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Economic Development and Housing Strategies for the Inner City

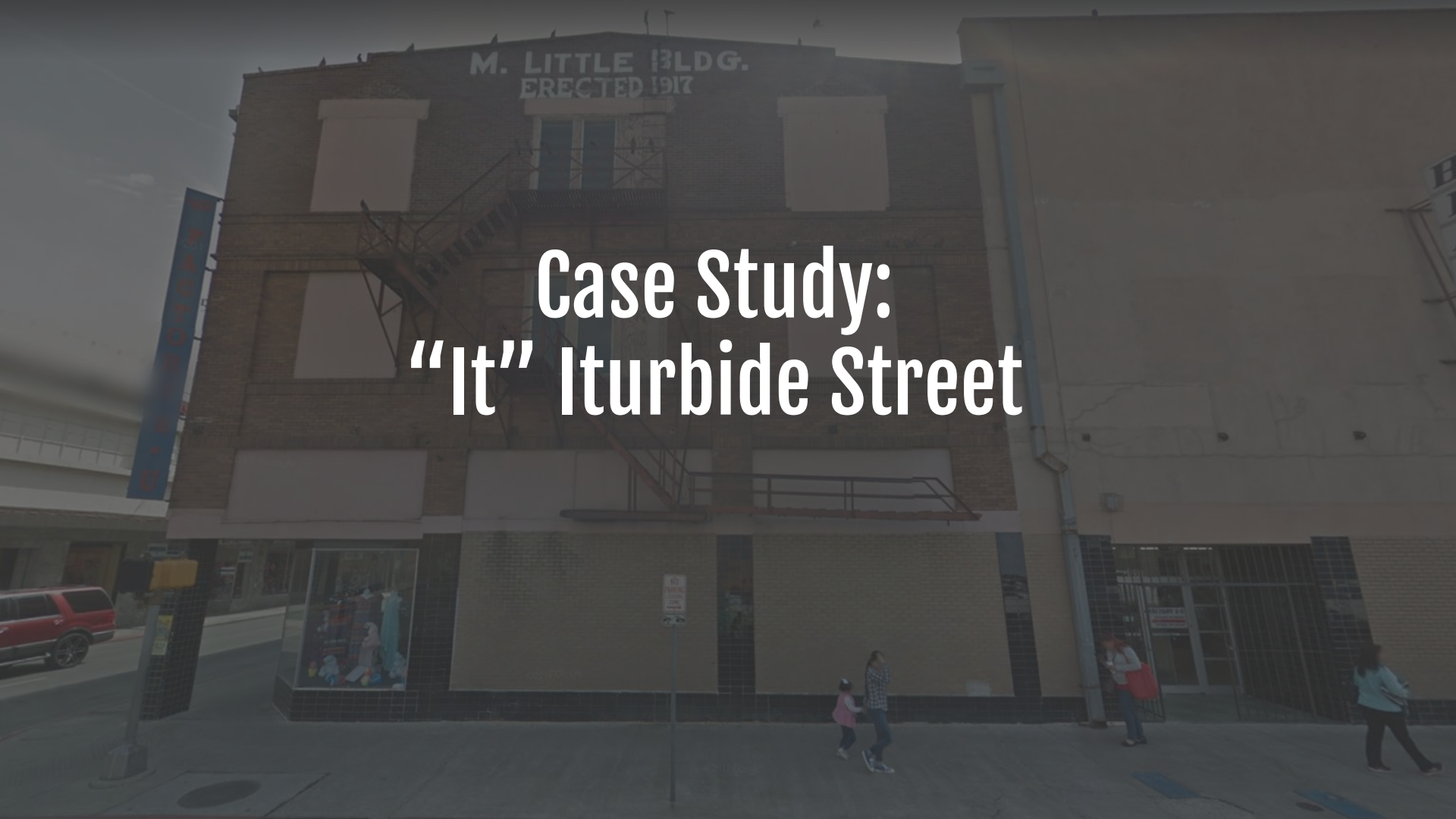
LAREDO INNER CITY HOUSING

Do Inner cities just come back?



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Case Study: "It" Iturbide Street





“It” Iturbide Street (Before)



"It" Iturbide Street (After)





What Changed?

Created a Plan

- City marketed It street as the place to open new bars

Incentives

- NEZ (In the process of updating)
- It Street Incentive Package
- Facade Improvement Grant (No longer active)

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Housing?



"What do you consider to be the biggest opportunities for housing in Laredo?"

TOP THREE RESPONSES

64% Mixed-use buildings

60% Downtown redevelopment through new housing options

42% Creating new communities with parks, public transport, and homes

WHERE MILLENNIALS LIVE

LOCATION



Source: GlobalWebIndex "Millennials" report, Quarter 1, 2016. Millennials are aged 18 to 32.

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WHERE MILLENNIALS LIVE

Zip code	City	Neighborhood	Location	Share of millennials	Millennial population
60661	Chicago	West Loop	Downtown	73%	6,800
19127	Philadelphia	Manayunk	Neighborhood	71%	4,500
10005	New York	Wall Street	Downtown	71%	6,200
02113	Boston	North End	Downtown	70%	5,200
20036	Washington, D.C.	Dupont Circle	Downtown	69%	3,900
80203	Denver	Capitol Hill	Downtown	66%	13,500
10006	New York	Wall Street	Downtown	66%	2,200
75201	Dallas	Arts District	Downtown	65%	8,800
10018	New York	Midtown West	Near Downtown	64%	6,200
94158	San Francisco	Mission Bay	Near Downtown	63%	3,800
73102	Oklahoma City	Business District	Downtown	63%	3,300
77054	Houston	Astrodome	Neighborhood	63%	14,400
43215	Columbus, Ohio	Downtown	Downtown	62%	8,600
28202	Charlotte, N.C.	Fourth Ward/Uptown	Downtown	62%	7,400
75202	Dallas	Downtown	Downtown	61%	1,400
78751	Austin	Hyde Park	Near Downtown	61%	8,900
60654	Chicago	River North	Downtown	61%	10,500
60642	Chicago	Goose Island	Near Downtown	60%	11,700
19102	Philadelphia	Center City West	Downtown	60%	2,900
46204	Indianapolis	Near North	Downtown	60%	4,200

Source: rentcafe.com

CITY HOUSING

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X AFFORDABLE, QUALITY HOUSING

X STUDENT HOUSING

↑ COST OF CONSTRUCTION

LAREDO INNER CITY HOUSING

SOLUTION TO BRING COST DOWN:

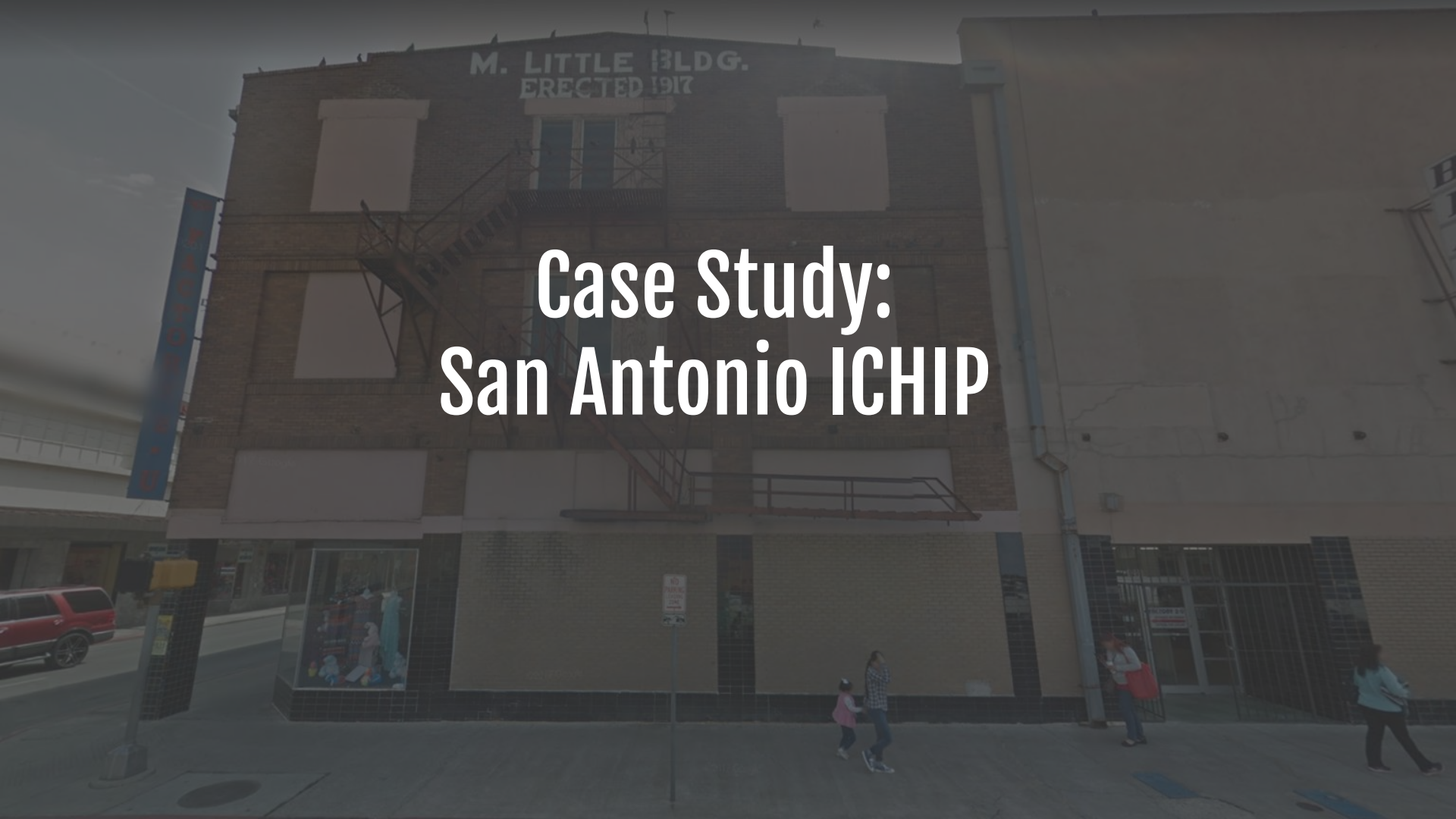


INCENTIVIZE SMART GROWTH



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Case Study: San Antonio ICHIP



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So how did they do it?





San Antonio ICHIP

Incentives

- Permit Fee waivers
- SAWS Impact Fee waivers
- Property Tax Abatements
- Low interest loans (Some being forgivable)
- Incentivized businesses to open up on the ground floor of buildings facing Broadway

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Was it worth it? \$\$\$



SAN ANTONIO INNER CITY HOUSING INCENTIVES

\$102 million in tax and fee-waiver incentives

14x

- Created **\$1.4 billion** in private investment
- Directly led to the creation of **8,000+ jobs**
- Contributed nearly **\$1.1 billion** in gross domestic product to the city
- Spurred the development of **6,500+ housing units** downtown

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So how do we do it?



INNER CITY HOUSING INCENTIVE POLICY (ICHIP)

Eligibility

- Promote density
 - Must be high density or medium density and within Neighborhood Empowerment Zone (NEZ)
- Design approval required for Historic Structures

Incentives

- Permit Fee waivers
- Water and Sewer Impact Fee waivers
- Property Tax Abatements
- Low interest loans (Some being forgivable)

INNER CITY HOUSING INCENTIVE POLICY


Requirements

- Require rents to be fixed to current market rate
- Units must meet at least two categories:
 - a. Mixed Income
 - b. Community Use
 - c. Adaptive Reuse
 - d. Brownfield Redevelopment
 - e. Historic Rehabilitation
 - f. Mid-rise Residential Development
 - g. Student Housing

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Another reason to do it?





**NOT ALL URBAN PATTERNS
CONTRIBUTE EQUALLY TO THE
COST OF CITY SERVICES**

PROPERTY TAX COMPARISON

RESIDENCE



1/10TH ACRE LOT

PROPERTY TAXES
\$1,100/YEAR

\$11,000 AN ACRE

DOWNTOWN

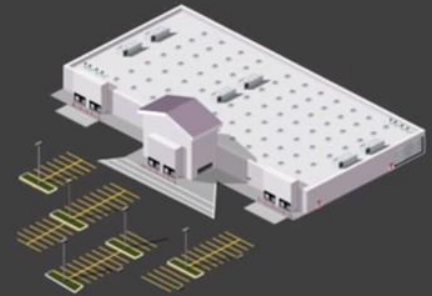


RETAIL, OFFICE, &
RESIDENTIAL SPACE

\$330,000 /YEAR

\$413,000 AN ACRE

BIG BOX STORE



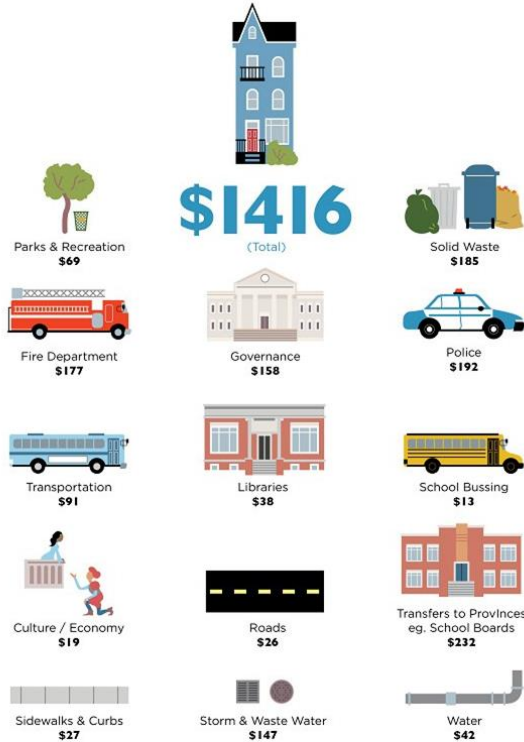
34 ACRE LOT

PROPERTY TAXES
\$221,000/YEAR

\$54,000 AN ACRE

Urban

City's Annual Cost, per Household



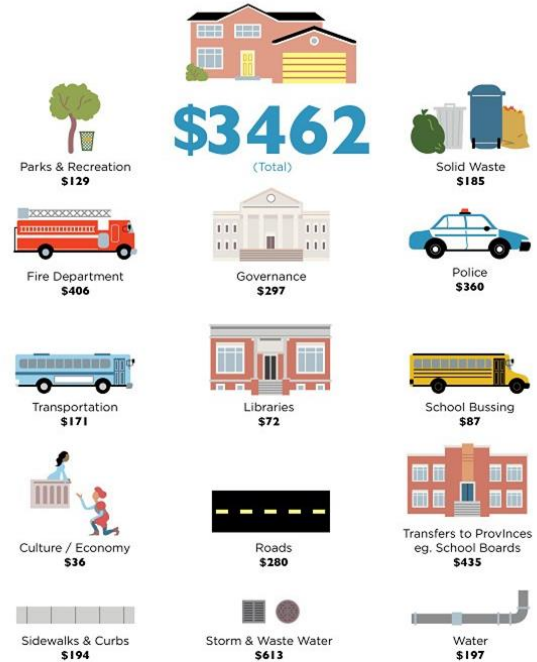
SP Sustainable Prosperity

For more data and more reports, visit thecostofsprawl.com
Data based on Halifax Regional Municipality

VS.

Suburban

City's Annual Cost, per Household



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2.5x HIGHER COST