



MEETING AUSTIN'S AFFORDABLE HOUSING NEEDS ACROSS THE SPECTRUM March 2011

Austin is facing unprecedented challenges in addressing the housing needs of its lower income citizens. Funding for housing and supportive services has experienced steady reduction in past years and is now poised to suffer the most severe cuts in decades. For this reason, the 2012 Action Plan and the 2012 General Obligation Bond election provide critical opportunities to thoughtfully prepare for badly needed funding and to design a meaningful, goal-driven allocation process that can be sustained over the next ten years.

As members of the Austin CHDO Roundtable, we are intimately familiar with the barriers our clients face in obtaining safe, decent and affordable housing; whether that be a chronically homeless woman living on the streets or a single father struggling to feed and house his children on minimum wage. Our organizations work to house people with disabilities, the homeless, youth aging out of foster care, extremely low-income families, the elderly, people in dilapidated homes, and low-income, first-time homebuyers. We have come together to collectively assess our own housing production capacity, to present consolidated data on needs, and to propose coordinated strategies for meeting the affordable housing needs of people across the entire affordable housing spectrum.

The purpose of this paper is to present and recommend a balanced approach to address the housing needs of Austinites with low incomes—a population that represents half of the city's population¹. Our five central recommendations are:

- *Recognize the housing needs of ALL lower income Austinites and reaffirm a commitment to addressing them.*
- *Revise the Annual and Consolidated Plan process to use current and consistent data and analysis across the housing continuum, filling in existing gaps.*
- *Set specific goals across the entire spectrum of affordable housing needs for numbers of units over one, five and ten-year periods, while maintaining flexibility and a predictable process to revise priorities on an annual basis.*
- *Creatively seek new sources of revenue for affordable housing and supportive services.*
- *Increase the priority of funding CHDOs and nonprofits in order to achieve the core values of DEEPER AFFORDABILITY, LONGER-TERM AFFORDABILITY AND GEOGRAPHIC DISPERSION.*

CHDO Housing Development Capacity: A Snapshot

In the summer of 2010, the Austin CHDO Roundtable membership polled its membership on each CHDO's opportunities to develop housing and aggregated the data for these opportunities (this includes some projects that were just allocated funding in December). We found that, given the resources, our membership was positioned at the time to develop 1249 units, comprised of 999 units of new rental and ownership housing and 250 home repairs. These include:

By Income Level	no. units	% units (rounded)
30% MFI and under	368	30%
30-50% MFI	541	43%
50-60% MFI	214	17%
60-80%	126	10%
Total	1249	100%

By Geographic Distribution		
East of IH-35	904	72%
West of IH-35	345	28%
Total	1249	100%

By Affordability Period		
0-40 years	255	20%
41-99 years	744	60%
Unspecified (housing repair program)	250	20%
Total	1249	100%

What does this tell us?

First, it is important to recognize that this snapshot, if taken in a different year, might look quite different, thereby creating a need for a long-term strategy. Second, projecting that this represents opportunities over a two to three year span, it demonstrates that CHDOs can deliver approximately 500 units of new or preserved housing per year to the community. Finally, and most importantly, this snapshot proves that CHDOs are able to do the hardest work of meeting Austin's affordable housing needs by addressing the core values of GEOGRAPHIC DISPERSION, DEEP AFFORDABILITY and LONG-TERM AFFORDABILITY.

Austin's Affordable Housing Needs...*All of Them*

A number of reports focusing on Austin and Travis County have identified needs spanning across income levels and types of affordable housing. These numbers represent people ranging from the severely disabled to the working poor who are struggling to keep their homes, pay their utilities, and keep their family members fed.

A quick glance at the headlines reveals that the *gaps between available housing and those who need it are on the brink of widening*: the rental market is tightening², foreclosures are up³, and major layoffs are about to take place at the state, in local

school districts, and at non-profits, potentially sending more households into economic distress.

Taken together, these reports indicate the following gaps:

Type of housing	Estimated gap
Emergency shelter	1004 beds ⁴
Transitional housing	4522 units. ⁵
Permanent supportive housing	1,891 units ⁶
Affordable rental housing	39,000 units for households earning under \$20,000/year. ⁷ <i>Note: data is needed for households needing affordable housing in the 30-60% MFI range.</i>
Homeownership	13,600 homes affordable to buyers earning between \$35,000 and \$75,000 per year ⁸ .
Home repair	13,286 homes ⁹

As a reference, the CHDO Roundtable members found that, given the resources, they would be positioned to develop the following types of housing units:

By Types of Units	no. units	% units (rounded)
Supportive housing for people needing services in order to stay housed (e.g. chronically homeless & people with severe disabilities)	203	16%
Transitional housing	2	0.2%
Affordable rental		
▪ for households at or below 60% MFI	506	41%
▪ for households 60-80% MFI	15	1%
Homeownership for households between 30% and 80% MFI	273	22%
Home repair for households at or below 50% MFI	250	20%
Total	1249	100%

The membership of the Austin CHDO Roundtable view these as a call to action for community leaders to ***seek solutions for people across the entire spectrum of housing needs.***

A Time for Solutions

To this end, we are proposing a three-pronged approach:

Identify the Goals

- Design a portfolio of all the housing types Austin wants to develop between now and 2021.¹⁰
- Set long-term (ten year) targets, with shorter term objectives.
- Correlate the goals to the needs, using a consistent methodology across the spectrum, for example: 40% of current needs over next ten years .
- On a quarterly basis, produce clear and concise reports on housing needs and numbers of housing units, using MFI levels as a consistent methodology for data collection and analysis.
- Annually review gaps between goals and needs against the ten-year targets.
- Based on review, annually adjust scoring of applications to prioritize funding in areas where needs remain and development capacity exists.
- Per the CHDO Roundtable's 2009 recommendation, build in a transparent, predictable and consistent system for evaluating whether funds should be transferred from one "bucket" to another and for doing so if needed.
- Recognize the wide variety of people and households who need permanent supportive housing.

Make the Plans Driven by the Goals

- Align Action Plan and Consolidated Plan with Housing Authority of City of Austin and Travis County Housing Authority master plans to create the 2021 Portfolio.
- Integrate these goals with the Comprehensive Plan.
- Integrate these goals with the GO affordable housing bond election.

Create the Means

- ✓ Aggressively promote additional GO bond funding for affordable housing.
- ✓ Implement a viable land-banking strategy¹¹.
- ✓ Innovate and replicate best practices across the continuum, including a community land trust.
- ✓ Creatively develop new funding sources both for supportive services and for housing.
- ✓ Expand S.M.A.R.T. housing resources.

Conclusion

As a community, Austin should embrace planning policies and principles that encourage "all types of homes in all parts of town." Our resources should be guided by our core values of geographic dispersion, long term affordability, and deeper affordability. As detailed in this report, the CHDO Roundtable recommends a collaborative, flexible, and predictable approach for meeting Austin's growing housing needs along the entire Housing Continuum.

¹ *Comprehensive Housing Market Study, 2009*

² *Austin Business Journal*, January 6, 2011

³ *Austin Business Journal*, February 14, 2011

⁴ Draft ATCIC/HMIS 2011 Annual Homeless Assessment Report.

⁵ Draft ATCIC/HMIS 2011 Annual Homeless Assessment Report.

⁶ 2010 Corporation for Supportive Housing *Permanent Supportive Housing Program and Financial Model for Austin/Travis County, Texas*

⁷ *Comprehensive Housing Market Study, 2009*

⁸ *Comprehensive Housing Market Study, 2009*

⁹ Austin Housing Repair Coalition's Housing Repair Needs Assessment, February 22, 2011.

¹⁰ The 2009 *Comprehensive Housing Market Study* recommended that the City of Austin set affordable housing five, ten and twelve-year targets through 2020 (Section VII, p. 5).

¹¹ The 2009 *Comprehensive Housing Market Study* recommended that the City of Austin "explore partnerships with school districts, utility companies, and other public landowners" to establish a land-banking program (Section VII, p.8)