



## CHAPTER 3

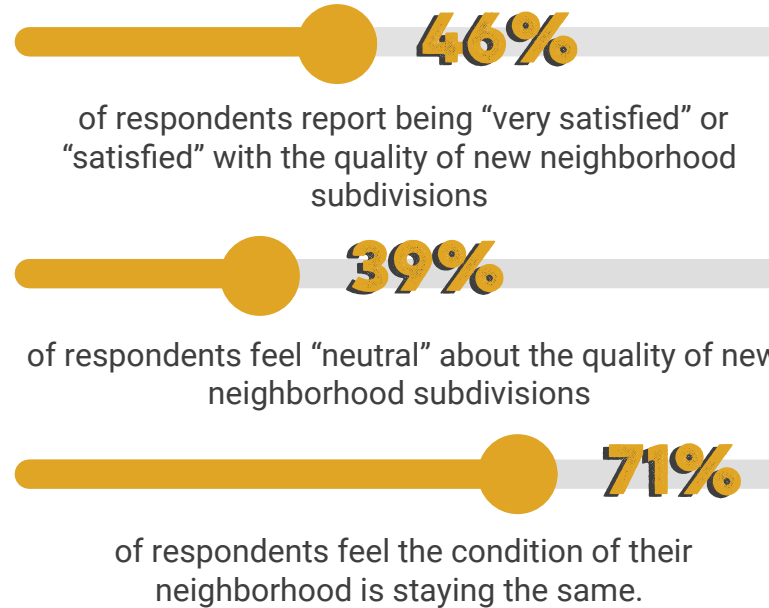
# HOUSING & NEIGHBORHOODS

## WHAT'S INCLUDED IN THE CHAPTER

This chapter provides an overview of the current housing stock in the City of Tyler. It includes a qualitative assessment, examining factors such as the age of existing structures and evaluating the overall completeness of neighborhoods. Drawing on this analysis, the chapter recommends strategies to address both present and future housing needs, and highlights state and local programs that the City, property owners, and developers can utilize to help meet housing demand.

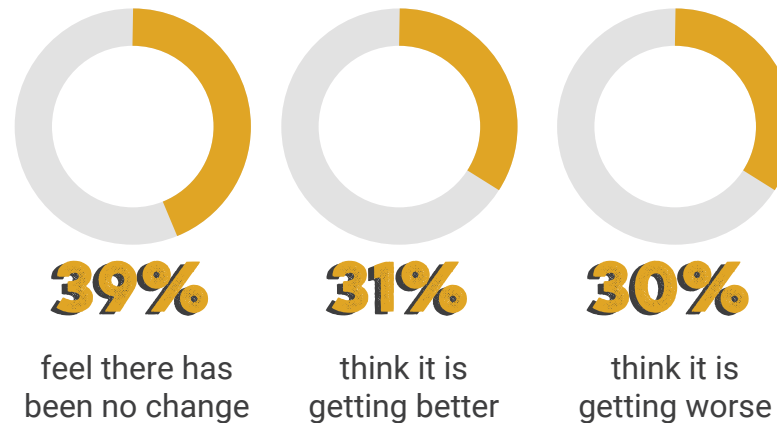
## WHAT WE HEARD

### QUALITY OF NEIGHBORHOODS



### QUALITY OF LIFE

When asked how respondents feel about the change in quality of life in Tyler

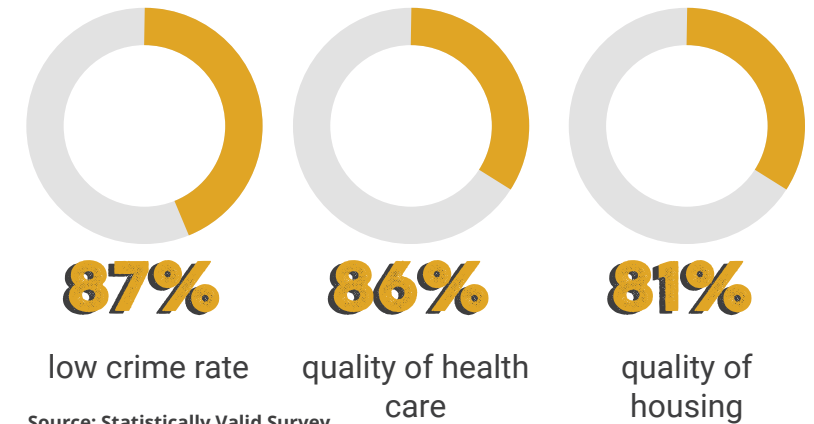


Source: Statistically Valid Survey

### REASONS TO LIVE IN TYLER

Respondents thought the most important reasons (rated "very important" or "extremely important")

were



Source: Statistically Valid Survey

### OTHER

- Housing availability and quality of life identified as strengths of the community, while lack of adequate housing identified as a weakness
- Need to ensure that there are enough retail and entertainment options as we plan to add additional housing stock to the City
- Need multifamily and mixed use development near UT Tyler area
- Plan for historically-sensitive areas by identifying appropriate infill standards
- Provide appropriate transition between lower-density residential areas and higher-density and intensity uses

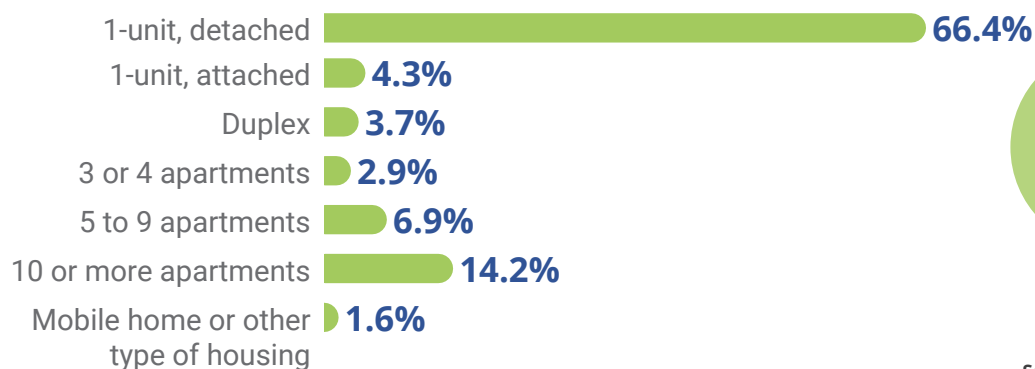


# HOUSING TODAY

Tyler offers high-quality, affordable housing options and community amenities that help maintain a strong quality of life throughout the City. With a diverse population—including retirees, students, and working professionals—there is a clear need for a variety of housing choices to meet different lifestyles and income levels. As the City continues to grow and expand residential development, it is essential to implement policies and programs that support the development of amenities and services tailored to the needs of these new communities.

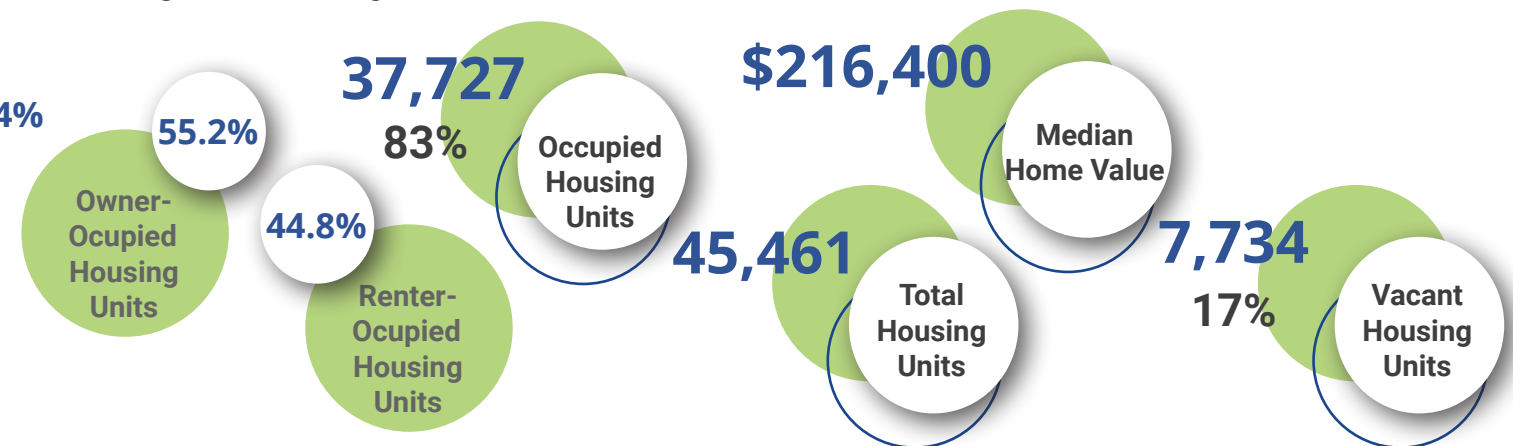
The existing housing stock in Tyler predominantly consists of detached single-family homes (66.4%), followed by apartments (27.7%). The City has a low percentage of attached single-family homes and duplexes, which highlights the need for more transitional residential types to provide housing at different price points. The median home value in Tyler has increased by 39% between 2018 and 2023, which is less than the 44% increase in Smith County as a whole.

**Figure 15. Housing Types**



Source: 2023 ACS 5-Year Estimates

**Figure 16. Housing Characteristics**

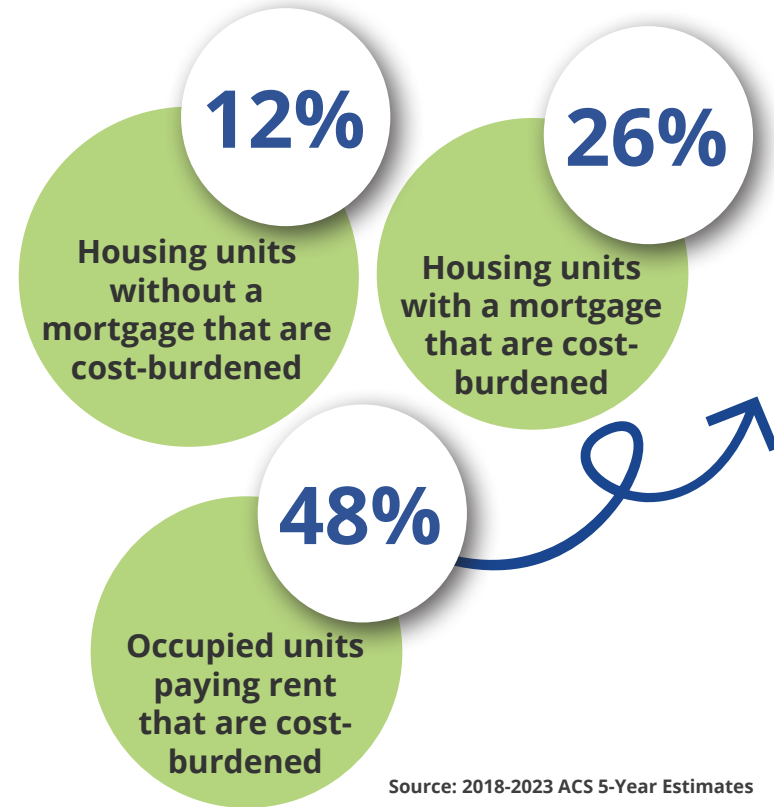


Source: 2023 ACS 5-Year Estimates

## Housing Cost-Burden

Households are considered cost-burdened when they spend more than 30% of their income on rent, mortgage payments, and other housing costs, according to the U.S. Department of Housing and Urban Development (HUD). This includes payments for mortgages and rent; real estate taxes; fire, hazard, and flood insurance on the property; as well as utilities (electricity, gas, and water and sewer). Notably, it does not cover costs related to the maintenance and upkeep of a home, nor does it account for transportation costs to get to work.

Figure 17. Housing Cost-Burden and Rent

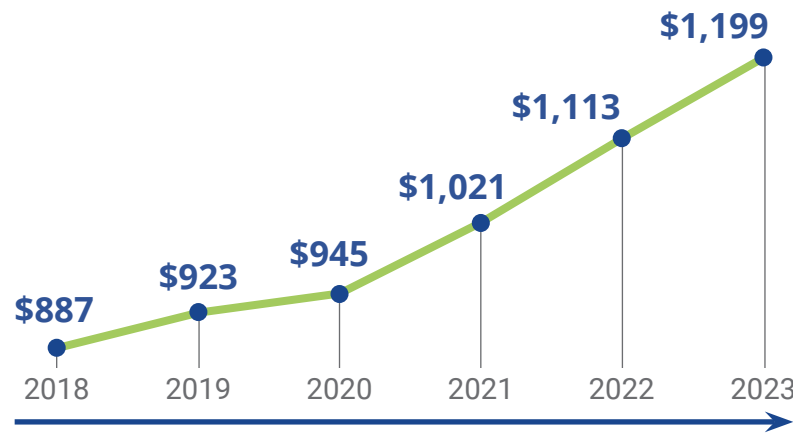


Source: 2018-2023 ACS 5-Year Estimates

Figure 19 shows how the percentage of cost-burdened households has changed between 2018 and 2023. The percentage of owner-occupied housing units (both with and without mortgage) has remained relatively stable over the years with a slight decrease in cost-burdened households between the comparison years. This is true for renter-occupied units as well.

Renters remain significantly more cost-burdened than homeowners, with nearly half spending more than 30% of their income on rent. This could be attributed in part to rising rental prices, outpacing income growth in many cases. The increase in 2022 and 2023 suggests rising rents or stagnant wages, pushing more renters into cost-burdened status again. Renters may need more targeted affordability interventions, especially as cost burdens are rising again post-pandemic.

Figure 18. Median Rent



As seen in Figure 18, the median rent has increased by 35% from \$887 in 2018 to \$1,199 in 2023. From 2020 to 2023, rent increased by \$254 (27%). This suggests a sharper rise in rent post-pandemic, possibly due to inflation, housing shortages, or increased demand.

### ENTITLEMENT COMMUNITY

Tyler, Texas is an entitlement community under the Community Development Block Grant (CDBG) program. That means it receives CDBG funds directly from the U.S. Department of Housing and Urban Development (HUD) to support housing and community development projects that primarily benefit low- and moderate-income residents.

Figure 19. Cost-Burden

	2018	2019	2020	2021	2022	2023
Percentage of housing units with a mortgage that are cost-burdened	28%	27%	25%	26%	27%	26%
Percentage of housing units without a mortgage that are cost-burdened	13%	12%	11%	12%	12%	12%
Percentage of occupied units paying rent that are cost-burdened	49%	49%	46%	44%	45%	48%

## Diversifying Housing

While housing availability was recognized as a strength during the steering committee process—reflecting the city’s active real estate market—the lack of appropriate housing types and pricing diversity emerged as a critical weakness. Addressing this mismatch through inclusive planning and strategic investment in “missing middle” housing will be key to meeting Tyler’s evolving needs and maintaining its unique sense of place.

As Tyler continues to grow, diversifying housing stock becomes an important tool in supporting long-term affordability and livability. While single-family detached homes make up the majority of existing housing—and multifamily apartment units account for roughly 30%—the limited availability of transitional, medium-density options leaves a significant gap in the market. These “missing middle” housing types, which include duplexes, fourplexes, townhomes, and small multiplexes, serve as essential alternatives for renters, first-time buyers, multigenerational households, and aging residents wishing to remain in their neighborhoods.

This need for more intermediate housing solutions was consistently echoed throughout stakeholder discussions, where many voiced concerns about cost-burdened renters and limited pathways for aging in place. Expanding access to these housing types can help bridge the affordability divide and support broader life-stage transitions, such as downsizing or accommodating extended family under one roof.

## FUTURE LAND USE MAP & IMPLEMENTATION STRATEGIES

The Future Land Use Map identifies targeted areas for increased residential diversity. These designated zones promote medium-density developments that blend seamlessly into established communities. To activate this vision, a multi-pronged housing strategy will be needed, including:

- Zoning reforms to permit missing middle housing by-right.
- Incentives for infill development and adaptive reuse.
- Design standards that preserve neighborhood character while promoting density.
- Partnerships with nonprofit and private developers to deliver affordable units.

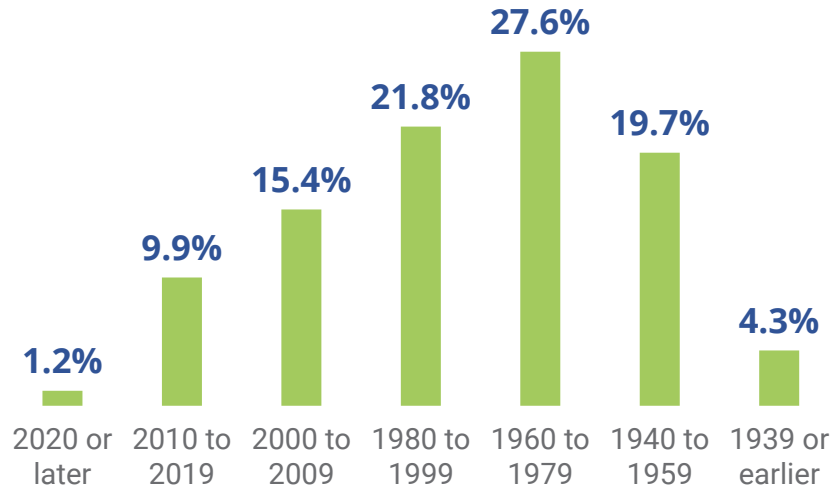


## Age of Housing

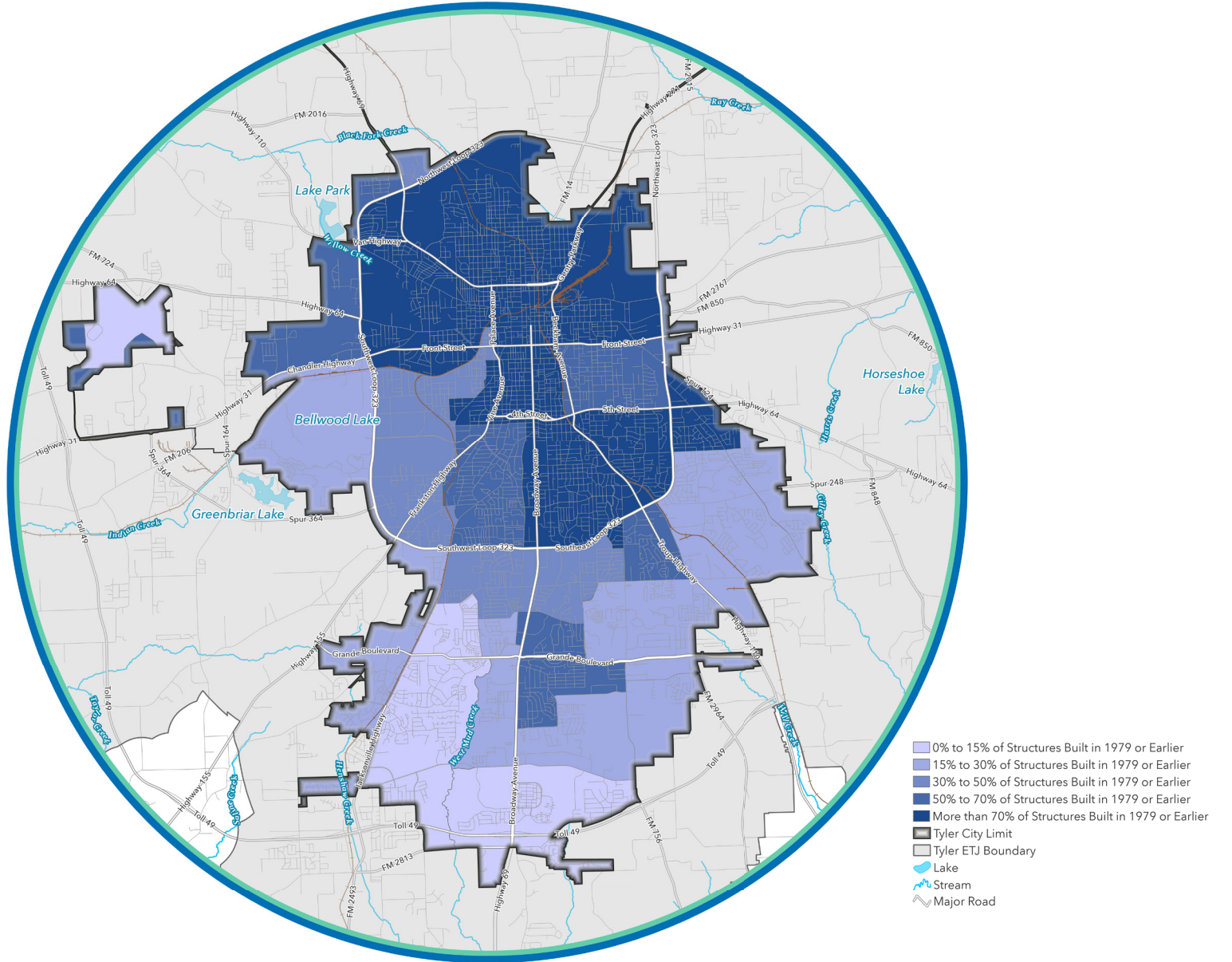
About 52% of the occupied housing units in the City are roughly more than 50 years old, built in 1979 or earlier. On one hand, older residential structures add to the charm and uniqueness of the City and on the other hand, these structures naturally require more maintenance and upkeep in order to make sure that they are safe and habitable.

As expected, most of the older housing structures are located in downtown (Azalea Historic District), Midtown, and the northern part of the City. The following section provides a comprehensive list of strategies that the City can implement to support housing needs while ensuring historic preservation and maintenance of older properties in the community. Achieving this will require partnerships with property owners, local organizations, and other key stakeholders.

**Figure 20. Year Housing Structure Built**



Source: 2023 ACS 5-Year Estimates



**Map 11. Year Housing Structure Built**

## Community Character and Historic Preservation

As structures age, they need maintenance and repairs. The historic housing structures in Tyler add to the community character and need to be preserved. Historic structures are particularly vulnerable to natural hazards which underscores the importance of aligning historic preservation strategies with hazard mitigation strategies to balance protecting cultural heritage with reducing disaster risks.

The City can implement the following strategies for historic preservation.

- Conduct a comprehensive survey and an associated evaluation process of historic buildings and other eligible resources
- Protect historic districts (e.g., downtown) and buildings through historic landmark designation
- Update and revise codes and policies for adaptive reuse
  - Encourage adaptive reuse of older commercial properties to provide more housing options, especially in Downtown
  - Allowing the conversion of historic single-family dwellings to multifamily dwellings where appropriate
  - Compatible infill construction of missing middle housing on vacant parcels in historic districts
- Adopt a historic downtown overlay district
- Provide fiscal and technical assistance such as financial incentives, grants, and tax breaks to encourage investment in historic properties
- Leverage state-level incentives for historic preservation
- Allow and encourage infill development opportunities that provide affordable housing in historic districts
  - Provide density bonuses or reduced development standards for certain locations or zoning districts to encourage redevelopment and infill, particularly with medium- and high-density projects
- Encourage private-sector investment in historic preservation initiatives
- Integrate cultural resources into risk assessments to ensure that they are considered in mitigation planning
- Assess the feasibility of reinforcing historic structures with disaster-resistant materials and using nature-based solutions to protect cultural sites

## ADAPTIVE REUSE FOR OLD RESIDENTIAL PROPERTIES

The City can utilize several tools to preserve and rehabilitate historic residential buildings in downtown and other historic neighborhoods. One effective tool is adaptive reuse, which involves repurposing buildings that have exceeded their original function to accommodate new uses. Adaptive reuse not only revitalizes these structures but also stimulates reinvestment in neighboring properties that may have long been vacant.

While adaptive reuse is a powerful tool, it may not be appropriate for every historic structure. Collaboration with local officials and property owners is essential to identifying regulatory and market challenges and determining the suitability of adaptive reuse on a case-by-case basis.

Local regulations can present hurdles to changing the use of existing properties. Zoning regulations, for instance, might prohibit certain new uses if they do not align with the property's current zoning designation. Alternatively, zoning requirements could demand additional features such as parking spaces or open areas that may not be feasible on the property. Moreover, modern building codes often pose compatibility issues with older structures. To support adaptive reuse more effectively, a thorough review of regulatory barriers is recommended. Some potential updates could include:

- Creating a separate adaptive reuse overlay district to encourage planned reuse of structures in historic neighborhoods.
- Treating adaptive reuse projects as a distinct land-use or development type to facilitate reuse without requiring rezoning.
- Revising the building code standards to protect public health and safety without requiring cost-prohibitive structural modifications or building material replacements.

Source: American Planning Association | PAS QuickNotes No. 80

## Meeting Existing and Projected Housing Demand

### Encouraging Housing Diversity

#### Small-Lot Detached Housing

Allowing small-lot detached housing options can help promote infill development, especially in the older areas of Tyler, and provide more housing options. Additionally, allowing small-lot detached homes will provide more attainable options for young families and professionals. Updating the zoning regulations, as needed, could enable detached housing on smaller lots while maintaining balance with larger or estate-sized lots, particularly in regions outside the core areas, where utility access is challenging.

#### Missing Middle Housing

Another way to meet Tyler’s housing needs while reducing reliance on greenfield development for new growth can include allowing appropriate Missing Middle Housing types. “Missing Middle Housing” is a term that describes a range of housing types, including small single-family residential, duplexes, and small-scale multi-unit buildings that complement single-family neighborhoods. These housing types help provide more affordable housing options for people in different phases of the housing cycle, including young families, young professionals, empty-nesters, and the elderly. Each of these housing types can vary in price point and model. There can be a mixture of affordable and premium price points for each housing type, which can be available either for rent or for sale.

The FLUM (Map 10 on page 27) identifies several locations for mixed use residential development and medium-density residential development where missing-middle housing types might be appropriate.

#### Aging in Place

Encouraging housing diversity can help the community’s older residents age in place. Missing middle housing, such as duplexes, triplexes, and townhomes, offers more affordable options compared to single-family homes. This can be crucial for seniors on fixed incomes.

Aging in place can be supported through City-led or community organization-led initiatives that include housing retrofits or other modifications that allow residents to stay in their houses for a longer period of time. Property owners and developers can make various modifications to existing homes, such as installing grab bars, ramps, and wider doorways to accommodate aging-in-place needs. Additionally, they can include aging-in place friendly elements in new housing developments, such as single-level living spaces, non-slip flooring, and smart home technologies that enhance safety and accessibility for elderly residents.

#### Student Housing

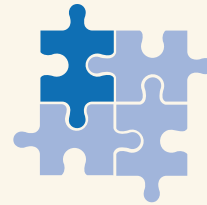
When students graduate, many choose to move away in search of job opportunities that are not available in Tyler, affordable housing, and vibrant social environments. To retain young professionals and recent graduates, the City should prioritize the development of housing options tailored to first-time homebuyers and younger residents. Affordable, accessible homes—such as townhouses, condos, and starter homes—can help bridge the gap between renting and long-term homeownership. In addition, investing in entertainment and lifestyle amenities, such as cafes, music venues, parks, and recreational facilities, can create a more dynamic and appealing environment that encourages young people to stay and build their lives locally.

## Strategies to Provide Appropriate Housing Development

- Continue housing rehabilitation and preservation of the existing housing stock
- Update the Unified Development Code to remove barriers to affordable housing production and preservation
  - Simplify and consolidate the number of zoning districts and allow greater diversity of housing types
  - Evaluate and establish new or existing zoning districts that allow a wide variety of residential use types
- Work with non-profits to establish a cooperative network of providers and supportive services that can work together to provide housing assistance
- Pursue grants and funding opportunities to build new affordable housing
- Document at-risk areas for hazards and conduct a City-wide housing systems analysis
- Install utility and street infrastructure in specific locations (for master planned communities) to encourage development
- Continue to offer affordable housing programs that support low- to moderate-income residents through down payment assistance, home repairs, rental assistance, and housing construction

# COMPONENTS OF GOOD DESIGN

In addition to context-specific design guidelines, the following elements should be considered for new housing development.

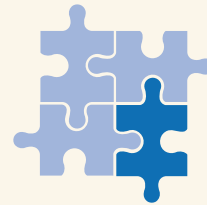


### Resilience and Durability

Building homes that can withstand natural disasters and wear and tear over time. This includes robust construction techniques and materials, as well as disaster-preparedness features. Durable construction also helps reduce energy costs and lowers long-term maintenance expenses.

### Efficient Land Use

Maximizing the use of available land through thoughtful site planning and, where appropriate, higher-density development. This approach supports the creation of private spaces while reducing urban sprawl and its associated long-term infrastructure costs. Infill development leverages existing infrastructure and services, offering a more fiscally sustainable alternative to outward expansion. Conversely, sprawl often imposes significant future maintenance liabilities and strains municipal budgets. Therefore, zoning should align with the proposed FLUM, ensuring growth patterns that strengthen community resilience and financial health.

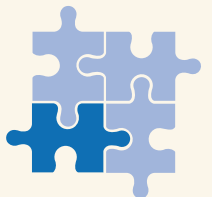


### Transportation and Connectivity

Providing easy access to public transportation, bike lanes, and connected sidewalks and greenways to reduce dependency on cars and promote alternate forms of mobility.

### Community Spaces

Incorporating community spaces in new housing developments can significantly enhance residents' quality of life. Include shared spaces such as gardens, parks, playgrounds, and community centers to foster a sense of community and encourage social interaction. This can be achieved by promoting mixed-use development, updating zoning regulations, and encouraging flexible design where appropriate.



# COMPLETENESS

## Access to Amenities

Access to amenities is critical for maintaining a high quality of life within a community. These amenities may include essential services such as healthcare, access to fresh food, walkable environments, parks, and recreational facilities, among others. Ensuring access to these amenities not only benefits the physical and mental health of community members but also provides economic advantages, such as maintaining or increasing property values.

In addition, amenities should be well-distributed from an equity standpoint so that all residents and workers in the community can enjoy their benefits. They also foster a sense of place and belonging, contributing to community cohesion.

During stakeholder engagement, housing availability, quality of life, and public safety were identified as community strengths. However, the need for more activities and amenities, improved healthcare access, and expanded housing opportunities were highlighted as areas for growth that could help retain residents. Additionally, there is a need for community gathering spaces—especially for younger populations—and more entertainment options for the entire community.

Although the City has earned recognition for its exceptional quality of life, it is essential to continue proactive efforts to enhance access to amenities. Sustained investment in amenities such as healthcare, parks, recreational facilities, walkable infrastructure, and community spaces is vital not only to preserve current standards but also to elevate the overall well-being of residents. By identifying and addressing gaps in amenity access, the City can ensure that all community members—regardless of age, income, or location—benefit equitably. This ongoing commitment will reinforce the City’s reputation while fostering a more inclusive, vibrant, and resilient community.

### TYLER RANKED #2 IN BEST PLACES TO LIVE

According to World Atlas Report 2025, Tyler was ranked as the #2 best place to live in Texas due to its excellent healthcare options, exceptional school district, and low cost of living.

“Tyler is a great place for young families, retirees, and healthcare workers due to its low cost of living and access to healthcare for work or in retirement age,” World Atlas said. “It is a welcoming community that has all the amenities of a city but the feel of a small town.”



- Access to Retail
- Access to Fresh Food
- Access to Medical Facilities
- Access to Educational Establishments
- Access to Recreation



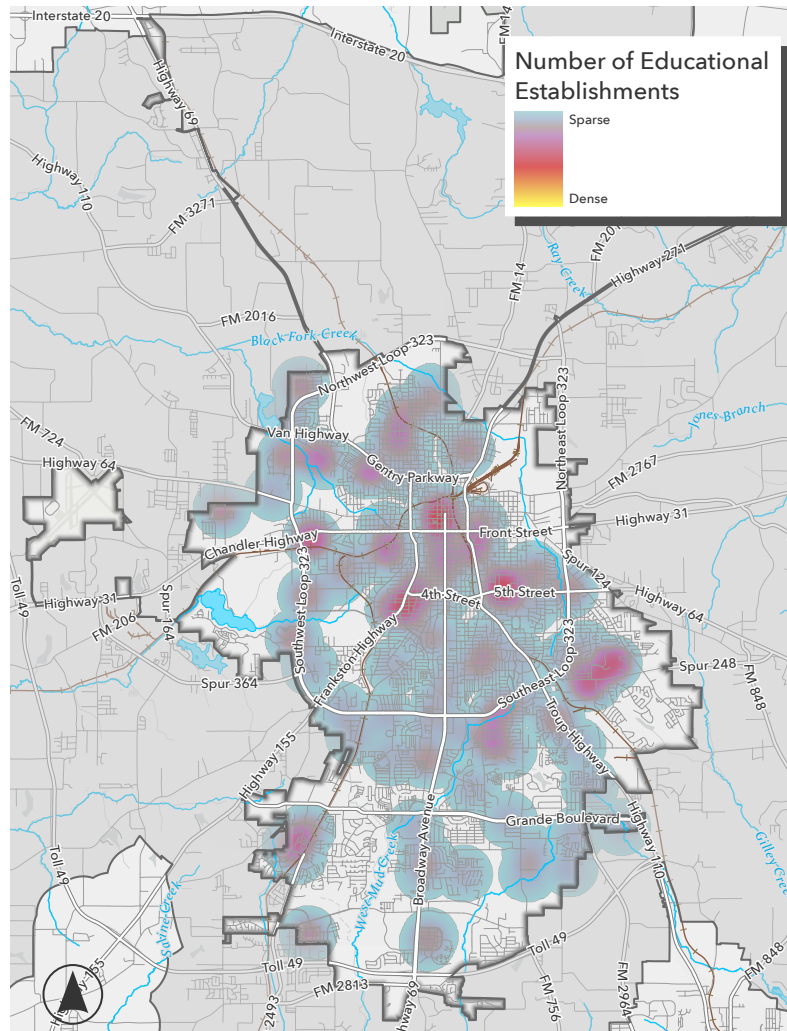
## Educational Establishments

The City of Tyler is proud to offer a high-quality, comprehensive education system that serves residents of all ages. Tyler Independent School District (TISD), Whitehouse Independent School District, Chapel Hill Independent School District, and Winona Independent School District operate a wide range of elementary, middle, and high schools, including specialized magnet and innovation campuses that support diverse learning needs and academic excellence.

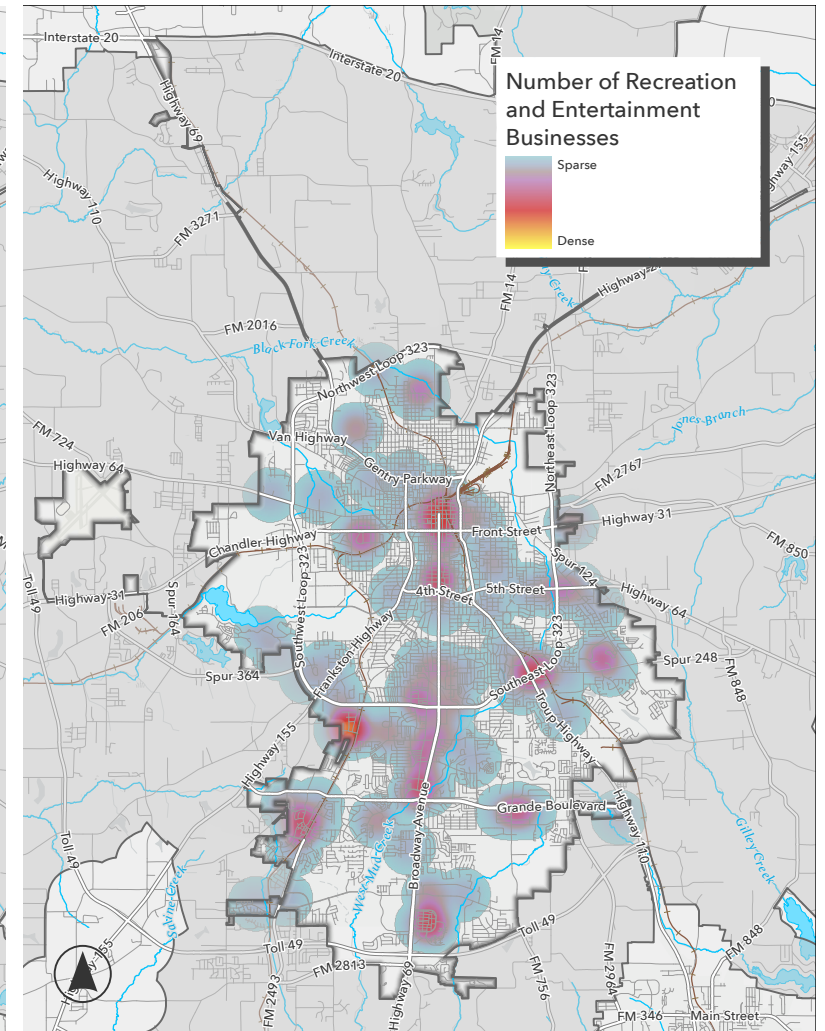
At the higher education level, the University of Texas at Tyler (UT Tyler), Texas College, and Tyler Junior College play a transformative role in the region. As a major academic and research institution, UT Tyler significantly contributes to the social, economic, educational, and healthcare development of Tyler and East Texas. It is home to the UT Health East Texas system and the UT Tyler Health Science Center, which together serve as the university medical center for the region. Beyond healthcare, UT Tyler drives economic growth through workforce development, entrepreneurship initiatives, and sustainability programs. The university also fosters strong community ties through partnerships, volunteerism, internships, and service-learning opportunities that connect students with local needs and priorities.

## Recreation and Entertainment

Map 15 illustrates the concentration of recreation and entertainment opportunities across Tyler. These include parks, open spaces, and entertainment businesses. Throughout the public engagement process, residents consistently expressed a desire for more entertainment options. To address this need, the City can collaborate with community members and local organizations to determine the types of businesses that would best serve various age groups. Guided by the FLUM, the City should actively pursue strategies to attract and appropriately site these businesses.



Map 14. Access to Educational Establishments



Map 15. Access to Recreation and Entertainment Businesses

# HOUSING PROGRAMS

## Existing Programs

The City of Tyler offers a variety of housing and neighborhood programs designed to maintain and enhance the community's quality of life while addressing its housing needs. Some of these programs are listed below.

### Community Development Block Grant (CDBG) Programs

CDBG funds are awarded to City departments, other public agencies, public and private nonprofit entities and for-profit entities to carry out eligible housing and community development projects within the boundaries of the City of Tyler.

### Rehab and Minor Repairs

#### Urgent/Minor Rehabilitation Program

Urgent Repair Assistance may be provided to homeowners residing in structures judged by City staff to be detrimental to the health and safety of the homeowner-occupant(s) and requiring immediate attention. The sole intent of the funds is to eliminate hazardous situations.

#### Handicap Accessibility Program

Funds may be utilized to conduct improvements designed to remove material and architectural barriers that restrict the mobility and accessibility of elderly or disabled persons in owner-occupied residential dwellings. The intent of these funds is to provide essential home modifications that increase accessibility, safety, and security as needed to maintain independence.

### Homeowner Rehabilitation and Reconstruction Program

Funds are available to assist eligible low-income homeowners with bringing existing substandard housing units into compliance with local housing and building codes. The main goal of the program is to fix code violations and improve homes that are structurally sound, so they remain safe and livable over time. It's not meant to support homes that would still be substandard even after receiving funding.

### HOME Investment Partnership Program

Each year, the City of Tyler receives federal funds from HOME Investment Partnerships (HOME) programs of the U.S. Department of Housing and Urban Development (HUD). Eligible uses of funds can include tenant-based rental assistance; housing rehabilitation; assistance to homebuyers; and new construction of housing. HOME funding may also be used for site acquisition, site improvements, demolition, relocation, and other necessary and reasonable activities related to the development of non-luxury housing.

HOME funded projects in Tyler include Oakwood Cul-de-Sac Neighborhood, Paul Street Neighborhood, Hidden Palace Neighborhood, and North Grand and South Confederate Avenue Neighborhood.

### First Time Homebuyers Program

The First Time Homebuyers Program, created with grants from the U.S. Department of Housing and Urban Development, helps low to moderate-income families and individuals with funding required at the time of closing. The program is administered by the Neighborhood Services Department of the City of Tyler.

### Housing Choice Voucher

The Housing Choice Voucher (HCV) Program, formerly known as Section 8, provides housing assistance for very low-income families, the elderly and the disabled, allowing them to live in decent, safe and sanitary housing for eligible participants. Since housing assistance is provided on behalf of the family, participants are able to find their own housing. Housing choices include single-family homes, townhouses or apartments.

## Recommended Programs

In addition to the existing programs, the City can plan to leverage some of the recommended programs to meet future housing needs.

### Small-Scale Developer Program

The City can establish a support program designed to cultivate and train small-scale housing developers, improving their skills and effectiveness. This initiative could be particularly advantageous in fostering fair investment opportunities in underrepresented communities (e.g., Austin Small Developer Training Program).

### Faith-Based Partnerships

The City could collaborate with local civic and faith-based organizations to offer more substantial support to residents in the community. Involving a City building official and a builder would ensure technical expertise and coordination. While the City might seek some financial contributions for repairs, it is expected that most of the materials, labor, and effort will be donated and volunteered (e.g., Christmas in Action of Johnson County).

### Community Land Trust (CLT)

CLTs are non-profit organizations managed by a board that includes CLT residents, local community members, and public officials. They offer sustainable shared equity homeownership opportunities for families and communities. In this model, the CLT retains ownership of the land, while the homeowner purchases only the house, often at a more affordable price. While the homeowner gains equity over time, it is generally capped at a certain rate to maintain affordability when the owner sells the home.

### Housing Tax Credit Program

The Texas Department of Housing and Community Affairs Housing Tax Credit (HTC) Program is a key tool for channeling private investment into the creation and maintenance of affordable rental housing for low-income families. Eligible participants receive tax credits to reduce their federal tax burden in return for developing or preserving affordable rental units.

### Deed-Restricted Housing Program

Deed-restricted homeownership is a strategy for maintaining the long-term affordability of housing units. This is achieved through government or philanthropic subsidies, inclusionary zoning, or affordability incentives that lower the purchase price below market rates.

### Tax Increment Financing (TIF)

The City can leverage TIF to capture increased property tax revenues resulting from enhanced property values in a designated area to reinvest in needed housing development projects.

### Public Improvement District (PID)

A PID is a special district created by a city or county to fund improvements and services that benefit a specific area. These improvements can include landscaping, street lighting, sidewalks, parks, and other infrastructure projects. Property owners within the PID pay assessments to fund these enhancements, which are designed to improve the quality of life and property values in the area.

### Tax Incentive Reinvestment Zone (TIRZ)

A TIRZ is a special district created by a city or county to encourage economic development and redevelopment in specific areas. Taxes generated from the increased property values within the zone (the “tax increment”) are reinvested into public improvements like infrastructure, parks, and affordable housing.