

Presentation Outline- April 24, 2008

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Executive Summary

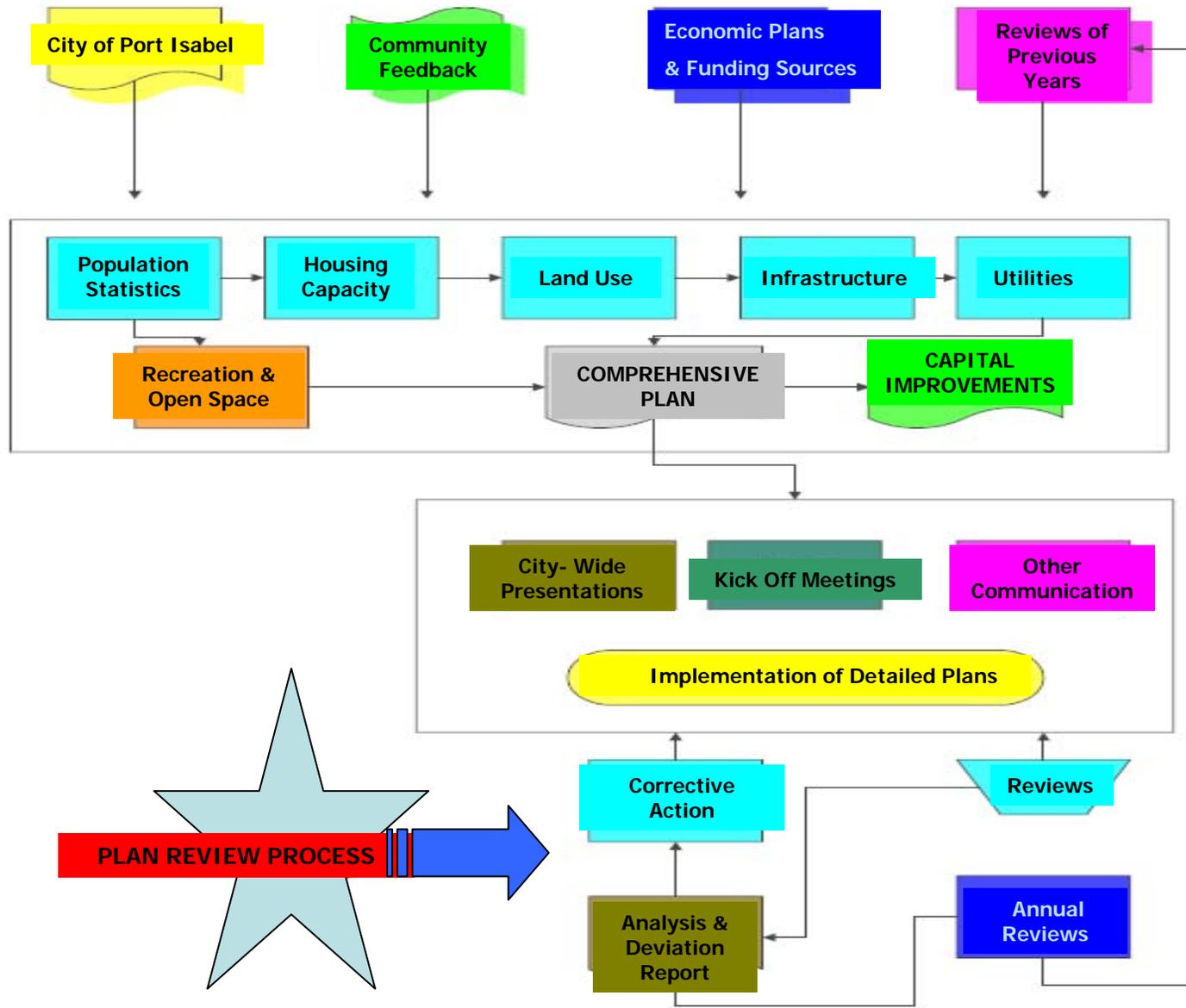
The City of Port Isabel, Texas (City) is a Home Rule Municipality and constitutes an incorporated City functioning under the Texas Local Government Code, Chapter 9 as authorized to do so by Article XI, Section 5, of the Texas Constitution. The City of Port Isabel has an estimated population of 5,319.

This Plan, funded by the Office of Rural Community Affairs, is intended to serve as a master plan for the future development of the City. This Study was commissioned by the City of Port Isabel in order to plan for the orderly growth of the City and to develop remedial measures for improving the quality of life in the City.

The administration responsible for creation, review and adoption of this Plan in 2005 is as follows:

- Planning Consultant -- RICARDO GÓMEZ & ASSOCIATES *RICARDO GOMEZ & ASSOC.*
- Mayor -- The Honorable Patrick H. Marchan
- Mayor Pro-Tem -- Mr. Joe Vega
- Commissioner -- Mr. Mario Tamayo
- Commissioner -- Mr. Guillermo “Memo” Perez
- Commissioner -- Mr. Martin Cantu
- City Manager -- Mr. Robert Garcia
- City Finance Director -- Mr. Pete Capistran

PLANNING PROCESS



Elements of a Plan

Comprehensive Plans encompass a broad range of areas, such as **population**, **housing**, **land use**, **infrastructure**, **economic development** and **historic preservation**, **drainage**, **streets & thoroughfares**, **subdivisions**, **zoning**, **parks**, **special districts** and **capital improvements**.

Each element presents an integrated plan that incorporates the interrelationships between these areas in its goals and implementation.

Future Concurrency

The Plan presented covers a ten (10) year planning period 2005-2015

The period is divided into three (3) phases:

- 1) Years 1-2,
- 2) years 3-5, and
- 3) years 6-10.

Using prioritization criteria, projects were listed as **Mandatory**, **Necessary**, **Desirable** and **Acceptable**. It should be noted that none of the proposed projects met the Mandatory priority as defined in the Plan.

Due to resource limitations and the likelihood of Plan updates, prioritization was limited to the proposed capital improvement in Phase 1 (Years 1 to 2) and Phase 2 (Years 3 through 5). Therefore, only the lower three priority classifications were used. Potential funding for each project was also identified. The priority is indicated by color coding: 1) Mandatory (none); **2) Necessary-blue**; **3) Desirable-green**; and **4) Acceptable-yellow**.

A summary of the funding sources for the first five (5) years of the Plan can be found in ***Chapter I Capital Improvement Program***.

[Texas Community Development Program, Texas Parks and Wildlife, Statewide Transportation Enhancement Program (TXDOT) Texas Capital Fund, State Water Revolving Loan Fund and U.S. Department of Agriculture.]

HOUSING

Introduction

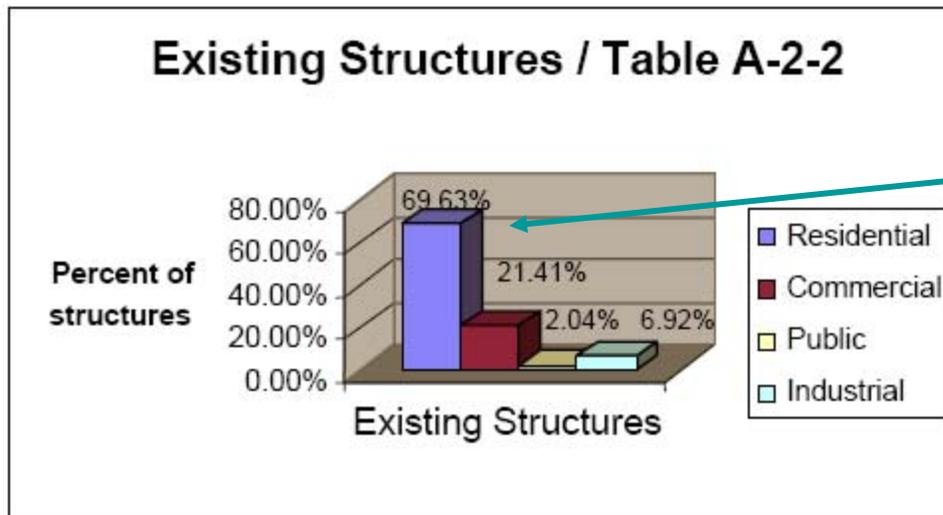
The data was gathered by RICARDO GOMEZ & ASSOCIATES in October 2004, through field observations and through occasional personal interviews. Each street within the City was traveled and notes on the exterior condition of each dwelling were logged and recorded by a Certified and Licensed Housing Inspector.

There are four factors influencing the level of effective demand for housing:

- 1) Physical sources of housing, including the number and type of family units in an area and the need for replacing existing units.
- 2) Level of disposable personal income in an area and its distribution.
- 3) Conditions of mortgage markets as they affect the availability of credit for the construction of new housing units.
- 4) Supply price of housing which is the cost of providing the residents of an area with appropriate housing facilities.

Housing Inventory Results

TABLE A-2-2 City of Port Isabel Existing Structures			
Item	Description	Quantity	Percentage
1	Residential (Single Family) Units	1,057	69.63
2	Commercial Units	325	21.41
3	Public Buildings	31	2.04
4	Other (Industry)	105	6.92
	Total	1,518	100



One can easily see that the large majority of existing structures in the City of Port Isabel are for Residential Use.

Housing Inventory Results

A. Housing Classification & Inventory

The existing housing inventory was ranked on a three (3) level classification:

- 1) Standard (STD)—no significant defects in primary, secondary, or major structural components;
- 2) Deteriorating (DT)—additional repairs not normally covered during routine maintenance are needed.
- 3) Dilapidated (DL)—not safe or adequate shelter that may endanger health and safety to its occupants.

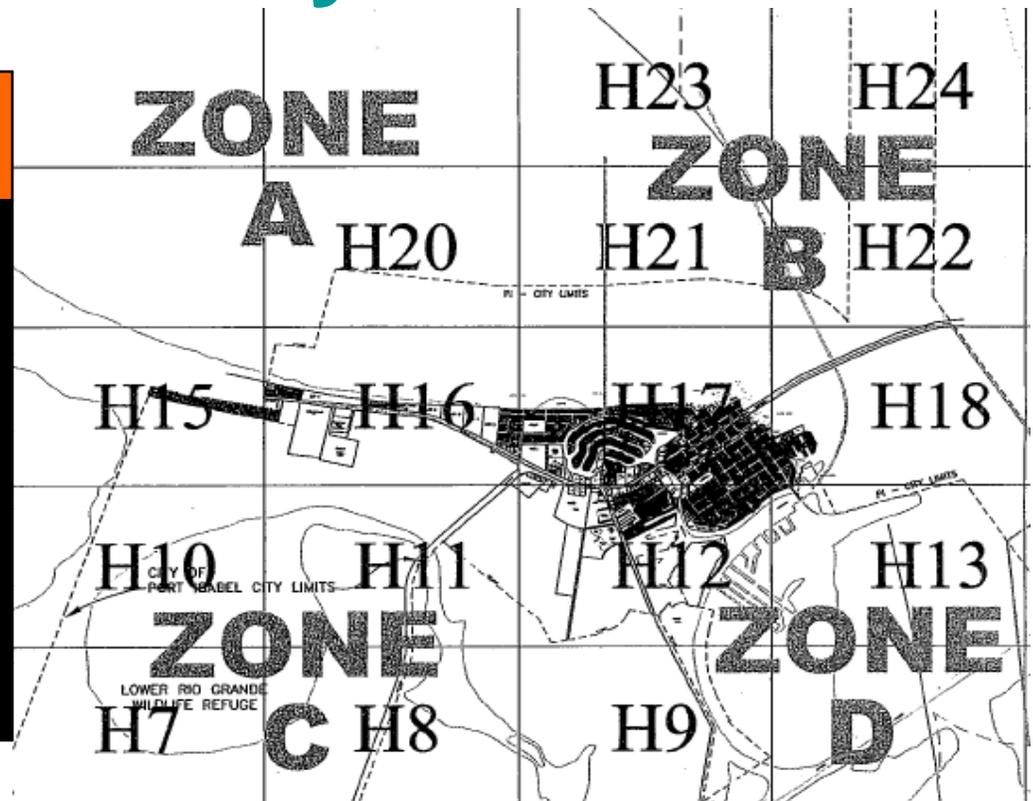
Housing Inventory Results:

- The information found in the Housing element is based on surveys conducted in October 2004. For Housing Classification purposes the City was divided into six (6) geographic Zones, A through F respectively. Zones E & F will be disregarded as these zones are no longer located in our City limit.
- The City consists of approximately 1,445 lots for residential use.
- Residential lots are typically 50' x 120', ranging from 25' x 125' to one-half acre in size. These lots are considered residential by virtue of their current use or location within or adjacent to residential areas.
- Of these 1,445 lots, approximately 1,057 have existing homes.

Housing Inventory Results

TABLE A-2-3
City of Port Isabel Residential Units Classifications

Zone	STD.	DT.	DL.	Total	% of Total
A	225	34	1	260	24.6
B	246	6	1	253	23.9
C	-0-	-0-	-0-	-0-	0
D	482	50	12	544	51.5
TOTAL	953	90	14	1,057	100
% of TOTAL	90.2%	8.5%	1.3%	100%	100%



- 1) Zone A – (Northwest area): Currently has a large part fronting the bay un-developed (Derry Site). Additionally, approximately 78 lots are vacant but have utilities in place. A small section of the “fingers” is without utilities.
- 2) Zone B – (Northeast area): Currently has 131 lots vacant. City infrastructure is available throughout this area for future construction.
- 3) Zone C (Southwest area): This area has zero vacant developed lots. However, this is the Zone with the most undeveloped land in the City. Although the basic infrastructure is located in the Zone, any major development will have to invest in extending the infrastructure to accommodate for the new growth.
- 4) Zone D– (Southeast area): This area has 179 lots vacant. By far the most developed of all zones, any development in is area will likely be replacement housing units. All infrastructures are in place.

Housing Remediation

The "sub-standard" housing units total 104 units, 90 deteriorating units and 14 dilapidated units. Deteriorating units should be rehabilitated or re-built. Dilapidated units should be removed and in some case, if occupied, re-built. Since it is desirable to upgrade the quality of these housing units to an acceptable level, the remediation costs are of importance in the development of this Plan.

The following cost estimates are based on General Contractor's Year 2004 pricing levels:

Rehabilitation of Deteriorating Homes

- 1) Estimated Average for Calculations:
 - a) \$20.00 per square foot for pier or concrete foundation, wood-siding construction.
 - b) \$24.00 per square foot for brick veneer construction.
 - c) Average of 1,000 square feet of living area per home.
- 2) Survey Tabulations:
 - a) 76 wood siding units needing Rehabilitation.
 - b) 14 brick veneer units identified for Rehabilitation.
- 3) Estimated cost for Rehabilitation:
 - a) $76 \text{ homes} \times \$20.00 / \text{S.F.} \times 1,000 \text{ S.F.} = \$1,520,000$
 - b) $14 \text{ homes} \times \$24.00 / \text{S.F.} \times 1,000 \text{ S.F.} = \$336,000$

\$ 1,856,000 Total Rehabilitation Cost.

New Construction of Dilapidated Homes

- 1) Estimated Averages for Calculations:
 - a) \$40.00 per square foot for pier or concrete foundation, wood siding construction.
 - b) \$45.00 per square foot for brick veneer construction.
- 2) Survey Tabulations:
 - a) 12 wood siding units needing Reconstruction (Dilapidated)
 - b) 2 brick veneer units identified for Reconstruction.
- 3) Estimated Costs for Reconstruction:
 - a) $12 \text{ homes} \times \$40.00 / 1,000 \text{ S.F.} = \$480,000$
 - b) $2 \text{ homes} \times \$45.00 / 1,000 \text{ S.F.} = \$90,000$

\$ 570,000 Total Replacement Cost.

Total estimated cost for remediation of the substandard housing in the City is \$2,426,000.

Housing Assistance Program General Requirements

The need for grants and loans for the rehabilitation of dwellings in the City can be categorized as a slightly moderate need. Only 9.8 % of the homes identified in the survey were classified within the two categories considered to need some form of rehabilitation. According to the 2000 Census, there were 269 families living below the poverty level and the median family income was \$26,077. Therefore, according to the Census, 62.2% of the residents of the City are classified as low-to-moderate income persons.

Housing Assistance Program Procedures:

- 1) Rating of housing.
- 2) Establish eligibility.
- 3) Program Administration.
- 4) Program Funding

Each applicant or recipient will need to meet the following requirements:

- 1) Must be owner of record and reside in the dwelling,
- 2) Qualify under low/moderate income parameters (per HUD requirements),
- 3) Possess a valid Contract for Deed or Warranty Deed, filed for record, or Life Estate of Property, filed for record,
- 4) All property taxes paid or payment arranged in writing with appropriate taxing entities.
- 5) Owner must agree not to sell property for a minimum of 5 years or be subject to repayment of funds, prorated by years, if grant funds are used,
- 6) Qualify under income parameters of HUD guidelines

HUD Low to Moderate Income Levels*	
No. Family Members	Applicants Gross Annual Income
1	\$ 23,750.00
2	\$ 27,150.00
3	\$ 30,550.00
4	\$ 33,900.00
5	\$ 36,650.00
6	\$ 42,050.00
7	\$ 44,750.00
8	\$ 47,450.00
9	\$ 50,150.00
10	\$ 52,900.00
11	\$ 55,600.00
*2004 HUD Section 8 income Limits	

Housing Assistance Program

Program Implementation

A program of this size would require a minimum of five to ten years to implement and complete. A summary of recommended steps to implement such a program follows:

1) Initial Year: After securing funds, implementation and administration could follow:

- a) Hire qualified staff personnel.
- b) Create application criteria and requirement guidelines paralleling similar programs or CDBG requirements.
- c) Design and plan methods of selecting applicants and ranking selections.
- d) Determine particular needs on each dwelling of applicant.
- e) Implement legal documentation and services, as needed.
- f) Obtain proposals for bids on construction.
- g) Award bids upon favorable review.
- h) Monitor fund distribution and construction of each project.

2) Subsequent Years, 2 through 10; Repeat steps d through h.

Potential Sources for Funding

The following are potential sources of funding that have proven to be successful in program implementation.

- 1) Community Development Funds
- 2) Housing Funds Programs (TDHCA)
- 3) ORCA (Office of Rural Community Affairs)
- 4) U.S. Dept. of Agriculture, Office of Rural Development
- 5) Non-Profit agencies.

TABLE A-2-5 Estimated Costs for Housing Assistance Program		
1. Administration Personal	Salaries	Totals
a. Program Administrator	\$40,000/Yr.	
b. Loan Processor	\$20,000/Yr.	
c. Accountant	\$20,000/Yr.	
d. Secretary	\$12,000/Yr.	
e. FICA costs	\$11,040/Yr.	
f. Insurance		
SUB-TOTAL 1		\$ 103,040.00
2. Contract Services		
a. Legal	\$ 2,000.00	
b. Audit	\$ 2,500.00	
c. Liability Insurance / Bond	\$ 2,500.00	
SUB-TOTAL 2		\$ 7,000.00
3. Operations / Overhead		
a. Office Supplies	\$ 2,400.00	
b. Office Furniture	\$5,000.00 One-time cost	
c. Computers, Phones, etc.	\$ 4,000.00 One-time cost	
d. Travel/Mileage	\$ 3,640 @ .30 cents/mile for 10,400 miles	
SUB-TOTAL 3		\$ 15,040.00
TOTAL AVERAGE PER YEAR		\$ 116,080.00
TOTAL COSTS 1ST YEAR		\$ 125,080.00

It is recommended that periodic assessments be made of personnel involved in administering the program and the applicants. An independent "Board of Compliance" should be the reviewing authority to ensure the validity and needs of each recipient. This process will aid the City in the proper distribution of available funds. Proper distribution and effective program administration would build community trust and serve to improve community participation.

Future Housing Need

According to the 2000 U.S. Census, the City's 2000 population was 4,865, with a total of 1,649 occupied housing units. This gave the City an average household size of 2.95. The City's population growth in the next decade is expected to reach 6,612 according the population predictions noted in other parts of this Plan. This will in turn require a substantial increase in need housing units. For the purposes of projecting estimated housing needs, the 2000 average household size of 2.95 was used. The following table shows the projected housing needs in five year increments.

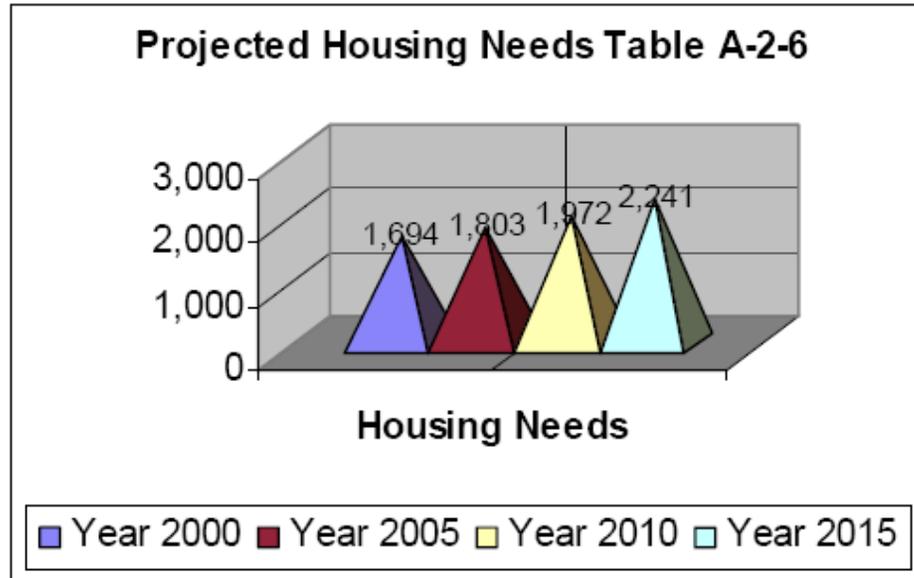


TABLE A-2-6 Projected Housing Needs			
YEAR	PROJECTED POPULATION	HOUSING NEEDS	ADDITIONAL HOUSING NEEDS
2000	4,865	1,649	N/A
2005	5,319	1,803	154
2010	5,815	1,972	169
2015	6,612	2,241	269

Housing Plan

The presentation in the preceding sections of this Chapter have established the current housing inventory and identified potential housing problems, including undesirable quality, insufficient infrastructure and short availability. The remediation and prevention of future housing problems will require the development and implementation of an effective housing program.

TABLE A-2-7 Housing Plan Tasks				
YEAR	TASK	DESCRIPTION	ESTIMATED COST (\$1,000's)	
2006-2007	YEARS 1—2	1	Hold Public Forums to inform public of Plan including Fair Housing Laws and City's goals.	1
	2	Sponsor Planning & Zoning Board workshop for review of Plan and Ordinances and remediation plans.	4	
	3	Establish a Housing Assistance Department and adopt a target housing improvement goal (5 houses per year) plus encourage multi-family development.	100	
2008-2010	YEARS 3—5	1	Hold Public Forums to inform public of Plan and its progress.	1
	2	Begin annual applications for fair housing funds to public and private channels based on community requests.	5	
	3	Consider the designation of a housing agency or consultant firm or adopt a policy for distribution to the public.	30	
2011-2015	YEARS 6—10	1	Hold Public Forums to inform public of Plan and progress.	5
	2	Provide for an average addition of 12 housing units per year to the community for the remainder of the planning term.	50	
	3	Review zoning as defined in the Plan and incorporate into annexation plans.	5	

Housing-Goals & Objectives

GOAL 1: Facilitate the maintenance of all housing in an attractive, safe and sanitary condition

Phase 1—Year 1-2

- a) Sponsor a Planning and Zoning Board (P&Z) workshop for review of building codes and existing Zoning and Subdivision Ordinances. P& Z should explore incentives for residential development, and the implementation of any other ordinances relevant to housing concerns such as mobile home ordinances.
- b) Increase awareness of fair housing principles and building code enforcement, identify problem areas, and establish a procedure for investigating housing complaints. City leaders may consider issuing a proclamation designating April as Fair Housing Month or a certain month as a “Clean City Month” or other encouraging type of slogan for the citizens to take pride in bringing up the standard of their homes and yards.
- c) Identify less extensive repair and fix-up projects that could be undertaken as community projects, with a goal of completing a minimum of two such projects per year. Emphasis is again made to enlist the help of volunteer groups from the community to assist if possible. Local church groups are a good source of volunteer help.

Phases 2 and 3 – Years 3-5 and Years 6-10

- a) As a result of the studies and educational growth in Year 1, initiate changes to the Zoning Ordinance and map, Subdivision Ordinance, and/or Mobile Home Ordinance and building codes as necessary.
- b) Work with any current developer(s); seek to have at least one subdivision project in the development stage.
- c) Encourage renovation of existing structures, either residential or commercial, with a goal of renovating one structure per year. Involve financial institutions. Realtors, and other similar agencies for input and idea sharing that may benefit the homeowner.
- d) Continue with code enforcement and begin to more closely monitor deteriorating dwellings that may be out of compliance, with a goal of improving a minimum of 5 lots per year and removing any dilapidated or abandoned structures.

Housing- Goals & Objectives

GOAL 2: Encourage development of land with compliance to City Subdivision Ordinances.

Phase 1 –Year 1-2

- a) Adopt an approval process for all new subdivisions that includes review by the designated City Engineer or Planning Professional.**
- b) As part of the review of land use controls, study ways to incorporate incentives into the Zoning and Subdivision Ordinances to encourage development of new subdivisions and redevelopment in marginal neighborhoods.**

Phases 2 and 3 –Years 3-5 and Years 6—10

- a) Continue code enforcement when necessary, encourage housing rehabilitation and community fix-up activities.**
- b) Zone the land as appropriate for the types of development desired.**
- c) Continue to work with developers to encourage new residential development in the areas outlined in the land use plan and identify the types most needed and most beneficial to the City.**
- d) Use local funds and any available Community Development Program grant funds to upgrade existing infrastructure to minimum acceptable standards.**

Housing- Goals & Objectives

GOAL 3: Increase the variety of housing available to encourage the growth in higher economic income levels

Phase 1 –Years 1—2

- a) **Consider designation of a community housing agency which will provide information and referrals on housing alternatives, coordinate fair housing activities, and market for a new residential development.**
- b) **Identify the needs of older residents to include the need for smaller houses or apartments, better accessibility, and/or financial assistance. This could be accomplished through a survey, neighborhood meetings, or personal contact.**
- c) **Continue to support Fair Housing Resolutions and publicize in the local media, information about fair housing and about fair housing assistance that is available, especially for low to moderate, and fixed-income homeowners.**

Phase 2 and 3—Years 3—5 and Years 6—10

- a) **Provide information to local lending institutions on housing assistance program, including the City's fair housing provision. Keep record of the material distributed and follow-up responses.**
- b) **Promote new construction of duplex or other rental housing units in established neighborhoods, which would be compatible with single-family homes.**
- c) **Encourage apartment housing development within the City Limits. Currently there are very few multi-family units in the City with the exception of federally subsidized housing. Most of the current growth in development has been in single-family subdivisions with no provision for multi-family residencies.**
- d) **Apply for housing infrastructure funds to expand new affordable housing in the City.**

Housing- Goals & Objectives

GOAL 4: Facilitate the use of housing improvement funds to gain universal compliance with City Ordinances

Phase 1—Years 1—2

- a) Explore established programs which encourage new residential development, such as mortgage revenue bonds, interim construction financing, housing tax credits, the HOME Program, and even the Habitat for Humanity Program.**
- b) Consider designation of a community housing agency which will provide information and referrals on housing alternatives, coordinate fair housing activities, and market for new residential development.**
- c) Using the existing housing needs identified in prior sections of this Chapter, determine funding options for implementation of a program to start remediation of non-compliant housing.**

Phase 2 and 3—Years 3—5 and Years 6—10

- a) Make applications to the HOME Program, or similar programs available with the initial goal of competing 2-3 units. If the application is not funded, locate volunteers/community or church sponsored groups to begin a fix-up program using any local revenues that may be available.**
- b) Continue to promote and encourage fair housing. Review and encourage the adoption of codes that would improve local housing.**
- c) Encourage local financial institutions or grant entities to host a “Financial Fair Day” where they may be able to explain their services to the citizens of the community, with the goal of encouraging “one-time low interest loans”, or something along that nature.**
- d) Set up a referral process through the housing agency in which the residents can be put in touch with organizations that provide housing assistance, whether by grants, or low interest loans.**

Population

In planning for its future, the single most important element a City must consider is population growth. It is both a target for maintenance of a community's livelihood and the basis from which a City must plan the expansion of its resources.

The population projections presented consider the following assumptions:

- 1) The national economy will generally continue at its current pace with no major depression or significant negative change in nature.
- 2) The local economy will generally continue at its current pace and remain stable with no significant changes due to major economic development or any significant shifts in agricultural production.

Further, the following assumptions specific to the City were also made:

- 1) The City will continue to enjoy a symbiotic relationship with its neighboring cities and reach mutually beneficial agreements on water supply and wastewater treatment or other resources needed.
- 2) The City's commercial and industrial base will increase only slightly over the planning period and continue to a large extent depend on commercial on industrial sources in adjacent areas for services and jobs.
- 3) The City will continue to have a population growth resulting from its proximity to South Padre Island and Mexico.

Data Source

The leading authority on population growth and decline is the U.S. Census Bureau. The population statistics and projections presented in this Plan are therefore based on U.S. Census Bureau data for population trends through 2000. The infrastructure capacity projections and facility planning are sensitive to timing and distribution patterns. Applied in context to the subject of this Plan, this data will be the basis for the development of processes to provide the necessary housing, public facilities, and infrastructure for servicing the community and improving the quality-of-life.

Existing Population

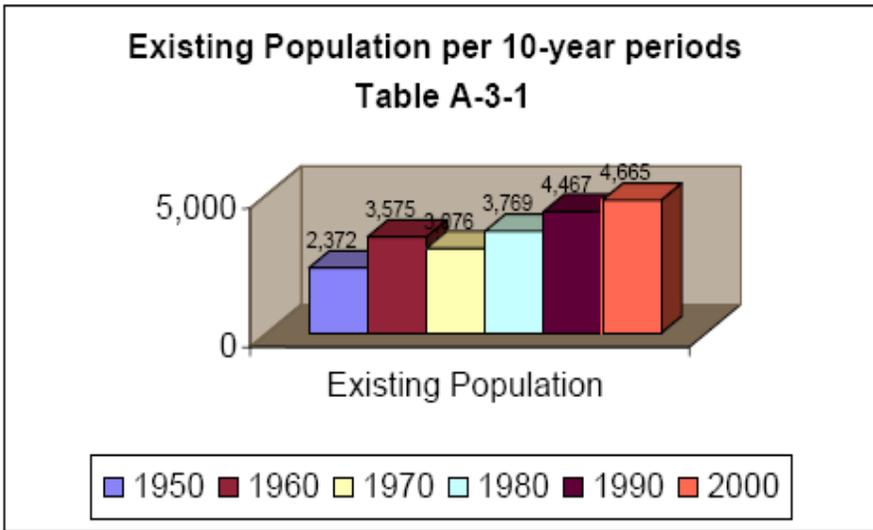


TABLE A-3-1
Existing Population per 10 year periods.³

Year	Population	% of Change
1950	2,372	n/a
1960	3,575	+50.7
1970	3,076	-14.0
1980	3,769	+22.5
1990	4,467	+18.5
2000	4,865	+8.9

TABLE A-3-2
Existing Population per 10 year periods.⁵

Year	Port Isabel Population	Cameron County Population
1990	4,467	260,120
2000	4,865	335,227
Gain	398	75,107
Total Growth	8.9%	28.8%
Annual Growth Rate	.85%	2.6%

The existing population is most dense around the old town site with an additional high population concentration in the ‘Derry’ area and in the ‘projects’ area. The growth is projected to be in areas with existing subdivisions that are planned or recently annexed and in areas expected to develop during the planning period, primarily in the western parts of town. The location and number of future residences are subject to personal preference and the projected growth areas are estimates based on current growth patterns and planned developments. Adjustments to the population distribution may be necessary to account for shifts due to new annexations and personal preferences as the planning period progresses.

As shown on Table A.3.2, the City’s growth rate is significantly lower than that of the rest of Cameron County. Two highly probable reasons are:

- 1) Most of the vacant undeveloped land surrounding Port Isabel is owned by one or two families or entities and
- 2) A severe lack of annexations

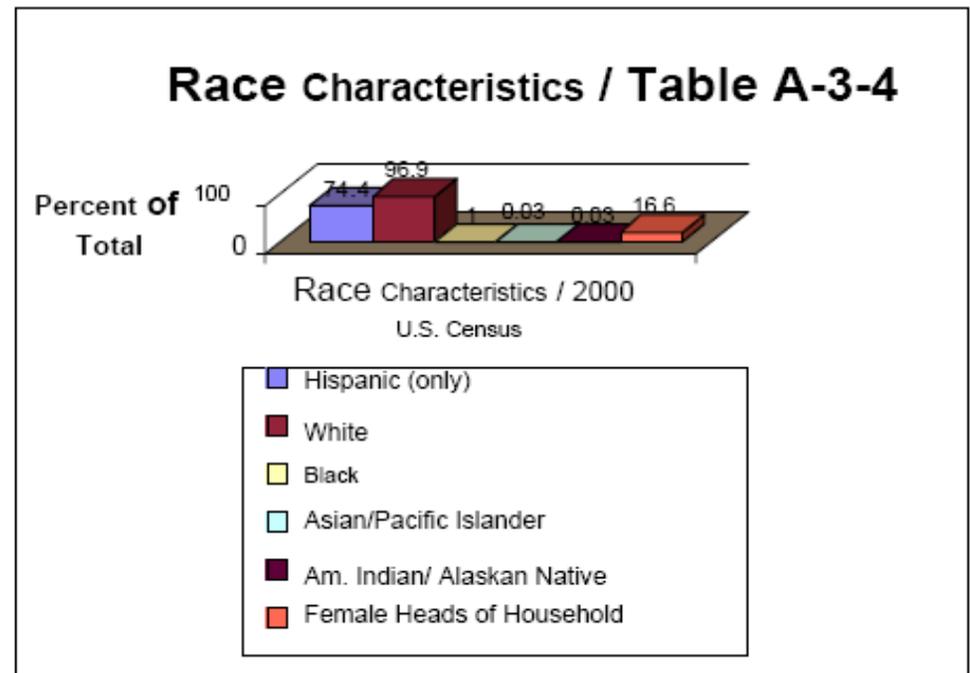
Population

Demographics

Census data utilized for this study includes race data obtained from the General Demographic Characteristics section of the Census Reports. Although many factors are presented in the census reports, this analysis is limited to those that could reasonably have an impact on the Master Plan and/or assist in projecting the need for various services. The demographics of race, age and household makeup are deemed the most influential in the planning process.

An analysis of changes in race characteristics over the 10-year base period is of limited benefit due to the lack of detail provided from previous censuses. However, it can be concluded that the percentage of persons who identified themselves as Hispanic has slightly declined from 87.7% to 74.4%, while the percentage of those persons who identified themselves as White increased from 75.0% to 96.9%. Blacks amounted to about 1%, Asians equaled about .2%, American Indians and Alaska Natives equaled .3% and those persons who identified themselves as 'some other race' equaled 15.5%.

TABLE A-3-4 Race Characteristics for Port Isabel				
DEMOGRAPHIC	1990 ⁶		2000 ²	
	Population	%	Population	%
Hispanic	3,919	87.7	3,619	74.4
White	3,352	75.0	3,876	96.9
Black	48	1.0	50	1.0
Asian/Pacific Islander	6	.10	18	.03
Am. Indian/Alaskan Native	6	.10	16	.03
Female Heads of Household	209	4.7	274	16.6
Population Total	4467	n/a	4,865	n/a



Population Projections

Considering the anticipated future development within the City along with the proposed development of a new causeway, it can be concluded that a substantial growth rate will take place in the near future. Accepting this as a hypothesis, this Plan will conclude that the average growth rate for Cameron County for the past decade should set the trend for what should be expected for Port Isabel. Considering that population trends take time to adjust, conventional planning methods have been used in addition to census generated projections. Using Census generated averages versus the accepted conclusion mentioned above, the population for the City of Port Isabel in the year 2015 will be approximately 5,524 compared to an estimate of 6,612, respectively.

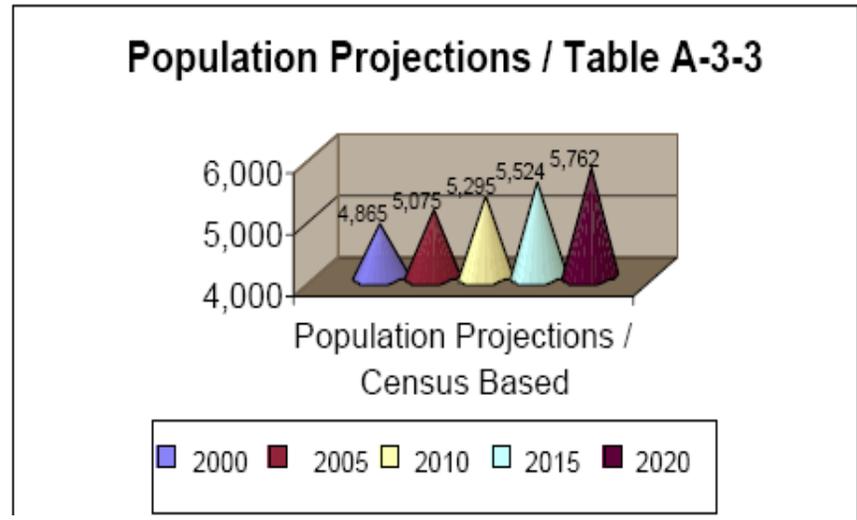
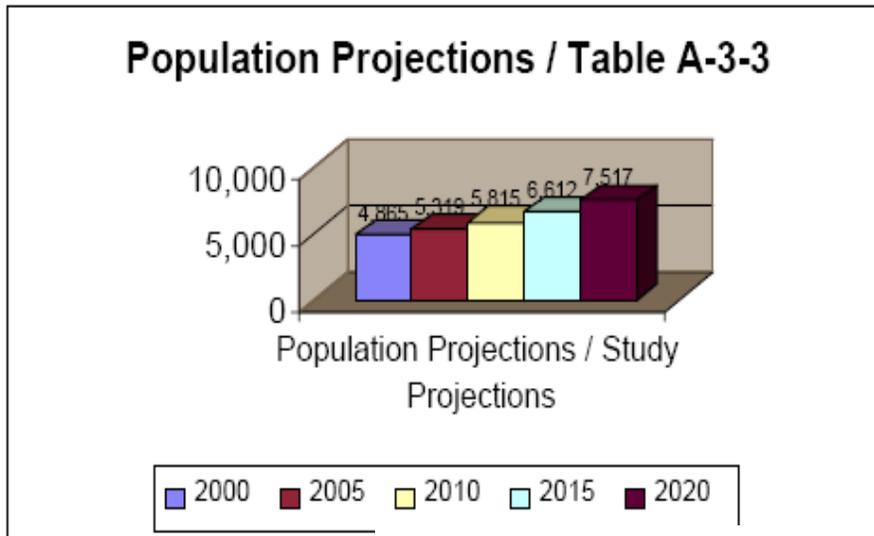


TABLE A-3-3		
Population Projections for Port Isabel		
<i>Year</i>	<i>Census Based Population</i>	<i>Planning Study Projections</i>
2000	4,865	4,865
2005	5,075	5,319
2010	5,295	5,815
2015	5,524	6,612
2020	5,762	7,517