

SECTION 4

Housing and Neighborhoods

As with economic development, where municipal government helps to ensure a positive and supportive "business climate" for commercial and industrial investment, the City has an essential role in promoting adequate and diverse housing development in quality neighborhood settings. Through the City's Unified Development Code (UDC), the subdivision regulations help to ensure sound design practices, and the zoning regulations determine the range of housing types that may be built in the community, and where and in what amounts. These are critical functions given the proportion of developed land in Pearland, as in most communities, that is devoted to residential use.

Effective land use planning and management also balances the convenience of shopping and services in close proximity to neighborhoods with the need to ensure compatible nonresidential development near homes. Capital investments by the City and others in infrastructure, public facilities, and parks and trails provide the framework for private development to

bring needed new dwellings to market. Furthermore, housing options and value are a key ingredient for economic development success – and that success, in turn, drives further housing demand, including for "move-up" homes when local income growth increases purchasing power and lifestyle aspirations.

Housing and Neighborhoods Context

The following information provides a snapshot of the quantity and types of people living in and seeking new or different housing within Pearland. All data, unless otherwise noted, were obtained from the *Pearland Economic and Demographic Profile 2013*, which the Pearland Economic Development Corporation (PEDC) disseminates, drawing primarily from U.S. Census Bureau data along with other sources. *Also see page 4.25 for related community comparison data obtained through a 2014 benchmarking study.*

DEMOGRAPHICS

Households in Pearland. Pearland had 33,632 households in 2011. The average household size was 2.9 persons, compared to 2.75 statewide in Census 2010. In owner-occupied housing, the average household size was 2.95, compared to 2.20 for renter-occupied housing.

Household Characteristics. The estimated median age in Pearland during 2011 was 33 years, slightly lower than the statewide median of 33.6. However, at the household level, 47.3 percent of all households in Pearland had one or more persons under age 18 in Census 2010 compared to only 38.9 percent across Texas. Also, 16.1 percent of Pearland households had one or more persons age 65 or older in Census 2010, while across Texas the percentage was 21.2 percent. Data compiled for PEDC showed that, compared to the Houston metropolitan area, Texas and the nation, plus a set of peer cities, Pearland experienced substantial growth in "family households" during the 2000-2010 decade (134.9 percent) and from 2010 to 2013 (8.6 percent) – second only to a bit higher growth in such households in McKinney, Texas. From 2000 to 2010, Pearland was also just behind front-runner McKinney in the growth of households headed by a person between ages 25 and 44 (46.6 percent versus 49.7 percent in McKinney).

Residency Turnover. Among the City's residents in Census 2010, 10.9 percent had lived in a different

home one year earlier compared to 17.4 percent for all of Texas, which likely reflects the extent of people moving to Texas in general during the nationwide recession that began in 2008. A very small percentage (0.5 percent) had relocated to Pearland from outside the U.S. Among the rest, the prior residence was distributed as follows: different U.S. state (1.1 percent), different county in Texas (6.2 percent), and within same county (3.1 percent).

HOUSING STOCK

Housing Units. Pearland had 36,385 total housing units in 2011, with 92.4 percent of these units occupied and the remaining 7.6 percent vacant at the time. As of the U.S. Census Bureau's 2012 American Community Survey, the vacancy rate among ownership units was only 1.9 percent, compared to 10.8 percent for rental units.

Home Ownership. Among all occupied housing units in Pearland, 80.9 percent were owner-occupied and 19.1 percent were renter-occupied at the time of the 2012 American Community Survey. This set Pearland apart from the statewide pattern, where only 63.9 percent of housing units were occupied by their owners, with 36.1 percent renter-occupied.

Housing Types. Among all housing in Pearland at the time of the 2012 American Community Survey, the vast majority (82.2 percent) were single-family detached units as illustrated in **Figure 4.1**, **Extent of**

Some Vacancy is Good - But Not Too Much

As noted above, as of the U.S. Census Bureau's 2012 American Community Survey, the vacancy rate among ownership units was 1.9 percent, and 10.8 percent among rental units. A rule of thumb often used by economists is that five to eight percent is a "natural" vacancy level that promotes healthy functioning of the housing market, as well as supporting a 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.

Among Pearland's multi-family housing stock, vacancy has fluctuated but remained in a satisfactory range in recent years according to the *Pearland Economic and Demographic Profile 2013*. Multi-family vacancy was 10 percent or lower in nine of the 13 years from 2000 to 2012, and rose only to 11.7 percent at its highest point in 2004.

FIGURE 4.1, Extent of Housing Types in Pearland

Source: U.S. Census Bureau, 2012 American Community Survey

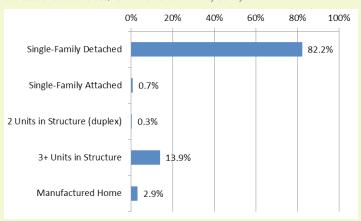
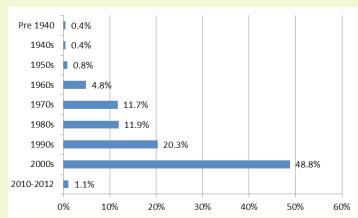


FIGURE 4.2, Age of Housing Stock in Pearland

Source: U.S. Census Bureau, 2012 American Community Survey



Housing Types in Pearland. Multi-family structures were the next most prevalent at roughly 14 percent of the total. It is telling that duplex and townhome style dwellings, at one percent combined, accounted for less than half as much as the amount of manufactured homes in the community (2.9 percent).

Age of Housing Stock. As of the 2012 American Community Survey, roughly half (49.9 percent) of all housing units in Pearland had been built since 2000 as illustrated in Figure 4.2, Age of Housing Stock in Pearland. If construction during the 1990s is included, then just over two-thirds (70.2 percent) of all Pearland housing at that point was from the 22year period between 1990 and 2012. In comparison, statewide only 37.3 percent of all housing has been built since 1990. Residential construction in Pearland during the 1970s and 1980s contributed just under a guarter of the 2012 total. About five percent was from the 1960s, and all pre-1960 housing was only 1.6 percent of the total. It is important to consider housing that is 30 years or older as this 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. Significantly, only about 18 percent of all Pearland dwellings in 2012 were beyond the 30-year threshold.

Value of Existing Homes. The median value of owner-occupied homes in Pearland in 2011 was \$177,600, which was a 54.6 percent increase over the 2000 median value of \$114,870. The largest percentage of homes, 37.7 percent, were valued in the \$150,000 to \$199,999 range. Combining this range with all homes valued in the \$200s accounted

for 70.7 percent of all existing homes. At the lower end of the spectrum, just under one-quarter (24.4 percent) were valued below \$150,000 – with 15.8 percent in the \$100,000 to \$149,999 range. The 2011 data showed only 4.9 percent of all existing homes valued at \$300,000 or higher (compared to nearly 12 percent statewide), with only 1.1 percent at or above the \$500,000 threshold (nearly four percent statewide), and no homes valued at \$1 million or more (0.9 percent statewide). Overall, valuations in Pearland changed significantly during the 2000s, starting with three-quarters of homes valued under \$150,000, and ending with 65 percent of homes valued at or above this level.

Selling Price of Homes. One indicator of the relative affordability of Pearland housing is shown in **Figure 4.3**, **Average Sale Price of Homes in Pearland**

Multi-Family Development History

As of 2013, 19 of the 30 multi-family residential developments in Pearland had been built since 2000, including 10 just since 2008. This included the newly constructed Carroll at Shadow Creek Ranch apartments at 12501 Broadway, just east of Kingsley Drive, which includes 352 units in a garden-style Class A development. In terms of units, the 30 developments cited above include 7,132 total multi-family dwellings. About 37 percent of these units are new since 2008, and just under 30 percent date back to the 1990s or earlier.

Source: Pearland Economic and Demographic Profile 2013

Relative to Region, where, after 2002, the average home sale price across the Houston metropolitan area has exceeded the Pearland average by a widening gap. When Pearland's average peaked in 2007 at \$200,688, the regional average was \$217,600, or 8.4 percent higher. By 2012 the regional average had grown to 19.7 percent, especially with the Pearland average price having receded to \$193,384 while the regional average continued to rise.

Housing Starts and Sales. Housing starts in Pearland definitely tailed off in recent years after exceeding 1,000 annually from 2002 to 2006 (with a high of 1,176 in 2002). After dropping to 831 in 2007 and 538 in 2008, the annual number remained in the 300s from 2009 to 2012, with a low of 310 in 2010. The trend was similar but less so across the region, with the first signs of an uptick in 2012. On the other hand, after local home sales climbed each year from 2002 and peaked in 2007 at 2,121, they dropped each of the next several years down to 1,435 in 2010 – the lowest number since 1,395 in 2003 – before recovering in 2011 and climbing back to 1,856 in 2012. In recent years the year-to-year change in Pearland's home sales has trended above the regional change.

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 Pearland. As

in the previous sections, all data, unless otherwise noted, were obtained from the *Pearland Economic* and *Demographic Profile 2013*.

Income. The estimated 2011 median household income in Pearland was \$83,665. This was significantly higher than at other comparison levels, including the nation (62 percent higher than \$50,502), entire state (67 percent higher than \$49,392), and the Houston metropolitan region (52 percent higher than \$54,901). Additionally, while roughly one-quarter of households in the region had annual incomes greater than \$100,000, 41 percent of Pearland households exceeded this income level. At the same time, nearly half of the region's households (45.9 percent) had incomes below \$50,000, while in Pearland the proportion was only 25.4 percent.

Incidence of Poverty. In Pearland, 3.2 percent of families and 4.6 percent of all individuals had incomes in 2008 that put them below the federally-defined poverty level. This was compared to 13.5 percent of families and 17.4 percent of individuals statewide.

The next important consideration is housing-related expenditures. Among owner-occupied housing units in Pearland at the time of the 2012 American Community Survey, 77.7 percent of owners were paying off a mortgage compared to 62.5 percent for all of Texas. The Census Bureau estimated that among those with a mortgage in Pearland, typical monthly owner costs (including mortgage payment,

Residential Lot Supply

An analysis completed by City staff in July 2015 yielded the following statistics on the distribution of lot sizes within the City limits, based on just under 31,900 total developed and platted lots through first quarter 2015:

- The majority of lots (54.3 percent) were in a range from 7,000 to 11,999 square feet. The greatest share, 29.2 percent, were in the 7,000-8,799 range (equivalent to the R-2 zoning district) and another 25.1 percent were in the 8,800-11,999 range (R-1 zoning).
- Nearly 30 percent of lots (29.1 percent) were 12,000 square feet or larger. Of these, 13.2 percent were ½-acre (21,780 sq ft) to one acre (Residential Estate zoning relative to SR-12 and -15 zoning).
- Lot sizes less than 7,000 square feet accounted for 16.6 percent of all lots (R-3 and R-4 zoning), with only 2.5 percent in the smallest permissible range of 5,000-5,999 square feet (R-4).

The City-prepared map, **2015 Appraised Values of Residential Parcels**, included in this plan section displays the pattern of lot values across the community.

FIGURE 4.3, Average Sale Price of Homes in Pearland Relative to Region

Source: Pearland Economic and Demographic Profile 2013



Pros and Cons of Low Rent

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 home ownership because of the gap in monthly cost.

property taxes, insurance, utilities, association fees, etc.) were at a median of \$1,970 per month. The statewide median monthly housing expenditure was \$1,446.

In percentage terms, 47.7 percent of Pearland home owners were paying \$2,000 or more per month compared to only 23.7 percent at that level for all of Texas. The highest proportion in Pearland was also the 47.7 percent paying \$2,000 or more per month, while statewide the highest proportion was 32.6 percent in the \$1,000 to \$1,499 per month range. For housing units without a mortgage, median monthly owner costs were \$688 in Pearland and \$451 for all of Texas.

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 to 35 percent of household income. The U.S. Census Bureau estimated that, in both Pearland and statewide, 31.4 percent of home owners with a mortgage were spending 30 percent or more on housing in 2012. In Pearland the proportion at or above the critical 35 percent threshold was 22.8 percent, compared to 23.4 percent in all of Texas. On the other hand, a solid majority (57.1 percent) of Pearland home owners who were carrying mortgages in 2012 were devoting less than 25 percent of their incomes to housing costs – again,

almost exactly in line with the statewide proportion of 57.2 percent.

For those owners without a mortgage, only 11.4 percent were putting 30 percent or more of their income toward housing costs (13.8 percent for all of Texas), which shows the long-term benefits of home ownership for most people after a mortgage is fully paid.

Among occupied rental units in Pearland during 2012, the median rent was \$1,073, compared to \$834 statewide. Also, 23.1 percent of these local units had rents of \$1,500 or more. This resulted in 36.2 percent of Pearland renters spending 30 percent or more of their income on rent (versus 49.3 percent for all of Texas). This included 26.5 percent who were at or above the 35 percent of income threshold, which was considerably lower than the 40.3 percent at the statewide level. However, the U.S. Department of Housing and Urban Development (HUD) defines any household paying more than 35 percent 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.

Focusing again on the income side of the housing affordability equation – and given a median household income of \$83,665 in Pearland during 2011 – the median household should have aimed to pay no more than \$2,092 monthly (30 percent) toward housing costs, with an absolute maximum of \$2,440 per month (35 percent). Detailed in **Table 4.1**, *Monthly Housing Cost Capacity of Households*, are the monthly "affordability" (30 percent of income) amounts for households at various points above or below the area's median household income for 2011.

TABLE 4.1, Monthly Housing Cost Capacity of Households

Source: Kendig Keast Collaborative

Percent of Median Household Income	Annual Income Amount	Affordable Monthly Housing Cost (30% of Income)
150%	\$125,498	\$3,137
125%	\$104,581	\$2,615
100%	\$83,665	\$2,092
75%	\$62,749	\$1,569
50%	\$41,833	\$1,046

FIGURE 4.4, Home Affordability Index Comparison in 2011

Source: Pearland 20/20 Competitive Assessment, December 2012

e Value	Median Household Income	Home Affordability
		•
181,500	\$87,033	2.09
295,300	\$73,316	4.03
85,100	\$80,113	2.31
251,700	\$103,041	2.44
27,500	\$50,266	2.54
		P. Committee of the Com
	51,700	\$1,700 \$103,041

Note: Affordability is the ratio between median home value and median household income. A low value indicates greater affordability and a higher value indicates less affordable markets. The figure for the United States can be used as a median benchmark.

Source: U.S. Census Bureau, American Community Survey (3 yr. estimates)

In late 2013, Pearland was among four Texas cities ranked by Movoto.com, a real estate website, as among "The 10 Most Affordable Suburbs in America" - with Pearland having the best ranking, at number four, among the Texas communities included. The others were Universal City at number seven, Schertz at number eight, and Cibolo at number 10. The ranking considered the 139 largest suburban communities around the 50 largest cities in the nation. Pearland's advantages were the lowest cost of food (18 points below the U.S. average) and relatively low utility costs (nine points below) and overall cost of living (six points below). On the other hand, Pearland had the highest median home price among the Top 10 suburban cities, but this was offset by the second highest median income. Property taxes for Pearland home owners were also cited as 38 percent above the national average. The key elements of the housing affordability equation - income and housing cost resulted in a home price-to-income affordability ratio of 2.21 for Pearland as calculated by Movoto. This compared to 2.27 in Universal City, 2.38 in Cibolo, and 2.45 in Schertz.

The Competitive Assessment completed for the Pearland 20/20 Strategic Plan used the same Home Affordability Index (HAI) tool – the ratio of median home value relative to median household income – to demonstrate Pearland's housing affordability strength. As presented in Figure 4.4, Home Affordability Index Comparison in 2011, Pearland's ratio of 2.09 at that time was the lowest among a set of peer cities, as well as compared to the State of Texas (2.54) and the nation (3.49). As explained in the Competitive Assessment, as HAI ratio increases, this

means that households are devoting more of their incomes toward their homes.

The Competitive Assessment also examined the rental situation in Pearland. with the same comparison to several peer cities and the state and nation as displayed in Figure 4.5, Comparative Rental Affordability in 2011. This shows that while Pearland had one of the

higher gross rent levels (\$1,140), it also had the lowest percentage of renters (35 percent) paying more than 30 percent of their incomes toward housing cost. This data suggests that a renter in Pearland has to be relatively more affluent than in other communities where lower-cost rentals are available, and that a high proportion of Pearland renters (65 percent) had 70 percent or more of their income left to spend on other needs and wants after covering their rent.

Implications of the Housing Affordability Index (HAI)

The Real Estate Center at Texas A&M University also publishes Housing Affordability Index (HAI) data for metropolitan areas in Texas along with the entire state and the nation. As described by the Center, the HAI indicates general housing affordability in terms of the ability of the median-income family to purchase the median-priced existing house in its 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.

With Pearland having an HAI above 2.0 in recent years, this means the median-income family in the community would presumably qualify to purchase a substantially higher value house beyond the median-priced home. So, this is another indicator of the degree of housing affordability in Pearland.

FIGURE 4.5, Comparative Rental Affordability in 2011

Source: Pearland 20/20 Competitive Assessment, December 2012



TEXAS AND HOUSTON HOUSING MARKETS OFF THE CHARTS

Over the last few years, the State of Texas has been experiencing a residential development boom due to Texas' remarkable economic performance relative to the nation. In the fourth guarter of 2013, 60,998 single-family homes were sold statewide - a 6.8 percent increase from the fourth guarter of 2012.1 Home prices were also increasing, with the median price statewide up to \$172,600 in the fourth quarter of 2013, an 8.5 percent increase from the previous year. Furthermore, the statewide inventory of homes had decreased to 3.6 months, which is well below the 6.5 months standard that is considered a balanced market.

The Houston area, as one of the state's fastest growing regions, played a significant role in these statewide real estate trends. From November 2012 to November 2013, the Houston area added an estimated 86,200 jobs amid the great energy and health sector booms.² This brought thousands of new people to the Houston area, resulting in a greatly increased need for residential development. In fact, the Houston market had recorded its 30th consecutive month of year-over-year increase in home sales by the end of November 2013. By the end of the fourth quarter, Houston-area sales had jumped by 9.3 percent – up to 18,502 homes – accounting for 30.3 percent of the total statewide increase.³ Sale prices in 2013 also continued to outpace those of a year earlier, as housing demand continued to run

ahead of supply. The median price of single-family homes had risen to \$180,000, an 8.6 percent increase from the year before. Population growth in the Houston metropolitan area during this time reached 3.1 percent, the highest rate among all major U.S. metropolitan areas, while the nation overall saw growth of only 1.7 percent.

The area housing market had started 2013 with its inventory level at a 13-year low, and it continued to shrink nearly every month.4 The inventory level is a figure which reflects the number of months it will take to deplete current active inventory based on sales activity within the previous 12 months. By the end of 2013, the inventory level had dropped to 2.6 months, below the statewide inventory level and much lower than the 5.2-month national inventory level.⁵ Homes were selling faster than they could be built, taking the area inventory down to an all-time low across all price points by the first quarter of 2014.

Builders had to begin playing catch-up as there had been virtually no new construction in 2009 and 2010 after the national economic recession.⁶ The Houston area generated 46,462 residential building permits in 2013, more than any other U.S. metropolitan area, and 11,102 higher than second-ranked New York-Northern New Jersey. However, area builders could not find enough build-ready lots to meet the surging demand, causing the steeply rising prices of homes. Generally it takes 12 to 18 months to convert raw land to buildable lots as infrastructure work is completed. Concern about a potential regional housing shortage was emerging in late 2013 given the combination of limited lot supply and resulting slowdown in new home starts. Plus, added pressure could be placed on a multi-family sector that was already growing rapidly and might not be able to keep pace either.

In late 2013, the Houston area was also ranked number five among the top U.S. metropolitan areas for buying single-family homes to market as rental property.8 This ranking is maintained by Dallas-based HomeVestors of America Inc. and North Carolinabased Local Market Monitor and takes into account the area job market and relative affordability of housing. Fort Worth and Dallas were the first- and second-ranked markets on this list, and Charlotte and Nashville were also ahead of Houston. Other top-ranked markets after Houston included Atlanta, Oklahoma City, Orlando and Las Vegas.

^{1- &}quot;Texas Housing Market Finishes 2013 Strong," Texas Association of Realtors, in Texas A&M University Real Estate Center Online News, February 4, 2014.

^{2 - &}quot;Toll Spreads Out in Houston," Kris Hudson, *The Wall Street Journal*, January 22, 2014. 3 - "Houston home sales, prices surge," Jenny Aldridge, *Houston Business Journal*, February 4, 2014.

^{4 - &}quot;Year in Review: Houston's red-hot housing market was on fire in 2013," Olivia Pulsinelli, Houston Business Journal, December 27, 2013.

^{5 - &}quot;Houston home sales, prices up, but still affordable, study finds," Realty News Report, in Texas A&M University Real Estate Center Online News, April 11, 2014.

^{6 - &}quot;Houston a top market for residential real estate investing," Olivia Pulsinelli, Houston Business Journal, December 23, 2013.

^{7 - &}quot;Toll Spreads Out in Houston," Kris Hudson, The Wall Street Journal, January 22, 2014.

^{8 - &}quot;Houston a top market for residential real estate investing," Olivia Pulsinelli, Houston Business Journal, December 23, 2013.

Multi-family housing development is also at an all-time high in the Houston area. CBRE reported 17,614 apartment units under construction during the fourth quarter of 2013, with new units leasing quickly.9 Apartment complexes were leasing between 20-40 units a month on average, almost double the normal rate. The number of apartment units is expected to keep increasing with ongoing starts of new multi-family projects. The Houston area currently ranks third in the nation for the number of multi-family units projected to be constructed by 2017, just behind Atlanta and Dallas-Fort Worth. Also, Houston's projected unit absorption through 2017 is 60,000, which ranks second only to the 70,000 expected to be absorbed in Dallas-Fort Worth.

After the first quarter of 2014, several key trends were firmly established and still continuing across the Houston area housing market: (1) ongoing increases in the volume of existing single-family home sales, (2) continued extremely tight supply of available homes, and (3) a clear advantage in general housing affordability among major U.S. metropolitan areas – although the limited supply was causing an uptick in area prices given the continued strength of demand. Area homes sales once again rose during the first quarter compared to one year earlier, showing a four percent increase. Nearly 6,000 homes were sold just during March 2014.¹⁰



Eight in 10 respondents to the Pearland Citizen Survey (conducted December 2014 through February 2015) rated their neighborhood as excellent or good. Nine in 10 respondents rated their neighborhood as a safe place to live. Respondents were also pleased with the availability and affordability of quality housing. Nine in 10 respondents rated new development as excellent or good.

Legacy of Past Long-Range Planning

In 1999, the City of Pearland reviewed and revised its Comprehensive Plan due to the remarkable growth the community had experienced in the 1990s. The City later updated the 1999 Comprehensive Plan with a 2004 addendum. The 2004 interim update was warranted because of necessary policy changes within the City given the continued rate of growth and particular opportunities and challenges facing the city. Along with essential new land use planning and community appearance guidance, the 2004 addendum focused on housing-related issues involving single-family lot sizes, multi-family development, and recommendations for the future allowable density of single-family housing. More specifically, the 2004 addendum called for:

- Rezoning all multi-family zoned property to either single-family residential or nonresidential zoning districts. This has occurred in the vicinity of SH 288, for example, to accommodate medical-related development opportunities and given the City's desire for more Class A office space.
- Adding more residential zoning districts to the UDC to allow for larger-sized residential lots, and to increase the variety of housing. It was recommended to add districts that would provide minimum lot sizes of 10,000 square feet, 12,000 square feet, and 15,000 square feet. Based on this recommendation, the City added the SR-12 and SR-15 zoning districts, with 12,000 square foot and 15,000 square foot minimum lots respectively. The 2004 addendum was also specific in stating that future rezoning activity in the City should not involve allowance for smaller-sized residential lots.
- Providing more diversity in housing types such as patio homes and townhomes.

 More straightforward and streamlined zoning approaches were recommended to eliminate reliance on Planned Development (PD) applications as the main avenue for development of patio homes and townhomes. Based on this recommendation, the City added a new Townhouse Residential (TH) zoning district to accommodate townhome development.

^{9 - &}quot;Houston one of top markets for multifamily rental, occupancy growth," Jenny Aldridge, Houston Business Journal, February 3, 2014.

^{10 - &}quot;Houston home sales, prices up, but still affordable, study finds," Realty News Report, in Texas A&M University Real Estate Center Online News, April 11, 2014.

- Providing for walkable neighborhoods by creating pedestrian-centered developments with sidewalks, interconnected streets and traffic calming measures. It was also recommended that each new neighborhood contain a focal point such as a square or park that is centrally located within the development. In accordance with this philosophy and with the City's Parks and Recreation Master Plan, the adopted Land Use Plan shows general locations for future Neighborhood parks.
- Promoting open space through cluster development approaches, including use of density bonuses to encourage developers to apply this land planning technique. Based on this recommendation, the City adopted the Cluster Development Plan option within its UDC to enable the use of special residential density standards as a substitute for the typical minimum lot size standards for residential development. However, City staff has noted limited utilization of this option, and the need to revisit and potentially adjust the cluster development provisions.
- Encouraging neighborhood designs that incorporate water features and that offer waterfront locations for parks, walking trails, water views and general accessibility for residents.

LAND USE PLAN UPDATE 2009

Among the six objectives of this interim Land Use Plan update was to Conserve Existing Neighborhoods, including through preservation of existing residential uses, and by designating appropriate land uses for transition areas between residential and nonresidential uses to safeguard neighborhoods while allowing for growth and expansion of local businesses.

The plan identified 26 issues for consideration, including three involving residential land use. Most significant of these was an item that led to the addition of Residential Retail Nodes (five acres) at five locations on the City's Land Use Plan map. The UDC also now includes a Residential Retail Nodes (RRN) zoning designation. As envisioned through the 2009 plan update, an RRN also allows for single-family detached dwellings, two-family (duplex) dwellings, town house dwellings, and multi-family dwellings, all requiring Conditional Use Permit approval, as well as site plan review "to assist in evaluating the

impact of the development on surrounding uses." As elsewhere, Planned Development (PD) approval is another option for proposing residential uses.

Also among the 26 issues was an item to promote broader housing choices in Pearland, including specific mention of senior housing, plus patio and multi-family dwellings. However, this item was ultimately deferred from the report given attention to this need through other City and PEDC initiatives. Finally, the 2009 update also included an item to eliminate residential zoned parcels along Broadway in favor of commercial retail use.

The 2009 Land Use Plan Update report also included an appendix tabulation of the extent of land devoted to various land use types based on the recommended map updates. This table indicated that 61.8 percent of the total area on the Land Use Plan map (just over 27,500 acres) would be in categories intended for primarily residential use. Most prominent among these categories, by far, was the Low Density designation with 37.5 percent of the total (16,670 acres). The next largest was Medium Density at 15 percent of the total (6,875 acres). Detailed in Table 4.2, Acreage in Residential Categories Based on 2009 and 2015 Land Use Plan Updates, is a comparison of the overall residential breakdown from both the 2009 update and the new Land Use Plan version prepared for this Comprehensive Plan update - recognizing that some residential use is also possible in other map categories (e.g., Garden/O'Day Mixed Use District). The new 2015 statistics show that the proportion of total acreage in the primarily residential categories is effectively unchanged at 62 percent. However, the shares in Low Density and especially Medium Density both increased slightly while the High Density category is roughly the same. The most significant change is in the now-combined Suburban Residential categories, which together now account for 5.1 percent of the total compared to 8.1 percent in 2009.



TABLE 4.2, Acreage in Residential Categories Based on 2009 and 2015 Land Use Plan Updates

Source: City of Pearland 2009 Land Use Plan Update

Land Use Category	Acreage on 2009 Land Use Plan	Percent of Total	Acreage on 2015 Land use Plan	Percent of Total	
Suburban Residential A (½ acre lots)	2,168	4.9%			
Suburban Residential B (15,000 sf lots)	158	0.3%	2 250	5.1%	
Suburban Residential C (12,000 sf lots)	220	0.5%	2,258	J. 1 76	
Suburban Residential D (10,000 sf lots)	1,047	2.4%			
Low Density	16,670	37.5%	17,219	38.7%	
Medium Density	6,875	15%	7,501	16.6%	
High Density	549	1.2%	535	1.2%	
Totals	27,687	61.8%	27,513	61.6%	

SPECIAL AREA PLANNING AND IMPLEMENTATION

The City of Pearland and PEDC have completed a series of other targeted planning initiatives in recent years that included residential land use considerations and/or promotion including:

- Old Townsite Downtown Development District Plan (2005).
- Spectrum District (2004 Comprehensive Plan Update).
- Lower Kirby Urban Center (including 2011 Proposed Form-Based Code).

OLD TOWNSITE

Significant attention and planning has been devoted to Pearland's Old Townsite area, especially through the 2005 Old Townsite Downtown Development District Plan. The plan included a series of development principles, including traditional neighborhood street and parking design to transition to more walkable streets; a mixed-use new Town Center with existing and new residential uses integrated; and extensive connectivity within Old Town through interconnected neighborhood and district parks, tree-lined sidewalks, trails, bike paths and other open space and recreation amenities.

The plan then identifies four districts "to form a strengthened foundation in and around the downtown and ... support vitality in the downtown." Along with an Arts, Culture and Education District, this included an Existing Neighborhood District, a Historic Neighborhood District, and the New Town Center. Based on this plan, the City's UDC now includes an Old Townsite (OT) zoning district with three subdistricts:

- 1. OT-GB, Old Townsite General Business District, which allows single-family detached dwellings and two-family (duplex) dwellings subject to Conditional Use Permit approval, and with the stipulation that such dwellings are allowed only on upper floors of buildings and not at ground level.
- 2. OT-R, Old Town Residential District, which permits by right single-family detached dwellings, two-family (duplex) dwellings, townhomes, patio homes, and industrialized housing.
- 3. OT-MU, Old Townsite Mixed Use District, which permits by right townhomes and industrialized housing, and requires Conditional Use Permit approval for single-family detached dwellings, two-family (duplex) dwellings, four-family dwellings, multi-family dwellings, and boarding or rooming house uses

All three subdistricts also allow for accessory dwelling units on lots, within an accessory structure.

SPECTRUM DISTRICT

Based on plans for and the anticipated direction of the Spectrum District (now the Lower Kirby Urban Center district) in the early to mid-2000s, the City established a Spectrum (SPD) zoning district in the UDC. Among the five subdistricts in SPD, one in particular focuses on residential activity on single- or mixed-use sites:

SPD District S3, Mixed Use - High-Density Residential District, which is "intended for Traditional Neighborhood Design (TND) ...

[and] is characterized by a vertical mix of nonresidential and residential uses, with retail and/or office uses on the ground floor and residential uses above." Multi-family dwellings are permitted subject to Conditional Use Permit approval. Nonresidential uses in S3 could include commercial and light industrial uses, involving science and technology related activities, developed within a business park or corporate campus for compatibility with residential uses. As elsewhere, Planned Development (PD) approval is another option for proposing residential uses.

LOWER KIRBY URBAN CENTER

Planning for the Lower Kirby Urban Center, or LKUC (formerly the Spectrum District), included completion of an LKUC Framework Plan in October 2010. This plan envisioned:

A major regional center with significant regional retail, employment, and residential uses within convenient access to regional highways and walking distance from the future transit station. Development within this area would accommodate large scale office and retail users while providing for appropriately scaled mixed use and residential uses within the district.

Then, following in November 2011 was a proposed form-based code for LKUC. The code details are driven by a Regulating Plan that establishes five Character Zones, including a Highway Commercial zone on the district edges along Beltway 8 and SH 288. The other four Character Zones include varying degrees of residential intent as follows:

- 1. Mixed Use Core, which provides the most opportunity for the highest intensity development and the highest pedestrian activity and greatest variety of uses given its immediate adjacency to a future transit station.
- 2. Urban Neighborhood, which "consists primarily of a residential fabric" by allowing for a mix of small apartments, townhomes and live-work units, along with commercial activity concentrated at street intersections and along the Clear Creek frontage.
- 3. Commercial Transition, which provides for a range of commercial (retail, office, and livework) and residential uses as a transition from the Mixed Use Core.
- 4. Research/Tech Campus, which is intended as the LKUC employment center along Kirby Drive, with a campus-style office research park setting, but with opportunity for limited residential and supporting retail and restaurant uses.

The residential portion of the schedule of permitted uses in the proposed LKUC code also indicates residential lofts as a residential use type that is permitted by right in all five Character Zones.

Status and Outlook for Housing and Neighborhoods

FUTURE HOUSING NEEDS

Displayed in **Table 4.3**, **Future Potential Housing Needs**, are the results of calculating the potential housing units that will be needed within the city

TABLE 4.3. Future Potential Housing Needs

Source: Kendig Keast Collaborative

Future Population Milestone	Projected Housing Units at Milestone	Projected Units Added from 2011	Average Units Added Per Year	Potential Owner- Occupied Units	Potential SF- Detached Units
95,644 (2011 ACS)	36,385 (2011 ACS)			80.9% (2012 ACS)	82.2% (2012 ACS)
132,320 (2020 in-city)	49,299	12,914	1,435	10,477	10,615
158,559 (2025 in-city)	58,538	22,153	1,582	17,922	18,210
190,000 (2030 in-city)	69,609	33,224	1,749	26,878	27,310

FIGURE 4.6, Trend in Single-Family Residential Building Permits, 1996-2012

Source: Pearland Economic and Demographic Profile 2013



at the population levels projected for certain milestone years in Section 2, Growth Capacity and Infrastructure. The total number of housing units in the city could increase to nearly 70,000 units by 2030, building upon the estimated 36,385 existing units as of 2011.

These numbers are intended primarily as a baseline against which comparisons can be made as actual trends unfold in the years ahead. For ease of calculation, they assume that the 2011 median household size (2.84 persons per household), the 2012 proportion of owner-occupied units (80.9 percent), and the 2012 proportion of single-family detached units (82.2 percent) will all remain constant into the future. They are also gross and not net housing unit projections as they do not account for demolition and/or replacement of any existing units. While it is even more challenging to pinpoint a potential future housing unit count for the combined City limits and

extraterritorial jurisdiction, one possibility is 81,818 units if the projected 225,000 buildout population in 2042 is divided by a somewhat reduced figure of 2.75 persons per household.

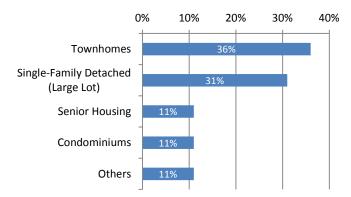
As shown in Figure 4.6, Trend in Single-Family Residential Building Permits, 1996-2012, Pearland saw its building permit activity for single-family home construction rise and fall dramatically over the last decade, as reported in the Pearland Economic and Demographic Profile 2013. Issued permits peaked above 2,500 in 2005, then fell off with the national recession of the late 2000s, and began to rebound in 951 in 2012. Despite the recent permitting dropoff, activity remains higher than it was at any point in the late 1990s. The associated value of the permits issued has held steady over the last decade and, with a 2012 average value of \$202,200, is roughly double where permit values were in the late 1990s.

Illustrated in Figure 4.7, Trend in Local Absorption of New Multi-Family Units, 1999-2012, is the quite positive absorption of new multi-family units in Pearland dating back to 1999, with only one off year in 2003 when 55 more units became available for lease than were ultimately rented. The larger absorption numbers in various years since the mid-2000s reflects the extent of new multi-family construction in Pearland during this time, and the evident demand given their leasing success. Other communities have noticed an impact on multi-family absorption and occupancy following an uptick in senior housing construction and development of more assisted living projects, which is a possibility for Pearland in the coming years.

FUTURE HOUSING MIX

At the time of this comprehensive planning effort, Pearland's public and private leadership and many residents were recognizing the need for a wider array of housing options in the community while remaining adamant that further multi-family construction should not be a significant part of this mix. Demographic trends were partly behind this desire to see a more diverse housing stock in Pearland, to address "life-cycle" housing needs among younger, middle-aged and senior population cohorts within the city. Additionally, as captured in the Competitive Assessment conducted for PEDC, concern was also expressed about a mismatch between the employment options available in Pearland relative to the housing costs such workers face in hoping to live where they work, leading many to purchase or rent elsewhere and commute to local jobs in Pearland.

In an informal polling exercise during a Comprehensive Plan Advisory Committee meeting, committee members were asked, "What housing types will Pearland need in the future that are not available at all or enough today?" The resulting distribution of responses was:



The same question was posted on the MindMixer online discussion forum site during a portion of the comprehensive planning process, with the following sampling of responses:

- Condos or townhomes NO APARTMENTS!
- Brownstones
- Planned higher-density communities
- More affordable condos/townhomes for retirees
- "Permaculture" neighborhood with much smaller houses
- Townhomes that you buy
- More middle income and upscale
- Small condos/retirement communities for age 55+
- Residential neighborhoods with larger lots
- Occupant-owned housing of any kind
- Single-family homes in gated communities
- Housing that is not controlled by Home Owner or Property Owner Associations
- Ones where we pay less property taxes

Concern about and opposition to significant additional apartment construction in Pearland was expressed during public engagement activities for this comprehensive planning effort. This was consistent with sentiments heard as input to the Competitive Assessment completed in late 2012 for the Pearland 20/20 Strategic Plan:

Despite these data [on the relatively low level of rental housing options in Pearland], most Pearland input respondents do not want to see additional multi-family residential units constructed in the city. Stakeholders feel that multi-family development attracts a lower-income resident to Pearland and risks the community's quality of life, public safety, and educational performance.



Furthermore, in an informal polling exercise during a Comprehensive Plan Advisory Committee meeting, committee members were asked to agree or disagree with two statements on the specific issue of multifamily housing:

"Even if the private development market is interested in building more multi-family housing in Pearland, the City's zoning regulations should limit this type of housing."

"The City's Land Use Plan should indicate areas for new multi-family residential beyond existing locations of this use."

The entire committee unanimously concurred with the first statement (yes, limit this housing type). To the second statement, three-quarters of the group disagreed (no, do not plan for additional areas of multi-family housing). Both the desire for greater housing variety and the discomfort with multi-family development has significant implications for the potential mix and form of new and redeveloped residential uses within Pearland in the years ahead. The City-prepared **Apartment Complexes map** included in this plan section illustrates the location, size and relative density of current multi-family uses.

Key Planning Considerations

Input and discussions for this Comprehensive Plan update, through workshops with City Council and Planning and Zoning Commission, informal small-group sessions, a community-wide public open house event, the online Virtual Town Hall forum, interaction with the Comprehensive Plan Advisory Committee, and background discussions with City staff, yielded the following concerns related to this Housing and Neighborhoods section of the plan:

- Needed diversity in housing stock, including entry-level, young professional and senior housing, and a wider range of ownership options.
- Lot and house size considerations, from both market and regulatory perspectives (i.e., socioeconomic trends and cost factors will drive what lot and home types/sizes the private market chooses to supply; meanwhile, the City can use zoning standards to accommodate some amount of smaller-footprint dwelling types while also limiting the overall extent of small lots, which is typically driven by density



concerns plus the cost of providing municipal services to residential uses that do not "pay their way" in terms of appraised value and resulting property tax revenue to the City).

- Community receptiveness to multifamily housing due to effects of concern in a suburban setting (e.g., density, traffic, schools, City facilities/programs).
- Importance of effective regulations to get desired residential outcomes (i.e., relative to limited-regulation cities).
- Sustainability and code compliance of older rental properties, especially near single-family residential neighborhoods.
- Cost and difficulty of redevelopment and infill development, so ways City can promote and incentivize it.
- Outreach and partnerships between City and homeowner associations.
- Accommodating an aging demographic (appropriate design for in-home accessibility and neighborhood walkability, more senior care facilities so older residents can stay in community).
- More green space and trees within neighborhoods.
- Coming focus on home maintenance with older housing stock, and the need for adequate regulations to manage teardown/rebuild activity where home renovation is not feasible.

Goals and Action Strategies

GOALS

A "goal" is a statement of a desired outcome ("end") toward which efforts are directed, as expressed by more specific objectives and action priorities ("means"). Below are three goals intended to focus plan implementation efforts related to Housing and Neighborhoods that follow the adoption of this new Comprehensive Plan:

- GOAL 4.1: A wider range of residential options to meet the "life-cycle" housing needs of current and future Pearland residents.
- GOAL 4.2: A commitment both to the integrity and continued appeal of older established neighborhoods, as well as the quality design and long-term sustainability of newer residential areas.
- GOAL 4.3: A continued emphasis on Pearland's housing quality and options as a fundamental economic development advantage and benefit for current and prospective residents.

ACTION STRATEGIES

Itemized below are a set of potential actions for responding to the key issues and community needs identified in this Comprehensive Plan section. In particular, three items are highlighted as strategic initiatives for the immediate future.

STRATEGIC PRIORITY 1: GREATER HOUSING VARIETY

Along with the focus on diverse housing types and mixed-use development in various special districts within Pearland (e.g., Old Townsite, Lower Kirby Urban Center), the City should revisit its Unified Development Code to consider ways to encourage – and, in some cases, potentially require – a mix of housing types within new developments. In some municipal codes a residential "flex" district is included in which a series of residential development options and lot sizes are available by right, with appropriate development and compatibility standards for each option (e.g., maximum lot coverage, buffering, etc.) that are on a sliding scale and tied to the proposed

development intensity to maintain a consistent area character. This approach is most effective when density bonuses are built into the district framework such that those development options that will best advance community housing objectives are also the most rewarding for the development community.

This zoning approach can also be tied to the promotion of cluster and conservation development methods. Provisions can be included to require incorporation of multiple housing types into developments that will exceed a certain density threshold. For example, as a potential condition for awarding a density bonus to such 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. By incorporating such provisions into the City's development regulations, this mixed-housing outcome can be achieved directly without needing a Planned Development application and process or by carving up a single project site into multiple zoning districts to accommodate different housing types and densities.

The UDC currently defines nine types of "dwellings" (in Section 5.1.1.1., General Definitions):

- Single-Family Detached (with multiple zoning districts that provide for seven minimum lot sizes compared to just one zoning district for each of the other housing types)
- Industrialized Home
- Patio Home
- Two-Family
- Quadriplex (four-family)
- Town House
- Multiple-Family
- HUD-Code Manufactured Home
- Mobile Home

Detailed in **Table 4.4, Housing Types Allowed** in **Zoning Districts**, are where these particular residential options are currently possible within the community either as a permitted-by-right use



TABLE 4.4, Housing Types Allowed in Zoning Districts

Source: City of Pearland Unified Development Code

	ue									
Zoning District	SF Detached	Industrialized	Patio Home	Two-Family	Four-Family	Town House	Multi-Family	Manufactured	Boarding / Rooming	Accessory Unit
R-E (Residential Estate)	Р	Р								
SR-15 (Suburban Development)	Р	Р								
SR-12 (Suburban Development)	Р	Р								
R-1 (Single-Family Residential)	Р	Р								
R-2 (Single-Family Residential)	Р	Р								
R-3 (Single-Family Residential)	Р	Р								
R-4 (Single-Family Residential)	Р	Р	Р	С						
TH (Townhouse Residential)	Р			Р	Р	Р				
MF (Multiple-Family Residential)	Р			Р	Р		Р		Р	
MH (Manufactured Home Park)					Р			Р		
SPD-3 (Spectrum Subdistrict 3)							С			
C-MU (Cullen Mixed Use)	Р	С								
G/O-MU (Garden / O'Day Mixed Use)	Р	С								
OT-GB (Old Townsite-General Business)	С			С						Р
OT-R (Old Townsite-Residential)	Р	Р	Р	Р		Р				Р
OT-MU (Old Townsite-Mixed Use)	С	Р		С	С	Р	С		С	Р
RRN (Residential Retail Nodes)	С			С		C	С			
GB (General Business Retail)									Р	
GC (General Commercial)									Р	
M-1 (Light Industrial)								С		
M-2 (Heavy Industrial)					Р			С		

NOTE: Residential uses are permitted in all districts, where not permitted by right (indicated by a "P" in the table) or by Conditional Use Permit (indicated by a "C" in the table), via a Planned Development approval. Residential uses are possible only via Planned Development approval in the Suburban Development (SD), Spectrum (SPD) 1-2 and 4-5, Office and Professional (OP), Business Park-288 (BP-288), and Neighborhood Service (NS) zoning districts.

(indicated by a "P") or subject to Conditional Use Permit approval (indicated by a "C"). The table also shows where a "Boarding or Rooming House" use is possible, as well as the allowance for accessory dwellings units in the three Old Townsite subdistricts. In addition, the Planned Development (PD) zoning district functions as an overlay to underlying base zoning districts and provides for single-use or mixed-use projects that could involve residential use. A PD may be proposed anywhere in the City subject to provisions in the City's Unified Development Code.

STRATEGIC PRIORITY 2: REGULATORY RELIEF FOR REDEVELOPMENT

The City should consider adding new or adjusting current UDC provisions that allow for relaxation of specified standards, especially to make a clearer connection to the community objective of encouraging desired redevelopment activity. Neighborhood redevelopment and infill proposals often face immediate obstacles when contemporary development standards must be applied in older areas of communities. Regulatory relief may be warranted in such cases, as long as certain precautions and mitigation criteria can be met.

Common regulatory constraints to redevelopment include site access and circulation standards, limited on site area for parking and loading, nonconforming building setbacks (and/or inadequate area to meet minimum yard requirements), and on-site drainage requirements. The intent is that known obstacles peculiar to targeted redevelopment areas should be addressed directly in the development regulations, including a defined procedure for offering flexibility in such areas with longstanding revitalization needs. Otherwise, an applicant with viable reinvestment plans must pursue typical hardship-based variance requests before the Zoning Board of Adjustment, which takes time and can be unpredictable.

Pearland's UDC currently deals with this, to some extent, through Section 2.7.3.7, Special Exceptions for Nonconformities (which, similar to variance applications, involves a Zoning Board of Adjustment review process), and Section 2.7.3.8, Nonconformities Specifically Related to the Old Townsite (OT) Zoning District. In providing a procedure under which such relaxation of standards should be allowed, the development regulations should also spell out parameters for and conditions under which such flexibility might be provided so that applicants have an idea of what is possible and so that other property owners and residents see that adequate precautions are in place to protect area character. UDC Section 2.7.3.8.(a)

(5) currently has only general and typical language about bringing properties into compliance, protecting adjacent property owners, and ensuring public health, safety and general welfare, which still leaves much to the discretion of the Board of Adjustment.

STRATEGIC PRIORITY 3: EXPANDED FOCUS ON NEIGHBORHOODS

Most municipal governments address neighborhood-level needs across a variety of departments and functions, from public works and public safety to parks and recreation and animal control. Some cities, both from a management and resource allocation standpoint, as well as to signal their commitment to neighborhoods as the core "building blocks" of the community, choose to establish a Department of Neighborhoods or other specialized division to ensure a daily focus at the "grass roots" level.

The City of Pearland should explore this option and consider models in other Texas and U.S. cities. For example, the City of College Station, in furtherance of an action item in its 1997 Comprehensive Plan, prioritized neighborhood planning and the associated coordination of services to neighborhoods. The City currently focuses on 13 identified neighborhood planning areas with individual plans. Meanwhile, City staff oversees a variety of neighborhood-focused activities, including its Neighborhood Partnership Program, its Seminar Supper series (on such topics as neighborhood watch and block captain training through the Police Department), and the City's annual National Night Out plans. Points of contact on City staff facilitate the resolution of lingering code enforcement issues and noise and animal complaints. As summarized on the City's website:

Neighborhood Services maintains collaborative partnerships between neighborhoods, community organizations and the City of College Station. By registering your neighborhood or homeowner association with Neighborhood Services, your association is eligible for resources and assistance from the City. Associations have the opportunity to develop regular communication with staff regarding area development and City services.

The program also focuses, in particular, on leadership development and promoting the establishment or rejuvenation of neighborhood and home owner associations. An essential resource for this is a 47-page publication, *Taking Action! A Manual for Neighborhood Associations*, which, among its array of resources, includes a Neighborhood Self-Evaluation Checklist.

In its 2007 Comprehensive Plan update, the City of College Station included a plan element specifically on Neighborhood Integrity. Among its action items, this plan section recommended enhancing the Neighborhood Services function even further by:

- Establishing a single point of contact for neighborhood organizations in problem solving, and education and outreach programs to neighborhoods and residents about City services and training opportunities, which was accomplished as described above.
- Focusing on providing leadership training and assistance in capacity building for neighborhood associations.
- Tracking identity and character indicators to help identify neighborhoods in transition so that the City can allocate resources to specific areas of need.
- Enhancing the City's overall public engagement practices with additional public education and outreach, especially related to the City's development review and approval process, which was a source of frustration for neighborhoods in some cases mainly because of inadequate communication and a lack of knowledge about the process.

In recent years the City of Houston also took significant steps to focus more resources on neighborhoods. Among its priorities, the City distributes mini-grants, which is a popular initiative in many U.S. cities for engaging neighborhoods and promoting grassroots involvement and self-help actions. Local civic clubs, Super Neighborhoods, and other community organizations can compete to earn cash through an annual competition sponsored by Neighborhoods USA (NUSA). NUSA is the largest U.S. non-profit committed to neighborhoods. NUSA helps the City to evaluate applications for funding of programs or projects that meet the eligibility requirements in several categories. Significantly, Houston hosted NUSA's annual conference in 2015.

In considering the wide range of neighborhoodoriented initiatives that could be pursued, it is helpful to look to programs in other cities for ideas and inspiration given the variety of examples they can offer. Besides the City of Houston, other examples from across the country include:

City of Charlotte-Mecklenburg County (NC)
 Department of Neighborhood and Business

- Services, http://charmeck.org/city/charlotte/ nbs/.
- City of Riverside (CA) Neighborhoods Division, http://www.riversideca.gov/neighborhoods/.
- City of Seattle (WA) Department of Neighborhoods, http://www.seattle.gov/neighborhoods/.
- Hillsborough County (FL) Office of Neighborhood Relations, http://www.hitlsboroughcounty.org/index.aspx?nid=2510.

At the time of this Comprehensive Plan update, and in furtherance of several core initiatives in the *Pearland 20/20 Strategic Plan*, PEDC in 2013 had hired a new staff member who, in part, will focus on corridor revitalization efforts.

Neighborhood-Oriented Events

Examples from across the nation illustrate the multiple ways to maintain communication links to neighborhood leaders and representatives. 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. 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 major zoning cases, crime prevention activities, code compliance initiatives, etc. Some communities also host high-profile annual events focused on the interests and needs of neighborhoods including:

- The 29th annual CityLinks conference between the City of Dayton, University of Dayton and other partners, with the 2014 theme, "Moving Dayton Forward: New Ideas. New Initiatives."
 - (http://www.udayton.edu/artssciences/fitzcenter/community_progs/citylinks/)
- The annual Neighborhood Conference in Riverside, California, hosted by the City's Neighborhoods Division.
 - (http://www.riversideca.gov/neighborhoods/neighborhoods-conference.asp)
- The 11th annual Neighborhoods Conference in Hillsborough County, Florida, hosted by the County's Office of Neighborhood Relations.
- (http://www.hillsboroughcounty.org/index.aspx?NID=2999)

OTHER ACTION ITEMS

ACTION: REDEVELOPMENT INCENTIVES

As another way to encourage residential redevelopment in targeted areas, the City should consider 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, land assembly assistance, and infrastructure cost-sharing for builders and organizations that complete infill construction on vacant lots.

ACTION: ZONING INCENTIVE FOR ADDRESSING TARGETED HOUSING NEEDS

Along with potential financial mechanisms, the City should also consider ways that it can provide incentives for meeting the housing needs of specific demographics through special UDC provisions. Some development codes allow for density bonuses to reward projects that provide a variety of dwelling types such that some percentage are more affordable than current market-rate 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, some designated units may be restricted to occupancy by certain target groups (e.g., seniors, disabled, veterans, young persons/ families) and/or the units must remain available over time and multiple re-sales of the property. The regulations 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.

ACTION: ACCESSORY DWELLING UNITS

As another way to respond to demographic trends and provide another affordable "life-cycle" housing option, the City should consider providing more opportunity for accessory dwelling units beyond just the Old Townsite area – and also integrated with single-family dwellings versus only in accessory structures on a residential lot. The UDC currently allows such units only in the three subdistricts of the Old Townsite zoning district (in Section 2.4.3.4., OT, Old Townsite District), and only in an accessory structure that may not exceed a 660 square foot

footprint, and may not exceed two stories or 24 feet in height, whichever is less.

Accessory dwelling units 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 home owners. The UDC should provide a legal avenue for accessory dwelling units in more situations within Pearland. This 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 as already addressed by the UDC. To ensure their appropriate use and compatibility, accessory units can also be regulated in a variety of ways to address bulk, setback, and lot size and 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.

ACTION: MAXIMUM LOT COVERAGE RATIONALE

The City should revisit the current maximum lot coverage standards for each of its residential zoning districts to ensure that they reflect the existing and/or desired character for various areas of the community. By limiting lot coverage, the UDC already has a core element of a character-based land use planning and zoning approach. This zoning tool, along with minimum yard requirements, helps to control the extent of site area that may be covered by improvements, which also maintains open space and is particularly important where a more Suburban development character is desired (and also for storm water management purposes in some ordinances). Additionally - and fortunately - the Pearland UDC, unlike codes in some other cities, does treat lot coverage as encompassing all "impervious cover" (as defined in Section 5.1.1.1.(a)(231)) and not just building footprints. However, some of the current coverage limits raise questions including:

Why a relatively high lot coverage of 50 percent is allowed in the Residential Estate (RE) and Suburban Residential-15 (SR-15) districts when these are intended to be the least intensive

- residential districts with an Estate or Suburban development character?
- Why the coverage limit increases to 60 percent for the Suburban Residential-12 (SR-12) district another district where a less intensive Suburban character is the stated intent but then drops back to 50 percent for all the progressively more intensive Single-Family Residential districts (R-1 through 4) plus the Townhouse Residential (TH) district?
- Why some of the most intensive residential uses, as accommodated by the Multiple-Family Residential (MF) and Manufactured Home Park (MH) districts, have some of the most restrictive coverage standards 40 percent and 30 percent, respectively compared to only a 50 percent coverage limit in the least intense RE and SR-15 districts?

The City of Pearland is also to be applauded for including residential anti-monotony regulations in its UDC, in Section 2.5.6.3, which requires variation in the front facades of homes and in garage styles and locations on lots to prevent garages from becoming the "dominant visual architectural feature" across entire subdivisions. Varied front yard setbacks are also allowed.

ACTION: EVALUATE AND ELEVATE NEIGHBORHOOD DESIGN

The U.S. Green Building Council (USGBC) developed a now widely familiar building performance rating system entitled, Leadership in Energy and Environmental Design (LEED). LEED includes several categories with which to evaluate the performance of various types of buildings including New Construction, Homes, Schools, Healthcare, and Commercial Interiors. In 2007 USGBC introduced LEED for Neighborhood Development (ND) as a means of taking the green certification concept beyond individual buildings and applying it to a neighborhood context. Co-developed with the Natural Resources Defense Council and the Congress for the New Urbanism, LEED-ND takes a broad approach to neighborhood sustainability, reflecting the most current research and ideas about smart, green, sustainable and well-designed neighborhoods.

LEED-ND involves a set of measurable standards that collectively identify whether an existing or proposed development of two buildings or more can be deemed environmentally superior, considering the development's location and access, its internal

pattern and design, and its use of green technology and building techniques. These standards include prerequisites, which are required as a baseline for sustainable neighborhood development, and credits, which provide additional best practice standards for such development. LEED-ND encourages design strategies that conserve resources such as reinvesting within existing neighborhoods, cleaning up contaminated sites, protecting natural areas, and facilitating connections to the surrounding community. The LEED-ND Rating System is organized into three basic sections:

- Smart Location and Linkage (SLL): Where to Build.
- Neighborhood Pattern and Design (NPD): What to Build.
- **3.** Green Infrastructure and Buildings (GIB): How to Manage Environmental Impacts.

While actual pursuit of LEED-ND certification for a proposed development project is still relatively limited compared to other LEED certifications, another approach is to informally assess the quality of existing neighborhoods – and possibly even some proposed developments – using the LEED-ND checklist. For most neighborhoods and developments this will involve three main steps:

- 1. Evaluate the Neighborhood. Conduct an audit of a neighborhood or development using the LEED-ND categories, prerequisites and credits. Within the resource publication, A Citizen's Guide to LEED for Neighborhood Development, is a handy checklist that can be used to aid in this evaluation (and also see the simplified checklist in this section).¹¹
- 2. Focus on Strengths and Weaknesses. Identify areas where the neighborhood performs well under LEED-ND. Where it does not, solicit stakeholder input on specific needs and potential solutions or mitigation measures.
- 3. Respond with a Plan. Propose retrofits, targeted redevelopment, infrastructure improvements, or other measures that build on the neighborhood's strengths and address its weaknesses. The level of detail and effort can vary widely, from an informal list of suggestions to a detailed design and policy proposal that becomes the backbone of a neighborhood plan. If a neighborhood is already the focus of a planning effort, grass-roots participation in that process is essential to ensure that it addresses identified needs and protects neighborhood assets.

11 - A Citizen's Guide to LEED for Neighborhood Development, Natural Resources Defense Council, (<u>www.nrdc.org/cities/smartgrowth/files/citizensguide LEED-ND.pdf</u>).

Checklist for Evaluating Neighborhoods

The informal checklist below summarizes all credits and prerequisites in the LEED-ND Rating System. The checklist can be used to assess the strengths and weaknesses of a development proposal, site plan, existing neighborhood, or even a neighborhood plan or the zoning standards that apply to a particular neighborhood. The checklist can also be used as a source of potential standards and thresholds to include in plans, policies, regulations, or designs. However, this summary checklist is a simplified version of the full LEED-ND Sustainable Neighborhood Development Checklist, which offers much more detail for such efforts. The LEED-ND Rating System requires sophisticated verification of compliance with standards and, therefore, provides a much more authoritative evaluation. The complete checklist can be found in the Citizen's Guide publication cited earlier in this section.

Smart Location and Linkage

- Location
- Ecosystems and Open Spaces
- Contaminated Sites
- Transit-Accessible Locations
- Cycling Facilities
- Jobs and Housing Proximity

Neighborhood Pattern and Design

- Walkable Streets
- Compact Development
- Neighborhood Connections
- Mixed Uses
- Affordable and Diverse Housing
- Parking and Transportation Demand
- Parks and Recreation
- Universal Design
- Community Participation
- Local Food
- School Access and Design

Green Infrastructure and Buildings

- Construction Techniques
- Energy Efficiency and Conservation
- Energy Production and Distribution
- Water Efficiency and Conservation
- Stormwater and Wastewater
- Green Building Process
- Historic and Existing Building Reuse
- Heat Islands
- Recycling and Reuse
- Light Pollution



In 2010, the U.S. Department of Housing and Urban Development (HUD) announced that it would consider LEED-ND's location criteria when awarding competitive housing grants, including its Sustainable Communities Regional Planning Grants. This includes LEED-ND standards for such things as transit access, proximity to neighborhood shops and services, sensitivity to environmental features, and the amount and character of nearby development. Grant-giving organizations and agencies can use LEED ND in a similar way, incorporating standards for smart and sustainable development into their project selection process.

Regarding the Quality Neighborhood Design elements highlighted here, a related question on neighborhood quality was posted on the MindMixer

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.

online discussion forum site during a portion of the comprehensive planning process – "What specific features make certain neighborhoods in Pearland very appealing and should be done elsewhere when possible?" – with the following sampling of responses:

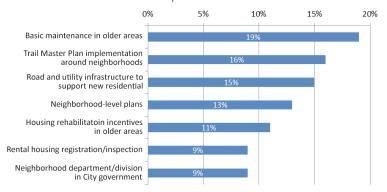
- Detention ponds used for walkways and parks
- Curb appeal (entries, winding sidewalks, green/ open spaces)
- Brick perimeter fences
- Street lights
- Pocket parks
- Walking/jogging paths and trees
- Sidewalks
- Parks and recreation connect to hike and bike trails
- More fences
- Fewer fences
- "Good neighbor" designs (amenities for interaction)
- Speed humps
- Parkways
- More gated neighborhoods

Participants in the MindMixer online discussion forum site were also asked – "What neighborhood features have you liked in other cities that should be encouraged more in Pearland when possible?" – with the following sampling of responses:

- Street maintenance in older areas
- More walking and biking spaces (sidewalks everywhere in city)
- Connectivity to uses outside of neighborhood, and to other neighborhoods
- Larger lots and no privacy fences (natural barriers versus worn fences)
- Outdoor water recreation (a real lake)
- Trees not planted under power lines to avoid future trimming
- Complete Streets (for cyclists and older residents, and also more attractive)
- Protecting against certain business types (payday loans, pawn shops)
- Large City-issued trash bins on wheels (versus use of trash bags)

■ Trees (more planting and transplanting in new developments)

Inaninformal polling exercise during a Comprehensive Plan Advisory Committee meeting, committee members were asked, "The most important nearterm action items from this Comprehensive Plan related to housing and neighborhoods should be [with the opportunity to select three]?" The resulting distribution of responses was:



A similar question was posted on the MindMixer online discussion forum site during a portion of the comprehensive planning process – "What actions are needed to ensure that Pearland's older neighborhoods remain appealing and successful?" – with the following sampling of responses:

- Keep them safe
- Keep high-level amenities
- Retain nice old people
- Zoning laws or something similar
- Limit trashy businesses in downtown encourage nice small businesses
- Don't let the "riff raff" in
- Keep property taxes high
- More community development
- Sidewalks, curbs and street lights
- Maintenance of common areas
- Upkeep and maintenance laws
- Deed restrictions
- Infrastructure updating
- Active civic clubs (where there is no Home Owners Association)

Housing and Neighborhoods Tools

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 condition.

AVAILABLE MUNICIPAL TOOLS

As a home rule municipality, the City of Pearland has various authorities and means for spurring and shaping the extent, location, form and quality of residential development. Summarized in **Table 4.5**, **Tools for Advancing Housing and Neighborhoods Objectives**, are key mechanisms through which Pearland is already pursuing its objectives related to the variety and affordability of local housing options, and the desirability and sustained appeal of both new and older established neighborhoods. These tools are shown in five categories that represent the main ways that comprehensive plans are implemented:

- 1. Capital investments.
- 2. Policies and programs.
- 3. Regulation and standards.
- 4. Partnerships and coordination.
- More targeted planning (especially as required to qualify for external funding opportunities).

Given its size and the resulting level of sophistication of its municipal government, Pearland benefits from activities that are done here routinely relative to smaller cities with lesser means and capabilities – and compared to some larger cities with limited will or support to take certain actions. Along with the strategic priorities and other actions outlined in this plan section, it is important to capture in the Comprehensive Plan those ongoing functions of City government, such as those highlighted in Table 4.5, that will also help to attain the vision and goals within this plan.

TABLE 4.5, Tools for Advancing Housing and Neighborhoods Objectives

Tool	Pearland Examples					
1001						
	Overall Framework for Housing and Neighborhoods Focus					
Long-Range Planning	Comprehensive Plan » Land Use Plan (areas for various housing types)					
Strategic Planning	Pearland 20/20 Strategic Plan					
	Capital Projects					
Multi-Year Programming and Budgeting	Capital Improvements Plan (CIP) New/upgraded fire stations for better coverage Street/infrastructure rehab in older neighborhoods Park and trail projects					
	Policies and Programs					
Municipal Policies	Property tax and utility rates					
Special Initiatives	 Neighborhood-oriented policing and volunteer watch Code compliance Railroad "quiet zones" 					
Special Districts	 Municipal Management Districts Tax Increment Reinvestment Zones (TIRZ) Municipal Utility Districts (MUDs) 					
	Regulations and Standards					
Land Development Regulations	 Unified Development Code (UDC) Areas zoned for various housing types and mixes Residential density (minimum lot size) and intensity (maximum coverage) provisions Nonresidential compatibility near residential Planned Development and Cluster Development Plan options Subdivision design standards Parkland dedication and fee-in-lieu provisions 					
	Partnerships and Coordination					
Public/Public	 Pearland Economic Development Corporation Old Townsite and redevelopment focus School districts Texas Department of Housing and Community Affairs U.S. Department of Housing and Urban Development (HUD), Community Development Block Grant (CDBG) funding Use of CDBG funds in targeted areas (housing rehab/repair, code compliance) 					
Public/Private	 Private property owners and land development, real estate and lending communities Development agreements Insurance Services Office (insurance costs based on community ISO rating) Advocacy and resource organizations Homeowner associations Civic/neighborhood groups (e.g., Keep Pearland Beautiful) Neighborhoods USA U.S. Green Building Council 					
	Targeted Planning					
Special-Area Planning	Corridor and district plans (Lower Kirby, SH35, Old Townsite)					
City Master Plans	Parks and Recreation, TrailsWater, Wastewater, DrainageHUD-required plans and reports					

Housing-Related Findings from Community Benchmarking Data

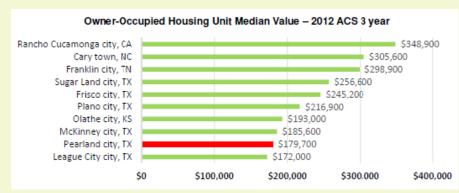
During 2014, the City of Pearland commissioned a "benchmarking" study that compared the city to nine other peer communities in Texas and the U.S. (as shown in the charts on this page) in terms of various types of quantitative indicators. The benchmarking data showed that, in fiscal year 2013-14, residential land uses accounted for 72.1 percent of the total taxable value of all real property in Pearland (which had just exceeded \$7 billion). This was relative to a high mark of 81.9 percent of total taxable value within residential properties in nearby League City and a low of 50.6 percent in Franklin, Tennessee.

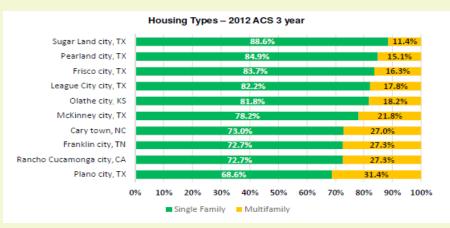
Building upon the knowledge that much of Pearland's housing stock is relatively new, the benchmarking data confirmed that Pearland ranked third highest among the 10 communities in the percentage of housing constructed since 2000 (51.7 percent). In fact, along with the Texas cities of Frisco and McKinney, Pearland was among the three communities in which the majority of all housing had been built since 2000.

For both established residents and newcomers to Pearland, the benchmarking data also showed that those seeking homes could choose from an extensive inventory that remained relatively inexpensive through 2012. At that time Pearland had the second lowest median value of owner-occupied housing units (\$179,000) among the 10 comparison communities. The median value exceeded \$200,000 in six of the 10 cities, with two exceeding \$300,000 (Rancho Cucamonga, California, highest at \$348,900).

Finally, the Benchmarking data confirmed that, based on housing market data through 2012, Pearland had the second smallest share of multi-family residential (15.1 percent) among the 10 comparison communities.

Pearland officials and citizens are particularly interested in ensuring residential quality and values in their community. They are rightly concerned if the benchmarking comparisons suggest that Pearland's housing may be too "affordable" and whether local housing stock will hold its value over time. Leaders and residents are also keenly focused on the appropriate amount of multi-family housing to allow. In keeping with the "best use of remaining land" theme that runs throughout this new Comprehensive Plan, the Cost of Growth/Land Use Study recommended in the Growth Capacity and Infrastructure section (Strategic Priority 1) will be an important next step for better understanding the tax base and cost-ofservice implications for Pearland under varying scenarios of residential land use (housing types and form, lot sizes, lot and improvement values, age and value of older housing and renovated homes, etc.).





NOTE: All data is from the report Benchmarking 2014 - Pearland, Texas (prepared by CDS Market Research, November 2014). The report documents the sources of data used in particular charts and community comparisons.

