-1960	Percent Share Pre-1960
Single Family Residential	351,062	103,936	30%
Multifamily Residential	13,740	6,696	49%
Multifamily over 4	159,997	3,086	2%
Apportioned Multifamily	1,714	1,156	67%
Total	526,512	114,874	22%

What Condition?

A unit of housing will not remain available in the marketplace if it is not habitable.¹⁴ Many people associate building age with poor condition. Yet building age alone does not paint a full picture, nor does it take into account other factors that lead to diminished housing condition. All buildings require maintenance regardless of age—and the data reveals that the overwhelming majority of older buildings are habitable as is.

In San Antonio, a greater share of pre-1960 housing is in fair or poor condition than housing built in 1960 or later. Yet 87% of properties built before 1960 were given a property condition of average or fair—meaning the majority of these households only lack modern upgrades and minor repairs, but are completely habitable and functional. What these properties lack in modern upgrades, they often make up for in neighborhood character, density, and accessibility.

Condition - All Housing Units



¹⁴ This analysis relied upon improvement condition as determined by appraisers at the Bexar County Appraisal Office. Housing condition as recorded in county tax assessments is determined by appraisers and is used to determine the value of a property.

29,356 housing units built before 1960 were given a condition of “Fair.” This means nearly 30,000 properties need only maintenance or minor repairs—units likely affordable as is, or that can be converted to affordably priced housing with minor improvements. Preserving these houses and supporting the needed minor improvements is a cheaper and faster affordable housing solution than new construction.

A Closer Look at Condition¹⁵

The majority of properties across San Antonio—built before and after 1960—were given a condition rating of “Average.” But what does this rating actually reveal about the state of the property?

Excellent Condition – Well Maintained and upgraded and/or quality building materials. These properties are fully financeable in their current state. If the interior is viewed, the appliances are up to date and are of high quality. Many upgrades. Modern.

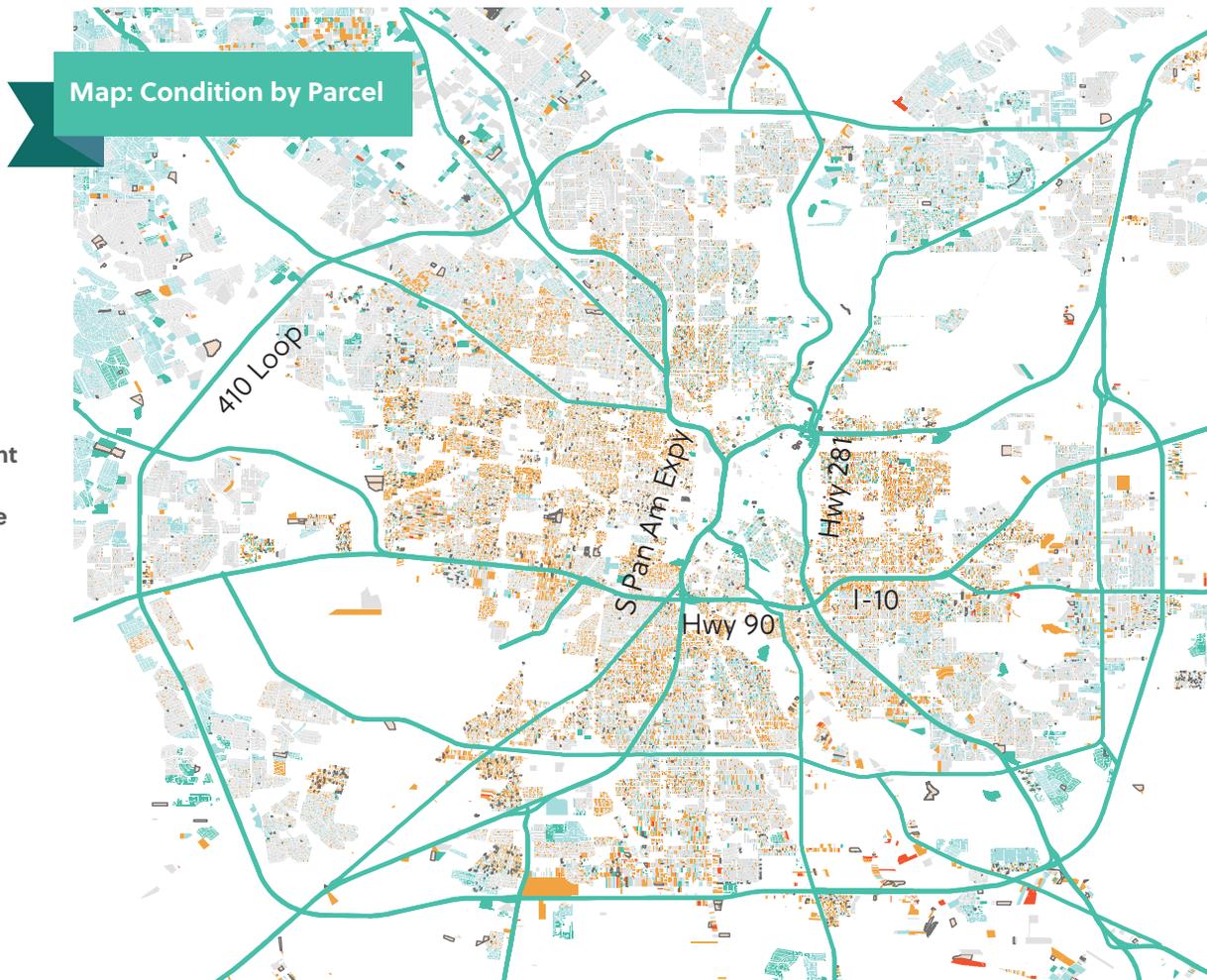
Good Condition – Well maintained and few/no evidence of deferred maintenance. Very minimal deferred maintenance can be quickly and cheaply resolved and is only cosmetic in nature. Some upgrades typical in market. These properties are fully financeable in their current state. If the interior is viewed, the appliances are up to date and are of good quality but not high quality.

Average Condition – Maintained and evidence of typical wear and tear for age and neighborhood. Any deferred maintenance can be quickly and cheaply resolved and is mostly cosmetic in nature. Some upgrades typical in the market. These properties are fully financeable in their current state. If the interior is viewed, the appliances are of adequate functionality.

Fair Condition – Lacks maintenance and/or minor repairs are needed to bring it into average condition. Repairs needed. These properties can be financeable in their current state but may not qualify for VA, FHA or some other finance options. If the interior is viewed, the appliances are out of date but functional.

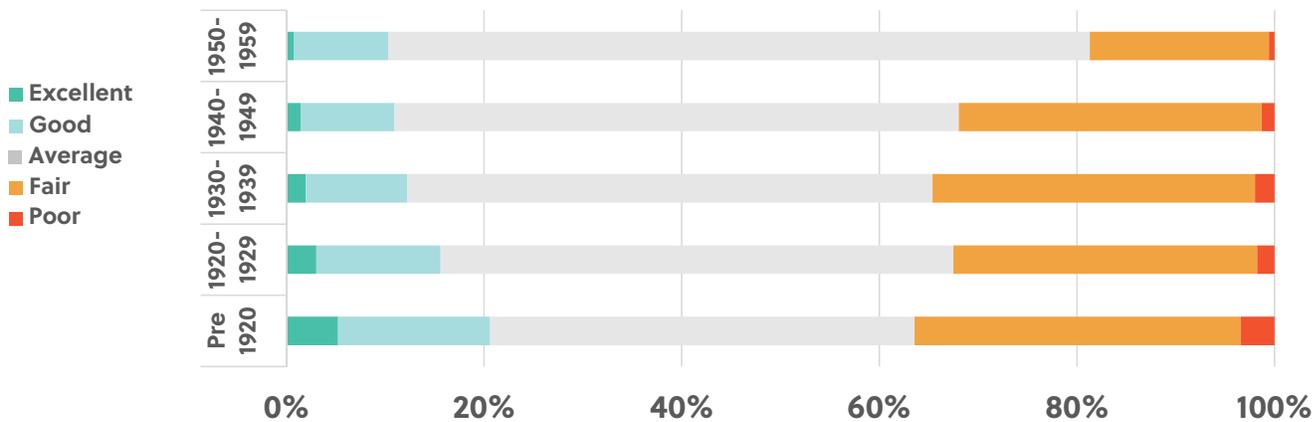
Poor Condition – Uninhabitable, siding/shingles missing, dilapidated, overgrown landscaping, fire damaged, flooded, vandalized or stripped of copper. Major repairs needed. These properties are not financeable in their current state. If the interior is viewed, the appliances are out of date with suspect functionality.

¹⁵ Sara Schlosser, “Property Condition – An Objective Guideline For A Subjective Concept,” Inside Valuation, June 27 2012.



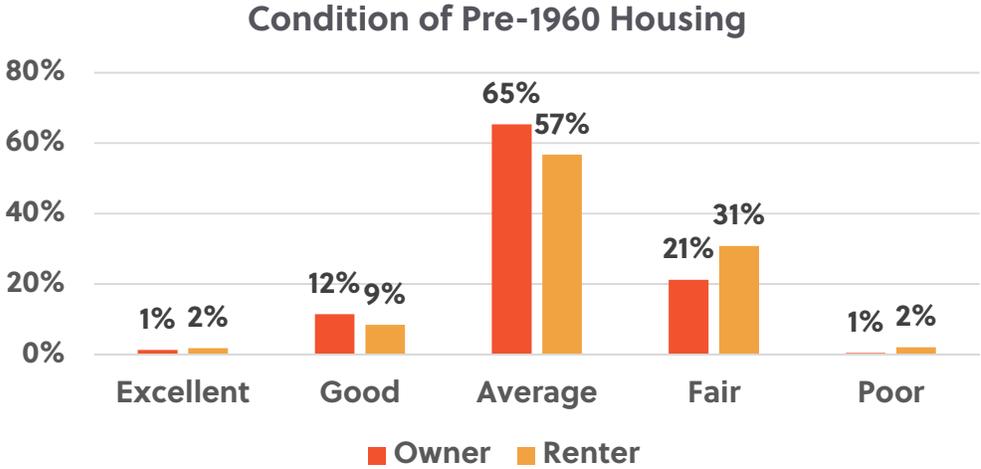
When property condition is viewed citywide, the concentrations of fair and poor condition appear near the center city in the older parts of the city. Overall, the map clearly illustrates that the majority of the city is rated “Average” condition.

Housing Condition by Age

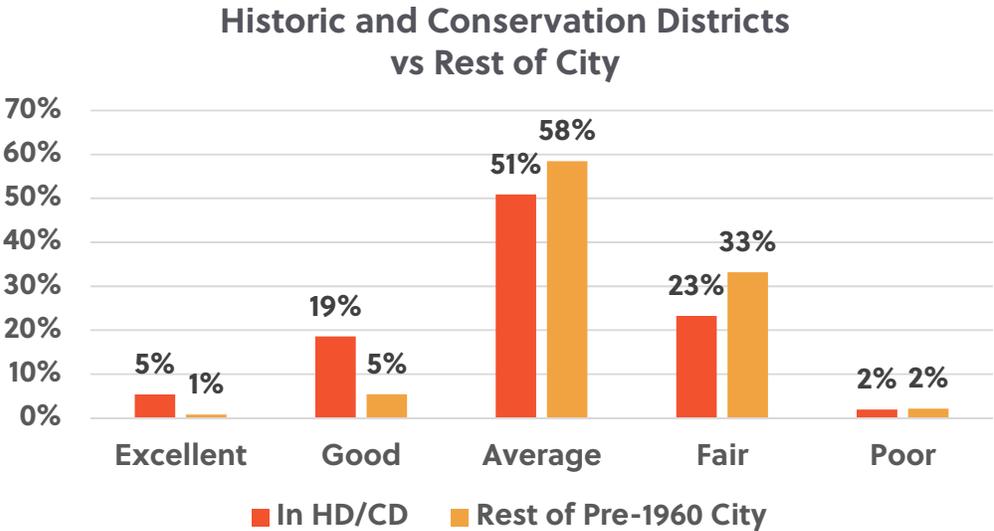


There is little difference in condition when viewed by the decade built. The earlier a building was built, the more likely it is to receive a condition rating of average or fair.

The condition of pre-1960 housing when broken down by renter vs homeowner occupied shows renters are living in buildings on the lower end of the condition rating spectrum.



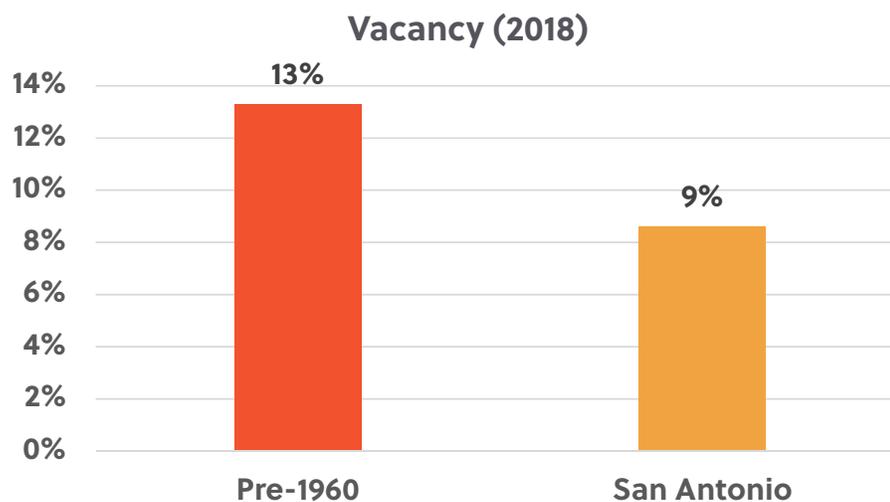
When sorting the pre-1960 properties into those in the 10% that are under Historic and Design Review Commission (HDRC) purview versus the rest of pre-1960, the analysis shows the properties under HDRC design review are in better condition.



Vacancy

The perception that older, vacant housing units are beyond repair and the only solution is demolition is common in the United States. This is often compounded by a lack of knowledge about the actual condition of the property, rehabilitation needs, building codes prioritizing new construction, and struggles with acquisition. Cities often utilize federal funding for "slum and blight clearance" as it is a readily available funding path for demolishing vacant problem properties, while the private market is usually motivated by profit and demolishes to build a higher-amenity unit for greater financial gain. Either way, the default path misses the opportunity to rehabilitate the property and get it back into the affordable housing marketplace.

In San Antonio, as the housing market has boomed, the percentage of vacant housing units has decreased from 10% in 2012 to 8.6% in 2017. In pre-1960 housing stock, 13.3% of the housing units are vacant.¹⁶



A recent report by the Lincoln Land Institute states, "In principle, the right number of vacant units is the number that allows every home buyer or would-be tenant to find a unit without undue difficulty and every home seller or landlord to fill the unit they own without undue delay...in a community where the market is working well, overall year-round vacancy rates tend to fall between 4 percent and 6 percent."¹⁷ The aforementioned mismatch of supply and demand of housing in San Antonio is further complicated by a moderately high vacancy rate citywide, and definitionally high vacancy rate in pre-1960 stock.

Given the property conditions data mentioned above, it is not surprising that more of the older units are vacant as they may be in poor, uninhabitable condition. However, without a citywide property level condition survey of vacant buildings, and because of current city policies, the default "solution" of demolition sacrifices a unit of potential affordable housing. A change in the city's approach to vacant properties would help shift public perception, so that these properties are seen for their potential, rather than as liabilities.

Who Lives There?

Numerous studies have shown that blocks of older building stock support more economically, ethnically, and racially diverse populations.¹⁸ This, as well as convenient access to transportation and housing affordability, is a factor that draws many people to live in areas comprised of older housing stock.

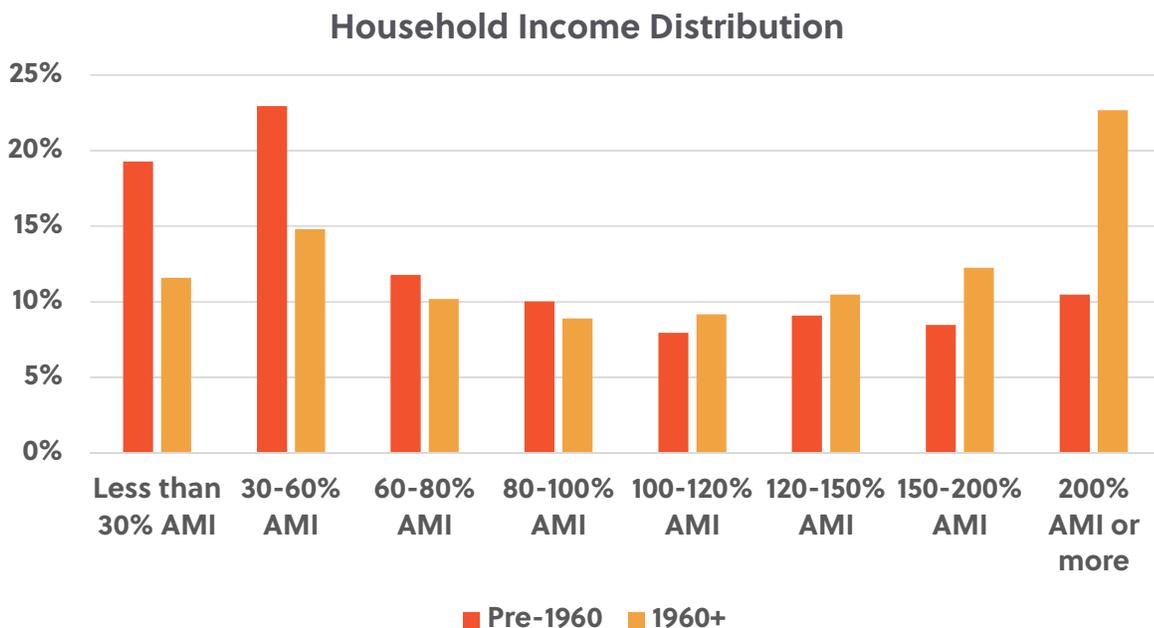
As earlier stated, this study selected census block groups where 50% or more of the residential parcels had its primary structure built before 1960. These study block groups were used for the demographic analysis that follows.

¹⁶ This data relied upon residential vacancy as reported in the US Census Bureau, ACS 2017, as the City of San Antonio does not have parcel level vacancy data at a citywide level. The City of San Antonio Vacant Building Registry is only active in certain areas of the city.

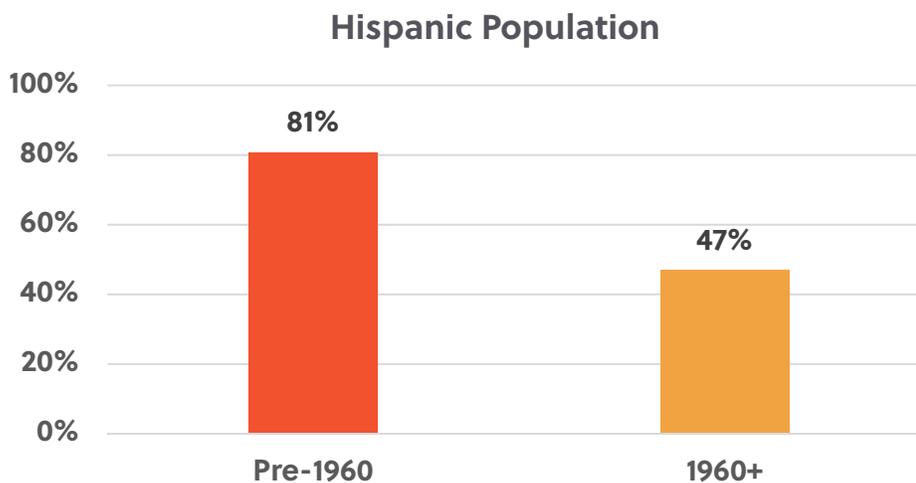
¹⁷ *Empty House Next Door: Understanding and Reducing Vacancy and Hypervacancy in the United States*, Lincoln Institute. <https://www.lincolninstitute.org/sites/default/files/pubfiles/empty-house-next-door-full.pdf>

¹⁸ *Atlas of Reurbanism*, p. 16.

Overall, 23% of San Antonio's population lives in these block groups. However, a larger share of low income households reside in these areas. Thirty-three percent (33%) of the households making 60% AMI or less live in these areas.

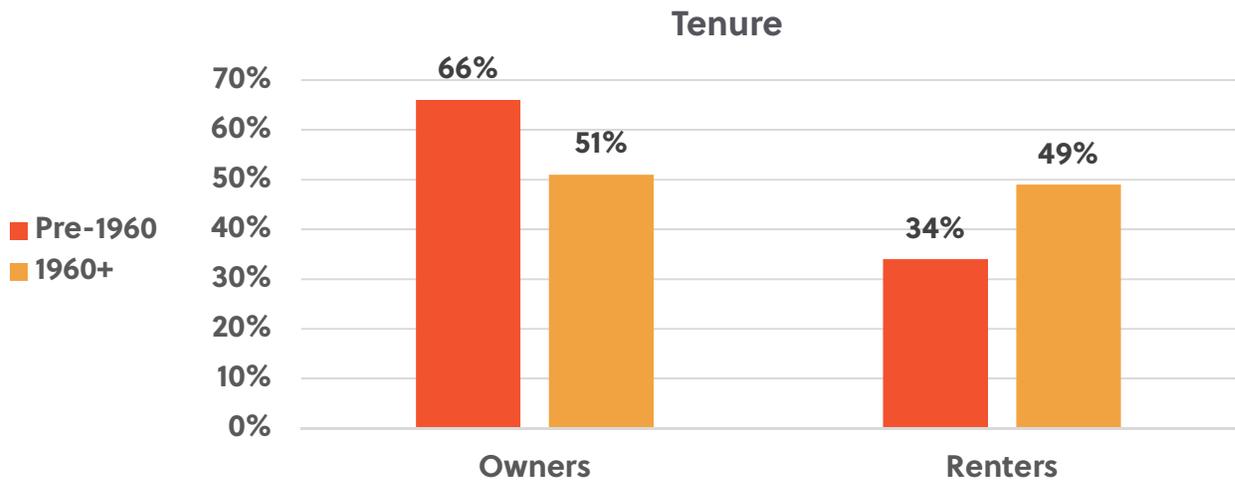


A larger share of Hispanic households live in the pre-1960 block groups.



Owners or Renters?

Homeownership is widely seen not only as the fulfillment of the American Dream, but a crucial component of building household wealth, stabilizing neighborhoods, and improved property maintenance. However, while owning a home is considered the ultimate defense against gentrification, renters face more vulnerability in terms of housing affordability and risk of displacement.



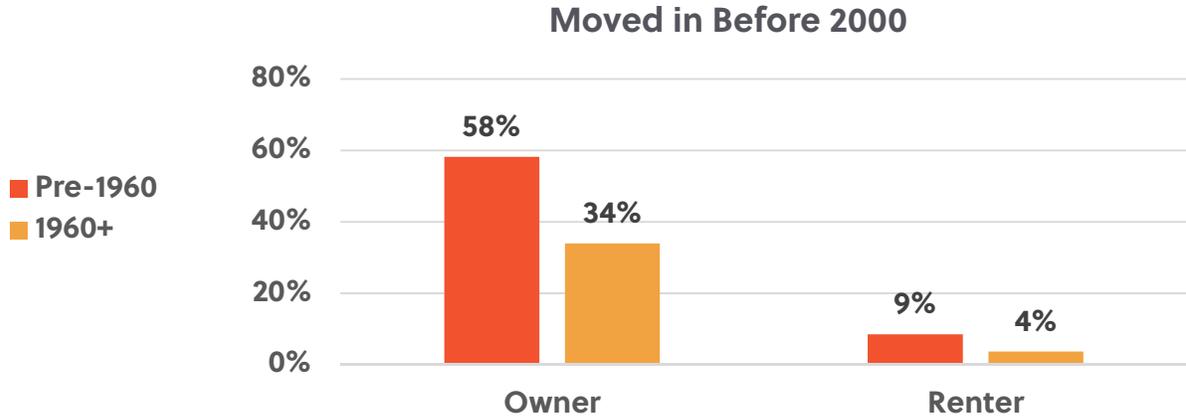
The American Housing Survey and the US Census estimate San Antonio’s homeownership rate at 54.5%, representing 269,464 households. For housing built prior to 1960, the overall rates were 66.0% owners and 34.0% renters. This compares to dwellings built in 1960 and later, of which 51.4% are owners and 48.6% are renters. This is a bit misleading, however, in that the housing that has been built since 1960 has proportionately more multifamily units than earlier structures.

If just single-family housing is considered, the analysis of pre-1960 housing shows 58.2% owner occupied and 41.8% tenant occupied, while newer housing is 69.3% owners and 30.7% renters.

For How Long?

Long-term residents are generally viewed as a stabilizing force in neighborhoods. In San Antonio, areas that are comprised of older housing stock have rates of resident tenure that are generally higher than other areas of the city. This confirms an anecdotal statement voiced numerous times by neighborhood residents, who recall stories of multi-generational ownership in San Antonio’s West and South Side.

Older and historic buildings in San Antonio are home to a large share of long-term residents. Thirty-seven percent (37%) of households in the pre-1960 block groups moved in before 2000, meaning they have lived in the same home for 20 years. This is true of only 21% of households in the rest of the city. In pre-1960 block groups, 58% of homeowners and 9% of renters moved in before 2000, indicating long-term homeownership patterns.



What are the Rents?

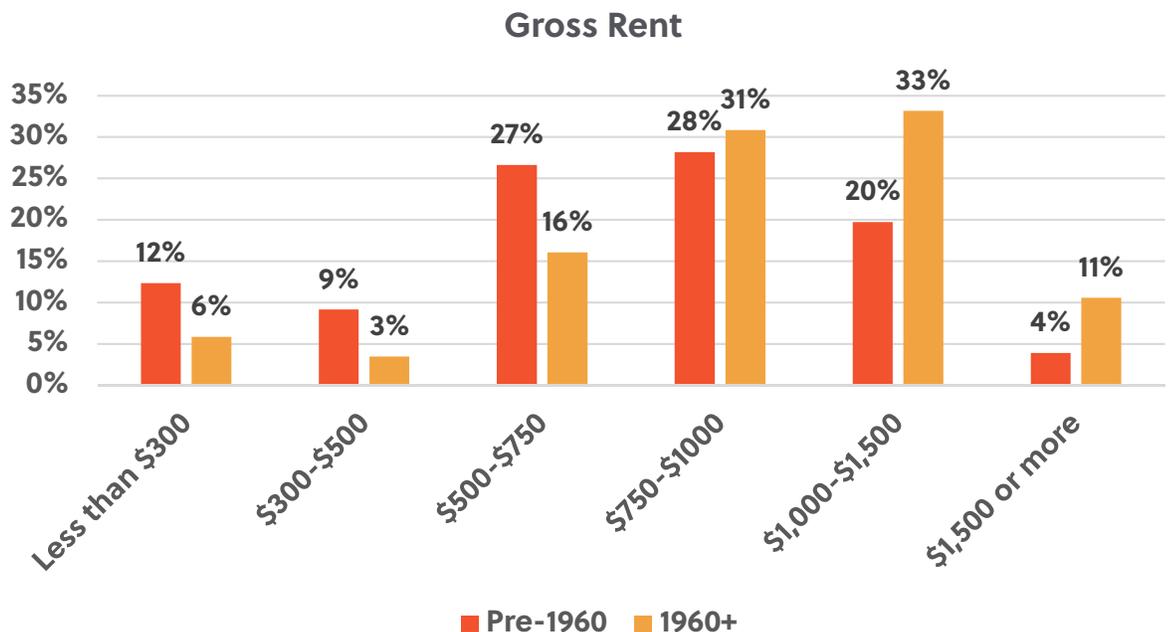
There are many factors that contribute to the cost of rent, including condition, unit size, and location. While older housing units may be smaller and have lower condition ratings, they also tend to have lower median gross rents than newer construction. This makes older housing stock a major component in meeting the needs of a broad range of San Antonians.

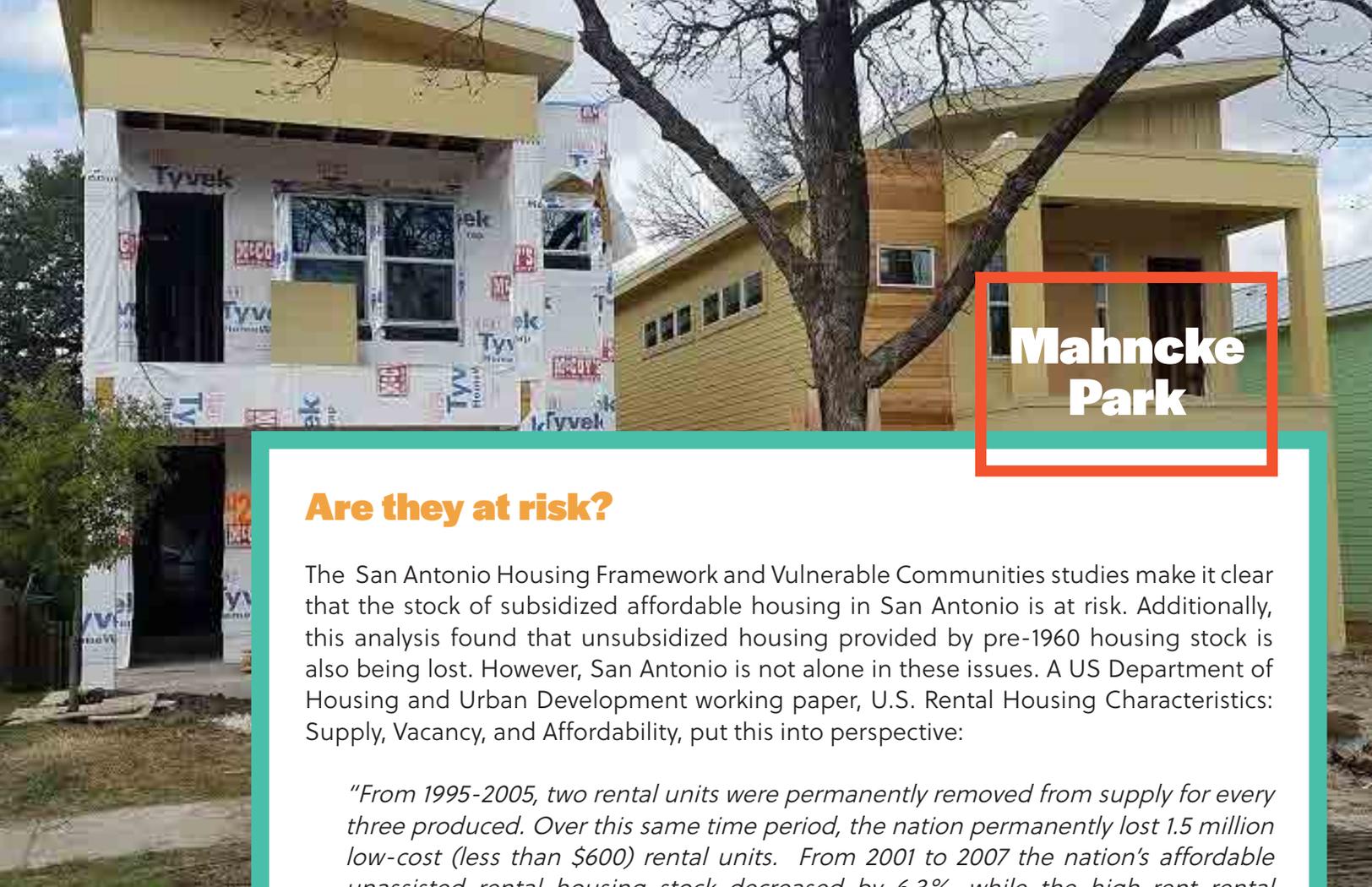
Utilizing the established rental affordability guidelines in the San Antonio Housing Framework, particularly with supportive and affordable housing (under AMI), the crossover with pre-1960 housing is considerable. The lower the gross rent, the more likely that unit is to be pre-1960.

Affordable Rent by Income Bracket

	30% AMI	60% AMI	80% AMI	100% AMI	120% AMI	150% AMI	200% AMI
Income (2017)	\$14,039	\$28,079	\$37,438	\$46,798	\$56,158	\$70,197	\$93,596
Affordable Rent (30% of income)	\$351	\$702	\$936	\$1,170	\$1,404	\$1,755	\$2,340

It is clear the pre-1960 rental units in San Antonio are providing the majority of supportive and affordable housing as defined by the San Antonio Housing Framework. Thirty-six percent (36%) of all rental units less than \$750 and 58% of all studios less than \$500 are in predominantly pre-1960 housing block groups.





Mahncke Park

Are they at risk?

The San Antonio Housing Framework and Vulnerable Communities studies make it clear that the stock of subsidized affordable housing in San Antonio is at risk. Additionally, this analysis found that unsubsidized housing provided by pre-1960 housing stock is also being lost. However, San Antonio is not alone in these issues. A US Department of Housing and Urban Development working paper, U.S. Rental Housing Characteristics: Supply, Vacancy, and Affordability, put this into perspective:

*"From 1995-2005, two rental units were permanently removed from supply for every three produced. Over this same time period, the nation permanently lost 1.5 million low-cost (less than \$600) rental units. From 2001 to 2007 the nation's affordable unassisted rental housing stock decreased by 6.3%, while the high-rent rental housing stock increased 94.3%. This translates into a loss of more than 1.2 million affordable unassisted rental units from 2001 to 2007."*¹⁹

Every week for the last ten years, San Antonio has lost more than three units of pre-1960 housing.

A parcel level analysis of city demolition data revealed that every week for the last ten years, San Antonio has lost more than three units of pre-1960 housing. Of buildings demolished, 93% were single family dwellings. When measured by housing units, three-quarters were single family houses. More than 82% of razed housing units were rental properties. Of course, not every one of these units could or should have been rehabilitated. But had demolition been the choice of last resort rather than the default "solution," the affordable housing situation today in San Antonio would be measurably different. Few, if any, of those demolished units were replaced with something more affordable.

Given the relationship between older housing and affordability in San Antonio, every unit of pre-1960 housing demolished is essentially a unit of affordable housing lost. Thus, it is important to identify the factors that put these units at risk.

¹⁹ Rob Collinson and Ben Winter, *U.S. Rental Housing Characteristics: Supply, Vacancy, and Affordability*, https://www.huduser.gov/Publications/PDF/FinalReport_Rental_Housing_Conditions_Working_Paper.pdf

Demolition Risk Analysis

There exist a wide range of processes and conditions, both enabled by city regulation and market driven, that contribute to demolition. The table below demonstrates the numerous and often nuanced forces that can lead to demolition.

Factors Contributing to Demolition

Market	Owner	Property	City Policy	Location
High demand	Low income	Poor condition	Code enforcement	Flood zone
Weak demand	Older	High land to value ratio	Zoning and Planning Policies	Negative externalities
Institutional acquisition	Estate	Non-conforming use	Historically Redlined	Rapid change in use
Land assemblage	Cashing out	Long term vacancy	Up zoning	High crime
Non Contextual Infill		Fire/natural disaster	Eminent Domain by City/State/Fed	
		Environmental/ Hazardous materials		

This analysis has identified four variables that taken together can identify properties vulnerable to demolition in San Antonio;

1. Built prior to 1960
2. Renter occupied
3. Fair or poor condition rating
4. Land value 50% or more of property value

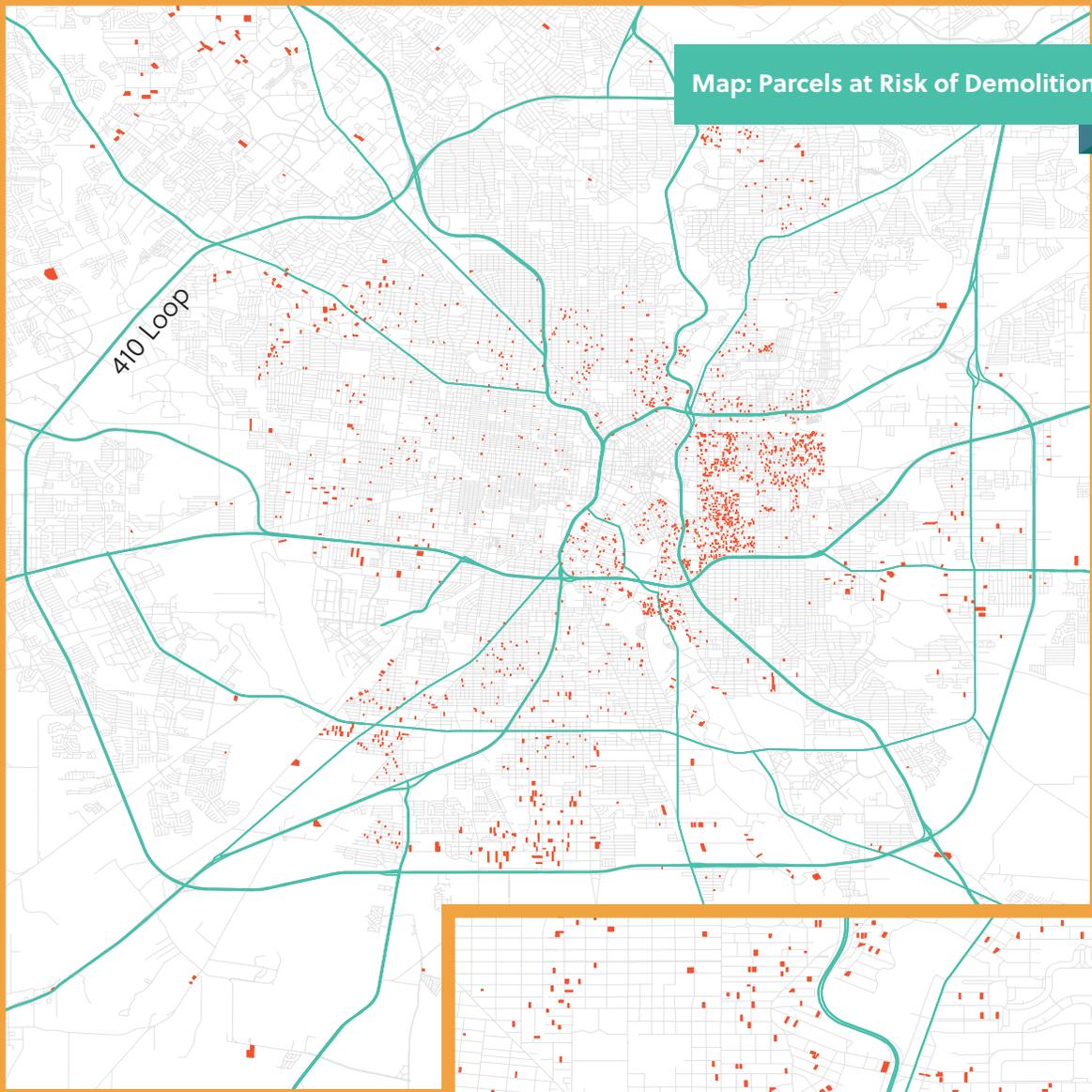
When sorted and combined, this demolition analysis yielded just over 2,000 properties. In some cases demolition may be appropriate. In other instances, especially where there is a very high land value and a very small improvement value, more intensive development may represent an opportunity. In about a quarter of these 2,000 properties, the lot size was very large, contributing to the high land value.

This demolition analysis corroborates the findings in the Housing Vulnerability Analysis, where 40% of all the at-risk for demolition properties fall into areas labeled as Score 4 in the neighborhood trend change analysis. While the Housing Vulnerability Analysis report used demographic and neighborhood level metrics to identify areas at risk, this parcel level approach provides a more granular understanding.²⁰

The maps on the next page show the parcels identified as being at risk of demolition.

²⁰ In the Housing Vulnerability Assessment, each census tract is scored based on the number of indicators (0-4) that have changed more rapidly than the city's overall rate of change over the period 2000-2015. These four indicators were 1) Either Median Home Value or Median Contract Rent, 2) Median Household Income 3) Population 25 years or older with at least a bachelor's degree, 4) Number of White, non-Hispanic, residents.

Map: Parcels at Risk of Demolition



Map: Near Downtown



A Closer Look at Factors Affecting Demolition Risk

In 2017, the Mayor’s Task Force for Housing Policy undertook a substantial community engagement initiative to inform the work of the task force and the resulting Framework document. Comments from the public at those meetings include:

- “Balance neighborhood and developer needs”
- “Greater protection for renters”
- “Taxes are too high and inequitable”
- “Re-evaluate policies and incentives”

Community members see the impacts of market forces and city policies playing out in their neighborhoods. These forces manifest in the form of demolition, infill, property tax changes, code enforcement and more. These indicators are complex on their own, and they compound to put pressure on that neighborhood’s supply of housing.

Redlining

“The impact of redlining goes beyond the individual families who were denied loans based on the racial composition of their neighborhoods. Many neighborhoods that were labeled “Yellow” or “Red” by the [Home Owners’ Loan Corporation] HOLC back in the 1930s are still underdeveloped and under-served compared to nearby “Green” and “Blue” neighborhoods with largely white populations. Blocks in these neighborhoods tend to be empty or lined with vacant buildings. They often lack basic services, like banking or healthcare, and have fewer job opportunities and transportation options. The government may have put an end to the redlining policies that it created in the 1930s, but as of 2018, it has yet to offer adequate resources to help neighborhoods recover from the damage that these policies inflicted.”²¹

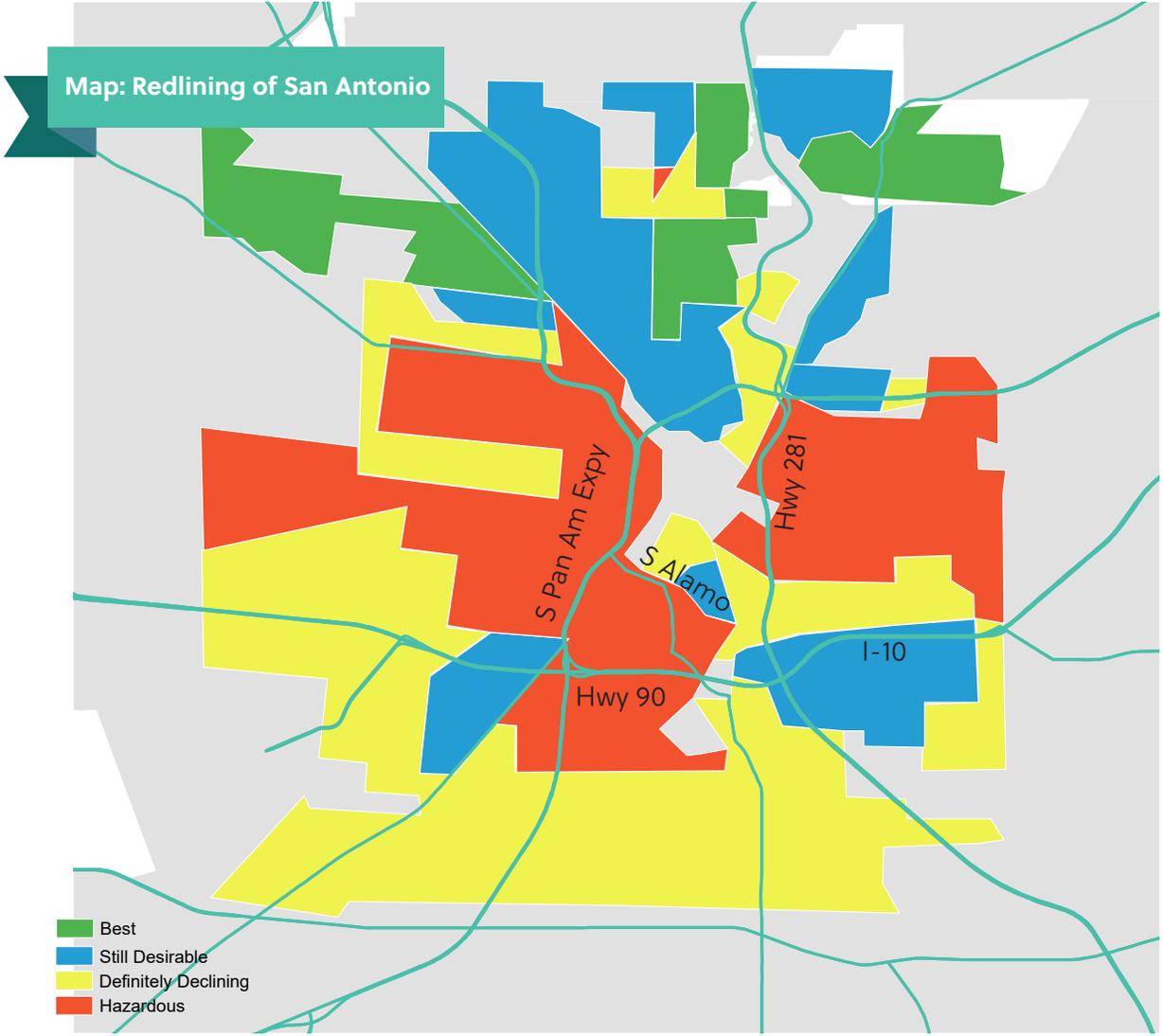
Before considering the effects that market forces and city practices have on the housing stock in San Antonio, it is important to understand how redlining shaped the city. While redlining was a national phenomenon, and the quote above is not specifically about San Antonio, the same impacts described play out in San Antonio.

In the U.S., access to credit has been a cornerstone of wealth-building for generations of Americans. However, beginning in the 1930s, practices were put in place that denied credit to residents in minority and economically disadvantaged neighborhoods.²² Cities were carved up, often along racial, ethnic, and socioeconomic lines, and assigned a color-coding system to assess risk—green for “Best,” blue for “Still Desirable,” yellow for “Definitely Declining,” and red for “Hazardous.” Access to credit was either denied or made unduly expensive to those in the redlined, “Hazardous” areas, making it difficult for minority and low-income families to buy homes, start businesses, and accumulate wealth. Similar maps were later used by the Federal Housing Administration to institutionalize the practice of discriminatory lending for government-backed mortgages.

²¹ Thoughtco., “The History of Redlining.” <https://www.thoughtco.com/redlining-definition-4157858>

²² According to a report published by the NCRC (HOLC “Redlining Maps: The persistent structure of segregation and economic inequality, March 2018) the examiners consulted with local bank loan officers, city officials, appraisers, and realtors to grade neighborhoods based on criteria such as the age and condition of housing, transportation access, closeness to amenities such as parks, or disamenities like polluting industries, as well as the economic class and employment status of residents, and their ethnic and racial composition.

The City of San Antonio’s redlining map was created in 1938. At the time, approximately 50 square miles of San Antonio was surveyed, 29% of which was determined “Hazardous” and subsequently redlined.



	Historically Redlined in the City of San Antonio	Pre-1960 + Historically Redlined
Number of Parcels	6%	16%
Area of Parcels	3.5%	10.4%

While the practice of overt redlining is illegal today, having been prohibited under the Fair Housing Act of 1968, its enduring effects are still evident in the structure of U.S. cities,²³ including San Antonio. In order to more effectively assess the long-term implications that redlining has had on San Antonio’s housing stock, an analysis of homeownership rates, vacancy, median gross rent, and condition of parcels in historically redlined areas was undertaken.

23 NCRC “HOLC Redlining Maps” report, p. 5.

Key findings:

- In pre-1960 historically redlined areas, the overall homeownership rate is 54% making it more closely aligned with the homeownership rate citywide, though lower than the rest of pre-1960 era areas.
- 33% of pre-1960 vacant housing units are located in areas that were historically redlined. Much of this vacancy is concentrated in historically redlined areas on the East Side of San Antonio.
- Rents in historically redlined areas are 24.8% lower than areas that were not redlined. In areas comprised of pre-1960 building stock, the median gross rent is 8.5% lower in areas that were historically redlined.
- While rents in historically redlined areas are lower, so is the condition of the housing stock itself. 16% of the parcels constructed before 1960 were historically redlined. Of these, 65% of the parcels that were historically redlined have a condition rating of Fair or Poor.

Overall, vacancy rates in older, historically redlined areas of the city are higher and homeownership rates, rents, and general condition are lower, demonstrating the ongoing impacts that the redlining process of the 1930s has had on the housing fabric of San Antonio.

Market Forces Affecting Pre-1960 Housing Stock

The private market tends to flow toward profit—i.e., to projects in which the value exceeds the cost. The market also does not easily combat or overcome structural barriers on its own, such as systemic disinvestment or unjust policies. It is not the responsibility of the private market to produce projects with the greatest social value, such as affordable housing or historic preservation. Across the nation, cities are struggling to craft the appropriate policies to reach these desired end goals.

Both nationally, and in San Antonio, older housing is valued lower because of its age, condition, and size. The implications of this are two-fold—on the one hand, it means that these properties are less expensive to acquire or have lower tax burdens, but the neighborhood's residents may lack the capital to invest in or maintain these properties. Compounding these issues, these properties are primarily located near downtown, in rapidly appreciating areas, putting further pressure on low income residents. Finally, where the land value exceeds the improvement value, these properties are susceptible to tear downs and infill that further changes the market economics affecting those neighborhoods. The bottom line—while the market may provide affordable housing in older housing stock without subsidy, it alone cannot ensure the resilience of this housing stock.

Property Values

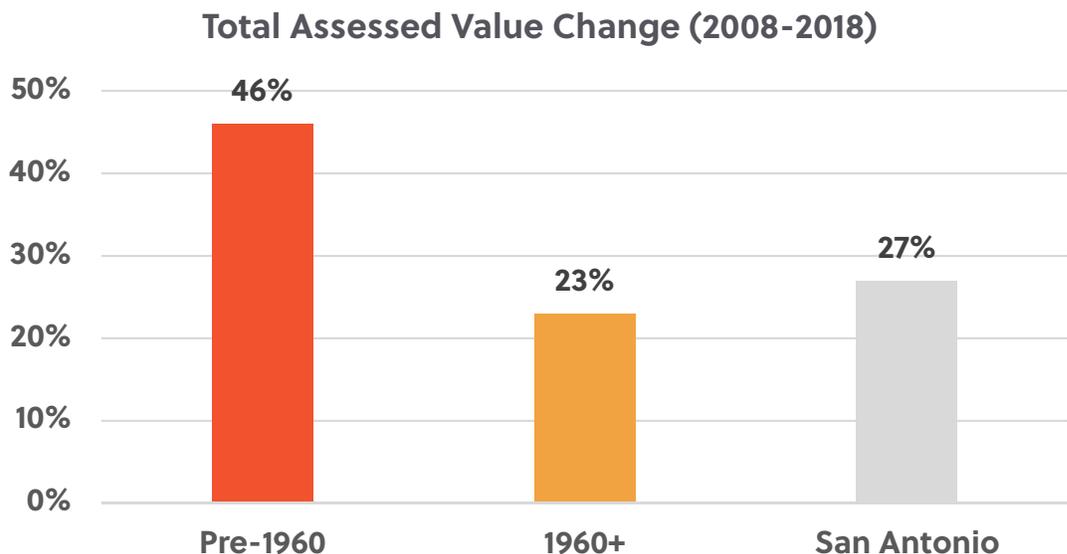
“The property taxes are suffocatingly high and keep increasing every year to the point where I pay more in taxes than mortgage (principal). This keeps me from making much needed repairs that are structural in nature.” - San Antonio resident, Housing Task Force public meeting.

The impact of property values on housing affordability is a multifaceted issue, and it is important to face the paradoxes head on: while an increase in value benefits homeowners by increasing their equity, it may burden those homeowners with higher tax bills.²⁴ Further, increasing property values puts renters at risk as landlords may pass increased tax bills onto the tenants through increasing rents. As home prices continue to outpace wages nationally, cities must find a way to capitalize on property value growth to protect both homeowners and renters.

The affordability trends of San Antonio’s older housing stock seen in gross rent patterns are echoed in homeowner occupied, single family properties built before 1960, where the properties are worth -\$75,000 less on average than properties built after 1960. Despite this, these pre-1960 single family properties have seen greater rates of value increase in the last ten years.

Value Change

In San Antonio, property values have increased across the board, and at an even greater rate in pre-1960 properties. An analysis of property level total assessed value records between 2008 and 2018 show all single-family properties in San Antonio reflect increased values of 27%. But pre-1960 properties increased at a greater rate (46%) than the rest of the city (23%).



These findings confirm similar findings by the Vulnerable Communities Assessment, which mapped block groups where the increase in the median sales price of a single-family home was greater than the citywide average. Sixty-eight percent (68%) of the study block groups (block groups with a density of pre-1960 residential parcels) increased in median sales price faster than the city average.

On a more granular level, the surge in value of pre-1960 properties can be attributed to rising land value. In pre-1960 properties, while the total value changed 45%, land values alone increased 68%. In technical real estate terms, land value is determined by the economic principle of highest and best use of land which produces the highest net return in any term, over a period of time. Factors affecting land value include its physical attributes, accessibility to economic activities, neighborhood amenities, present and future land use, supply and demand, and proximity to transport linkages.²⁵ Thus it makes sense that pre-1960 residential properties, concentrated within 5 miles of downtown, would experience a hike in land values. Between 2008-2018, 90% of the single-family assessed land value increase of the entire city is attributable land value hikes to pre-1960 properties.

The evidence is clear—property levels are rising in San Antonio, and more so in pre-1960 properties. This is due in large part to rising land values and their proximity to downtown. This further illustrates the demolition risk for pre-1960 properties.²⁶

What Impact does Infill have on Values?

“I worry about the displacement of my neighbors as taxes (and rents) rise. We struggle with incompatible development.” - San Antonio resident, Housing Task Force public meeting

Infill is a highly visible form of neighborhood change, and therefore it can be alarming to current residents. Some worry that new infill drastically changes not only the visual character of the neighborhood, but also that it increases the value of the neighborhood, begetting more new development or tear downs.

All San Antonians were impacted by rising property taxes in the last ten years. Residents near infill felt it even more. This analysis reviewed the change in assessed value between 2008-2018 on pre-1960 properties that were within 500 feet of a new construction “infill” permits within the last 5 years.²⁷

Key findings:

- 45% of all pre-1960 single family housing is within 500 feet of a new infill permit in the last 5 years.
- 68% of those pre-1960 properties saw a value change greater than the city average of 27%.

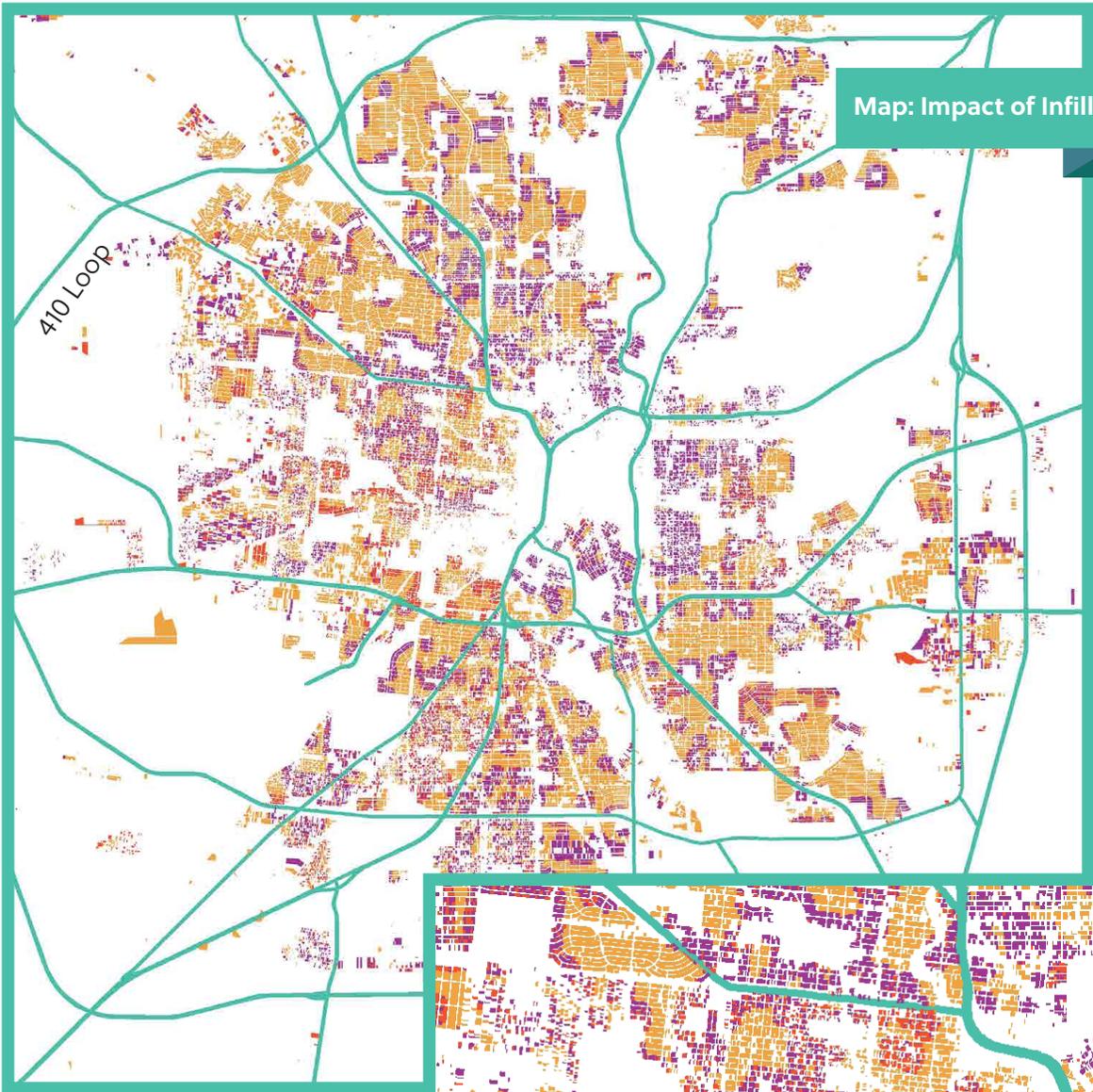
As illustrated in the map below, nearly half of all pre-1960 properties were nearby infill and those that were saw property values surge higher than the citywide average.

²⁵ Urban Economics, “Factors Affecting Land Value.” <https://planningtank.com/urban-economics/factors-affecting-land-value>

²⁶ See “Are they at risk?” section.

²⁷ Based on analysis of new full permits 2014-2018 from the Development Services Department.

Map: Impact of Infill



- Pre-1960 Greater Value Change
- Pre-1960 Nearby Infill
- Pre-1960 Single Family

Map: Near Downtown



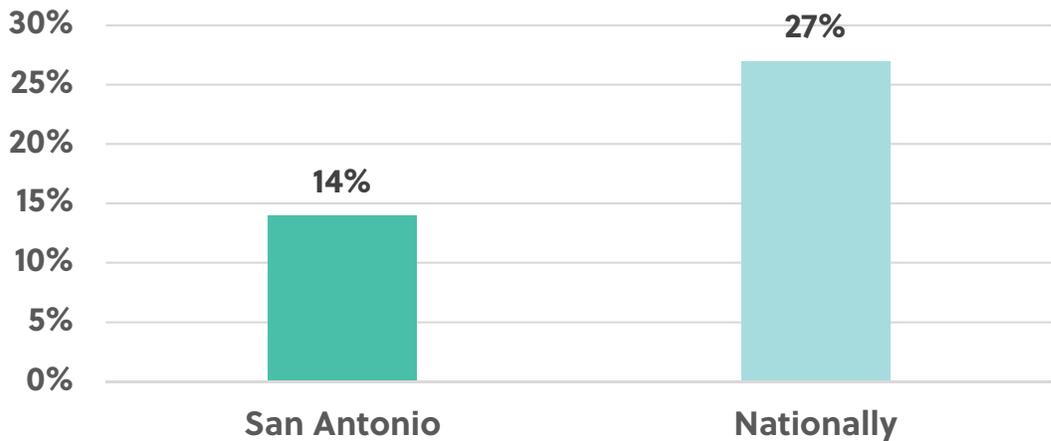
Impact of Permits in the last 10 years

"It is no longer a dream to own a home by younger generations. Some residents (seniors) have holes on walls, floors, broken windows etc. There is no help to repair homes even if you keep up with taxes." - San Antonio resident, Housing Task Force public meeting

"Homes in neighborhood need rehabilitation. Neighbors are elderly or lower income working class so they cannot afford a regular bank loan to rehab their homes." - San Antonio resident, Housing Task Force public meeting

As a general rule, a pattern of reinvestment in housing will both extend its useful life and make demolition less likely in the intermediate term. A lack of reinvestment can be an indicator of the lack of interest, or financial capacity, or both. While properties in poorer physical condition will rent or sell for less, the sustainability of that unit as affordable housing is shortened. In the last decade only around 14% of San Antonio's investment in housing (as indicated by building permit amounts) went to improvements to pre-1960 housing. This is a rate around half of the national average.

Share of Home Improvement Projects in Pre-1960 Homes



Property improvement activity in San Antonio for the past decade has primarily been in the form of new construction. As noted earlier, newly constructed rental and owner units cannot be produced so that they are affordable for the majority of San Antonio households unless there is a significant subsidy.

Reinvestment in older housing is necessary to maintain a sufficient supply of San Antonio's affordable housing. As of 2018, houses built before 1960 that have had a building permit in the last ten years are valued at 67% more than pre-1960 properties that have not. While these properties are still worth less on average, improvements have a considerable impact on the value of the home. The average value for a pre-1960 property with improvements is \$189,198, while the average value for a property built after 1960—with or without a permit—is \$191,109.

Average Total Assessed Value (2018)



These improvements did not radically change the affordability of these properties, but helped maintain them in order to prolong their useful life. However, the small number of overall permits in pre-1960 properties indicates that San Antonio has not been adequately reinvesting in its older buildings so that they can continue to supply affordable housing options.

A certificate of appropriateness is required for exterior work on historically designated buildings, including building repair, alterations, and site work. An analysis of properties with a COA between 2008 and 2018 showed a 71% increase in assessed value compared to 27% in the rest of the city indicating a significant return on investment from these improvements.

Certificate Of Appropriateness (COA)

COA Work Type	Percentage of COAs
Repair and Maintenance	21%
Fencing/Driveway/Sidewalk/Landscaping	20%
Exterior Alterations	16%
New Construction/Addition	12%
Roofing	10%
ADA Improvements/Modifications	1%
Partial Demolition	1%
Miscellaneous	20%

City Practices and Programs Affecting Pre-1960 Housing Stock

City policies—be they directed at housing or not—can impact the availability of affordable housing. For example, building permitting processes can affect the final product price—if builders are tied up waiting for city permits, they may have to pay more interest on their loans, thus the consumers pay higher prices. Code enforcement can also impact housing stock, and in San Antonio, it disproportionately impacts certain neighborhoods. Additionally, the housing programs and policies administered by the city are intended to promote affordability and have the greatest impact on affordable housing—but only when those programs are appropriately utilized.

Code Enforcement

“[We need to better] educate homeowners about responsibilities and upkeep for code compliance.” - San Antonio resident, Housing Task Force public meeting

While factors such as long-term residents, property values, and community pride contribute to neighborhood stability - it begins with property owners who maintain their properties. When owners fail, or are unable to, exhibit responsible ownership habits, a city is tasked with encouraging safety standards through code enforcement. Many cities are trending towards a strategic or proactive code enforcement program to supplement the traditional reactive (responding to citizen complaints) format. There is growing data nationally illustrating the public policy and cost value of proactive code enforcement.²⁸ San Antonio operates primarily a traditional, reactive code enforcement program.

An analysis of code enforcement data shows that nearly half of minimum housing standard violations in the last 10 years occurred on single-family properties with a homestead exemption and citations disproportionately impacted pre-1960 properties.

Key findings:

- 43% of all cited code violations occurred in Districts 1, 3, and 5—districts with the highest percentages of pre-1960 housing units.
- 41% of all minimum housing violations occurred on pre-1960 properties.
- There have been 12,951 residential properties that received minimum housing code violations. 6,112 (47%) of those also have Homestead Exemptions, 2,386 have Homestead Exemptions and are pre-1960.
- 5% of minimum housing code violations were in historically designated areas.
- Only 416 (3%) of these properties have had a permit in the last 10 years, suggesting that code enforcement has not had the desired effect of improving these properties.
- 8.3% of minimum housing code violations happened in historically redlined areas.

Given the context already established with the lower property condition ratings of pre-1960 housing, the sizable share of minimum housing violations makes sense. However, the number of violations on single-family owner occupied properties, lack of permit investment, and concentration in three City Council Districts is cause for concern.

In interviews with stakeholders, residents expressed frustration with what they perceived to be a system that makes certain neighborhoods feel unfairly targeted by the City. This

²⁸ Center for Community Progress, “Strategic Code Enforcement.” <https://www.communityprogress.net/strategic-code-enforcement-pages-204.php>

relates to affordable housing, as the areas with the most citations have residents of low or modest means. Furthermore, the reasons a household may be unable to maintain the property to code standards range from a lack of knowledge to an inability to afford the repair.

In a city like San Antonio, which lacks comprehensive property level vacant building data and rental property inspections, demolitions can occur simply because of the property owner's failure to respond to code compliance, not necessarily because the building is not salvageable. These "administrative demolitions" happen when the city policies default to the "solution" of demolition in such cases, rather than pursuing more imaginative acquisition and reuse schemes, helping vacant or dilapidated buildings get back on the tax roll. Not every building can or should be saved, but razing a unit because it "failed the system" puts San Antonio further behind in filling the affordable housing gap.

City Housing Programs

***"Expand rehab programs for the houses we live in now. Be thoughtful about how/where we develop so all housing is green, connected to transportation and resources, and creates opportunity for its residents. Create resources so that new, inexperienced, or aspirational homeowners can be educated in the rights, responsibilities, and resources available via homeownership."** - San Antonio resident, Housing Task Force public meeting*

***"Renovation and maintenance programs that are more flexible."** - San Antonio resident, Housing Task Force public meeting*

The city's current approach to preserve and create affordable housing consists of a series of owner assistance, rental assistance, development incentives, and fee waiver programs. With the growing housing affordability crisis, San Antonio, like many cities, has expanded its efforts to aid housing production, preservation, and rehabilitation. San Antonio's Housing Policy Framework clearly spells out the insufficient nature of the current programs and emphasized the need to more fully include existing housing stock in the equation.

Several key factors influence why the current programs are insufficient:

- Federal funding for housing assistance programs to cities was three times as high 50 years ago as it is today despite the growing need. This federal budget continues to decline.
- The current programs have an extensive waiting list of families in need.
- The current programs only address occupied housing units. None provide funding to help owners develop their vacant single family properties into usable housing stock.
- A portion of existing covenants and contracts for subsidized affordable units will be expiring in the next five years, and there is little incentive for property owners to not convert to market rate in search of higher returns.
- Low Income Housing Tax Credit (LIHTC) projects completed through rehabilitation and City Owner-Occupied Rehabilitation Program projects cost less per unit than new construction, yet new construction remains the dominant path for affordable housing creation.

City Funded Affordable Housing Programs²⁹

The City of San Antonio, through its Department of Neighborhood & Housing Services, the Office of Urban Development, and the Office of Historic Preservation, offers and administers a number of programs that help facilitate the creation and preservation of affordable housing.³⁰

- **Under 1 Roof** – Provides a one-time grant of up to \$14,000 for the replacement of worn or damaged roofs with new, energy-efficient “white” roofs.
- **Owner Occupied Rehabilitation and Reconstruction Program** – Provides assistance for owners of single-family, detached homes to rehabilitate their substandard and non-code compliant residential properties.
- **Green & Healthy Homes** – Provides assistance to owners and landlords of residential properties (up to 4 units) in creating healthy, safe, energy-efficient and sustainable homes for families and children.
- **Let’s Paint** – Provided a one-time grant of up to \$7,000 to assist homeowners with exterior paint and minor home repairs.
- **SAWS Fee Waiver Program** – Fee waiver equal to 1% of the total project investment.
- **City Fee Waiver Program** – Provides a full or partial waiver of City development fees on projects that prioritize Affordable Housing, Owner-Occupied Rehabilitation, Historic Rehabilitation, and Business Development.
- **Real Property Tax Reimbursement Grant** – Provides a tax rebate disbursed over 15 years for Level 1 projects or 10 years for projects within Level 2 or 3.
- **City Property Tax Freeze for Substantial Rehabilitation** – After substantial rehabilitation of a historic property, owners may choose one of two tax incentives (see Appendix 4.)
- **Exemption for Owner Occupied Residences in New Historic Districts** – All residential properties occupied by the property owner at the time of designation receive a 20% tax exemption on City Taxes for 10 years (with an optional 5 year extension) provided the owner remains in the property.
- **Rehabber Club** – Created by the SA Office of Historic Preservation, the Rehabber Club’s mission is to build and support a network of do-it-yourselfers, craftsmen, contractors, historic homeowners, realtors, and everyday citizens to revitalize San Antonio’s historic buildings.
- **Students Together Achieving Revitalization (S.T.A.R.)** – Graduate and undergraduate architecture students assist property owners with repairs to windows and screens, siding, and porches, as well as provide general yard maintenance and exterior painting.
- **Minor Home Repair Program** – Provides a one-time grant of up to \$25,000 for homeowners to address health and safety hazards, code issues and ADA modifications.
- **Neighborhood Stabilization Program Landbanking Program** – San Antonio Affordable Housing, Inc. (SAAH) acquires and rehabilitates foreclosed homes for sale to qualified low- to moderate-income families.
- **REnewSA Housing Program** – SAAH, acquires vacant infill lots to sell to builders for the construction of new energy efficient affordable homes. Construction financing, City fee waivers, grants and discounted lot pricing are provided to the builders to ensure affordability.
- **Substantially Rehabilitated Low-Income Rental Properties** – If 40% or more of the units in a substantially rehabilitated historic multi-family residence are offered to low-income tenants, then the property owner will owe zero City taxes for ten years following rehabilitation.

²⁹ Quantitative data was available for the following programs: Under 1 Roof, Owner Occupied Rehabilitation and Reconstruction Program, Green & Healthy Homes, Let’s Paint, SAWS Fee Waiver Program, City Fee Waiver Program, and Real Property Tax Reimbursement Grant. Therefore they are included in the analysis of programs. The San Antonio Office of Historic Preservation administers the City Property Tax Freeze for Substantial Rehabilitation, Exemption for Owner Occupied Residences in New Historic Districts, Rehabber Club, and Students Together Achieving Revitalization (S.T.A.R.).

³⁰ Expanded program descriptions can be found in Appendix 4.

By the Numbers

A total of 1,053 projects have utilized program assistance since 2012.³¹ Of these projects, only 24.5% have taken place in parcels that were built before 1960 and only 16.5%, have taken place in areas that were historically redlined. Additionally, 21.3% of the projects that utilize program assistance took place in pre-1960 parcels that were historically redlined.

Share of Properties Redlined

	All Properties	Redlined Properties	Share of Redlined
City as a whole	1053	174	16.5%
Pre-1960	258	55	21.3%

These city funded projects are making some impact. Properties that received city assistance increased in value 41% between 2008 and 2018. Further, there have been 37 city program projects on properties with minimum housing code violations. While these programs are vital in improving and expanding the supply of affordable housing, they are not adequately being used for housing preservation, especially in areas that have historically been redlined.

Rehab v. New Construction

In the city as a whole, projects that utilize program assistance for rehabilitation work amount to just 33.4%. However, 85.7% of the projects that take place in pre-1960 parcels use program assistance to undertake rehabilitation.

Of the City's programs, the Owner-Occupied Rehabilitation Program is intended to encourage rehabilitation by providing forgivable deferred loans to owners of single-family, detached homes in order to rehabilitate their substandard, non-code compliant residential properties. Funding varies from up to \$75,000 for rehabilitation, to up to \$95,000 for reconstruction. While 55.4% of the projects have utilized the program for rehabilitation, 53.4% of funds have gone towards projects that undertake new construction.³² Not only are more funds for this program being used towards new construction, the average new construction award exceeds the recommended maximum by nearly \$10,000.

	Number of Projects	Average Award	Share of Funding
Rehabilitation	31	\$73,321.11	46.6%
New Construction	25	\$104,335.86	53.4%

³¹ Based off data from DNHS supplied May 29, 2019. Some projects utilized multiple programs. There have been 1,053 projects, but 1,445 program uses.

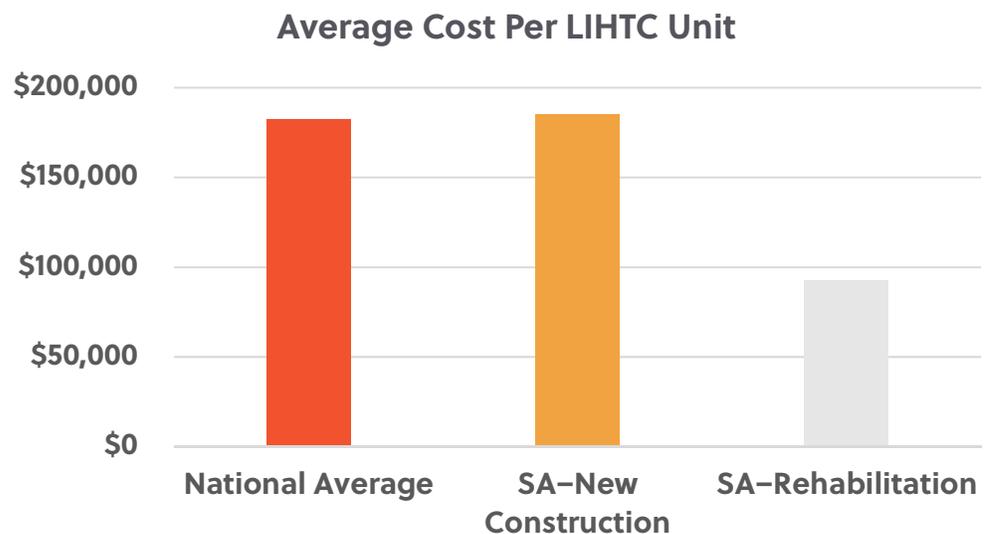
³² A city funded Owner-Occupied Rehabilitation project may shift from a rehabilitation to new construction project at the suggestion of contractors hired to perform scope of work evaluations. Often these private sector contractors have more incentive to undertake new construction.

One Cannot Build New and Rent or Sell Cheap

Similar to private market development in San Antonio, the federally- and city-funded subsidized affordable housing programs cost more per unit for new construction than rehabilitation.

A recent study of new construction costs for Low Income Housing Tax Credit (LIHTC) projects across the U.S. found costs were approximately \$40,000 to \$71,000 (25 to 45 percent) higher per unit than those of acquisition-rehab projects.³³ Another study found that the mean Total Development Cost per LIHTC unit between 2011 and 2016, inclusive of soft costs and land costs, was \$182,498, adjusted for construction cost inflation.³⁴

In San Antonio, the average cost to build a new LIHTC unit is \$185,210. Though there was only one project that utilized LIHTC for rehabilitation, the cost per unit was \$92,756, 49% below the national average. These findings suggest that in San Antonio, rehabilitating units for LIHTC projects is considerably more cost-effective than building new.



Creating affordable housing through rehabilitation is more cost effective nationally and in San Antonio than new construction. However, the reasons more dollars and share of projects are built with new construction are numerous. Many people in the construction industry perceive new construction as “easier” and rehabilitation as “more costly in time and money.” There may also be a lack of rehabilitation knowledge among the construction industry in San Antonio. Furthermore, taking on a city-contracted project, which requires meeting many more benchmarks than a private client means the pool of contractors available is limited. Yet the data illustrates many units of affordable housing could be created through minor rehabilitation of existing housing stock. The perception that rehabilitation is burdensome is a major hurdle currently preventing the effective use of affordable housing stock.

33 Comparing the Costs of New Construction and Acquisition-Rehab In Affordable Multifamily Rental Housing:

Applying a New Methodology for Estimating Lifecycle Costs. <https://pdfs.semanticscholar.org/5337/abc2544ae5820a1bc92e52ce3d8f6d5fb8f9.pdf>

34 Variation in Development Costs for LIHTC Projects, https://ncsha.org/wp-content/uploads/2018/09/Final-LIHTC-Costs-Analysis_2018_08_31.pdf



Conclusion

The charts, graphs, numbers, and explanations of methodologies in this report may be complex. But the conclusions are not. They are these:

1. There is a serious housing affordability problem in San Antonio.
2. That problem is going to get worse.
3. The inventory of older housing stock is providing much of the affordable housing in the city.
4. The vast majority of that housing is provided by the marketplace with no subsidy, assistance, or incentive of any kind.
5. That housing is being lost at a rapid pace.
6. New construction must be part of the affordable housing solution, but
7. That will be neither cheap nor sufficient.
8. It is critical that as much of the older existing housing stock be maintained as possible.
9. There are currently very few effective tools for retention of older housing stock.
10. Creating a strategy of maintaining existing older housing as a central component of a comprehensive affordable housing strategy, using a wide array of tools, would put San Antonio at the forefront of addressing the affordable housing crisis in America.

Possible Tools

The ideas on the following pages do not yet meet the test of being “recommendations.” They represent a wide array of possible approaches to reducing the likelihood of demolition and correspondingly increasing the retention of older and historic housing. Simply put, if more older housing is kept in service rather than being razed, more affordable housing will be available.

By design, the ideas that follow are a combination of existing approaches currently being used by other US, and sometimes Texas, cities and ideas that “push the envelope” where San Antonio would have to be willing to experiment with approaches no one else has tried.

Furthermore, these ideas are briefly defined and no extensive research has been conducted as to their legality under Texas enabling legislation or other legal constraints that may exist. However, when examples were found in other cities of the idea proposed, a link and/or other reference is included. These ideas are simply meant to be a catalyst for additional thinking about possible tools to address the simultaneous needs to preserve older housing stock and provide affordable housing.

There are several existing programs in San Antonio that address affordable housing. Some of these specifically address improvements to existing, older housing. For both programs that currently exist and those recommended on the following pages, three priorities should be incorporated: 1) focus on routine maintenance; 2) smaller projects including single family dwellings and 2-4 unit rental properties; and 3) revisit program administrative requirements, time frames, and simplicity of application and implementation.

These ideas are not without structure, however. The tools are grouped under seven broad categories:

1. Financial incentives
2. Financial disincentives
3. Regulations
4. Knowledge and planning tools
5. Community engagement tools
6. Strategic home repair tools
7. Direct action

These categories are largely based on the tool categories established by the United Nations Educational, Scientific and Cultural Organization (UNESCO) for the Historic Urban Landscape (HUL) approach to historic cities. In San Antonio only a small portion of the pre-1960 housing would fall into the category of “historic.” Nonetheless the HUL framework (with some modification) is useful for categorizing alternatives for housing preservation.

Finally, each of these ideas is included in an implementation matrix that rates each on four variables:

1. Effectiveness
2. Complexity
3. Cost to the City
4. Stakeholder Acceptance

Financial Incentives

SINGLE PROPERTY TAX INCREMENT FINANCING ZONE

While Tax Increment Financing Zones (TIFs) are usually used for commercial properties and applied to a multi-block area, there is no inherent reason the concept could not be used on individual residential properties, particularly on multi-family properties of any size. While they can be complex in implementation, the basic concept of a TIF is relatively simple. An investment is made that enhances the value of a property, either into the property itself or in a way that positively impacts the property (an adjacent parking garage, improved infrastructure, public amenities, etc.). That investment increases the value of the property; hence a property tax “increment” is generated. Instead of those “incremental” taxes going to the general fund, they are used within the TIF district itself. In the case, for example, of a parking garage, the tax increment is used to retire the bonds that were used to construct the facility.

There is ample evidence in San Antonio that reinvestment in older housing stock increases its value. For targeted properties, the incremental tax receipts after renovation could be used to help fund the renovation itself, either through grants or low interest loans.

TAX INCREMENT HOUSING REINVESTMENT ZONES

San Antonio has nine Tax Increment Reinvestment Zones (TIRZs), though currently they are not being used for affordable housing. San Antonio could, instead, establish residential TIRZ districts, and make funds available, through grants or low interest loans, to residential property owners to make needed repairs, thus increasing the value of the properties, make them less likely to be demolished. The incremental tax revenue would be dedicated to the grants or loans, as is required in Houston.

Link to examples: City of Houston, TX
<https://www.houstontx.gov/mayor/transitionreports/tirz.pdf>

ASSESSMENT FREEZE ON IMPROVEMENTS IN OLDER HOMES

One of the most common tools to encourage historic preservation is freezing property tax assessments for an extended period. Currently San Antonio has such a program. After substantial rehabilitation of the property, the owner is given two options: 1) freezing the assessed value of the property at its pre-renovation value for ten years; or 2) owe no taxes for the first five years after the renovation and be taxed at 50% of the post-rehabilitation value for the subsequent five years.

While there are policy reasons to continue to promote the reinvestment in historic properties in particular, a somewhat lesser benefit could be provided to property owners who make substantial reinvestment into non-designated pre-1960 housing.

DEFERRED PAYMENT LOAN FOR STRUCTURAL REPAIRS

Structural problems in buildings create safety issues for occupants, but also are prone to lead to building demolition. Because structural problems are both relatively expensive but often not easily visible, the investment required is frequently greater than can be recouped by rent in the short term. Therefore, a deferred repayment loan for structural repairs could be a useful tool. The loan could be available to both owner occupants and landlords. Repayment could be deferred until the property is sold or until a fixed date – say 5 to 7 years after the work was completed. In the meantime, the loan would constitute a priority lien on the property.

Link to example: Racine, WI
<https://www.racinehousingloans.com/for-landlords/>

PRIORITY FOR OLDER HOME WEATHERIZATION

The rent or mortgage is not the only cost for housing. Another monthly expense that can be a significant drain on the budget of a household of modest income are the utility bills. Many older homes may not have adequate insulation and other appropriate weather sealing treatments and the residents may not have the resources to pay for those improvements. Relatively modest investments in weather proofing an older home can provide a major impact on affordability. San Antonio could expand the SaveNow Weatherization Program administered through the private organization, Casa Verde, to prioritize pre-1960 homeowners.

Link to examples: Chicago, IL (Bungalow Association)
<https://www.chicagobungalow.org/energy-savers>

PRIORITIZE OLDER HOMES FOR HAZARD MITIGATION

San Antonio citizens need to have affordable housing, but also housing that is safe. Some older homes suffer from hazards such as asbestos, lead-based paint, mold, and others. San Antonio's existing Green & Healthy Homes program, already works to resolve or mitigate these environmental risks. The program guidelines amended to prioritize pre-1960 homes.

It should be noted, however, that encapsulating lead paint, and managing asbestos in place and in good repair are not only a safe response, it may be much more environmentally responsible than is removal, which may cause asbestos particles to become airborne, which is where the greatest risks occur.

LENDER RISK MITIGATION PROGRAM

Traditional lenders are often reluctant to make building rehabilitation loans, particularly to households with modest earnings. The risk is perceived to be both on the uncertainties of the rehabilitation costs themselves and on the ability of the borrower to repay the loan. Habitat for Humanity in Virginia has developed a program to mitigate that risk. For loans for qualified, but low-income borrowers, Habitat has given lenders a commitment to purchase the loan if it is in default more than 90 days. This provides the lender with a mitigation of the risk.

In San Antonio this type of program could be focused on either homeownership for older housing or on repairs to owner-occupied housing.

Financial Disincentives

RAISE DEMOLITION PERMIT FEE FOR PRE-1960 HOUSING

The permit fee for demolition in San Antonio is nominal – only \$75 for residential properties. This clearly does not constitute a financial discouragement for razing a building. Charging a high amount for a demolition permit – say \$5,000 to \$10,000 would have two impacts. First, the cost would constitute a significant variable in the decision to demolish at all. Second, the fees when paid could be placed in a specifically designated Housing Preservation Fund to help pay for a variety of activities that lead to the retention of affordable housing. This fee would only apply to complete demolition, not to minor demolition related to rehabilitating a property, removing an outbuilding, adding an addition, etc.

Link to examples: Boulder, CO
https://www-static.bouldercolorado.gov/docs/2018_Schedule_of_Fees-1-201810171224.pdf

NO HOMESTEAD EXEMPTION FOR HOUSES BUILT ON LOTS WHERE PRE-1960 STRUCTURE WAS DEMOLISHED

A Homestead Exemption designates a fixed amount of the assessed value of a property that is not subject to local property taxes. This benefit is limited to owner-occupants. If this program is adopted in San Antonio it could be written so that properties built on lots where a pre-1960 housing unit was razed would not be eligible for the Homestead Exemption. Currently in Texas there is a base Homestead Exemption of \$25,000 as it applies to school district taxes. San Antonio could give a higher exemption (up to 20% of the property's value under current state law) for pre-1960 owner-occupied housing.

Regulatory Tools

MANDATORY DECONSTRUCTION OF PRE-1960 HOUSING

Some American cities have begun to mandate the deconstruction of historic houses and this has been explored in San Antonio. The purpose of these laws is to salvage valuable materials so that they may be reused. This has both environmental and fiscal consequences. While most cities that require demolition focus primarily on historically designated properties, there is no inherent reason that a mandatory deconstruction regulation could not apply to all pre-1960 residential property.

Link to examples: Portland, OR
<https://www.portlandoregon.gov/bps/70643>

AMEND HUD FIVE-YEAR ACTION PLAN TO PRIORITIZE HOME PRESERVATION

Every five years, public housing authorities submit plans to the federal Department of Housing and Urban Development. It is this plan that serves as the basis for HUD funding as well as management strategies for the intermediate term. San Antonio could consider amending its 5-year plan so that the preservation of older, affordable housing is a priority activity.

MANDATORY RELOCATION FOR INSTITUTIONS

Institutions – specifically hospitals, universities, and churches – are often responsible for the acquisition and demolition of older housing stock. Their defense is that the beneficent purposes of their institution should outweigh neighborhood issues. Sometimes, in fact, there are no reasonable alternatives but expansion into the immediate neighborhood. When institutions request permits to demolish older housing units, rather than razing them they should be required to relocate the structure(s) onto vacant lots in as close to the current location as possible.

DEVELOP ADU POLICY FOR AFFORDABLE HOUSING

Accessory Dwelling Units (ADUs) is a strategy being used increasingly around the country to add housing unit density to residential neighborhoods. This is being driven in large measure by the need for affordable housing. The logic is one of supply and demand – if population is growing then demand is increasing meaning supply must increase so that some housing remains affordable. Building high rise condominiums and apartments need to be part of the solution, of course. But those units rarely meet the “affordability” test, at least for those in the lower half of household income ranges. ADU ordinances allow a second unit to be built on a lot previously zoned for single family residential only. ADUs are typically built in a way that does not dramatically affect the scale and character of the neighborhood.

More than 21% of all single family lots in San Antonio have square footage greater than 10,000 square feet. Many of these could accommodate an ADU if the owner is willing. A substantial number of older housing units

get razed because the value of the land (and the related ad valorem taxes) seems too high to support only the existing dwelling. A second unit on that land would reduce the pressure to demolish the existing structure. This program should also encourage the conversion of existing secondary structures such as a garage into an ADU.

Link to examples: Dallas, TX
https://dallascityhall.com/departments/sustainabledevelopment/planning/Pages/Accessory_Dwelling_Units.aspx

Portland, OR
<https://www.portlandoregon.gov/bds/36676>

ENCOURAGE RELOCATION FOR ADUs

Related to the above, there could be encouragement, accompanied by some financial assistance, to relocate modest sized older housing units to a near-by ADU appropriate site. Again, this could prevent the loss of an affordable housing unit while largely maintaining the scale and character of the neighborhood.

LONG-TERM VACANT PRE-1960 HOUSING AS PART OF VACANT BUILDING PROGRAM

In 2014 the City of San Antonio established the Vacant Building Program, administered by the Office of Historic Preservation. It has been very successful and in 2017 the City expanded the original boundaries. San Antonio could include all long-term vacant pre-1960 housing under this program. This should not be punitive for short term vacancies, but properties empty for more than 3 months would be required to register under the program.

RENTAL REGISTRATION AND INSPECTION

A rental registration and inspection program could be justified on two grounds: 1) San Antonio citizens deserve to live in safe housing; and 2) many older and affordable housing units are lost because of deferred maintenance, particularly through water damage and neglected roof repairs. Under such a program, every rental housing unit would need to be registered and subject to periodic inspection. The owner would be informed of the repairs necessary to bring the property to minimal standards. This need not be simply a regulatory “stick” but also the means to direct property owners to appropriate information and, when available, assistance to make those repairs.

Link to examples: Dallas, TX
<https://dallascityhall.com/departments/codecompliance/Pages/Rental-Registration-archive.aspx>

Seattle, WA
<http://www.seattle.gov/sdci/codes/licensing-and-registration/rental-registration-and-inspection-ordinance>

Los Angeles, CA
<https://hcidla.lacity.org/systematic-code-enforcement-program-scep>

HOUSING PRESERVATION OVERLAY DISTRICT

San Antonio has been successful in establishing local districts to protect historic properties. There are both Historic Districts and Neighborhood Conservation Districts. There are design guidelines for both types of districts. Having demonstrated the usefulness of those types of zoning overlay districts, the City could consider establishing Housing Preservation Overlay Districts. While the Historic Preservation and Neighborhood Conservation Districts have maintaining the character of the buildings and neighborhood as their primary purpose, a Housing Preservation Overlay District would have as its goal maintaining the stock of older dwellings. Design standards, if any, would be a review of demolition applications and the encouragement

of redevelopment and new infill development that was supportive of affordability. The recommendation for higher demolition fees found elsewhere in this report should apply to Housing Preservation Overlay Districts as well.

Link to examples: Arlington, VA
<https://housing.arlingtonva.us/affordable-housing/housing-conservation-district/>

LOCAL SECTION 106 (IMPACT MITIGATION)

An important part of the National Historic Preservation Act is Section 106. This is a requirement that when the Federal government takes an action, or federal monies are used by state or local government, or by the private sector, an analysis has to be conducted as to the impact of that action on historic resources. If it is determined that the action would have an adverse impact, there are two options: 1) find an alternative that does not negatively affect the historic resources; or 2) provide a negotiated mitigation for the impact. This might be providing funds for another historic property, thoroughly documenting resources that will be lost, relocating historic buildings, funding general historic preservation activities and other.

The loss of an affordable unit of housing to demolition is not unlike losing a prized historic building. A local version of Section 106 could be established that would cover actions by the City itself or others using City funds. If the action results in the loss of a unit of affordable housing, a mitigation would be negotiated, providing, for example, the rehabilitation of a different older house, a contribution to the Housing Preservation Fund, or other appropriate and equitable responses.

Link to examples: Ontario, CA (Historic Preservation Mitigation Fee/Fund for the demo of historic structures)
<http://ohp.parks.ca.gov/pages/1072/files/city%20of%20ontario.pdf>

San Diego, CA (Affordable housing mitigation for demo located in Coastal Overlay Zones)
<https://docs.sandiego.gov/municode/MuniCodeChapter14/Ch14Art03Division08.pdf>

Knowledge and Planning Tools

HOUSING OMBUDSMAN

There are numerous examples in both the US and the UK of municipal housing ombudsman programs. In some cases, they are primarily focused on tenants' rights and are an independent voice in landlord/tenant disputes. In some US cities the municipal housing ombudsman provides assistance to providers of rental housing to navigate the city's regulatory system. San Antonio might establish a housing ombudsman office that is "all things housing" for older residential properties. This could include guidance for appropriate rehabilitation, reference point for certified rehabilitation contractors, information as assistance for any grants, loans, property tax exemptions, or other incentives.

Link to examples: Lansing, MI
<https://www.lansingmi.gov/1642/Housing-Ombudsman>

MULTIPLE RESOURCE AFFORDABLE HOUSING DISTRICT

Most historic districts – whether they are National Register or local – are defined by a geographic boundary, encircling the designated properties. However, there are an increasing number of National Register Districts that are defined not by neighborhood level geography but by "themes, trends, and patterns of history shared by the properties." San Antonio might take this approach for older housing and designate older, affordable housing units on a basis other than their geographical neighborhood—essentially a multiple resource Housing Preservation Overlay District.

There are numerous building typologies in San Antonio that would be excellent candidates for this treatment, including shotgun houses and bungalows.

Link to examples: Chicago, IL - Bungalows (historic multiple resource district)
<https://npgallery.nps.gov/NRHP/GetAsset/22c14920-7c40-4716-b2ff-f8e53d7e454b>

MULTIPLE LOCATION BROWNFIELD DESIGNATION

A brownfield is defined by the Environmental Protection Agency as “a property, the expansion, redevelopment, or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant, or contaminant.” There are EPA programs that assist municipalities in cleaning up brownfields so that the land can be redeveloped. Most often these grant programs are focused on a single, often large, former industrial property. But older residential properties can also have brownfield characteristics, including asbestos, lead-based paint or other environmental issues. San Antonio might consider negotiating a pilot project with the EPA to have multiple older residential properties identified as a multiple location brownfield and then use the brownfield remediation grants to cure any environmental issues. This could apply to both owner-occupied and rental properties.

Link to examples: EPA Brownfields Grant Funding
<https://www.epa.gov/brownfields/types-brownfields-grant-funding>

Civic Engagement

FUND OHP COMMUNITY PROGRAMMING

The San Antonio Office of Historic Preservation has an extensive program of community outreach. This includes training and certification programs, Rehabarama, renovation workshops, the Rehabbers Club, and others. With additional funding these programs could be broadened to include older properties which are not identified as “historic.” Ninety percent of the older housing stock that analyzed in this report are not in a designated local historic district or a neighborhood conservation district.

Link to examples: San Antonio, TX
<https://www.sarehabberclub.com/events>

TOOL SHARES³⁵

Every older home needs periodic repairs. While some of those require the services of a professional – electrician, plumber, heating contractor—many do not, and can be performed by the homeowner or renter. However, in some cases, for those who are willing and able to make repairs, the necessary tools are not owned, and are often too expensive for just occasional use. To respond to this need many cities have created tool shares or tool libraries. Individuals can “check out” tools, much like borrowing from the local library. While there needs to be a “tool librarian” to manage the operation, often the tool shares are stocked with donated items.

Link to examples: Boulder, CO
<https://resourcecentral.org/resource/tool-library/>

³⁵ San Antonio already has a tool share operated by the City (sanantonio.gov/ces/resources/toolshed). This recommendation is included to illustrate the range of possible tools and strategies to other municipalities that might use this document as a resource.

CITYWIDE VACANT BUILDING SURVEY

The current Vacant Building Registration program has an online link to report vacant buildings. Similar to a comprehensive code enforcement and rental registration program, the need to identify vacant structures citywide is immense. The public benefits of proactive and comprehensive identification of problem vacant properties is shown to pay off in the long-run. This survey process could also involve citizen volunteer surveyors who could identify vacant housing units in their neighborhoods.

Link to examples: Detroit, MI
<https://motorcitymapping.org/#t=overview&s=detroit&f=all>

Strategic Home Repair Tools

CITY WRITTEN OLDER HOME REPAIR SPECIFICATIONS

Owning a home does not necessarily translate into understanding what work needs to be done when repairs are needed, the appropriate materials to be used, which contractor to select, or how much should be spent. If the City of San Antonio prepared standardized specifications for certain types of needed home repairs, a property owner could act with greater confidence that the work being done was appropriate to the need, and that competitive bids could be obtained. While not every problem with every house could be reduced to a fixed set of specifications, the most common problems could be addressed in this fashion.

Link to examples: San Jose, CA
<https://www.sanjoseca.gov/index.aspx?NID=3301>

TRAINING AND CERTIFICATION FOR APPROVED REHABILITATION CONTRACTORS

The Office of Historic Preservation's Rehabber Club already has programs for the training and certification of various trades for work on historic properties. This program could be expanded to deal with more basic skills needed to work on older, non-historic structures. If there were a requirement that any project assisted with City monies or other incentives had to be performed by a trained and certified contractor or tradesperson there would be greater assurance that the work would be done in a manner appropriate to the repair need.

Link to examples: Bellingham, WA
<https://www.cob.org/services/housing/Pages/notice-contractors.aspx>

CITY OPERATED OR INCUBATED MATERIALS WAREHOUSE

The creation of a mandatory deconstruction program in instances of older housing demolition was suggested in the Regulatory Tools section. If such a program were to be established, it is likely that others would be interested in salvaging materials even when it is not required. For this system to be effective, however, there would need to be outlets for the salvaged materials to be housed and put back into the marketplace. This program would be consistent with the Deconstruction and Salvage Program currently being explored by the Office of Historic Preservation. Some cities create their own materials warehouses while elsewhere usually non-profit organizations operate these facilities, often in conjunction with job training and deconstruction services. Alternatively, the city could incubate a materials warehouse through a public-private partnership, providing a salvage company with licensed access to the resources (scrap metals and reusable goods) and a rent-free sales location.

Link to examples: Houston, TX (construction materials bank)
<https://www.houstontx.gov/solidwaste/reuse.html>

New York, NY (clean soil bank)
<https://www1.nyc.gov/site/oer/safe-land/clean-soil-bank.page>

New Orleans, LA (salvage store)
<https://www.thegreenproject.org/>

Urban Ore - Berkeley, CA
www.urbanore.com

CITY PROVIDED ENERGY AUDIT

Inefficient or antiquated energy systems and inadequate weather proofing can add significantly to the cost of housing through utility bills. Basic energy audits can be done by local utility companies and private firms for modest amounts ranging from less than \$100 to \$750 or more. However, for many homeowners and renters in older housing, even that may be a stretch on the household budget, even if they are aware such services are available. A city program could be initiated that pays the fees for an appropriate level of energy audit through contracting with already operating providers of those services or city utilities staff. To be effective the program would need to be widely marketed to residents of older neighborhoods. Certification of auditors under this program would be required so that any recommendations for energy improvements are appropriate to the real needs of the house, and not simply a method to sell goods or services that the inspecting firm has to sell.

Link to examples: Tallahassee, FL
<https://www.talgov.com/you/you-products-home-energy-audit.aspx>

Direct Action

ESTABLISH AFFORDABLE HOUSING PRESERVATION FUND

Affordable housing in San Antonio will be an ongoing challenge. The responses will be multiple and evolve over time. It is critical, however, that the preservation of as much of the current older housing stock as possible is central to a comprehensive strategy. Some responses will be relatively low cost, others will no doubt be expensive, but nearly all will cost money. A Housing Preservation Fund could be established. The effectiveness of this fund will be how flexible it is in responding to challenges and the amount and reliability of monies going into the fund. On the income side the HPF might look to funds from higher demolition permit fees, fines for non-compliance with vacant building requirements, special purpose grants from HUD, institutions, foundations, and the City, and fees for services. On the expense side many of the ideas listed in this report might be paid for by the HPF rather than annual City appropriations.

Link to examples: Washington, D.C.
<https://dhcd.dc.gov/page/public-private-affordable-housing-preservation-fund>

Chicago, IL
<https://chicago.councilmatic.org/legislation/o2018-898/>

HOUSING PRESERVATION REVOLVING FUND

In the historic preservation world, "revolving funds" are a common and often effective tool. While individual programs differ, in general a revolving fund acquires properties through donation, options or purchase of properties. Depending on the condition of the property, basic investment might be made by the organization to stabilize the physical condition so that further deterioration is mitigated. Then the property is marketed and ultimately resold, usually with protective covenants so that the historic character of the property is maintained by future owners. When a property is donated to the organization, the donor received a deduction against federal income tax for the value of the donated property. When the property is sold, the money received is then "revolved" as investment in another property.

The City of San Antonio (or a non-profit organization with the assistance of the City) could establish a revolving fund for older, affordable housing. A property could be acquired, stabilized, and resold or rented as affordable housing. Conditions could be attached to the sale to assure the house remained in the inventory of “affordable.” As an additional revenue source, the City could transfer to the revolving fund properties it received through RenewSA, tax foreclosure, or other means.

Link to examples: Providence, RI (loan fund model, rather than acquisition model)
<https://www.revolvingfund.org/about.php>

Boston, MA (acquisition fund model, rather than loan model)
<https://historicboston.org/our-work/redevelopment/>

HOME REPAIR AS JOB TRAINING

The City of San Antonio already has a well-regarded job training program – Training for Job Success. This program could be utilized as a tool for the rehabilitation of older housing stock. The repairs could be available to lower-income and older homeowners as well as rental housing occupied by lower income tenants. In the latter case, an agreement would be made with the landlord to maintain current rents for a negotiated period. Because there are people in need of jobs without the requisite skills, there is a need for people trained in building renovation, and there are houses providing affordable housing that need repairs, this is a single program that could have multiple positive outcomes and meet multiple needs.

Link to examples: San Francisco, CA
<https://oewd.org/city-build>

FIRST RIGHT OF REFUSAL ON PRE-1960 HOMES

If saving older affordable housing becomes a top priority for the City of San Antonio, one action could be to obtain a First Right of Refusal on every residential property built prior to 1960. A first right of refusal does not obligate an owner to sell or a potential buyer to buy, nor is a price for the property established. It simply requires that if a property owner has an existing offer that he/she is ready, willing, and able to accept, the holder of the first right of refusal has the opportunity over a limited time to meet the price, terms, and conditions of the offer the owner intends to accept. In fairness to the seller, the City would be given a limited time – say one week – to agree to meet the terms and conditions or give up the first right of refusal. If the City exercised its right, it would either sell the property back into the market as affordable housing, with appropriate restrictions on maintaining that affordability, or convey the property to the Housing Authority or a housing-oriented Community Development Corporation to maintain as affordable rental housing.

Link to examples: Denver, CO
https://library.municode.com/co/denver/codes/code_of_ordinances?nodeId=TITIIREMUCO_CH27HO_ARTIIIPRAFHO

AGGRESSIVE VACANT LOT ACQUISITION PROGRAM

Many of the neighborhoods in San Antonio that have a concentration of older housing stock also have an abundance of vacant lots. Because of the proximity to jobs, services, and public transportation, as well as the character of the neighborhood, these lots are often appropriate locations for the construction of affordable housing or the place of relocation of a housing unit moved from elsewhere. The City could undertake an aggressive program of vacant lot acquisition, potentially through RenewSA, in these neighborhoods for the purpose of reconveying the lot specifically for affordable housing.

Link to examples: Eugene, OR
<https://www.eugene-or.gov/1042/Affordable-Housing-Development-Incentive>

MANDATORY RELOCATION FEASIBILITY

While the use of older housing stock in San Antonio will most often mean making sure demolition is avoided, there are instances where a more appropriate strategy might be to move the structure to a new site. While there are costs associated with building relocation, moving a house onto a new foundation and making appropriate repairs may still be a very cost competitive alternative to the new construction of a housing unit. Whenever there is an application for a demolition permit, analysis could be undertaken to determine if relocation rather than razing is a feasible alternative.

SUPPORT COMMUNITY LAND TRUST (CLT) DEVELOPMENT

Today there are some 160 Community Land Trusts in the United States. While there are some differences among the CLTs, nearly all have as a primary purpose the provision of affordable housing. They do so by separating the ownership of the land with that of the house. The CLT buys a property, maintains the ownership of the land and sells the improvements to a home buyer accompanied with a long term, renewable lease. When the owner decides to sell the proceeds are divided between the CLT and the owner based on the initial land trust agreement. This could be an effective tool in San Antonio where in many cases the land underlying a unit of older housing is half or more of the value of the entire property.

Link to examples: Flagstaff, AZ
<https://townsiteclt.org>

LIFE ESTATES

Neighborhoods are not made up of just houses; they are also made up of the humans who occupy that housing. In older neighborhoods in San Antonio many of those occupying older homes are older people of modest means. They often: 1) want to remain in their home as long as possible; 2) know that the house needs repairs; but 3) do not have the funds to make the necessary repairs.

One solution would be for the City (or an affiliated organization or CDC) to acquire the property but give the homeowner, in addition to a negotiated purchase price, a life estate in the property. Under that agreement they would be able to live in the property for the rest of their life or until they were no longer capable of living on their own. In exchange, the repairs necessary to bring the house into habitable and sustainable condition would be completed using a portion of the purchase price. When the life estate expired (by death or incapacity) the owning organization could either sell it with affordable housing stipulations, or rent it as affordable housing. This could be employed when a homeowner occupied building is cited for minimum housing code violations.

Link to examples: Boston, MA (acquires properties in foreclosure)
<http://www.cohif.org/>

Recommendations Matrix

Potential Tool	Effectiveness	Complexity	Cost to City	Stakeholder Approval
FINANCIAL INCENTIVES				
Single property Tax Increment Financing Zone	High	High	Low	High
Tax Increment Housing Reinvestment Zones	Moderate	High	Moderate	High
Assessment Freeze on Improvements in Older Homes	Moderate	Low	Moderate	High
Deferred payment loan for structural repairs	High	Moderate	Moderate to High	High
Priority for older homes weatherization	High	Moderate	Moderate to High	Very High
Prioritize older homes for hazard mitigation	High	Moderate	Moderate to High	Very High
Lender Risk Mitigation Program	Moderate	High	Low to Moderate	Moderate to High
FINANCIAL DISINCENTIVES				
Raise Demolition Permit Fee for pre-1960 housing	Moderate to High	Low	Low	Low
No Homestead Exemption for Houses built on lots where pre-1960 structure was demolished	Moderate	Low	Low	Low
REGULATORY TOOLS				
Mandatory deconstruction of pre-1960 housing	Moderate	High	Low	Low
Amend HUD five-year action plan to prioritize home preservation	Low to Moderate	Moderate	Low	Moderate
Mandatory relocation for institutions	Moderate	Moderate	Low	Low
Encourage relocation for ADUs	Moderate	Moderate	Low	Moderate
Develop ADU policy for affordable housing	Moderate to High	Moderate	Low	Low to Moderate
Long-term vacant pre-1960 housing as part of Vacant Building Program	Moderate	Moderate	Moderate	Low to Moderate
Housing Preservation Overlay District	Moderate to High	Moderate	Moderate	Low to Moderate
Local 106	Moderate to High	Moderate to High	Low to Moderate	Low to Moderate
Rental Registration and Inspection	High	Moderate	Moderate to High	Low

Potential Tool	Effectiveness	Complexity	Cost to City	Stakeholder Approval
KNOWLEDGE AND PLANNING TOOLS				
Housing Ombudsman	Low to Moderate	Moderate	Moderate	High
Multiple Resource Affordable Housing District	Moderate	High	Moderate	Low to Moderate
Multiple Location Brownfield Designation	Moderate	High	Low	Moderate
CIVIC ENGAGEMENT TOOLS				
Fund OHP community programming	Moderate	Low	Moderate	High
Toolshares	Low to Moderate	Low	Low	High
Citywide Vacant Building Survey	Moderate	Low	Low	Moderate to High
STRATEGIC HOME REPAIR TOOLS				
City Written Older Home Repair Specifications	Moderate to High	High	Moderate to High	Moderate to High
Training and Certification for Approved Rehabilitation Contractors	Moderate to High	High	Moderate to High	Low to Moderate
City Operated/Incubated Materials Warehouse	Moderate	High	High	High
City Provided Energy Audit	High	Moderate	Moderate to High	Moderate to High
DIRECT ACTION TOOLS				
Establish Affordable Housing Preservation Fund	Moderate to High	High	High	High
Home Repair as Job Training	Moderate to High	High	Moderate to High	High
First right of refusal on pre-1960 home	High	High	Moderate to High	Low
Housing Preservation Revolving Fund	Moderate to High	High	Moderate to High	Moderate
Mandatory relocation feasibility	High	High	Moderate	Moderate
Support Land trust development	Very High	High	High	Moderate to High
Life estates	High	High	High	Moderate to High

Methodology

This analysis relied on data from the City of San Antonio, Bexar County, state and federal databases, online research platforms, on-site tours, and in-person and phone interviews. Property and Parcel data were provided by the Bexar County Appraisal District. Programs data was provided by the San Antonio Neighborhood and Housing Services Department. Photos were provided by the San Antonio Office of Historic Preservation.

About PlaceEconomics

This report was prepared and written by Donovan Rypkema, Briana Grosicki, Rodney Swink, Katlyn Cotton, and Alyssa Frystak. Rypkema is principal of PlaceEconomics, a Washington D.C.-based real estate and economic development consulting firm. Grosicki is Director of Research at PlaceEconomics and handled research methodologies and data collection. Cotton is the Director of Marketing and Design at PlaceEconomics and handled graphic design. Frystak is a Research and Data Analyst. She conducted the city program and redlining analysis. Editing was done by Alyssa Frystak and Rodney Swink, Senior Associate for Development and Planning.

Appendix 1: Housing Units By Council District

Council District	All Housing Units	Pre-1960	Percent
District 1	49321	30087	61%
District 2	45702	15985	35%
District 3	45711	23301	51%
District 4	41254	3410	8%
District 5	38158	24949	65%
District 6	54269	1937	4%
District 7	54712	10508	19%
District 8	74913	337	0%
District 9	64545	231	0%
District 10	57928	4129	7%
Total	526512	114874	22%

Appendix 2: City Program Use

Program	Total Use (city-wide)	Total Awarded (citywide)	Total Use (Pre-1960)	Total Awarded (Pre-1960)
Under 1 Roof	220	\$2,068,128	135	\$1,262,136
Owner Occupied Rehab	56	\$4,881,364	36	\$3,246,869
Green & Healthy Homes	53	\$1,085,144	47	\$1,004,925
Let's Paint	46	\$294,256	15	\$99,508
GAP CDBG	24	\$10,228,669	0	\$0
GAP HOME	278	\$16,875,899	0	\$0
GAP NSP	31	\$5,149,390	5	\$160,224.29
Neighborhood Improvement Bond	1	\$7,270,000	0	\$0
TIF	4	\$74,826	0	\$0
Homebuyer Assistance-Community Wide Program (HIP)	33	\$385,688	10	\$110,588
SAWS Fee Waiver	268	\$7,558,487	1	\$500,000
City Fee Waiver Program	427	\$3,043,650	8	\$163,732
City Tax Rebates (Estimated Values)	4	\$6,700,000	0	\$0
TOTAL	1,445	\$65,615,505	257	\$6,547,984

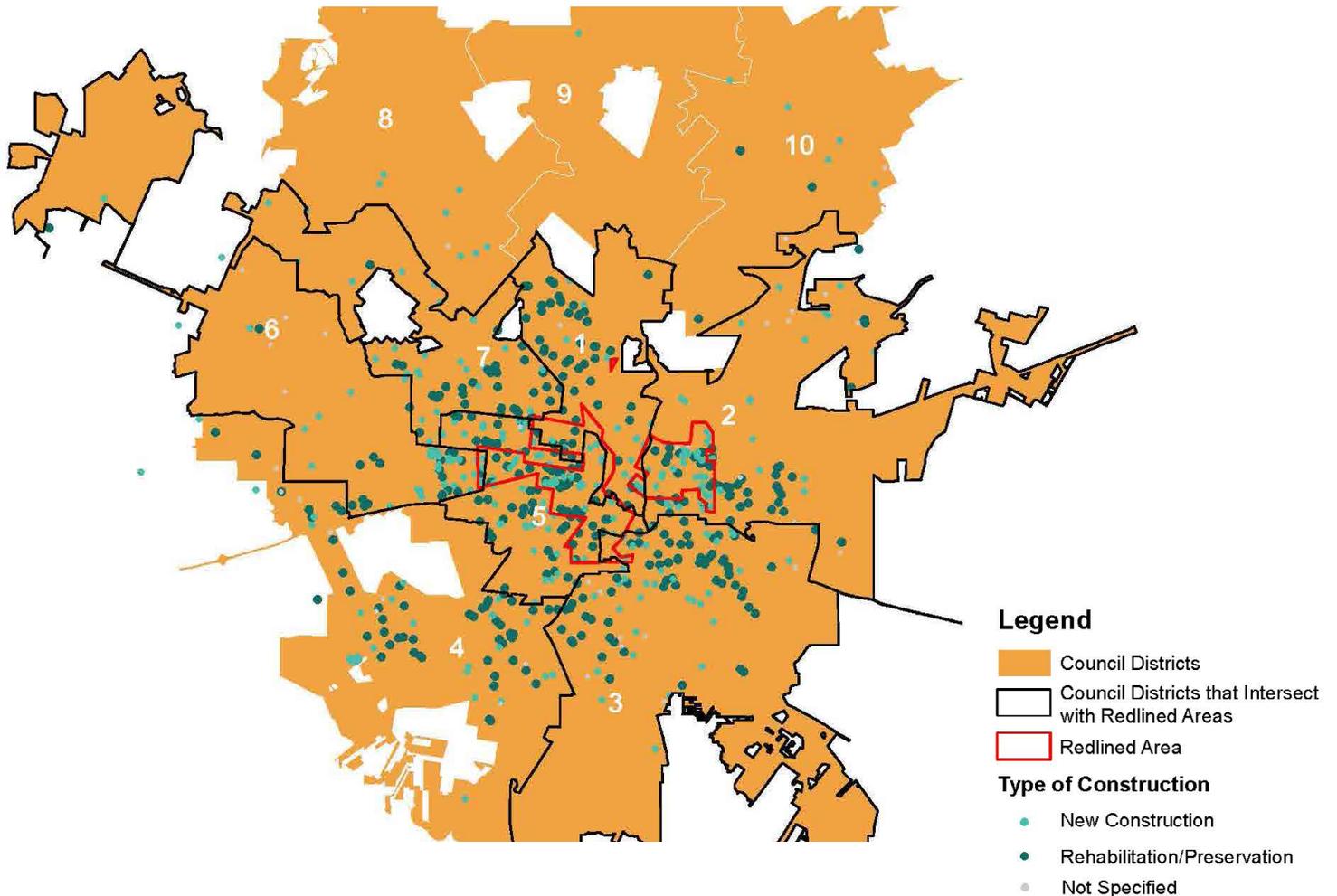
By the Numbers:

Of the ten Council Districts that make up the City of San Antonio, six of them contain portions that were historically redlined. These include Council Districts 1, 2, 3, 5, 6, and 7. Nearly three-quarters of the projects that utilize program assistance are located in districts that contain portions of historically redlined areas.

Additionally, roughly 23% of all projects that have utilized program assistance have taken place in District 6.

Council District	Total Number of Projects	New Construction	Rehabilitation	Share of Total Projects
District 1	82	31	51	7.8%
District 2	124	72	52	11.8%
District 3	122	56	66	11.6%
District 4	214	163	51	20.3%
District 5	194	116	78	18.4%
District 6	245	224	21	23.4%
District 7	54	24	20	5.1%
District 8	8	8	0	.8%
District 9	3	3	0	.3%
District 10	7	4	3	.7%
Total	1053	701	352	100%

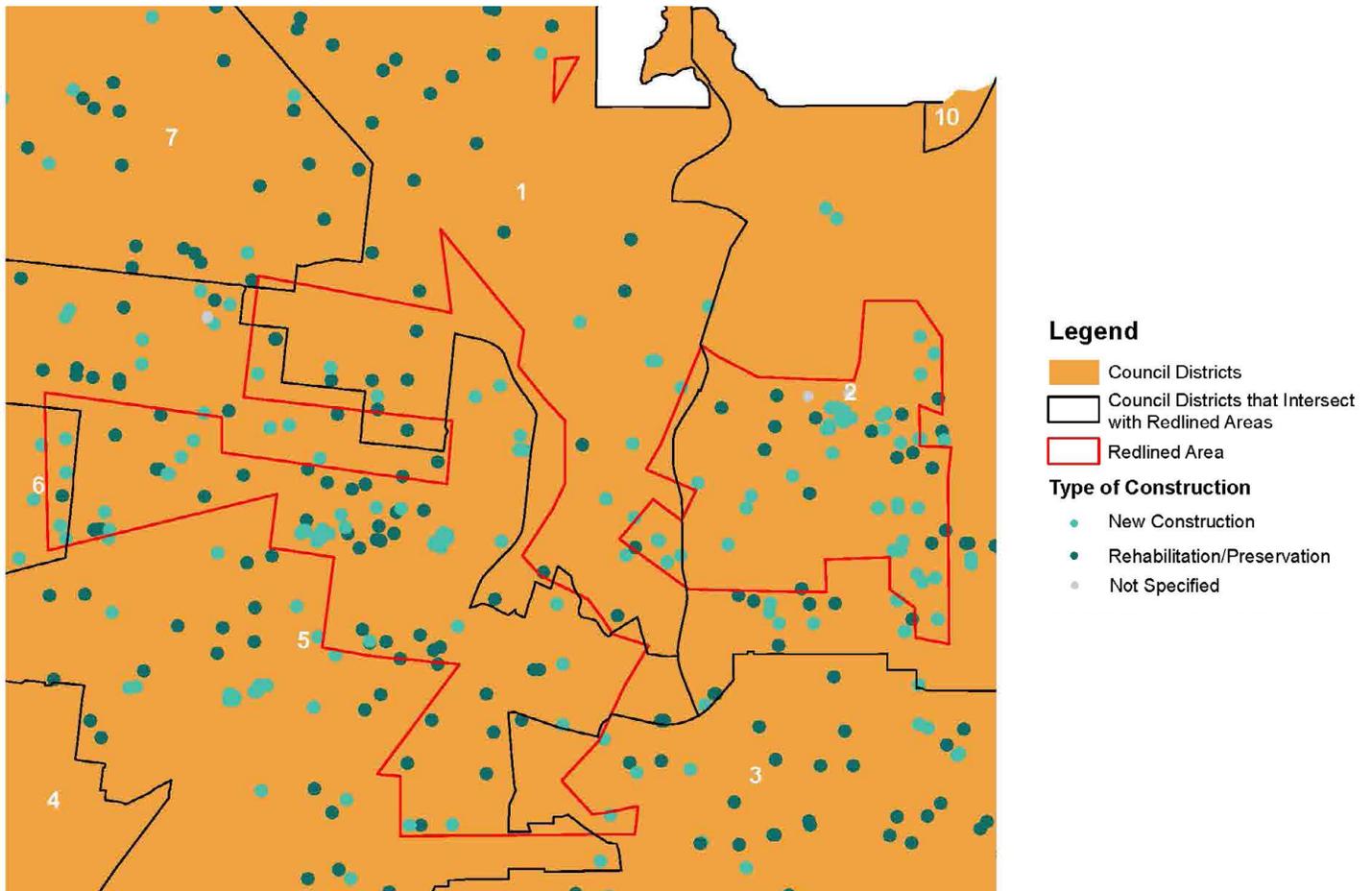
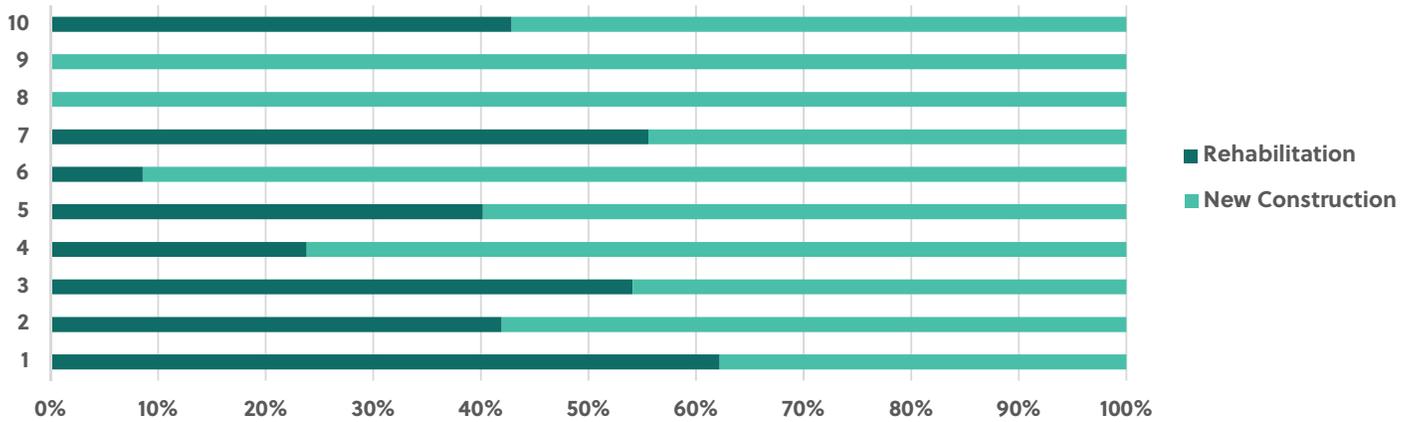
*Bold indicates Districts that contain portions of historically red lined areas. Rehab v. New:



Rehabilitation vs. New Construction

Across the city, only 33% of all projects that have utilized program assistance have undertaken rehabilitation work. Of those projects, 22.16% of all rehabilitation projects take place in District 5, whereas 31.95% of all new construction projects take place in District 6.

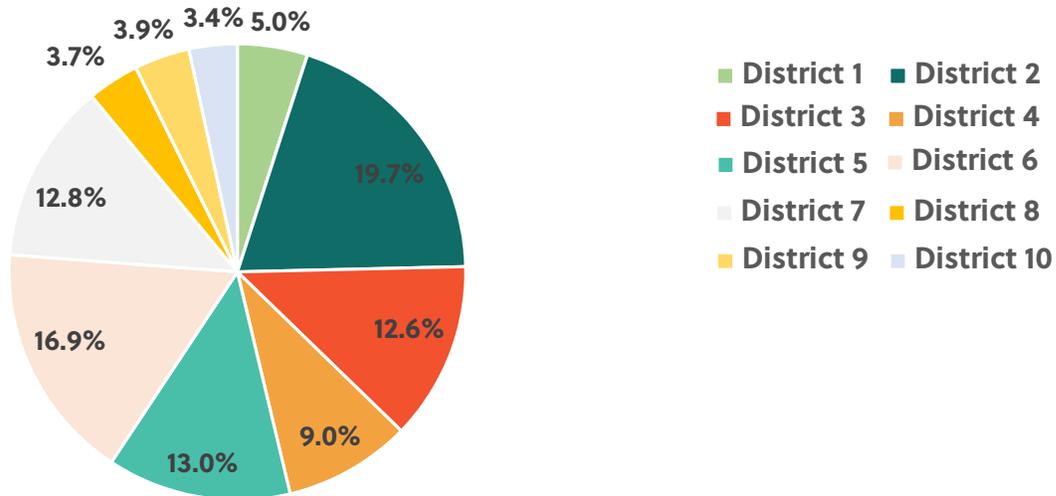
Total Number of Rehabilitation versus New Construction In Each District



By the Numbers:

Though District 6 has undertaken the most projects that utilize program assistance, roughly \$238,496,600, or 19.66% of program funding has gone to projects from District 2

Percentage of Program \$ per Council District



Additionally, 80% of all funding assistance from programs are being directed towards Council Districts that contain portions that were historically redlined.

Appendix 3: Code Enforcement Violations by District

Council District	All Code Violations	Minimum Housing Violations
District 1	16%	12%
District 2	15%	16%
District 3	12%	13%
District 4	16%	9%
District 5	13%	13%
District 6	8%	13%
District 7	7%	7%
District 8	3%	4%
District 9	3%	5%
District 10	6%	9%

Appendix 4: Expanded City Program Descriptions

- Under 1 Roof – Provides a one-time grant of up to \$14,000 for the replacement of worn or damaged roofs with new, energy-efficient “white” roofs. Renters are not eligible and homeowners must meet HUD’s minimum income requirement not to exceed 80% AMI. Property must be registered a Homestead with the Bexar Co. Appraisal District.
- Owner Occupied Rehabilitation and Reconstruction Program – Provides assistance for owners of single-family, detached homes to rehabilitate their substandard and non-code compliant residential properties by providing deferred forgivable loans to cover the costs of any needed repairs. Funding varies from up to \$75,000 for rehabilitation and \$95,000 for reconstruction.
- Green & Healthy Homes – Provides assistance to owners and landlords of residential properties (up to 4 units) in creating healthy, safe, energy-efficient and sustainable homes for families and children. Works to prevent and correct housing-related health and safety hazards, such as addressing lead-based paint, mold, and household asthma triggers.
- Let’s Paint – Provided a one-time grant of up to \$7,000 to assist homeowners with exterior paint and minor home repairs. Extent of services include minor repairs to rotted trim and siding, preparing the house for painting and paint house exterior.
- SAWS Fee Waiver Program – Fee waiver equal to 1% of the total project investment. Projects within the target area qualify for a maximum waiver of \$500,000. Affordable housing projects located outside the target area qualify for a maximum waiver of \$100,000. For projects with less than 50% affordable residential units, the maximum waiver amount is proportional to the percentage of affordable units. Market-rate single-family or two-family dwellings are excluded, unless enrolled in the City’s Rehabilitation Loan Program.
- City Fee Waiver Program – Provides a full or partial waiver of City development fees on projects that prioritize Affordable Housing, Owner-Occupied Rehabilitation, Historic Rehabilitation, and Business Development. Those applying for fee waivers for Affordable Housing projects must commit to income-restricted and rent/sale-restricted units. Amount of waiver is dependent on location of project and percentage of affordable units.
- Real Property Tax Reimbursement Grant – Provides a tax rebate disbursed over 15 years for Level 1 projects or 10 years for projects within Level 2 or 3. The reimbursement grant will be a rebate of 75% of the previous year’s Maintenance & Operations portion of the City’s real property tax revenue remitted to the City. Additionally, if the Project qualifies for a Historic Tax Exemption or Historic Tax Credit, the Tax Rebate Grant and the Tax Credit or Exemption will be used together when possible in order to maximize the incentive.
- City Property Tax Freeze for Substantial Rehabilitation – After substantial rehabilitation of a historic property, owners may choose one of two tax incentives: 1) City property taxes are frozen at the assessed value prior to the improvements for ten (10) years. The amount of City property taxes owed is determined by the assessed value prior to the improvements and is frozen at that level for ten (10) years. Or, 2) No City property taxes are owed for the first five (5) years. For the next five (5) years, City property taxes are assessed at a value that is 50% of the post-rehabilitation assessed value. The property tax exemption remains with the property regardless of a change in ownership.
- Exemption for Owner Occupied Residences in New Historic Districts – All residential properties occupied by the property owner at the time of designation receive a 20% tax exemption on City Taxes for 10 years (with an optional 5 year extension) provided the owner remains in the property. A primary purpose of the tax exemption program is to reward property owners who actively assist in the formation of historic

districts, rather than to reward those who move into a district after formation. The second purpose of the 20% exemption is to discourage gentrification if property values increase after historic designation.

- Rehabber Club – Created by the SA Office of Historic Preservation, the Rehabber Club’s mission is to build and support a network of do-it-yourselfers, craftsmen, contractors, historic homeowners, realtors, and everyday citizens to revitalize San Antonio’s historic buildings. This is accomplished through networking, training, certification, and encouragement.
- REHABARAMA - Put on by the SA Office of Historic Preservation, REHABARAMA is a single-day service event that brings together local contractors, volunteer groups, and students to perform repair and maintenance on historic and aging houses. In the spirit of neighborhood revitalization, REHABARAMA focuses on hands-on preservation of historic resources and serves as an educational tool for those that are interested in the preservation trades. Work performed at REHABARAMA includes wood window and glass repair, porch repair, wood siding and stucco restoration, and more.
- Students Together Achieving Revitalization (S.T.A.R.) – S.T.A.R. is a partnership between the SA Office of Historic Preservation, UTSA College of Architecture, San Antonio College, the Historic Preservation Association (HPA), and local contractors to provide minor exterior home repairs and maintenance, free of charge, to qualified homeowners within local historic districts. Graduate and undergraduate architecture students assist property owners with repairs to windows and screens, siding, and porches, as well as provide general yard maintenance and exterior painting.
- Minor Home Repair Program – Provides a one-time grant of up to \$25,000 for homeowners to address health and safety hazards, code issues and ADA modifications. Eligible repairs include roof, foundation, electrical and plumbing, windows and doors, energy efficiency, building envelopes, accessibility improvements and lead hazard reductions.
- Neighborhood Stabilization Program Landbanking Program – San Antonio Affordable Housing, Inc. (SAAH) acquires and rehabilitates foreclosed homes for sale to qualified low- to moderate-income families. Properties are acquired from banks, the Department of Housing and Urban Development, FHA, and other lending institutions by SAAH.
- REnewSA Housing Program – SAAH, acquires vacant infill lots to sell to builders for the construction of new energy efficient affordable homes. Construction financing, City fee waivers, grants and discounted lot pricing are provided to the builders to ensure affordability.
- Substantially Rehabilitated Low-Income Rental Properties – If 40% or more of the units in a substantially rehabilitated historic multi-family residence are offered to low-income tenants (as defined by the U. S. Department of Housing and Urban Development HOME program income limits for the San Antonio Metropolitan Statistical Area, then the property owner will owe zero (0) City taxes for ten (10) years following rehabilitation.



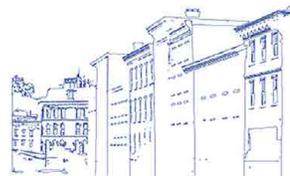


OPPORTUNITY AT RISK

San Antonio's Older Affordable Housing Stock



CITY OF SAN ANTONIO
**OFFICE OF HISTORIC
PRESERVATION**
sanantonio.gov/historic



PlaceEconomics
placeeconomics.com