Overview

Background and Purpose

The City of Waco commissioned the housing study and revitalization plan in June of 2007. The goal of the study was to establish a baseline for understanding the market conditions, housing and neighborhood stability issues and concerns facing its citizens. Four target areas were identified for detail data collection and analysis efforts including East Waco, North Waco, South Waco, and the area currently being revitalized through efforts of the Waco CDC. The study team sought to focus its demographic data gathering and analysis citywide, while providing a comparison of the data to that of the State of Texas and the United States. We also included comparisons among various target areas as a means of quantifying and creating a perspective on the impacts found.

While the study examined trends and neighborhood characteristics citywide, specific data for each target area was captured including field data on housing and neighborhood conditions. When developing recommendations, the more detailed data for the target neighborhoods helped to form a basis for conceptualizing recommendations on select sites as a means of illustrating how our concepts and strategies for revitalization might be carried out. It should be emphasized that these illustrations involving the specific sites are conceptual and for the most part absence of detail plans and specifications or feasibility analyses. It is our goal that the illustrations be used as a means of assisting those implementing the recommended strategies and to provide guidance to those replicating these concepts in other parts of the city wherever appropriate.

Particular emphasis has been placed on revitalizing commercial corridors as a critical component of revitalizing neighborhoods. A viable and attractive commercial corridor is crucial to the recovery of a neighborhood through which it passes. Reinvestment is not easily obtained when the first impressions of visitors and internal perceptions of residents are influenced largely by corridors characterized by deteriorated housing stock, obsolete commercial buildings, marginal businesses, and community safety issues. The following further summarizes the data collection and analysis sections of the report and the resulting recommendations for strategies and implementation.

Community Profiles

The Community Profiles focus on four study areas in Waco and compare the demographics in those study areas to the overall city. The study areas are North Waco area, Waco CDC area, East Waco area, and South Waco area. Waco is the 26th largest city by population in Texas and is the County seat of McLennan County. According to the U.S. Census, the population of Waco was estimated to be 113,726 in 2000. In 2000, the Hispanic population was 26,885, 23.6 percent of the total population. The African-American population was 25,754 or 22.6 percent of the total population in 2000. In 2000, the White population made up 69,119 or 60.8 percent of the total city population.

In 2000, 30 percent of all households in the North Waco area, 38.3 percent in the Waco CDC area, 34.9 percent in the East Waco area, and 18 percent in the South Waco area were female-headed, compared to 16.2 percent in the city overall. About 27 percent of the households in the North Waco area were non-family or single-person households, compared to 31.3 percent in the Waco CDC area, 38.5 percent in the East Waco area, 21.2 percent in the South Waco area, and 41.4 percent in the city overall.

The city's median household income was $26,264 in 2000, compared to $22,718 in the North Waco area, $19,345 in the Waco CDC area, $15,190 in the East Waco area, and $24,985 in the South Waco area. The modal income class (the income class with the highest number of households) for the city was the $30,000 to $50,000 range, compared to less than $10,000 range for the North Waco area, Waco CDC area, and the East Waco area, and $10,000 to $20,000 for the South Waco area.

According to the Bureau of Labor statistics, the unemployment rate for the Waco Metropolitan Statistical Area was 4.8 percent in 2006. In 2000, the city's unemployment rate was 11.6 percent, while it was 14.3 percent in the North Waco area, 19.8 percent in the Waco CDC area, 12.1 percent in the East Waco area, and 9.6 percent in the South Waco area.

The poverty rate was 36 percent in the North Waco area, 33.5 percent in the Waco CDC area, 37.5 percent in the East Waco area, and 28.1 percent in the South Waco area, compared to 26.3 percent for the city overall.

Over 28 percent of the population over 25 years of age had less than high school education in the city, compared to 48.6 percent in the North Waco area, 49.9 percent in the Waco CDC area, 32.6 percent in the East Waco area, and 62.6 percent in the South Waco Area.

Of the 45,819 housing units in Waco, about 64 percent were classified as single-family in 2000. The homeownership rate was 46.4 percent in Waco compared to 46.6 percent in the North Waco area, 37.5 percent in the Waco CDC area, 40.8 percent East Waco area, and 62.0 percent in the South Waco area. About 43 percent of the housing stock in the city was built prior to 1960, and 59 percent of the housing units were built prior to 1970. Median housing values in the city for owner-occupied housing units increased by approximately 27 percent between 1990 and 2000, from $41,800 in 1990 to $53,200 in 2000. Median contract rents in the city increased by approximately 40 percent between 1990 and 2000, from $281 in 1990 to $394 in 2000.

Focus Group Sessions

A series of focus group sessions were held in Waco May 22nd through 24th, 2007 to discuss fair housing issues and to identify the community priority needs relative to housing and neighborhoods. Participants in the focus group included representatives from the City staff, local non-profit organizations, housing professionals, industry leaders, and other community representatives. Attendees were gathered by invitations sent to select residents and industry professionals. At each focus group session, issues related to the housing market and specific concerns pertaining to fair housing and neighborhood decline were discussed. These issues included inadequate dissemination of fair housing educational materials, the perception that certain areas of the city are home to a disproportionate number of the city's low-income population, the need to develop housing suitable to changing demographics in the city, lack of credit education, safety and security, economic development, living wages and lack of jobs, and predatory lending practices.

Home Mortgage Disclosure Act (HMDA) Analysis

An analysis of HMDA data indicates some issues of concern in mortgage lending. The loan applications from minorities were significantly lower compared to their percentage in population in the city. The possible reasons for lower number of applications from Hispanics could be language and cultural barriers that impede them in understanding the loan applications and mortgage process. The loan origination rates of minority applicants were equivalent to those of Whites. Lack of credit or poor credit showed up to be the reason for the highest number of denials. The least success in lending was found in the refinance loan sector and the highest success was in the home purchase loan sector.

Socio-Economic Index

The Socio-Economic index highlights geographic areas indicating a concentration of attributes prevalent in fair housing issues. These attributes include high minority concentrations, older housing stock, reliance on public transportation, low income, low housing values and contract rents, a high percentage of female headed households with children, a high ratio of loans denied to loans originated, high unemployment rates, and high rates of high school dropouts. The collective concentration of these issues leads to neighborhood deterioration and market conditions that tend to impede fair housing choice. The fair housing index indicates that having high risk of fair housing related issues are concentrated in the North Waco area and the eastern census tracts of Waco.

Neighborhood Evaluation

A neighborhood evaluation was used to evaluate housing stock and neighborhood conditions in Waco citywide. The evaluation was based on an examination of the physical conditions of residential areas and qualitative and quantitative data collected from these areas. The evaluation was divided into three phases: the initial neighborhood area selection, an on-site evaluation of these neighborhood areas, and an analysis of the data collected. This allowed us to establish a baseline for existing conditions in all neighborhood areas and an opportunity to apply the strategies developed based on the target areas to other areas of the city.

Recommendations and Strategies

The recommendations generated during the planning effort are based on an overall Revitalization Program that includes **four fundamental principles.** These principals serve as a starting point for launching the revitalization program and form the basis for specific strategies to be designed and implemented in order to create change. These fundamental principals are:

First, the program for revitalization must be based on **broad strategies** that collectively address a wide range of physical, financial, social, economic, human, and policy issues that have a negative effect on the well being of the community. East Waco and other areas experiencing advanced levels of decline will require more aggressive strategies and a greater infusion of resources than other more stable areas within Waco.

Second, the process for revitalization must address needed **improvements to the community's basic attributes** of a clean and safe community, adequate delivery of city services, convenient access to quality retail and commercial services, recreation for all age groups, effective regulatory enforcement, public school systems that offer competitive programming to that of surrounding independent school districts, resource availability, and programmatic enhancements that ensure a reasonable quality of life for residents.

Third, revitalization requires that **increased resources** be identified and dedicated to revitalization through innovative programming and by identifying additional resources for implementation, including partnerships between government, business, and the community. In establishing new partnerships, emphasis must be placed on enhancing the community's social fabric, a necessary step so that the community can take more of a leadership role in the revitalization process. Community service organizations, religious institutions, residents, and other civic organizations who may have had limited involvement in revitalization efforts in the past, must be encouraged to participate in a community-wide effort aimed at improving the neighborhoods.

Fourth, revitalization requires that the implementers and policy makers directing the revitalization process make tough decisions relative to **resource targeting, leveraging of resources,** and the **priorities and timelines** associated with each activity outlined in the overall revitalization program. The disparity between resource availability and the existing level of need dictates that careful

planning and consensus building must be at the forefront of the revitalization effort to ensure that priority is given to the most critical issues facing the community.

We further recommend that specific revitalization actions or strategies be designed and implemented as a basis for putting into place the four fundamental principles. The study identified levels of decline occurring citywide and in some instances that decline was more prevalent in some neighborhoods than others. In fact, decline has become so severe in some areas that it threatens the basic fabric and character and it's the area's ability to sustain itself neighborhood. Quality of life for the residents is disappearing and reinvestment in non existent. In order to reverse this decline and build upon the fundamental principles, seven revitalization strategy areas have been identified.

These seven strategy areas detail a series of individual recommendations for revitalization and are presented in this section of the report. These individual recommendations should be implemented according to a time horizon most appropriate to effectuate change – that is, implementation should be broken into short, medium or long-term actions for purposes of implementation. The diagram on the following page illustrates a possible phasing of many of the recommendations. The seven strategy areas are as follows:

1. Restore the Community's Basic Attributes.
2. Enhance the Community's Image and Identity.
3. De-concentrate Poverty, Rebuild Housing and Restore Neighborhood Stability.
4. Improve Neighborhood Safety and Security.
5. Capitalize on the student housing market by redirect new housing development to downtown.
6. Undertake Catalyst Economic Development Projects that will re-energize area reinvestment and help jump start revitalization efforts in declining areas.
7. Expand resources for housing and revitalization and increase the role and participation of the private sector, faith based community and educational institutions.

Implementation

The diagram on the following page is designed to guide implementation of the recommendations resulting from the Housing Study and Neighborhood Revitalization Plan for the City of Waco. The recommendations have been divided into categories of short term, mid term and long term for purposes of estimating the timeframes necessary to carry out the implementation program. These categories and timeframes are intended as a guide and actual timeframes may vary depending upon resources required for implementation or public policy and regulatory changes that have to be enacted before implementation can occur. We have also identified immediate actions designed to gain some initial recognition and mobilization for the revitalization program. We believe that some adoption or recognition of the plan by the City Council will underscore the importance of this effort to those who must carry out the recommendations.

The City of Waco Department of Housing and Community Development will be responsible for coordinating post planning activities. This will include evaluation of each recommendation to determine the feasibility of implementing recommendations based on public policies and fiscal impacts. We recognize that some recommendations are currently being implemented in this community and therefore should be evaluated in the context of expanding that service to serve a greater need. Other recommendations, while recommended to be implemented by the City, may be actions determined more appropriate for other entities to take the lead in implementation. The overall goal is to gain broader public involvement in the revitalization effort.

Finally, some recommendations will involve City participation in efforts to get the private sector and the nonprofit community energized in new initiatives such as Employer Assisted Housing, Cottage Housing for the Elderly, Modular Housing, and Intergenerational Housing. We recognize that the City may not necessarily undertake these development activities on their own, but will provide financial support with grant funding or by enacting public policy in support of these initiatives. The City will have to champion these new development concepts and leverage private sector participation in these efforts, if they are to be successful. The City's Housing and Community Development Department has been recognized with numerous awards for its outstanding service deliver to the community. Our recommendations are intended to compliment that performance.

Implementation of the Revitalization Program

Immediate Implementation →

- Adoption of the Plan
- Implement Neighborhood Associations, Watch Programs, and Volunteer Patrols
- Implement increased self-help Initiatives
- Create a Compliance Store Program

Short -Term →

Restore the Community's Basic Attributes
- Increase public safety initiatives in target communities
- Design / Implement neighborhood branding and marketing program
- Increase funding for infill housing through FHLB and other grants
- Enhance Community Image & Identity through gateway and corridor improvements
- Start "Adopt a Block" and "Community Gardens" Programs
- Cultivate Greater Involvement of the Faith-Based Community, Senior Citizens, Private Sector and Civic Organizations
- Implement increased homeownership programming including a Lease Purchase, Police Officer and Modular Housing Programs

12 months to 3 years

Mid - Term →

- Rebuild Housing and Restore Neighborhood Stability (Redevelop Obsolete Housing /Apply for Estella Maxey HOPE VI Funding)
- Implement a housing initiative aimed at redirecting student housing market to downtown (involve private sector and Baylor Univ.)
- Design and implement a cottage housing initiative for elderly
- Apply for funding to adaptively re-use abandoned schools
- Implement a Business Attraction / Business incubator Program
- Apply for funding (CDFI, Section 108, FHLB, and Tax Credits)
- Create a redevelopment strategy for Paul Quinn Campus as a corporate call center operation.

3 to 5 years

Long - Term →

- Continue to Increase Homeownership
- Develop Elm Avenue corridor as a Specialty Retail District
- Complete Gateways and Corridor Improvements
- Market Paul Quinn Campus for "back office" and corporate call center opportunity to corporations, developers and investors
- Assemble Elm Avenue Corridor properties for commercial redevelopment and new high-density residential development
- Market select sites for joint development opportunities of intergenerational and senior housing

5 years +

Evaluation and Revision →

- Auditing, Program and Project Review
- Policy Changes
- New Programs and Funding Sources

Annually