



**U.S. Department of Housing and Urban Development  
Community Planning and Development**

**Pathways to Removing Obstacles to Housing  
(PRO Housing)  
FR-6700N-98**

**October 30, 2023**

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# Exhibit A: Executive Summary

## City of Killeen, TX



## Executive Summary

The City of Killeen and its partners are pleased to submit this proposal to remove barriers to affordable housing in Killeen, Texas. Killeen is requesting \$10,000,000 in PRO Housing grant funds to support the implementation of a comprehensive housing strategy for addressing local housing needs. While Killeen is listed as a non-priority city [MOU1], this U.S. Department of Housing and Urban Development (HUD) PRO Housing grant should be awarded based on current and city conditions that indicate a strong need for a grant award to fund home repairs, plan for future population growth as a military base city close to the capital city of Austin, and prevent the displacement of residents from a lack of affordable housing options. Waiting until Killeen's affordability challenges are more severe will not only leave behind our most vulnerable residents, it will increase the cost of and magnitude of reversing a larger, avoidable crisis.

Killeen's homeowners and renters experience severe cost burdens and overcrowding. Killeen has experienced a significant growth in population in the last decade that is projected to grow by approximately 20-30% in the next decade, which will outpace the city's affordable housing stock and exacerbate Killeen's current housing issues. Cost burden and overcrowding are disproportionately affecting low-income households, seniors, and veterans. The HUD PRO Housing grant would help the city plan and prepare for increasing population, creating units to mitigate future affordable housing shortages, prevent displacement of current residents, and increase affordable housing stock for low-income households.

The city is committed to addressing the anticipated shortage of affordable housing through a high-quality, multi-faceted approach that will increase production and preservation of affordable housing across Killeen and alleviate cost-burden for low- to moderate-income households. Through this proposal, the City of Killeen aims to expand access to areas of opportunity for vulnerable communities, adopt reforms to increase the city's affordable housing supply, and create policies and incentives that preserve existing affordable units. This proposal includes the following strategies:

- **Comprehensive Housing Strategy:** Develop a comprehensive housing strategy and 10-year plan to address local affordable housing needs.
- **Owner-Occupied Rehabilitation:** Relaunch the city's owner-occupied rehabilitation program in North Killeen.
- **Affordable Rental Housing Development/Preservation Fund:** Establish an affordable rental development and preservation fund to support affordable housing initiatives.
- **Anti-Displacement Strategies:** Implement anti-displacement strategies to mitigate the effects of gentrification.
- **Fair Housing Assessment:** Conduct a fair housing assessment to promote equitable access to affordable housing.
- **Blight Mitigation/Demolition:** Implement a blight mitigation program to reduce neighborhood blight and increase quality of life for residents in close proximity.

This proposal responds to the identified barriers, including gaps in available resources for development, deteriorating/inadequate infrastructure, and challenges to housing preservation. The city believes that affordable housing investments will have a positive economic impact on Killeen and stabilize our community. With a PRO Housing grant award, we will make a

significant impact in addressing our residents housing needs. This proposal will deliver the following outcomes in accordance with HUD’s strategic goals to:

- Support underserved communities
- Ensure access to and increase production of affordable housing
- Promote homeownership
- Advance sustainable communities

Importantly, the program will give particular focus to census tracts with concentrations of households experiencing cost-burden, owner-occupancy rates that fall below 25%, high concentrations of lower-income individuals and families, and census tracts in North Killeen (a lower-income area) and Downtown Killeen (high vacancies area).

# Exhibit B: Threshold Requirements and Other Submission Requirements City of Killeen, TX



## Resolution of Civil Rights Matters

The City of Killeen does not have any active or pending cases or violations involving Civil Rights Matters. The City of Killeen does not have any active or pending systemic violations of the Fair Housing Act, or a receipt of cause determination from substantially equivalent state or local fair housing law proscribing discrimination because of race, color, religion, sex (including sexual orientation and gender identity), national origin, disability, or familial status.

The City of Killeen is not a defendant in a Fair Housing Act lawsuit filed by the United States alleging a pattern or practice of discrimination or denial of rights to a group of persons raising an issue of general public importance under 42 U.S.C. 3614(a).

The City of Killeen reached an Americans with Disabilities Act settlement with the U.S. Department of Justice (DOJ) and is not currently involved in any other lawsuit filed or joined by DOJ. Please see the letter below to contact the DOJ for more information about the specifics of the settlement.



### U.S. DEPARTMENT OF JUSTICE - CIVIL RIGHTS DIVISION

For information concerning the status of the American with Disabilities Act Settlement Agreement between the City of Killeen and the Department of Justice, please contact:

Beth A. Esposito  
Trial Attorney  
U.S. Department of Justice  
Civil Rights Division  
Disability Rights Section  
(202) 598-5998 cell  
(202) 305-9775 fax  
[beth.esposito@usdoj.gov](mailto:beth.esposito@usdoj.gov)

The City of Killeen is not currently involved in any violations alleging a pattern or practice or systemic violation of Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974, Violence Against Women Act, or a claim under the False Claims Act related to fair housing, non-discrimination, or civil rights generally including an alleged failure to affirmatively further fair housing. Further, the City of Killeen has not received a letter of findings identifying systemic non-compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Section 109 of the Housing and Community Development Act of 1974; Violence Against Women Act; or the Americans with Disabilities Act. Further, the City of Killeen has not received a cause determination from a substantially equivalent state or local fair housing agency concerning a systemic violation of provisions of a state or local law prohibiting discrimination in housing based on sexual orientation, gender identity, or lawful source of income.

### **Other Submission Requirements**

#### **Standard Form 424 (SF-424) Application for Federal Assistance**

The City of Killeen has completed the SF-424 form required to apply for Federal assistance programs, discretionary Federal grants, and other forms of financial assistance programs. We completed this form and all other required forms and information as directed in this Notice of Funding Opportunity (NOFO).

#### **Assurances (HUD 424-B)**

If selected to receive an award, the City of Killeen will comply with U.S. statutory and other requirements, including, but not limited to civil rights requirements. We will submit to HUD assurances of compliance with federal civil rights requirements.

#### **Code of Conduct**

If selected to receive an award, the City of Killeen will submit a written code of conduct that complies with the requirements included in the “Conducting Business in Accordance with Ethical Standards” section of the Administrative, National and Department Policy Requirements and Terms for HUD Financial Assistance Awards, as well as any program-specific requirements.

#### **Affirmatively Furthering Fair Housing**

If selected to receive an award, the City of Killeen will discuss how we will carry out the proposed activities in a manner that affirmatively furthers fair housing in compliance with the Fair Housing Act and its implementing regulations, and how we will meet the requirements of the definition of AFFH at 24 CFR 5.151.

#### **Physical Accessibility.**

The City of Killeen will ensure in-person meetings are held at facilities that are physically accessible to persons with disabilities.

#### **Environmental Review**

The City of Killeen complies with environmental justice requirements as set forth in HUD’s regulations at 24 CFR parts 50 and 58, which implement the policies of the National Environmental Policy Act (NEPA) and other environmental requirements.

# Exhibit C: Need City of Killeen, TX



## **Narrative Response**

The City of Killeen is committed to overcoming local barriers that hinder affordable housing production and preservation and avoiding a citywide affordability crisis. The city has a continuing goal to develop affordable housing that meets the acute need for households with incomes below 100 percent of area median income.

This comprehensive application clearly defines the City of Killeen's critical need for more affordable housing and describes our efforts to identify and address key barriers, including land-use regulations, permitting, and related procedural issues that have contributed to insufficient affordable housing in Killeen. An explosive population growth in recent decades and ongoing need to create affordable housing for active Veterans have contributed to an affordable housing shortage. As of September 2023, the City of Killeen has 747 affordable housing units. This includes housing for individuals, families, and seniors. Nearly 350 affordable housing units are needed annually to keep up with demand.

Removing barriers to allow for assistive housing in more places is critical. Improving zoning and permitting to facilitate the construction of more units citywide frees up older housing stock to be redeveloped into supportive housing. A North Killeen Revitalization program provides permitting fees and can waive certain permits requirements if you are located in the geographic area. The 2022 Comprehensive Plan addresses future land use and zoning with a general focus on neighborhoods.

In 2017, according to Killeen's Consolidated Strategic Plan, 2020-2024, the Killeen Housing Authority converted half (75) of its 145 units to the HUD Rental Assistance Demonstration (RAD) program. The RAD program helps to alleviate the loss of more than 10,000 units annually due to the \$26 billion backlog on 1.2 million public housing units nationwide. The Killeen Housing Authority (TX079) combined HUD Public Housing funding with RAD and Housing Tax Credits to improve affordable housing opportunity in Killeen. Units at the Moss Rose community were not environmentally sound for rehabilitation due to location within 50 feet of the center of an active railroad track [noise] within the flood plain. The housing authority and Developer Housing Solutions Alliance, Inc. purchased land on the east side of Killeen near quality schools, employment opportunities, medical services, transportation, grocery, and retail. The units remain fully occupied and have converted from RAD rent to the Housing Tax Credit rent structure and the units have project-based vouchers, according to the Consolidated Strategic Plan 2020-2024.

In the Housing Tax Credit application cycle (2020), the housing authority and developer took necessary steps to submit and receive approval for the listing of Moss Rose Homes housing complex (the previous public housing unit property) and High View Homes housing complex (the remaining public housing units) as Federal and State Historic Districts. The High View Homes complex was also approved for Housing Tax Credits and Historical Tax Credits to be used for substantial rehabilitation of the 70 units. The most immediate needs of residents of public housing are now considered the needs of very low and extremely low- income persons due to the RAD conversion which include, decent, affordable housing units near transportation, employment, medical services, grocery, and retail services.

Single member (family) renter households outnumber the single-family owner households by four times with single family owner household being only 24% of the combined total of 955 households. The household totals are primarily equal in each income category with exception to Extremely Low Income (ELI) households who have income calculated at 0% to 30% of the area median income at 17% (130 of 770) of the total single member renter households.

Owner single-family households have a higher concentration of ELI and Very Low Income (VLI) households totaling 68% (125/185) of the total single member owner households with 35% (65) of those having 0% to 30% (ELI) of the area median income (AMI) and 32% (60) having  $\geq$ 30% to 50% of the AMI. This likely indicates that renter households are younger households below age 62 and the owner households are more likely to be widowed adults beyond age 62 and are living in the housing unit purchased when originally establishing residence in Killeen, according to the Consolidated Strategic Plan, 2020-2024.

Housing assistance varies among owners and renters with renter households likely needing financial assistance with payment of rent and utilities vs. owner households needing housing assistance in basic maintenance and upkeep particularly households with annual income at or below 80% of the AMI. As of December 2019, the housing authority continued to administer a small number of Housing Choice Vouchers/ Section 8 vouchers. Initially authorized 84 tenant-based vouchers, the HA manages “port-ins” whereby a family is authorized a voucher from some other HA [inside/outside of Texas] and receives a small management fee from the issuing HA for ensuring program compliance associated with inspections and annual verifications, according to the Consolidated Strategic Plan, 2020-2024.

As noted in the Consolidated Strategic Plan, the most common housing problems experienced by both owners and renters in Killeen is severe cost burden and overcrowding. Renter households have as much as 81% (625) households of all income levels being over crowded with 1.01-1.5 persons per room. Of those most affected with severe cost burden are renters in the ELI and VLI income categories or 0%-30% AMI (2,490) and >30% to 50% AMI (1,255). These housing problems are most common among persons who are currently experiencing homelessness and are likely to play a major factor in placing households in the at risk of homelessness category, according to the Consolidated Strategic Plan, 2020-2024.

While Killeen is considered affordable when it comes to owning a home, the wages paid by employers who are primarily 'service oriented' businesses like food and retail chains do not pay well enough to pay for homeownership. This results in pushing owners to other employers east of Killeen to I-35 and north and south on the I-35 corridor from Waco to Austin. Lower income individuals and families make Killeen their home because of more affordable rental housing but many units are not in desirable location in the city, near grocery and retail, and there are not enough housing vouchers for the need, so families end up living in units they can barely afford then drive to the south side of town for groceries, entertainment, and retail, according to the Consolidated Strategic Plan, 2020-2024.

### **Ongoing Acute Affordable Housing Need**

Like many cities across the U.S., Killeen, Texas lacks affordable housing and housing production is not meeting the city’s acute demand for an increasing population. Killeen, Texas, located in

Bell County, is 55 miles north of Austin, 125 miles southwest of Dallas, and 125 miles northwest of San Antonio. Also, Fort Cavazos is located in proximity to city limits, making Killeen a place for service members to live and commute to the base. Between 1980 and 2020, the city's population grew from 49,307 people to 153,095 people, making it the 17<sup>th</sup> most populous city in Texas. The city's population is projected to grow annually to reach between 185,000 and 203,000 by 2040, according to the 2022 Comprehensive Plan for the City of Killeen, Texas.

### *City Demographics and Impacts on Affordable Housing*

#### *Killeen, TX Census Data - Housing Burden<sup>1</sup>*

- 30.2% of Killeen's households living in housing units with a mortgage pay more than 30% of their income for housing.
  - 10.9% of Killeen's households living in housing units without a mortgage pay more than 30% of their income for housing.
- 60.2% Killeen's households living in rental properties pay more than 30% of their income for housing.

#### *Killeen, TX Census Data – Financial Characteristics<sup>2</sup>*

- Median gross rent is 33.7% of household income Killeen, TX.
- 61.09% of Killeen's households between 15 and 24 years old pay more than 30% of their income for housing.
- 59.82% of Killeen's households between 25 and 34 years old pay more than 30% of their income for housing.
- 50.67% of Killeen's households between 35 and 64 years old pay more than 30% of their income for housing.
- 76.41% of Killeen's households between 65 years old or older pay more than 30% of their income for housing.

According to the 2022 Comprehensive Plan (based on 2020 American Community Survey data), Killeen has 62,287 total housing units and 2,996 new units are needed each year. (Freddie Mac 2020). About 350 new affordable housing units are needed each year. One option, noted in the city's 2022 Comprehensive Plan, is to allow more units to be built on existing properties already served with infrastructure. Despite the clear need for more housing, only 277 permits have been issued in 2023 (as of April), indicating a slow response from the market to address Killeen's growing demand. This shortage has contributed to increased rental prices.

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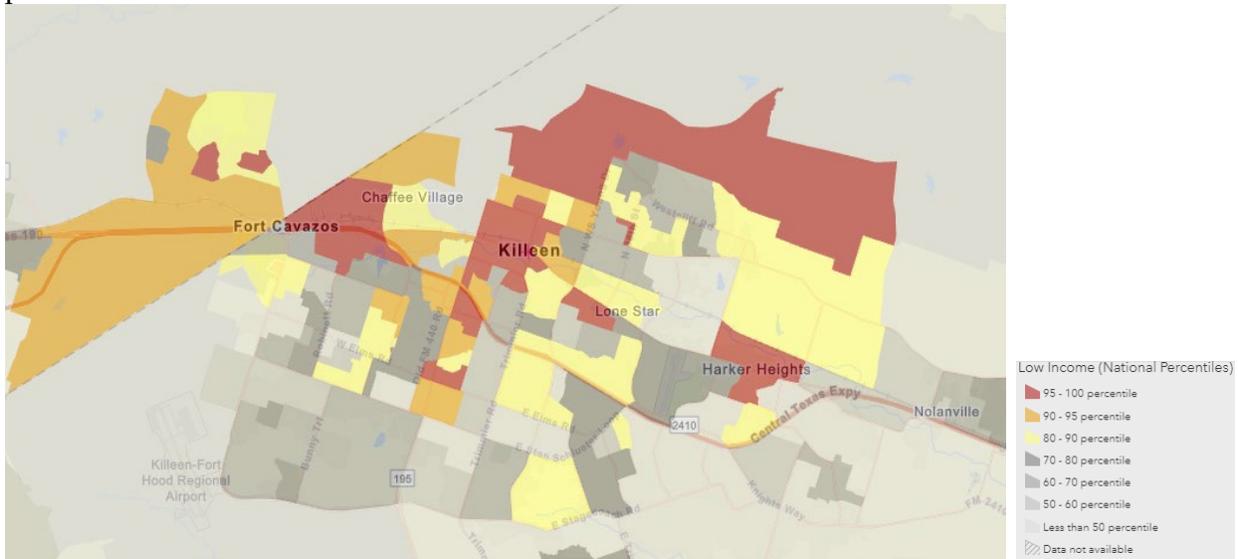
<sup>1</sup> DP04 Owner/Renter Characteristics - 2022 ACS 1-yr Estimates. (n.d.). Data.census.gov. Retrieved September 18, 2023, from

[https://data.census.gov/table?t=Owner/Renter+\(Householder\)+Characteristics&g=160XX00US4839148&tid=ACSDP1Y2022.DP04](https://data.census.gov/table?t=Owner/Renter+(Householder)+Characteristics&g=160XX00US4839148&tid=ACSDP1Y2022.DP04)

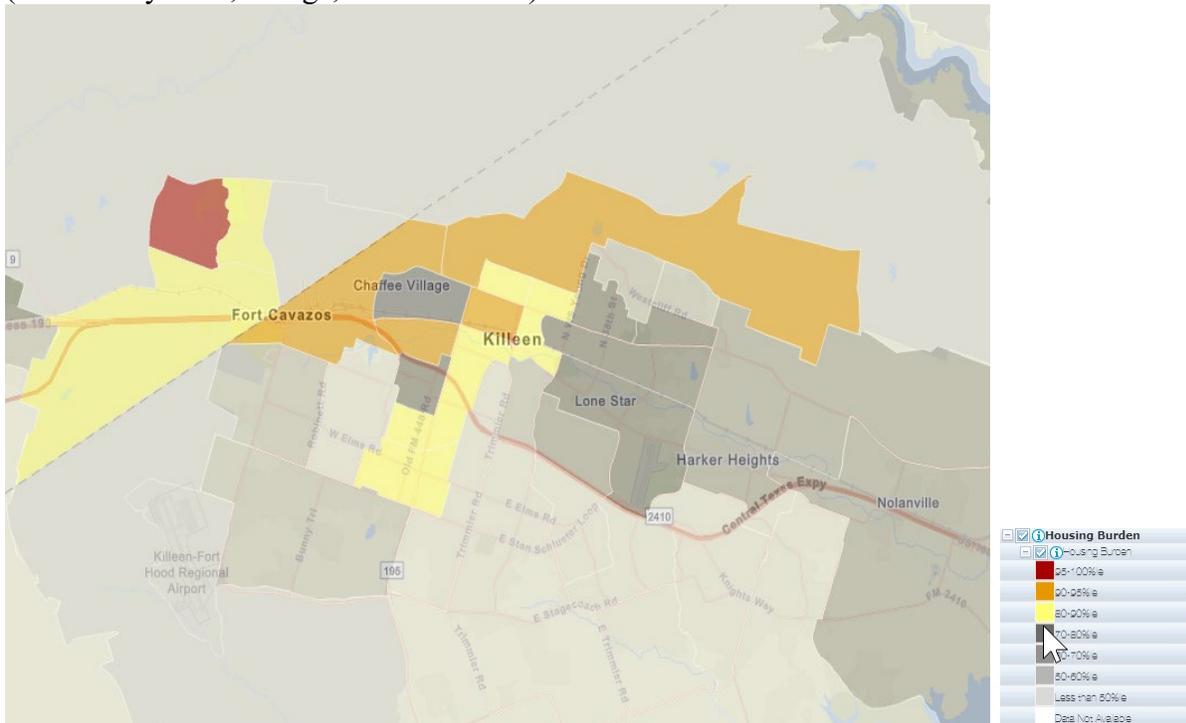
<sup>2</sup> B25072 Financial Characteristics - 2022 ACS 1-yr Estimates. (n.d.). Data.census.gov. Retrieved September 18, 2023, from

<https://data.census.gov/table?t=Financial+Characteristics&g=160XX00US4839148&tid=ACSDT1Y2022.B25072>

The map below shows Killeen, TX. Census tracts shown in red are within the 5% lowest income tracts in the United States. Areas shown in orange are within the 90<sup>th</sup> to 95<sup>th</sup> percentile of the lowest-income tracts in the United States. Areas shown in yellow are within the 80<sup>th</sup> to 90<sup>th</sup> percentile of the lowest-income tracts in the United States.<sup>3</sup>



Much of Killeen experiences a housing burden greater than 80% of United States Census Tracts. (Shown in yellow, orange, and red below).<sup>4</sup>



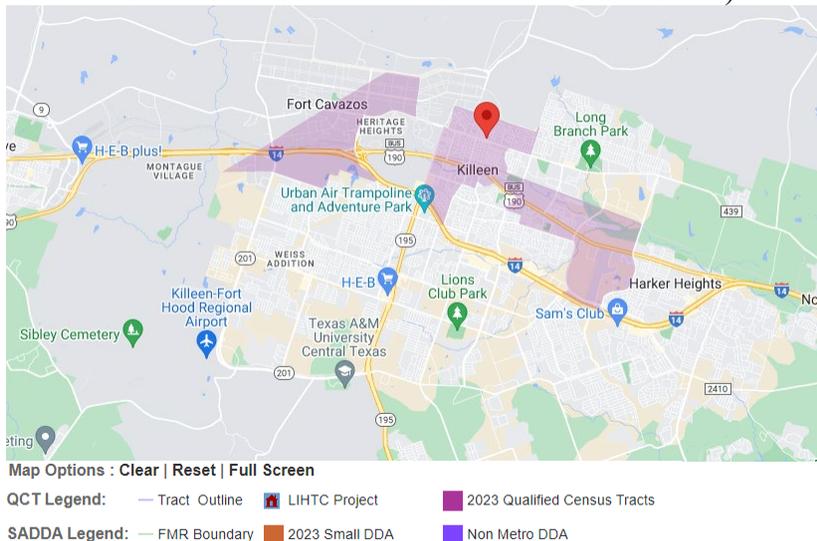
<sup>3</sup> Environmental Protection Agency. (n.d.). EPA Environmental Justice Screening Tool. EPA. Retrieved September 18, 2023, from <https://www.epa.gov/ejscreen>.

<sup>4</sup> *Ibid.*

The map below is provided as context to show the population density within census tracts in Killeen, TX.<sup>5</sup>



Six census tracts are Qualified Census Tracts for LIHTC (to qualify, a census tract must have 50% of its households with incomes below 60% of the AMGI).<sup>6</sup>



Bell County, TX – Census Tracts Qualified Census Tracts for LIHTC:

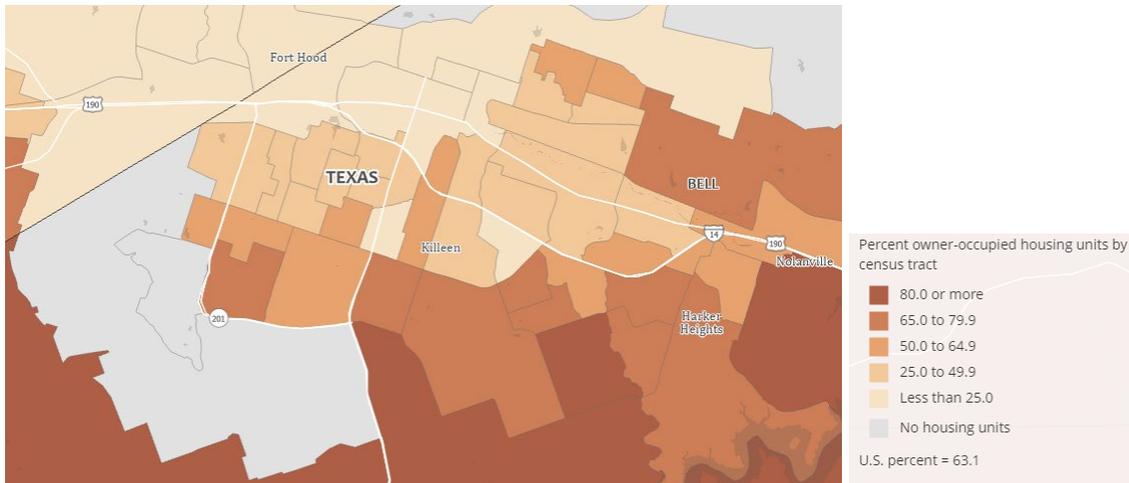
- 223.00 – Population 3,811
- 226.00 – Population 4,242
- 228.01 – Population 2,653
- 229.00 – Population 3,649
- 232.02 – Population 4,915
- 235.00 – Population 2,149
- TOTAL: 21,419**

Several Census Tracts in Killeen have owner-occupancy rates below 25%, and nearly all of Killeen’s census tracts have owner-occupancy rates below the national average of 63.1%.<sup>7</sup>

<sup>5</sup> U.S. Census Bureau. (2021). 2020 Census Demographic Data Map Viewer - Story Map Series. Census.gov; United States Government. <https://mtgis-portal.geo.census.gov/arcgis/apps/MapSeries/index.html?appid=2566121a73de463995ed2b2fd7ff6eb7>

<sup>6</sup> U.S. Department of Housing and Urban Development. (2023, January 1). 2022 and 2023 Small DDAs and QCTs | HUD USER. Wwww.huduser.gov; United States Government. [https://www.huduser.gov/portal/sadda/sadda\\_qct.html?locate=48027022900](https://www.huduser.gov/portal/sadda/sadda_qct.html?locate=48027022900)

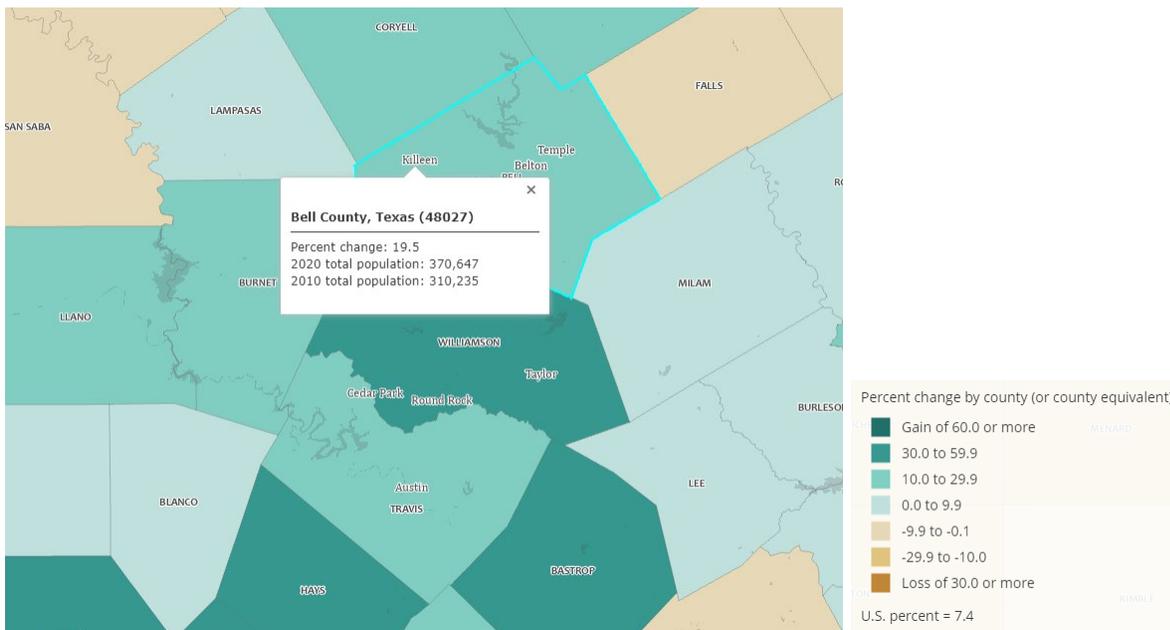
<sup>7</sup> U.S. Census Bureau. (2021). 2020 Census Demographic Data Map Viewer - Story Map Series. Census.gov; United States Government. <https://mtgis-portal.geo.census.gov/arcgis/apps/MapSeries/index.html?appid=2566121a73de463995ed2b2fd7ff6eb7>



| Bell County, TX – Census Tract Number | Percent owner Occupied Housing |
|---------------------------------------|--------------------------------|
| 231.10                                | 16.2%                          |
| 224.05                                | 18.3%                          |
| 226                                   | 21.3%                          |
| 229                                   | 24.1%                          |
| 235                                   | 18.1%                          |
| 232.01                                | 0.2%                           |

Bell County, in which Killeen is located, has experienced a nearly 20% population increase in the between 2010 and 2020. Neighboring Williamson County’s population has increased by 44.1% in the same time period. As the Austin metropolitan area expands, neighboring counties like Bastrop (+31.1%) and Hayes (+53.4%) continue to grow as

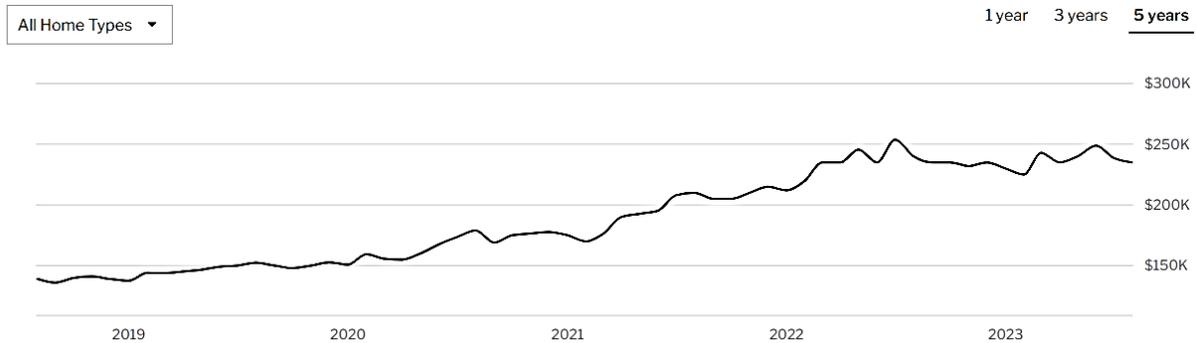
well.<sup>8</sup> As this growth trend continues, Killeen’s population is expected to outpace its affordable housing stock.



[f6eb7](#)

<sup>8</sup> *Ibid.*

According to MLS data collected between January 2019 and August 2023, Killeen’s median home purchase price increased 67% in just 4.5 years.<sup>9</sup> During the same period, the median home purchase price in the US only 33%.<sup>10</sup> During the same period, median household income in Killeen increased by only 12%.<sup>11</sup>



Based on Redfin calculations of home data from MLS and/or public records.

While Killeen has recently been touted as an affordable location, its current median sales price is projected to grow to roughly \$20,000 in the next year to \$271,542.<sup>12</sup> The monthly cost of home ownership with a mortgage (P&I only) in Killeen will rise to \$1,500 – a rate only affordable (based on 30% housing burden) to households earning \$60,000 or more annually.<sup>13</sup> In the past decade, the median household income in Killeen, has effectively decreased by 2% from \$43,074 in 2012 dollars, which is equivalent to \$55,680 in 2022 dollars to \$54,529 in 2022 dollars according to 2022 ACS 1-year estimates.

| Rank | Metro Area  | Median Sale Price | Days to Pending | 1-Year Growth Forecast |
|------|-------------|-------------------|-----------------|------------------------|
| 1    | Killeen, TX | \$252,833         | 18              | 7.4%                   |

<sup>9</sup> Killeen Housing Market: House Prices & Trends | Redfin. (2023, August). Wwww.redfin.com. <https://www.redfin.com/city/9939/TX/Killeen/housing-market>

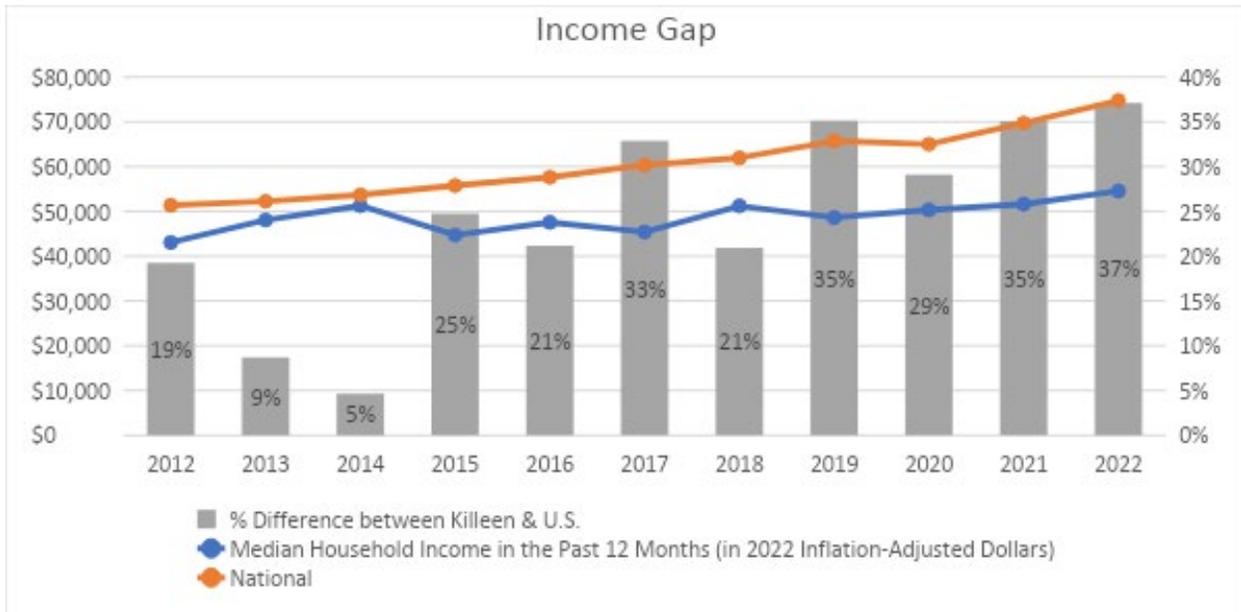
<sup>10</sup> FRED. (2023, August). Median Sales Price of Houses Sold for the United States.

Stlouisfed.org; United State Federal Reserve. <https://fred.stlouisfed.org/series/MSPUS>

<sup>11</sup> Median Household Income in the Past 12 Months (in 2022 Inflation-Adjusted Dollars) - 2022 ACS. (n.d.). Data.census.gov; United States Government. Retrieved September 18, 2023, from <https://data.census.gov/table?q=median+household+income&tid=ACSDT1Y2022.B19013>

<sup>12</sup> DeJohn, J. (2023, September 5). Best Housing Markets for First-Time Homebuyers – 2023 Study - SmartReads by SmartAsset. Smartasset.com. <https://smartasset.com/data-studies/best-places-first-time-homebuyers-2023>

<sup>13</sup> Median Household Income in the Past 12 Months (in 2022 Inflation-Adjusted Dollars) - 2022 ACS. (n.d.). Data.census.gov; United States Government. Retrieved September 18, 2023, from <https://data.census.gov/table?q=median+household+income&tid=ACSDT1Y2022.B19013>

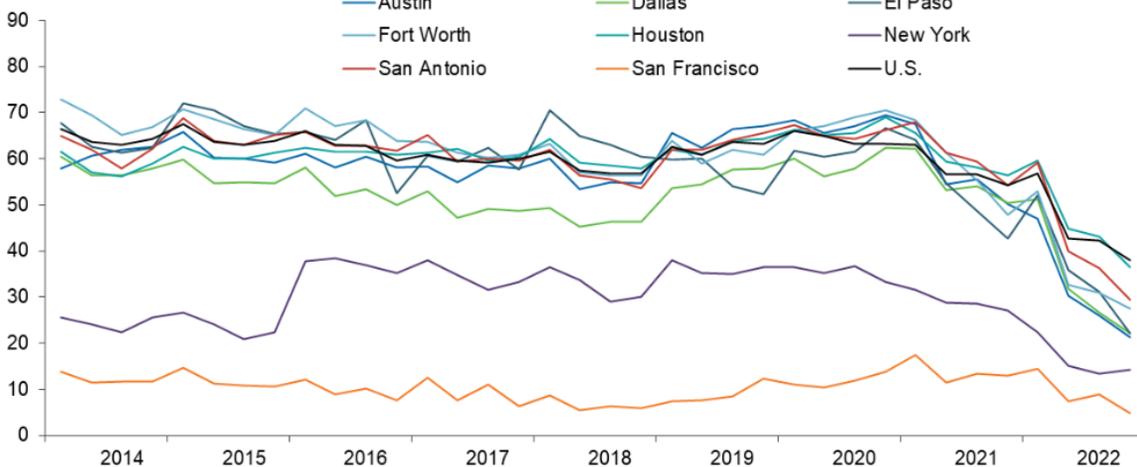


Throughout Texas, housing affordability is declining.<sup>14</sup> With mortgage origination rates soaring over 7% at the same time that Killeen’s housing prices are expected to rise by 7.9%, the city’s accolades as affordable will experience a pendulum swing in the opposite direction.

**Chart 2**

**Texas metros' housing affordability falls during pandemic, dropping below national average**

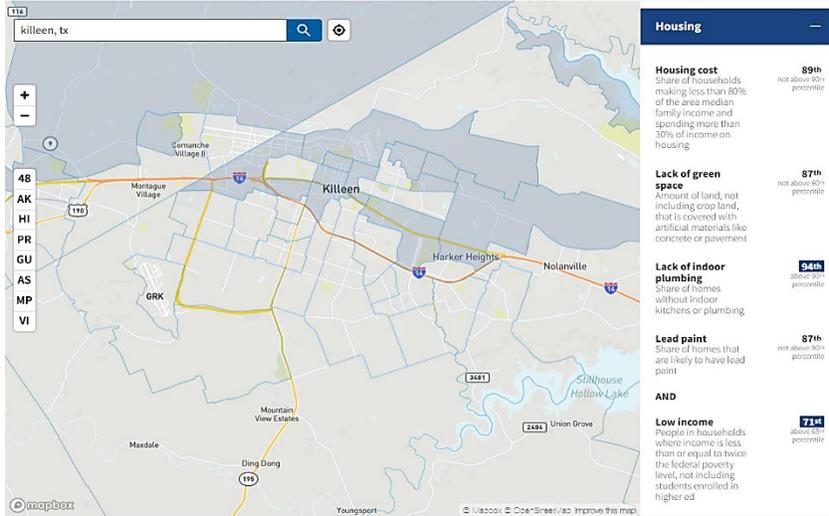
Share of affordable homes (percent)



NOTE: The Housing Opportunity Index measures the share of homes sold in an area that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.  
SOURCE: National Association of Home Builders/Wells Fargo Housing Opportunity Index.

Federal Reserve Bank of Dallas

<sup>14</sup> Federal Reserve Bank of Dallas. (2023, April 21). Texas’ cheap housing edge slipping away as resilient demand outpaces supply. [www.dallasfed.org](https://www.dallasfed.org/research/swe/2023/swe2304); Federal Reserve Bank of Dallas. <https://www.dallasfed.org/research/swe/2023/swe2304>

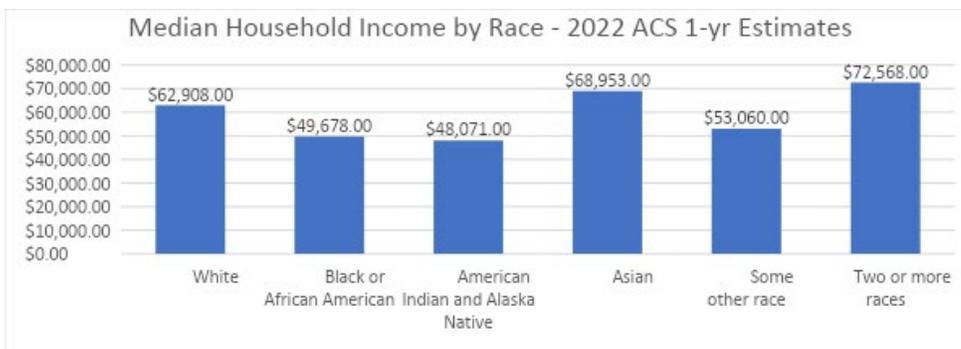


*Killeen, TX Census Data – Income and Poverty*<sup>16</sup>

- 10% of Killeen’s residents live below 50% of the federal poverty level.
- 18.4% of Killeen’s Population lives below the federal poverty level.
  - 27.8% of individuals under the age of 18 live below the federal poverty level in Killeen.
  - 21.3% of females live below the federal poverty level in Killeen.
  - Even though individuals who identify as Black or African American make up only about 40% of Killeen’s population, 60% of them live below the federal poverty level.

| RACE AND HISPANIC OR LATINO ORIGIN | PCT Pop | PCT Poverty |
|------------------------------------|---------|-------------|
| White alone                        | 33.37%  | 23.12%      |
| Black or African American alone    | 39.82%  | 60.33%      |
| Some other race alone              | 13.09%  | 9.29%       |
| Two or more races                  | 13.72%  | 7.26%       |

- 25% of Killeen’s residents live below 125% of the federal poverty level (FPL).
- 31% of Killeen’s residents live below 150% of FPL.
- 45% of Killeen’s residents live below 90% of Median Household Income.
- 59.3% of Killeen’s residents live below 80% of MedianHousehold Income.



<sup>15</sup> United States Environmental Protection Agency. (2023). Climate and Economic Justice Screening Tool. Geoplatform.gov. <https://screeningtool.geoplatform.gov/en/#11.77/38.8412/-104.8178>

<sup>16</sup> S1701 Income & Poverty - 2022 ACS 1-yr Estimates. (n.d.). Data.census.gov. Retrieved September 19, 2023, from <https://data.census.gov/table?t=Income+and+Poverty&g=160XX00US4839148&tid=ACSST1Y2022.S1701>

## **Addressing Needs and Barriers to Create Affordable Housing**

Multiple barriers must be addressed to produce and preserve more affordable housing in Killeen. A major affordable housing challenge in Killeen is access to funding. Killeen gets \$1.2M in Community Development Block Grant Programs (CDBG) and \$600,000 in HOME this year. General Fund dollars are not available to work towards major projects. The absence of a plan for affordable housing makes it difficult to meet increasing resident needs. Rent is not affordable. Housing cost burden isn't being recognized and mitigated. The most recent development, Station 42 with City employees, is not affordable for those to live there.

Tax credits exit out of eligibility and there is no preservation. The Killeen Housing Authority, <https://www.killeenha.org>, cannot develop new units. Since Tiffanie McNair's arrival as Executive Director of Community Development, there have only been 2 owner-occupied rehabs. They cost under \$40,000 each, also \$1.7 million in HOME for a current development for 80 units (8 are market rate). TDC at \$23 million. There is also, as previously noted, an ongoing homelessness challenge. The housing authority doesn't have available units to house the unhoused. The city does not have a Fair Housing Center.

The Avante Project is in the LIHTC pipeline—senior development (80 units mentioned above). Public Works — water lines were clay and they are starting to collapse and need to be rebuilt. This would be in the North End and would need infrastructure funding. Data shows that the cost of living in Killeen with housing, gas, food, and other estimates, sits at about \$1,400 a month.

The state average in Texas is more than double. The Housing Affordability Index in Killeen is 161, according to the 2022 Comprehensive Plan. An index greater than 100 indicates that homes are affordable. An HAI below 100 indicates homes are less affordable and median income is insufficient to purchase a home with a median value. Based on 2022 American Community Survey data, 40% of Killeen residents own their homes and 60% rent. Ownership levels are lower than the region and state. The median gross monthly rent between 2017-2021 was \$989.00, according to U.S. Census data.

The 2022 Killeen Comprehensive Plan notes that Killeen has a higher affordability index than the other communities in the region. However, many residents are not satisfied with the existing housing market. Affordability is not the only factor considered by community members. Among other factors are diverse neighborhoods with character that residents can take pride in encouraging the maintenance of their homes. Killeen, however, still has the same percentage of 30-90+ day delinquent homeowners as Houston. This is a lot compared to how big Houston is. Killeen has many homes that are for sale or have been foreclosed upon. HUD.com reports 250 current foreclosure listings in Killeen. The number of vacant homes has risen to 4%, which could be due to the proximity of Fort Cavazos and the constant revolving door the city plays with military members. Approximately 20 to 25 percent of military personnel are transitioning in and out each year. A 2019 Killeen Growth study noted that the city and the region's economy are largely dependent on the activities of Fort Cavazos and its 36,000 military personnel. Over the past 17 years, Fort Cavazos's population has experienced significant fluctuations, closely linked with the nation's war fighting activities around the globe.

# Exhibit D: Soundness of Approach City of Killeen, TX



## Narrative Response

The City of Killeen has assembled a high-quality, multi-faceted approach to increase the production and preservation of affordable housing across Killeen over a 10-year period, as detailed in the following pages. The city will employ two broad strategies to address barriers to affordable housing in targeted communities. The approach includes the development of a housing policy plan and implementation of the plan to add more affordable units to the overall housing market. Affordable housing has been a top priority for the city for a number of years and HUD's PRO Housing grant opportunity will help catalyze the city's comprehensive planning effort. The programs and initiatives outlined in this section are consistent with HUD's overarching priority to increase equity and also promotes the following HUD strategic goals:

- Support underserved communities
- Ensure access to and increase production of affordable housing
- Promote homeownership
- Advance sustainable communities

To address rising housing costs and the overall lack of quality affordable housing in Killeen, the City of Killeen intends to develop and implement targeted initiatives that ensure the availability and preservation of affordable housing in the city. We believe such initiatives are timely and critical as many of Killeen's residents are currently experiencing housing cost-burden. With the recent growth in the city's population over the last decade, this issue has the potential to become a major problem should we delay in being proactive. Thus, the City of Killeen seeks to develop a comprehensive housing strategy that will serve as a 10-year strategic plan to address local housing needs with a particular focus on affordable housing development and preservation. The goal of the city is to identify opportunities to put more affordable units on the market while also ensuring that the city's aging housing stock remains safe, livable, and affordable. To do this, the City of Killeen will work to expand access to areas of opportunity for vulnerable communities, adopt progressive housing policies that increase its affordable housing supply, and create incentives that preserve existing affordable units. Below are some of the initiatives and strategies that the City of Killeen will undertake:

- **Comprehensive Housing Strategy and 10-year Plan.** This plan will serve as a guiding framework to support the City of Killeen in addressing local housing needs while also ensuring it provides adequate affordable housing options to the city's residents through an equitable planning process.
- **Owner-occupied Rehabilitation (North Killeen).** The City of Killeen will relaunch its owner-occupied rehab program that offers deferred forgivable loans to eligible homeowners for health and safety repairs to their homes.
- **Affordable Rental Housing Development/Preservation Fund.** The City of Killeen will establish a dedicated fund to support affordable housing initiatives. This fund will provide a flexible source of local funding that can be leveraged with other public, private, and philanthropic investment sources to address critical affordable housing needs without diverting funds from other city priorities.
- **Anti-displacement Strategies.** The City of Killeen will mitigate the effects of gentrification, particularly the displacement of low-income residents and senior residents through tax exemptions, foreclosure assistance, and stronger preservation of Naturally Occurring Affordable Housing (NOAH).

- **Fair Housing Assessment.** The City of Killeen will conduct an assessment to ensure that its policies and programs are in compliance with federal fair housing laws and will determine ways to better promote fair and equitable access to housing for all its residents.
- **Blight Mitigation/Demolition.** The City of Killeen will implement a blight mitigation program to reduce neighborhood blight and increase the quality of life of residents in closest proximity to unmaintained, distressed, or abandoned properties. Through this program, the city will acquire and demolish blighted, unmaintained, and uninhabitable properties.

At the City of Killeen, we recognize that the delivery of affordable housing to low- and moderate-income families requires a variety of activities to address key housing needs. The initiatives that are outlined above comprise a set of city-led actions that will help to achieve the overarching goal of expanding affordable housing in Killeen. To develop the comprehensive housing strategy and 10-year plan, the City of Killeen will use a data-driven approach that incorporates quantitative and qualitative data including housing supply trends over time as well as stakeholder input from community members, housing advocates, and local agencies. The City of Killeen will first conduct a housing needs assessment to understand existing and future housing needs and market conditions that affect affordability, homelessness, vacancy rates, and homeownership rates. The assessment will also identify Killeen's most critical housing challenges and will review the city's existing housing programs and policies to identify areas for improvement and inform the development of new initiatives.

The city will also conduct a stakeholder engagement process that gathers and incorporates feedback from residents, particularly those from underserved communities, to reflect their housing concerns. Additionally, the city will collect input from community organizations, housing developers, housing advocacy organizations, business leaders, and others we deem critical to the planning process. After defining Killeen's housing assets and challenges, the city will develop potential solutions and housing strategies that are informed by the housing needs assessment and stakeholder engagement. This process will culminate into a report that includes findings, recommendations, and short and long-term strategic goals that will support the city in meeting its housing objectives. The five remaining initiatives that are outlined will be embedded within the plan and will be implemented over a 10-year timeline. The tools, stakeholders, and resources required to advance the plan will also be included.

The City of Killeen seeks to relaunch and expand its owner-occupied rehabilitation program in an effort to preserve affordable units and prevent the displacement of long-time residents in the North Killeen neighborhood. The goal of the program is to help maintain the affordability of homeownership by ensuring that qualified homeowners can make necessary repairs and rehabilitation that improve the overall safety and livability of their homes, while also allowing them to age in place. The city currently offers a housing rehabilitation program; however, assistance through the program is provided based on available funding. The city fears there may be unmet need for services for seniors and individuals with disabilities resulting from recent population growth. Through the relaunch and expansion of the program, the City of Killeen will support additional major repairs to the existing structure of homes that address their health, safety, and efficiency.

Qualified rehabilitation activities will include structural repairs, heating and plumbing system repairs, weatherization, accessibility improvements as well as lead treatment and removal of other home hazards. Funds for the program will be disbursed in the form of deferred forgivable loans. The City of Killeen will put a 5-year lien on the resident's property that will be forgiven at 20% per year at a zero-percent interest rate with payments deferred and ultimately forgiven at the loan's maturity. The prorated remaining balance will be due immediately should a homeowner sell, transfer ownership, or fail to maintain the property as a primary residence prior to the loan's maturation. The clause is to ensure the homeowner's continued occupancy of the property, while also promoting long-term affordability.

This rehabilitation program will service Killeen's most vulnerable populations, including low-income homeowners, seniors, and disabled individuals. Vulnerable populations such as these typically face limited housing choices due to low or fixed incomes. Such homes tend to have deteriorating or inadequate infrastructure which can be potentially hazardous to the health and safety of their dwellers. The City of Killeen will conduct a needs assessment to determine the appropriate program design for the relaunch that allows us to prioritize underserved communities in Killeen with the greatest unmet needs. The City of Killeen will establish a dedicated affordable housing fund to address the housing needs of low- to moderate-income households in the city. The fund will provide grants to eligible organizations and agencies to generate additional investment in affordable housing, prioritizing projects that increase housing opportunities in areas with access to public transit, jobs, public services, and other essential amenities. It is our hope that such a fund will incentivize further investment from private and philanthropic entities. Eligible programs will include those that provide assistance through production, acquisition, rehabilitation, and/or preservation of affordable housing in Killeen. Ultimately, the City of Killeen wants to develop this fund into a permanent and annual renewable source of revenue to meet the city's housing needs for low- to moderate-income households. Investments supported by the affordable housing fund will include:

- Property acquisition, preservation, and pre-development loan funds for affordable housing partners
- Gap financing for development projects receiving local, state or federal funding or equity investments including HOME, LIHTC, and CDBG funds.
- Equity support for small and emerging developers of color developing affordable housing in Killeen
- Mixed-income housing developments that create economically diverse communities
- Affordable housing projects located near public transit hubs that promote greater accessibility for vulnerable residents

The Killeen Economic Development Corporation advances a number of projects in Killeen that stimulate the local economy. This includes the creation of competitive wage jobs, investment in public infrastructure, and diversification of Killeen's economic base. This is all done to improve the quality of life for residents in Killeen. We recognize that such investment in the local economy may sometimes result in displacement of low- and moderate-income residents and small businesses in areas closest to investment hubs and affordable transit-connected areas. Moreover, displacement tends to have a disproportionate effect on people of color and can perpetuate areas of concentrated poverty. To mitigate this, the City of Killeen will invest in a tax exemption program that preserves affordable housing units for households in opportunity areas

while also preventing displacement of longtime residents who may struggle to keep up with rising housing costs.

Bell County, in which Killeen is located, operates a residence homestead exemption program that limits the increases of the total assessed value of a property to 10% from year to year for vulnerable populations. The City of Killeen would like to introduce a local exemption. This tax exemption will allow multifamily property developers to claim an exemption for any portion of their units that are at a level affordable to low-moderate-income households within opportunity areas in Killeen including its downtown district. We believe this would encourage the development of more affordable multifamily housing while also providing more housing opportunities for vulnerable renters.

In 2015, the City of Killeen's Department of Community Development produced an analysis on impediments to fair housing choice. Through this process, the city conducted a systematic review of its implementation of fair housing planning responsibilities and examined how policies and practices affect fair housing choice and the affordability and accessibility of local housing. One observation found in the report was that the lowest income and highest levels of poverty were concentrated in areas that housed a majority of Black or Hispanic residents. The report documented economic and racial disparities among Killeen's residents but did not find severe impediments to fair housing in Killeen. This analysis allowed us to develop a Fair Housing Action Plan focused on maintaining and promoting awareness of fair housing laws among residents.

An updated fair housing assessment as a follow-up to this report would be valuable as the City of Killeen assembles our comprehensive housing strategy and 10-year plan. This assessment would be particularly timely following the recent COVID-19 pandemic. The pandemic played a major role in further exacerbating financial hardships for residents in Killeen and had a disproportionate impact on low-income families and people of color. Through the assessment, the city will identify fair housing challenges that may have arisen as a result of the pandemic or that were further exacerbated by it. The assessment will also identify solutions that help eradicate concentrated areas of poverty and reduce disparities in housing access for marginalized communities in Killeen. The presence of blighted, distressed, and abandoned properties poses a threat to the quality, safety, and value of Killeen's neighborhoods. Thus, the City of Killeen will implement a blight mitigation program to promote greater community stability. The city will acquire and demolish blighted properties to create opportunities for reuse or new development. The program will prioritize the demolition of the following properties:

- Properties that pose a threat to public safety or neighboring properties
- Properties that have received multiple nuisance complaints
- Properties that have been abandoned or neglected for an extended period of time
- Properties that are inhabitable or beyond rehabilitation

The city will give notice of non-compliance and property owners will be granted adequate time and opportunity to address violations prior to the city's involvement. This program will help to increase property values and the local tax base and will also enhance the health of Killeen's housing market.

Through the years, the city has carried out several initiatives to reduce residential and commercial blight. In 2017, the city introduced a beautification program, Clean ‘17, to concentrate code enforcement efforts by neighborhoods. The city was divided into nine zones and code enforcement officers canvassed each zone to identify code violations. In that year, the city performed over 1,000 inspections and identified nearly 1,000 violations. In 2020, the City of Killeen adopted the Vacant Structure Registration Ordinance to reduce blight and improve property values in Downtown Killeen. The ordinance requires owners of vacant buildings within the Historic Overlay District to register their property, pay an annual registration fee, and maintain care of their property. We believe the approach outlined in this section aligns with PRO Housing’s national objectives to facilitate activities that benefit low- and moderate-income households, prevent and eliminate blight, and meet other community development needs. Our approach also sufficiently aligns with eligible activities within the NOFO.

### **Geographic Scope**

The City of Killeen’s geographic scope extends the city’s entire jurisdiction; however, particular focus will be given to the following census tracts:

- Census tracts that have concentrations of households that are experiencing severe cost-burden (paying more than 50% of their monthly gross income for rent)
- Census tracts where owner-occupancy rates fall below 25 percent
- Census tracts that have high concentrations of low-income people
- Census tracts in North Killeen
- Census tracts in Downtown Killeen

According to a recent needs assessment analysis from the City of Killeen’s Community Development Department, 19 census tracts in Killeen’s jurisdiction have high concentrations of lower income individuals. Additionally, six of 28 census tracts in Killeen contain 10% or more of the total households in the area with severe cost burden. Several census tracts in Killeen have owner-occupancy rates below 25% and nearly all of its jurisdiction have rates below the national average. Moreover, residential units in these neighborhoods tend to be older with significant upgrade needs and have typically much lower median values than units in neighboring census tracts. The combined average percent of low- to moderate-income households in North Killen is 66 percent. It is an area where there are both residential and commercial vacancies and few commercial businesses. Results from a 2020 community survey indicated that community members would like to see updates to housing, commercial development, business assistance, public facility, and infrastructure improvements. In Killeen’s historic Downtown district, there is a 70% vacancy rate in downtown properties; however, a number of minority-owned businesses are located in the area. Many of the housing units in the outlying areas of the downtown district are pre-1979 units with greater likelihood of repair and efficiency needs.

### **Key Stakeholders**

To address affordable housing needs and implement comprehensive housing strategies, key stakeholders play pivotal roles. These stakeholders will include:

- Local Government and Municipal Authorities: Municipalities and local government agencies are crucial stakeholders as they often initiate and oversee housing programs, allocate funds, and enact policies that shape the housing landscape.

- Community Residents and Organizations: The residents themselves are vital stakeholders. Their input, needs, and concerns should be considered throughout the process. Community organizations and advocacy groups also play a role in representing the interests of residents.
- Real Estate Developers: Developers involved in affordable housing projects are essential stakeholders. Their expertise and collaboration are critical for constructing, renovating, and maintaining affordable housing units.
- Financial Institutions: Banks and financial institutions that provide funding or loans for housing initiatives are key stakeholders. Their support is often necessary for the successful implementation of affordable housing programs.
- Nonprofit Organizations: Nonprofits, including housing advocacy groups and organizations focused on community development, often actively participate in or lead efforts to address housing challenges.
- Educational Institutions: Universities and research institutions may contribute by providing expertise, research, and data analysis to inform housing policies and strategies.
- Private Sector Businesses: Local businesses can be impacted by changes in housing conditions and can contribute to community development efforts. Their involvement may include job creation, sponsorships, or supporting community programs.
- Planning and Zoning Authorities: These authorities are involved in shaping land use policies, zoning regulations, and urban planning. Collaboration with them is crucial for implementing effective housing strategies.
- Social Services Agencies: Agencies providing social services, such as mental health support, childcare, and education, are important stakeholders. Accessible housing is closely linked to the overall well-being of residents.
- State and Federal Government Agencies: Beyond local government, state and federal agencies, such as HUD, are significant stakeholders, often providing funding, guidance, and policy frameworks for affordable housing initiatives.

Collaboration and engagement among these diverse stakeholders are essential for the success and sustainability of comprehensive housing strategies.

### **Furthering Fair Housing**

Affirmatively furthering fair housing is a core component in the City of Killeen’s proposal and is embedded in multiple aspects of our approach. This is featured through one of the city’s five initiatives – conduct a fair housing assessment. Through the fair housing assessment, the city will ensure that any new housing projects or activities that are implemented promote fair and equitable access to housing for all Killeen’s residents. The city’s 2015 fair housing choice report revealed that there are racially concentrated areas of poverty in Killeen that need to be addressed. Through our outlined approach – and in conjunction with other key planning initiatives, such as Killeen 2040, KEDC’s Economic Development Policy – the city will transform these areas into resource rich communities that offer access to educational, economic, and job opportunities. Killeen will also affirmatively further fair housing requirements by incorporating of anti-displacement strategies. The city wants to support vulnerable communities that have been historically excluded by ensuring they have the ability to choose where they live without that choice infringing on their quality of life. The initiatives outlined in our proposal will protect vulnerable Killeen residents against displacement and inadequate housing conditions and will increase affordable housing options for historically disadvantaged groups.

## Budget and Timeline

| Project  | Description  | Cost Per  | Units | Total        | Duration        |
|--|--|-----------|-------|--------------|-----------------|
| <b>Develop a comprehensive housing strategy and 10-year plan.</b>                | This plan will serve as a guiding framework for the city to address housing needs and ensure it provides adequate affordable housing options via an equitable planning process.  | \$350,000 | 1     | \$350,000    | Q3 '24 – Q2 '25 |
| <b>Conduct a fair housing assessment.</b>  | This assessment will ensure policies and programs are in compliance with federal fair housing laws and determine additional means of promoting fair, equitable housing access.   | \$250,000 | 1     | \$250,000    | Q3 '24 – Q2 '25 |
| <b>Create an affordable rental housing development preservation fund.</b>        | This dedicated fund will support affordable housing initiatives and provide a flexible source of local funding that can be leveraged with other public, private, and philanthropic investment sources to address critical affordable housing needs without diverting funds from other city priorities. | ~\$16,667 | 300   | \$5,000,000  | Q3 '24 – Q4 '27 |
| <b>Pilot an owner-occupied rehabilitation program.</b>                           | The City of Killeen will create an owner-occupied rehab program that offers deferred forgivable loans to eligible homeowners for health and safety repairs to their homes.   | \$40,000  | 20    | \$800,000    | Q3 '24 – Q4 '26 |
| <b>Invest in homeowner-ship programs for low-and moderate-income households.</b> | The City of Killeen will expand access to affordable homeownership through a combination of housing counseling, forgivable loans, down payment assistance and other subsidies.   | \$50,000  | 32    | \$1,600,000  | Q3 '24 – Q4 '29 |
| <b>Blight mitigation and demolition</b>  | Implement a blight mitigation program to reduce neighborhood blight and increase quality of life for residents in close proximity.   | \$20,000  | 50    | \$1,000,000  | Q3 '24 – Q4 '29 |
| <b>Administration</b>  | 2 employees with salary and benefits for program administration for 5 years  | \$100,000 | 10    | \$1,000,000  | Q1 '24 - Q4 '29 |
| <b>Total</b>   |  |           |       | \$10,000,000 |                 |

# Exhibit E: Capacity City of Killeen, TX



## Narrative Response

Tiffanie McNair, the Executive Director of Community Development for the City of Killeen, joined the city in June 2023 and has set forth an ambitious vision for the future of affordable housing as a critical part community development. Of the 7 staff currently working within Community development, 5 are dedicated full-time to the planning and administration of affordable housing programs, with the remaining 2 administering Youth Program and ADA compliance. This proposal would expand the capacity of the housing-affordability-focused staff by 40%, providing a robust set of programs to prevent and mitigate future spikes in housing vulnerability in Killeen. The additional two full-time staff would work under the Executive Director of Community Development and the Community Development Administrator to leverage partnerships with likewise aligned housing-conscious institutions to create and manage programs that will increase and retain homeownership in the city's most underserved census tracts. Please refer to the following section on Leverage.

The City of Killeen continues to seek and develop several stakeholder relationships and partnerships in an effort to leverage additional funds that enable the production and preservation of affordable housing and remove key barriers to preserving affordable housing. Those stakeholders include:

- Fort Cavazos Habitat for Humanity: A current partnership focused on land acquisition for the development of affordable homeownership for the low-to-moderate income population of Killeen. (awarded \$456,007.00 of COK HOME entitlement funds).
- Mad House Development: A current partnership for the development of a 108-unit rental housing complex for Seniors. Funding includes 1.7 million from the City of Killeen HOME entitlement funds, along with \$16 million of LIHTC funds from Texas Department of Housing and Community Affairs (TDHCA). The city seeks to continue its partnership with Mad House Development on a planned development for Family units
- Cove House(Homeless Shelter): A developing partnership, per the Homeless and Mental Health Strategic Plan recommendations, with Cove House as the encouraging homeless service organization to develop its own housing stock. Cove House has expressed an interest in becoming a CHODO (Community Housing Development Organization) to develop affordable housing.
- In addition, the city has initiated meetings with Central Texas Alcohol Rehabilitation on partnering with developers for the construction of permanent supportive Housing.

Other community partners who have played a significant role assisting in the development of Killeen's 2022 Comprehensive Plan and 2015 Analysis of Impediments to Fair Housing Choice:

- |                         |                          |                        |                         |
|-------------------------|--------------------------|------------------------|-------------------------|
| • Bell County           | • City of Killeen -      | • First National Bank  | • Families in Crisis    |
| • Central Texas College | Community Devt.          | • Hill Country         | • Purple Sparrow        |
| • Central Texas Council | • Jesus Hope and Love    | Community Action       | • Counseling            |
| of Governments          | Mission                  | • DPW Housing Div.-    | • Praise Fellowship     |
| • Fort Cavazos          | • Communities in Schools | Fort Cavazos           | Church                  |
| • Greater Killeen       | • Bell County Mental     | • Wells Fargo          | • Bell County Habitat   |
| Chamber of Commerce     | Health Indigent Program  | • Gateway Loans        | for Humanity            |
| • Killeen Economic      | • Bell County Human      | • Stanton Realty Group | • Greater Killeen Free  |
| Development Corp        | Services Help Center     | • Cloud Real Estate    | Clinic                  |
| • Killeen Independent   | • Central Texas Youth    | • Killeen Housing      | • AYADD Outreach        |
| School District         | Services Independent     | Authority              | • Noon Lions Club       |
| • Texas A&M Central TX  | Living Program           | • The Releford Group   | • Whispering Hills Apts |
| • Central Texas 4C Inc. | • Killeen Police Dept.   | • CCR Properties       | • Lone Star Realty      |
| • Kingdom Visions       |                          |                        |                         |

# Exhibit F: Leverage City of Killeen, TX



## **Narrative Response**

The City of Killeen continues to seek and develop several stakeholder relationships and partnerships to leverage additional funds that enable the production and preservation of affordable housing and remove key barriers to preserving affordable housing. Those stakeholders include:

- Fort Cavazos Habitat for Humanity: A current partnership focused on land acquisition for the development of affordable homeownership for the low-to moderate-income population of Killeen. (awarded \$456,007.00 of COK HOME entitlement funds).
- Mad House Development: A current partnership for the development of a 108-unit rental housing complex for Seniors. Funding includes 1.7 million from the City of Killeen HOME entitlement funds along with \$16 million of LIHTC funds from Texas Department of Housing and Community Affairs (TDHCA). The city is looking to continue the partnership with Mad House Development on a planned development for Family units
- Cove House (Homeless Shelter): A developing partnership, per the Homeless and Mental Health Strategic Plan recommendations, with Cove House as the encouraging homeless service organization to develop its own housing stock. Cove House has expressed an interest in becoming a CHODO (Community Housing Development Organization) in order to develop affordable housing.
- In addition, the city has initiated meetings with Central Texas Alcohol Rehabilitation on partnering with developers for the construction of permanent supportive Housing in Killeen.

Other community partners who have played a significant role assisting in the development of Killeen's 2022 Comprehensive Plan and 2015 Analysis of Impediments to Fair Housing Choice, include:

- Bell County
- Central Texas College
- Central Texas Council of Governments
- Fort Cavazos
- Greater Killeen Chamber of Commerce
- Killeen Economic Development Corporation
- Killeen Independent School District
- Texas A&M Central Texas

We also leverage the many community partners listed in [Exhibit E: Capacity](#)

# Exhibit G: Long-term Effect City of Killeen, TX



## **Narrative Response**

The Comprehensive Housing Strategy, with its 10-year plan, envisions a community with enduring access to affordable housing, fostering stability and economic growth. This initiative aims for a sustained increase in affordable housing options, creating a resilient foundation for the community's long-term prosperity. As families find secure and affordable homes, the ripple effects are expected to resonate for years, contributing to thriving, cohesive neighborhoods. The suite of programs, from owner-occupied rehabilitation to blight mitigation, collectively seeks to establish a lasting legacy of improved living conditions and community resilience. By addressing housing challenges comprehensively, the proposal envisions neighborhoods where residents feel a sense of pride and belonging. Through anti-displacement strategies and fair housing assessments, it aspires to create an equitable housing landscape that stands the test of time. Ultimately, these initiatives are not just about immediate improvements but aim to shape a sustainable and inclusive housing ecosystem that benefits generations to come.

Killeen, Texas faces an acute urgency to meet community development needs as existing conditions pose a serious and immediate threat to the health or welfare of the community. Killeen lacks affordable housing and housing production is not meeting the city's demand for an increasing population. Bell County, in which Killeen is located, has experienced a nearly 20% population increase between 2010 and 2020. According to the city's 2022 Comprehensive Plan (based on 2020 American Community Survey data), Killeen has 62,287 total housing units and 2,996 new units are needed each year. (Freddie Mac 2020). As this growth trend continues, Killeen's population is expected to continue outpacing its affordable housing stock.

The City of Killeen is committed to successfully preventing an impending affordable housing crisis and meeting the needs of the population growth rate. Upon completion of grant-funded activities, the city will have created a citywide neighborhood framework, diversified the housing mix, developed and built complete neighborhoods, updated and enforced design standards to enhance the quality of buildings, infrastructure, and neighborhoods, shifted the market to include existing housing for efficiency and sustainability, and prioritized delivering housing for those in need. Project achievements, upon completion of grant-funded activities, implementation of 5 major programs.

- Develop a comprehensive housing strategy and 10-year plan.
- Reestablish the Owner-Occupied Rehabilitation Program.
- Create an affordable housing fund.
- Invest in homeownership programs for low-and moderate-income households.
- Invest in anti-displacement strategies.
- Conduct a fair housing assessment.

Promoting assistive housing in diverse locations will be important in addressing the affordable housing barriers Killeen residents face. A positive side effect of making it easier to build more units citywide is that it frees up older housing stock to be redeveloped into supportive housing. Existing programs will be utilized to ensure that funded activities enable the production and preservation of affordable housing units long after the grant's period of performance. Such programs include:

1. The North Killeen Revitalization Program with permitting fees, which allows waivers of certain permits for applicants in a designated geographical area.

2. Providing infrastructure funding for the Avante Project in the LIHTC pipeline–senior development.
3. The Owner-Occupied Rehabilitation Program allows qualified homeowners to make necessary repairs and rehabilitation that improves the overall safety and livability of their homes while ensuring sustainability and continued homeownership affordability.

In addition, efforts will include initiatives as outlined in the Killeen [2020 Comprehensive Plan](#) which was approved in 2022.

1. Fiscally-Responsible Growth: The plan emphasizes prudent financial management to ensure sustainable growth.
2. Positive Community Culture and Environment: A focus on creating an inclusive and thriving community culture, while also nurturing a cleaner and greener environment.
3. Downtown Revitalization: Notable achievements here include the establishment of a permanent police substation downtown, increased police presence, community engagement initiatives, and a vibrant program in Historic Downtown.
4. Safe, Affordable, & Efficient Transportation: Efforts include updates to the Thoroughfare Plan, shared use path regulations, and standards to enhance transportation efficiency and affordability.
5. Vibrant Neighborhoods: Overhauls in design and construction standards aim to improve the quality and appearance of residential and commercial buildings, along with enhancements to roads, streets, trails, and parks. Additionally, measures to address homelessness through temporary housing are underway.
6. Local Businesses: The plan promotes and supports local businesses as integral elements of Killeen's economic landscape.

Each grant-funded activity will be developed and achieved through the lens of equity and sustainability. Measurable outcomes will be used and assessed to ensure continued long-term sustainability and growth.

### **Facing and Overcoming Roadblocks**

A major affordable housing barrier in Killeen is access to funding for major projects and the inability to keep pace with increasing resident needs. General Fund dollars are not available to work towards major projects. The absence of a plan for affordable housing makes it difficult to meet increasing resident needs. Rent is not affordable. Housing cost burden isn't being recognized and mitigated. An explosive population growth over the past four decades and ongoing need to create affordable housing for active Veterans have contributed to an affordable housing shortage. In addition, efforts have identified and will continue to address other key barriers contributing to insufficient affordable housing in Killeen, including issues with land-use regulations, permitting, and other related procedural issues. Removal of these barriers, with a continued effort to identify others, will result in more resilient housing and sustained production.

The proposed grant-funded activities and the solutions to address and mitigate the need for more affordable housing in Killeen, as noted in the city's [2022 Comprehensive Plan](#), will counteract known barriers. The 2022 Comprehensive Plan solutions include:

1. Creating a citywide neighborhood framework
2. Enforcing existing codes
3. Diversifying the housing mix (types and price points)

4. Building complete neighborhoods
5. Updating design standards to enhance the quality of buildings, infrastructure, and neighborhoods
6. Shift the market to include existing housing
7. Focusing on delivering housing for those in need. Rising homelessness is a concern nationwide and in Killeen.

The City of Killeen has made significant progress and a commitment to overcoming local barriers that increase affordable housing production and preservation. With assistance from the PRO Housing Grant, Killeen will be poised to counteract the persistence of currently identified barriers. A critical measure will be the development of a comprehensive housing strategy and 10-year plan. To ensure persistent barriers are addressed and long-term goals are achieved, the City of Killeen will use a data-driven approach that incorporates quantitative and qualitative data, including housing supply trends over time as well as stakeholder input from community members, housing advocates, and local agencies. The City of Killeen will first conduct a housing needs assessment to understand existing and future housing needs and market conditions that affect affordability, homelessness, vacancy rates, and homeownership rates. The assessment will also identify Killeen's most critical housing challenges and will review the city's existing housing programs and policies to identify areas for improvement and inform the development of new initiatives.

### **Reducing Housing Burden Without Increasing Other Costs**

More than 60% of Killeen's residents are renters. Unaffordable rent impacts the majority of residents creating a widespread housing cost burden for renters. And for homeowners, with mortgage origination rates soaring over 7% at the same time that Killeen's housing prices are expected to rise by 7.9%, the city's accolades as affordable will experience a pendulum swing in the opposite direction. Lower income individuals and families make Killeen their home because of more affordable rental housing but many units are not in desirable location in the city, near grocery and retail, and there are not enough housing vouchers for the need. Families end up living in units they can barely afford, then drive to the south side of town for groceries, entertainment, and retail.

The [2022 Comprehensive Plan](#) addresses future land use and zoning with a general focus on neighborhoods. The City of Killeen is focused on prioritizing the need for identifying existing and available sites that provide affordable housing units near public transportation, employment, medical services, grocery, and retail services. The City of Killeen will also conduct a stakeholder engagement process that gathers and incorporates feedback from local residents, particularly those from underserved communities, to reflect their housing concerns. The City of Killeen will also collect input from community organizations, housing developers, housing advocacy organizations, business leaders, and others we deem critical to the planning process. The City of Killeen will establish a dedicated affordable housing fund to address the housing needs of low- to moderate-income households in the city. The fund will be to provide grants to eligible organizations and agencies to generate additional investment in affordable housing, prioritizing projects that increase housing opportunities in areas with access to public transit, jobs, public services, and other essential amenities. Each grant-funded activity will be developed and achieved through the lens of equity and sustainability. Measurable outcomes will be used and assessed to ensure continued long-term sustainability and growth.

### **A Model for Other Communities**

Like many cities across the U.S., Killeen, Texas lacks affordable housing and housing production is not meeting the city's acute demand for an increasing population. The city's proposal represents a model for other communities through efforts to:

- Create cost-effective support services
- Permit waivers
- Address future land use and zoning with a general focus on neighborhoods with accessibility to transportation, employment, medical services, grocery, and retail services
- Increase funding and resources to produce and preserve more affordable housing
- Increase efficiency of existing programs
- Use existing infrastructure for affordable housing development

### **Environmental Risks and Community Resilience**

Killeen experiences environmental risks that can be disruptive to the community. The city is located in a part of Texas that experiences a humid subtropical climate, with hot, muggy summers and short, cold, and windy winters. Temperatures can vary from 40 degrees Fahrenheit to over 96 degrees Fahrenheit and even over 102 degrees Fahrenheit. During the summer season, Killeen can experience severe heat waves. For instance, this past summer, Killeen experienced a dangerous "heat dome" effect that pushed daily high temperatures to over 100 degrees Fahrenheit with heat indexes reaching into the 110s. Dangerous temperatures are a significant environmental and health risk for city residents, especially those living in homes without A/C, outdoor workers, incarcerated people, people experiencing homelessness, elderly, pregnant women, young children, and people with chronic diseases and disabilities. These dangerous heat waves will become more frequent, and the affordable housing plan aims to address this environmental risk as well as consider heat waves, floods, and droughts in planning new housing units and retrofitting older ones to meet better utilities efficiency standards (for example, water conservation, energy efficiency). The city is also prone to droughts, tropical storms, and even the occasional severe winter storm, such as the freeze that impacted the city in February 2021.

Climate change will only increase the number, frequency, and intensity of extreme heat waves, which the city will need to prepare for in its affordable housing plan. Any new and improved housing as part of Killeen's affordable housing stock will consider these environmental risks and adverse climate change impacts, including longer and hotter heat waves, severe winter freezes, periods of drought, and precipitation extremes. The city's affordable housing plan will incorporate community resilience by incorporating retrofits of existing housing stock to be more energy efficient, install air conditioning, have window screens, and plant vegetation to cool the area and provide shade. Additionally, new housing stock would be built according to standards known to be more resilient for extreme heat as well as energy efficiency, paving materials that do not absorb as much heat, and incorporating natural vegetation for shade. The city is already thinking about how to be more sustainable and environmentally conscious, especially in this warming climate. For example, Killeen's [2020 Comprehensive plan](#) includes a focus on creating an inclusive and thriving community culture while also nurturing a cleaner and greener environment. Development policies aim to preserve, enhance, and recover valuable natural resource assets in a manner that balances both function and placemaking.

As noted in the [2020 - 2024 Consolidated Strategic Plan](#), the most common housing problems experienced by both owners and renters in Killeen is severe cost burden and overcrowding. Our vision for success is realistic, reasonable, and based on major efforts to analyze, strategize and develop sound solutions to address and mitigate the need for more affordable housing .

HUD’s PRO Housing Grant opportunity will propel Killeen’s comprehensive planning efforts to encourage small and incremental development and partner with existing residents, entrepreneurs, and local builders and contractors to repurpose existing buildings and construct new buildings on vacant parcels. Including the diversification of the types and price points of housing and commercial options in the city to ensure residents and business owners can find property that fits their price range. More high-quality options at the more affordable end of the spectrum as well as higher value properties to retain those who have not found these options in Killeen currently. With prioritized implementation of incremental enhancement plans in neighborhoods with unmet needs, the city can preserve and enhance the value of existing neighborhoods.

If funded, Killeen intends to meet or exceed the goals listed in the table below for each program.

| <b>Project</b>   | <b>Description</b>   | <b>Unit Goal</b> | <b>Timeframe</b>  |
|--|--|------------------|-------------------|
| <b>Develop a comprehensive housing strategy and 10-year plan.</b>                | This plan will serve as a guiding framework for the city to address housing needs and ensure it provides adequate affordable housing options via an equitable planning process.  | 1                | Q3 2024 – Q2 2025 |
| <b>Conduct a fair housing assessment.</b>  | This assessment will ensure policies and programs are in compliance with federal fair housing laws and determine additional means of promoting fair, equitable housing access.   | 1                | Q3 2024 – Q2 2025 |
| <b>Create an affordable rental housing development preservation fund.</b>        | This dedicated fund will support affordable housing initiatives and provide a flexible source of local funding that can be leveraged with other public, private, and philanthropic investment sources to address critical affordable housing needs without diverting funds from other city priorities. | 300              | Q3 2024 – Q4 2027 |
| <b>Pilot an owner-occupied rehabilitation program.</b>                           | The City of Killeen will create an owner-occupied rehab program that offers deferred forgivable loans to eligible homeowners for health and safety repairs to their homes.   | 20               | Q3 2024 – Q4 2026 |
| <b>Invest in homeownership programs for low- and moderate-income households.</b> | The City of Killeen will expand access to affordable homeownership through a combination of housing counseling, forgivable loans, down payment assistance and other subsidies.   | 32               | Q3 2024 – Q4 2029 |

| <b>Project</b>                          | <b>Description</b>   | <b>Unit Goal</b> | <b>Timeframe</b>  |
|---|--|------------------|-------------------|
| <b>Blight mitigation and demolition</b> | Implement a blight mitigation program to reduce neighborhood blight and increase quality of life for residents in close proximity. | 50               | Q3 2024 – Q4 2029 |

**Long-Term Effect: Removing Barriers**

Limited access to housing has long-term effects on access to opportunity and ability to build generational wealth, especially for underserved communities of color and lower-income families and individuals. Affordability challenges and the lack of housing supply further increase eviction pressures and likelihood of homelessness for lower-income families and individuals.

The city wants to support vulnerable communities that have been historically excluded with the ability to choose where they live without that choice infringing on their quality of life. The city’s [2015 Analysis of Impediments to the Fair Housing Choice Report](#) revealed that from 2009-2014, there were eight complaints filed by Killeen residents. The most commonly cited complaint was Issue 380 which includes discriminatory terms, conditions, privileges, or services and facilities, which was reported in 87% of the complaints. Of the eight complaints, five were found to be without cause, two were conciliated, and one was withdrawn with no resolution. Complaints and barriers impacting racially concentrated areas of poverty in Killeen will continue to be addressed.

The city wants to ensure that any new housing projects or activities that are implemented promote fair and equitable access to housing for all Killeen’s residents. Through our outlined approach, the city will prioritize the removal of barriers to affordable housing production that have perpetuated segregation, inhibited access to well-resourced neighborhoods of opportunity for protected class groups and vulnerable populations, and expanded access to housing opportunities for these populations and underserved communities in Killeen with the greatest unmet needs. The city’s plan will transform these areas into resource rich communities. Killeen’s most vulnerable populations including low-income homeowners, seniors, and disabled individuals, typically face limited housing choices due to low or fixed incomes. Such homes tend to have deteriorated or inadequate infrastructure which can be potentially hazardous to the health and safety of their dwellers. Having the capability to rehabilitate an owner-occupied dwelling can impact generational health and wealth equity, especially in underserved communities.

With the success of the pilot Owner-Occupied Rehabilitation Program, qualified homeowners can make necessary repairs and rehabilitation that improves the overall safety and livability of their homes while ensuring sustainability and continued homeownership affordability. Homeowners’ health, safety, and efficiency will be addressed through structural repairs, heating and plumbing system repairs, weatherization, accessibility improvements as well as lead treatment and removal of other home hazards. Rising homelessness is a concern nationwide and Killeen is focused on delivering housing for those in need. Making it easier to build more units citywide \ frees up older housing stock to be redeveloped into supportive housing. Each grant-funded activity will be developed and achieved through the lens of equity and sustainability. Measurable outcomes will be used and assessed to ensure continued long-term sustainability and growth.

# Attachments

## City of Killeen, TX



