

# Choices

## HOUSING



### CHAPTER

Because of the area’s diverse economy, Temple’s housing market must respond to the wants and needs of a wide range of income levels. As a result, Temple must plan for the full spectrum of housing types, from subsidized units, to affordable “workforce” housing, to “high-end” executive homes. As Temple continues to grow and the need for new residences is satisfied by the market, another challenge will be to sustain the integrity of neighborhoods and the quality of existing, older housing. Having a diverse stock of housing – new and old, big and small – is instrumental in offering choice and supporting ongoing economic development efforts.

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Housing needs and issues are a core element of urban planning. Shelter is among the most basic of human needs. For most individuals and families, the ongoing cost of a home or apartment is also one of the largest expenditures within their overall cost of living – but also at the heart of attaining the “American Dream.” At a community-wide scale, residential land uses typically represent the majority of developed acreage within a city. The physical arrangement of buildings and related spaces to accommodate the way people live dictates so much else about a community’s “fabric.” In this way, residential land use serves as a starting point for other essential community “building blocks” such as schools, parks and neighborhood stores and services. In turn, a community must take action in a variety of arenas – utilities, streets and transit, schools, commercial development, parks and trails, and so on – to influence the location and type of housing it will have to offer.

### Purpose

The purpose of this element is to identify housing-related opportunities and challenges to ensure that Temple meets its future housing needs. This is accomplished by providing access to safe, quality, and affordable housing within livable, attractive neighborhood environments. Furthermore, the types of housing, its arrangement and design, and the effective integration of open space and amenities contribute significantly to the quality

"Texas housing is still very affordable, and the low tax structure and pro-business climate makes Texas a destination for corporate relocation for firms that are striving to compete in the global marketplace."

*Dr. Mark Dotzour  
Chief Economist  
Real Estate Center at  
Texas A&M University*

Dr. Dotzour also noted that the Texas real estate market has remained strong as other U.S. housing markets have declined – with nearly 400,000 people moving into Texas annually (April 2007).

"'Affordable' does not mean cheap. We need quality construction to maintain our housing values."

*Temple resident,  
May 2007  
Public Meeting*

**Temple 20/20 Alliance Strategic Plan**

This public-private Alliance, including the City, Temple ISD, Temple College, Temple EDC, Chamber of Commerce, and others, jointly adopted a Strategic Plan in 2002. Among its top priorities, the plan aims to generate “sustainable annual quality growth” through a variety of initiatives. This includes targets for new single-family housing construction, in a variety of price ranges, through 2020. The plan also recognizes the ongoing need for more “upper-end” multi-family housing units in coming years.

appearance and character of the community. Temple’s continued economic health will rely, in part, on its ability to preserve its well-established neighborhoods – or, in some cases, rejuvenate declining and/or gentrifying areas – while planning for the development of new living environments that meet the physical, social, and economic needs of its residents.

**Issues and Opportunities**

Through the long-range planning process a number of issues and concerns were expressed related to housing in the community. These discussions formed the basis of the following issue statements, along with analysis of existing conditions, review of current housing-related plans and policies, and examination of expected future growth trends. These statements bring focus to this plan regarding the community’s values, expectations and priorities for addressing housing needs in Temple. Following the identification of the key issues is a set of community goals and objectives along with discussion of necessary implementation steps.

***Making Temple an Appealing Living Option***

Providing quality housing and neighborhoods is fundamental in creating a desirable place to live. Neighborhoods are the foundation of any community as they are places where residents live, recreate, interact and call home.

**OBSERVATIONS on Existing Housing Conditions**

- Temple has experienced a significant boom in single-family residential development in recent years, particularly in numerous new subdivisions on the west side and some on the south side.
- Some homebuyers have been drawn to fringe development locations not necessarily for any cost advantage in a new home there, but in pursuit of a more “country” atmosphere.
- Besides detached single-family dwellings, Temple has a variety of other types and styles in its current housing stock, including garden apartments (e.g., The Bridge Apartments on S. Fryers Creek Road), attached housing (e.g, the Hunnington Townhomes & Apartments on Robinhood Drive), duplexes (e.g., those along Ivanhoe Drive), manufactured homes (e.g, the cluster just west of I-35 and north of Nugent Drive), and the multi-story senior housing on Adams at 7<sup>th</sup> Street.
- A new 200-plus unit apartment community (Pecan Pointe) in the Westfield planned development in west Temple has been described as “upscale” by various sources and should set a new standard for multi-family development quality in the area. Notable aspects of this project include its site design, building quality, on-site amenities for residents, and its integration with nearby uses (elementary school, retail/services, offices) through a Planned Development approach.
- Temple’s downtown still has limited residential units, although there is apparent interest in developing more upper-story residential above ground-floor retail and service uses. The Temple Housing Authority has also been active in maintaining the former Kyle Hotel as housing primarily for low-income seniors and disabled residents.
- The east side has seen some new residential construction in recent years, but a notable effort has involved the construction of new single-family units and duplexes on individual infill lots.
- Members of the local development community noted an apparently increasing trend of military families choosing to live in Temple (versus Killeen or other nearby communities closer to Fort Hood) for cost, employment, medical, school choice, and other reasons.



New residential development on the southern fringe of Temple, along S. 5<sup>th</sup> Street, with the Scott & White complex as a backdrop. This additional homeownership opportunity is in close proximity to a City park and fire station, elementary school, and other recent home construction.

When well-designed and protected, they are a source of community pride. When poorly designed, marketed with few amenities, or allowed to decline over time, they detract from the appeal of the entire community. The condition, availability, and choice of housing are important to the integrity of neighborhoods and to the quality of life of residents. Sustainable, diverse, attractive, and vibrant neighborhoods enhance economic development, improve livability, and maintain property values and the City's tax base.

In addition to ensuring the design and development of sustainable new neighborhoods, the community should also work to safeguard the long-term integrity of its older housing areas. The condition of structures and the maintenance of properties contribute to the health and welfare of residents, as well as the appearance of neighborhoods and the larger community. Without proactive assistance and neighborhood empowerment, these areas can be at risk of falling into disrepair and disinvestment. In areas where smaller, lower-value dwellings have transitioned to rental properties, absentee ownership and/or negligent landlords can also undermine efforts to maintain the quality and stability of a neighborhood.

Private deed restrictions and attentiveness to neighborhood conditions by individual homeowners are essential to maintain residential stability over time. However, as some neighborhoods age, private covenants eventually lapse, and rental properties emerge, careful enforcement of City building and property maintenance standards can make all the difference in preventing a gradual erosion in conditions that can accelerate into blight if left unchecked. Rental properties, especially those with distant/absentee ownership, usually warrant ongoing scrutiny regarding code compliance. Frequent turnover of residents and the loss of "pride of ownership" are often reflected in how residences are maintained. The cumulative effect of inadequate maintenance can undermine whole blocks – or entire multi-family complexes. Effective code enforcement is needed to ensure that basic standards are upheld, which stabilizes individual properties and safeguards the entire vicinity.

Their location and proximity to downtown, access to amenities, and mature landscaping make some of Temple's oldest neighborhoods desirable areas. By their very nature, they exhibit the qualities of traditional neighborhoods, making them walkable and highly livable even as new developments try to mimic these features. Improvement, reinvestment, and revitalization of these existing, older areas is essential – and increasingly so – to preserve the historic fabric of the community. Residents have a strong desire to keep these areas intact and to improve their condition and quality as a place to live.



Older neighborhoods in central Temple offer many of the features touted by new "neo-traditional" developments: a variety of floor plans (including smaller units), walkable streets, plenty of green yard and mature trees, nearby schools and parks, and a neighborly atmosphere. Additional discussion of Quality Neighborhood Design is provided later in this chapter.

Key planning considerations for making Temple a more attractive residential choice, as addressed by Goal 6.1, include:

1. Support for more appealing in-City living options through neighborhood protection efforts and standards for new developments that reflect the expressed desires of residents for particular neighborhood features and amenities.
2. Capital investment initiatives that focus on much-needed repair and rehabilitation of infrastructure, schools, parks and community facilities within the existing developed community, as well as responding to the needs of new growth areas.
3. Incorporation of transit considerations into the design of new neighborhoods, as well as commercial and office developments and institutional destinations.
4. Coordination with school district officials and administrators to address image and perception issues, recognizing that school choice is a critical factor in the weighing of residential location options.
5. Attention to retail revival as part of neighborhood revitalization efforts.
6. Addressing neighborhood security and traffic/speeding concerns so that neighborhood connectivity and openness is encouraged and the proliferation of gated subdivisions is minimized.
7. Establishment of homeowner and tenant associations whenever possible as a vehicle for ongoing property maintenance, security, and enforcement of basic standards, as well as to ensure cooperative efforts and neighborhood pride.

#### **A Place to Work, But Not Live?**

The comprehensive planning process provided an opportunity to dig deeper into the often expressed concern that Temple has difficulty getting the highest earners, whether in medical professions or elsewhere, to live and not just work in Temple. Key employers are certainly able to cite examples of how they could not attract or retain attractive candidates for high-level positions due to perceived shortcomings in Temple's "amenities package," especially when a spouse is not satisfied by his or her first impressions of the community.

The Temple Area Builders Association (TABA) made the important point that the Temple city limits includes a plentiful selection of "high end" lots that can accommodate home construction of a lavish nature (\$300,000 and higher). What is lacking, by comparison, is a ready stock of already-built custom homes since Temple does not have the market to justify significant speculative construction of high-dollar homes. The question for Temple is whether the housing variable is what really impacts residential location decisions?

Through a Temple Household Survey conducted for this Comprehensive Plan, the largest percentage of survey respondents (24 percent) cited their jobs as the single most important reason they live in Temple. Local amenity factors were highlighted by respondents much less often (under 10 percent in all cases, including only one percent who mentioned retail shopping as a primary attraction). The primary draw of their job was even more pronounced among those with the highest incomes and educational levels.

When asked the open-ended question of the principal disadvantage to living in Temple, the most common response (by 30 percent) was limited shopping and not enough food stores. Again, those at higher income levels were more likely to cite disadvantages in general (52 percent among those with annual incomes of \$100,000 or more, and 69 percent among households with incomes between \$75,000 and \$99,999). Responding households in the upper three income groups (above \$50,000) were the most critical of school quality (clearly highest, at 24 percent, among those whose annual income exceeds \$100,000). Limited shopping and restaurant opportunities was also the most mentioned disadvantage among the highest earners (cited by 30 percent of those earning \$50,000 to \$74,999; by 31 percent of those between \$75,000 and \$99,999; and by a significant 43 percent of those with incomes of \$100,000 and more).

A survey of those who chose not to live or remain in Temple would be most telling. In the meantime, it appears evident that communities closer to Austin (e.g., Round Rock, Georgetown) will always have a basic location advantage for a certain segment of affluent workers (and retirees) who especially value proximity to "big city" culture, shopping and amenities.

8. Improvement of housing conditions, property and street appearance, and security in areas where lower-priced housing is primarily found.

### ***Maintaining Affordability***

The relative affordability of local housing is a point of pride in Temple – and a key factor in the community’s economic development efforts and ability to attract and retain a quality workforce. In response to area growth and housing demand, the local development community fulfills its role by bringing more “starter,” intermediate and custom homes – as well as multi-family projects – to the market, aiming for price points and rents that balance affordability with value and quality. Likewise, local government promotes housing affordability by ensuring an adequate supply of land zoned for residential development, in locations that can be supported with the necessary utility infrastructure and public services.

Key planning considerations for housing affordability, as addressed by Goal 6.2, include:

1. Monitoring of market trends and recent and emerging development patterns to ensure adequate land supply and zoning for a variety of residential options.
2. The need for neighborhood protection and/or revitalization efforts in established areas of the community, where more homes are owned outright (versus still paying on mortgages) and City infrastructure and services are readily available, to ensure that older housing stock is maintained in sound condition to bolster its value and provide good, affordable living options within the existing community.
3. Promotion of diverse housing options beyond the typical single-family detached dwelling, apartment units, and manufactured housing, including various forms of attached and/or clustered housing that offer affordability with amenities.
4. Implement economic development strategies intended to generate employment in industries and sectors that offer superior earning potential, thereby increasing the homebuying power of area workers and residents in light of upward pressure on housing costs.
5. Recognition of the need to balance the likely costs and benefits of regulatory measures and standards, which should contribute to the value and sustainability of land development, but may also have an incremental effect on housing prices and rents.
6. Encouragement of necessary and desired residential development types and patterns through ongoing investment in supporting water, sanitary sewer, drainage and road infrastructure; parks and other community facilities; and essential public services – with appreciation for the relative costs and benefits to the public sector plus sensitivity to the impact that taxes, utilities and other fees can have on cost of living, especially for those on fixed incomes.
7. Attention to assistance and support programs that advance the goal of home ownership for more individuals and families who otherwise rely on rental housing and/or public assistance.

### ***Addressing Special Needs***

Because of its economic diversity, health care assets, Central Texas location, and various other factors, Temple has a housing market featuring numerous sub-populations with unique needs and expectations. This is an advantage to the extent that it drives the local market to offer a more diverse mix of residential living options, in a variety of locations. This overall characterization of the Temple housing scene can also be summed up, in part, by the notion of “life cycle” housing. This is the idea that a community should offer an adequate range of housing types and price ranges so that residents can make lifestyle

transitions as they age (e.g., from “starter” housing, perhaps into a larger dwelling to accommodate a family, then perhaps into an “empty nester” situation, and finally into a down-sized space and/or “assisted living” or full-time care facility as health conditions dictate). Otherwise individuals young and old may be forced to move elsewhere to find the type of housing they need or can afford at a particular stage of life. Ideally, these lifestyle housing options should be in close proximity to one another to ease housing transitions. But, having such options readily available within a community is a starting point. By working toward a housing market and development pattern and mix that is attuned to life-cycle needs, a community can also be better positioned to respond to the special needs of various niche groups within the marketplace.

Key planning considerations for meeting special housing needs, as addressed by Goal 6.3, include attention to the needs of:

1. Young adults and families in need of basic, affordable housing options, whether for ownership or rental, in locations that are convenient to schools, parks and convenience shopping.



The new Country Lane Seniors Community is a promising development for Temple in both the type and quality of housing involved and its southeast location, on the north side of Loop 363 and west of Martin Luther King Jr. Drive. The 102-unit first phase includes senior-oriented apartments in three-story buildings with various on-site amenities. The value associated with the building permit for Phase 1 was \$5.1 million.



Phase 2, The Grand Reserve, is adding another 102 units to the 55-acre site (including cottage units), representing another \$6 million in construction value.

2. College students with limited incomes, who most often need a suitable rental space (apartment or house) either for single or double occupancy or to share with a set of roommates, and who often rely on walking, biking or transit to get to and from classes and other activities.
3. Seniors, retirees and military veterans who are drawn to Temple for its medical facilities and cost-of-living advantages, or who have lived here most of their lives and will likely remain here due to limited income and options.
4. Disabled individuals who, whether they have chosen to live in Temple for medical reasons, may be challenged daily by the design of their own dwellings, as well as streets and sidewalks and other physical aspects of the community.
5. Military families who need basic, affordable housing close to employment, schools and services, especially to cope with times when a family member is deployed away from home.
6. “Urbanists” – and sometimes also “empty nesters” – who seek a more central location (often in downtown or traditional neighborhood settings, where available), where they can walk or make shorter driving trips to destinations and can enjoy more cultural, recreation and social and entertainment offerings than a more suburban or rural location usually offers.
7. Those who seek open spaces and a less crowded living situation, which does not necessarily have to be away from a city in a rural setting if their community has areas that are planned and zoned to

be maintained in a more “country” atmosphere, through large lots or other measures that preserve open space and buffer dwellings from one another.

8. Affluent professionals and retirees who desire and can afford a large-lot, large-home “estate” setting, often near golf or other amenities and services.

**Goals, Objectives and Action Recommendations**

The following goals, objectives, and recommended actions were formulated to specifically address the issues and needs outlined above. The goals reflect the overall vision of the community, which may be achieved through the objectives and by acting on the recommendations. It is important to note that these are also general statements of policy that may be cited when reviewing development proposals and used in making important community investment decisions regarding the provision and timing of facilities and services.

**GOAL 6.1: Neighborhood environments and residential living options that make Temple an inviting place to call home.**

◆ *Emphasize neighborhood conservation strategies in older, established neighborhoods to maintain their integrity and character.*

1. Implement recommendations identified in **Chapter 3, Urban Design & Future Land Use**, related to use of neighborhood conservation districts, infill compatibility provisions, and identification of specific features (e.g., block patterns, lot sizes, setbacks and lot coverage, scale of homes, landscaping and streetscape, potential mixing of uses, etc.) that contribute to unique character and neighborhood charm.

◆ *Implement strategies to boost the long-term sustainability and appearance of new residential developments and neighborhoods.*

2. Encourage establishment of homeowners associations (HOAs) for all new residential developments, including tenant associations for rental communities, to ensure a direct, cooperative means for residents of an area to maintain neighborhood standards. Some cities provide advice and support to such associations; utilize them to maintain “grass roots” communication on City services, security, and capital improvement needs; and offer “mini grants” as seed money for neighborhood initiatives. HOAs are typically responsible for: (1) enforcing deed restrictions; (2) maintaining common areas including open drainage areas, landscaping, signs, and any pool and recreational facilities; (3) maintaining perimeter walls and landscaping including open space between subdivision walls and street rights-of-way; and (4) maintaining private roads, street lights, and sidewalks, where applicable. Any HOA encouragement should also be coordinated with necessary re-examination of the City’s current parkland dedication and fee-in-lieu requirements to ensure an adequate supply of public parkland as opposed to mostly private, HOA-maintained recreational lands.
3. Adopt design standards for high-density residential development, which may include provisions for building form and scale, articulated building walls, building orientation, architectural detailing, roof types and materials, façade enhancements, and acceptable building materials.
4. Consider amending the City’s development regulations to incentivize the provision of a perimeter bufferyard along edges of residential developments where dwellings would benefit from extra buffering near more intensive residential uses, non-residential development, or the noise and visual impacts of an abutting arterial street.

**Neighborhood Plus or Minus?**

Fences and alleyways are two specific elements of a neighborhood that, if not well maintained, can undermine the value and appearance of an otherwise appealing residential area. Deteriorating perimeter fences, in particular, can send a signal of possible disinvestment and general neglect when visible along major roadways. Likewise, whether the responsibility of abutting property owners, homeowners associations, or the City, unkempt alleys (often with broken pavement, weeds, and cheap backyard fences), ironically, can easily offset whatever neighborhood benefit they were meant to provide as far as shifting trash collection and garage activity from residential streets.



**Density Bonuses**

In the context of affordable housing, density bonuses are an incentive-based technique in which eligible development projects are granted additional residential density over and above that otherwise allowed, with the typical condition that the additional units be restricted to occupancy by a certain target group and that the units remain affordable over time.

The site area necessary for the bufferyard could be offset by a density bonus provided to the subject development. Flexible standards should ensure that the scale of the bufferyard is commensurate with the intensity and/or proximity of adjacent uses, as a prerequisite for receiving a density bonus.

- 5. Establish a formal, ongoing neighborhood planning program, which eventually could offer neighborhood design assistance. Such assistance might include development of enhancement plans for streets, parks and common spaces, neighborhood gardens, and/or gateway treatments. Funding assistance to homeowners associations and/or other civic groups could also be provided by way of neighborhood planning grants or other means.
- 6. Offer incentives for alternatives to the use of perimeter walls for screening and buffering, such as a significant bufferyard with berming and dense landscaping, with an adequate incentive to make this alternative practical.
- 7. As a potential alternative to requiring sidewalks on all local streets in new residential neighborhoods, consider allowing the provision of off-street trails in lieu of sidewalks provided there is adequate linkage within and through the neighborhood, providing connection to adjacent neighborhoods and the surrounding area, and particularly to nearby schools, parks and community facilities. The projected volume of traffic on local residential streets, based on the likely extent and density of area development, could

be among the criteria for determining the appropriateness of a trail allowance in lieu of sidewalks.

- 8. Establish standards for gated communities that address emergency access, roadway continuity and pedestrian connections between abutting neighborhoods and to nearby schools and parks, setbacks of the subdivision wall or fence from the public street right-of-way, the amount of open space and landscaping required between the wall or fence and the right-of-way line, and the design and materials used for monuments, gates, and walls. Such requirements should

ensure: (1) that private subdivisions do not interfere with circulation within a superblock; and (2) that such development does not obstruct any planned pedestrian/bicycle circulation system or access to any public park or school by forcing pedestrians and cyclists out to collector or arterial roads.

Gated private roads should not be permitted in cases where abutting or nearby subdivisions within the same superblock already have stub streets and/or sidewalks or trail segments that can be connected to accommodate circulation within the superblock versus on perimeter arterial or collector streets.



An area of primarily multi-family housing in south central Temple offers convenient access to Temple Mall and other nearby shopping, medical facilities, the Temple College campus, the City's Summit Recreation Center, and the Temple Civic Theater – all within a one-half mile radius.

9. Consider incorporating into the zoning code “anti-monotony” provisions for single-family development, should this become a concern for new construction in Temple. Typical standards require a minimum distance between houses of similar design on the same block plus a variety of floor plans, façade treatments, and other dimensional variation (height, roof type, material types, garage placement, etc.). As an alternative, Temple could focus on more basic measures such as requiring variation in front setbacks, which would be simpler to implement.



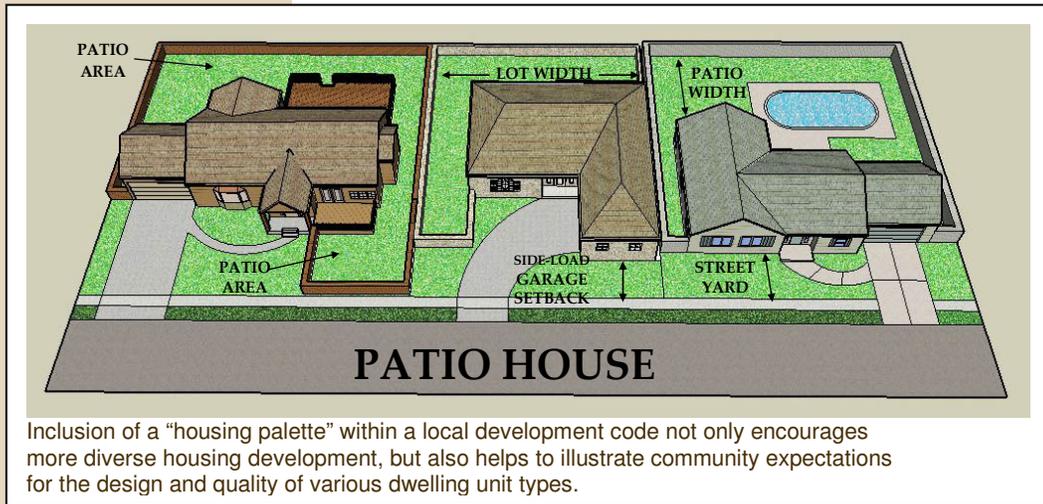
◆ **Maintain the appearance and compatibility of low-income public housing and other subsidized housing developments with nearby residences and neighborhoods.**

10. To reduce potential “NIMBY” (“Not in my Backyard”) complaints about public housing sites and subsidized housing developments, ensure that renovations and/or new construction for such projects reflect Context Sensitivity principles that address compatibility, aesthetics, and safety. Examples include:

- architectural elements and site layout designed to complement surrounding neighborhoods with sensitivity to bulk, scale, materials, transparency, and design style;
- front yard setbacks compatible with surrounding structures;
- greater setback of taller structures;
- differentiation in building facades to add architectural style and avoid long, featureless walls;
- community-oriented open spaces and recreation areas;
- limits on the number of units in each structure;
- increased visibility through: (1) good lighting of streets, alleys, and parking areas; (2) hedges and shrubs no higher than three feet and tree canopies no lower than eight feet; (3) see-through fence types; (4) windows that look out on streets and alleys, particularly bay windows; (5) non-recessed doorways; and (6) visible, managed parking with restrictions on automobiles belonging to non-residents; and
- a strong sense of community image through: (1) perimeter fencing similar to contemporary subdivision design and master-planned communities; and (2) simple property enhancements such as flowers in planters on balconies, vegetable and flower gardens, seasonal decorations, and outdoor holiday displays.

**GOAL 6.2: An expanding housing stock that offers local buyers and renters both affordability and value.**

- ◆ **Promote the construction of new housing units in all price ranges based on local income levels and identified needs.**



1. As discussed in Chapter 3, Urban Design & Future Land Use, incorporate a housing "palette" into the City's zoning code to encourage and illustrate a wider range of options to housing developers that would be permitted by right in particular character districts subject to

appropriate development standards.

2. As a potential condition for awarding a density bonus to new residential developments that will preserve a greater amount of permanent open space, consider requiring that more than one housing type from the housing palette be incorporated if additional density of single-family detached dwellings cannot be attained.
  - ◆ **Streamline the plat review process to avoid undue impediments to affordable housing projects.**
3. Maintain a "rapid review" committee, consisting of key local staff, which can provide an expedited review of affordable housing projects (as well as critical economic development projects) when time/costs are crucial to the project. The City's recently created, interdepartmental Development Review Committee (DRC) addresses this need.
  - ◆ **Review development ordinances to remove unnecessary barriers to and provide incentives for more affordable housing.**
4. Identify and address aspects of current development regulation that present barriers to the affordability of resulting housing units. Common examples include street standards that over-design street widths in low-density residential areas and the complexity and length of time to gain approval of mixed-use projects.
5. Incorporate an inclusionary housing provision, employing density bonuses, where the development is subsidized by a state or federal affordable or low- and moderate-income housing program. Proportional limitations on the mix of units can be set based upon the total number of units in the development (e.g., no more than 45 percent for a development of 50 to 199 units).
6. Use a similar density bonus approach to encourage market-rate developments to include a certain percentage of reduced-price units that are more affordable than the average market units. Code provisions can require demonstration that the value

gained from the density bonus is used to lower the overall costs of land and infrastructure. Criteria can also be established to ensure similar design and finishes of affordable units.

- 7. Establish an average, rather than minimum, lot size whereby lot sizes are required to vary in width, with a certain percentage being narrower and the remaining being wider than the average. This approach allows a variety of housing styles.
- 8. Add as a development option within appropriate residential zoning districts an incentive for increased housing density in transition areas adjacent to arterial streets. This allowance can be spelled out within the provisions of a particular district rather than needing to create new zoning districts or overlay districts in such areas to allow for the density variation.
- 9. Consider potential requirements and design standards that would be necessary to enable “industrialized” (modular) housing to be accepted on individual lots in specified residential areas with assurance that neighborhood character would be protected.

**Industrialized housing** is a residential structure that is:

- (1) designed for the occupancy of one or more families; (2) constructed in one or more modules or constructed using one or more modular components built at a location other than the permanent site; and
- (3) designed to be used as a permanent residential structure when the module or modular component is transported to the permanent site and erected or installed on a permanent foundation system.

*Texas Statutes, Occupations Code, Chapter 1202, Industrialized Housing and Buildings*

**GOAL 6.3: A diverse mix of residential options to address both “life-cycle” needs and the interests of various niche groups seeking new or existing housing in Temple.**

◆ **Implement specific measures to encourage first-time homeownership and workforce housing opportunities in the city limits.**

- 1. Ensure continued support for the Down Payment Assistance Program administered through the Temple Housing Authority (THA), and explore ways to boost revenue for this program to expand its coverage (and to find ways to replace dwindling grant funding for this program which THA considers vital to Temple’s success). While the program is currently based on household income thresholds, such programs can also be targeted to particular groups (e.g., public safety personnel, teachers, medical support personnel, etc.).
- 2. Establish some form of incentive designed to ease the transition of workforce households into homeownership in Temple, as well as to encourage more high-end residential development to support economic development efforts.
- 3. Inventory existing small homes within the community (e.g., units of less than 1,200 square feet), and clusters of such homes, and target them for preservation and rehabilitation, as needed, to maintain this essential component of the housing stock.
- 4. Consider targeted assistance for homeowners pursuing additions and/or other improvements to older, relatively small dwellings that will enhance their marketability and continued value over time.

**Manufactured home** or “manufactured housing” means a HUD-code manufactured home or a mobile home.

**HUD-code manufactured home:**

(A) means a structure:

- (i) constructed on or after June 15, 1976, according to the rules of the United States Department of Housing and Urban Development;
- (ii) built on a permanent chassis;
- (iii) designed for use as a dwelling with or without a permanent foundation when the structure is connected to the required utilities;
- (iv) transportable in one or more sections; and
- (v) in the traveling mode, at least eight body feet in width or at least 40 body feet in length or, when erected on site, at least 320 square feet; and

(B) includes the plumbing, heating, air conditioning, and electrical systems of the home.

**Mobile home** has the same definition as for a HUD-code manufactured home, except it means a structure constructed before June 15, 1976.

*Texas Statutes, Occupations Code, Chapter 1201, Manufactured Housing*

- ◆ **Encourage new residential development in both the low and high ends of the affordability spectrum.**



The cost of a new single-family home has increased in Temple in recent years, as elsewhere, but still remains a relatively affordable deal for many first-time homebuyers and newcomers to the community.

5. Work toward meeting the commendable targets in the Temple 20/20 Alliance Strategic Plan of achieving adequate annual single-family housing starts in a variety of price ranges. Also establish numeric targets for increasing the supply of “upper-end” homes in Temple, along with clarification of the price points to be targeted.
6. Also pursue the target identified by the Temple 20/20 Alliance Strategic Plan to have new “upper-end” multi-family units added to the local housing stock each year (target of 250 units per year by 2020).
7. Incorporate “sliding scale” density bonus opportunities into the zoning code (potentially tied to household

income classifications as discussed in this chapter), to be awarded when community priorities are met by new development or redevelopment, such as:

- including a defined percentage of affordable workforce and/or handicap-accessible units within an overall residential development;
  - providing funds to the Down Payment Assistance Program or other community housing programs; or
  - incorporating LEED (Leadership in Energy & Environmental Design) “green building” technologies and practices into site and structural design.
8. Continue to encourage downtown residential projects, including attached single-family, multi-family, and residential-over-retail opportunities. Work with private interests to pinpoint and remove or reduce barriers to new development and redevelopment in and around downtown. Additionally, as is also addressed in **Chapter 7, Economic Development**, work toward establishing a “quiet zone” along the rail corridors through downtown to promote the desired atmosphere for residential and other types of investment.
- ◆ **Establish appropriate zoning to meet the goal of providing and preserving more areas within the city limits for large-lot and other residential development types for those seeking a more spacious, “country” character.**
9. First, establish a true Agricultural zoning district intended to maintain and protect farm and ranch activities and related uses (including associated homesteads), and to manage the transition of such areas to suburban uses if and when appropriate. The City’s current Agricultural (A) district, in addition to permitting single-family detached residences and the typical range of agricultural activities, also opens the possibility for a variety of nonresidential uses, either by right or conditionally.

10. Next, create a true suburban Estate district with at least a one-acre minimum lot size and other provisions aimed at preserving open space and a more rural character. The City's current Urban Estate (UE) district sets the minimum lot size at only one-half acre (22,400 square feet).

◆ **Provide for accessory dwelling units in appropriate areas of the community.**

11. Incorporate accessory dwelling units in the City's zoning code, along with appropriate provisions governing their use and compatibility. They are common and popular in some communities to accommodate elderly parents or relatives ("granny flats"), young adult family members wanting to live independently but close by, or local college students in need of basic, low-cost housing. It also provides another affordable living option within neighborhoods, and a rental income opportunity for homeowners.

Such units can be regulated in a variety of ways to address bulk, setback, and lot coverage issues; residential density; and parking, safety, and other potential concerns. Some codes aim to limit the leasing of such units through provisions disallowing separate utilities and utility billing, separate trash collection, or the establishment of a separate house number and mailing address on a lot.

The current code does not mention accessory units among the array of residential uses. Under "accessory and incidental uses," an "accessory building (residential)" is permitted in all districts, but then the definition of this term specifies that such buildings may not include a "guesthouse residence." Therefore, the zoning code should provide a legal avenue for such accessory units, which can involve creation of a separate or semi-private living area within an existing dwelling, or the establishment of a garage apartment or separate living area in another accessory building on a lot.

**Quality Neighborhood Design**

Contemporary subdivision design too often overlooks the time-honored elements of what makes a neighborhood appealing and sustainable for the long term. Typical features of a quality neighborhood design include:

- Some focal point, whether a park or central green, school, community center, place of worship, or small-scale commercial activity, that enlivens the neighborhood and provides a gathering place.
- Equal importance of pedestrian and vehicular circulation. Street design accommodates, but also calms, necessary automobile traffic. Sidewalks along or away from streets, and/or a network of off-street trails, provide for pedestrian and bicycle circulation (especially for school children) and promote interconnectivity of adjacent neighborhoods.
- A variety of dwelling types to address a range of needs among potential residents (based on age, income level, household size, etc.).
- Access to schools, recreation and daily conveniences within relatively close proximity to the neighborhood, if not within or at its edges (such as along bordering major streets).
- An effective street layout that provides multiple paths to external destinations (and critical access for emergency vehicles) while also discouraging non-local or cut-through traffic.
- Appealing streetscapes, whether achieved through street trees or other design elements, that "soften" an otherwise urban atmosphere and draw residents to enjoy common areas of their neighborhood. Landscape designs consistent with local climate and vegetation.
- Compatibility of fringe or adjacent uses, or measures to buffer the neighborhood from incompatible development.
- Evident definition of the neighborhood "unit" through recognizable identity and edges, without going so far (through walls and other physical barriers) as to establish "fortress" neighborhoods.
- Set-aside of conservation areas, greenbelts or other open space as an amenity, to encourage leisure and healthful living, and to contribute to neighborhood buffering and definition.
- Use of local streets for parking to reduce the lot area that must be devoted to driveways and garages, and for the traffic calming benefits of on-street parking.
- Respect for historic sites and structures, and incorporation of such assets into neighborhood design.

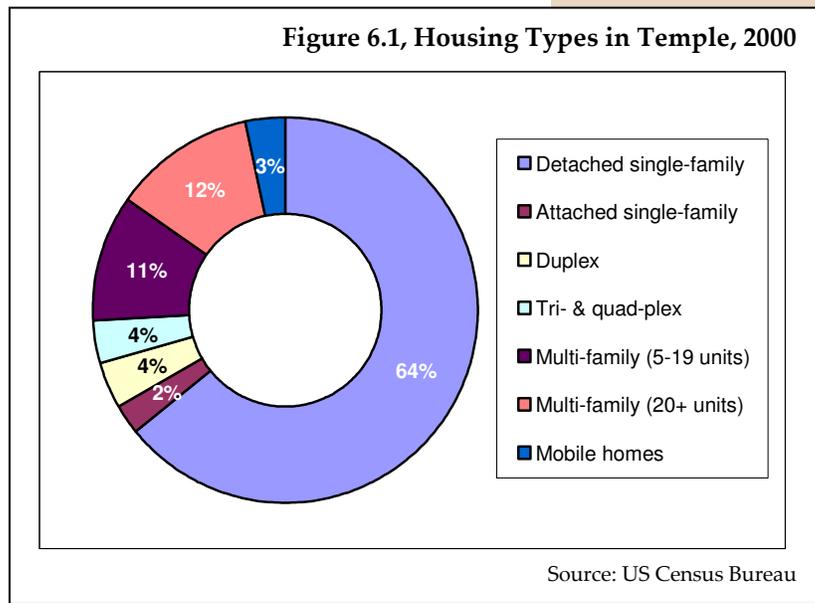
## Zoning Factors

The current City of Temple zoning regulations include provisions that can both promote and detract from community housing objectives. For example:

- Relatively small lot sizes are allowed (down to 4,000 square feet for single-family detached dwellings in the SF-3 district), which can promote smaller, more affordable dwellings.
- While the current regulations allow for a variety of lot sizes for development of single-family detached dwellings, there are inadequate provisions to mitigate the impacts of increased density and avoid “cookie cutter” subdivision designs.
- The current zoning district structure is cumulative, meaning that permitted residential use types end up “carrying over” and being allowed within higher-intensity residential districts and particularly within non-residential districts. This allows for mixed-use development outcomes on blocks and in areas in non-residential districts, but without adequate standards for buffering residential uses or for protecting commercial and light industrial uses from residential “intrusion.”  
This can lead to resident complaints and calls for stricter limits on nearby business operations (e.g., hours, deliveries) or associated impacts (e.g., lighting, noise/vibration, dust).
- The current regulations include a long list of residential zoning districts. This typically provides for separation of various residential types in terms of density and architecture. But, the cumulative nature of Temple’s regulations undermines this aspect of the district structure. Also, the purpose statements for many of the districts mention a “transition” function between differing residential types and densities. This is sensible in concept but can break down in practice as piecemeal zone changes occur across the city limits. Such changes are often sought because a property owner/developer desires a particular residential use type or density for a specific site, which may not fit any progression in use types or densities in the context of surrounding parcels and blocks and their zoning.
- As opposed to a more flexible zoning system that allows for a variety of residential types with associated compatibility standards, the City’s current regulations can lead to more frequent zone change requests as property owners/developers prepare to “activate” specific sites for a marketable use and density. The result is zoning micro-management, leading to an excessive administrative burden on the City and excessive time and procedure for otherwise straightforward property development.
- Likewise, Temple’s typical requirements and procedures for Planned Developments, which involve both a zone change and site plan approval process, can too often amount to “negotiated zoning.” This can be marked by a high degree of unpredictability, an extended review process, and heightened public scrutiny that can further add to delays and uncertainty. The path to Planned Development should be much simpler if, as the current regulations state, this option is intended to “encourage innovations in residential and business development” that yield a long list of benefits, as are also spelled out in the code.
- In general, the current regulations emphasize prescriptive rules and standards versus an incentive-based approach to encourage desired development outcomes consistent with expressed community objectives and priorities.

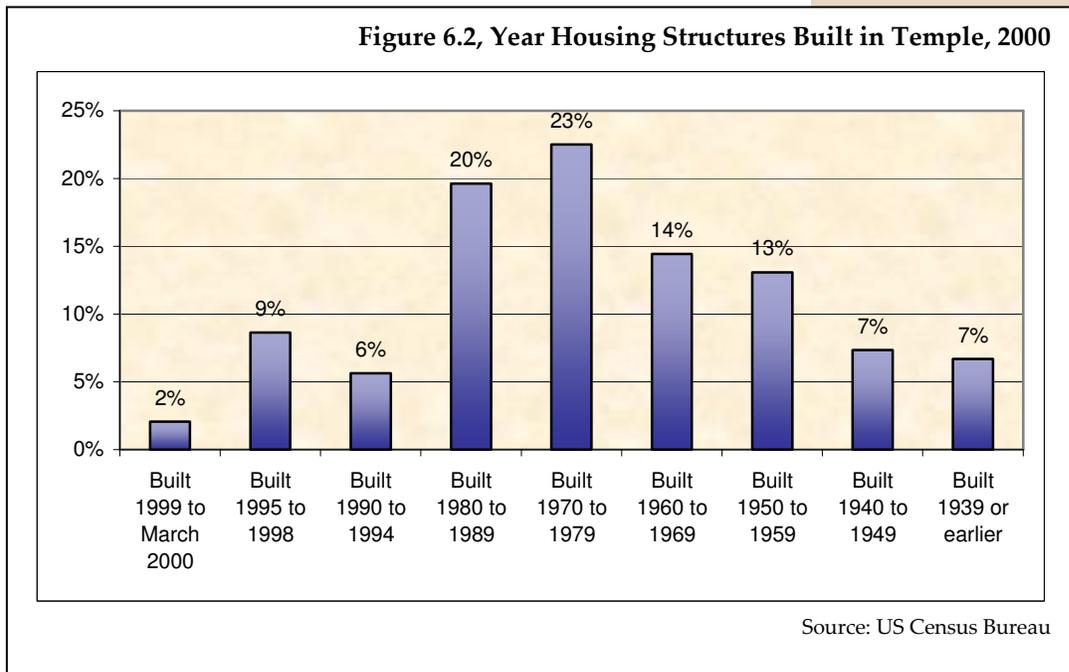
### Housing Characteristics

Temple had 23,453 housing units as of Census 2000. This accounted for approximately 19 percent of the 122,159 total units within the three-county Killeen-Temple-Fort Hood Metropolitan Statistical Area (MSA, consisting of Bell, Coryell and Lampasas counties). As illustrated in **Figure 6.1, Housing Types in Temple, 2000**, Temple had nearly two-thirds of its housing stock in single-family detached housing. Multi-family apartment developments accounted for another 23 percent of local housing units, with all other housing types each representing less than five percent of the total.



According to data from the Real Estate Center at Texas A&M University, as a result of recent building activity in the MSA, more than 17 percent of area housing units have been built since 2000 compared to just under 13 percent statewide. The comparison for owner-occupied housing is 18.3 percent locally versus 13.7 percent for all of Texas. For renter-occupied housing, 15.5 percent of units in the MSA are new since 2000 compared to 10.9 percent statewide. The chart in **Figure 6.2, Year Housing Structures Built in Temple, 2000**, shows the distribution of housing units by their age.

In addition to the more recent building activity since 2000, the most significant share of Temple's current housing stock was built during the 1970s and 1980s. In addition, structures built prior to 1959 accounted for just



over a quarter of Temple's housing stock in 2000. This means there is a substantial pool of homes in the community (over 6,000) that may have historical significance and could be eligible for the National Register of Historic Places.

**Housing Unit Projections  
(2000-2030)**

2010

Population = 70,000  
Housing Units = 28,688  
Added Units = 5,235

2020

Population = 80,000  
Housing Units = 32,787  
Added Units = 4,099

2030

Population = 90,000  
Housing Units = 36,885  
Added Units = 4,098

***Projected Housing Demand***

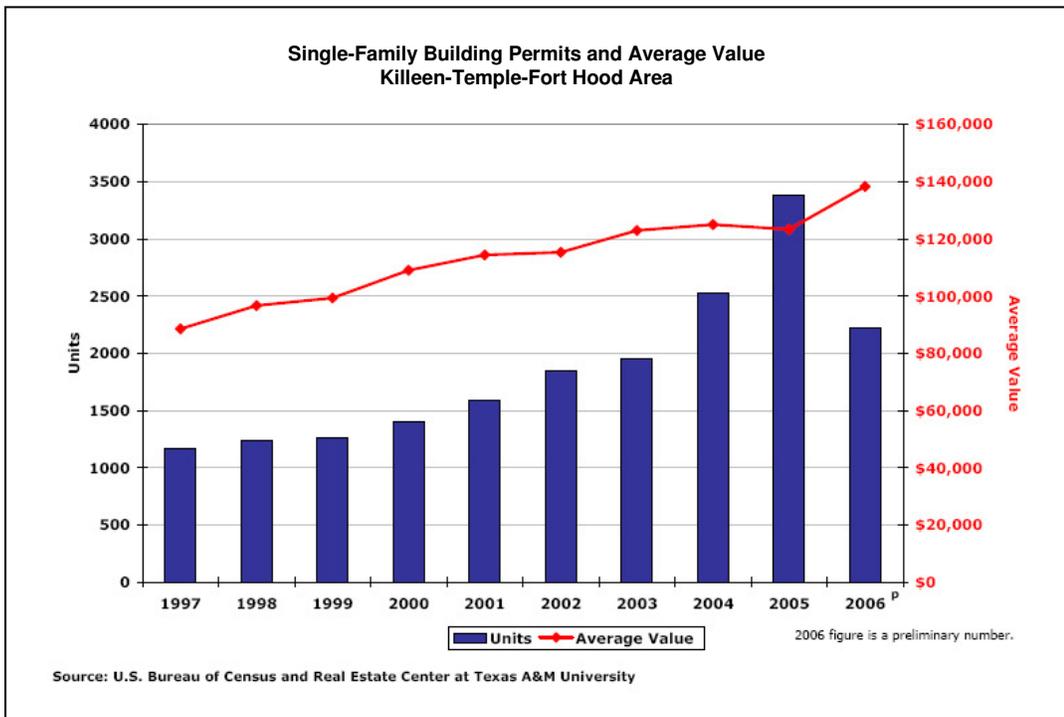
As discussed in **Chapter 2, Community Overview**, Temple's population is forecast to grow from an estimated 57,216 persons in 2006 to 90,000 by 2030, an increase of approximately 32,800 persons. The average household size in Temple in 2000 was 2.44 persons. Using this same average as a starting point, **Temple will need approximately 36,900 housing units by 2030** to accommodate its projected population and – assuming a variety of housing types are provided – maintain a sound, balanced housing market. **This will require the addition of nearly 13,500 more housing units by 2030**, compared to the 23,453 units Temple had as of Census 2000. Also, if the same ratio of owner- versus renter-occupied housing continues in future years, then approximately 7,700 (57 percent) of the projected 13,500 new units by 2030 will be owner-occupied, with the remaining 5,800 units (43 percent) renter-occupied.

In 2000 the community also had a residential vacancy rate of just over eight percent. The “rule of thumb” often used by economists is that five to eight percent is a “natural” vacancy level that promotes the healthy functioning of the housing market, as well as supporting the community's economic development. When the vacancy rate is too low, demand for housing will push up rents and prices as consumers vie for scarce units. Conversely, when vacancy rates are higher, new and relocating households can be accommodated by the existing stock of housing, and new units are not necessary. **If housing vacancy in Temple should fall to a sustained rate below five percent, then the number of units needed to house its future population will need to be somewhat higher to maintain the local market's vacancy cushion.**

Another significant data set compiled by the Real Estate Center at Texas A&M University is Months of Inventory. This figure indicates the number of months it would take for the entire existing backlog of unsold homes in an area to be sold off, assuming a typical sales pace, if no more units were added in the meantime. In 1989, the first year such data was reported for the Temple-Belton market area, the Months of Inventory number was at 21.3 months. As the Texas economy recovered in ensuing years, the Months of Inventory figure dropped to 18.0 in 1990, 16.7 in 1991, and 12.5 in 1992. Since 1993, the Months of Inventory number has been in single digits for Temple-Belton, rising to 8.7 months in 1997, but otherwise remaining in the six-month range (estimated at 5.7 months for 2007 year to date). This is another indication that even with the pace of home construction in recent years, demand for these new homes has been sufficient to ensure a high “absorption” rate (i.e., a “seller's market”) and avoid a glut of unsold homes (i.e., a “buyer's market”) – although, as discussed above, too few homes on the market can have cost and choice implications for prospective buyers.

**Residential Values**

Multiple Listing Service (MLS) data compiled by the Real Estate Center at Texas A&M University show that the median price of a home in the Temple-Belton market area has steadily increased from \$59,700 in 1990 to \$88,300 in 2000 and an estimated \$116,100 for 2007 year to date. Over the same timeframe, the total sales volume expanded from \$31.7 million in 1990 to \$118.8 million in 2000 and nearly \$277 million in estimated year-to-date sales for 2007. The chart below, from the Real Estate Center, illustrates single-family residential building permit activity over the last decade in the Killeen-Temple-Fort Hood area, and the relatively steady upward trend in the average value of newly-constructed single-family housing units.



Data on the distribution of home prices in the Temple-Belton market area from 1996-2006 show that, not surprisingly given rising land values and the overall rate of inflation, homes valued under \$100,000 fell from 72 percent of all home sales in 1996 to 39 percent in 2006. By 2006, 34.9 percent of homes sold were priced between \$100,000 and \$159,999, compared to 19.8 percent in this range in 1996. Homes valued between \$160,000 and \$199,999 accounted for 10.2 percent of all sales in 2006 versus only four percent in 1996. In 2006, 15.8 percent of all home sales were above the \$200,000 price threshold compared to only four percent in 1996. Within this higher-value territory, the percentage of home sales in the \$300,000 range has increased from one to three percent, and sales in both the \$400,000 and \$500,000 ranges remain under one percent of all area home sales (local real estate community representatives pointed out that some initial sales over \$500,000 had occurred in Temple’s ETJ by the late 1990s). These home price trends are illustrated in **Figure 6.3, Trend in Temple-Belton Home Price Distribution.**

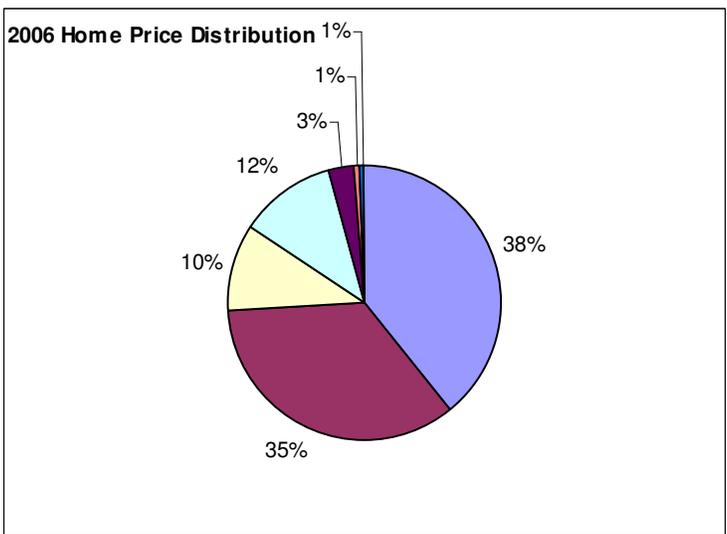
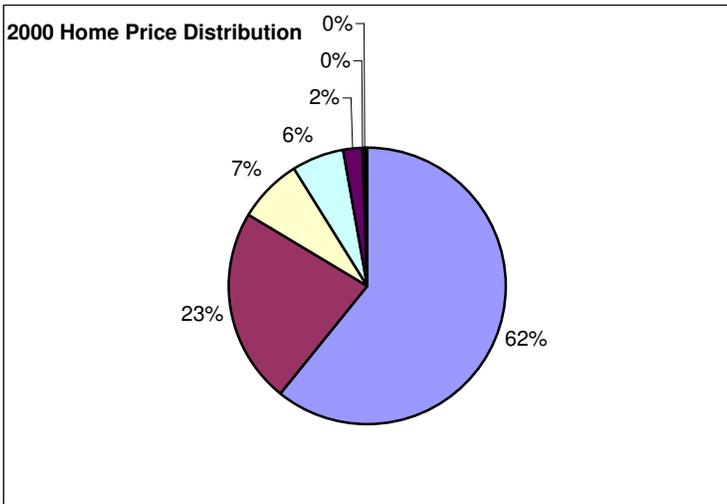
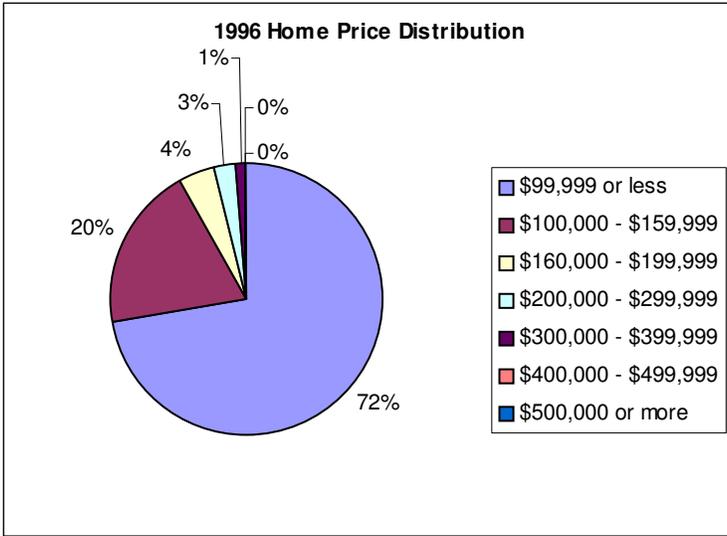
**Indirect Housing Costs**

The search for affordable housing drives some households to move farther away from employment centers to cheaper, rural land that may also offer an escape from the urban environment. Yet recent studies show that much of the “affordability” of this more distant housing is offset by increased transportation costs. As more people move into fringe or unincorporated areas, the unimproved (or improved but unable to keep up with growth) transportation network increasingly becomes congested, adding further to commute times and travel costs.

The Center for Housing Policy, in coordination with the Center for Neighborhood Technology, notes that households across the country with a median income of between \$20,000 and \$35,000 spend roughly 54 percent of their annual income on housing and transportation costs – if they live in the central city. The same households located farther away pay roughly 70 percent of their annual income to cover such costs.

For households earning between \$35,000 and \$50,000 the percentage spent on housing and transportation if living away from employment drops to 51 percent, but remains a very substantial cost burden, particularly in comparison to those living in or near an employment center.

Figure 6.3, Trend in Temple-Belton Home Price Distribution



Source: Real Estate Center at Texas A&M University

### Housing Affordability

The two essential factors in housing affordability are incomes and home prices in a market area. For Temple, median household income has increased from \$35,135 in 1999 (as reported through Census 2000) to \$48,800 (as estimated by the Real Estate Center at Texas A&M University). This represents a 39 percent increase over this period. For home costs, the median price from area home sales (as reported by the Temple-Belton Board of Realtors) increased from \$86,000 in 2000 to \$113,500 in 2006, which is a 32 percent increase. Based on this data, the Temple market has managed to keep the median home sale price from increasing as rapidly as median income growth so far this decade, which is a plus for general housing affordability.

However, another affordability factor to consider is the overall trend in area home prices. As discussed above related to Figure 6.3, the key price range for home construction and sales in the Temple area has shifted over the last decade from under \$100,000 to a range up to \$160,000. Also, as of 2006, the percentage of area homes sales valued between \$160,000 and \$200,000 exceeded 10 percent of all sales. As more new and existing homes come to market at higher sale prices, maintaining affordability for a large proportion of the local population, and especially for first-time homebuyers, will be an ongoing challenge. Conversely, the custom-home market could be spurred locally if builders see they are able to sell more units at higher price points, particularly if there is adequate and steady demand to support a greater volume of such construction, which also brings efficiencies.

Yet another perspective on affordability involves a “rule of thumb” used by lenders, which suggests that a household should devote no more than 30 percent of its annual income toward housing costs. As noted in **Chapter 2, Community Overview**, the Census Bureau reported that among the 6,484 housing units in Temple in 2000 for which the owner was

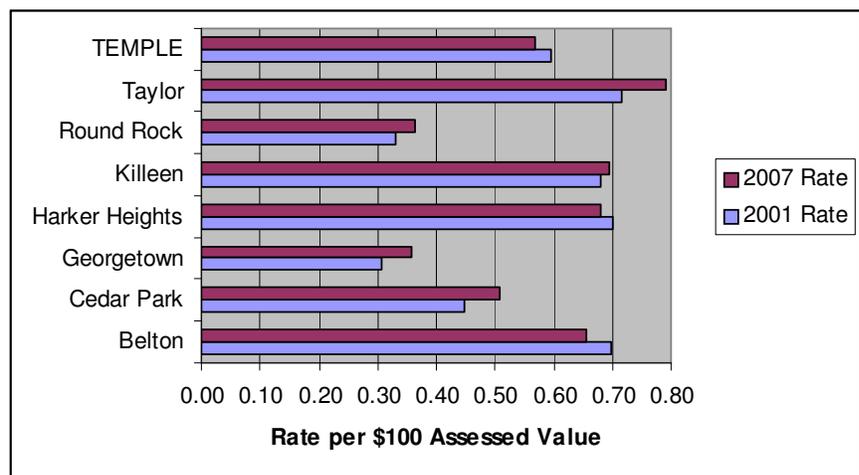
carrying a mortgage, 21 percent of these owners were spending 30 percent or more of their household income on housing costs, which was in line with the statewide average of 22 percent spending above this threshold. Among these owners above the “30%” threshold, 11 percent were devoting 40 percent or more of their income to housing costs. On the rental side, among the 9,449 renters in Temple counted by Census 2000, nearly 40 percent (38.6) were spending 30 percent or more of their income on housing. The proportion above 40 percent of income was 22.5 percent – nearly a quarter of all renters. The U.S. Department of Housing and Urban Development (HUD) defines any household paying more than 35 percent of its income toward housing as “cost burdened.” This means they must often forego other essential needs – or choose to sacrifice quality of life in another manner.

The Real Estate Center at Texas A&M University also publishes Housing Affordability Index (HAI) data for communities in Texas, the entire state, and the nation. The index indicates general housing affordability in terms of the ability of the median-income family to purchase the median-priced existing house in the area using standard, conventional financing terms. A ratio of exactly 1.0 would mean that the median family income is exactly equal to the income a conventional lender would require for the family to purchase the median-priced house. A ratio of greater than 1.0 indicates that a median-income family earns more than enough to buy the median-priced house (that is, the family could afford to buy a house priced above the median price). A ratio of less than 1.0 means that a median-income family has insufficient income to qualify for the loan to purchase the median-priced house.

The latest HAI data, for 2006, has the index for Temple at 1.72. The statewide ratio in 2006 was 1.54, and the national HAI was 1.10. For Temple, this assumed a median home price of \$115,300; a required income of \$28,365 to qualify for conventional financing; and, median family income in the area of \$48,800. The Real Estate Center also publishes a first-time homebuyers index, which for Temple in 2006 was 1.30 as compared to 1.05 statewide and 0.62 nationally. This data clearly indicates that overall housing affordability conditions in Temple are very favorable compared to what potential homebuyers face in many other markets around the country. The overall HAI for Temple was 11.7 percent higher than for Texas and 56.4 percent higher than the national index. The gap is even wider for the first-time buyers index, with Temple 23.8 percent higher than the Texas index and 109.7 percent higher than the national figure.

The index figures are another indicator of the housing affordability advantage Temple has to offer. Given this local cost advantage, some have wondered if this means

Figure 6.4, Property Tax Rate Comparison



Source: Bell and Williamson County Appraisal Districts

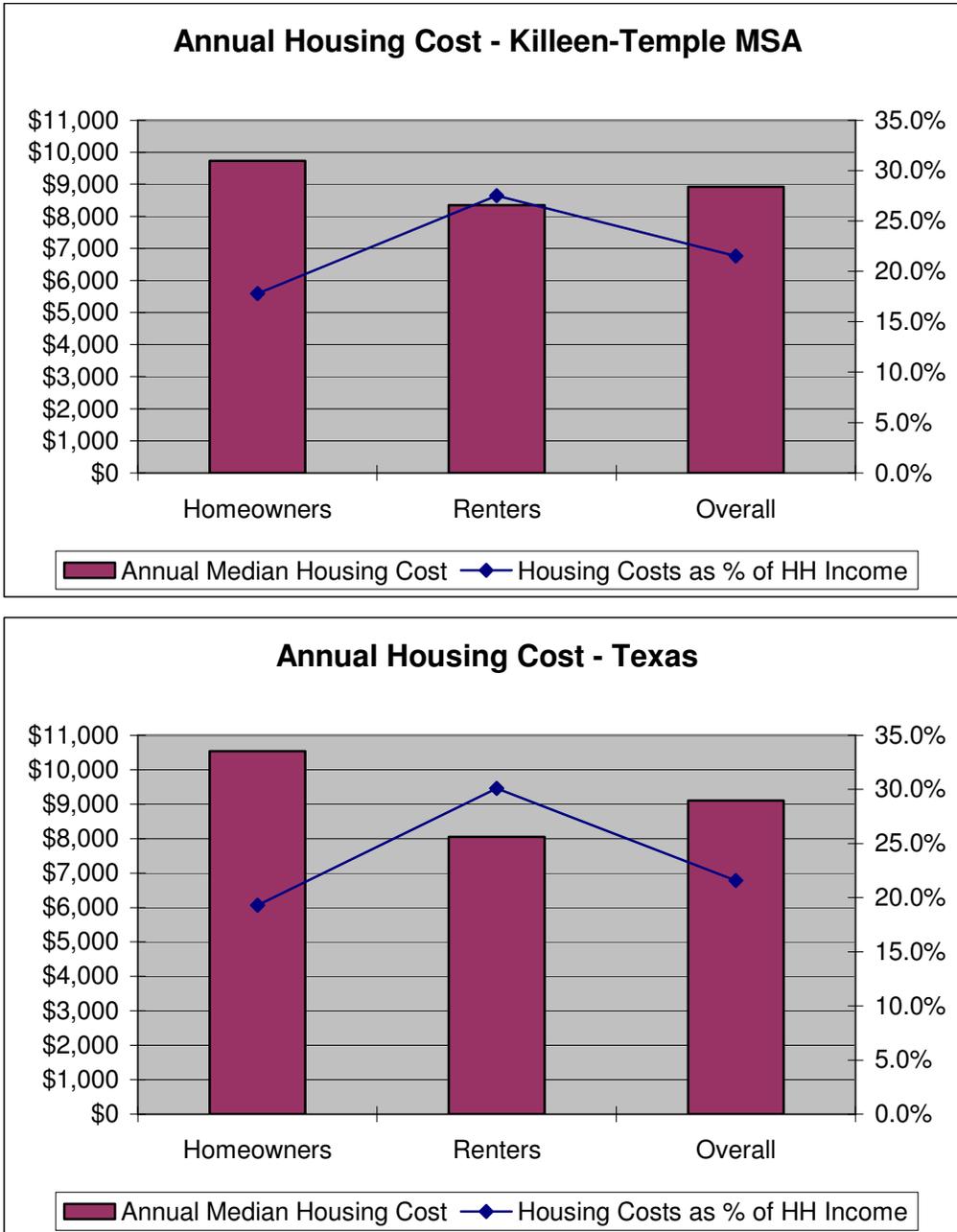
more higher-values homes could be built in Temple without undermining the area's overall affordability. This is probably the case, to some extent. However, if the median home price trends upward due to more higher-value construction, then more prospective homebuyers could be "priced out," especially if local income growth lags behind the increase in housing values (which is precisely how price "inflation" affects consumers).

The chart in **Figure 6.4, Property Tax Rate Comparison**, illustrates another component of local housing costs. This data shows that, as of 2007, Temple had the lowest property tax rate

(\$0.5651 per \$100 of assessed value) among the Bell County comparison cities, but was higher than all the others except the City of Taylor (at 0.7900). Also, Temple is one of three cities on this list, along with Belton and Harker Heights, that have reduced their property tax rate since 2001 (Belton by 6.1 percent, Temple by 4.8 percent, and Harker Heights by 2.9 percent). The tax rates for Georgetown and Round Rock remain the lowest on this list, with both cities still keeping their rates below the 40-cent mark as of 2007.

Finally, a recent Comprehensive Market Analysis Report for the Killeen-Temple MSA, highlights of which are included next in this chapter, also offered insights on the housing affordability situation in the area. The charts in **Figure 6.5, Annual Housing Cost Relative to Income**, show that, overall, an average

Figure 6.5, Annual Housing Cost Relative to Income



Source: U.S. Department of Housing & Urban Development

area household in 2006 spent roughly the same percentage of their annual income on housing costs (approximately 21.5 percent) as did the average Texas resident. In dollar terms, the annual median housing cost was slightly lower locally compared to statewide (\$8,916 versus \$9,108, or roughly \$200 lower). The affordability comparison for homeowners in 2006 was 17.8 percent of annual income (\$9,732) spent locally on housing versus 19.3 percent (\$10,536) across Texas. Local renters actually spent more than the statewide median rental cost (\$8,352 versus \$8,052), but the local rent amount was a lower percentage of the area's median household income (27.5 percent) than at the statewide level (30.1 percent).

## **Regional Market Situation**

The U.S. Department of Housing & Urban Development, through its Comprehensive Market Analysis Reports series, released an Analysis of the Killeen-Temple, Texas Housing Market as of January 1, 2006. This report treats the "Killeen-Temple Housing Market Area" (HMA) as encompassing Bell, Coryell and Lampasas counties, which, as noted earlier, is also the Metropolitan Statistical Area (MSA) for Census reporting and other purposes. The following key findings were noted as of the time of this report:

### ***Housing Inventory***

- Building permits for single family homes had increased every year since 1997. This was attributed to growing population and low mortgage interest rates.
- Since 2000 the area inventory had increased an average of 2,875 units annually.
- The trend in residential building activity had paralleled changes in force strength at Fort Hood and fluctuations in the local economy (and, through the comprehensive plan process, local real estate community representatives have indicated that Temple housing, in particular, is drawing more military individuals and families than in the past).
- Since 2000 more than 55 percent of new single family homes in the HMA had been built in the City of Killeen, followed by 15 percent in the City of Temple.
- The homeownership rate across the HMA continued to increase (60 percent as of January 2006). [Data from Census 2000 showed that the homeownership rate in Temple increased from 53 to 57 percent between 1990 and 2000. The recent wave of single-family residential development in Temple has likely increased this rate even further.]
- Apartment production had also been increasing since 2000. The majority of units had three or more bedrooms, reflecting the substantial demand for rental housing by military families with dependents.
- The manufactured housing inventory within the HMA was 13,850 units.

### ***Housing Sales***

- As of the January 2006 report, the area sales market was considered balanced with a sales vacancy rate of two percent.

- According to the Temple-Belton Board of Realtors, the market for existing homes in the area is not affected by troop movements at Fort Hood (although, more recently, this may not hold true for Temple as much as for the overall HMA).

**Rental Market Conditions**

- Historically, the area rental market has had a relatively high vacancy rate, reflecting the high turnover of military-connected households. The HMA rental vacancy rate as of the January 2006 report was estimated at nine percent. With two Fort Hood divisions alternating deployments, the area rental market had been stable.

**Table 6.1, Estimated Qualitative Demand for New Market-Rate Sales in Killeen-Temple HMA, 2006-2008**

Price Range (\$)		Units of Demand
From	To	
100,000	119,999	350
120,000	139,999	800
140,000	159,999	1600
160,000	179,999	1950
180,000	199,999	1100
200,000	219,999	500
220,000	239,999	150
240,000	and higher	50

Source: U.S. Dept. of Housing & Urban Development

- Single-family housing units make up approximately one-third of the HMA rental inventory.

[In its *2007 Real Estate Market Overview* for the Killeen-Temple-Fort Hood Metropolitan Statistical Area (MSA), the Real Estate Center at Texas A&M University reported an average rent per square foot of \$0.68 in 2006, which compared to an average of \$0.77 for all Texas metropolitan areas. A similar area advantage was reflected in average rents for units built since 2000 (\$0.75 per square foot locally versus an all-metro average of \$0.86). Average apartment occupancy was also higher locally at 93.4 percent versus 92.8 percent for all Texas metro areas – and 97.3 percent versus 94.1 percent for all units built since 2000. The 2007 Overview also noted an increase in multi-family building permit activity in the MSA since 2002 after a relatively slow period from 1999-2001.]

**HMA Housing Forecast**

- The HUD report projected demand for 6,500 new housing sale units and 1,930 rental units over the next three-year period (2006-08). **Table 6.1** shows the forecasted value distribution of the new sale units by price range.
- Manufactured homes were expected to account for 10 percent of new homes sales over the three-year forecast period.

**Housing Assistance Programs**

The Temple Housing Authority (THA) provides a large percentage of the housing assistance programs and housing units in Temple to benefit the moderate income to extremely low-income population, but they are not the only providers. Other individuals and entities also provide programs and housing units as well. The THA cited the following initiatives that boost local housing opportunities:

- THA offers a Down Payment Assistance Program for first time, low-income homebuyers. 327 homes have been built in Temple under this grant program. The City of Temple provides an additional \$2,500 infusion for each home purchase. As of 2007, good quality homes built through this program cost between \$85,000 and \$90,000. Continued grant funding is a challenge addressed previously in this chapter.

Lower rents reduce housing costs for individuals and families who cannot afford to purchase a home or will not be in the area for long. However, consistently low rents can have some adverse effects on local housing conditions by:

- Potentially discouraging long-term maintenance of rental properties.
- Not sending a signal to the market to supply more new units.
- Potentially discouraging renters from making the leap to homeownership because of the gap in monthly cost.

- THA has close to **1,000 rental units** throughout Temple that serve a variety of clients, from extremely low-income to moderate-income.
- THA has a 25-unit complex to serve **students** who meet low-income guidelines.
- THA offers 45 apartments that are **fully handicapped accessible**.
- THA continuously **modernizes** the interiors and exteriors of its apartments.
- THA has a contract with the **Temple Police Department** to do extra patrols on THA properties. Crime rates on these properties are comparable to other areas of Temple.

