



Hemisfair Mixed-Income Residential Policy

Approved by HPARC Board on March 30, 2022

Purpose

The goal of Hemisfair's Mixed-Income Residential Policy is to create housing opportunities for a diverse population and a mix of incomes. This policy sets goals for Hemisfair residential developments so that housing unit prices are affordable to a broad set of residents.

Background

Hemisfair Park Area Redevelopment Corporation (HPARC) was founded with seven Guiding Principles:

1. Open Space
2. Mixed Use Development
3. Historic Preservation
4. Connectivity
5. Balance
6. Sustainability
7. Leadership

To support ongoing maintenance, operations and activation expenses of the public *open spaces*, Hemisfair must secure revenues from *Mixed Use Development* projects on developable parcels. The projected primary source of revenue is from Public-Private Partnerships (P3s) largely consisting of multi-family residential projects. To ensure financial *sustainability* of the district, revenues must offset on-going expenses. Therefore, *balance* is required to attain these financial goals while ensuring that residential projects remain affordable to a broad population with a mix of incomes.

Hemisfair desires to ensure "workforce" housing which may include such tenants as teachers, civic and government employees, service workers, restaurant staff, retail clerks, cashiers, daycare workers, hairdressers, maintenance, technicians and security guards, especially those who do not currently have affordable housing opportunities near their place of employment.

Successful Mixed-Income Housing Strategies

Mixed-income housing has primarily been achieved by including a percentage of units for lower income levels in a project with primarily market-rate units. The successful combination of residents with differing income levels in the same project depends on certain conditions, including desirability of location, design and condition of the development, management and maintenance, and financial viability of the project.



Market-rate apartment rents downtown exceed the average of suburban apartments due to higher costs of downtown development, which costs are driven up by elements such as structured parking, design requirements and land prices. There are many ways to provide incentives for developers to include affordable units in market-rate projects, as shown in Appendix 1 (below).

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1. Set a floor for development of 10% of the units per District Zones to be priced as “workforce housing” for households earning between 50% and 80% of Bexar County AMI adjusted for household size. Evenly distribute rental prices for this range of income¹.
2. For the purposes of diversity, the maximum allowable percentage of workforce housing will be capped at 50% of units per residential project.
3. Encourage developers to provide a variety of configurations for a range of affordability. Inclusion of smaller one-bedroom (600-700 SF) and studio "micro-units" (300-550 SF) in the mix of market rate housing is encouraged.

Hemisfair promotes mixed income living to give locals a chance to take advantage of the public and private investment in our downtown. Our desire is to encourage workforce housing, and to provide various unit types and ranges of rent that appeal to center-city workers.

Hemisfair encourages the City, its development partners, and others to create additional incentives and economic benefits to deliver additional workforce housing units. This policy is subject to change.

Conclusion

Hemisfair promotes mixed-income living to give locals a chance to take advantage of the public and private investment in our downtown. Our desire is to encourage workforce housing, and to provide various unit types and ranges of rent that appeal to center city workers. Given the existing incentives for downtown market-rate residential development, expanded financial tools will be needed to deliver workforce housing at Hemisfair.