

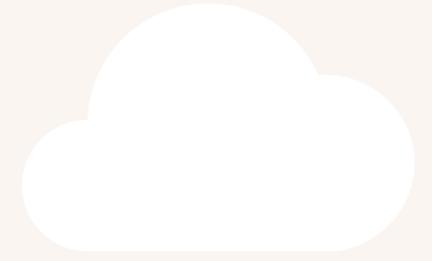


Workforce Housing Task Force Meeting
Thursday, September 13, 2018; 12:00pm
Activity Center Rm #3, 501 E. Hopkins St.

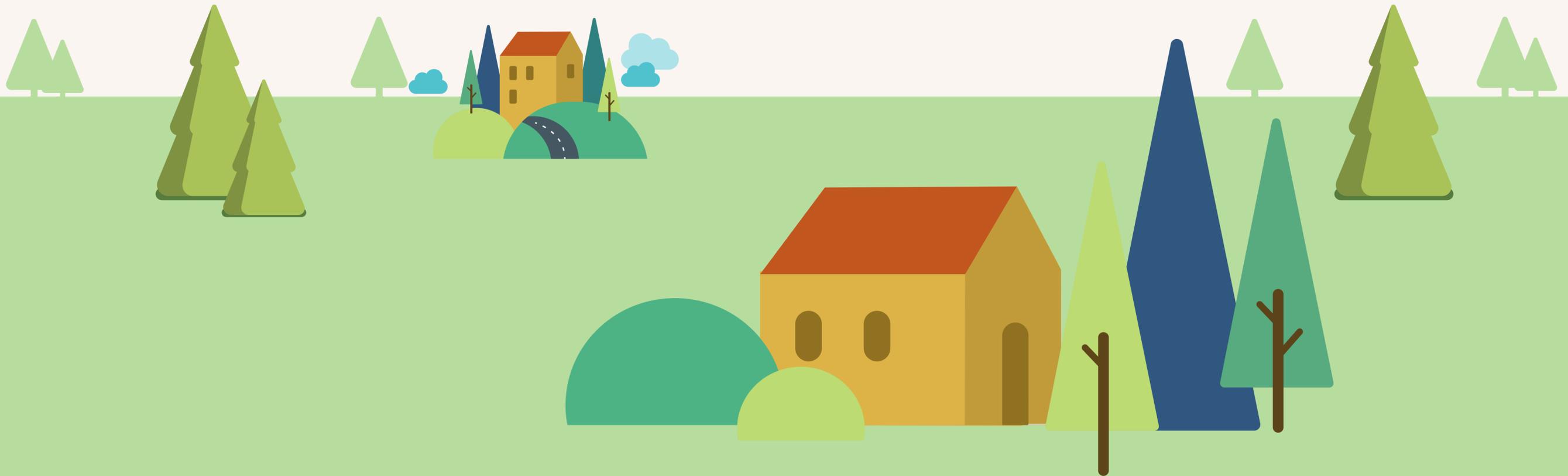
AGENDA

- 1. Welcome and Introduction – Bert Lumbreras, City Manager**
- 2. Schedule and Process Overview – Rebecca Leonard, CEO Lionheart Places**
- 3. Presentation of current City efforts towards workforce housing – Abigail Gillfillan, Planning Manager**
- 4. Speaker Series – Sean Garretson, Founder and President Pegasus Planning and Development**
- 5. Task Force Vision and Goals Exercise – Rebecca Leonard, CEO Lionheart Places**
- 6. Next Steps and Election of Officers**

WORKFORCE



HOUSING



Workforce Housing Task Force Mtg.
September 13, 2018

Meeting Agenda

1

Welcome - Bert Lumbreras, City Manager

2

Schedule and Process Overview - Rebecca Leonard

3

Presentation on Workforce Housing Initiatives -
Abigail Gillfillan - Planning Manager

4

Speaker Series - Sean Garretson

5

Task Force Vision and Goals Exercise

6

Next Steps and Future Meetings



Rules of Task Force Meetings

- All members are encouraged to participate
- Public comments on comment cards
- Stay focused as time is limited
- Breaks when needed



Roles of the Task Force

Stakeholder Engagement

- Commits to meet once every three months;
- Provides input representing their diverse perspective;
- Assists in community engagement and gathering input;
- Helps review community dialogue formats; and
- Helps review community input session materials.



Roles of the Task Force

Project Outcomes

- Identifies critical success factors for a final deliverable;
 - Generates the vision and goals to guide policy-making;
 - Provides data, previous plans, reports and studies;
 - Works collaboratively to analyze issues and strategies;
 - Helps to synthesize and prioritize policies and actions;
 - Reviews and provides feedback on the draft deliverable;
 - Ultimately approves the final deliverable
-



Timeline



August

September

December

March

Council Committee

Council Committee

Council Committee

Project Preparation

- Assemble Task Force members
- Project Management Plan
- Messaging and Outreach Strategy

Task Force Meeting #1

- Education, Inspiration, Background
- Vision and Goals

Task Force Meeting #2

- Strategy Brainstorm

Task Force Meeting #3

- Action Brainstorm

Timeline



Task Force Meeting #4

- Draft Deliverable

Task Force Meeting #5

- Final Draft Deliverable

Wrap Up

- Housing Blueprint
- Presentation to Council



Workforce Housing Task Force

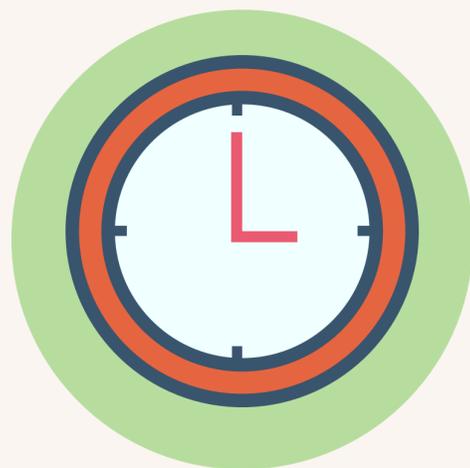
Purpose:

Assist the City Council Workforce Housing Committee in developing a comprehensive housing policy and action plan.



Timeline, Process, Outcomes:

Timeline



**Complete
Fall 2019**

Process



**Minimum of 5
meetings
utilizing data and
best practices**

Outcomes



**Recommended
policies and
actions.**





Workforce Housing Strategic Initiative

Definition: The strategic initiative for workforce housing is targeted to providing housing solutions for San Marcos residents earning up to 140% of the area median income. Area median income is based on the Austin/Round Rock MSA.

Outcomes:

#1



Increase the Rates of Home Ownership

#2



Assemble a Workforce Housing Task Force

#3



Maintain Existing Housing Stock in Safe Conditions



Achieving Outcome #1: Increased Rates of Home Ownership



DEVELOPMENT REGULATIONS

Development regulations play an important role in influencing the number, type, and location of new housing. Monitoring new housing approvals to ensure that a variety of housing types are provided at all income levels to serve residents with varying needs.



HOUSING STUDY

A housing study will provide insights into the housing market and help to target programs and regulations for greatest impact.



DR Homes Non-Profit Homes Homebuyer / CDBG

HOUSING PROGRAMS

Housing programs use both local and federal funding sources to build homes, support affordable housing builders, support potential home owners, and set aside land for affordable home ownership.

Achieving Outcome #2: Workforce Housing Task Force

With more than 80% of San Marcos households earning less than the area median income, the City alone will not be able to create affordable housing opportunities for all. Commitment from community leaders, stakeholders and residents is crucial to the success of this initiative.

Here is How:

- **Purpose:** Assist the City Council Workforce Housing Committee in developing a comprehensive housing policy
- **Process:** Work in tandem with staff through a policy making framework grounded in data and best practices.
- **Timeline:** Task Force Recommendations delivered Fall 2019



Task Force Members and Strategies



Governmental and Educational Agencies

Collaboration with local taxing entities to make tax forfeiture land available for the construction of permanently affordable housing.



Major Employers

Housing choice and household affordability are important factors in employee recruitment. Major employers are important stakeholders.



Development Community

Building capacity with both current and potential affordable housing builders, financing agencies and real estate providers.



Service Providers

Community service providers are an invaluable resource in supporting housing programs and establishing long term stability for households



Banking Community

The community reinvestment act encourages the banking community to meet the needs of low to moderate income borrowers through programs such as Individual Development Accounts (IDA).

Achieving Outcome #3 Maintain Existing Housing Stock in Safe Conditions



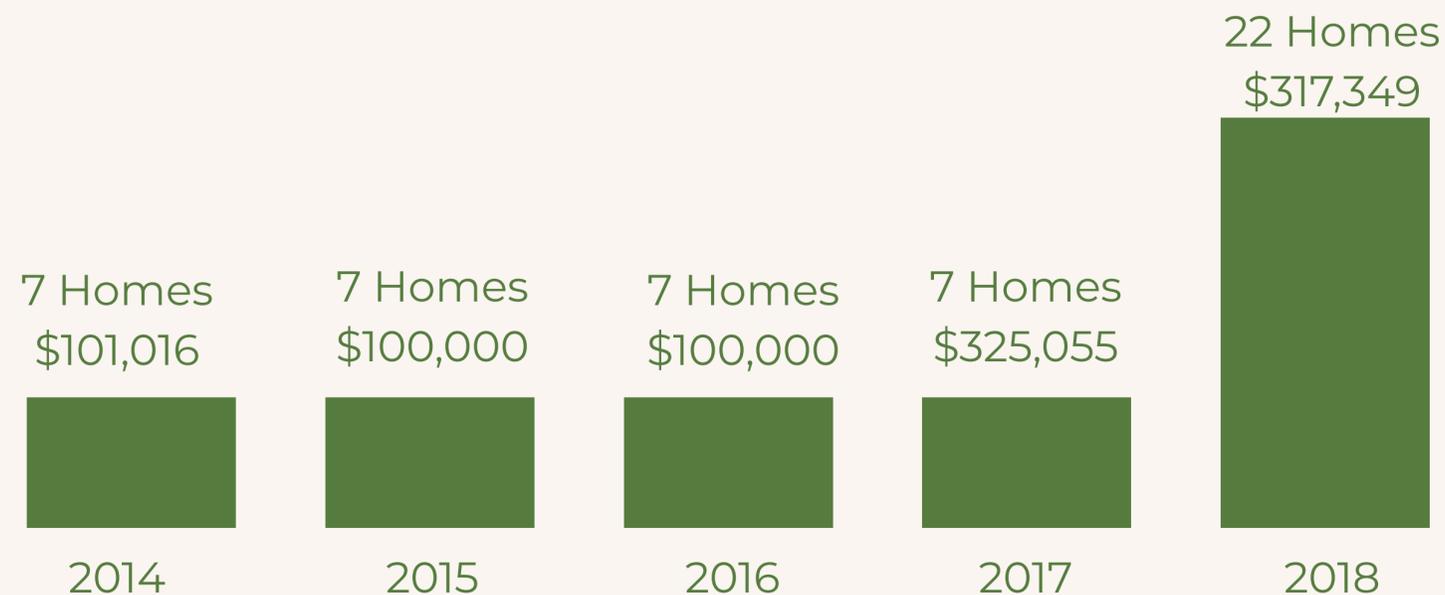
Address Unsafe Rental Conditions

The largest affordable housing asset the City has is existing housing. A key component of the workforce housing strategy involves encouraging and enforcing safe and livable conditions while maintaining affordability.



Housing Rehabilitation Programs

Current housing rehabilitation programs are funded by the CDBG and CDBG-DR. Total 5 yr investment: \$943,420

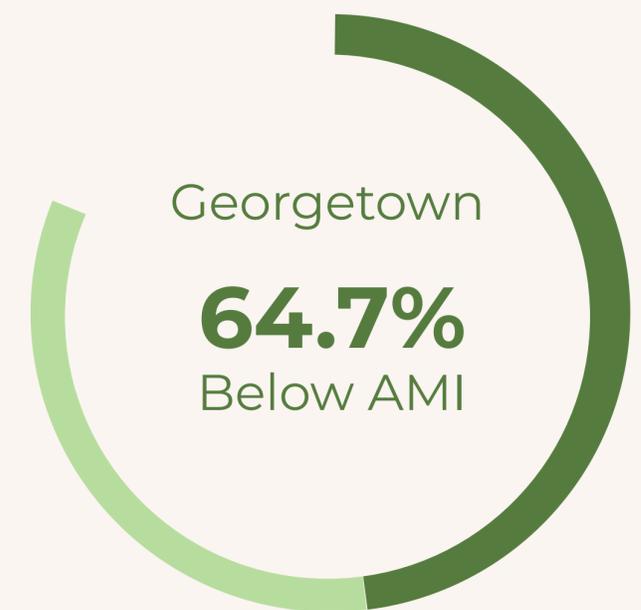
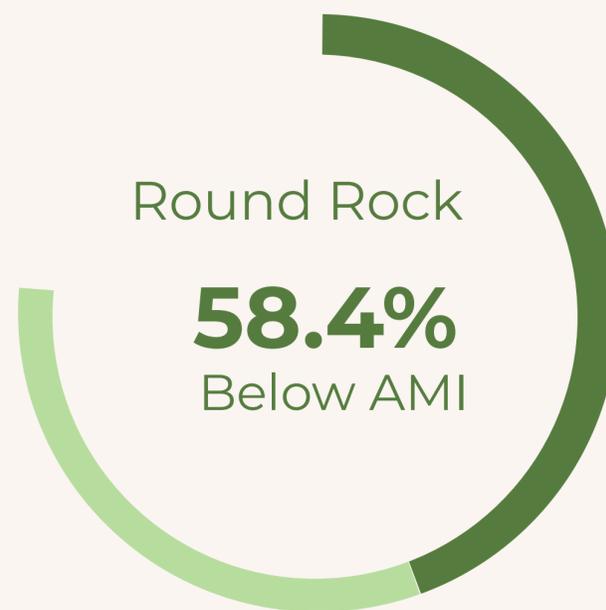
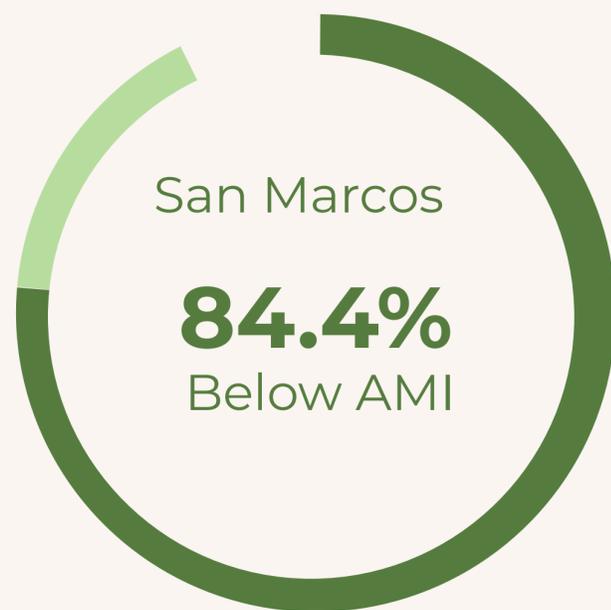


Years 2014 - 2018

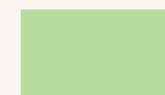
Regional Impacts of Housing

San Marcos is part of a regional housing market and federal funding for housing programs are based on the median income for the Austin Round Rock MSA. The Area Median Income for a 4-person household is **\$86,000**.

The charts below show the percentage of population in each community that earns less than the Area Median Income. The dark green represents the percentage earning less than 80% AMI and the light green and dark green combined represent households earning less than 140% AMI.



< 80% AMI



80% - 140% AMI

City of San Marcos Housing Gap

San Marcos Median Family Income: \$46,736

The Median Family can purchase a home for: \$154,200

Median Price for Homes sold in 2017: \$200,200

Housing Gap \$46,000

Opportunities for Home Ownership

Very Low Income (< 50%AMI) Low Income (50% - 80% AMI) Middle Income (> 80%AMI)

Population by Income Brackets



Homes Sold by Income Bracket - 2017



0 10 20 30 40 50 60 70 80 90 100

Community Partnerships Policy Discussion

Program Goals:

1

Transition vacant or blighted properties to permanently affordable workforce housing.

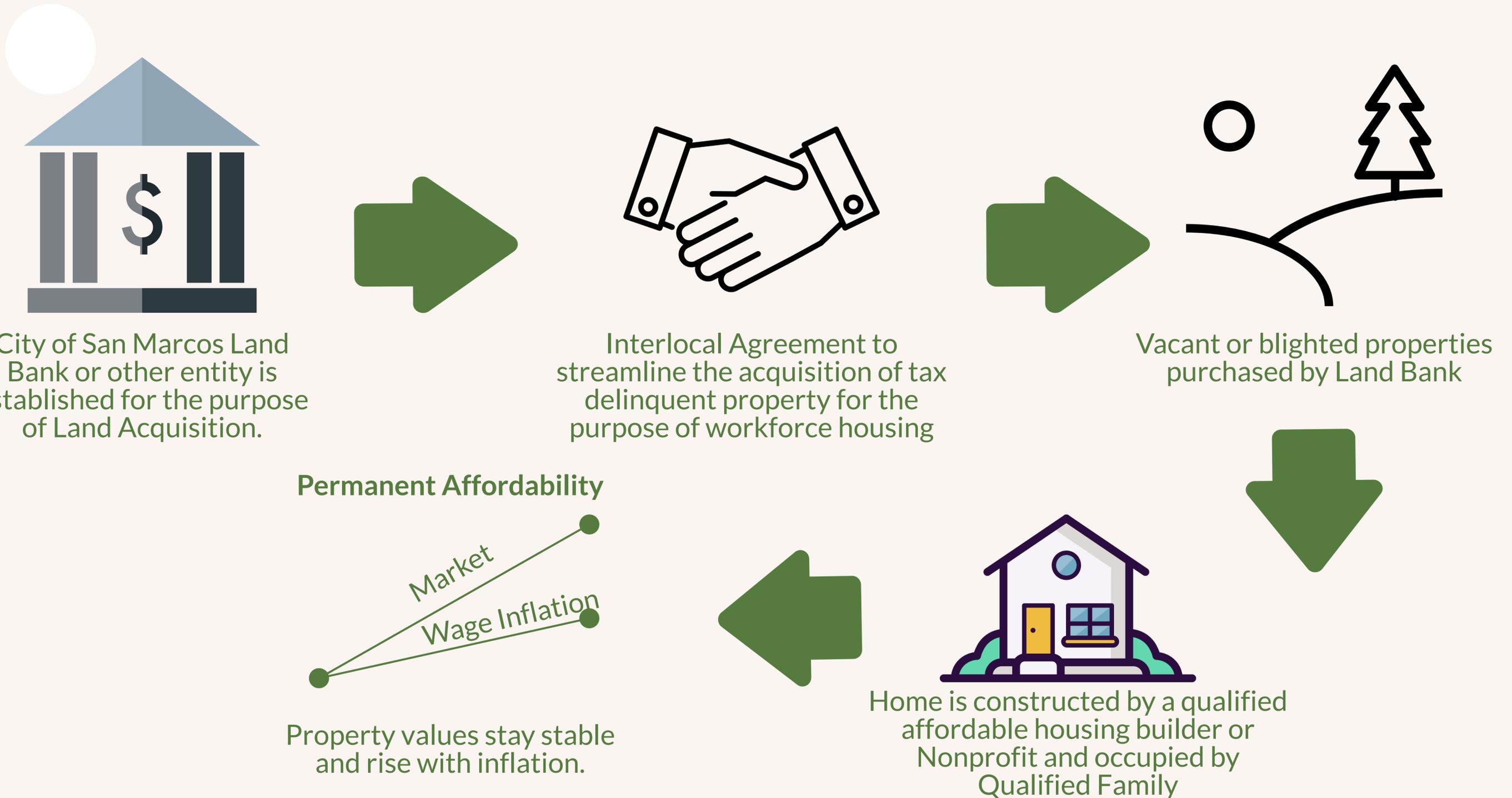


2

Assist public servants, teachers and San Marcos working families in purchasing homes.

Community Partnerships Policy Discussion

Tax Delinquent Property Process:





Community Partnerships Are Key to Confronting the Housing Challenges we are facing Now and will Continue to Face in this Rapidly Growing Central Texas Region.

Speaker Series - Sean Garretson



Sean is an economic developer, land strategist, strategic planner, facilitator, and revitalization expert. He leads a team of planners and analysts in providing strategic advice and direction to public and private sector clients.

A transformational experience in Africa with the Peace Corps as well as hands-on development and revitalization experience at home in East Austin, Texas has helped shape Sean and Pegasus to become a mission-driven firm focused on making a difference in our communities.

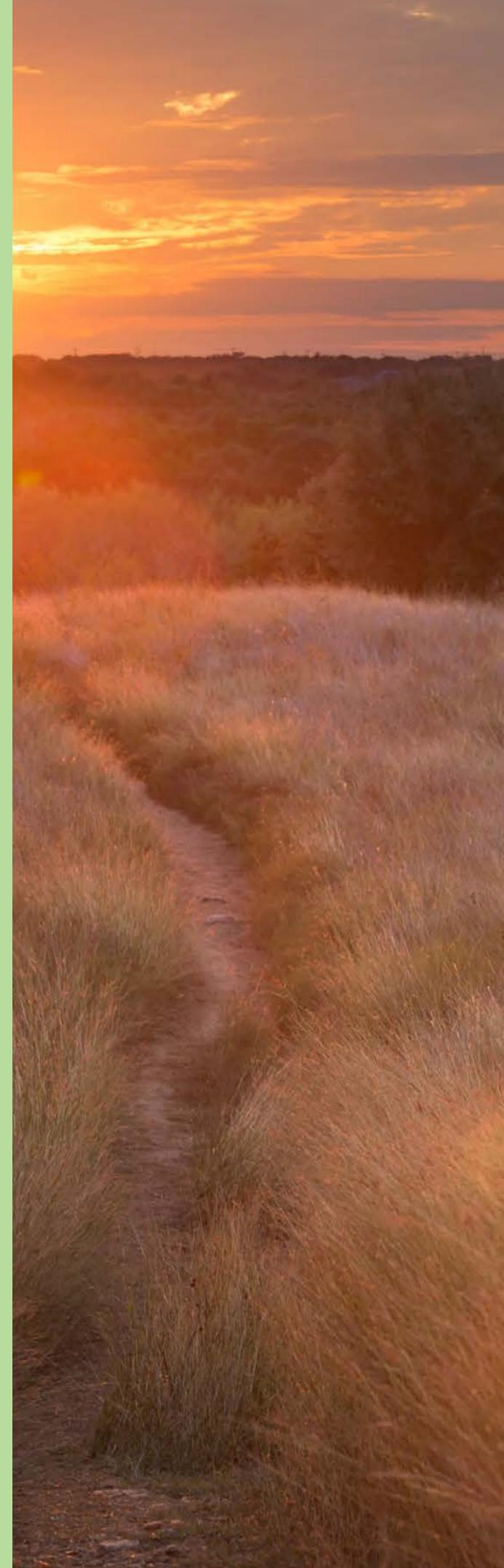
Sean has an undergraduate degree in Anthropology from George Washington University and a Masters from UT Austin in Community & Regional Planning. He is on the boards of CNU-Central Texas, Chestnut Neighborhood Revitalization Corporation, and the YMCA.

Vision and Goals Exercise

Draft Vision: To develop an action-oriented housing blueprint to address workforce housing challenges in San Marcos

Draft Goals:

- 1** Increase rates of homeownership
- 2** Maintain existing housing stock in safe conditions
- 3** Develop capacity to jointly confront housing challenges
- 4** Ensure new housing meets the needs of current and future residents.



Next Steps

1

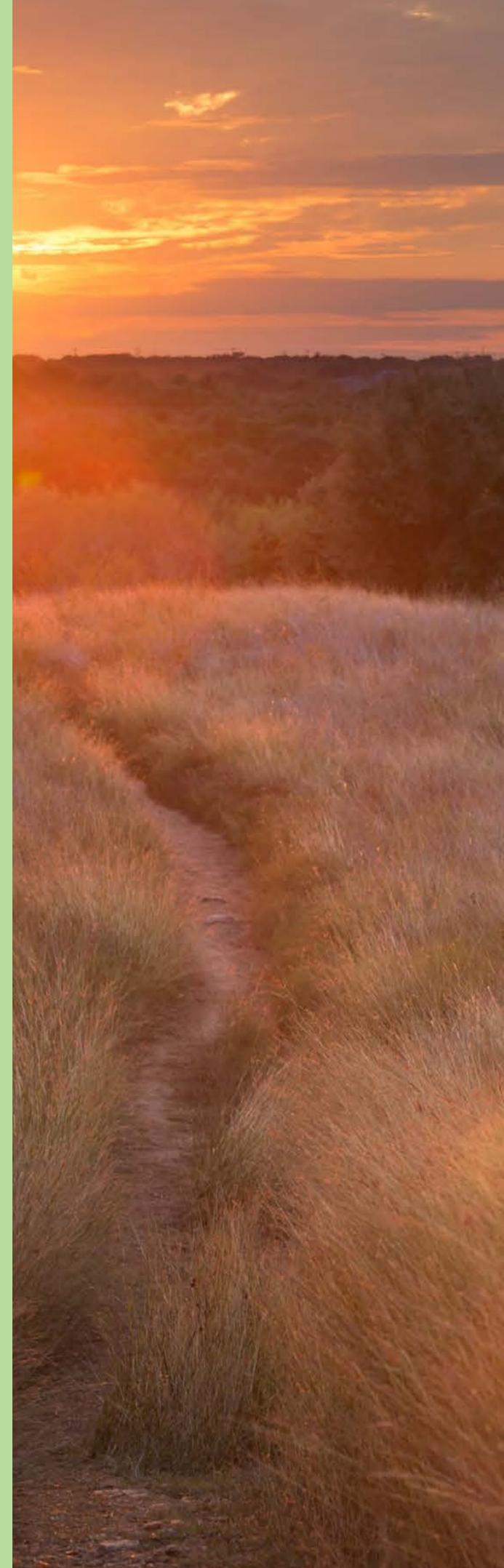
Nomination of Chair and Vice Chair

2

Next Meeting

3

Future Agenda Items



DRAFT GOALS

Date: September 13, 2018

Project: San Marcos Workforce Housing Task Force

Definition: The vision and goals are meant to articulate the desired final outcome of the project. They embody the collective vision for workforce housing in San Marcos and define the framework by which the final deliverable will be evaluated. A clear and succinct vision and set of goals will also be used to explain this effort to the greater community. The Task Force will be reviewing and providing comments on the draft vision and goals seen at our first meeting.

DRAFT VISION

To develop an action-oriented housing blueprint to address workforce housing challenges in San Marcos by increasing rates of home ownership, maintaining the existing housing stock in safe conditions, developing key community partnerships, and ultimately providing diverse, affordable housing choices for San Marcos residents.

Vision San Marcos Neighborhood & Housing Vision Statement:

We envision San Marcos to have a strong, more comprehensive foundation of safe, stable neighborhoods while preserving and protecting the historical, cultural, and natural identities of those neighborhoods.

DRAFT GOALS

1. Increase rates of home ownership in San Marcos.
2. Maintain existing housing stock in safe conditions.
3. Develop capacity to jointly confront housing challenges.
4. Ensure new housing meets the needs of current and future residents.

KEY PRIORITIES:

The Strategic Initiatives identified by the Council during the Visioning Advance in January 2018 lend themselves to being organized around the following key priorities:

- Workforce Housing;
- Public Transit;
- Stormwater;
- Community Partners; and
- City Facilities.

Strategic Initiatives

Key Priority: Workforce Housing

A. Update, consolidate and communicate housing policies and action plans.

Strategies:

- I. Conduct a housing study that analyzes housing supply, housing demand, and housing choice.
- II. Update the Affordable Housing Policy to reflect the work on Code SMTX and new strategic initiatives
- III. Define workforce housing and create a shared understanding around the priority.
- IV. Maintain a robust website and participate as a community partner in advancing the City's housing goals.
- V. Develop internal city capacity and support capacity building efforts in community partners to advance the City's housing goals.
- VI. Work with local employers such as Texas State University, San Marcos ISD, Hays County, Central Texas Medical Center, the banking community, the Greater San Marcos Partnership and area non-profits to identify and implement housing solutions.

B. Develop dedicated housing and revenue sources that meet goals.

Strategies:

- I. Build permanently affordable homes targeted to flood victims on city-owned lots with CDBG-DR funds.
- II. Apply for HOME funds.
- III. Utilize CDBG funds to preserve and maintain for households earning less than 80% AMI through the Housing Rehabilitation Program.
- IV. Lend CDBG first-time homebuyer funds to households earning less than 80% AMI to purchase housing.
- V. Enter into cooperative agreements with other taxing entities to identify tax-forfeiture properties and make them available for construction of permanently affordable workforce housing.
- VI. Establish a land bank and community land trust with the purpose of supporting permanently affordable workforce housing.

C. Implement land use and zoning regulations that support diverse, mixed income communities in all areas of the City.

Strategies:

- I. Encourage mixed income communities within new development.
- II. Monitor the bonus density program for effectiveness and re-assess during the annual code update.
- III. Monitor the number of new missing middle housing types built under Code SMTX and re-assess during the annual Code update.
- IV. Draft an ordinance targeting geographic locations and non-profit home builders for appropriate zoning when permanently affordable for sale housing is constructed.

Affordable / Workforce Housing Policy

Purpose: *Define issues associated with the expansion and preservation of diverse, affordable housing choices, in San Marcos and identify specific goals and strategies to address those issues in a manner consistent with the vision expressed in the City's Comprehensive Plan.*

Vision San Marcos Neighborhood & Housing Vision Statement

We envision San Marcos to have a strong, more comprehensive foundation of safe, stable neighborhoods while preserving and protecting the historical, cultural, and natural identities of those neighborhoods.

Importance: Affordable housing is important to the economic vitality of San Marcos as an adequate supply supports the local work force and allows them to live close to their jobs. Shorter commutes reduce traffic congestion, air pollution, and expenditures on road maintenance. Having an adequate housing supply also provides a competitive advantage for area employers. Affordable housing benefits families by alleviating overcrowding, reduces the potential of foreclosure and evictions, and may provide the housing stability that is vital to the emotional well-being of children.

Definitions:

- **Area Median Income (AMI)** – The area median income is the midpoint of a region's income distribution. San Marcos is located within the Austin Round Rock MSA. Federal housing programs utilize the area median income as the basis for funding.
 - *Example: the 2018 median family income for a family of 4 in the Austin Round Rock MSA is \$86,000*
- **San Marcos Median Family Income (MFI)** – The median family annual income for residents of the City of San Marcos as established by the most current data available from the U. S. Census Bureau. This term is defined by the Census Bureau as *“The sum of income of all family members 15 years and older living in the household. Families are groups of two or more people (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered as members of one family.*
 - This number is expected to change from year to year as census records are updated.
 - *Example: the 2012-2016 American Community Survey data shows that the Median San Marcos Family Income is \$46,736;*
- **Affordable Housing** – Generally construed to mean that a low or moderate-income family can afford to buy or rent a decent quality dwelling without spending more than 30% of its income on shelter. Generally, affordable housing incentives will be targeted to persons earning 80% or less of the Area Median Income.
- **Workforce Housing** - Housing for moderate-income workers in professions needed in all communities such as teachers, fire fighters, and nurses. Generally, workforce housing incentives are targeted to employees earning no more than 140% of Area Median Income
- **Location Efficient Areas** – Areas (a) where transportation costs are low or where public investment will make transportation more affordable in the future, (b) that are located in close proximity to schools, health related facilities, amenities such as parks and childcare, vital retail establishments (pharmacy, groceries, etc.) and (c) are pedestrian/bicycle friendly.

OWNER-OCCUPIED HOUSING

ISSUES, GOALS, AND STRATEGIES FOR IMPLEMENTATION

1. LOW RATES OF HOME OWNERSHIP

- a. Increase home ownership rate
 - i. Offer targeted homebuyer down payment/closing cost loan programs to encourage those who work in San Marcos to become San Marcos home owners. Review program viability and need for continuing funding during annual budget process. Homes must be located inside the corporate limits. Possible targets might include:
 1. First Time Homebuyers – if funded through the CDBG program, homebuyers will be qualified using HUD income limits.
 2. Texas State Professors (continuation of existing program)
 3. Workforce incentive for school teachers, CTMC employees, Texas State University employees, veterans, and law enforcement professionals who do not earn more than 140% of San Marcos MFI. Generally, this will be targeted to employees working in San Marcos.
 4. City of San Marcos full-time employees who have successfully completed their probationary period. The City Manager may be authorized to review and approve applications by part-time employees on a case-by-case basis.
 - ii. Utilizing San Marcos economic development professionals (city staff & consultants) periodically evaluate new/expanding businesses to have a clearer understanding of the type of housing required and its availability and potential need for targeted homebuyer incentives.
 - iii. Maintain a “Housing” section on City’s Webpage

2. THERE IS A NEED FOR MORE DIVERSITY IN THE TYPES/SIZES OF HOUSING UNITS BEING PRODUCED

- a. Encourage the creation of a diverse housing stock
 - i. Review development codes to reduce/remove regulatory barriers to allow alternative housing types that foster affordability such as:
 1. Micro homes / efficiency dwelling units
 2. Mixed use buildings
 3. Zero-lot line homes
 4. Courtyard homes
 5. Industrial (pre-fab) housing that meets construction codes – with design standards that will ensure the home is compatible with the surrounding area.
 6. Housing designed for persons with special needs

The Development Code shall establish criteria that ensures alternative housing is appropriately located.

- ii. Provide “pre-approved” building plans for micro/efficiency homes to builders who are constructing affordable housing to expedite review times and reduce up-front costs.
- b. Reduce builder’s costs for owner-occupied affordable / workforce housing development
 - i. Review/modify development regulations that increase costs without clear rationale or benefit such as lot sizes, setbacks, parking requirements, street width standards
 - ii. Provide “pre-approved” building plans suitable for affordable / workforce housing
 - iii. Provide development code/construction permitting fee waivers and/or rebates for community-based non-profit organizations that build affordable housing for developers building affordable or workforce housing.
 - iv. Explore using development incentives to encourage developers to voluntarily include housing designed to be owner-occupied and affordable for low to moderate income households. Incentives might include:
 - 1. Considering an increase in height beyond five stores in the Downtown Smart Code District in proportion to the number of affordable units created.
 - 2. Developing an “affordable housing fund” program that accepts fee-in-lieu payments rather than the construction of affordable housing. As adequate funds accumulate, the City could acquire land to be used for affordable housing construction.
 - 3. Allowing developers to construct the affordable units in off-site locations (sites to be approved by the City at the time the development incentive is approved).
- c. Encourage in-fill housing development in older, established neighborhoods
 - i. Update the City’s existing Infill Housing Incentive Program to provide incentives for affordable and/or workforce housing development.
 - ii. Coordinate as practical the affordable/workforce housing program with the Place Based Economic Development Policy.
 - iii. Market the programs to developers, realtors, and lenders.

3. **THE CITY’S AGING HOUSING STOCK AND OLDER NEIGHBORHOODS NEED TO BE MAINTAINED IN GOOD CONDITION.**

- a. Reduce costs of renovating older homes while ensuring that modern safety concerns are addressed.
 - i. Review development code regulations applicable to non-conforming residential structures regarding repairs and modifications, reconstruction after destruction, and non-conforming moved structures to ensure that the standards provide maximum flexibility while not compromising safety.
- b. Assist low income homeowners with the costs of maintaining their homes.
 - i. Consider providing funding for housing rehabilitation programs that provide free housing rehab to low income families.
 - ii. Seek additional funding sources and identify potential non-profit partners to carry out housing rehab/reconstruction programs.

- c. Assist low income families to create developable lots on property with clouded titles.
 - i. Develop and/or sponsor programs that assist families in clearing title to real property – which will facilitate the rehabilitation of dilapidated structures and the redevelopment of vacant lots.

4. HOUSING COSTS (OTHER THAN MORTGAGE PAYMENTS) CAN CREATE A BURDEN FOR LOW AND MODERATE INCOME PERSONS

- a. Reduce transportation costs through development of housing in Location Efficient Areas (LEA).
 - i. Define parameters for establishing Location Efficient Areas & review development codes to ensure they encourage affordable / workforce development therein.
 - ii. Identify areas appropriate for designation as a Local Efficient Area.
 - iii. Target incentives for development of affordable / workforce housing in LEAs.
- b. Improve energy efficiency to reduce housing costs.
 - i. Continue energy audit and indoor water survey programs, maintain funding for energy efficiency rebate programs, and continue public education about programs
 - ii. Utilize energy audits to identify low-income households with a history of very high utility bills whose energy use could be lowered through energy efficiency upgrades. Refer residents to available programs that assist with weatherization or other energy efficiency upgrades.
 - iii. Seek grants supporting this goal and evaluate feasibility of implementing them. The feasibility review shall include staffing requirements and associated costs compared to benefits from the grant.
 - iv. Periodically evaluate and analyze the impact energy efficiency development / improvements has on utility usage and costs.

5. LAND ACQUISITION COSTS ARE PASSED ON TO HOMEBUYERS

- a. Increase supply of sites available for owner-occupied housing.
 - i. Enter into cooperative agreements with other taxing entities to create a program that will identify tax-forfeiture properties appropriate for residential development or redevelopment and made them available for affordable housing development.
 - ii. Evaluate existing city-owned property for suitability for residential development and donate appropriate sites to non-profit organizations to build affordable housing.
 - iii. Consider allocating funding to purchase land to be donated to community-based non-profit organizations (such as Habitat for Humanity) for affordable housing development.
 - iv. Utilize the City's Unsafe Structures Program to create clean, developable lots dedicated to affordable housing development.

RENTAL HOUSING

1. THERE IS A NEED FOR MORE DIVERSITY IN THE TYPES/SIZES OF HOUSING UNITS BEING PRODUCED

- a. Encourage the creation of a diverse housing stock
 - i. Review development codes to reduce/remove regulatory barriers to allow alternative housing types that foster affordability such as:
 - 1. Micro homes / efficiency dwelling units
 - 2. Accessory dwelling units - with specific criteria for approval such as the primary dwelling must be the homestead of the homeowner and the house and accessory dwelling unit combined must still be able to comply with any applicable occupancy limits.
 - 3. Mixed use buildings
 - 4. Zero-lot line homes
 - 5. Courtyard homes
 - 6. Industrial (pre-fab) housing that meets construction codes – with design standards that will ensure the home is compatible with the surrounding area.
 - 7. Housing designed for persons with special needs

The Development Code shall establish criteria that ensures alternative housing is appropriately located.

2. THE CITY'S AGING HOUSING STOCK AND OLDER NEIGHBORHOODS NEED TO BE MAINTAINED IN GOOD CONDITION.

- a. Reduce costs of renovating older homes while ensuring that modern safety concerns are addressed.
 - i. Review development code regulations applicable to non-conforming residential structures regarding repairs and modifications, reconstruction after destruction, and non-conforming moved structures to ensure that the standards provide maximum flexibility while not compromising safety.
- b. Ensure that aging rental units remain in compliance with safety codes.
 - i. Establish an inspection program that establishes periodic inspections and appropriate responses to complaints from residents
 - ii. Consider adoption of an incentive program to encourage the renovation of small, older residential rental property; incentives might include fee rebates upon the unit passing final inspection.

3. HOUSING COSTS (OTHER THAN RENT PAYMENTS) CAN CREATE A BURDEN FOR LOW AND MODERATE INCOME PERSONS

- a. Reduce transportation costs through development of housing in Location Efficient Areas (LEA).
 - i. Define parameters for establishing Location Efficient Areas & review development codes to ensure they encourage affordable / workforce development therein.

- ii. Identify areas appropriate for designation as a Local Efficient Area
 - iii. Target incentives for development of affordable / workforce housing in LEAs.
- b. Improve energy efficiency to reduce housing costs.
- i. Continue energy audit and indoor water survey programs, maintain funding for energy efficiency rebate programs, and continue public education about programs
 - ii. Utilize energy audits to identify low-income households with a history of very high utility bills whose energy use could be lowered through energy efficiency upgrades. Refer residents to available programs that assist with weatherization or other energy efficiency upgrades.

LOW INCOME HOUSING TAX CREDIT POLICY (LIHTC)

The City of San Marcos utilizes the following criteria in order to determine whether a resolution of support will be recommended for consideration by the City Council.

Resolutions of Support

Applications must meet at least 5 of the 8 criteria below, including criteria #1, in order to receive a staff recommendation for a Resolution of Support.

Criteria

1. No exemption from local taxes is provided
2. The proposed units address a housing need identified in this housing policy or in the City's current consolidated plan for HUD programs.
3. The project is located within a high or medium intensity zone on the preferred scenario map.
4. The project is not proposed to develop under a legacy district on the City's current zoning map.
5. The project is located within half a mile (.5) walking distance from services such as grocery, medical facilities, and schools.
6. The project is located within one quarter mile (.25) walking distance of a proposed or existing bus stop on a current or planned transit route.
7. The project is renovating or redeveloping an existing multifamily complex or under-performing development.
8. The project is mixed income and provides at least 20% market rate units.

Defining Housing Affordability

and

Three Ways to Address It



Sean Garretson. AICP



San Marcos Housing Task Force

September 13, 2018

PEGASUS PLANNING AND DEVELOPMENT

Market Analysis, Economic Development and Revitalization

Pegasus Planning was established to provide professional services to public and private sector clients. Pegasus has helped hundreds of clients over the last twenty years understand market opportunities, create economic development strategies, revitalize vacant land or underutilized corridors and downtowns, facilitate strategic directions and achieve visions.

Although we focus mostly on economic development planning, over the last few years we have gained valuable experience with land development and workforce/business collaborations. Our clients are cities, counties, universities, community colleges, developers, and economic development organizations.

Specializations:

- Strategic Planning
- Market Analysis
- Workforce Housing Analysis
- Downtown Revitalization
- Economic/Fiscal Impact Analysis
- Private-Public Partnership Consulting
- Economic Development
- Entrepreneurship
- Urban & Regional Planning
- Land Development
- Feasibility Study
- Scenario Modeling / Analysis

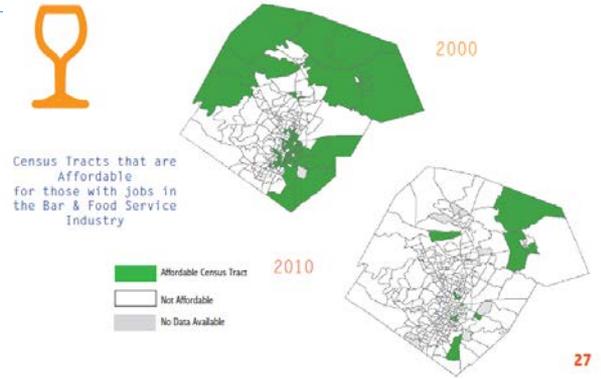


Select Clients include:

Socoro, Texas
Dallas Community College
Edinburg, Texas
Buda, Texas
San Marcos, Texas
Palacios, Texas
Cibolo, Texas
Schertz, Texas
Jarrell, Texas
Rockwall, Texas
Austin, Texas
Meridian, Idaho
Boise, Idaho
State of Mississippi
Gulfport, Mississippi
State of Louisiana
Pensacola, Florida
Emporia, Kansas
State of Vermont
Puyallup, Washington
Stillwell, Oklahoma
Fort Smith, Arkansas
Helena, Arkansas
Arkadelphia, Arkansas



“Keeping Austin Creative” - Affordable Housing for the Creative Sector *Austin, TX*



Pavilion Redevelopment & Branding Strategy *Palacios, TX*



Bathing Pavilion, Palacios, Texas.

Downtown Revitalization Plan *Central Texas APA – Planning Project of the Year (2009)* *San Marcos, TX*



Economic Development Strategy & Retail Leakage Study *Buda, TX*



Downtown Plan & Revitalization

Central Texas APA – Planning Project of the Year (2009)

Project Lead: Sean Garretson

San Marcos, TX

San Marcos is a college town with very little connection to the downtown that is at the main entrance to the university which boasts a student population of 33,000. The downtown is also the county seat and has served as a retail and entertainment hub through the years. Competition from the outlet malls on I-35 and other strip retail development to support new subdivisions has left several buildings vacant.

Pegasus identified the market opportunities, catalyst project potential, and examined the fiscal impact of allowing denser development in the downtown.

Pegasus continues to help the public and private sector implement key aspects of the downtown plan.

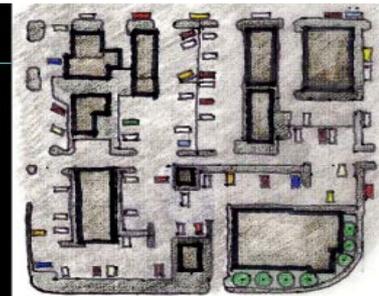
REFERENCE CONTACT INFORMATION:

Scott Gregson

tel: 512.392.5600

email: scott@scottgregson.com

Scenario 1



Scenario 2



Scenario 3



Infill Development Fiscal Impact

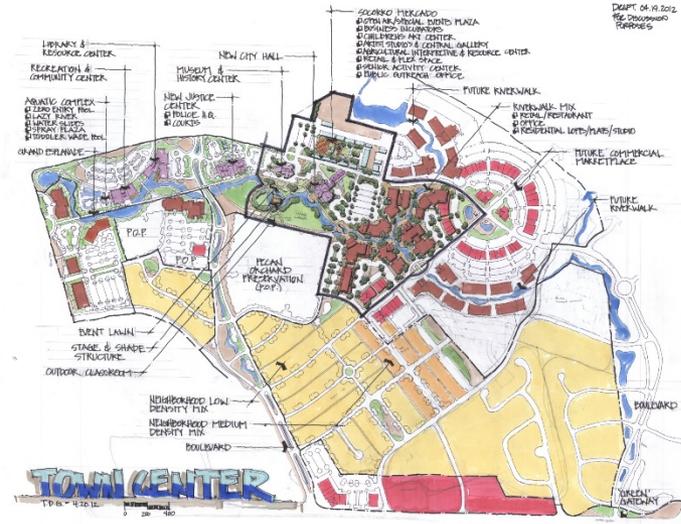
	Scenario 1	Scenario 2	Scenario 3
Space Summary			
Net Buildable Area	32,500 SF	64,000	66,000
Parking Spaces	235 Spaces	144	600
Retail Space (Gross SF)	24,375 GSF	128,000	181,500
Residential (Housing Units)	34 Units	178	252
Office Space (Gross SF)	14,625 GSF	76,800	108,900
Tax Base - Year 10			
Total Land Value	\$192,328	\$1,009,968	\$1,432,103
Total Building Value	\$9,510,232	\$49,940,909	\$70,814,649
Total Furniture, Fixture, & Equipment Value	\$493,508	\$2,591,547	\$3,674,733
Total Retail Sales (Cumulative)	\$17,442,168	\$91,593,741	\$129,877,063
Tax Base - Year 20			
Total Land Value	\$243,847	\$1,280,509	\$1,815,722
Total Building Value	\$12,281,577	\$64,494,025	\$91,450,512
Total Furniture, Fixture, & Equipment Value	\$634,506	\$3,331,968	\$4,724,626
Total Retail Sales (Cumulative)	\$47,774,250	\$250,876,060	\$355,734,413
City Tax & Fees Collection - Year 10			
Property Tax Collections	\$350,416	\$1,840,135	\$2,609,254
Retail Sales Tax Collection	\$215,847	\$1,133,473	\$1,607,229
City Tax & Fees Collection - Year 20			
Property Tax Collections	\$974,126	\$5,115,413	\$7,253,496
Retail Sales Tax Collection	\$591,206	\$3,104,591	\$4,093,143
County Tax & Fees Collection - Year 20			
Property Tax Collections	\$682,366	\$3,583,297	\$5,081,004
Retail Sales Tax Collection	\$197,069	\$1,034,864	\$1,467,404

Town Center Plan Feasibility Study

Project Lead: Sean Garretson
 Socorro, TX

Pegasus analyzed the demographic and economic market of El Paso County to determine the potential local market demand for mixed-use development and tourism. We analyzed other tourism projects/sites in the County (particularly El Paso) to determine competing projects and potential market niche for the City of Socorro project; and we identified and recommended target market and niche development types that can allow the City of Socorro project to draw additional tourists.

REFERENCE CONTACT INFORMATION:
 City of Socorro



PROJECTED DEVELOPMENT DEMAND

General Uses	Planned Buildout		Projected Demand thru 2020		Variance	
	Acres	SF	Acres	SF	Acres	SF
Retail / Restaurant	5.74	250,000	6.62	288,865	0.88	38,865
Office	2.87	125,000	7.00	305,760	4.14	180,760
Multi-family	1.84	80,000	1.80	78,774	-0.03	-1,226
Hotel / Hospitality	1.03	45,000	1.82	79,533	0.79	34,533

Market Study and Land Strategy

Project Lead: Sean Garretson
Tradition, MS

REFERENCE CONTACT INFORMATION:
Gerald Blessey
email: gblessey@traditionms.com

Pegasus led the market analysis and land strategy for a larger land planning effort of a new 4,000 acre mixed-use development north of Biloxi, MS. The developer acquired this acreage from International Paper Company and hired our team to analyze the market, identify strategic collaborations with higher education, economic developers, and businesses, and then create a master plan for a mixed-use community that is focused around a Town Center and a commercial technology park.

The developer followed our recommendations and has had tremendous success in getting higher education institutions through our contacts and theirs. The Mississippi Gulf Coast Community College, William and Cary University and other MS Colleges are creating a collaborative presence in the Town Center area.

Tradition is re-hiring the Pegasus-Broadus team to further their goals with a focus on healthcare district planning, and then recruiting hospitals as well as commercial operators to create a healthcare district economic development engine.



Pegasus Team

Pegasus

Sean Garretson, AICP - President



Experience

- *Market analyst, land strategist, strategic planner, economic developer and revitalization expert*
- *Former project leader and manager for planning departments at a large civil engineering company, a Texas utility company, and a regional council of government*
- *Adjunct graduate faculty at University of Texas-Austin in Economic Development Policy*
- *Frequent speaker and trainer for International Economic Development Council (IEDC)*
- *General Partner of several development projects in Austin.*

Education

- *M.A., Community and Regional Planning, University of Texas-Austin, Economic Development Specialization, 1998*
- *B.A., Anthropology, George Washington University, 1989*

Unique Qualifications & Affiliations

- *2010 Project of the Year Award American Planning Association (Texas APA) (Edinburg Downtown Plan)*
- *2008 Project of the Year Award-Central TX APA (San Marcos Downtown Plan)*
- *2004 NADO Most Innovative Project (NW North Carolina Economic Development Strategy)*
- *Urban Renewal Agency of Austin (Past Vice Chairman)*
- *Chestnut Neighborhood Revitalization Corporation (Board President)*
- *American Institute of Certified Planners (AICP) (Member)*
- *Texas Chapter of the American Planning Association (Member)*
- *YMCA – Town Lake (Board Member)*
- *Avid water polo player, open water swimmer and mountain biker*

FRAMING THE ISSUE

- Housing <30% of your income
- Cost of Transportation
- Cost of Food, Daycare



ADDRESSING THE ISSUE

- Policy (Rent vs Own, Agrarian, The Chicon, MicroUnits & Multimodal Transportation)
- Capacity (Local CHDOs)
- Land (publicly-owned)
- Finance
 - Local, State, Federal (Bonds, HUD programs, Down Pymt Assist)
 - Infrastructure Assistance / Density Bonuses
 - developer/City partnerships to support Housing/Jobs Goal(s)
 - Micro Units
 - Parking Waivers (Rocky Mountain Institute)



Alternative to Greenfield Development



ELGIN AGRARIAN COMMUNITY
HOME GROWN + COMMUNITY + SUSTAINABILITY



Food Deserts in Central Texas



ELGIN AGRARIAN COMMUNITY
HOME GROWN + COMMUNITY + SUSTAINABILITY



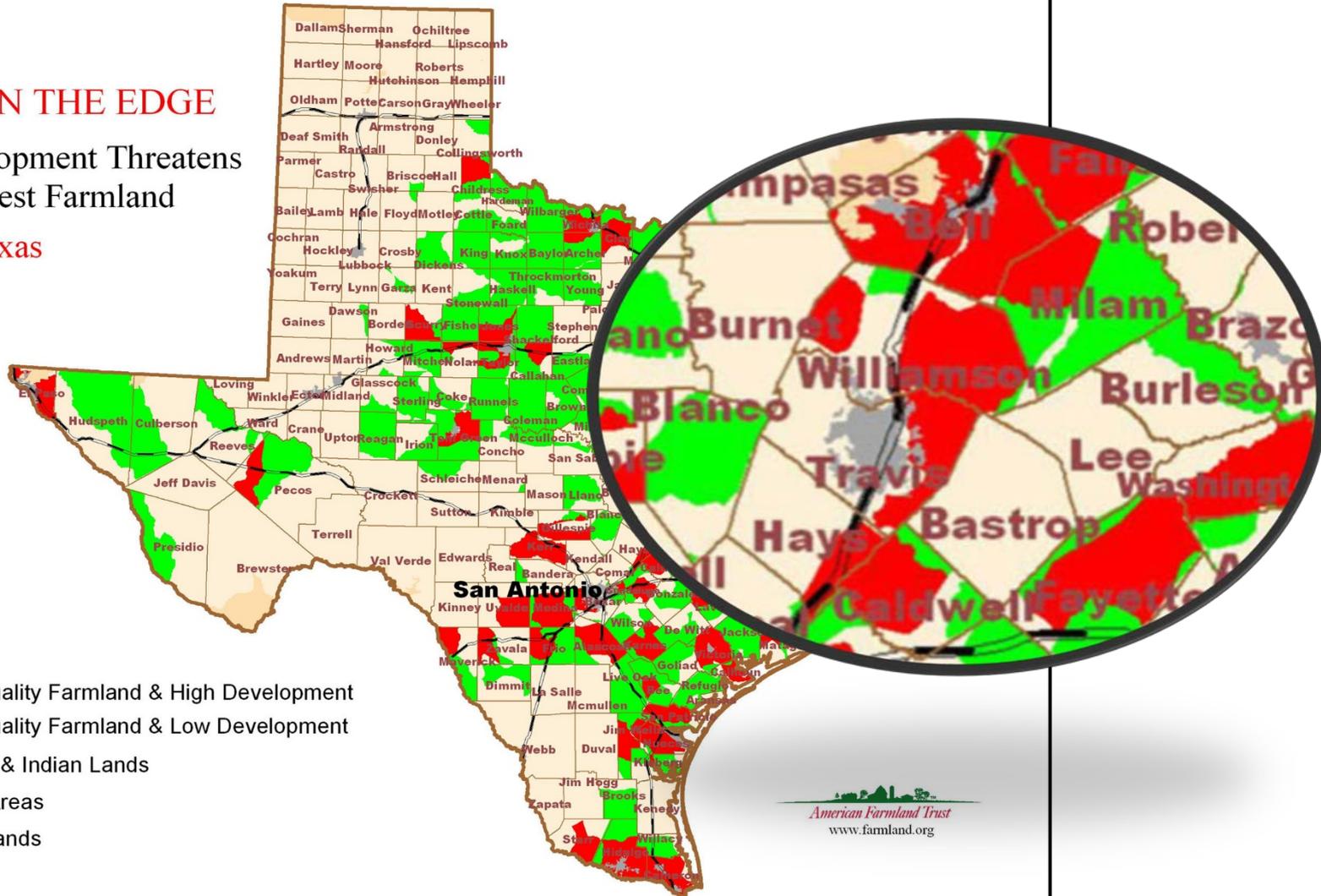
Loss of TX Farmland



FARMING ON THE EDGE

Sprawling Development Threatens
America's Best Farmland

Texas



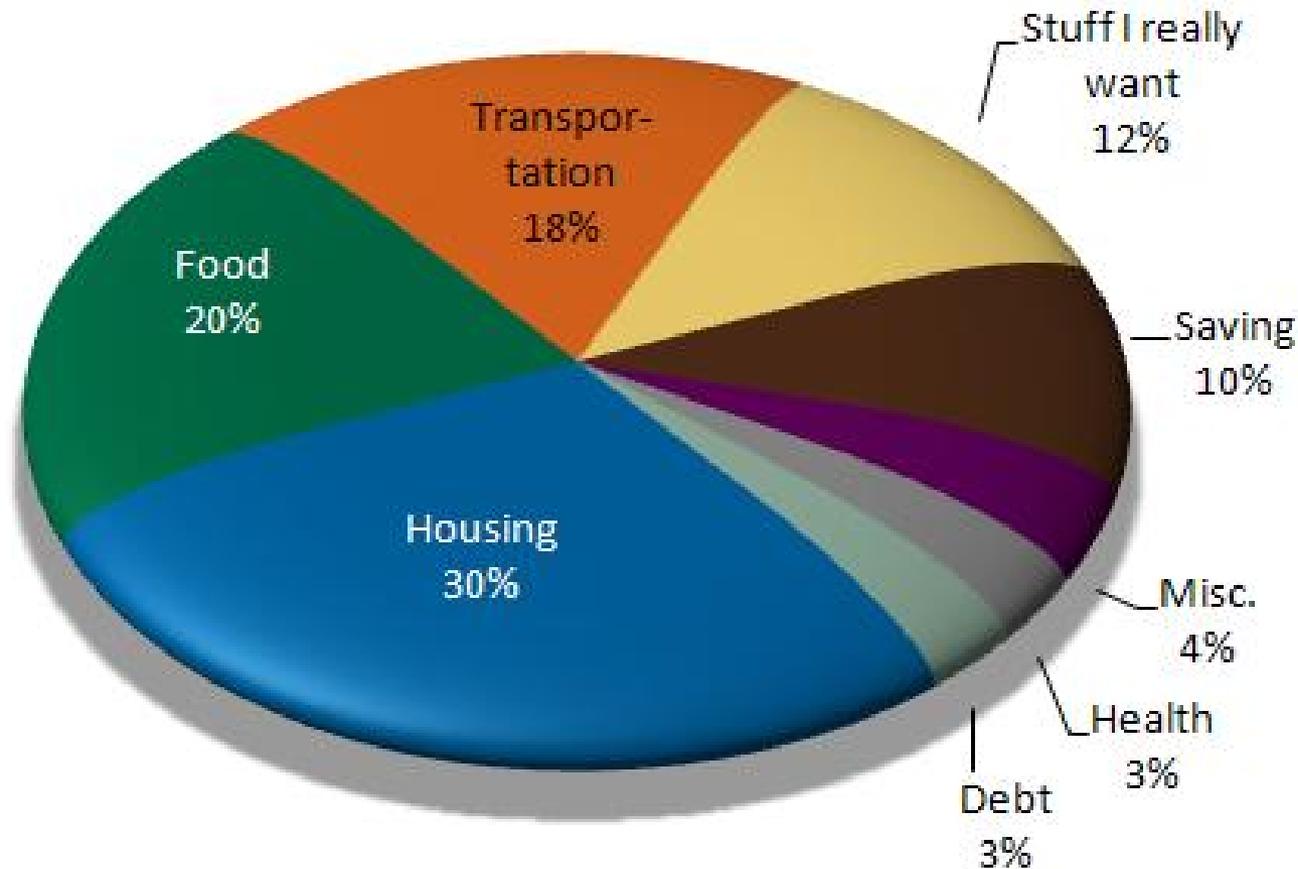
Legend:

- High-Quality Farmland & High Development
- High-Quality Farmland & Low Development
- Federal & Indian Lands
- Urban Areas
- Other Lands

American Farmland Trust
www.farmland.org



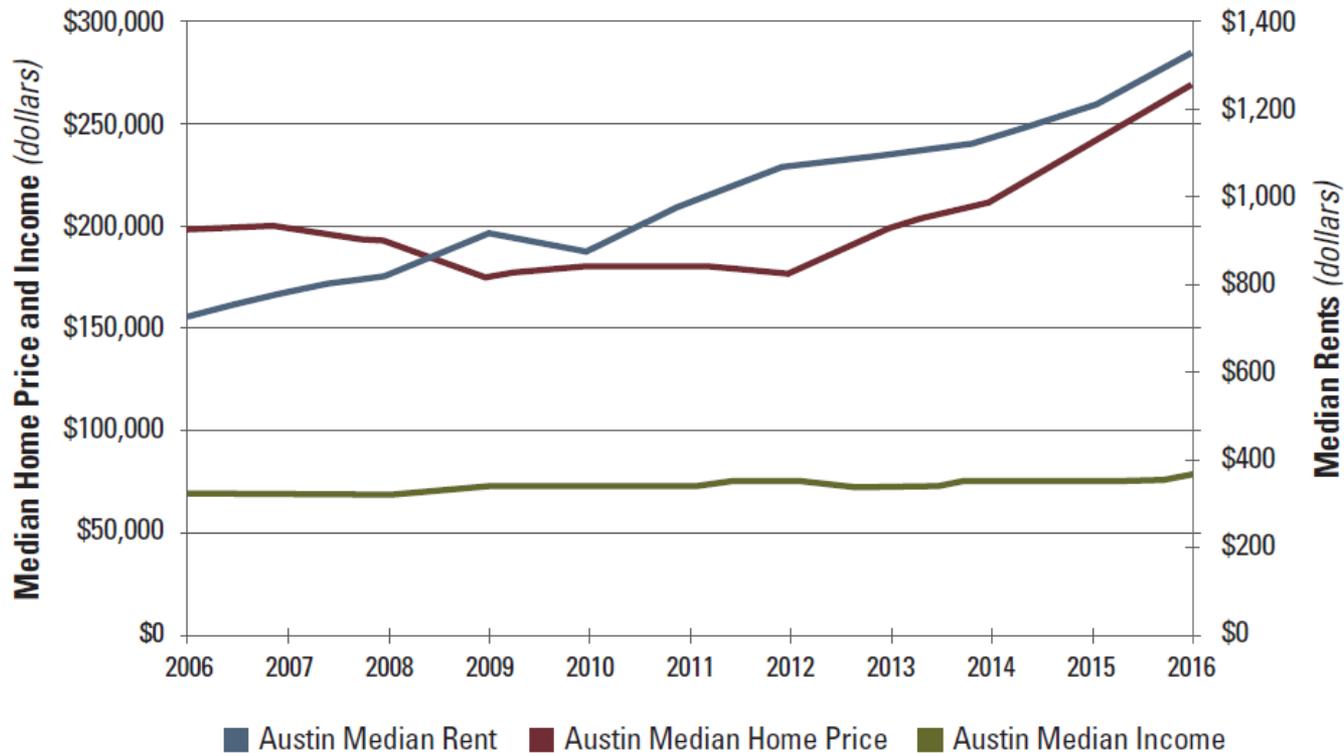
Affordability is Not Just the House



POLICY

- Rent vs Own
- Agrarian Developments
- Mixed-Use, Limited Parking
- Micro-Units with No Parking

AUSTIN MEDIAN HOME PRICES AND RENTS VERSUS MEDIAN INCOME



SOURCE: National Association of Homebuilders (NAHB), Austin Opportunity Index, and Austin Investor Interests Data (2006-2016)

The Rise of Agrarianism



ELGIN AGRARIAN COMMUNITY
HOME GROWN + COMMUNITY + SUSTAINABILITY



Origin of Concept



Mary Christian Burleson
(circa 1880)

About Elgin



The Market

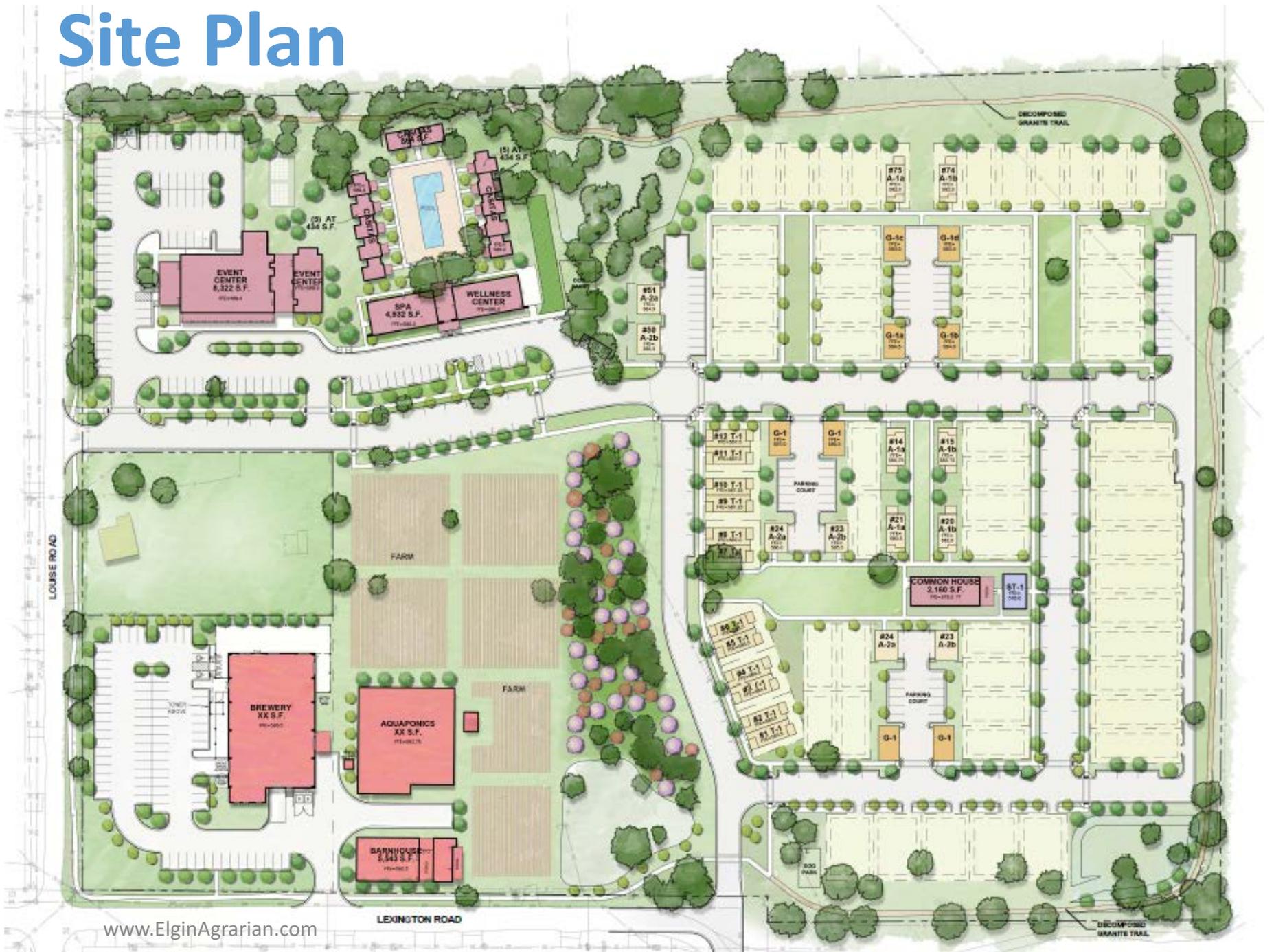


ELGIN AGRARIAN COMMUNITY
HOME GROWN + COMMUNITY + SUSTAINABILITY

- 600 new homes in Elgin by 2020
- New City Mgr from Kyle (Seton), ACC Campus
- Buzz about EACo



Site Plan



80 Homes on 10 Acres

1-3 Bedrooms, 650 – 1500 SF

Affordability

- \$125k-\$275k
- ½ mile to Downtown Elgin
- CARTS and CapMetro Stations

Sustainability

- Rainwater Collection
- Solar
- 5 lbs organics/wk

Co-Housing

- Trails, Plazas & Active Recreation
- Common House
- Dog Parks, Community Programs



Project Feasibility

\$2.5M Equity

\$7.2M Bank Loan

\$20M Construction

***Balance paid
through sales***



Project Status

- ✓ **Site Plan Permit**
- ✓ **Building Permits**
- ✓ **15 Presales (75% of Phase 1)**
- ✓ **Bank Term Sheet**



ELGIN AGRARIAN COMMUNITY

HOME GROWN + COMMUNITY + SUSTAINABILITY

www.ElginAgrarian.com



THE CHICON



theChicon.com

Sean Garretson, AICP

sean@pegasusplanninganddevelopment.com

PegasusATX.com



The Chicon

An East Austin Revitalization Project

- Developer / Team
- Purpose / Market
- Context / Neighborhood
- Project Description
- Lessons Learned

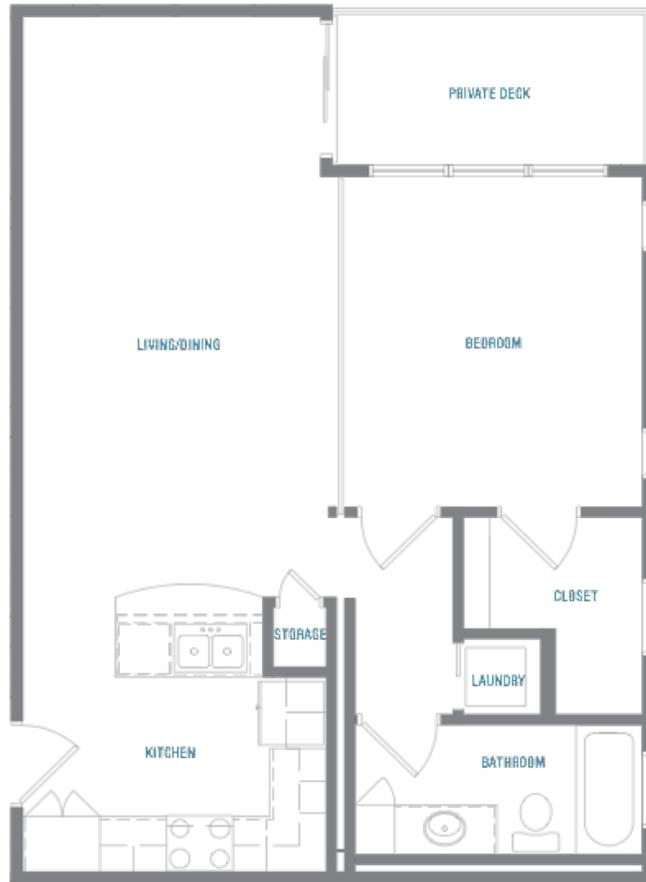
Q&A

- **Chestnut Neighborhood Revitalization Corporation was established in 1999 as a 501 c3 non-profit Community and Housing Development Organization. Started by Rev. Joseph Parker.**
 - ✓ **Create and sustain housing for existing and new residents**
 - ✓ **Help implement the Chestnut Neighborhood Plan (1st in CoA)**
 - ✓ **Help small businesses**
- **CNRC is managed by a Board of Directors; contract w/ Structure**

What have we done?

- **Single family homes**
- **22-unit senior housing project (Franklin Gardens @ MLK and EM Franklin)**





43 Total Units

- (27) 1/1s
- (12) 2/2s
- (4) 3/2s

33 affordable units for ownership at 80% MFI or below

FOR MORE INFORMATION, VISIT THECHICON.COM



Floor plans are not to scale and are subject to change. All dimensions are in using square footage, are estimates and will vary from the floor plan and depiction of the unit set forth in the purchase contract and/or the condominium documents.

**8,700 sf Commercial
 CNRC will retain 2,500 sf**



A screenshot of a web browser displaying the website www.thechicon.com. The browser's address bar shows the URL. The website has a navigation menu on the left with five vertical bars: orange (CONTACT), green (ABOUT), dark blue (COMMUNITY), orange with a pattern (RETAIL), and red (LIVE HERE). The main content area has a teal background with a faint map pattern. It features the "THE CHICON" logo in large white letters, a paragraph of text describing the project, and a horizontal navigation menu at the bottom with links: HOME / LIVE HERE / COMMUNITY / RETAIL / ABOUT / CONTACT.

The Chicon

www.thechicon.com

CONTACT

ABOUT

COMMUNITY

RETAIL

LIVE HERE

THE CHICON

With a mix of affordable and market rate homes, along with commercial spaces to foster economic growth, The Chicon is more than just a condominium development – it's a manifestation of the legacy, culture and future growth of East Austin. One of the only affordable mixed-use condominium projects in such close proximity to downtown Austin, The Chicon aims to fit into and support the area instead of changing it, through positive, sustainable growth.

[HOME](#) / [LIVE HERE](#) / [COMMUNITY](#) / [RETAIL](#) / [ABOUT](#) / [CONTACT](#)

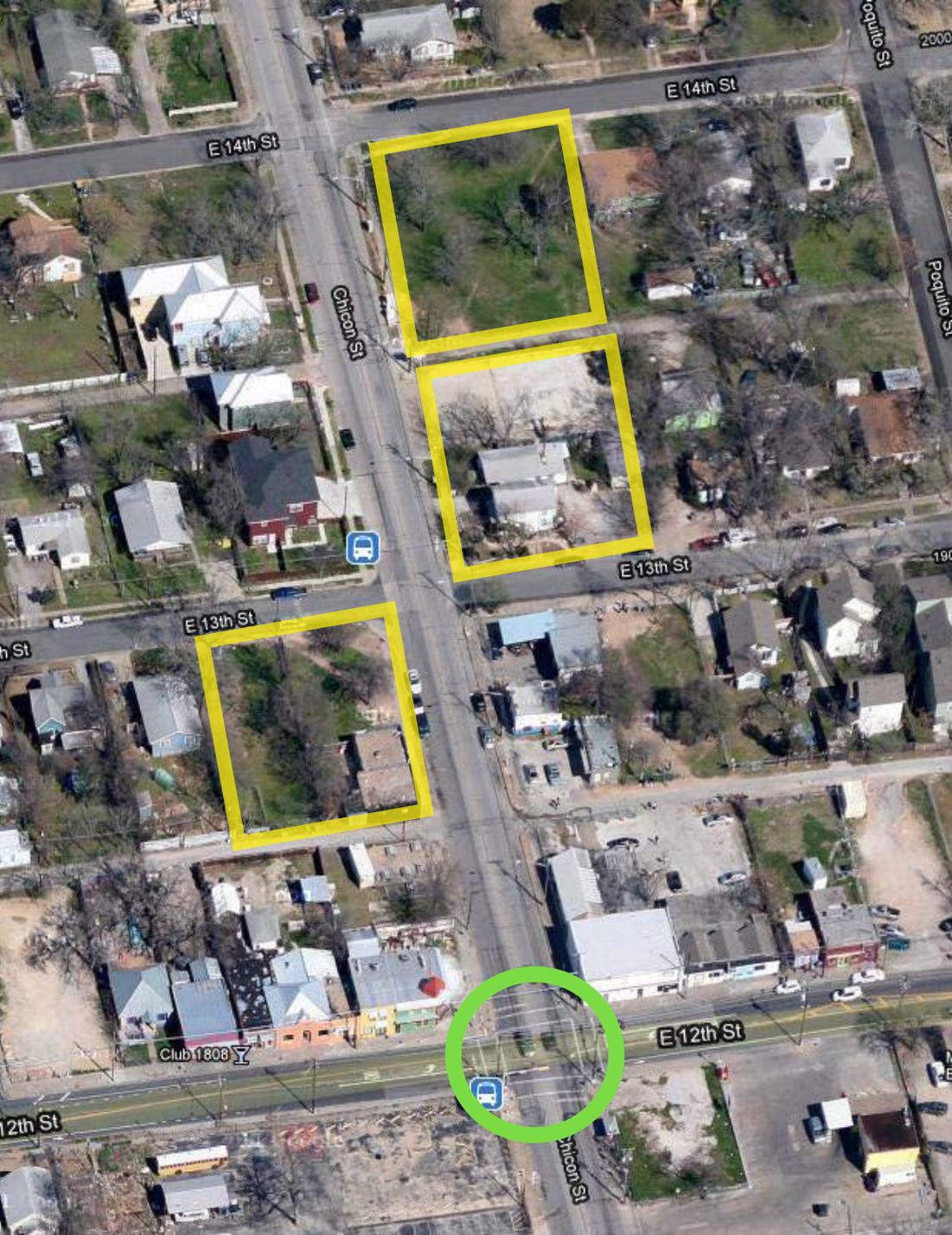


Affordability of Housing Units

- CNRC submitted an application to Austin Housing Finance Corporation (AHFC) to help develop these projects
- 33 of the units will be affordable to those making at 80% of the Median Family Income (MFI) or below.
- These will be home ownership units (NOT rental)

What is 80% MFI?

AMFI %	Number of Household Members					
	1	2	3	4	5	6
30	\$ 15,750	\$ 18,000	\$ 20,250	\$ 22,450	\$ 24,250	\$ 26,050
40	\$ 21,000	\$ 24,000	\$ 27,000	\$ 29,960	\$ 32,360	\$ 34,760
50	\$ 26,250	\$ 30,000	\$ 33,750	\$ 37,450	\$ 40,450	\$ 43,450
60	\$ 31,500	\$ 36,000	\$ 40,500	\$ 44,940	\$ 48,540	\$ 52,140
80	\$ 41,950	\$ 47,950	\$ 53,950	\$ 59,900	\$ 64,700	\$ 69,500
120	\$ 62,900	\$ 71,900	\$ 80,900	\$ 89,900	\$ 97,050	\$ 104,250



Lots purchased
with the help of
City of Austin/AHFC



Current Zoning and Development Standards



- **Zoning = CS (commercial Services)**

- **Allowable uses:**

Administrative or Business Offices; Art/Craft Studio; Bail Bond services; Business Support Services; Communications Services/Facilities; Cultural Services; Community Recreation (public & private); Construction Sales & Services; Custom manufacturing; Day care; Equipment Repairs & Sales; Exterminating Services; Food sales; General Retail (convenience & general); Hotel/Motel; Medical Offices; Offsite accessory parking; Personal services; Printing & Publishing; Restaurant; Professional Office; Software Development

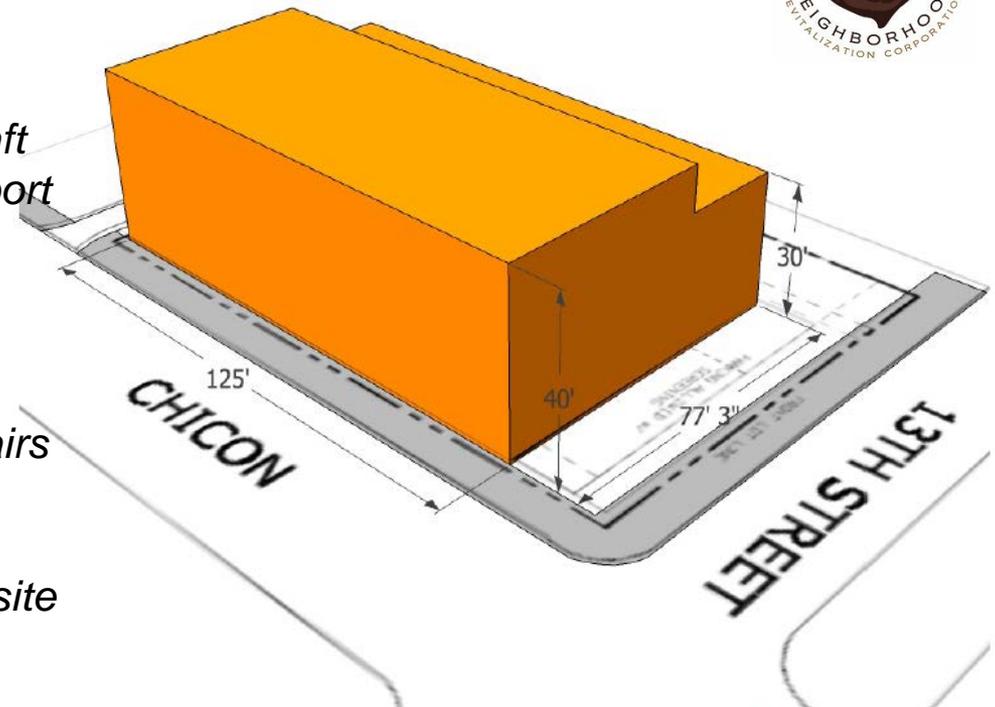


EXHIBIT C: 3D ALLOWABLE BUILDING AREA AND BUILDING HEIGHT DIAGRAM

Current Zoning and Development Standards

Combined Lot Size: 15,943 sf
(8,252 sf + 7, 691 sf)

Building Coverage Allowed:
95% (max. 15,145.85 sf)

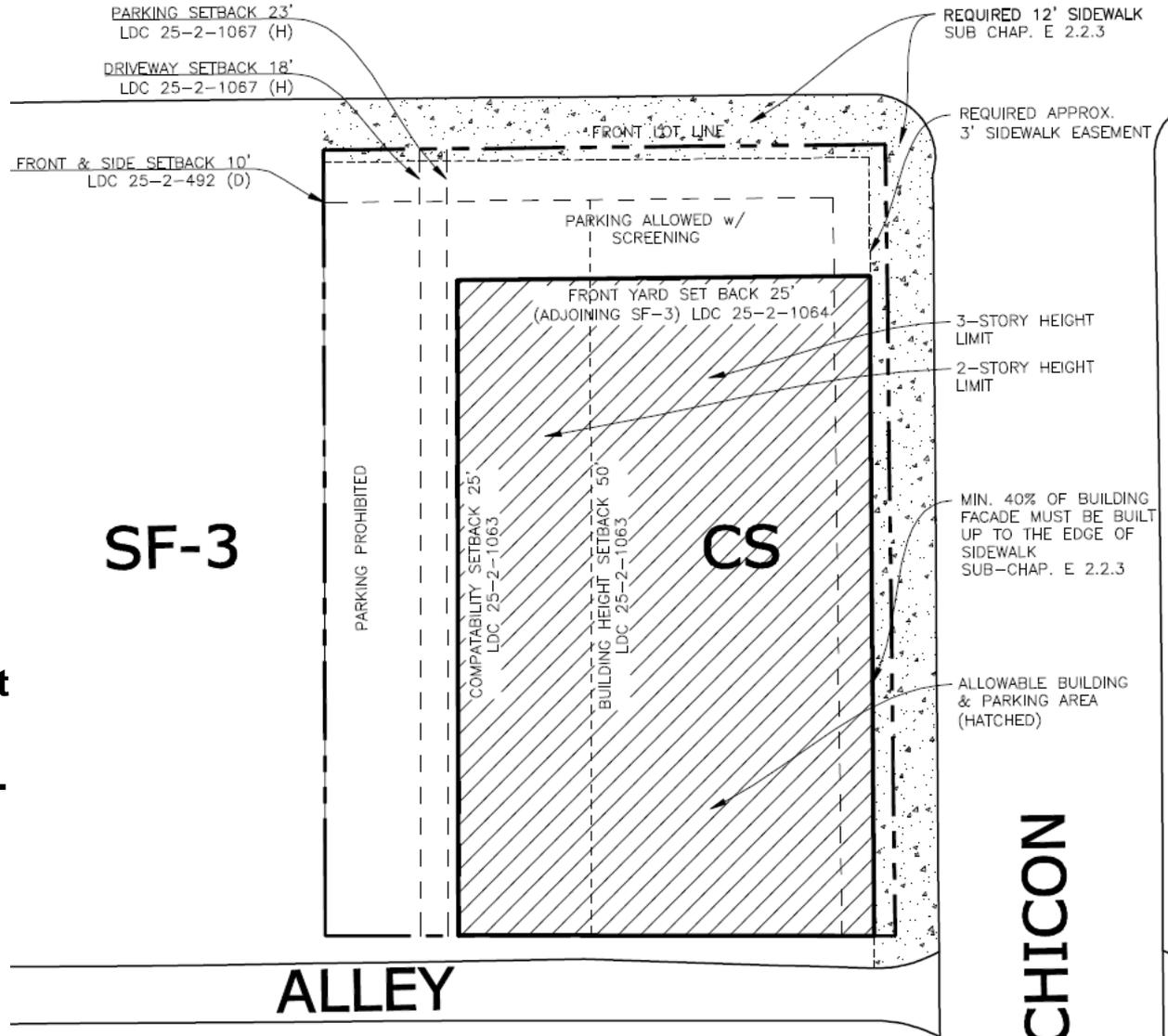
Impervious Cover Allowed:
95% (max. 15,145.85 sf)

Floor Area Ratio: 2:1
(max. 31,886 sf)

Front Set Back: 10 ft.

Street Side Yard Set Back: 10ft

Interior and Rear Set back: 0ft.





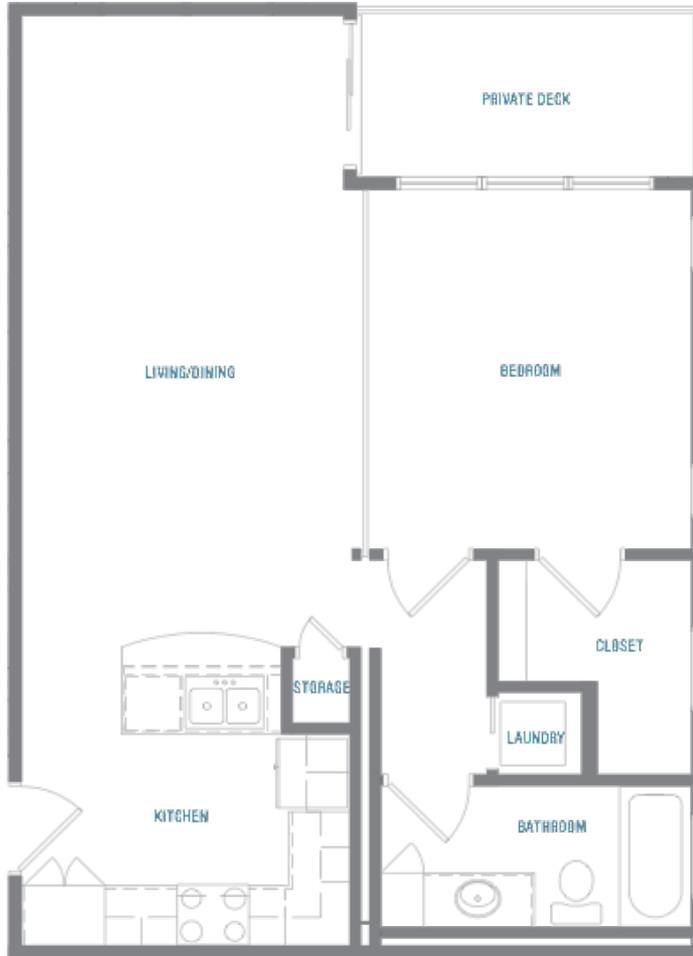
View of Chicon Street, Looking North From 12th







In Progress: The Chicon Northeast Lot



43 Total Units

- (27) 1/1s
- (12) 2/2s
- (4) 3/2s

33 affordable units for ownership at 80% MFI or below

FOR MORE INFORMATION, VISIT THECHICON.COM



Lessons Learned



The Chicon - Sources and Uses

Uses

		<i>Construction</i>		<i>Permanent</i>	
	Acquisition	\$	1,023,225	\$	1,023,225
	Construction	\$	9,214,846	\$	9,214,846
	Professional Fees	\$	510,175	\$	510,175
	Finance Costs	\$	594,775	\$	594,775
	Soft Costs	\$	193,816	\$	193,816
	Developer Fee	\$	207,881	\$	207,881
	TOTAL	\$	11,744,717	\$	11,744,717

Sources

Phase of Project

		<i>Construction</i>		<i>Permanent</i>	
	Committed - City of Austin	\$	5,249,717	\$	5,249,717
	Construction Loan- TSAHC	\$	2,000,000		
	Construction Loan Lender	\$	4,500,000	\$	-
	Home Buyer - Net Proceeds	\$	-	\$	4,854,304
	Commercial Sales - Net Proceeds	\$	-	\$	2,020,388
	TOTAL	\$	11,749,717	\$	12,124,409
				Profit/Contingency	\$ 379,692



3rd Lot –

- Micro Units (400-500sf)
- NO on-site parking
- Electric Vehicle Fleet
- Common Areas for Artists/Musicians
- Commercial Space focused on Performance Space

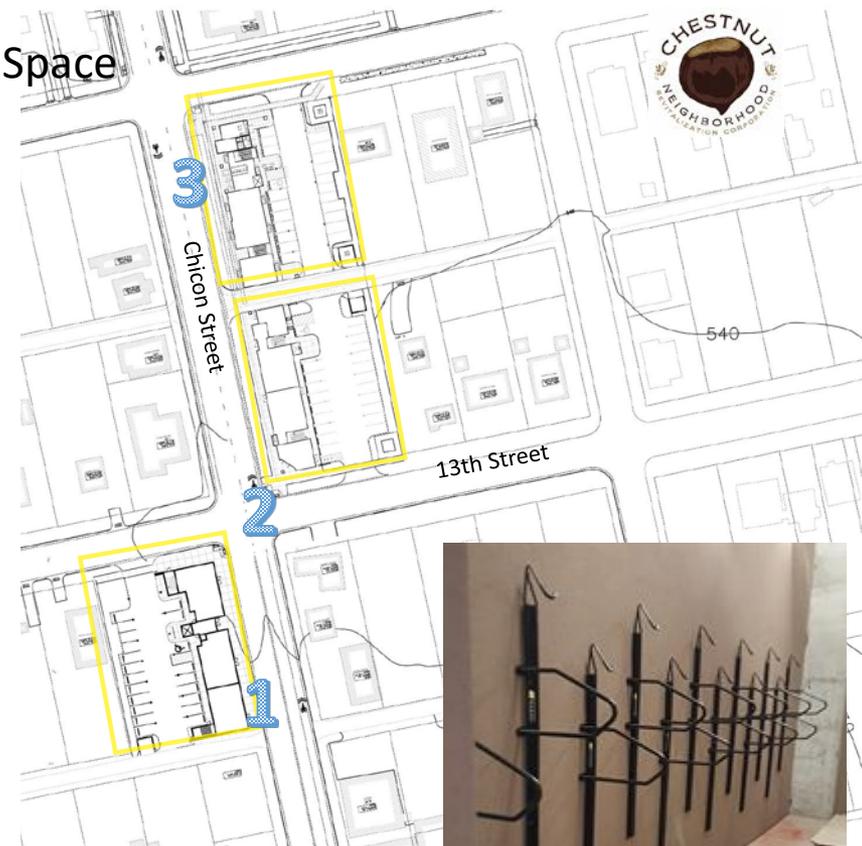
Build similar building as other two buildings, including:

- 2835sf Retail

15 total residential including: (4) 3bdrm, (5) 2bdrm, (6) 1bdrm, 13,144sf

OR

Build micro units 26 @ 500sf = 13,000sf



Defining Housing Affordability

and

Three Ways to Address It



Sean Garretson, AICP

sean@pegasusplanninganddevelopment.com





City of San Marcos Workforce Housing Taskforce

Purpose: The goal of the task force is to assist the City Council’s Workforce Housing Committee in developing a comprehensive housing policy aimed at addressing the pressing housing challenges facing working families in San Marcos.

Membership: The workforce housing task force is made up of 20 community leaders representing a diversity of perspectives and industries within San Marcos.

Process: The task force will work in tandem with City Staff, and local stakeholders through a policy-making framework grounded in data and best practices to address workforce housing in San Marcos.

Timeline & Deliverable: The task force will develop policy recommendations for consideration by the City Council Committee and eventually the full City Council and public at large. Final recommendations from the task force are expected in the Fall of 2019.

Meetings: The Task Force will meet a minimum of once every three months. Meetings of the task force are open to the public and community input sessions will be scheduled. Smaller working groups may be formed.

San Marcos Housing Gap

According to the 2012 - 2016 American Community Survey the Median Family Income in San Marcos is: **\$46,736**

If housing is 1/3 of family income, half of the families in San Marcos can buy a home for no more than: **\$154,200**

According to MLS Data the median home price for all homes or condos sold in San Marcos in 2017 was: **\$200,200**

City Council Committee:

John Thomaides, Mayor

Lisa Prewitt, Mayor Pro-Tem

Melissa Derrick, Place 6

Task Force Members:

Chair: Laura Dupont, Corridor Title

Vice Chair: Gloria Salazar, El Centro

Ramika Adams, Calaboose Museum

Melissa Nicewarner Daly, HomeAid

Andrew Fernandez, SMCISD

Dr. Thomas Longoria, Texas State

Ruben Garza, Southside

Will Holder, Ret. Trendmaker Homes

Michael Nolen, McNabb & Co.

Ryan Pearl, Amazon

Roland Saucedo, Neighborhood Representative

John Schawe, Frost Bank

Jack Seaborne, Seaborne Architects

Albert Sierra, SM Housing Authority

Dr. Chris Smith, Texas State

Caitlyn Strickland, Hays County

Scott Turner, Brookfield

Dr. Monica Valadez, SMCISD

Robert Watts, Habitat for Humanity

UPDATED DRAFT GOALS

Updated Date: September 19, 2018

Project: San Marcos Workforce Housing Task Force

Definition: The vision and goals are meant to articulate the desired final outcome of the project. They embody the collective vision for workforce housing in San Marcos and define the framework by which the final deliverable will be evaluated. A clear and succinct vision and set of goals will also be used to explain this effort to the greater community.

DRAFT VISION

To develop an action-oriented housing blueprint to address workforce housing challenges in San Marcos.

Vision San Marcos Neighborhood & Housing Vision Statement:

We envision San Marcos to have a strong, more comprehensive foundation of safe, stable neighborhood while preserving and protecting the historical, cultural, and natural identities of those neighborhoods.

DRAFT GOALS

1. Increase rates of home ownership in San Marcos.
2. Maintain the character of existing neighborhoods and preserve the existing housing stock in safe conditions.
3. Develop capacity within the City government and community partners to jointly confront housing challenges.
4. Ensure new housing meets the needs of the current and future residents or workforce.

GOALS HOMEWORK

DRAFT GOALS

1. Increase rates of home ownership in San Marcos.
2. Maintain the character of existing neighborhoods and preserve the existing housing stock in safe conditions.
3. Develop capacity within the City government and community partners to jointly confront housing challenges.
4. Ensure new housing meets the needs of the current and future residents or workforce.

Please list and describe any actions, (e.g., strategies, programs, policies, plans, etc.) that are already taking place in San Marcos to support the housing goals.	Name of responsible organization/ community group	Who do we contact for more information (name and contact information)?	Goal #1	Goal #2	Goal #3	Goal #4
			Place an "x" under each goal addressed by each action.			

Please add more rows as needed.