

SOUTHWEST AREA HOUSING ANALYSIS



APPENDIX B

**City of Birmingham |
The Regional Planning Commission of Greater Birmingham**



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CHAPTER 1

HOUSING ANALYSIS

Introduction

The City of Birmingham is the largest population and economic center in the State of Alabama. With its history rooted in the railroad and industrial sectors, Birmingham grew around these activities as it evolved into the economic engine for central Alabama. While much of Birmingham’s residential housing stock was built during the post-World War II housing boom, housing construction has continued within the suburban fringes of the City as well as through infill and redevelopment efforts. Much of Birmingham’s housing construction trends have been focused on multi-family construction in the last several decades. The 2008 national economic recession and housing market crisis significantly slowed housing construction in Birmingham, though recent trends are positive. Increased financial regulations and lower household incomes have further impacted the housing market by restricting the buying power of perspective homeowners. This has also affected a homeowner’s ability to sell their property. Current median home property valuations for the City of Birmingham are estimated at \$127,122.

Birmingham’s Southwest Framework Plan Area, consisting of the Brownville, Grasselli, and Southwest communities, are characterized as well-established areas. According to U.S. Census figures, there were approximately 7,310 housing units in the Southwest Area of Birmingham in 2000. By 2010 this had increased to 8,527, an increase of 1,217 (16.6%). Much of this increase is due to residential construction activities largely concentrated in the Southwest Community, primarily along Lakeshore Parkway and Wenonah Oxmoor Road. In 2015, it is estimated that the total housing inventory has increased to 8,732 units (see *Table 1.1*). According to these estimates, the Southwest Area has added over 200 newly constructed housing units since 2010, an average of 40 units per year. The City of Birmingham’s annualized permit data, however, reflects a larger number of issued construction permits over this period.

TABLE 1. 1: SOUTHWEST AREA HOUSING UNITS (2000-2015)

YEAR	TOTAL UNITS	NUMERIC GROWTH	PERCENT GROWTH
2000	7,310		
2010	8,527	1,217	16.6%
2015	8,732	201	2.4%

Based on residential housing construction permit data reported by the U.S. Department of Housing and Urban Development (HUD), construction of new housing units in the City of Birmingham has historically been dominated by multi-family housing (see *Figure 1.1*). Since 1980, 64% of the housing permits issued were for multi-family construction while 36% were for single family units. Housing construction trends in the Southwest Area reflect this trend. Estimates indicate that 82% of new residential construction in the Southwest Area was for multi-family units while just 18% were for single family units (see *Figure 1.2*).

FIGURE 1. 1: CITY OF BIRMINGHAM RESIDENTIAL BUILDING PERMITS (1980-2014)

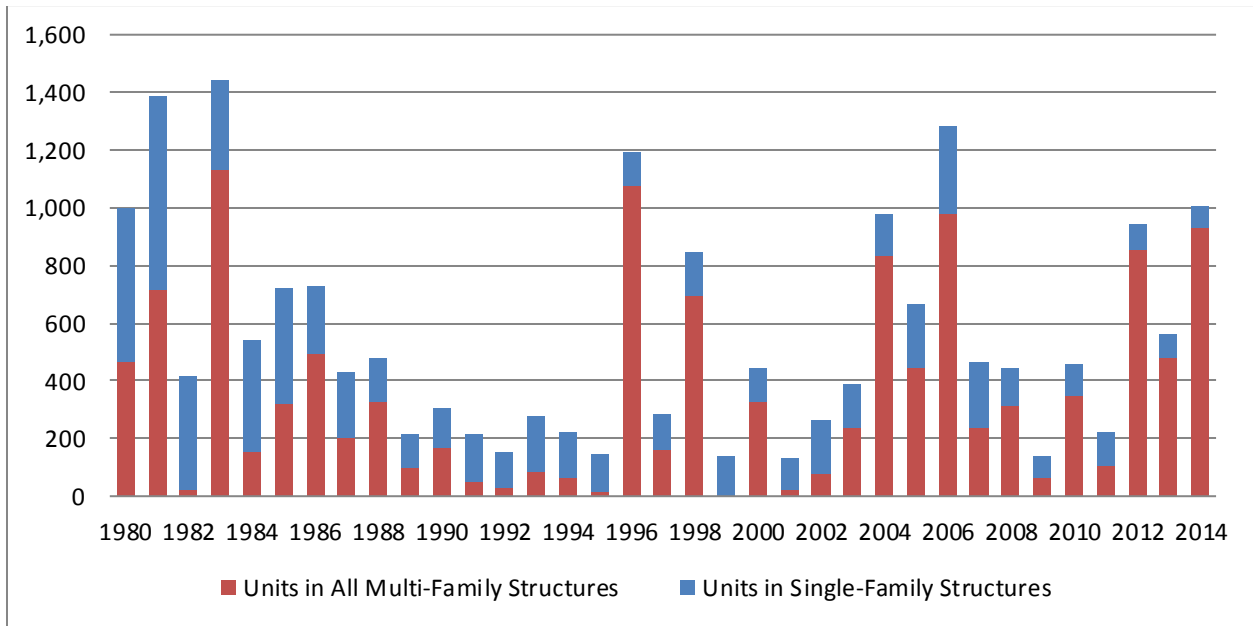


FIGURE 1. 2: SOUTHWEST AREA RESIDENTIAL CONSTRUCTION (2010-2015)

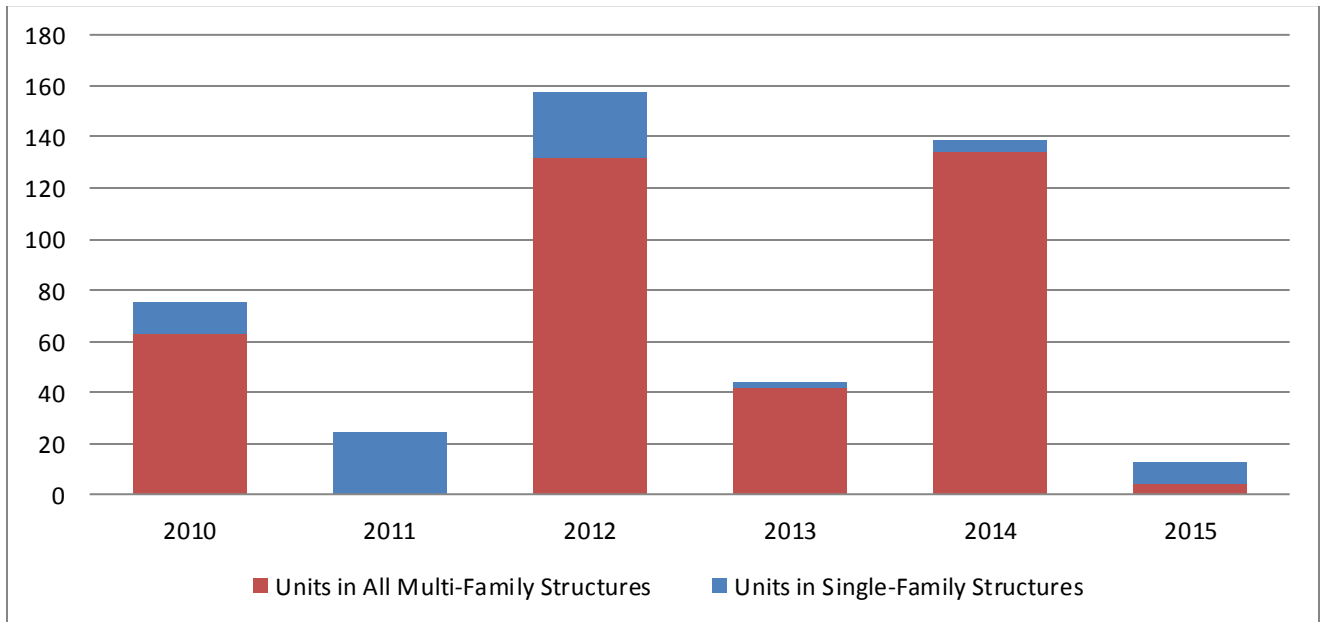
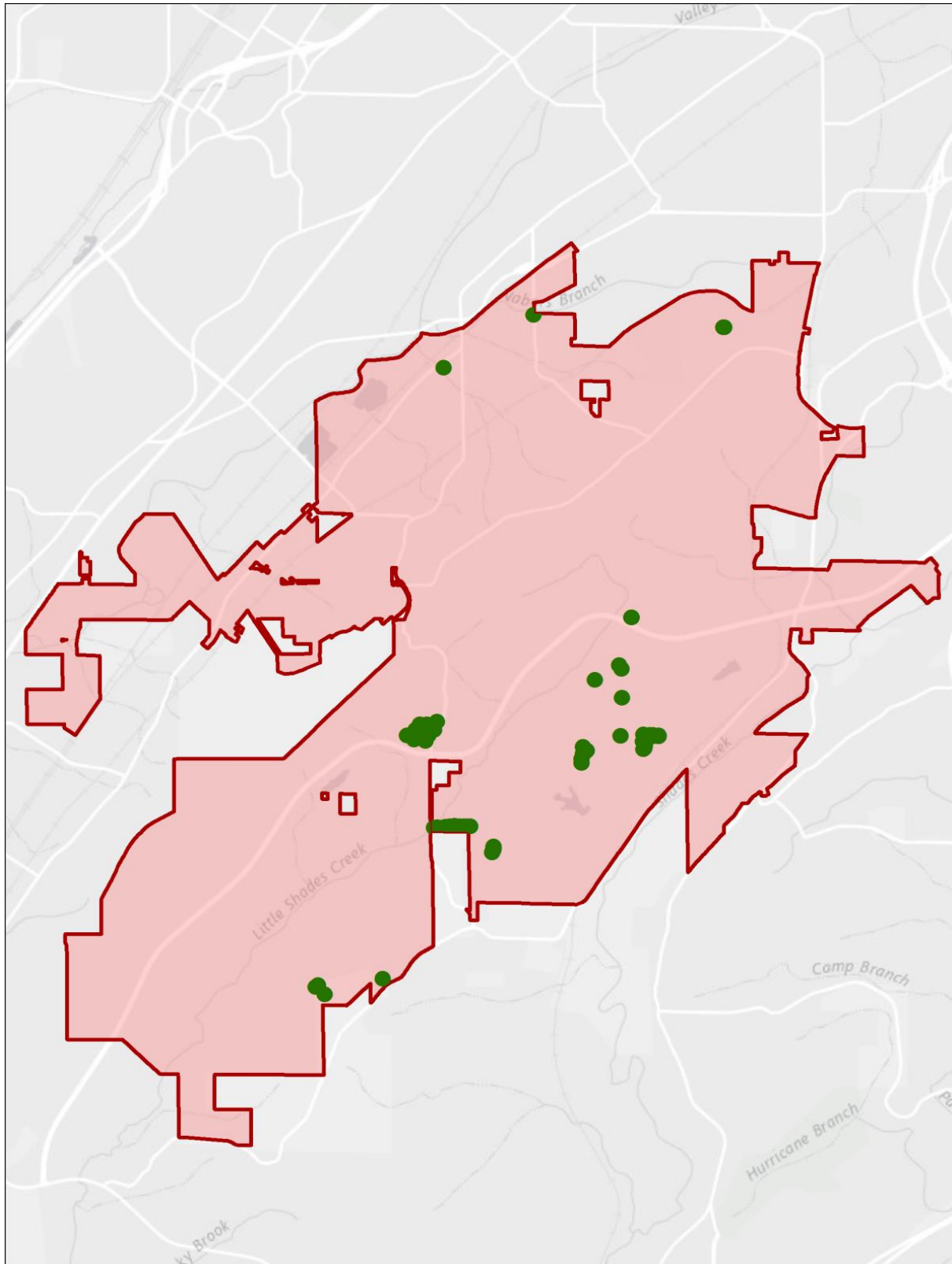


FIGURE 1.3: SOUTHWEST AREA RESIDENTIAL CONSTRUCTION LOCATIONS (2010 – 2015)



SOUTHWEST AREA DENSITY AND LAND USE

Gross housing unit density, the number of residential housing units per total acreage of the Southwest Area, has slightly increased since 2000. In 2000, the housing unit density in the Southwest Area was 0.63 units per acre, and by 2015 the density increased to 0.75 units per acre. The low gross density is due to the large areas of undeveloped and industrial properties associated with the Oxmoor Valley and Lakeshore area in Birmingham's Southwest Community. Net housing unit density, a calculation of total residential units per total residential acreage used within the Southwest Area, is currently 2.5 units per acre. Over the last several years, the majority of residential construction has been multi-unit attached housing in the form of apartment complexes and small multiplex developments.

As of 2015, an estimated 29% of the land acreage in the Southwest Area is zoned for residential use, excluding Mixed Use (MXD). Of the residentially used zoned land, an estimated 89% is used for single family homes and 11% is in multifamily (apartments, duplex and condos) use. Several multifamily developments have been constructed within mixed-use areas as well. Less than 1% of all residential properties are zoned for low density housing units.

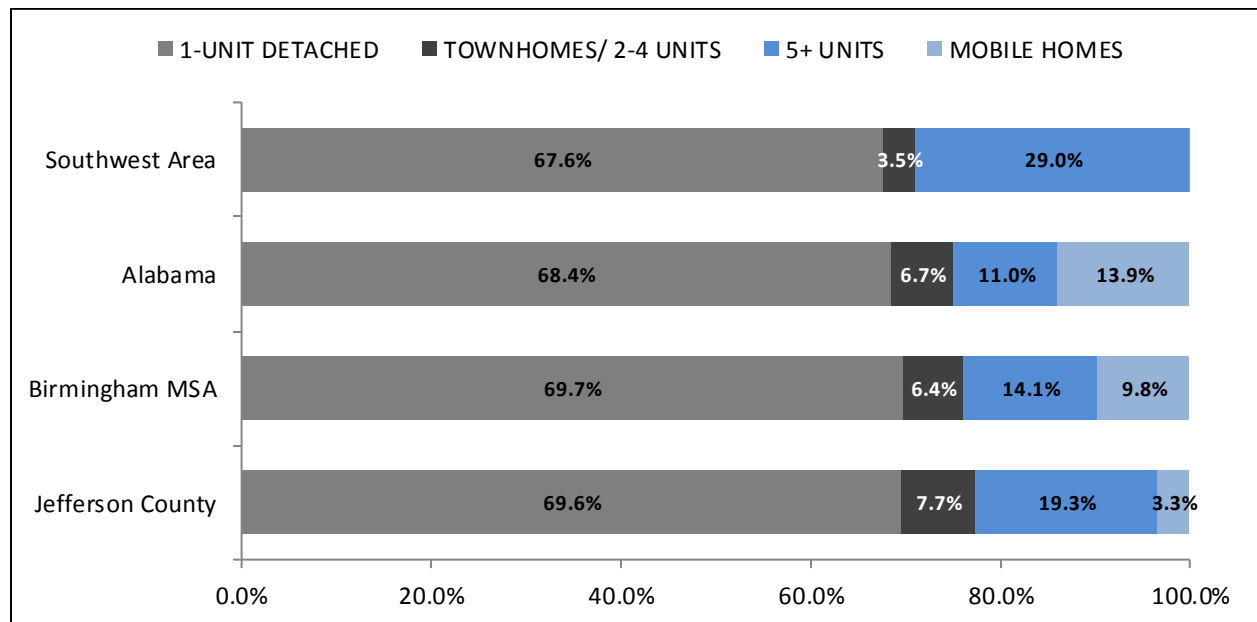
High density R3 residential zoning is the most prevalent residential zoning type. Much of the R3 zoning includes the Brownville, Grasselli, and northern Southwest Communities. An estimated 63% of all housing units in the Southwest Area fall within this zoning classification. Multiple Family zoning districts make up roughly 8% of all residentially zoned land and consist of over a dozen apartment complexes and several multiplex subdivisions. Multiple Family housing makes up approximately 34% of all housing in the Southwest Area.

Some of the effects of the economic recession on the housing market, in addition to a general decline in construction activity overall, was a reduction of homeownership due to increased financial regulations in the banking industry. An increased demand for rental units was a consequence of these increased regulations which limited the ability to purchase a home. Despite a large number of apartment units, much of this increased demand was accommodated through an increase in the number of owner-occupied units being converted into rental properties. Additionally, with average rental rates in excess of \$700 per month and rental rates increasing at an average of 1.75% annually since 2010, demand for additional multifamily units may have been reduced due to financial limitations and/or by more convenient multifamily options made available by recent apartment construction elsewhere in the region. Despite these cause and effects, an increase in demand for affordable multifamily units should be expected in the future in the Southwest Area.

The comparative housing type composition between the Southwest Framework Plan Area, the State of Alabama, the Birmingham-Hoover Metropolitan Statistical Area, and Jefferson County reinforces the urbanized nature of the Southwest Area despite the prevalence of single family detached homes (see *Figure 1.4*). Though this prevalence exists, the Southwest Area has a much higher percent share of multi-family housing units than its comparatives, and it contains no mobile home units, a housing type more common in rural areas. This is likely a symptom of depressed property values due to an older housing stock and a general lack of investment potential for

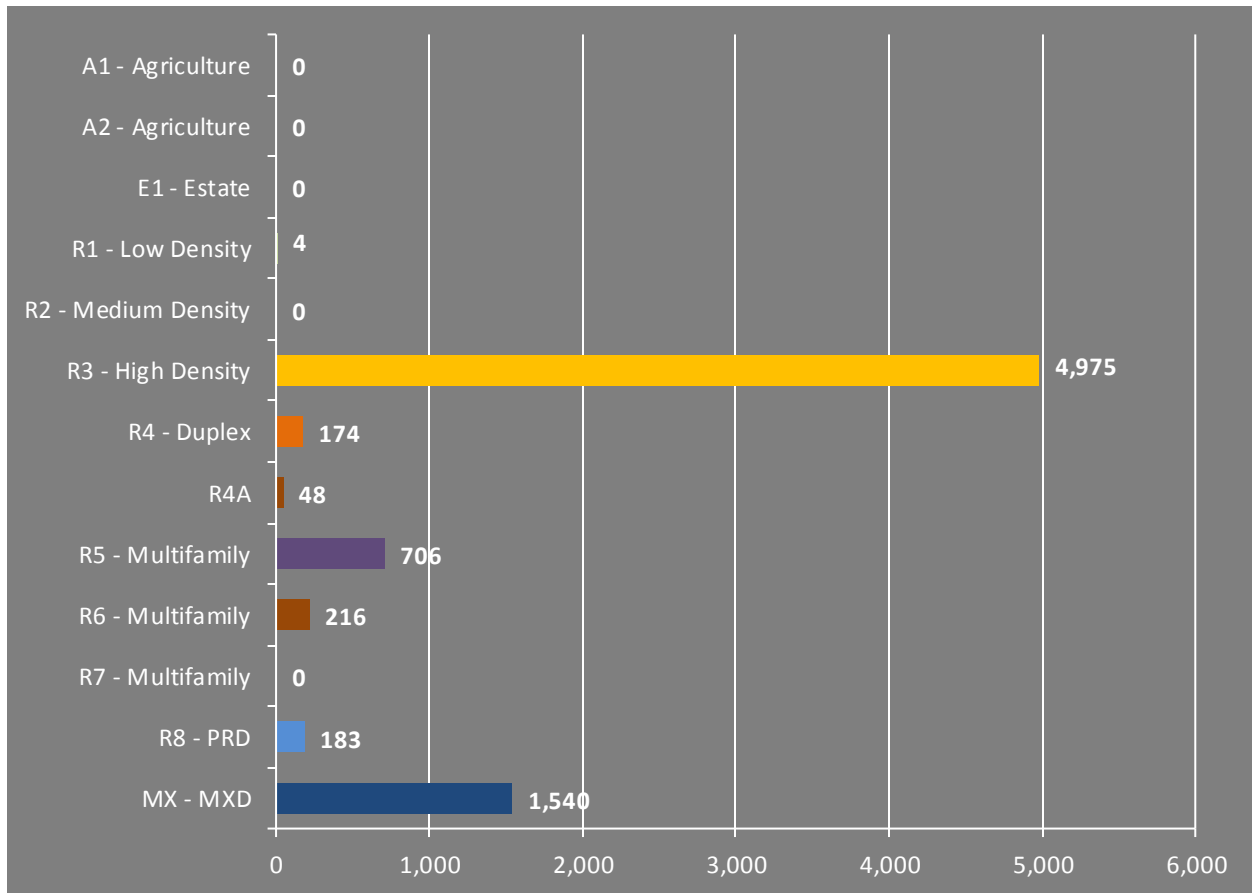
additional single family unit developments. However, land availability and investment potential does exist in the Oxmoor area. Much of the recent development in this area has been multifamily. In order for housing demand to increase, an adequate supply of alternative housing types must be available in terms of affordability. The housing unit composition in the Southwest Area is likely to change in the future with added multiplex and townhome developments. Demand for single family detached housing will still dominate the local housing market, though new single family housing construction will likely occur within the context of mixed use developments.

FIGURE 1. 4: COMPARISON OF HOUSING UNITS BY TYPE



A comparative assessment of residential housing types by zoning classification was conducted in order to determine the estimated quantities and percent share of existing units within the Southwest Area. This comparison identifies predominate housing characteristics and can be compared against estimated housing costs and income. As shown, High Density R3 housing units make up the largest share of residential units in the Southwest Area (see *Figure 1.5*). These units are primarily located on smaller lots (6,000 square feet) and are generally no larger than 1,200 square feet in size. Most have been constructed as part of the post-World War II housing boom within the City in the late 1950's and 1960's.

FIGURE 1.5: ESTIMATED NUMBER OF RESIDENTIAL UNITS BY ZONING CLASSIFICATION



The majority of residentially zoned land in Birmingham's Southwest Framework Plan Area has been constructed as high density housing. These housing units account for approximately 63% of the total housing stock (see *Table 1.2* and *Figure 1.6*). Much of the historical construction and market preference in the Southwest Area has been centered on high density single family housing, though more recent construction has been multifamily. The prevalence of high density housing is firmly situated in the context of typical urban neighborhood growth models. The dominance of this housing type is due more to past construction trends and preferences rather than any current municipal policies. High density housing, including multifamily, together make up 99% of all housing units in the Southwest, while lower density housing makes up less than 1%.

TABLE 1. 2: ESTIMATED UNITS BY ZONING CLASSIFICATION & PERCENT OF RESIDENTIALLY ZONED LAND

ZONING TYPE	MIN. LOT AREA	ESTIMATED UNITS	% OF TOTAL UNITS	% OF ALL RESIDENTIALLY ZONED LAND
A1 - Agriculture	1 Acres	0	0.0%	0.0%
A2 - Agriculture	15,000 SF	0	0.0%	0.0%
E1 - Estate	0.5 Acres	0	0.0%	0.0%
R1 – Low Density	15,000 SF	4	0.1%	0.1%
R2 – Medium Density	10,000 SF	0	0.0%	0.0%
R3 – High Density	6,000 SF	4,975	63.4%	88.4%
R4 – Multiple Family (Semi-attached)	2,500 SF	174	2.2%	2.3%
R4A – Multiple Family (Semi-attached)	2,000 SF	48	0.6%	1.1%
R5 - Multifamily	2,000 SF	706	9.0%	2.9%
R6 – Multifamily (4+-stories)	1,000 SF	216	2.8%	1.5%
R7 – Multifamily (4+-stories)	500 SF	0	0.0%	0.0%
R8 – Planned Residential Development	-	183	2.3%	3.7%
All Other	-	1,540	19.6%	-

FIGURE 1.6: SOUTHWEST AREA PERCENT OF UNITS BY RESIDENTIAL ZONING TYPE

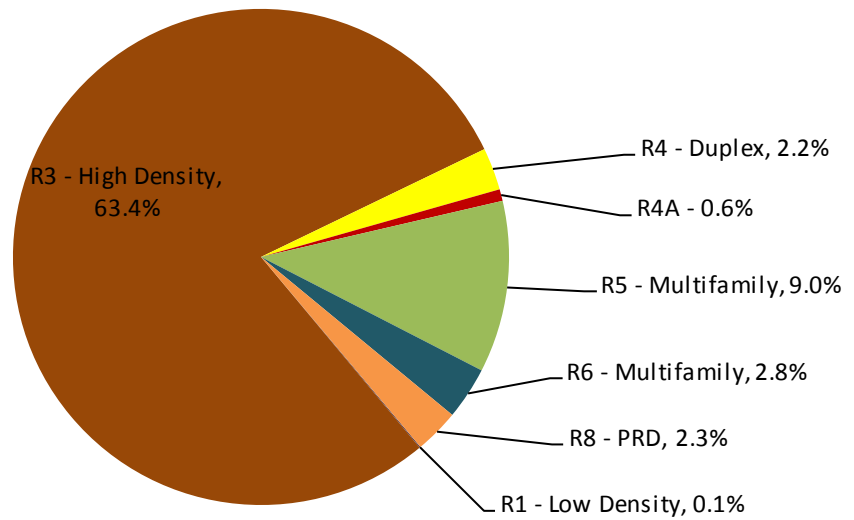
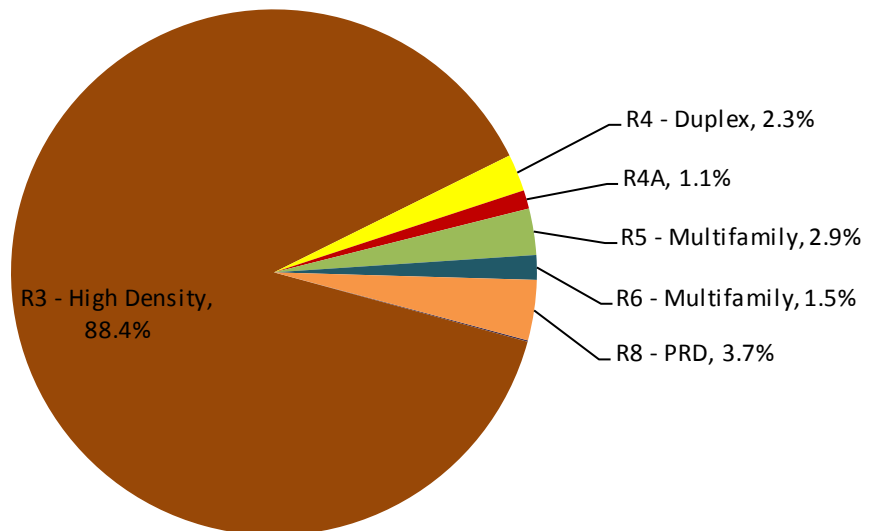


FIGURE 1.7: SOUTHWEST AREA PERCENT OF RESIDENTIAL ACREAGE BY RESIDENTIAL ZONING TYPE



HOUSING AGE AND VALUATIONS

Birmingham's Southwest Area offers a range of housing opportunities for perspective residents. The majority of the Southwest Area's housing, however, is relatively dated with nearly 62% of all housing having been constructed before 1980 (see *Figure 1.8*). About 23% of all housing has been constructed since 2000. While older properties can have limitations on a home's appeal to potential buyers from an architectural and maintenance perspective, it can add to a home's appeal from an affordability and investment perspective.

FIGURE 1. 8: PERCENT OF HOUSING UNITS BY YEAR

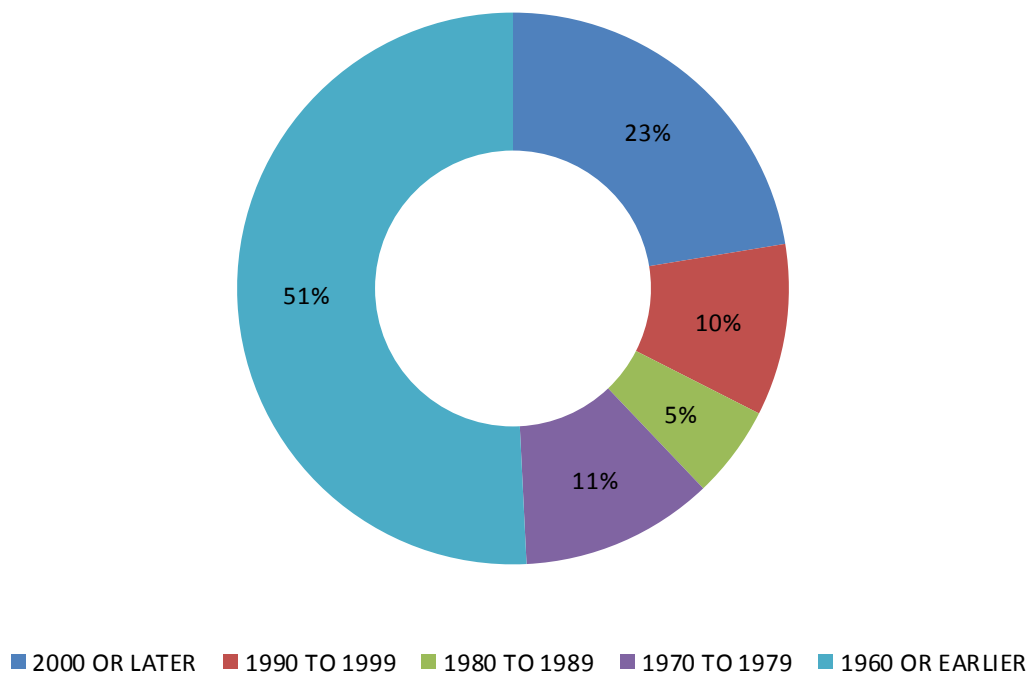
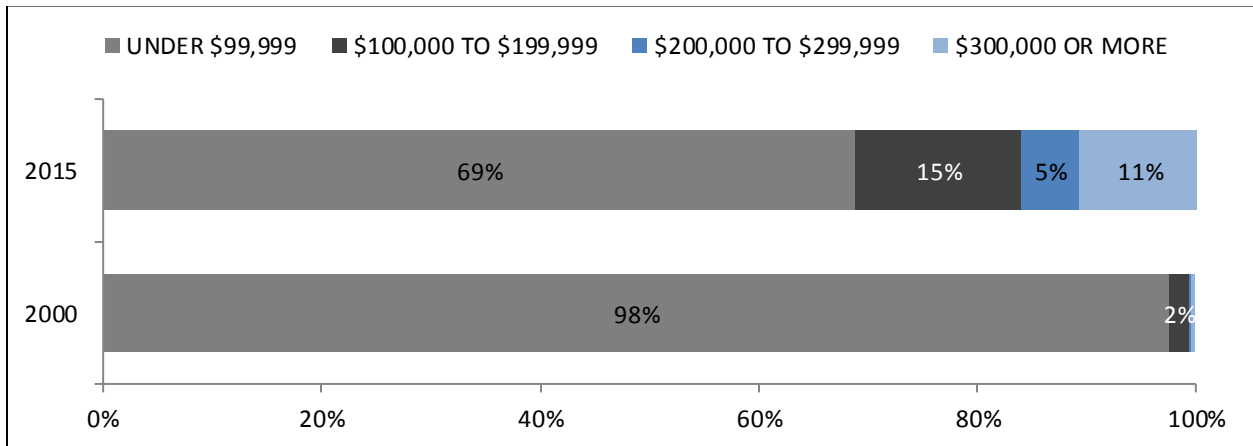


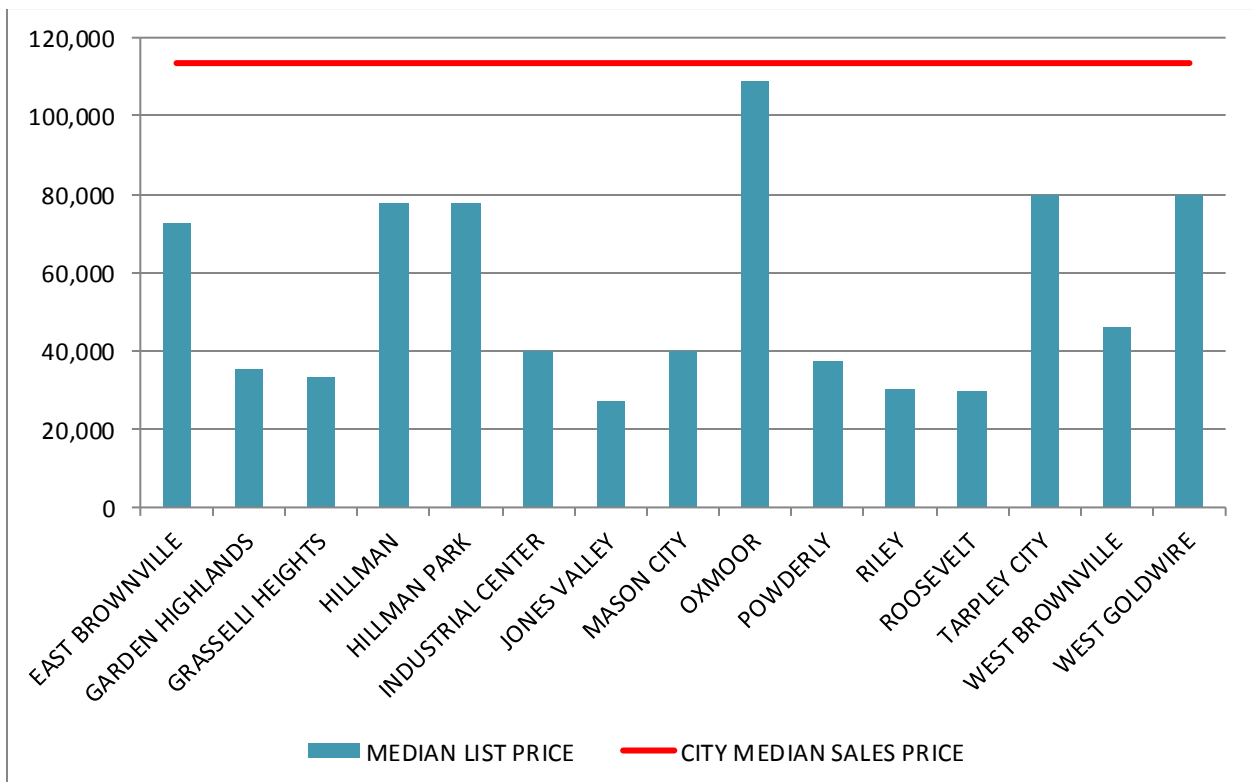
Figure 1.9 displays the changing percentages of owner-occupied housing units by valuation in the Southwest Area. As shown, 98% of Southwest Area owner-occupied units were valued under \$100,000 in 2000, but that percentage has declined to 69% by 2015. In 2000, 100% of all owner-occupied units were valued under \$200,000, and by 2015 that percentage had dropped to 84%. Additionally, in 2000 no units were valued at \$200,000 or more. By 2015, 16% of owner-occupied units were valued \$200,000 or more. This illustrates a rising demand in the Southwest Area for higher valued home construction as well as the rising market value of existing units.

FIGURE 1. 9: PERCENT CHANGE OF OWNER-OCCUPIED HOUSING UNITS BY VALUATION (2000-2015)



Recent median home sales by Southwest Area neighborhoods, as reported by Trulia Real Estate Market Overview data, illustrate a disparity in home sales when compared to the City of Birmingham (see *Figure 1.10*). As shown, the median home sales prices within all Southwest Area neighborhoods are below the median sales price of the City of Birmingham. While this is indicative of the affordability of area single family homes, it is also indicative of low market demand, despite increasing property values.

FIGURE 1. 10: MEDIAN HOME SALES BY SOUTHWEST AREA NEIGHBORHOODS



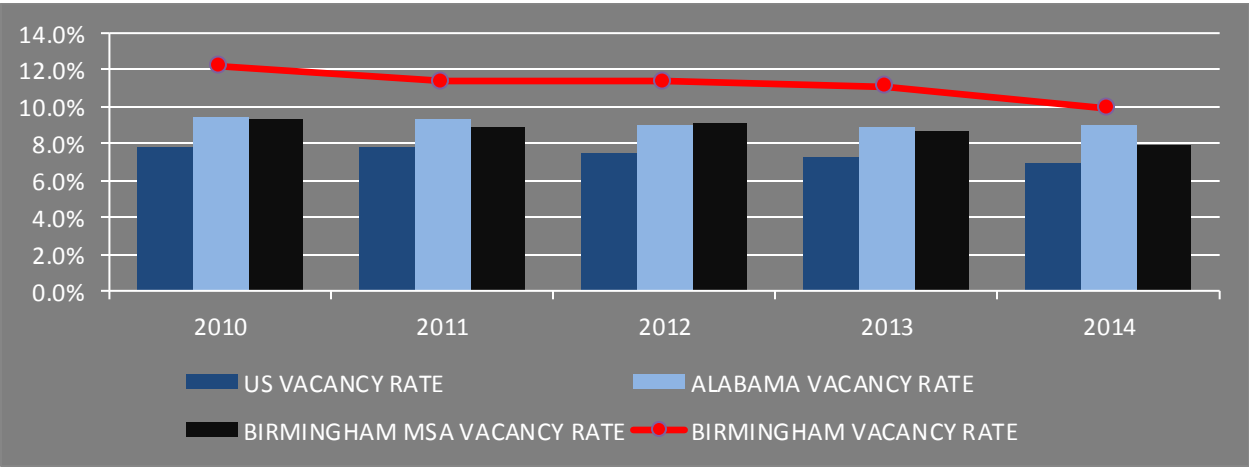
HOUSING VACANCY AND TENURE

Information regarding rental and owner-occupied vacancy rates and homeownership provides useful guidance to evaluate the need for new housing programs and initiatives. Additionally, the rental vacancy rate is a component of the index of leading economic indicators and is thereby used by the Federal Government and economic forecasters to gauge current economic conditions.

Rental markets are considered to be stabilized when they have a 5.0% vacancy rate, which promotes competitive rents, ensures adequate consumer choice, and allows for unit turnover. Estimates from the 2014 US Census ACS (5-Year) data report that the City of Birmingham as a whole had an overall rental vacancy rate of 9.9%, down 1.2% from the previous year. This is indicative of a stabilizing rental market and a steadying home ownership market. As the economic recession took hold in 2008 and the housing market became stagnant, many perspective homeowners were not able to purchase a home due to increased financial regulations. At the same time, homeowners wishing to sell properties could not. Since Birmingham possessed a larger market of available detached units for sale, many single family homes were converted to rental units. This alleviated financial burdens to homeowners while meeting an increasing demand for rental units. 2015 ESRI estimates report that Birmingham’s Southwest Area housing stock is comprised of about 43% rental units and 57% owner-occupied units.

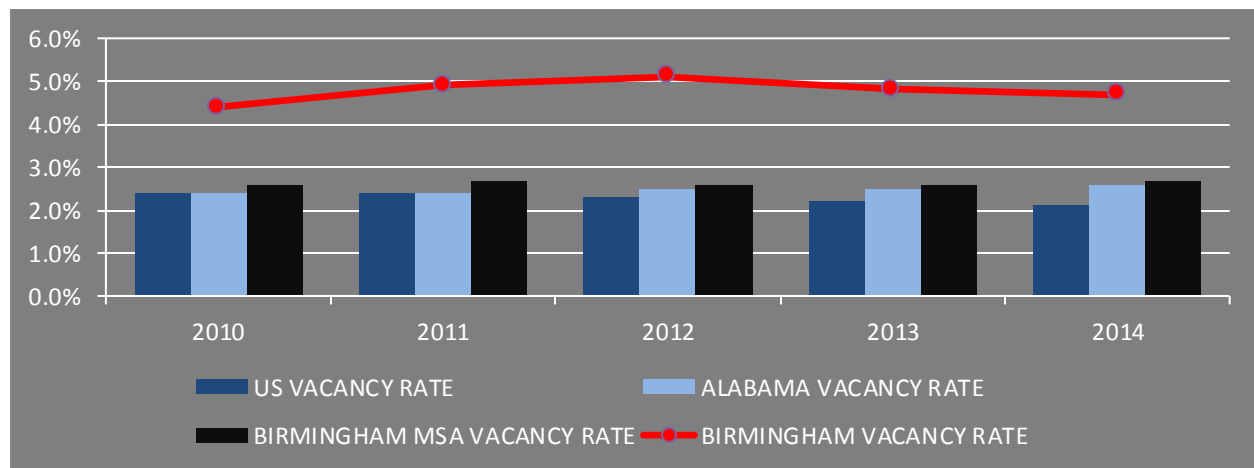
As illustrated in *Figure 1.11*, rental vacancy rates in both Alabama and the Birmingham-Hoover Metropolitan Area have both remained around 9% and both consistently higher than the U.S. average. The City of Birmingham, while typically higher than these, experienced a decrease since 2010.

FIGURE 1. 11: COMPARISON OF RENTAL VACANCY RATES (2010-2014)



The vacancy rate for homeowners has remained at fairly low levels over the last several years. As reported in the 2014 US Census ACS (5-Year) data, the vacancy rate for homeowners in the City of Birmingham experienced an increase from 4.4% in 2010 to 4.7% in 2014 (see *Figure 1.12*). This increase is attributable to the personal financial effects of the recession on residents and their ability to maintain home ownership costs. The 2012 peak may be due in part to adjustments in the housing market whereby homeowners, previously unable or unwilling to sell their property during the recession, then began listing their properties. In addition, both existing and newly constructed units were staying on the market longer. By 2014, the homeowner vacancy rate had decreased to 4.7%.

FIGURE 1. 12: COMPARISON OF HOMEOWNER VACANCY RATES (2010-2014)



HOUSING AFFORDABILITY

Housing affordability, as defined by the U.S. Department of Housing and Urban Development (HUD), refers to any household paying in excess of 30% of its gross household income towards housing costs. Households with the aforementioned attributes are considered cost burdened households. As the case with homeownership, household costs typically include mortgage payments, homeowners insurance, and property taxes. Renter household costs include gross rent which includes contract rent and estimated utility costs. Households that pay more than 30% for housing may have difficulty affording other necessities such as food, clothing, transportation, and medical care.

Birmingham City owner occupied householders have an estimated median household income of \$43,421 with a median mortgage cost of \$1,091. Since 2010, median household income has decreased by 2% while the median mortgage cost has increased by less than 1%. In addition to housing costs outpacing increases in income, costs associated with utilities, transportation, food, education, and health care will continue to rise as well. These added costs can have affect household cost burdens in the near future. In 2010, an estimated 28% of Birmingham mortgage-holders spent more than 30% of their income on housing. By 2014 an estimated 26% of Birmingham mortgage-holders spent in excess of 30% of income on housing costs. By

comparison, an estimated 52% of Southwest Area mortgage-holders spent more than 30% of their income on housing in 2010, and by 2014 an estimated 45% of Southwest Area mortgage-holders spent in excess of 30% of income on housing costs (see *Figure 1.13* and *1.14*). While the cost burdens of both Birmingham City and Southwest Area owner occupied householders have improved since 2010, the trend cannot be maintained without increasing household incomes.

FIGURE 1.13: SOUTHWEST AREA SELECTED ESTIMATED MORTGAGE COST AS A PERCENT OF HOUSEHOLD INCOME (2010)

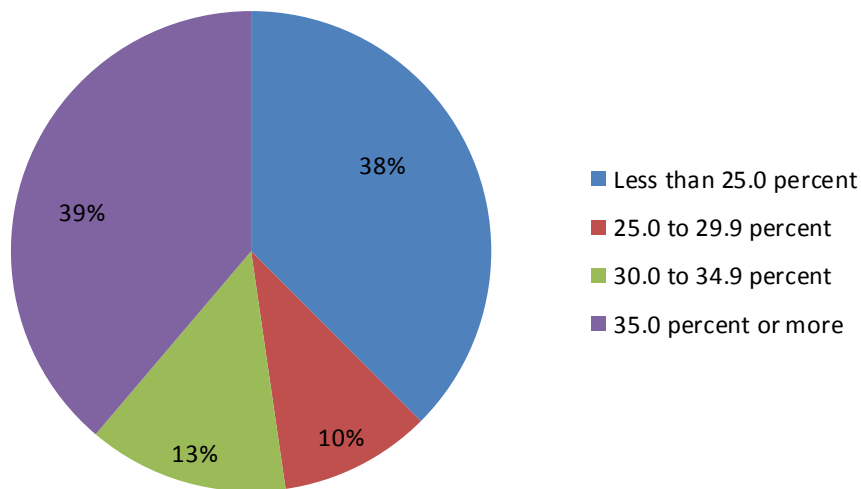
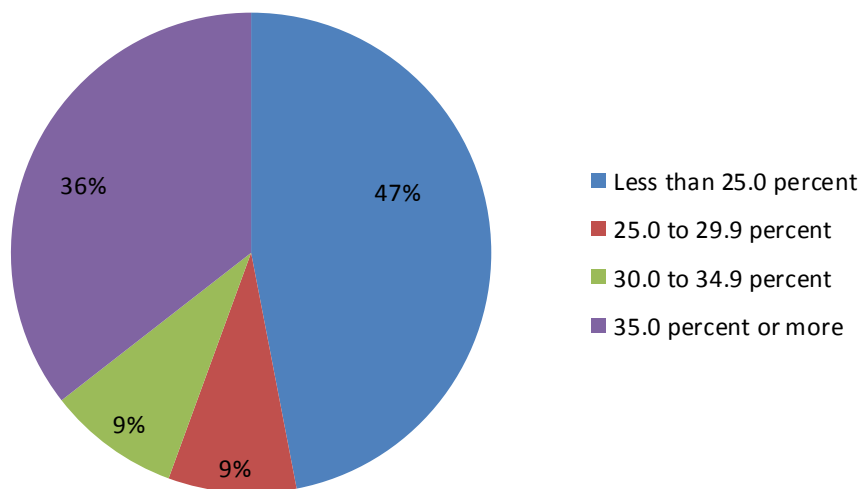


FIGURE 1.14: SOUTHWEST AREA SELECTED ESTIMATED MORTGAGE COST AS A PERCENT OF HOUSEHOLD INCOME (2014)



Cost burdens associated with renter households have increased. In 2014, Birmingham City renter households had a median household income of \$21,355 and a median gross rent of \$728. Between 2010 and 2014, renter-occupied households in Birmingham experienced a median household income decrease of 3% while median gross rents increased by 7%. Since renters are typically lower income earners, they are at greater risk of spending a larger share of their income on housing. Additionally, they also must absorb increasing costs associated with utilities, transportation, food, education, and health care. Renters are also more likely than homeowners to rely on supplementary income and housing assistance. In Birmingham, over three-quarters of all renters earn less than \$50,000 annually. The percentage of renter-occupied households that spent more than 30% of their income on housing costs increased from 51% in 2010 to 53% in 2014. By comparison, an estimated 64% of Southwest Area renters spent more than 30% of their income on housing in 2010, and by 2014 an estimated 60% of Southwest Area renters spent in excess of 30% of income on housing costs (see *Figure 1.15* and *1.16*).

FIGURE 1. 15: SOUTHWEST AREA SELECTED ESTIMATED GROSS RENT AS A PERCENT OF HOUSEHOLD INCOME (2010)

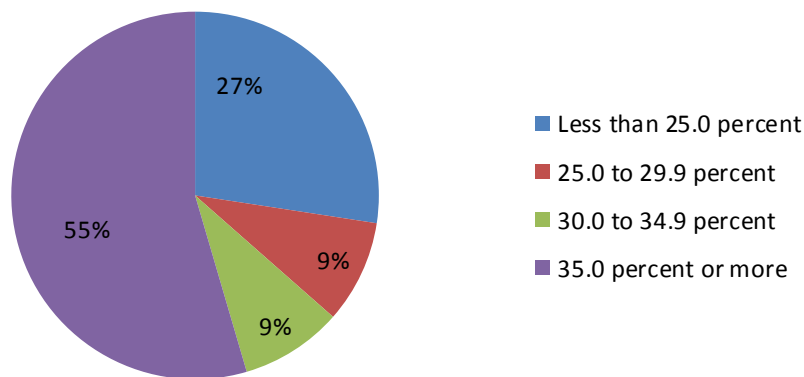
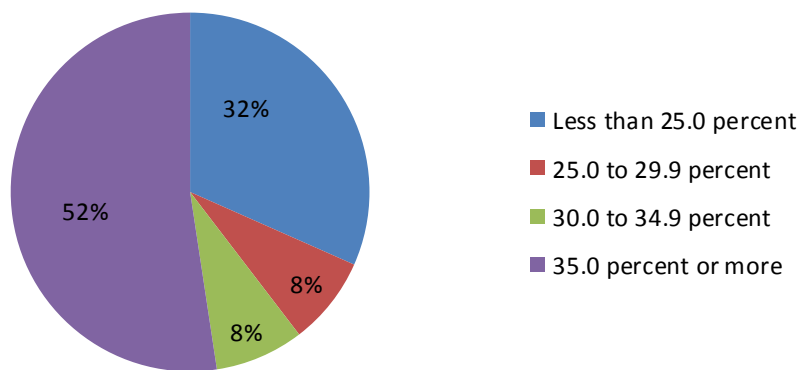
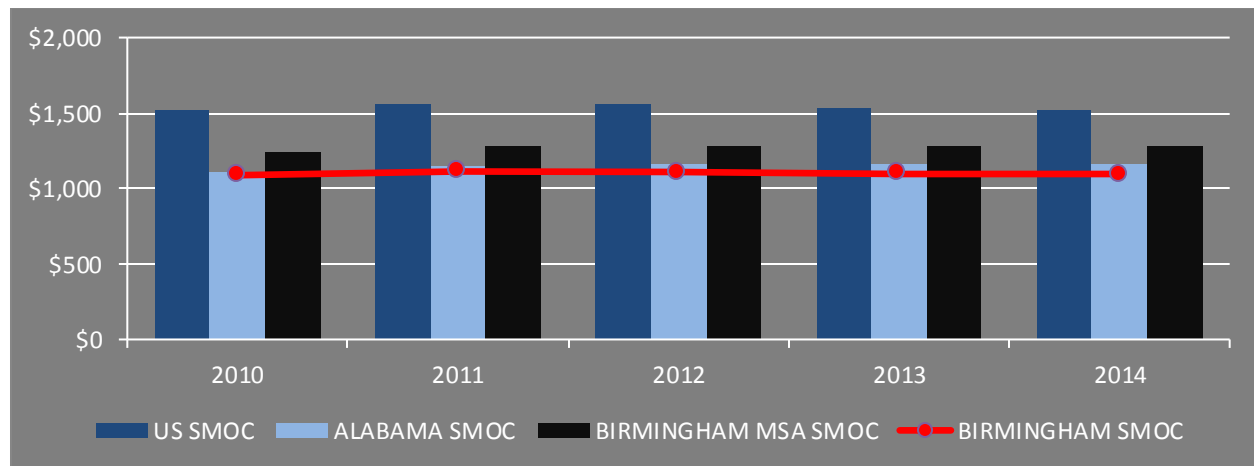


FIGURE 1. 16: SOUTHWEST AREA SELECTED ESTIMATED GROSS RENT AS A PERCENT OF HOUSEHOLD INCOME (2010)



Comparable statistics of selected monthly owner costs illustrates changes in housing costs between the City of Birmingham, the Birmingham-Hoover Metropolitan Statistical Area (MSA), the State of Alabama, and the U.S. over the last few years. As shown in *Figure 1.17*, there has been little relative change over time between the jurisdictions. Housing costs in Birmingham tend to be similar to those of the State and MSA, though they are lower than that of the U.S.

FIGURE 1.17: COMPARISON OF MONTHLY OWNER COSTS FOR HOUSING (2010-2014)



Comparable change of gross rent as a percentage of income, however, illustrates a slightly different trend (see *Figure 1.19*). Median rent costs in Birmingham are not significantly higher than those of the State of Alabama or the Birmingham-Hoover MSA (see *Figure 1.18*). However, Birmingham renters spend a larger share of their income on housing costs. In addition to increasing rental costs in Birmingham, the average amount spent as a percentage of income is significantly higher than that of comparable jurisdictions. In 2014 Birmingham City renters spent an average of 35% of household income on rent.

FIGURE 1.18: COMPARISON OF MEDIAN GROSS RENT (2010-2014)

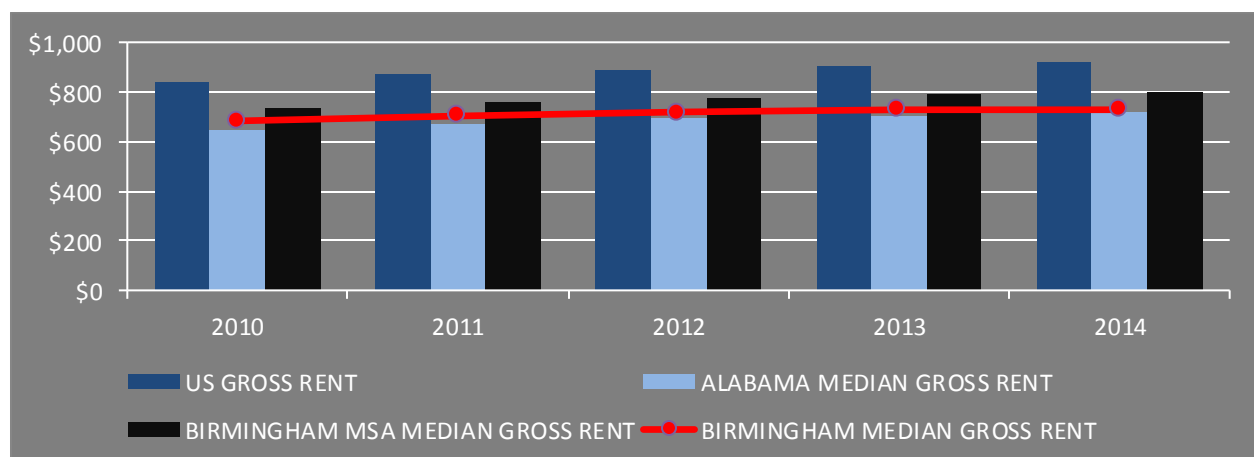
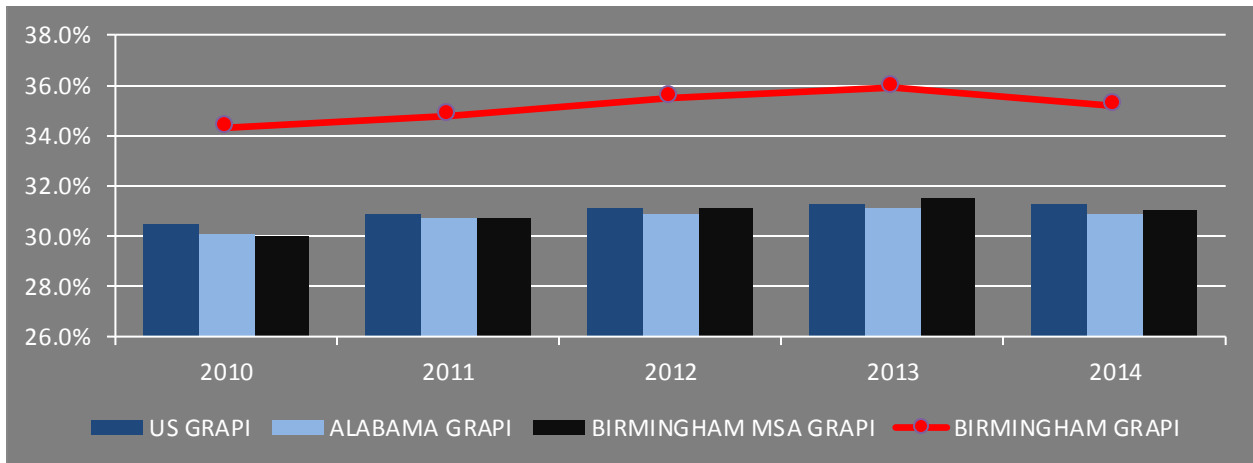


FIGURE 1. 19: GROSS RENT AS A PERCENTAGE OF INCOME (2010-2014)



When a home is purchased, it is typically done through a mortgage loan process. Most of these mortgage loans are conventional loans that require a down payment of 20 percent, and the payments are based on a fixed interest rate for a fixed amount of time (typically 30 years or 360 months). For the purposes of the following tables and calculations, an interest rate of 4.1% and the ability to satisfy a 20 percent down payment has been assumed.

To capture the existing demand-supply balance, the distribution of households and income ranges was collected from the 2014 5-Year ACS Census data and housing values were collected from property market value data estimated from the 2015 Jefferson County Department of Revenue tax data. Furthermore, the income ranges have been correlated to the income limit thresholds defined by HUD for a family of three according to Area Median Incomes (AMI) for both owner-occupied and renter-occupied households. This information is meant to identify and highlight the types of housing units that are affordable to the residential population within the current housing stock and which types of units are under or over-supplied in the city.

The following table depicts the distribution of Birmingham's Southwest Framework Plan Area AMI to the HUD Income Limit thresholds and further estimates gross monthly household income. HUD considers households earning 30% or less of AMI to be extremely low income, 31% to 50% of AMI to be very low income, and 51% to 80% of AMI to be low income. Maximum home and rental prices are calculated based on a 30 percent affordability limit on monthly household income expenditures towards housing costs. *Table 1.3* illustrates the HUD thresholds for owner and renter occupied units in the Southwest Area.

TABLE 1. 3: HUD THRESHOLDS FOR OWNER-OCCUPIED & RENTER-OCCUPIED UNITS (2014)

HUD THRESHOLDS	OWNER-OCCUPIED UNITS			RENTER-OCCUPIED UNITS		
	AMI MAXIMUM INCOME VALUE	ESTIMATED MONTHLY INCOME	MAXIMUM HOME PURCHASE PRICE	AMI MAXIMUM INCOME VALUE	ESTIMATED MONTHLY INCOME	MAXIMUM RENT PRICE
30% OF AMI OR LESS	\$10,206	\$851	\$66,006	\$6,893	\$574	\$172
31% TO 50%	\$17,010	\$1,418	\$110,009	\$11,488	\$957	\$287
51% TO 80%	\$27,216	\$2,268	\$176,015	\$18,380	\$1,532	\$460
81% TO 100%	\$34,020	\$2,835	\$220,018	\$22,975	\$1,915	\$574
101% TO 120%	\$40,824	\$3,402	\$264,022	\$27,570	\$2,298	\$689
121% OR MORE	\$41,164+	\$3,430+	\$266,222	\$27,800+	\$2,317+	\$695

Table 1.4 illustrates the total number of owner-occupied households by estimated residential property values according to minimum and maximum affordability values. As shown, the estimated number of units valued up to \$110,009 makes up 82% of all Southwest Area owner-occupied units. This is consistent with the reported 2015 average residential property value of \$81,929 according to Southwest Area property estimates. The majority of the Southwest Area's existing housing stock is valued within price ranges that would be deemed affordable to households earning roughly 31% of AMI or more, falling within the HUD Income Limit threshold defined as very low income earners.

TABLE 1. 4: OWNER-OCCUPIED UNITS BY ESTIMATED RESIDENTIAL PROPERTY VALUES

EXISTING OWNER-OCCUPIED UNITS			
MINIMUM PROPERTY VALUE	MAXIMUM PROPERTY VALUE	TOTAL UNITS	PERCENT UNITS
\$0	\$66,006	2,481	61.1%
\$66,007	\$110,009	847	20.9%
\$110,010	\$176,015	165	4.1%
\$176,016	\$220,018	279	6.9%
\$220,019	\$264,022	142	3.5%
\$264,023+	-\$-	146	3.6%

Comparing the existing residential housing stock property valuations to existing owner-occupied incomes according to HUD Income Limit thresholds further illustrates the availability of affordable housing in Birmingham’s Southwest Framework Plan Area. Housing demand is defined as a representation of housing income. Additionally, the resulting gap analysis provides insight as to the future demand of housing based on incomes. In general, the existing supply of housing units provides enough housing for households earning 50% of AMI or less. As seen in *Table 1.5*, there is a surplus of units in the Southwest Area that are affordable to households earning \$17,010 or less. However, there is a shortage for housing of higher values that meets the maximum affordability for households earning more than 51% of AMI. While many of these households choose housing that is below their maximum affordability to allow for increased spending on other needs, others might prefer a greater range of housing options that allows them to maximize their affordable housing value.

TABLE 1. 5: OWNER-OCCUPIED ESTIMATED HOUSING GAP (2014)

THRESHOLDS	UNITS – HOUSING SUPPLY				INCOME – HOUSING DEMAND				GAP ANALYSIS	
	MINIMUM VALUE	MAXIMUM VALUE	UNITS	% OF UNITS	THRESHOLD MINIMUM	THRESHOLD MAXIMUM	HHLDS WITHIN THRESHOLD	% HHLDS WITHIN THRESHOLD	SURPLUS/ (SHORTAGE)	SUPPLY AS A % OF AFFORDABILITY
30% OF AMI OR LESS	\$0	\$66,006	2,481	61.1%	\$0	\$10,206	425	10.5%	2,056	583.8%
31% TO 50%	\$66,007	\$110,009	847	20.9%	\$10,207	\$17,010	591	14.6%	256	143.3%
51% TO 80%	\$110,010	\$176,015	165	4.1%	\$17,011	\$27,216	638	15.7%	(473)	25.9%
81% TO 100%	\$176,016	\$220,018	279	6.9%	\$27,217	\$34,020	406	10.0%	(127)	68.7%
101% TO 120%	\$220,019	\$264,022	142	3.5%	\$34,021	\$40,824	406	10.0%	(264)	35.0%

THRESHOLDS	UNITS – HOUSING SUPPLY				INCOME – HOUSING DEMAND				GAP ANALYSIS	
	MINIMUM VALUE	MAXIMUM VALUE	UNITS	% OF UNITS	THRESHOLD MINIMUM	THRESHOLD MAXIMUM	HHLDS WITHIN THRESHOLD	% HHLDS WITHIN THRESHOLD	SURPLUS/ (SHORTAGE)	SUPPLY AS A % OF AFFORDABILITY
121% OR MORE	\$264,023		146	3.6%	\$40,825		1,594	39.3%	(1,448)	9.2%

When the existing rental valuations are compared to rental household incomes, a more significant disparity can be observed. Given the number of apartment units, most of the Southwest Area’s rental housing is apartment properties. Single family homes typically possess more livable square footage and therefore command higher rental rates, but fewer exist in the Southwest Area. As *Table 1.6* shows, there are estimated to be about 654 rental units affordable to renter households who earn 50% or less of the HUD defined AMI limits, or households whose maximum affordability is limited to \$287 per month on household costs. There is existing opportunity for another 373 units that meet this affordability level. In contrast to the lower income thresholds, there is an oversupply of rental units for householders who spend in between 51% and 120% AMI. There is additional opportunity for renters who earn in excess of 121% AMI.

TABLE 1. 6: RENTER-OCCUPIED ESTIMATED RENTAL GAP (2014)

THRESHOLDS	RENTAL UNITS – HOUSING SUPPLY				INCOME – HOUSING DEMAND				GAP ANALYSIS	
	MINIMUM RENT	MAXIMUM RENT	UNITS	% OF UNITS	THRESHOLD MINIMUM	THRESHOLD MAXIMUM	HHLDS WITHIN THRESHOLD	% HHLDS WITHIN THRESHOLD	SURPLUS/ (SHORTAGE)	SUPPLY AS A % OF DEMAND
30% OF AMI OR LESS	\$0	\$172	516	16.6%	\$0	\$6,893	688	22.1%	(172)	75.0%
31% TO 50%	\$173	\$287	138	4.4%	\$6,894	\$11,488	339	10.9%	(201)	40.7%
51% TO 80%	\$288	\$460	750	24.1%	\$11,489	\$18,380	461	14.8%	289	162.7%

THRESHOLDS	RENTAL UNITS – HOUSING SUPPLY				INCOME – HOUSING DEMAND				GAP ANALYSIS	
	MINIMUM RENT	MAXIMUM RENT	UNITS	% OF UNITS	THRESHOLD MINIMUM	THRESHOLD MAXIMUM	HHLDS WITHIN THRESHOLD	% HHLDS WITHIN THRESHOLD	SURPLUS/ (SHORTAGE)	SUPPLY AS A % OF DEMAND
81% TO 100%	\$461	\$574	411	13.2%	\$18,381	\$22,975	185	5.9%	226	222.2%
101% TO 120%	\$575	\$689	235	7.5%	\$22,976	\$27,570	186	6.0%	49	126.3%
121% OR MORE	\$690		1,067	34.2%	\$27,571		1,258	40.4%	(191)	84.8%

STRATEGIES AND RECOMMENDATIONS

The following recommendations are specific to housing and residential development opportunities including regulatory and policy strategies for implementation. The recommendations are intended to address existing and future housing needs in order to provide an adequate supply of housing choices in Birmingham's Southwest Framework Plan Area.

Trends show that residential growth will primarily occur within the Oxmoor/Lakeshore area of the Southwest Framework Plan Area. The current undeveloped residential land supply, a component of the Mixed Use zoning district, is estimated in excess of 5,000 acres. This is sufficient to accommodate any future demand, especially if higher density developments are encouraged in appropriate areas. With a finite supply of developable land and limited annexation options, it is necessary that Birmingham ensure that its housing policies support its current and future needs.

- Increase Efficient Land Use
 - Update the City Future Land Use Map to maximize land use efficiency. The update will be an opportunity to identify priority areas and to resolve any conflicts between planned uses and current zoning. It is also an opportunity to coordinate future land uses with future transportation and infrastructure investments, capital improvement projects, and economic development plans.
 - Develop and maintain an inventory of vacant and buildable land. Such available properties, including those identified as tax delinquent, can be used in conjunction with future development plans and used as a tool in updating the Future Land Use Map.
 - Identify opportunities to allow for higher density development where appropriate. Combine higher density residential within mixed developments and uses to encourage commercial development by placing job opportunities in proximity to work forces.
- Increase the Supply of Buildable Land
 - Phase infrastructure expansions into larger land holdings. Development cannot occur without roads and utility infrastructure. The coordination with property owners of phased expansions will help ensure that appropriate infrastructure is being provided to allow these areas to be built at a proper pace and at a level necessary for the use of the property.
- Promote Rehabilitation and Redevelopment
 - Encourage infill and more compact housing in appropriate areas to provide more housing choice options to residents with limited incomes. This strategy should include stakeholders who could participate in redevelopment efforts through the identification of tools, funding sources, and specific sites. Infill can bring more homes closer to jobs and can provide added support to local businesses and retailers.
 - Utilize redevelopment in residential, non-residential, and mixed use structures to address market demand for underrepresented housing types within the existing housing stock. Redevelopment that increases the supply of higher density

housing, especially closer to the downtown and retail corridors, can provide specified housing needs while increasing labor participation and revitalizing weakening commercial areas.

- Review, revise, and adopt regulatory tools such as the zoning ordinance, subdivision regulations, design and construction guidelines, and form-based codes that will promote and expedite redevelopment efforts. The inclusion of residential uses in selected commercial areas and the provision of density bonuses and parking reductions for mixed use projects should be considered.
- Utilize redevelopment agreements to create partnerships with developers. Such agreements are useful when some added allowances are provided to the developer in exchange for a specified amenity.
- Leverage available federal funding programs for redevelopment such as CDBG, NewMarket tax credits, HUD loan programs, EDA programs, historic rehabilitation tax credits, Low Income Housing Tax Credits, and other federal funding sources to provide additional resources for a variety of projects.
- Encourage property maintenance and aesthetic appeal through a City Beautification Program. An integral part of revitalization and neighborhood stability is physical appearance. Through formal recognition of public and private beautification efforts, Birmingham communities can improve and enhance its image.
- Utilize and promote community engagement and investment with area anchor institutions such as UAB, Lawson State Community College, and local public/private schools. These institutions have a shared interest with the communities, and they can play a key role in area revitalization efforts through academia, research opportunities, employment and workforce development, and infrastructure development.
- Utilize the recommendations within the 2014 City of Birmingham Housing and Neighborhood Study in order to address affordable housing needs.
- Promote Quality Developments
 - Encourage any future large scale multifamily developments to be built as a component within Planned Development Districts (PDD) and Mixed Use Districts (MXD). Higher densities in such areas will provide financial support to the commercial components and add vibrancy to the development.
 - Discourage or eliminate use of single district multifamily zoning in order to avoid isolated high density developments along the city's fringe. High density and compact residential should be focused near commercial centers and the downtown.
 - Consider amending the current commercial zoning classifications to disallow residential development without any commercial components.
 - Promote development within the MXD zoned areas in a village-style context.
 - Consider utilizing a private school to encourage development investment. The use of a private school as an institutional anchor will promote both commercial and residential development and redevelopment while creating a community educational alternative for existing and perspective residents.

- Create a sidewalk inventory and develop a sidewalk plan to prioritize maintenance and new construction projects to ensure adequate linkages. Continue the requirement of sidewalk construction in residential developments. Ensure that all sidewalks meet ADA requirements.
- Consider the requirement of pocket parks in residential developments. Pocket parks are typically ¼ acre to one acre in size and can be required for larger housing developments and/or higher density developments at an appropriate ratio to units, i.e., 1 for every 300 units. Maintenance can be provided through an agreement with the city as dedicated public park space or through a home owners association.
- Consider requiring or incentivizing the construction and use of rear alleyways in higher density residential developments. Rear alley parking limits vehicle parking on residential roads and in front of homes. It also restricts utility and garbage pick-up access to the rear of the homes providing greater visual appeal from public roads.
- Plan for appropriate roadway connectivity and discourage the overdevelopment of cul-de-sacs. An interconnected grid street network is preferable to conventional suburban street networks where dead end streets and cul-de-sacs prevent the flow of traffic.
- Ensure that larger subdivisions to provide multiple roadway access locations to and from the development.
- Strictly enforce the use of municipal design and construction specifications to provide for adequate policies in the design, construction procedures, and quality of materials that will be in the best interest of safety, convenience, and prosperity of the city.

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