

New Braunfels 2018 Workforce Housing Study

New Braunfels City Council

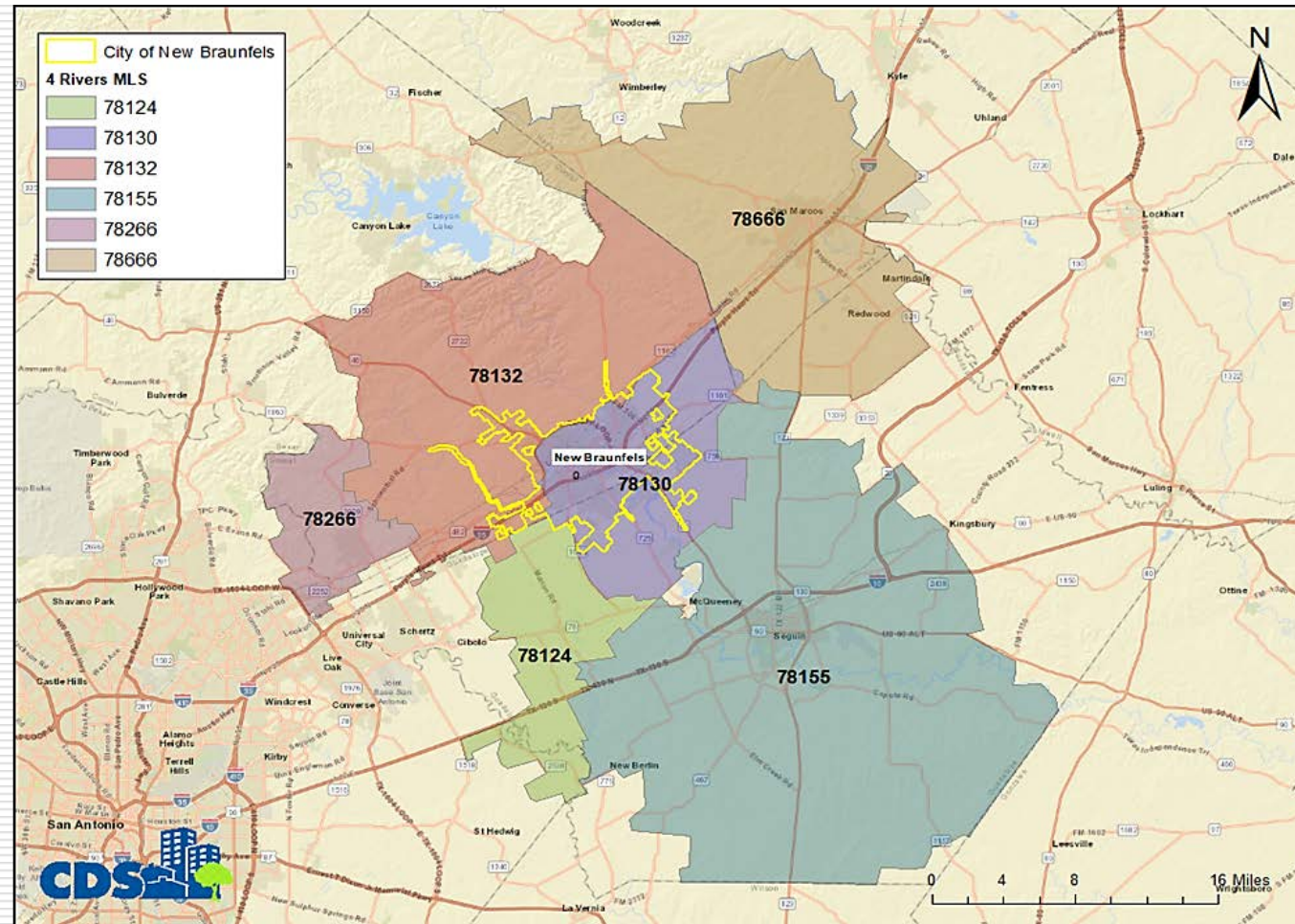
February 11, 2019





New Braunfels

- Three main geographies or study areas:
- City of New Braunfels
- Comal County
- Surrounding counties and cities of Guadalupe County, Seguin, , Converse, Live Oak, Schertz, Selma, Universal City and Windcrest

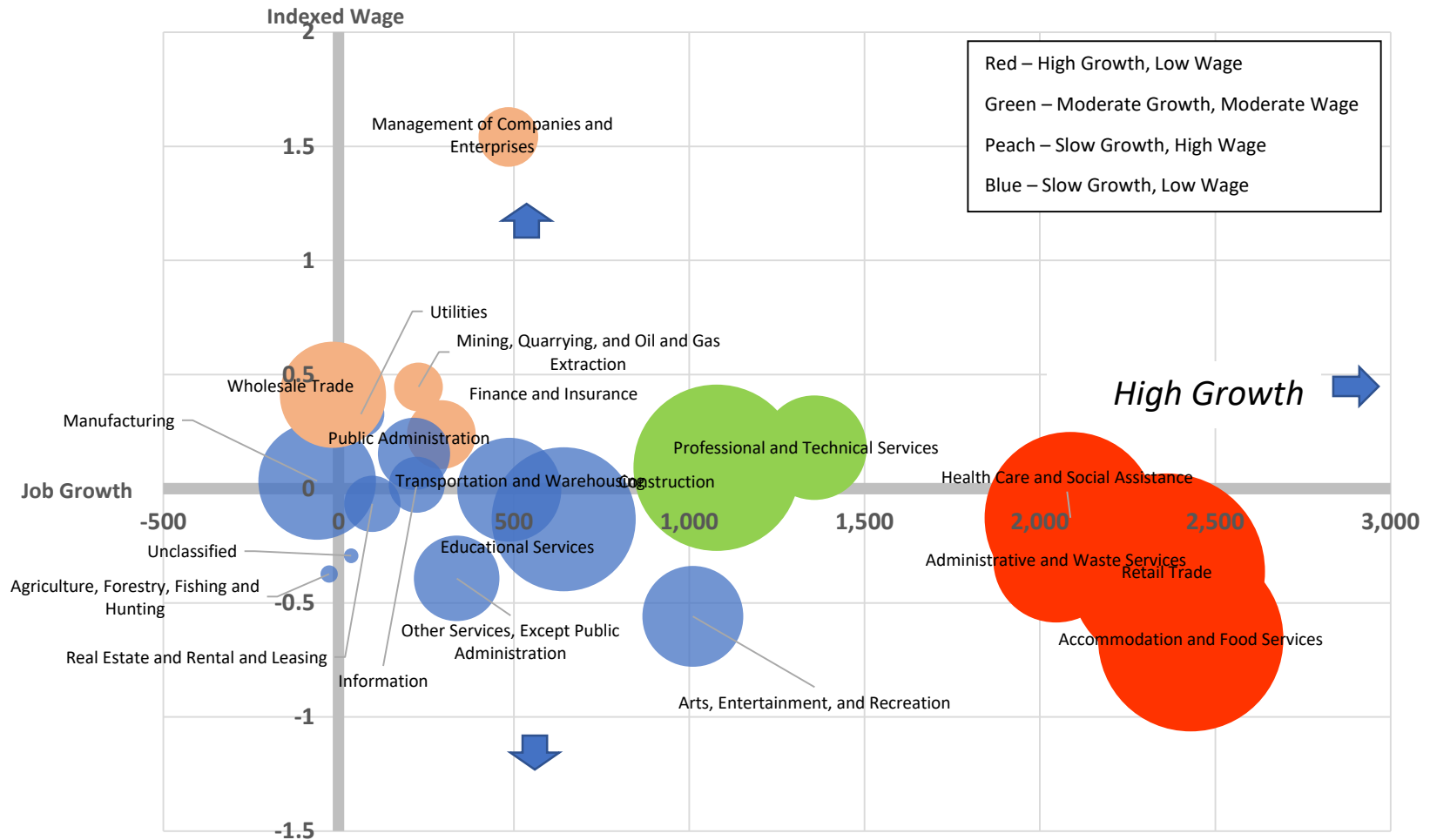


Source: CDS Community Development Strategies

Economic Context

- 70% (23,373) of New Braunfels workers live outside of the city limits (LEHD, 2015).
 - Largest and fastest-growing industry sectors have lower wages
 - Accommodation and Food Services
 - Retail Trade
 - Health Care and Social Assistance
 - Administrative and Waste Services
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Total Employment Growth (2008-2017) and Average Weekly Wage Index (2017) by Industry – Comal County



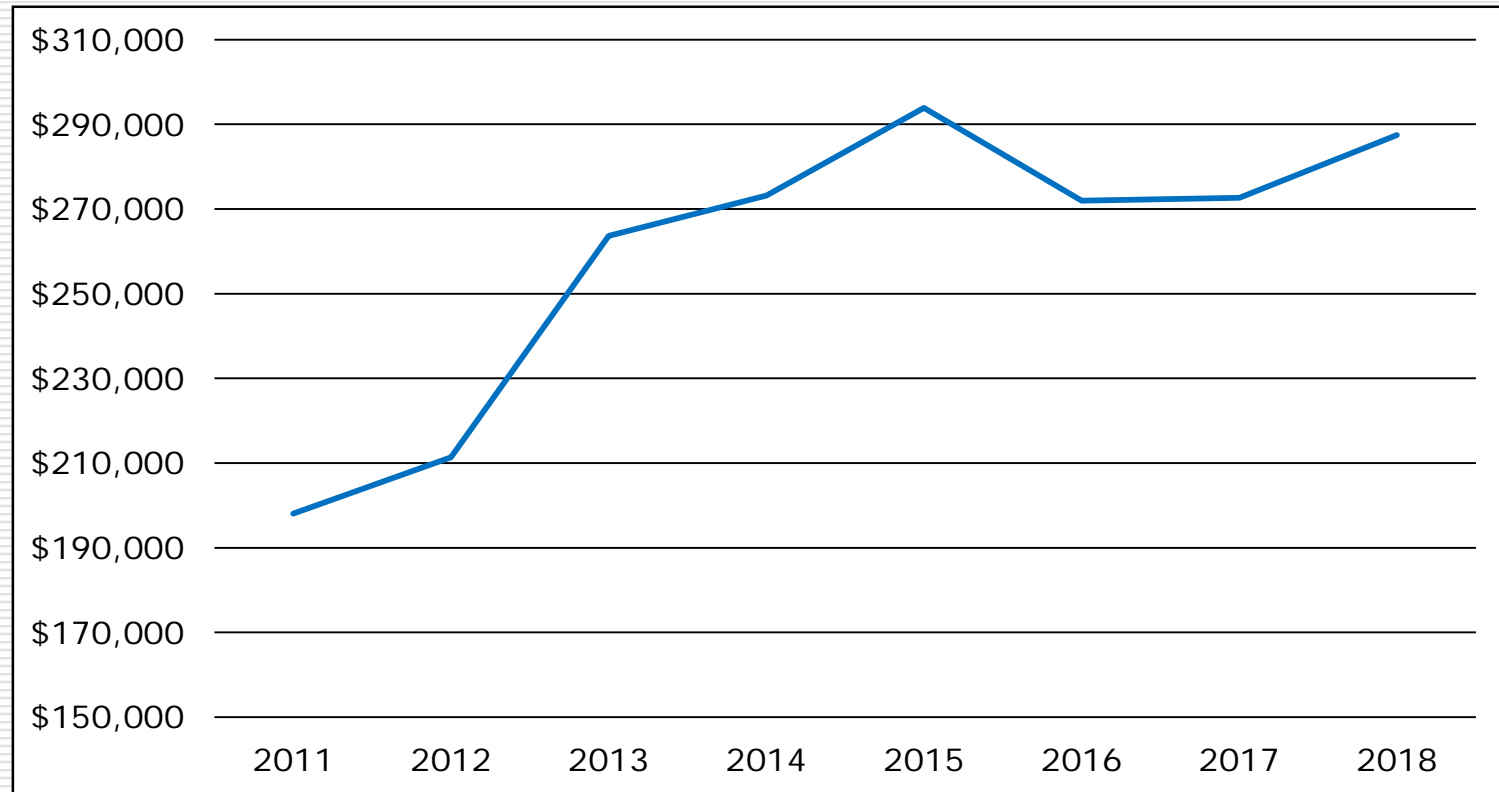
Demographics

- 2017 median household income:
 - Comal County: \$71,000
 - New Braunfels: \$58,814
 - For-sale home price affordable to 2017 New Braunfels median income: **\$220,000** (FHA mortgage)
 - In New Braunfels, **22%** (4,234) of owner-occupied units are housing cost burdened (>30% of gross income).
 - Household incomes \$41,780 - \$60,000: need homes priced **\$150,000 to \$225,000**
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For-Sale Housing

Comal County Median Sales Price, 2011- 2018

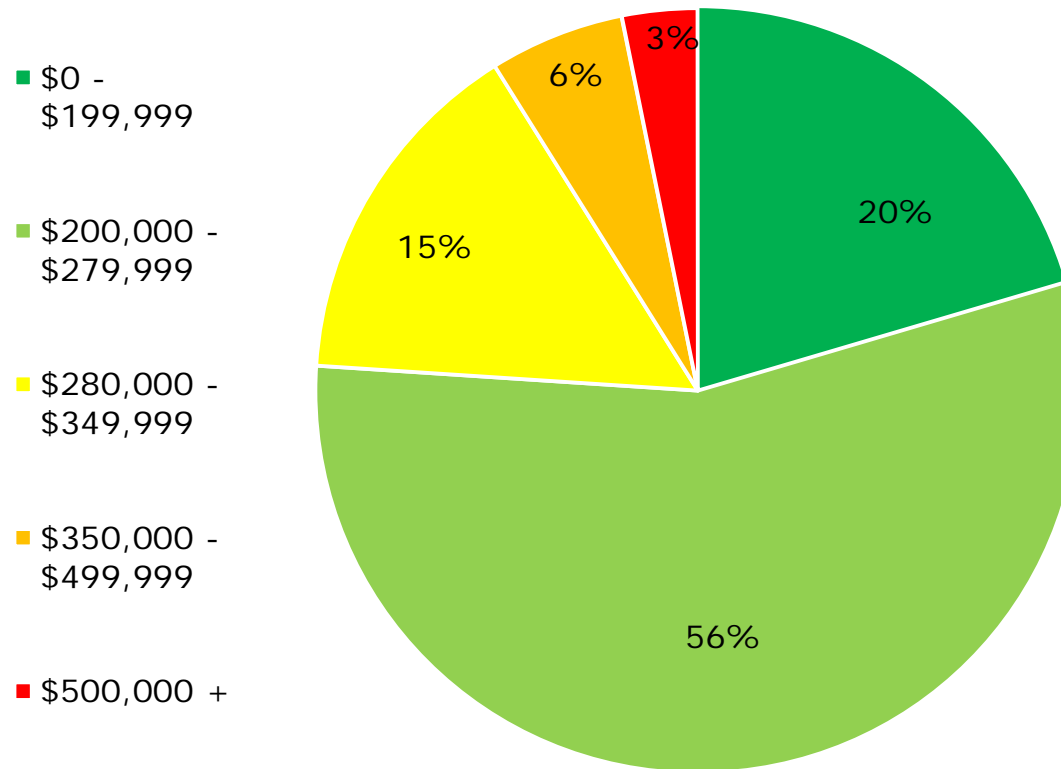


Source: Real Estate Center at Texas A&M University



2017-2018 For-Sale Housing

**78130/New Braunfels Sales By Price
2017-2018**



Source: Multiple Listing Service – Four Rivers Association of Realtors

Affordable For-Sale Calculation

Home price	\$150,000	\$175,000	\$200,000	\$225,000	\$250,000	\$275,000	\$285,000	\$300,000	\$325,000	\$350,000
Down payment	\$5,250	\$6,125	\$7,000	\$7,875	\$8,750	\$9,625	\$9,975	\$10,500	\$11,375	\$12,250
Closing costs	\$6,000	\$7,000	\$8,000	\$9,000	\$10,000	\$11,000	\$11,400	\$12,000	\$13,000	\$14,000
Total up-front costs	\$11,250	\$13,125	\$15,000	\$16,875	\$18,750	\$20,625	\$21,375	\$22,500	\$24,375	\$26,250
FHA Loan amount	\$147,283	\$171,830	\$196,378	\$220,925	\$245,472	\$270,019	\$279,838	\$294,566	\$319,113	\$343,661
Monthly mortgage	\$788	\$920	\$1,051	\$1,182	\$1,314	\$1,445	\$1,498	\$1,577	\$1,708	\$1,839
Monthly MIP	\$104	\$122	\$139	\$156	\$174	\$191	\$198	\$209	\$226	\$243
Monthly home insurance	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125	\$125
Monthly taxes	\$27	\$31	\$36	\$40	\$45	\$49	\$51	\$54	\$58	\$63
Total PITI with MIP	\$1,045	\$1,198	\$1,351	\$1,504	\$1,658	\$1,811	\$1,872	\$1,964	\$2,117	\$2,271
Required MGI	\$3,482	\$3,993	\$4,503	\$5,014	\$5,525	\$6,036	\$6,240	\$6,547	\$7,058	\$7,568
Required annual income	\$41,780	\$47,910	\$54,040	\$60,170	\$66,300	\$72,430	\$74,882	\$78,560	\$84,691	\$90,821
Weekly wage	\$803	\$921	\$1,039	\$1,157	\$1,275	\$1,393	\$1,440	\$1,511	\$1,629	\$1,747
Hourly wage equivalent	\$20.09	\$23.03	\$25.98	\$28.93	\$31.88	\$34.82	\$36.00	\$37.77	\$40.72	\$43.66
HUD Family of 4 Classification	VLI	LI	LI	LI	LI					

- Lowest new-build price in New Braunfels currently:
\$225,000
 - Excludes all incomes less than **\$60,000**.



For-Sale Affordable Housing Demand

For-Sale Housing Need by Income Range, 2017

Income Range	# Cost-Burdened Households	Home Price Range Needed
\$20,000 to \$34,999	940	Under \$150,000
\$35,000 to \$49,999	1,065	Under \$200,000
\$50,000 to \$74,999	873	\$200,000 - \$290,000

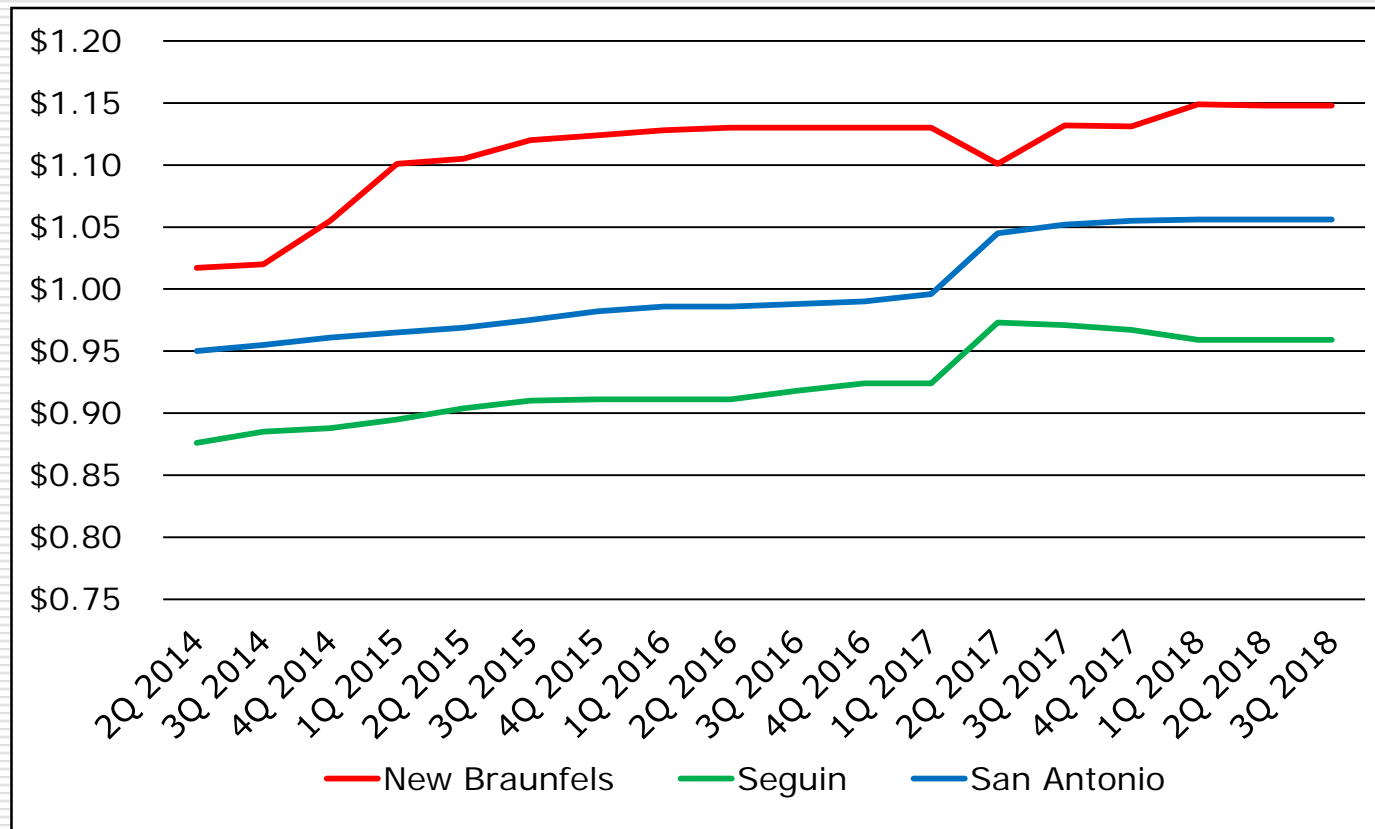
Total Demand:

- New Braunfels Affordable For-Sale Units
 - **2,878**
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2017-2018 New Braunfels Rentals

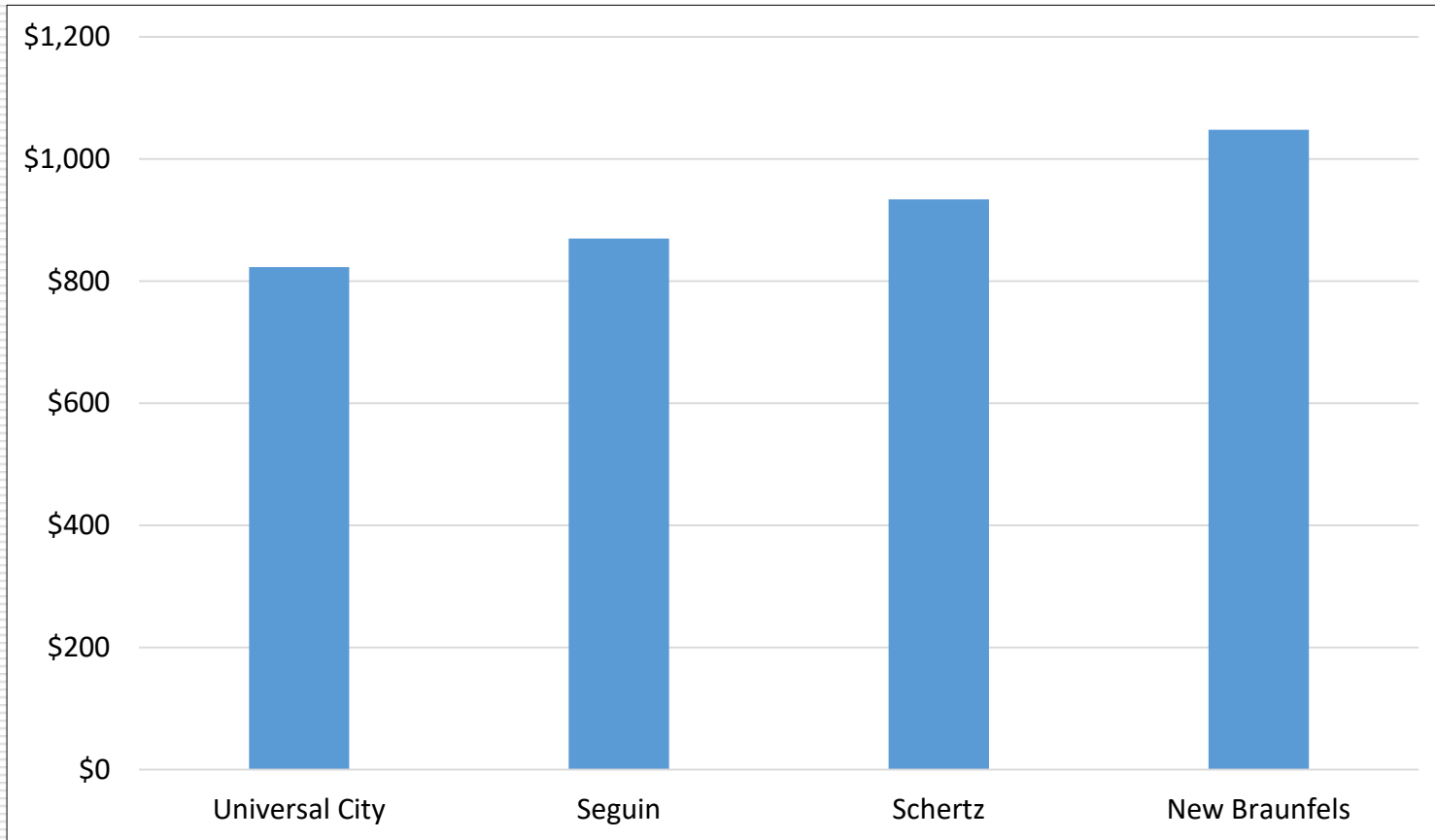
Multi-family Average Lease Rate per Square Foot, 2014 – 2018, All Property Classes



Source: ALN Apartment Data, 2018

2018 Average Lease Rates

Multi-family Average Lease Rate, 2018, All Property Classes



Source: ALN Apartment Data, 2018

Oversaturation of Class-A Apartments

- **5,457 total multi-family units**
- **Class-A** units make up **80% (4,446)** of all units
- 2018 **average occupancy** of **Class-A** - **88%**
- **Class-A rents** range from **\$1,040 - \$1,700**

City	Market Rate Properties	Market Rate Units	Market Rate Avg. Rent	Subsidized/ Income Restricted Properties	Subsidized/Income Restricted Units	Subsidize/Income Restricted Avg. Rent
Seguin	10	1,244	\$870	3	408	\$789
Converse	6	1,148	\$1,070	1	224	\$1,005
Live Oak	5	1,561	\$1,030	1	80	\$810
Schertz	6	1,154	\$934	1	68	\$754
Selma	1	280	\$1,079	1	104	\$778
Universal City	13	2,489	\$823	2	234	\$789
New Braunfels	30	5,181	\$1,048	3	276	\$660



2017 Wages and Affordable Rent

Industry	Average Weekly Wage	Hourly Wage	Affordable Maximum Monthly Rent
Accommodation and Food Services	\$328	\$8.20	\$295
Retail Trade	\$610	\$15.25	\$549
Educational Services	\$829	\$20.73	\$746
Health Care and Social Assistance	\$835	\$20.88	\$752
Transportation and Warehousing	\$953	\$23.83	\$858
Construction	\$1,045	\$26.13	\$941

- 2017 Median Income - **\$58,000**
 - Affordable Maximum Rent - **\$1,450**
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Rental Affordable Housing Demand

Affordable Rental Housing Need by Income Range, 2017

Income Range	# Cost-Burdened Households	Monthly Rent Range Needed
Less than \$20,000	1,718	Under \$500
\$20,000 to \$34,999	1,465	\$500 to \$875
\$35,000 to \$49,999	1,779	\$875 to \$1,250
\$50,000 to \$74,999	413	\$1,250 to \$1,875

Total Demand:

- New Braunfels Affordable Rental Units
 - **5,375**
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Employee Housing Survey Results

- Workers living outside of the New Braunfels – **housing affordability and value** top reason
 - Workers who live in or close to New Braunfels – **proximity to employment** top reason
 - Respondents top suggestions:
 1. More middle-class suburban-style subdivision housing
 2. Preserve existing lower cost and older housing
 3. Provide new affordable apartments restricted to tenants with lower incomes
 - Selection of next home - **Price** the most important factor
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Recommendations

- Support construction of income restricted/subsidized multi-family rental units
 - Temporary housing and housing navigation center/support program for homeless, seasonal and low-income workers
 - Down payment and soft-second mortgage financing assistance programs
 - Could limit to city/county workers, first responders, households below median income
 - Seek out nonprofit housing developer partners
 - Potential partnerships with local employers
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Recommendations

- Public agency incentives for new housing in target price ranges
 - Streamlined project reviews
 - Reduced fees (for example, impact fees)
 - Infrastructure support / reimbursements
 - Regulatory relaxation (zoning, lot size, allowed types, parking, etc.)
 - Transportation assistance programs
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Recommendations

- Preservation of existing affordable workforce housing
 - Structural maintenance assistance combined with rent / sale restrictions
 - Most aggressive: property acquisition / land banking, development, land trusts
 - Tax exemptions / freezes
 - Temporary worker housing program
 - RV parks / livable vehicles
 - Manufactured housing / worker camp
 - Mobile tiny homes
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