CHAPTER 6

HOUSING & NEIGHBORHOODS

Anticipating and meeting future housing demand is essential to a City's economic development success. This planning focus also enables the community to respond effectively to the needs of a variety of market segments, from young singles and newly marrieds to large families, "empty nesters," and seniors and retirees looking to downsize. In Killeen, the particular needs of special populations, such as military personnel and university students, must also be addressed. Across all these groups, there is a basic desire for affordable, safe, and quality housing located within livable and attractive neighborhood settings. Well-designed and sustainable residential areas support individuals and families who are usually making their largest financial commitment by investing in a home. Having a range of housing options available in both new and older established neighborhoods also benefits the entire community, especially when the integrity of these areas is maintained over time, thereby contributing to the City's character and positive image.

The purpose of this chapter is to consider current and future housing issues and priorities in Killeen based on review of the existing housing stock, activity and trends in the local and regional housing markets, and projected population growth over the next several decades. This chapter also builds on all previous sections of the Comprehensive Plan by highlighting the various elements that contribute to quality and sustainable neighborhoods, both in new construction and in the City's oldest residential areas. Community input for this plan indicated definite concern—across a broad spectrum of residents and local employers—that Killeen needs to offer a wider array of housing options and associated amenities, at a range of price points, to ensure that more people will choose to live in the community versus just working and conducting business in it.

While the development of new residences and rehabilitation of older housing occurs primarily through the private sector, municipal government and other public and non-profit partners have an essential role to play in protecting residential investments over time, as well as the local economy and tax base which strong neighborhoods support. Having a diverse stock of housing—

new and old, big and small, ownership and rental—is instrumental in offering choice and providing for the individual needs of all households, regardless of economic conditions.

PLANNING CONTEXT

Key factors in planning for housing and neighborhoods in Killeen include:

- **Highly Rated Housing Market.** The Killeen-Temple housing market area (HMA) has received accolades in recent years for the relative affordability of its single-family housing. This included being identified as the most affordable HMA in the nation in 2005 among 344 such areas surveyed for the annual Coldwell Bankers Home Price Comparison Index (the Greater Killeen Chamber of Commerce also reported a number-one ranking for 2007, and GKCC currently highlights Killeen-Temple as the ninth-rated metropolitan area for affordable housing). The online service apartmentratings.com also ranked the area as number one for renter livability.

- **Fort Hood Housing Situation.** The Fort Hood Public Affairs Office describes the garrison as the largest single-site employer in Texas, with 45,414 active duty enlisted personnel; 4,929 active duty officers; and 8,909 civilian and other employees (latest published figures as of August 2009). In a 2006 report on the area housing market, the U.S. Department of Housing & Urban Development (HUD) estimated that 23,000 military personnel and their dependents occupied the approximately 6,200 units of family housing that are available on post (and the Public Affairs Office reported that 17,954 family members were living on post as of August 2009). Some 15,000 additional personnel live in barracks on the post designed for single soldiers. New and enlarged barracks space has been provided through recent projects. Fort Hood's goal is to provide rooms that house two soldiers for specialists and below. All non-commissioned officers are provided private rooms.

  HUD estimated in 2006 that approximately 30,000 military personnel lived off post along with their dependents (with the Public Affairs Office reporting that 89,933 family members lived off post as of August 2009). According to the HUD information, most of these off-post military families live within 10 miles of Fort Hood in Killeen, Copperas Cove, and Harker Heights. HUD also estimated that about half of the off-post military households are home owners versus renters.

Living on post is voluntary, except for personnel assigned to "key and essential positions" as designated by the Installation Commander. All soldiers with a family housing requirement are entitled to apply for on-post housing. HUD reported in 2006 that demand for on-post family housing was very high because of the relatively low cost and proximity to work, and waiting periods of one year or longer were common for some of the larger units.

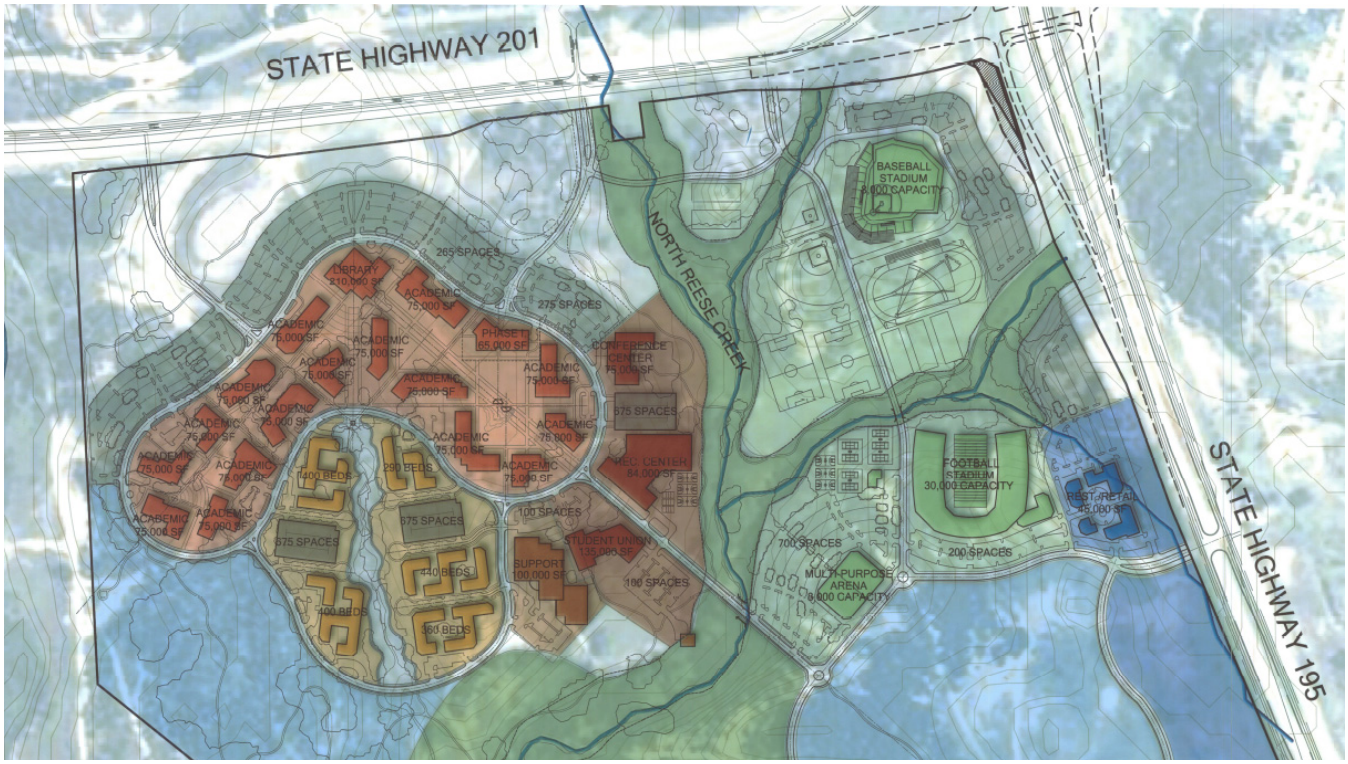
The Fort Hood Housing Office provides assistance to garrison personnel in locating suitable rental housing off the post for everyone from single soldiers to military families, at all grades. The Office maintains rental listings and also provides guidance for choosing a property, entering into rental contracts (and resolving landlord/tenant disputes), and taking advantage of other available relocation services and housing and social service programs (low-income housing; Veterans Administration financing; school options; food stamps; Women, Infants and Children program; etc.). According to the Housing Office's website, most private leases are for 180 days to one year, with 30- to 90-day leases possible in some cases. A Deposit Waiver Program also helps to ease the financial burden of relocating to or within the Fort Hood area. More than 200 landlords allow newly arriving personnel assigned to Fort Hood to lease property without a security deposit. Additionally, 16 utility companies within a 35-mile radius of Fort Hood accept deposit waivers in lieu of security deposits.

★ **Extent of Off-Campus Housing Needs for Texas A&M University-Central Texas.** The Overall Campus Development Program unveiled in early 2010 envisions eventual enrollment of 15,000 students. The Development Program includes on-campus

Figures from the Greater Killeen Chamber of Commerce show 14,576 spaces available in permanent barracks on the post. Additionally, 6,506 units of family housing are available, including 6,206 in privatized housing (through RCI, the Residential Community Initiative) and another 300 lease units in Liberty Village. (The City of Killeen also reported the recent completion of 232 more units.) The family units are dispersed across 13 housing areas, which include both single-family and multi-family structures, with two to five bedrooms.

On-post housing at Fort Hood (other than the lease units at Liberty Village) was among the first in the Army to undergo privatization through the Residential Communities Initiative according to the Public Affairs office. Already through this 50-year public/private partnership that began in 2001, Fort Hood housing is now some of the best in the Department of Defense and has been completely revamped over the last five years. In addition to housing improvements, playgrounds, community centers and other common-use areas have been renovated. The Initiative also helped to eliminate the deficit in four- and five-bedroom enlisted housing that previously existed at Fort Hood.

housing, to be developed in five phases, which will accommodate only 1,800 students. So the new university development in Killeen will place additional pressure on the local housing market in the years ahead.



SOURCE: GFF Planning

The campus development plan for Texas A&M University-Central Texas shows a cluster of on-campus housing (in yellow) that is intended to accommodate some 1,800 students from among an overall projected enrollment of 15,000 students.

★ **City Vision and Strategy.** The City's 2009 Annual Report includes 12 goals resulting from a Vision 2030 strategic planning process. Goal 1 calls for Quality Community Development and Revitalization. Goal 7 indicates that Killeen should Foster a Sense of Community and Provide an Exceptional Quality of Life. Key initiatives under Goal 1 include:

- Maintain a balance of affordable and higher-end housing.
- Complete downtown redevelopment.
- Revitalize residential neighborhoods.
- Promote compliance with housing standards and codes.

[More details on City programs focused on housing and neighborhoods may be found on the Community Development Division portion of the City's website, including: Community Development Block Grant (CDBG), Elderly Rental Assistance, Home

Investment Partnerships (HOME), Homebuyer Assistance, and Housing Renewal.]

HOUSING MARKET TRENDS AND CONDITIONS

Demographics

The following indicators provide a picture of the quantity and types of people living in and seeking new or different housing within Killeen. All data, unless otherwise noted, are estimates for 2008 and come from the American Community Survey which the U.S. Census Bureau conducts periodically between decennial census years.

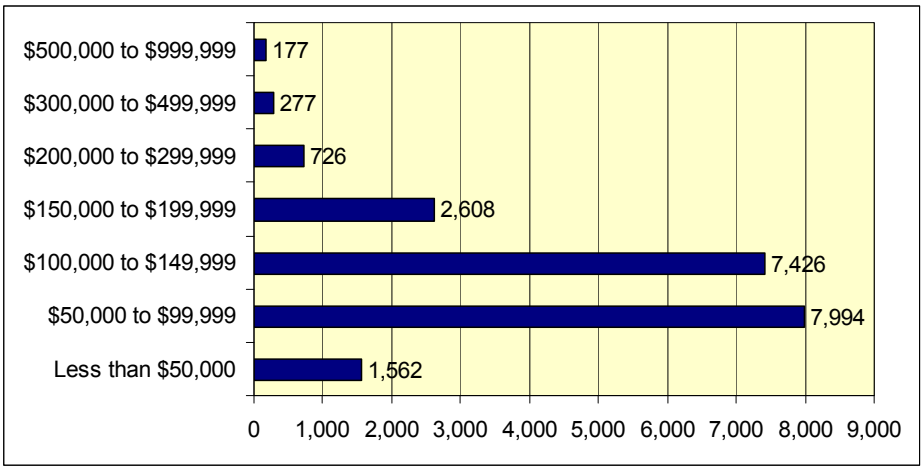
- **Households in Killeen.** The U.S. Census Bureau estimated that Killeen had 38,506 households in 2008. The average household size was 2.76 persons, slightly below the 2.82 household sizes found both statewide and within the Killeen-Temple-Fort Hood metropolitan area. The lower size in Killeen likely reflects the extent of single soldiers living in the area. In owner-occupied housing, the average household size was 2.88 in 2008, compared to 2.63 for renter-occupied housing.
- **Household Characteristics.** The estimated median age in Killeen during 2008 was 27.4 years, making it a younger community relative to the larger metropolitan area (30.4 years) and for all of Texas (33.2 years). This deviation also manifests itself in Killeen's senior population, with only 9.8% of Killeen households having one or more persons age 65 or older compared to 17.8% for the metropolitan area and 20.3% statewide. Killeen also retains many military beyond their separation from service, with 27.3% of the civilian population age 18 and older being military veterans compared to 22% for the metropolitan area and only 9.2% for all of Texas.
- **Occupancy Turnover.** Killeen is obviously a highly transient community. This is reflected in the fact that 28.8% of the City's residents in 2008 had lived in a different house in the U.S. one year earlier (the percentages are 25.6% for the region and 17.5% for Texas, which has been absorbing significant new population, in general, especially as the economic recession impacted other parts of the nation more severely). Among the 28.8% who had changed their residence, 17.1% had still been within Bell County. Then, of the other 11.6% who had lived outside the county, 7.7% resided outside of Texas one year earlier (and this percentage was 6.1% for the metropolitan area).

Housing Stock

The following indicators describe various characteristics of the dwellings already on the ground in Killeen. All data, unless otherwise noted, are estimates for 2008 from the U.S. Census Bureau's American Community Survey.

- **Housing Units.** The U.S. Census Bureau estimated that Killeen had 46,721 total housing units as of 2008. The larger Killeen-Temple-Fort Hood metropolitan area had 150,489 dwellings, meaning that Killeen accounted for nearly one-third (31%) of the area's housing units. Among the existing units in 2008, it was estimated that 82.4% were occupied and the remaining 17.6% were vacant. Among owner-occupied units, the vacancy rate was only 5.4%, compared to 20.2% for rental units. This difference, along with the fact that the rental vacancy rate for the metropolitan area was lower at 15.5%, illustrates

Value of Existing Homes – City of Killeen, 2008



SOURCE: U.S. Census Bureau

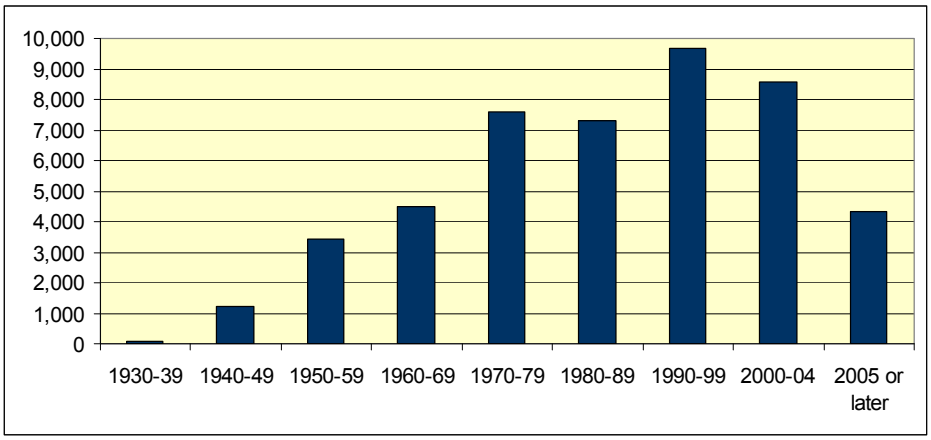
Among the estimated 20,770 owner-occupied units in Killeen during 2008, the median value was $104,700 compared to $116,400 for the metropolitan area and $126,800 statewide. As illustrated in the chart above, the greatest share of these homes (38.5%) was in the $50,000-$99,999 range (the largest percentage statewide is also in this range but only at 24.2%, and 31.2% of homes in the metropolitan area are in this same range). With another 35.8% of local homes in the $100,000-$149,999 range, this means that nearly three-quarters of owner-occupied units in Killeen (74.3%) are valued within a range from $50,000 to $149,999. The percentage in this range for the Killeen-Temple-Fort Hood metropolitan area was much lower at 57.9%, and only 46.9% for all of Texas.

These figures confirm Killeen's clear advantage in lower-priced homes for its unique housing market. Looking at higher price ranges, 12.6% of Killeen homes in 2008 were valued in the $150,000 to $199,999 range (14.8% in the metropolitan area and 16% statewide), and only 5.7% were above the $200,000 mark compared to 18.2% for the metropolitan area and 24.5% across the state. According to the U.S. Census Bureau data, no homes in Killeen were valued at $1 million or more (336 homes—0.4% of the total—exceeded $1 million in the metropolitan area).

the impact of having significant military population in the community.

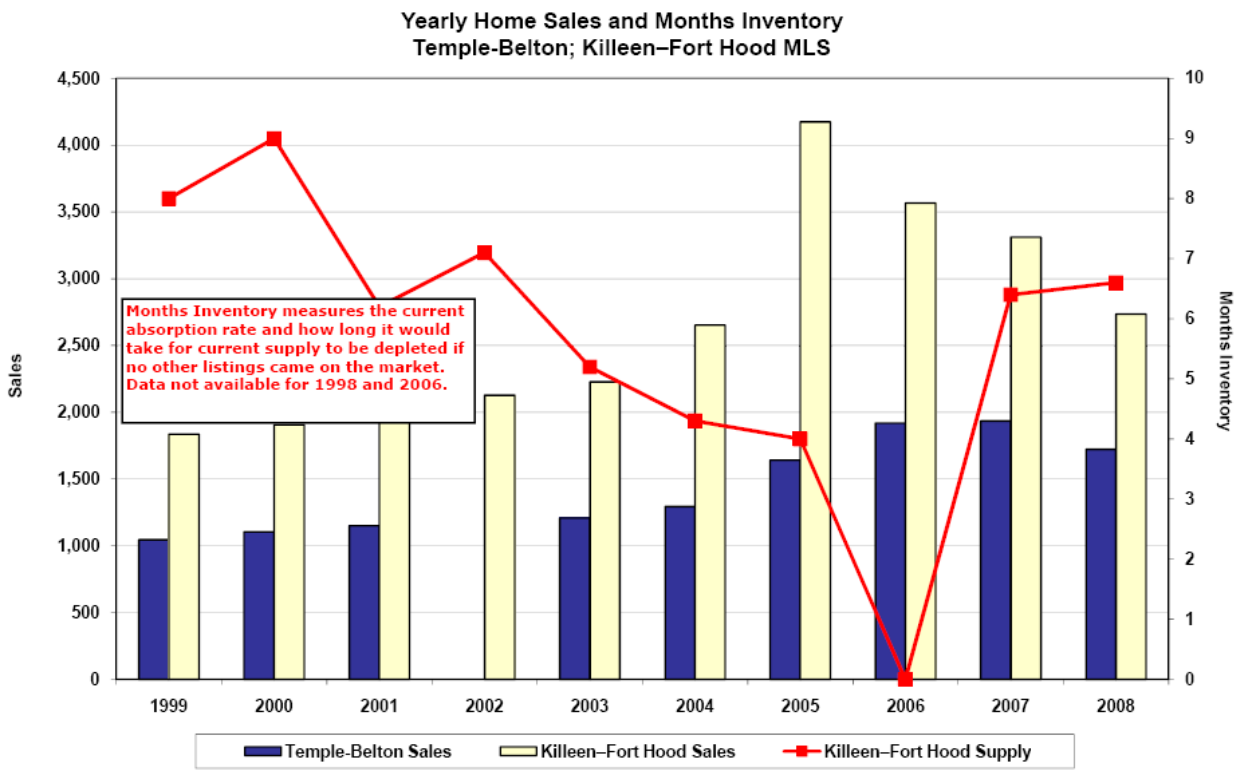
- **Home Ownership.** Among all occupied housing units in Killeen in 2008, 53.9% were owner-occupied and 46.1% were renter-occupied. This is much lower than the statewide home ownership rate of 64.9%, but less of a difference from the metropolitan area rate of 59.6%.
- **Housing Types.** Among all housing in Killeen in 2008, 60.4% were single-family detached units (63.1% for the metropolitan area). Two-unit duplexes accounted for 7.1% of the housing stock. Notably, 11.6% of residential structures had 3 or 4 units (compared to only 6.3% for the metropolitan area), which reflects the prevalence of this type of construction in Killeen. Also, mobile homes accounted for 2.1% of all units.

Age of Housing Stock – City of Killeen, 2008



SOURCE: U.S. Census Bureau

The chart above indicates that nearly half (48.3%) of the owner-occupied housing units in Killeen in 2008 had been built since 1990. The pace of residential construction in Killeen in recent years is also reflected in the comparison of homes built since 2000, which is 27.7% of the overall housing stock in Killeen compared to 23.1% for the metropolitan area and 18.3% for all of Texas. On the other hand, about 36% of Killeen's housing stock was built before 1980—i.e., more than 30 years ago—which is a common point when maintenance of older homes becomes an increasing burden on their owners and can start to impact the integrity of entire neighborhoods.



SOURCE: *Market Report 2009 – Killeen-Temple-Fort Hood,* Real Estate Center at Texas A&M University

A 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 listed in the meantime. The chart above shows that the Months of Inventory figure for the Killeen-Fort Hood Multiple Listing Service area was in the 6-7 month range during 2008, and has been in the single digits over the last decade. (The Real Estate Center later reported that the inventory figure had risen to 8.1 months in 2009.) The sharp drop to the 4-month level during 2004-05 reflects the housing boom that was spurred by a robust economy combined with significant numbers of Fort Hood personnel returning from overseas deployments. The fact that the Months of Inventory indicator has remained in a good range for so long means that, even with the rapid pace of home construction in the area 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"). On the other hand, if an area's housing inventory falls too far too fast, too few homes on the market can have cost and choice implications for prospective buyers until the market adjusts.

The bar chart portion of the figure above also illustrates the significantly higher volume of sales activity in the western Killeen-Fort Hood portion of the metropolitan market area compared to the eastern Temple-Belton portion. This gap was at its highest during 2005, when Killeen-Fort Hood had roughly 4,200 home sales compared to about 1,700 in Temple-Belton, but the gap has steadily closed in the several years since.

Because Killeen is a community with a relatively transient population, the overall housing vacancy rate is also relatively high (17.6% in 2008 as estimated by the U.S. Census Bureau). However, among ownership units, the vacancy rate was only 5.4% in 2008.

A rule of thumb often used by economists is that 5% to 8% is a **"natural" vacancy level** that promotes 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.

Future Potential Housing Need – City of Killeen

Potential 2030 Population (2008-09 = 117,000)	Average Annual Growth Rate 2008-2030	Projected Housing Units in 2030	Projected Units Added 2008-2030	Average Units Added Per Year	Potential Owner-Occupied Units	Potential Single-Family Detached Units
154,150	1.26%	60,181	**13,460**	612	7,255	8,130
165,820	1.60%	64,409	**17,688**	804	9,534	10,684
177,140	1.90%	68,511	**21,790**	990	11,745	13,161
183,430	2.06%	70,790	**24,069**	1,094	12,973	14,538

The table above shows the number of additional housing units that would be needed in Killeen by 2030 under various population projection scenarios, ranging from approximately 13,500 to just over 24,000 units depending on the City's growth rate over the next several decades. The total number of housing units in the City could increase to as much as 70,790 units, building upon the 46,721 existing units as of 2008. These projections assume that the average household size remains around the current estimate of 2.76 persons per household. (These are also gross and not net projections as they do not account for demolition and/or replacement of any existing units.)

The two right-most columns in the table show, respectively, the potential number of owner-occupied and single-family detached units that would be added under the various scenarios, assuming steady trends through 2030 in the home ownership percentage (53.9%) and types of housing construction (60.4% single-family detached).

The Affordability Equation

Along with home prices, income is the other essential factor that determines the "affordability" of housing within a market area. The following indicators capture various aspects of the income picture in Killeen. All data, unless otherwise noted, are estimates for 2008 from the U.S. Census Bureau's American Community Survey.

- **Income Comparison.** The large military presence and generally low cost-of-living environment in Killeen is reflected in area income levels. The estimated 2008 median household income of $44,461 compares to $49,769 for the larger Killeen-Temple-Fort Hood metropolitan area and $50,043 statewide. Additionally, only 19.5% of local households had incomes above $75,000, while the percentages were 26.2% for the metropolitan area and 38.3% for all of Texas. At the $100,000 level, only 6.6% of Killeen households were above this point versus 14.8% in the metropolitan area and 24.5% in the state. Finally, less than 1% in Killeen exceeded $150,000 median income relative to 5.6% for the metropolitan area and 10.5% statewide.

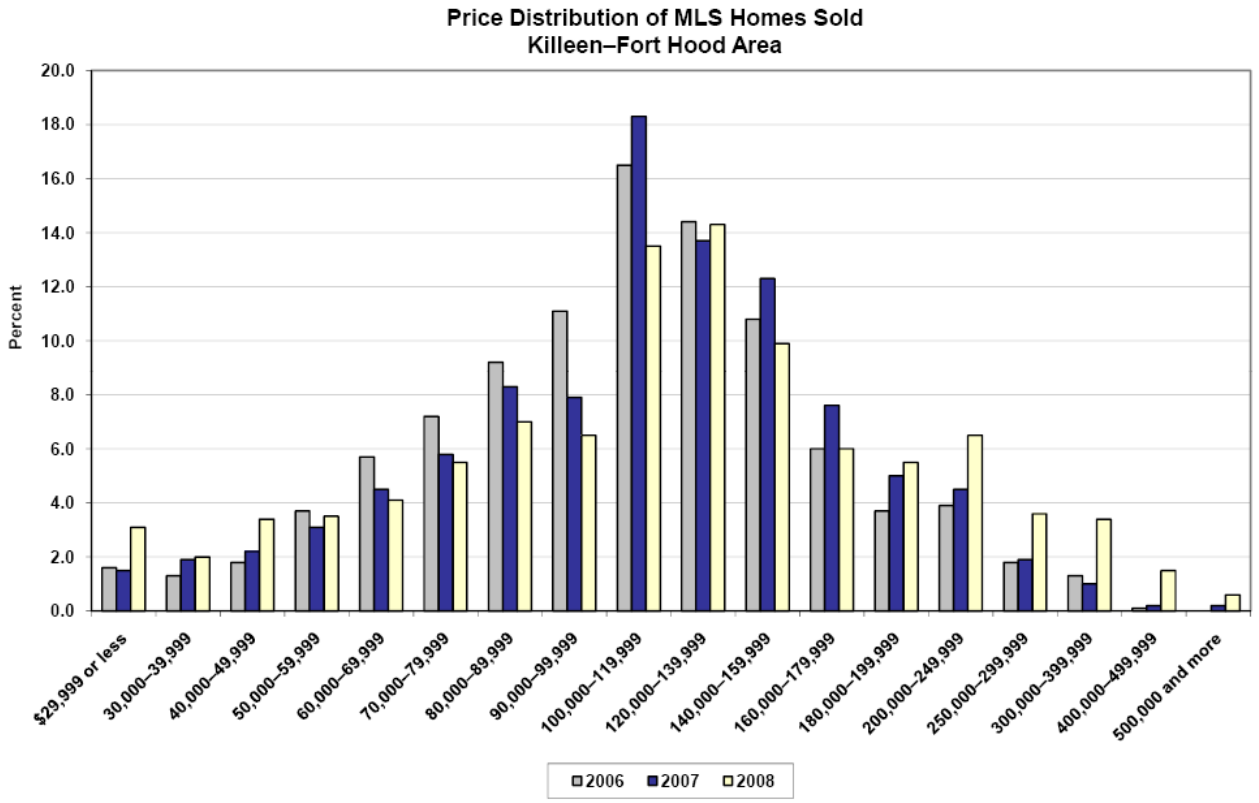
- **Incidence of Poverty.** In Killeen, 15.7% of families and 19% of all individuals had 2008 incomes that put them below the federally-defined poverty level. This is compared to 11.1% and 12.4% of all families, respectively, at the metropolitan and statewide levels (and 13.9% and 15.8% for individuals).

The following charts and data summarize trends in home prices in the Killeen area.

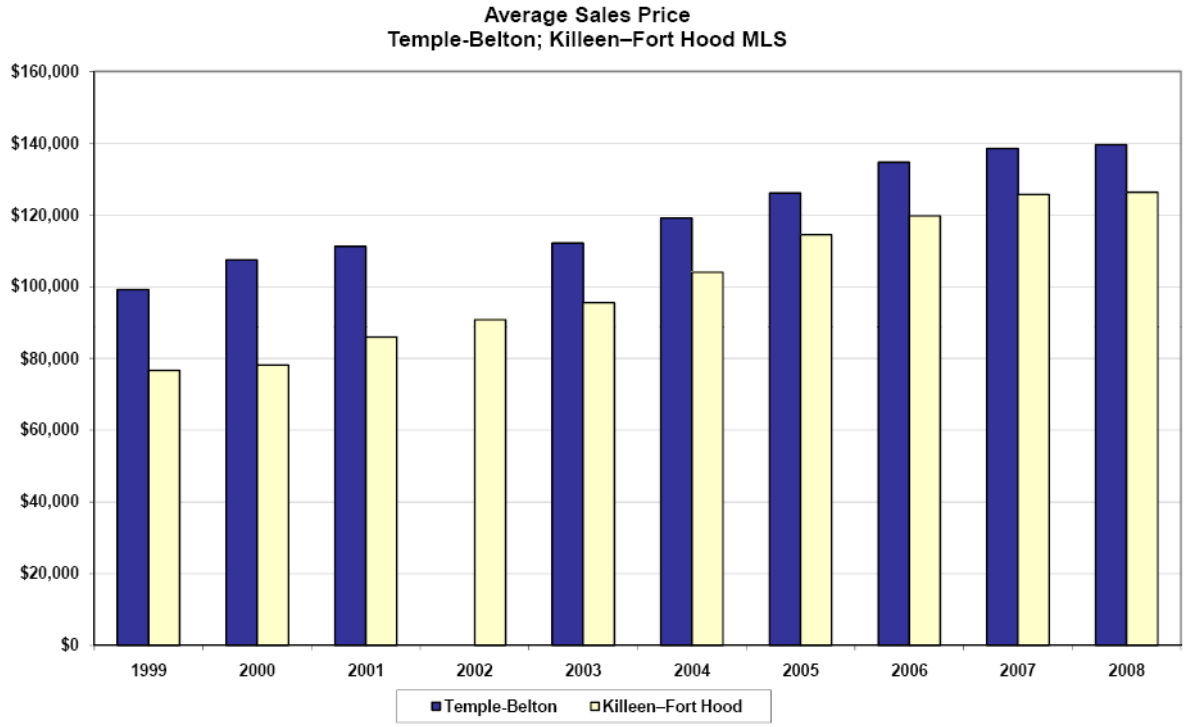
Potential Impediments to Fair Housing Choice

As part of its federally-funded five-year plan for housing and community development programs, the City of Killeen must consider factors that can affect the affordability and accessibility of local housing. Among these factors are the City's development regulations, especially the zoning and subdivision regulations. Four potentially relevant concerns pointed out elsewhere in this Comprehensive Plan are:

- **Lot Size Range.** As highlighted in the action strategies for Chapter 2-Future Land Use & Character, the residential districts in Killeen's zoning ordinance do not include a typical progression of minimum lot sizes for varying sizes and styles of single-family detached dwellings. Instead, the R-1 district has a 6,000 square foot minimum lot size, and then the A-R1 district provides for one-acre minimum lots, with no other lot sizes specified between these extremes.
- **Opposition to Small-Lot Developments.** As a result of the lot size framework described above, along with the lack of adequate standards for compatibility and buffering between different housing types and intensities, there is sometimes community opposition when a land owner/developer proposes a change to R-1 zoning. Dissatisfaction with the location, design, and/or perceived quality of some small-lot housing development in Killeen can motivate this opposition. (The City has had similar experience with its R-1A district, which until recently provided for "garden home" development on even smaller lots down to 3,600 square feet. Newly adopted ordinance amendments have revamped this district to increase the lot size standard, establish a minimum square footage for dwellings, and add façade standards.) To the extent that this situation discourages housing construction at lower price points—or extends the process for gaining approval for such development—then this can act as an impediment.
- **PUD Reliance.** As in many other communities, local development applicants often must turn to the Planned Unit Development (PUD) mechanism in the zoning ordinance to propose more creative projects with atypical street and lot layouts and/or a mix of housing types, including small-lot options. A PUD application is effectively a zone change request and involves both zoning and site plan review and approval, with associated public comment and hearing requirements. As a result, PUD applications sometimes attract the same type of community, as well as official, opposition due to discomfort with the prospect of "high-density" housing on a particular site.
- **Downtown Residential.** As was also highlighted in Chapter 2 of this plan, much of Killeen's downtown area is in B-5 Business District zoning. As a result, there is not a direct path to permitting residential projects in Killeen's core area, which many cities look to as a target area for innovative and potentially affordable housing concepts as part of overall downtown revitalization efforts. Chapter 2 includes a recommendation to create a downtown-specific zoning district in Killeen to eliminate this zoning obstacle and support ongoing redevelopment initiatives.



The chart above shows that, among homes sold during 2008 in the Killeen-Fort Hood Multiple Listing Service (MLS) area, the highest number were in the $120,000 to $139,999 range for the first time. The chart below shows the steady increase in average sales price over the last decade, from under $80,000 in 1999 to the $125,000 range by 2007-08.



SOURCE: *Market Report 2009 – Killeen-Temple-Fort Hood*, Real Estate Center at Texas A&M University

Price Distribution of MLS Homes Sold, Killeen–Fort Hood Area (in percent)

Price Range	2002	2003	2004	2005	2006	2007	2008
$29,999 or less	3.6	3.5	2.5	1.7	1.6	1.5	1.4
30,000–39,999	3.1	2.8	2.7	1.9	1.3	1.9	1.4
40,000–49,999	4.3	4.4	3.7	2.5	1.8	2.2	1.6
50,000–59,999	8.6	6.6	5.0	4.4	3.7	3.1	2.5
60,000–69,999	11.8	10.5	9.3	6.3	5.7	4.5	4.6
70,000–79,999	15.2	12.7	11.4	8.4	7.2	5.8	5.4
80,000–89,999	15.4	14.0	11.2	9.8	9.2	8.3	7.8
90,000–99,999	7.6	10.0	11.3	11.4	11.1	7.9	8.7
100,000–119,999	10.8	13.3	12.1	15.6	16.5	18.3	18.8
120,000–139,999	8.2	8.3	11.4	13.3	14.4	13.7	15.2
140,000–159,999	5.3	6.0	8.2	9.6	10.8	12.3	11.2
160,000–179,999	2.4	3.4	4.4	5.8	6.0	7.6	8.1
180,000–199,999	1.4	1.5	2.9	3.3	3.7	5.0	5.2
200,000–249,999	1.8	2.0	2.5	3.7	3.9	4.5	5.2
250,000–299,999	0.5	0.7	0.7	1.3	1.8	1.9	1.8
300,000–399,999	0.0	0.4	0.5	0.8	1.3	1.0	0.8
400,000–499,999	0.0	0.0	0.1	0.1	0.1	0.2	0.3
500,000 and more	0.0	0.0	0.0	0.0	0.0	0.2	0.0

"-" represents unreported data or nonparticipation in Real Estate Center's survey.

Source: Real Estate Center at Texas A&M University

The table above documents the steady escalation in home prices in Killeen in recent years. Just under 70% (69.6%) of all local homes sales in 2002 involved a price under $100,000. Six years later in 2008, the percentages had roughly flip-flopped, with only 33.4% of sales falling below $100,000. The price ranges within the green box, extending from $100,000 to $249,000, have all grown in their share of area home sales year over year, with only a few single-year exceptions. Over the same timeframe since 2002, the price ranges within the red box, between $50,000 and $89,999, have all trended downward in their share of local home sales. The biggest drop was in the $70,000-$79,999 range, which fell nearly 10 percentage points (from 15.2% of all sales in 2002 to only 5.4% by 2008). In the higher price ranges, the $100,000-$109,999 range had the biggest gain in home sales, going from 10.8% to 18.8% of all sales over the 7-year period. Interestingly, the $90,000-$99,999 range gained in home sales through the middle of the decade, when the local market was hottest, but then receded as the $100,000-$109,999 range took off along with the various price ranges above it.

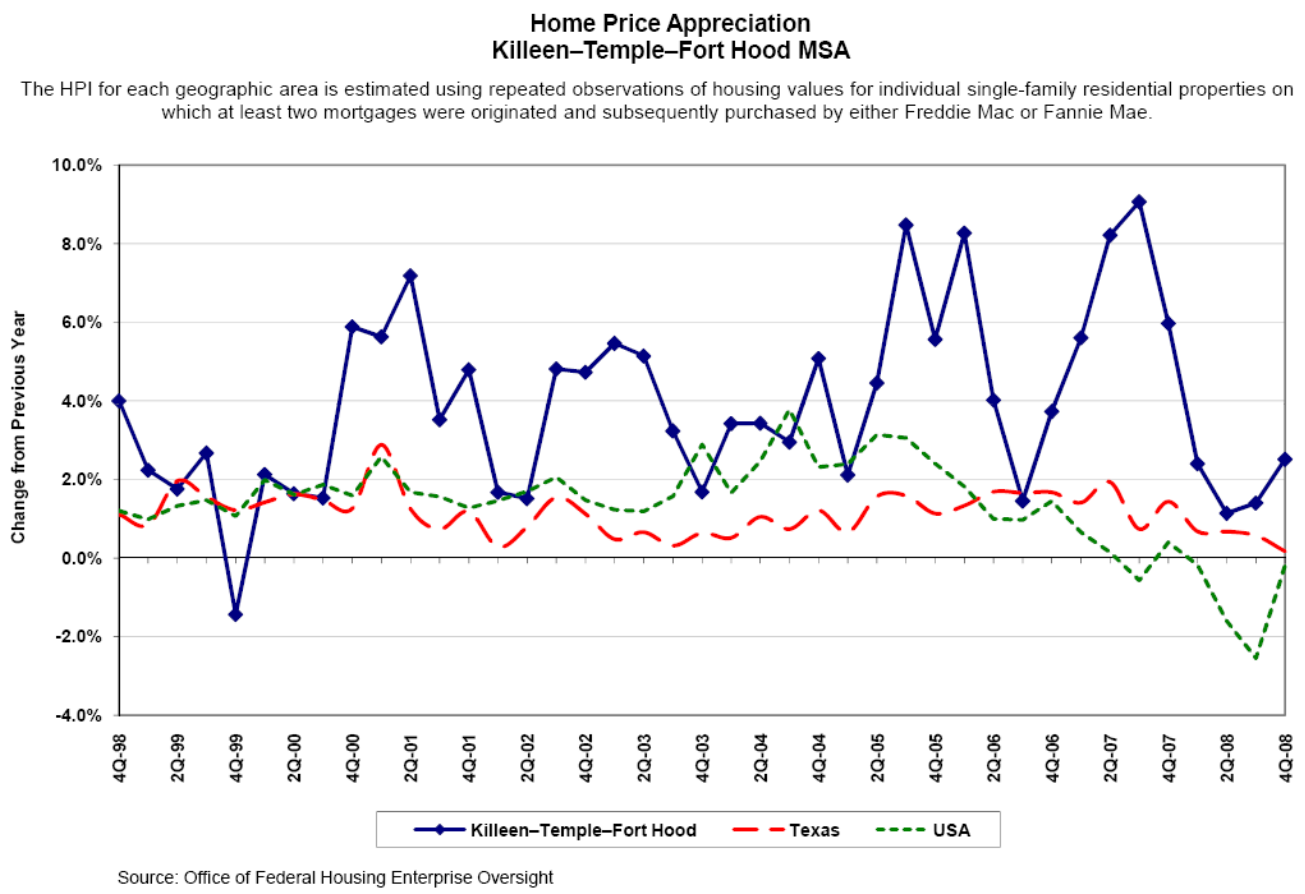
A gradual increase in home prices over time is to be expected in most markets where land values are rising, and then factoring in the overall rate of inflation in the economy. Considering the apparent impacts of Killeen's housing boom of recent years, maintaining affordability for a large proportion of the local population, and especially for first-time homebuyers, will be an ongoing challenge. Conversely, the higher-end and custom-home markets 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. (In 2008, 8.1% of all sales were at $200,000 and above compared to 2.3% in 2002—with no sales above $300,000 at that time.) A positive note from the latest figures is that 42.7% of all home sales in 2008 were in the range from $90,000 to $139,999. This is an enviable situation relative to many other markets that also aim to cater to a individuals and families who are both younger than state and national averages and generally have less income to put toward housing.

The next important consideration is housing-related expenditures. Among owner-occupied housing units in Killeen in 2008, 75.6% of owners were paying off a mortgage compared to 64.7% for the metropolitan area and 64.2% for all of Texas. The relatively low percentage of local home owners without a mortgage (24.4%) reflects the younger population that lives in Killeen, as well as the transient lives of many home-owning military personnel, who do not stay in one location long enough to pay down an entire mortgage.

The Census Bureau estimated that among housing units with a mortgage in Killeen, typical monthly owner costs (including mortgage payment, property taxes, insurance, utilities, association fees, etc.) were at a median of $1,143 per month. The larger Killeen-Temple-Fort Hood metropolitan area was only slightly higher at $1,187. But statewide the median monthly housing expenditure was $1,380.

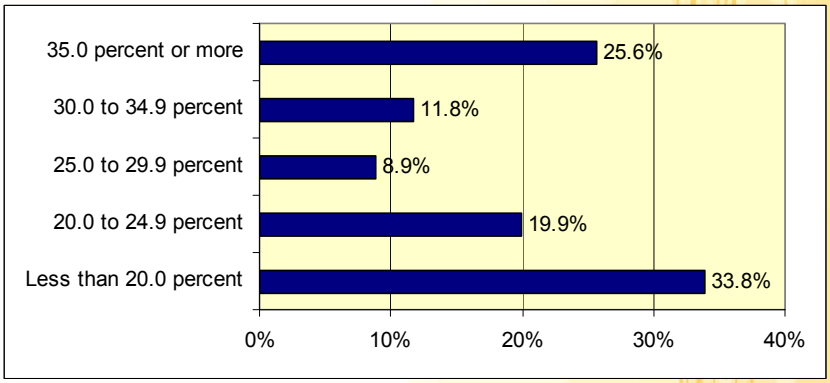
In percentage terms, 69.4% of local housing units were paying $1,000 or more per month compared to 75.3% at that level for all of Texas. Locally, 50.6% (and 42.7% in the metropolitan area) were in a range from $1,000 to $1,499 versus only 33.1% across the state. Then, only 18.7% in the

local area were paying more than $1,500 per month compared to 26.5% for the entire metropolitan area and a much higher 42.4% statewide. For housing units without a mortgage, median monthly owner costs were $414 in Killeen, $436 in the metropolitan area, and $425 for all of Texas.



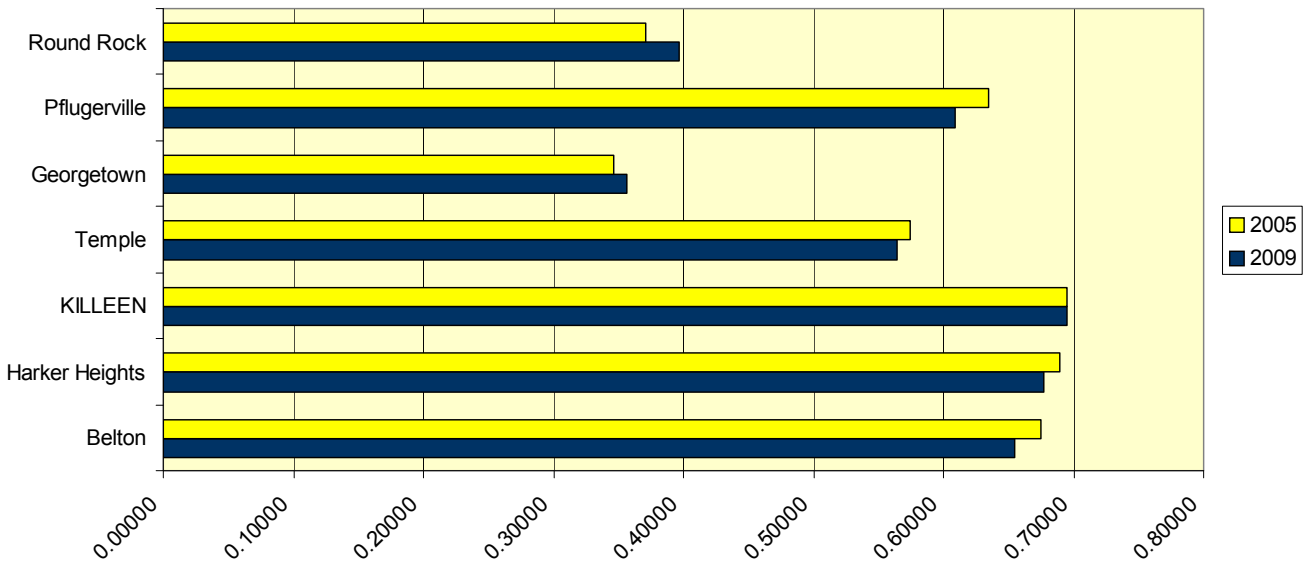
Even though the *rate* of home price appreciation in Killeen has risen and fallen in cycles over the last decade, the chart above shows that the average price has taken a negative turn in only one year, going back to 1999. This includes the recent 2007-08 period, when average prices began a precipitous fall in many parts of the nation amid the bursting of the housing "bubble."

A common way of gauging housing affordability is to consider monthly owner costs relative to household income. Shelter costs are typically considered excessive when they surpass 30%-35% of household income. The chart to the right reflects that 5,803 units in Killeen were estimated to be spending 30% or more on housing in 2008, meaning that



more than one-third (37.4%) of home owners with a mortgage were expending a high proportion of their income on housing costs—with one in four (25.6%) at the 35% or higher threshold. This highlights that even though Killeen offers a relatively low-priced housing market, a fair number of home owners in this market do not have substantial disposable income to begin with. Statewide, only 31.4% of Texas home owners were spending at or above the 30% threshold, and the metropolitan area rate was even lower at 28.6%.

Property Tax Levels for Killeen and Other Area Cities



	Belton	Harker Heights	KILLEEN	Temple	Georgetown	Pflugerville	Round Rock
2005	0.67500	0.68960	0.69500	0.57450	0.34626	0.63500	0.37105
2009	0.65500	0.67700	0.69500	0.56460	0.35622	0.60900	0.39661

Per $100 Valuation

SOURCE: Tax Appraisal District of Bell County and Williamson Central Appraisal District

This chart illustrates how Killeen has held the line on its property tax rate in recent years during a time of brisk growth. This is significant as the annual property tax bill is another cost of home ownership that can impact first-time purchasing ability and ongoing affordability. Other Bell County cities were able to reduce their rates slightly from 2005 to 2009. But the cities of Georgetown and Round Rock both had to raise their relatively low rates in recent years.

On the other hand, a majority (53.7%) of Killeen home owners who were carrying mortgages in 2008 were devoting less than 25% of their incomes to housing costs. This is where the benefit of a lower-cost environment is evident, especially because roughly one-third (33.8%) of owners were paying less than 20% toward housing. For those owners without a mortgage, only 10.8% were putting more than 30% of their income toward housing costs (11.3% across the metropolitan area and 13.9% for all of Texas).

The Real Estate Center at Texas A&M University 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 a loan to purchase the median-priced house.

2008 Housing Affordability Index

MLS	2008 Median-Priced Home	Required Income to Qualify	Median Family Income	HAI*	HAI for First-Time Homebuyers**
Killeen	$117,600	$27,695	$52,000	1.88	1.29
Temple	$121,900	$21,430	$52,000	2.43	2.11
Texas	$146,900	$22,985	$55,000	2.39	1.55
United States	$196,600	$46,152	$61,500	1.33	0.66

*The HAI is the ratio of the median family income to the income required to buy the median-priced house using standard mortgage financing at the current interest rate. Standard financing is a fixed-rate, 30-year loan covering 80 percent of the cost of the home. A HAI of 1.00 indicates that the median family income is exactly equal to the required income to qualify for the standard loan to purchase the median-priced house.

**First-time home buyer is assumed to purchase a home equal to the first quartile home price using a 90 percent home loan at an interest rate 0.5 percent greater than the standard current rate.

Source: Real Estate Center at Texas A&M University

The latest HAI data, for 2008, has the index for Killeen at 1.88. As explained above, this means the median-income family in Killeen (earning $52,000) would presumably be able to purchase a house up to 88% above the local median home price (i.e., up to $221,088). So this is another indicator of the degree of housing affordability in Killeen. The table above also shows that the statewide ratio in 2008 was even higher at 2.39. However, both Killeen and all of Texas had a clear affordability advantage over the country in general since the national HAI was 1.33. The Real Estate Center also publishes a first-time home buyers index, which for Killeen in 2008 was 1.29. This was nearly double the national number of 0.66. So this data clearly indicates that overall housing affordability conditions in Killeen (and within Texas in general) are very favorable compared to what prospective homebuyers face in many other markets around the country.

Among occupied rental units in Killeen during 2008, the median rent was estimated at $770. This was in line with the statewide median ($768), but the metropolitan-wide median rental was higher at $809. About one-quarter (25.6%) of these local units had rents in the $1,000-$1,499 range, with no rents in Killeen at $1,500 or higher according to the Census Bureau (compared to 2.6% of units above $1,500 in the metropolitan area, and 5.4% across Texas). Among Killeen renters, more than half (51.1%) were spending above 30% of their income on rent (47.7% for all of Texas, and 46.8% for the metropolitan area). This included 39.6% who were at or above the 35%-of-income threshold, which is actually not significantly higher than statewide (38.6%) or

in the metropolitan area (35.3%). However, HUD defines any household paying more than 35% 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.

Percent of Median Household Income	Income	Affordable Monthly Housing Cost (30% of Income)
170%	$75,584	$1,890
150%	$66,692	$1,667
125%	$55,576	$1,389
100%	**$44,461**	**$1,112**
75%	$33,346	$834
50%	$22,231	$556
30%	$13,338	$333

Focusing again on the income side of the housing affordability equation—and given a median household income of $44,461 in Killeen during 2008—the median household should have aimed to pay no more than $1,112 monthly toward housing costs, with an absolute maximum of $1,297 per month (35%). This table also shows the monthly "affordability" (30% of income) amount for households at various points above or below the area's estimated median household income for 2008.

REGIONAL MARKET SITUATION

The U.S. Department of Housing & Urban Development, through its Comprehensive Market Analysis Report 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 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 in the HMA had increased every year since 1997, reaching a new record of 2,710 units permitted during 2005. 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.
- ★ Since 2000 more than 55% of new single-family homes in the HMA had been built in the City of Killeen, followed by 15% in both the cities of Temple and Harker Heights.

- The homeownership rate across the HMA continued to increase (60% as of January 2006 compared to 53% in 1990 and 57% in 2000).
- Custom homes in the HMA were most common in Morgan's Point Resort City, on Belton Lake (priced from $250,000 to $500,000), and also in Salado, providing Austin commuters easy access to IH-35.
- Apartment production had also been increasing since 2000 (an average of 775 units permitted annually versus only 131 in the early 1990s, when the rental market was soft, and 525 units annually in the latter half of the 1990s). Nearly 70% of the multi-family units built in the HMA since 2000 were in Killeen.
- The majority of rental 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 as of January 2006.

Housing Sales

- As of the January 2006 report, the HMA sales market was considered balanced with a sales vacancy rate of 2%.
- With Fort Hood's 1st Cavalry Division returning from deployment starting in Spring 2005, the local sales market became very active, with many sellers receiving multiple bids. The Fort Hood Board of Realtors reported that 2,870 existing homes had sold during 2005, which was a 50% increase over 2004, and the median sales price had increased by 10% to $103,000.
- The relatively low cost of existing and new homes in the HMA, along with longer tours of duty (5-7 years) for military personnel, had made home ownership a more affordable and attractive option, particularly for first-time buyers.
- More and more military retirees were choosing to stay in the area because of the affordable housing costs and the availability of veterans' services.

Pros and Cons of Low Rents

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.

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 9%. With two Fort Hood divisions alternating deployments, the area rental market had been stable of late, with rents increasing by 1%-2% each year.
- ★ Single-family housing units made up approximately one-third of the HMA rental inventory.
- ★ A growing number of renter households were moving into home ownership because of low mortgage rates, the relatively low cost of sales housing in the HMA, and the healthy local economy.

KEY PLANNING THEMES

The development and building community in Killeen has obviously responded well, over the last decade, to the intense pressure to bring a large volume of affordable housing units to the market in a short timeframe. This was essential to meet the needs of both Fort Hood, as the area's major economic anchor, as well as of military personnel and families returning from overseas deployments and/or relocating to the area. This growth wave of recent years also required the City of Killeen to extend and upgrade infrastructure and public services to accommodate a much larger population and employment base.

The challenge—and opportunity—going forward is to build upon this growth by making further investments and enhancements that will ensure stable and attractive neighborhoods for the long term, even as further residential construction continues in the community. Based on the concerns and hopes expressed by residents, public and private leaders, and key community stakeholders and investors—from Fort Hood representatives to small business owners—Killeen must act, through this new Comprehensive Plan, on the following basic principles:

- ★ **Balancing Affordability with Variety.** Median household income in Killeen increased from $34,461 in 1999 (as reported through Census 2000) to $44,461 in 2008 (as estimated by the U.S. Census Bureau). This represented a 29% increase over this period. For home costs, the median price from area home sales (as reported by the Real Estate Center at Texas A&M University) increased from $71,800 in 1999 to $117,600 in 2008, which was a 64% increase. Based on this data, the Killeen market has definitely seen a rapid increase in the median home price relative to income growth, which could reduce

affordability in a general sense, although the price factor started from a fairly low base level in the 1990s and is now more in line with the regional price situation. Furthermore, the Housing Affordability Index (HAI) data in this chapter show that, even with the changing price environment, Killeen remains a highly affordable market for the average home buyer, and especially for the first-time buyer.

As the host community for Fort Hood, Killeen must always ensure responsiveness to the shorter-term, higher-turnover market segment involving military personnel and families. But this is also an opportune time for Killeen to strengthen its market capture in other areas, including young and middle-age professionals (which is a particular focus of local economic development efforts), upper-level personnel assigned to Fort Hood, faculty and staff associated with the new Texas A&M University-Central Texas campus, and a growing contingent of medical professionals in the area, as well as retirees (military and otherwise). Anecdotal evidence from all these market segments confirms that Killeen is losing out on a variety of potential home buyers who would like to live in and become more a part of the community where they work (or wish to retire). But some are not satisfied with the range and quality of offerings currently available locally. To the extent that they are taking their consumer spending elsewhere, along with their home investments, then this adds to the economic drain through "leakage" of retail dollars (and associated sales tax revenue) to other nearby communities and unincorporated portions of Bell County.

With regard to retirees, this is clearly an area with great potential for Killeen given its cost-of-living and climate advantages plus ready access to medical and military veteran services. Yet data in this chapter show that the percentage of households in Texas with someone over age 65, at 20.3%, is more than double Killeen's share, at 9.8% in 2008. The percentage for the entire Killeen-Temple-Fort Hood metropolitan area is also substantially higher at 17.8%, which is likely due, in part, to the greater medical (and Veterans Administration) presence in Temple, as well as the extent of young population in Killeen. Nonetheless, Texas and the U.S. are still in the early stages of the Baby Boomer retirement wave, so Killeen still has time to tap into this market segment even more in the years ahead.

Overall price escalation and maturing of the Killeen housing market are already leading to more construction in ranges and housing styles that should prove more appealing to a broader assortment of potential buyers. Development community representatives have also pointed out the quality elements and additional amenities in some of

Killeen's newest residential developments, as well as the opportunity to incorporate more "T and T"—trees and terrain—into subdivision design as Killeen continues to grow southward.

This is the part of the new Killeen housing story that needs more play. Otherwise, in promoting Killeen primarily as a low-cost environment for home buyers, the challenge is to maintain the positive message this conveys, for economic development purposes in particular, versus the negative connotation it can also send for those who do not realize all that this special community has to offer.

★ **Building Neighborhoods and not just Subdivisions.** Efforts to hold the line on housing costs in Killeen and ensure a smooth process for bringing units to market quickly in a high-demand environment also led to very basic subdivision design and limited attention to amenities in various cases. While this helped to achieve short-term objectives, longer-term considerations—especially return on investment for home buyers and the sustainability of the community's neighborhoods over time—must also come into play. After adding thousands of rooftops to its housing stock in recent decades, Killeen is increasingly focusing on the elements that round out neighborhoods and create and reinforce "community" for all ages. In many cases this involves action and capital investments by municipal government, together with other public, private, and non-profit partners, in areas of the city where the private development process has already runs its course.

This is where this Housing & Neighborhoods section of the Comprehensive Plan links back to all others in terms of physical factors like neighborhood connectivity, buffering of residential areas from incompatible uses and development intensities, traffic calming, convenient and safe circulation options for pedestrians and bicyclists, and overall community aesthetics. Additionally, because Killeen does not have code provisions for parkland dedication at the time of subdivision platting and development, it is up to the City to anticipate emerging needs for public land acquisition and park development in close proximity to new neighborhoods and population concentrations. Another often expressed concern is how residential development has outpaced commercial investment in some of the City's growth areas. This can also require efforts by the public sector and economic development entities to highlight market opportunities and work toward a better retail and service balance in areas devoted almost exclusively to housing at present.

Going forward, a key planning and policy question is whether Killeen is prepared to implement and/or raise certain development standards

to where more of these neighborhood-building factors are addressed at the time of actual development versus after the fact? Basic subdivisions with low price points and limited amenities will always be some part of Killeen's unique housing market—and should be provided for. But there are clearly areas of the community where a higher standard is critical, including in proximity to high-profile corridors and where the terrain and/or public service feasibility calls for preservation of a Suburban or Rural character over the long term. Several of these key areas were captured in the 2005 *Future Land Use Plan* study for the State Highway 195 and 201 corridors:

- Future University (Texas A&M-Central Texas): "Given the significant investment of political capital and effort that the overall community has put into attracting the Future University, development that complements the Future University should be promoted."
- Texas Veterans Cemetery: "The dignity and character of such a place should be respected" (by preventing incompatible land uses nearby, limiting light pollution, etc.).
- SH 195/SH 201 Interchange: "This interchange has the potential to be a major gateway to the City on SH 195. Care should be taken to insure that quality development is promoted for this commercial node."

The City has already established zoning overlay districts for the university, cemetery, and regional airport vicinities based on the 2005 plan. Prior to completion of this Comprehensive Plan, the City also moved forward with adjusted zoning districts and new standards to improve the quality and compatibility of multi-family developments in Killeen.

★ **Neighborhood Protection.** The neighborhood sustainability theme already expressed above certainly applies to newer subdivisions but is equally important for the City's oldest established residential areas. The Neighborhood Conservation approach highlighted in Chapter 2, Future Land Use & Character, would address this priority in the zoning arena and become the responsibility of the City's Planning & Development Services Department, which already has an ongoing role in ensuring development compatibility and quality in and around residential areas. Many other aspects of neighborhood integrity and revitalization are an ongoing focus of the various funding programs and capital initiatives overseen by the City's Community Development Division and coordinated through a multi-year, HUD-approved Consolidated Plan and associated Annual Action Plan.

In addition to an ongoing program of neighborhood-level planning, neighborhood stability requires constant vigilance by both residents and the City to ensure code compliance, nuisance abatement, and eventual removal of blighting influences that are beyond restoration. These duties fall under the City's Code Enforcement Department, in coordination with the City Attorney and other City staff. The Public Works Department supervises the City's streets, utility infrastructure, and storm drainage, as well as the very visible neighborhood service of solid waste collection. Police, fire and EMS services address public health and safety very directly and contribute to secure neighborhoods. Finally, the Community Services Department provides and maintains the parks, recreational programming, and libraries and other community facilities that help to make neighborhoods complete. These activities, along with community beautification initiatives, are where private and non-profit partners can especially contribute to neighborhood quality and community image and pride.

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, which "soften" an otherwise intensive atmosphere and draw residents to enjoy common areas of their neighborhood. This should include 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.**

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ACTION STRATEGIES

This section outlines a series of potential action strategies considered by the Planning and Zoning Commission in response to the key planning themes identified for housing and neighborhoods:

1. Balancing Affordability with Variety
2. Building Neighborhoods and Not Just Subdivisions
3. Neighborhood Protection

Also indicated for each option is the type of action(s) it involves based on five categories which represent the main ways that comprehensive plans are implemented (as elaborated upon in Chapter 7-Implementation):

- ★ Capital investments
- ★ Programs/initiatives
- ★ Regulations and standards
- ★ Partnerships/coordination
- ★ Ongoing study/planning (especially as required to qualify for external funding opportunities)

The Implementation chapter in this plan also identifies certain action items as immediate priorities to be pursued in the near term. Other action possibilities in this section may remain just that—only concepts and considerations that the City and/or community may not be ready to pursue until later in the 20-year horizon of this Comprehensive Plan, if even then. They represent action options that are available to Killeen as a Texas municipality and as acted on by other communities. However, it is recognized that they may not be feasible in Killeen for various reasons such as potential cost, complexity, and/or degree of community support, as well as the capacity of City government to carry out certain initiatives given available staffing and other resources. With these realities in mind, the actions were grouped into three categories—basic, intermediate, and advanced—to give some initial indication of the implementation outlook. More definitive determinations will ultimately be made through City Council priority-setting, ongoing public input, and the City's annual budget process.

More background on some action options is provided in the appendix to this chapter.

Basic Actions

1. Pursue Coordinated Strategies

★ Pursue action items in other sections of this Comprehensive Plan that support housing variety/affordability and quality neighborhoods, including:

- Chapter 2-Future Land Use & Character: Neighborhood Conservation zoning, broader lot size spectrum, more permitted residential options within single zoning districts, non-residential compatibility provisions near residential uses, adjusted downtown zoning, flexible bufferyards.
- Chapter 3-Growth Management & Capacity: Development agreements, zoning for rural character, natural resource conservation, lot size averaging, cluster and conservation development provisions, coordinated planning and public investments, coordination with key growth drivers, green building practices, dark sky protection, infrastructure rehabilitation.
- Chapter 4-Mobility: Concept plan requirement, "Complete Streets" approach, context-sensitive corridor design, non-vehicular circulation and safety, flexible design for local residential streets, bicycle/pedestrian circulation within neighborhoods, trail alternative to sidewalks, screening without eliminating local circulation, school area safety, traffic calming through original development design, traffic impact analysis.
- Chapter 5-Parks & Recreation: Neighborhood park upgrades (including loop trails within parks, restrooms), better lighting, pool and recreation center improvements, additional parkland acquisition and development near residential areas, city-wide trail network development.

●	Regulation	●	Capital Improvement	●	Program / Initiative	●	Partnership / Coordination	●	Further Study / Planning

2. Focus Next on Neighborhood-Level Planning

★ Following adoption of this new city-wide Comprehensive Plan, pursue more detailed and area-specific planning for particular neighborhoods within Killeen.

★ More focused planning efforts of this sort also provide an opportunity to coordinate more closely with key partners and entities, as well as to obtain public input at a more "grass roots" level.

★ In addition, these small-area planning and outreach activities can help to make the City's federally-funded housing and community development programs even more targeted and effective.

	Regulation		Capital Improvement	●	Program / Initiative	●	Partnership / Coordination	●	Further Study / Planning

3. Assess Census 2010 Results

- ★ Upon the release of Census 2010 data in 2011-12, complete a thorough review (and GIS mapping) of the newest detailed data down to the block level for an array of housing characteristics, as well as various other socioeconomic and housing market indicators.

	Regulation		Capital Improvement		Program / Initiative		Partnership / Coordination	●	Further Study / Planning

4. Continue Coordination with Key Housing Partners

- ★ Continue close coordination with two key institutions and employers that can have significant impacts on the local housing market—Fort Hood (through its Housing Office and other official and staff points of contact) and Texas A&M University-Central Texas.
- ★ Also coordinate with the Greater Killeen Chamber of Commerce to investigate and monitor housing-related inquiries and concerns of major employers, small businesses, and economic development prospects exploring opportunities in Killeen and Central Texas. Of particular interest should be the socioeconomic profile and potential home purchasing power (or rental needs) of workers in the area's identified target industries.

	Regulation		Capital Improvement	●	Program / Initiative	●	Partnership / Coordination		Further Study / Planning

5. Ensure Neighborhood Outreach and Coordination

- ★ Given the apparent ineffectiveness and/or unpopularity of home owners associations in Killeen, pursue other ways to maintain communication links to neighborhood leaders and representatives, such as through less formal neighborhood associations and/or councils. Such forums can prove valuable for inviting "grass roots" input into (and notice of) capital improvement priorities, park and public facility upgrades, street and infrastructure projects, pending zoning cases, crime prevention activities, code compliance initiatives, etc.
- ★ Establishing a community-wide association or network of neighborhood councils can also lead to annual gatherings and/or other periodic meetings and seminars on issues of interest to all neighborhoods.

- ★ Neighborhood identity and pride should also be promoted, such as through special street signage and/or potential installation of small monument signs and landscaping at entries to older neighborhoods that never had these identity features.

	Regulation		Capital Improvement	●	Program / Initiative	●	Partnership / Coordination		Further Study / Planning

Intermediate Actions

6. Provide for "Country Living" Options within the City

- ★ Continue to incorporate and zone appropriately adequate land at the City's fringe to accommodate low-density residential development that will maintain an Estate or Rural character over time. Otherwise, those seeking larger-lot living arrangements with a more open feel will look to property and developments in unincorporated areas, which can contribute to a spread-out development pattern and reduce the City's long-term tax base potential.
- ★ This action item is also linked to the economic development items above, especially since higher-income university officials and faculty, medical professionals, retirees, and others could be a growing segment of the Killeen housing market over the next several decades, and "country living" options will likely be of interest to some portion of this market group.

●	Regulation		Capital Improvement		Program / Initiative		Partnership / Coordination		Further Study / Planning

7. Adopt Traditional Neighborhood Development (TND) Provisions

- ★ Provide a special Planned Unit Development option within the zoning ordinance to encourage and set parameters for Traditional Neighborhood Development (TND) approaches (e.g., grid street pattern with shorter block lengths, homes close to street, emphasis on walkability, architectural design guidelines, neighborhood focal points, street trees, etc.).

●	Regulation		Capital Improvement		Program / Initiative		Partnership / Coordination		Further Study / Planning

8. Preserve Small-Lot/Footprint Homes

- ★ Inventory existing small homes within the community (i.e., units of less than 1,200 square feet), and clusters of such dwellings, and target them for preservation and rehabilitation, as needed, to maintain this essential component of the local housing stock.

- ★ Also consider targeted assistance for home owners planning additions and/or other improvements to older, relatively small dwellings that will enhance their marketability and continued value over time.

	Regulation		Capital Improvement	●	Program / Initiative	●	Partnership / Coordination	●	Further Study / Planning

9. Promote Downtown Residential Development

- ★ Pursue the strategies in the Downtown Plan supplement to this Comprehensive Plan related to promotion of new residential and mixed-use activity in downtown Killeen.
- ★ In general, the downtown area could accommodate more attached single-family housing types (e.g., townhomes, row houses, condominiums, lofts), as well as well-planned multi-family, residential-over-retail, and live/work projects.
- ★ The City's Tax Increment Reinvestment Zone could be a potential source for funding improvements geared specifically toward encouraging residential investment.

●	Regulation		Capital Improvement		Program / Initiative		Partnership / Coordination		Further Study / Planning

10. Add Zoning Provisions to Govern Accessory Dwelling Units

- ★ Incorporate accessory dwelling units into the City's zoning ordinance, 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.

●	Regulation		Capital Improvement		Program / Initiative		Partnership / Coordination		Further Study / Planning

11. Provide Incentives for Redevelopment

- ★ Encourage residential redevelopment in targeted areas through a tax abatement or deferral program (or other incentive mechanism) that rewards infill activity and housing rehabilitation in older neighborhoods.

- Such a program could target lots where substandard structures were recently removed so that these lots are put back onto the market and tax rolls as promptly as possible.
- Other inducements can include fast-track permitting, fee waivers, and infrastructure cost-sharing for builders and organizations that complete infill construction on vacant lots.

	Regulation		Capital Improvement	●	Program / Initiative		Partnership / Coordination		Further Study / Planning

12. Use a Positive Code Enforcement Strategy

- Employ a pro-active code enforcement strategy that first offers helpful assistance to property owners in complying with municipal codes rather than a punitive approach, so that enforcement resources may be targeted to the worst areas and offenders. This can also involve cross-training of enforcement personnel in conflict management and resolution.

●	Regulation		Capital Improvement	●	Program / Initiative		Partnership / Coordination		Further Study / Planning

Advanced Actions

13. Provide Density Bonuses to Encourage "Affordable" Units

- Consider the use of density bonuses, through the City's zoning ordinance, to reward projects that provide for a certain number or percentage of reduced-price units that are more affordable than current market-rate units. This helps to offset the financial impact to the developer while meeting affordable housing needs in the community.

●	Regulation		Capital Improvement	●	Program / Initiative		Partnership / Coordination		Further Study / Planning

14. Consider Wider Use of Anti-Monotony Provisions

- Consider adding anti-monotony provisions for single-family detached housing development in the R-1 zoning district, as were recently included in the new R-3F and R-3A multi-family zoning districts (Sections 31-255.4 and 31-256.4, Architectural Design), should this become a concern for new residential construction in Killeen (i.e., if not already addressed adequately by area builders and developers through their own variation standards).

- ★ A more basic alternative, which does not involve regulation of architectural design, is to require some variation in front setbacks along block faces.

●	Regulation		Capital Improvement		Program / Initiative		Partnership / Coordination		Further Study / Planning

15. Require Multiple Housing Types for a Density Bonus

- ★ In connection with the action item in Chapter 3-Growth Management & Capacity related to cluster and conservation development approaches, consider requiring inclusion of multiple housing types in developments that exceed a certain density threshold.
- ★ By incorporating such provisions into the City's development regulations, this mixed-housing outcome can be achieved directly without needing a Planned Unit Development application and process—or by carving up a single project site into multiple zoning districts to accommodate different housing types and densities.

●	Regulation		Capital Improvement		Program / Initiative		Partnership / Coordination		Further Study / Planning

APPENDIX

In this appendix are more details and observations on certain action options discussed within the chapter.

4. Continue Coordination with Key Housing Partners

In the case of Fort Hood, prime coordination items are anticipated trends and any significant changes in assigned personnel and civilian staffing, deployments, on-post housing arrangements, and housing and relocation assistance services. In the case of the University, prime coordination items are anticipated trends and timing of enrollment growth, faculty and staff positions, on-campus housing arrangements, housing assistance services, and potential off-campus housing projects, including the potential for a mixed-use University Village area in close proximity to the campus.

As another example of linking housing needs with economic development, the City of Temple included in its public/private economic development strategy plan (*20/20 Alliance Strategic Plan*) specific targets for annual single-family housing starts in a variety of price ranges (including a certain number of "upper-end" multi-family units each year) to support business recruitment and retention efforts.

9. Promote Downtown Residential Development

When people live in a relatively urban environment, they bring new foot traffic to the area (especially on evenings and weekends); additional retail, service and entertainment demands which can spur the immediate market; and expectations for a safe and hospitable environment in which to live, recreate, and host guests and visitors. So amenities and security are both necessary to create a favorable environment for more extensive residential living in and around the City's historic core.

10. Add Zoning Provisions to Govern Accessory Dwelling Units

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 ordinances 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.

Killeen's zoning ordinance does not appear to address accessory units. Therefore, the zoning ordinance 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.

13. Provide Density Bonuses to Encourage "Affordable" Units

A development would be allowed a certain amount of additional residential density over and above the maximum limit allowed by existing zoning. In return, the designated units may be restricted to occupancy by certain target groups (e.g., seniors, disabled, veterans, persons/families meeting certain income criteria) and/or the units must remain affordable over time and multiple re-sales of the property. The zoning ordinance can also establish certain criteria to govern when a density bonus is appropriate with regard to compatibility, adequate site area, adequate parking, etc., and to ensure consistent design and finishes for the designated units.

14. Consider Wider Use of Anti-Monotony Provisions

Under such provisions, certain architectural elements of residential dwelling units must be varied within a specified area to avoid monotonous development outcomes and neighborhood appearance. Typical elements required to vary include floor plans, façade treatments, and dimensional features (height, roof type, material types, garage placement, etc.). The variations may be required every so often on the same block face, same block, or facing lots across a common street, or at a certain minimum rate within an overall development.

15. Require Multiple Housing Types for a Density Bonus

For example, as a potential condition for awarding a density bonus to developments that will preserve a greater amount of permanent open space in return for smaller lot sizes, another housing type besides single-family detached dwellings (e.g., zero lot line patio homes, townhomes, etc.) could be required when lot sizes are reduced beyond a certain point.