

COMMUNITY DEVELOPMENT COMMISSION 3/27/12

My name is Stuart Hersh, and like most in Austin I rent. I worked for the City of Austin for over 30 years, and have been a paid or unpaid consultant with many not-for-profit organizations for the past 3 years.

I am speaking tonight about the Needs Assessment for the Action Plan as well as your item on General Obligation Bond recommendations. I am speaking for myself and am not speaking for any of the organizations that I provide support on either a pro-bono or fee basis.

First is a chart showing the completed bond fund rental and homeownership housing, not listing what was promised in applications, but what has actually happened from 2006 until the end of February 29, 2012. You can see that 53.7% of the completed housing went those between 0-30% Median Family Income, and 45.5% went to those from 31%-50% MFI. Very few households from 50-80% MFI were served. The bonds went to individuals and families in HUD language were very low income and extremely low income.

The second chart shows decreased funding from federal and City sources since 2006 is now available. If my math is right, City potential annual investment in housing affordability other than GO Bonds went from \$17,921,954 in 2006 to \$9,118,392 next year. This represents an annual disinvestment of \$8,803,562. If this disinvestment were to continue over the next 7 years, it would represent a total disinvestment of \$61,624,934 over the next 7 years.

I work with organizations that provide affordable rental housing for some people who can afford rents in the \$135 - \$350 range. Those organizations who otherwise could serve these extremely low income renters will be unable to do so because of a city decision to decrease its commitment to housing affordability.

If GO Bonds went from \$55,000,000 in 2006 to \$110,000,000 in 2013, then the net disinvestment would drop to only \$6,624,934. If you add 10% of the Transportation and Mobility dollars, those disinvestment patterns would almost disappear.

The GO Bonds were marketed in 2006 as a supplement to existing investment in housing affordability, not a tool to supplant federal and local investment. But supplant is what they have become. Please recommend funding at a level that makes General Obligation Bonds a supplement as originally contemplated.

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**INCOME LEVELS FOR OCCUPIED G. O. BOND UNITS
AS OF 2/29/2012**

0-30% MFI 31-50% MFI 51-60% MFI 61-80% MFI

	0-30% MFI	31-50% MFI	51-60% MFI	61-80% MFI	Total
Rental	544	455	n/a	n/a	999
Owner	8	12	6	2	28
Total	552	467	6	2	1027
Percentage of all units occupied to date by income level	53.7%	45.5%	0.6%	0.2%	



**NEIGHBORHOOD HOUSING AND COMMUNITY DEVELOPMENT OFFICE
City of Austin**

2012 HOMEPLACEMENT PROGRAM REPORT
Reference Date: February 9, 2012

**FOR 2012 Area Median Family Income
for Travis County, Texas
\$75,900 (4 person household)**

**MSA: Austin - MSA of Travis, TX
Travis County**

	1	2	3	4	5	6	7	8
20% Median Income (personally derived by MFI)	15,975	18,200	20,100	22,750	24,600	26,400	28,250	30,075
40% Median Income (personally derived by MFI)	31,950	36,400	40,200	45,500	49,200	52,800	56,500	60,150
60% Median Income (personally derived by MFI)	47,925	54,600	60,300	68,250	73,800	79,200	84,750	90,225

CDBG Funding

FY 2006-07	FY 2011-12	Anticipated funding FY 2012-13
\$8,232,823*	\$7,053,946*	\$6,692,838
* includes CDBG Program Income and Revolving Loan		

HOME Funding

FY 2006-07	FY 2011-12	Anticipated funding FY 2012-13
\$5,621,001**	\$4,339,361**	\$2,425,554
** includes HOME Program Income		

Housing Trust Fund

FY 2006-07	FY 2011-12	Anticipated funding FY 2012-13
\$1,111,437	\$365,031	\$0

Capital Budget - NHCD

FY 2006-07	FY 2011-12	Anticipated funding FY 2012-13
\$2,407,980	\$0	\$0

Capital Budget - S.M.A.R.T. Housing - WPDR and Buck Group

FY 2006-07	FY 2011-12	Anticipated funding FY 2012-13
\$548,713	\$0	\$0