

# HOUSING

## Introduction

The condition and availability of housing are important factors in a community. Flatonia has an appropriate mix of housing types (single-family, multi-family and manufactured housing), but the overall condition of housing and the lack of affordable housing to address the market demand (see Housing Study in Appendix) are areas of concern for citizens and City government.

**GOAL:** Increase affordable housing within Flatonia ETJ

*Objective VI.1:* Develop zoning ordinances to uphold housing standards for traditional, manufactured and other housing building types.

*Objective VI.2:* Encourage the development of tenant council and homeowner councils so they have a voice (influence) in the maintenance of the property.

*Objective VI.3:* Develop financial programs to encourage the building or expansion of housing.

*Objective VI.4:* Ensure affordable access to infrastructure for all types of housing and provide housing educational programs.

The maintenance and quality of housing is a good reflection of the citizen attitudes towards their community. Property owner neglect and community disinterest are two of the major factors that cause poor housing conditions. One of the most effective actions that the City can take to improve housing conditions is to improve the look and feel of the City by focusing on beautification projects and infrastructure improvements. Residents living in a city that prides itself on the condition of its own buildings, streets and community facilities often follow suit with their own housing upkeep.

This section of the Comprehensive Plan focuses on the existing housing conditions, future demands for housing stock and suggestions for improvements of housing in Flatonia.

## Residential Land Use

Residential Land Use comprises approximately 48 percent of current land use. Future land use composition, discussed in the Future Land Use Plan and is based on the community's desire for more affordable housing through multi-family housing development. This will have fewer acreage devoted to single family housing and more devoted to multi-family housing. This change in residential types from single family to multi-family (characterized by

more persons per acre due to the higher number of residential units per acre) will result in a higher overall residential density. As Table 7-1 points out, the majority of land currently being used for residential purposes are considered Medium Density (55 percent) followed by residential land considered low density (24 percent).

**Table 7-1  
Current Residential Land Use Composition<sup>1</sup>, 2000**

Land Use Category	Acres	Percent of Total Residential Use
Rural	30.28	7.76%
Low Density	93.43	23.96%
Medium Density	214.63	55.05%
High Density	8.95	2.30%
Single Mobile Home	33.36	8.56%
Multiple Mobile Homes	9.26	2.38%
<b>Residential</b>	<b>389.91</b>	<b>100.00%</b>

Source: Lower Colorado River Authority

Based on the Future Land Use Plan, this residential use composition will change with more land being devoted to high density residential (i.e., multifamily) and less land devoted for low and medium density residential.

## Housing Types

An exterior survey of all residential buildings in Flatonia revealed the housing types shown in Table 7-2. Single-family housing comprises 78 percent of the Flatonia housing units. Manufactured Housing makes up 17 percent, followed by Multi-family housing at 5 percent.

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<sup>1</sup> Rural Residential - large lot (single owner parcel), country-style residential (average of two-acre lots per development; 1.5 acre minimum lot size) characterized by single-family detached homes.  
Low Density Residential - Large lot, low density residential (minimum one-acre lots) characterized by single-family detached homes; minimum lot widths should be approximately 140 to 150 feet, and minimum lot depths should be no more than two times the lot width to ensure maximum separation of dwelling units and preservation of country/rural atmosphere.  
Medium Density Residential - Provide for smaller residential lot sizes, possibly including dwelling units such as patio homes, town homes, or condominiums. Up to four dwelling units/acre.  
High Density Residential - More than four dwelling units per lot.  
Manufactured Home Residential - Single Mobile Home (SMR) for Lots with only one Mobile Home, and Multiple Mobile Home (MMR) for lots with more than one mobile home.

**Table 7-2  
2000 Housing Types**

Type of Housing	Structures	Percent
Single Family	459	78%
Multiple Family	27	5%
Manufactured Housing	99	17%
<b>TOTAL:</b>	<b>585</b>	<b>100%</b>

Source: City of Flatonia and Plan Consultants

This residential mix has changed significantly over the years based on market needs, construction costs, new housing types, and other similar factors. According to a market study done for Flatonia in late-1999 by I pser & Associates (see Appendix), "over the 10 years between 1980 and 1990, Flatonia experienced a loss of 28 single family homes, a loss of 12 multi-family units, offset by a gain of 84 mobile home units, resulting in a net gain of 44 housing units." The study further points out that with the increase in the number of mobile homes, owner occupied units had a net increase of 18 in Flatonia from 1980 to 1990, or from 315 to 333. Based on demographic trends and market demands, the study estimates that Flatonia will need approximately 16 housing units (11 owner and 5 renter over the next two years).

## Housing Conditions

While assessing the housing types in Flatonia, a classification of housing condition was also undertaken (See table 7-3 below). The following definitions were used in this analysis:

Standard - Sound with no defect present or minor defect present which are capable of correction within the course of normal maintenance.

Substandard - Major defects or faults that are of such a serious degree that they cannot be corrected by normal maintenance.

Dilapidated - Critical defects that have either failed completely or are so seriously damaged that the individual components could not be fixed or replaced.

Approximately 77 percent of all housing types in Flatonia are considered standard while nearly 14 percent is substandard. Flatonia has a relatively high percentage of dilapidated housing units compared to other cities. For example, a nearby city had approximately 91 percent of all housing standard, 8 percent substandard and only 0.5 percent dilapidated. One major difference, however, between the two cities' housing conditions is that nearly 67 percent of their manufactured housing was considered substandard compared to only 17 percent of substandard manufactured housing in Flatonia.

**Table 7-3  
Housing Conditions - 2000<sup>2</sup>**

Type of Housing	Standard		Substandard		Dilapidated		TOTAL
	Structures	Percent	Structures	Percent	Structures	Percent	
Single Family	360	78.4%	64	13.9%	35	7.6%	459
Multiple Family	19	70.4%	4	14.8%	4	14.8%	27
Manufactured Housing	71	71.7%	17	17.2%	11	11.1%	99
<b>TOTAL:</b>	<b>450</b>	<b>76.9%</b>	<b>85</b>	<b>14.5%</b>	<b>50</b>	<b>8.5%</b>	<b>585</b>

Source: Lower Colorado River Authority

As mentioned briefly above, the Housing condition is often a factor of neighborhood and city condition. The degree to which the neighborhood and city is kept clean and in good condition often determines the attitude of homeowners as to how they maintain their houses. The City's role in effecting this includes providing adequate infrastructure such as roads, sidewalks, parks and trails, streetlights, drainage, water, and wastewater. Public services such as garbage collection, recycling, police and fire protection are also important, as are programs for youth and seniors. Additionally, the City can work to improve their own buildings to establish a model for homeowners.

An aggressive program for improving existing housing stock as well as developing vacant properties will lead to an overall quality of housing. Flatonia has a building inspector and a policy for demolition of dilapidated housing which will continue to enhance the housing conditions. The degree to which the city enforces, and remains consistent with, their current rules for

demolition of dilapidated housing will largely impact future housing conditions in Flatonia. In addition, financing options exist to assist homeowners in improving their housing condition. The City should develop an aggressive program of educating residential owners regarding programs that can be utilized to improve their housing.

## **Affordable Housing**

According to the Housing Market Study (see Appendix) commissioned by the City of Flatonia in late-1999, the primary demand for future housing is for 16 single-family units in the next year (11 owner occupied and 5 renter units). These figures are based on household growth and conservative replacement estimates. This study estimates that the demand will primarily come from individuals with a median family income above the limit of what is considered affordable housing. In addition, the Housing Market Study states that “a rental demand figure of up to 35 multi-family units is appropriate for the Flatonia market.” These latter figures are based on projected growth, turnover in existing households, and focuses on the targeted income limits.<sup>3</sup>

However, the City feels that this income estimate is somewhat conservative and wants to pursue the development of multi-family residential development to serve what they see as an affordable housing need in Flatonia from existing Flatonia employees who are either living in a nearby city and commuting or living in a substandard or dilapidated housing structure. The city has met with affordable housing developers and finance specialists to discuss options for the development of affordable housing.

A developer can benefit from building affordable housing through 1) low-income housing tax credits, or 2) private market housing rates (i.e. payback over the life of the housing). Tax credits are primarily given to developers through a state-managed program and are given based on the percentage of people living in the affordable housing units that are below 80 percent (or sometimes lower depending upon the program) of median family income for a specific geographic area. The housing market study points out that the income levels of the future market demands will primarily be above the 80

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<sup>3</sup> Information provided in the Housing Market Study prepared for Flatonia by Ipser and Associates, Inc (December 1999). See Appendix for full text of study.

percent median family income. Therefore, a multi-family developer will probably not be able to benefit from low-income housing tax credits in Flatonia. Compounding this problem is the fact that the current and projected rental rates in Flatonia and the surrounding area are fairly low, so the payback through rents to the developer for the construction of a housing development will be fairly low. Therefore, the City will need to provide other incentives to a developer in order to make the multi-family development less costly up front and somewhat profitable over the long-term.

## **Manufactured Housing<sup>4</sup>**

Manufactured housing, as mentioned above, has been the predominant new housing type over the past ten years in Flatonia. The manufactured home industry has exploded during this time, as there is a tremendous market for this housing due to the low cost of the housing and the ease of placement. Manufactured housing has become a more popular housing type for affordable housing. However, other less positive issues also exist regarding manufactured housing, such as: not a good investment (deteriorate rapidly and do not appreciate in value); pose a safety concern when not tied to a permanent foundation; and opposition from neighbors on the effect of manufactured housing on the property value of single family housing.

The challenge to Flatonia however is to decide what mix of housing is appropriate. Manufactured housing is a good alternative for affordable housing, however without permanent foundations, attractive skirts and proper upkeep, manufactured homes can become unsightly in a community.

Another issue that the City will need to address is the dispersment of manufactured housing throughout the City. Currently, manufactured housing is located throughout the city. Some cities have decided to treat manufactured housing similar to single family and multi-family and have a designated area for manufactured housing. Other cities have opted to only allow manufactured homes in a manufactured home park. These are issues

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<sup>4</sup> Manufactured Housing in this text refers to both those mobile homes built prior to 1976 and those built and often referred to as HUD-based manufactured homes.

that the City Council and Steering Committee will need to address in the Zoning discussion and ordinance.

## **Housing Strategies**

Following are recommended strategies for the City of Flatonia:

- Develop a City-owned building beautification program and educate the public about what the City is doing and why.
- Work with civic organizations to improve the condition of some of the substandard housing through volunteer painting, yard maintenance and other similar improvements.
- Enforce, and remain consistent with, the City's code enforcement program - especially as it pertains to demolishing dilapidated housing and approving manufactured housing requests.
- Look into the current staffing of building code enforcement and examine if it is sufficient to meet the needs of the position. In addition, develop a much clearer system for both building inspection and demolishing dilapidated housing.
- Develop a Zoning Ordinance (including building design) for all building types including residential.
- Review the Housing Infill Analysis provided by the Capital Area Housing Financing Corporation and Capital Area Planning Council. This analysis shows the most appropriate properties within Flatonia for the City to assist in the development of housing based on back taxes due, depreciated housing stock, and other similar factors.
- Decide where all residential types are most appropriate based on the health, safety and welfare of the citizens and develop zoning categories and a zoning map that is consistent with the Future Land Use Plan.
- Develop a City policy for facilitating affordable housing such as what types of incentives to give developers or what role should the City have in the development process.
- City will take lead on developing an education program for Flatonia citizens on the following programs which will help individuals to improve their existing housing, alternatives to manufactured housing, or finance new housing:

- The HOME Program – This program is administered by the Housing and Urban Development (HUD) of the Federal Government and allocated to state and local governments. The purpose of this program is to increase the supply of affordable and low-income housing units. Funds can be used for acquisition, rehabilitation, and new construction of housing.
- Community Development Block Grant (CDBG) Program – The City of Flatonia already participates in the CDBG program both through its own allocation from TDHCA and from the Capital Area Planning Council. However, Flatonia is not presently participating in the CDBG housing program. The use of funds for housing is limited to rehabilitation. New construction is prohibited. Cities may use grants to provide funds to non-profit groups such as a non-profit developer or to a housing authority.
- Habitat for Humanity – This non-profit organization provides volunteers and materials to assist low to moderate-income residents in building housing. The organization usually demands a certain degree of “sweat equity” on the part of the homeowner, but this is a good program to get a community involved in volunteering to develop or rehabilitate housing. The organization relies on the donation of existing homes and vacant lots purchased by the local government to provide stock from which to build.
- Down-Payment Assistance (DPA) Programs – The Capital Area Housing Finance Corporation has a DPA for the ten counties that it serves (Fayette County being one of these counties). The program provides direct grants (forgivable after a certain number of years) towards the down payment of a new or existing home. The program primarily targets households with incomes less than 80 percent of median family income for the given county.
- Low-Income Housing Tax Credit (LIHTC) – LIHTCs are a significant incentive for developers to build low to moderate-income housing. The amount of Tax Credits given from the State to the developer depends upon the amount of residents in the new residential development who are below the median family income level for a specific geographic area and also the extent (or percent) that the residents fall below that level. The City of Flatonia needs to continue to meet with developers to determine what is an appropriate mix of affordable housing for the City and how the City can facilitate the development.