

# **HousingWorks Summit:** Revisioning Austin & Affordability Austin's Comprehensive Plan

*Fall 2009*

# BBC Recommendations

## Build on Strengths

- Seek new financial resources (e.g., general fund, GO bonds, 40% city redevelopment property dedication)
- Continue to develop innovative affordable housing strategies (e.g., community land trust, incentive programs)
- Maintain strong partnerships (affordable housing developers, housing authorities, other local entities)

## Raise the Bar

- **Set affordable housing targets**
- Establish a land bank
- Establish alternative financing sources through CDFIs
- Collaborate across city departments to identify and evaluate barriers to affordable housing development

## Focus on the Future

- Replicate and adapt best practice models for Texas
- Evaluate the zoning and development process
  - **Develop a strong Comprehensive Plan**
- Improve development incentives to produce affordable housing

# Cost of Housing

**Median Household income = \$48,966**

Median Family Income = \$69,100

*Largest occupational category retail workers = \$22,000*

**Median home price = \$240,000**

*Potential homebuyers must earn \$50,000 before 33% of attached units and just 16% of detached units become affordable*

**Average Rent = \$843**

*Only 49% of renters can afford average priced rental unit*

Source: BBC Research & Consulting

# HOUSING NEED

## Affordable Rental for Low Income Households

Only **7,150** affordable units in the market for **44,700** of city's renters earning less than **\$20,000**

**SHORTAGE OF 37,600 UNITS**

1 in 6 renters earning less than \$20,000 can find affordable housing  
25% of these renters are students

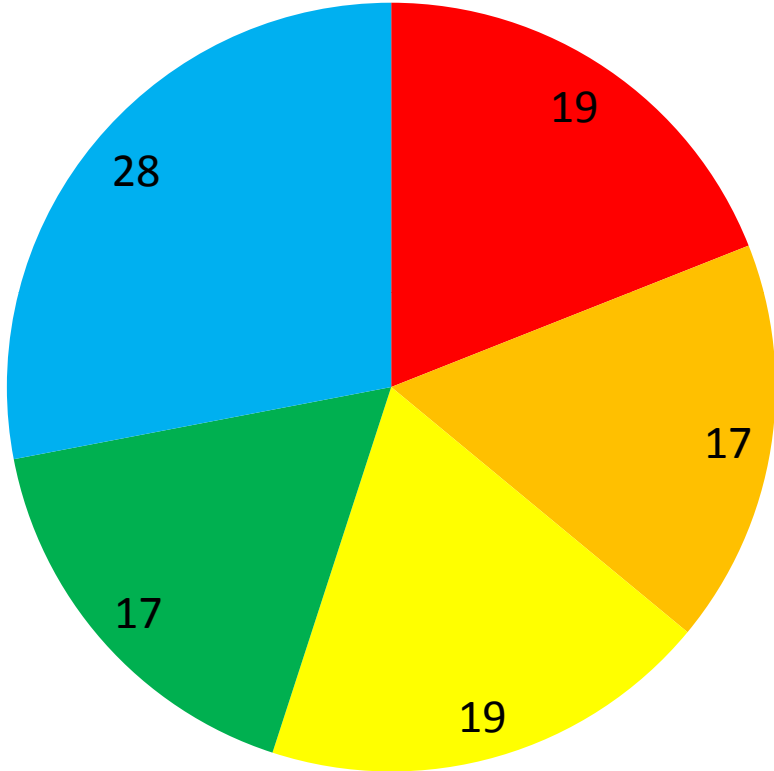
Only **2,400** affordable units in the market for **21,700** renters earning less than **\$10,000**

**SHORTAGE OF 19,300 UNITS**

## Affordable Homeownership

Need for homes priced for sale between **\$113,000 and \$240,000** to enable the rental population earning between **\$35,000 and \$75,000** annually to become homeowners

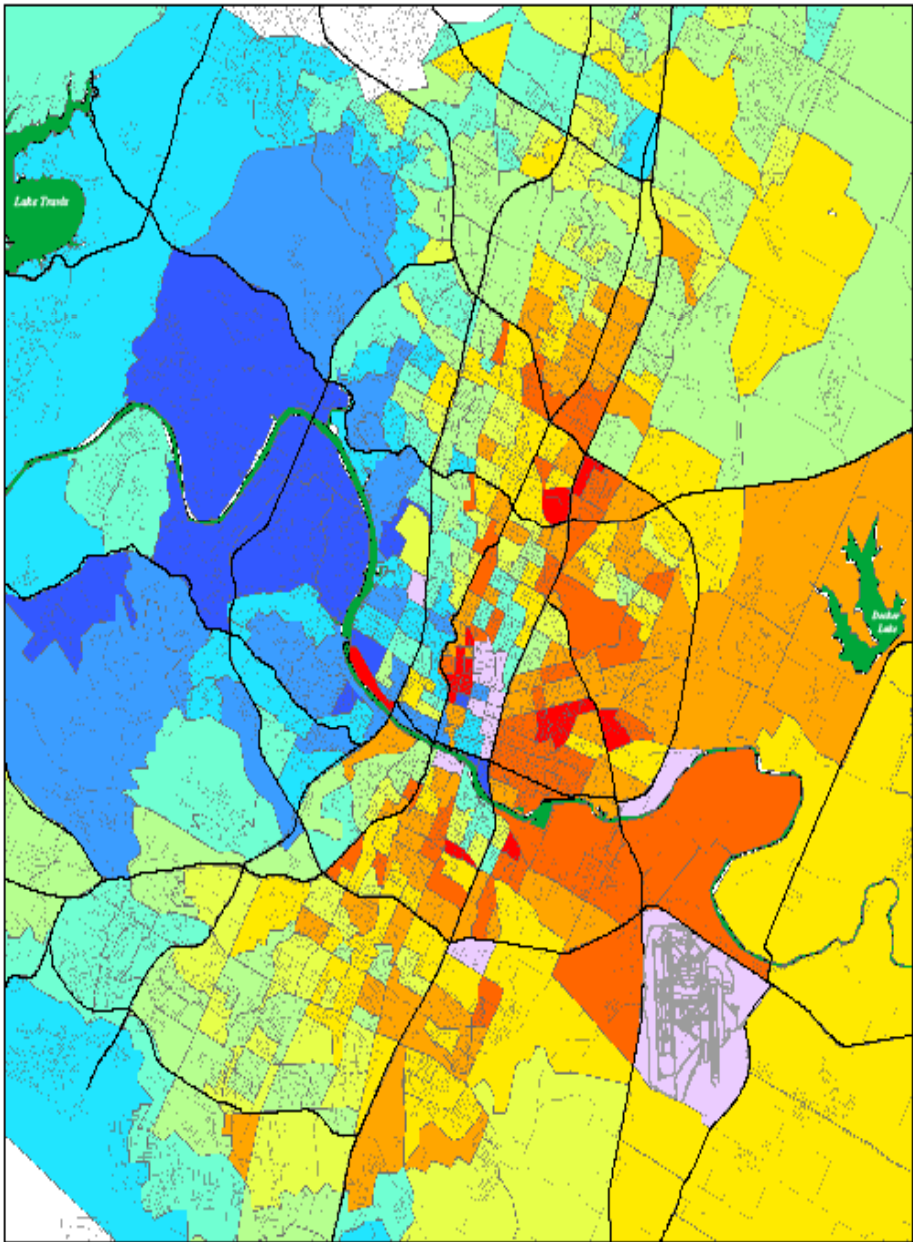
# Income Distribution by Area Median Family Income



- Extremely Low Income  
< 30% of MFI  
\$0-\$20,730
- Very Low Income  
30-50% MFI  
\$20,731-\$34,550
- Low Income  
50-80% MFI  
\$34,551-\$55,280
- Moderate Income  
80-120% MFI  
\$55,281-\$82,920
- Mod to High Income  
>120% MFI  
>\$82,920

# Median Family Income

Austin, Texas  
Census 2000 Data



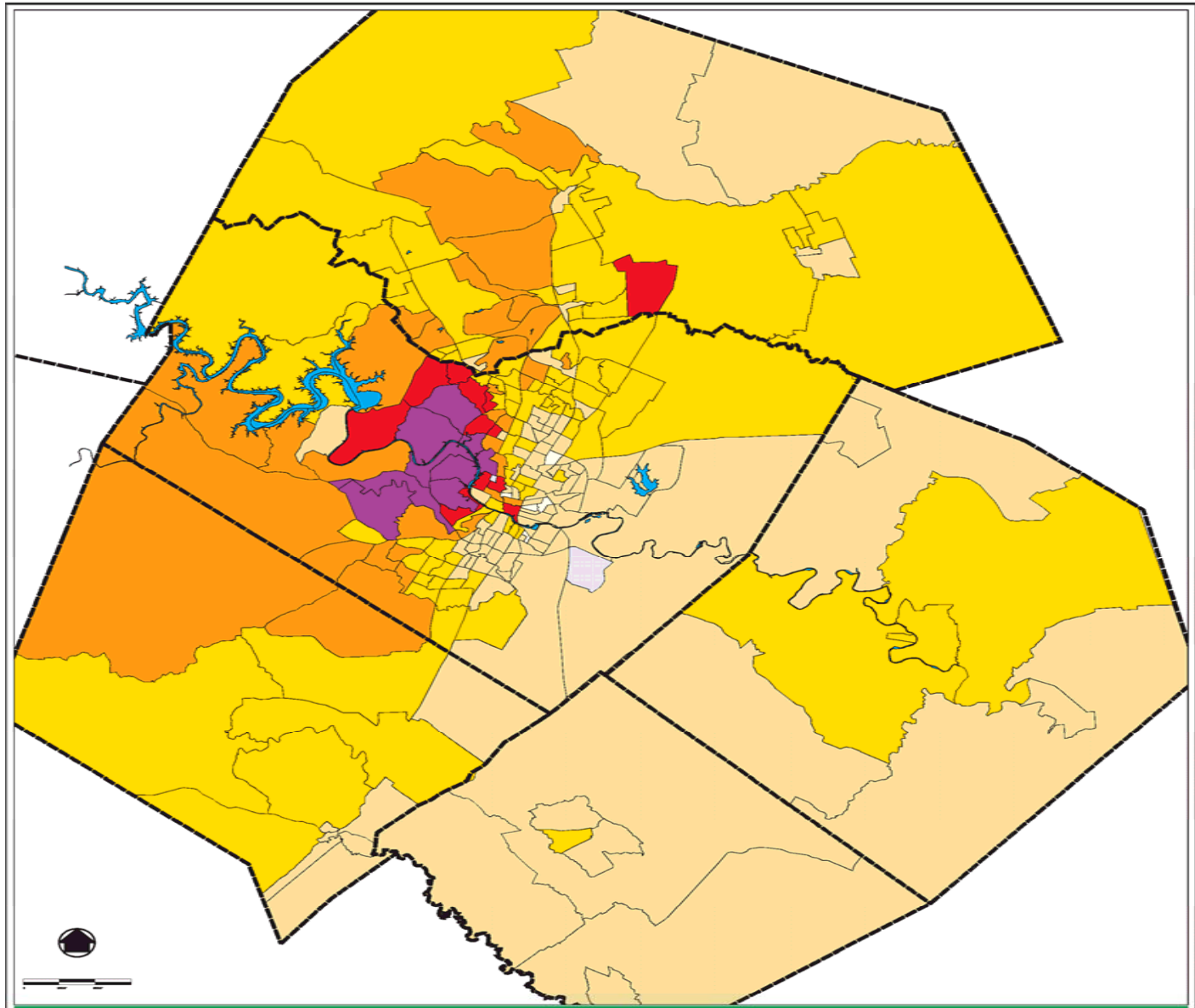
### Income Category

- No Households
- Less than \$20,000
- \$20,000 to \$30,000
- \$30,000 to \$40,000
- \$40,000 to \$50,000
- \$50,000 to \$60,000
- \$60,000 to \$75,000
- \$75,000 to \$100,000
- \$100,000 to \$125,000
- \$125,000 to \$150,000
- \$150,000 Plus

0 0.4 0.8 1.6 2.4 Miles



Produced by: Ryan Robinson, City Demographer, Department of Planning, City of Austin, September 2006.



## Median Family Income

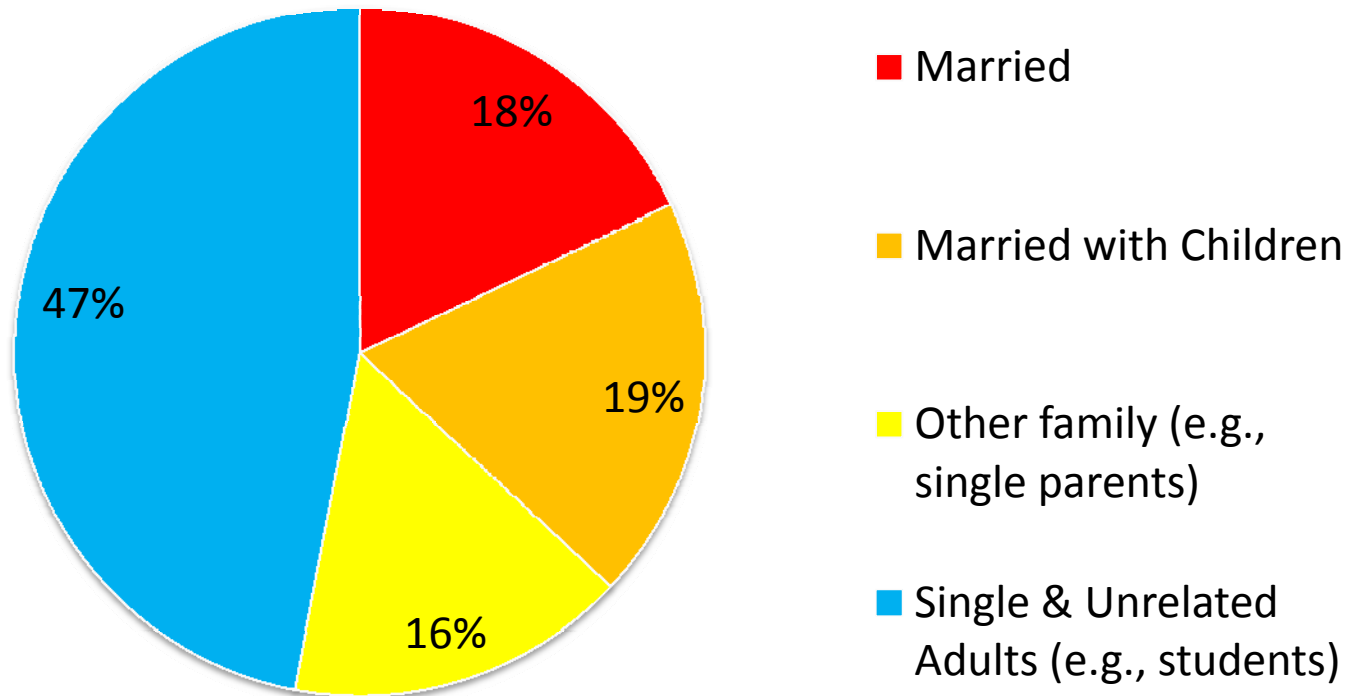
Austin, Texas

Census Tracts, Source: Census 2000, SF1

Produced by: Ryan Robinson, City Demographer, Department of Planning, City of Austin, Year 2004

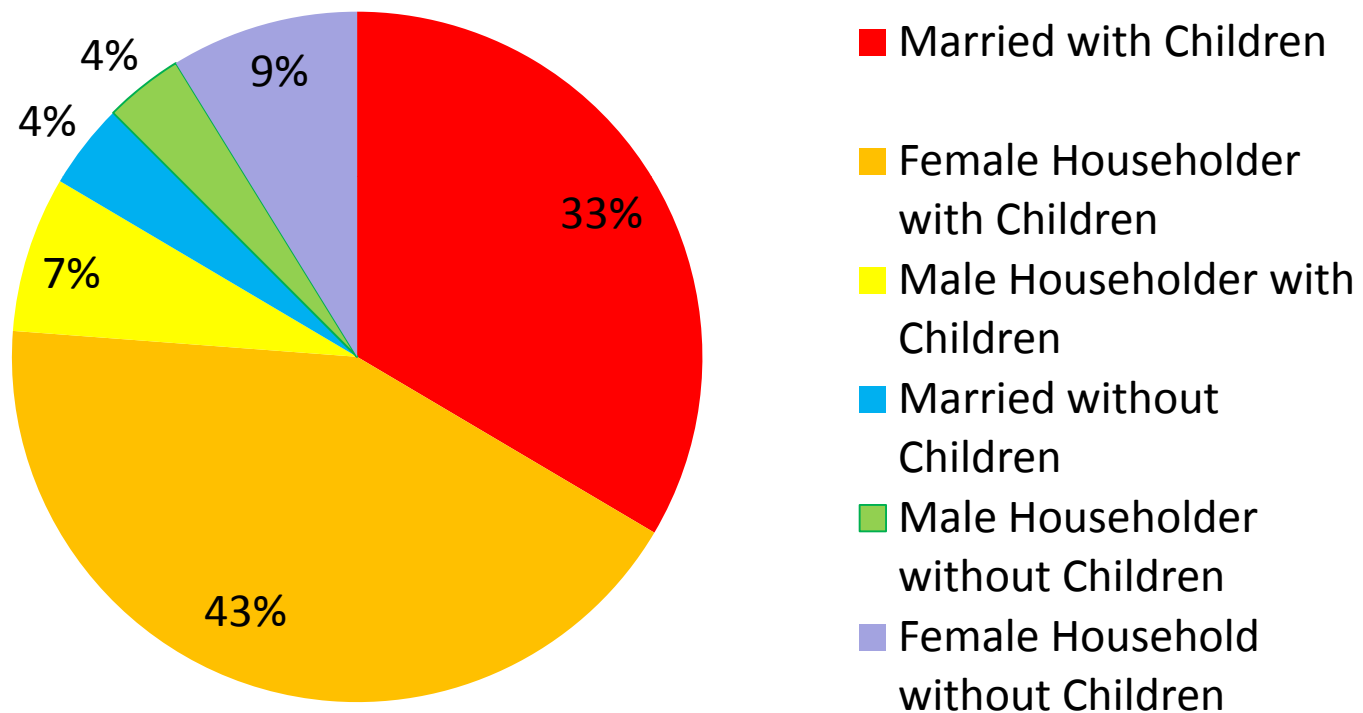


# Household Composition



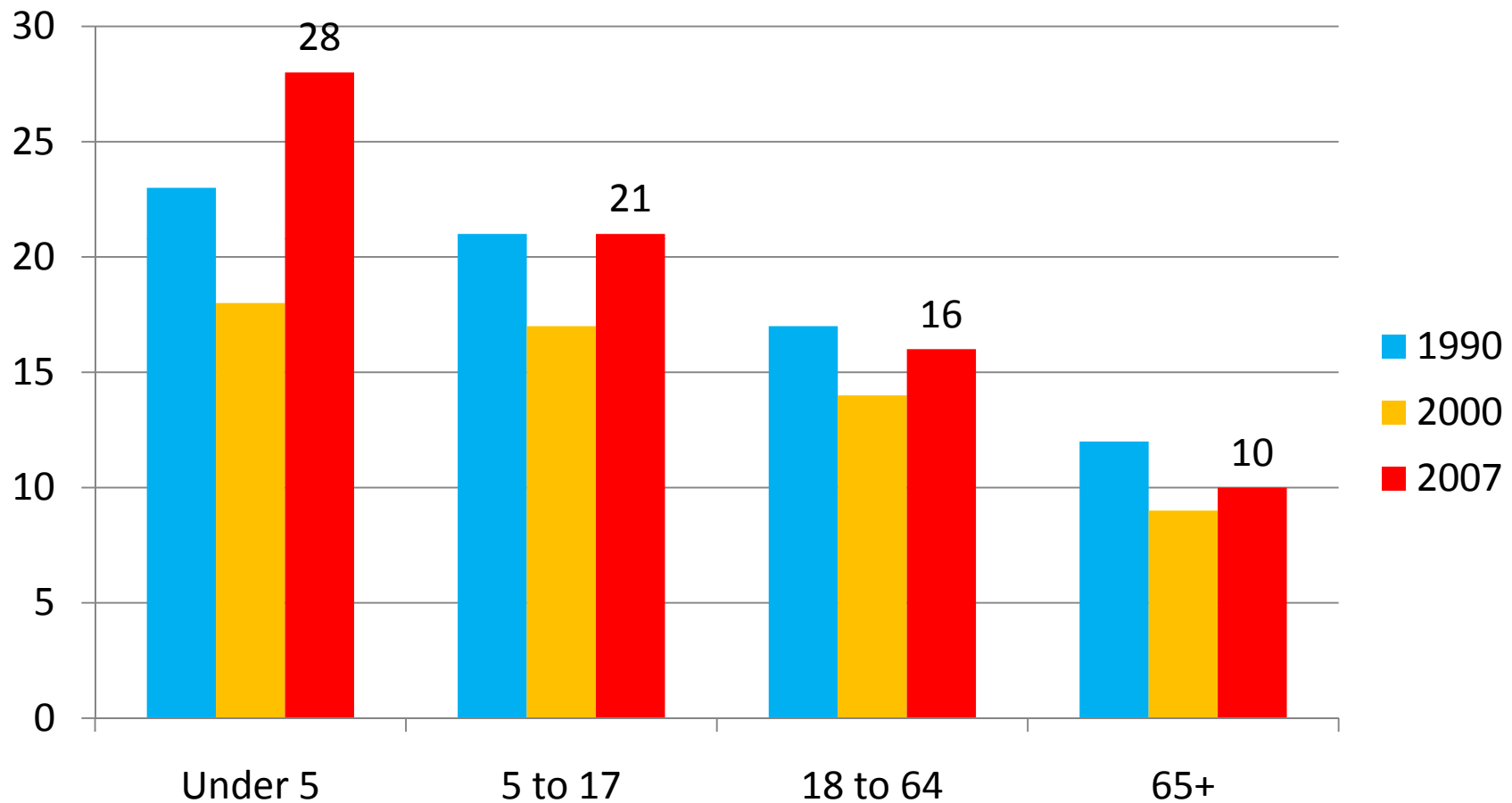
Source: BBC Research & Consulting

# Percent of Households in Poverty

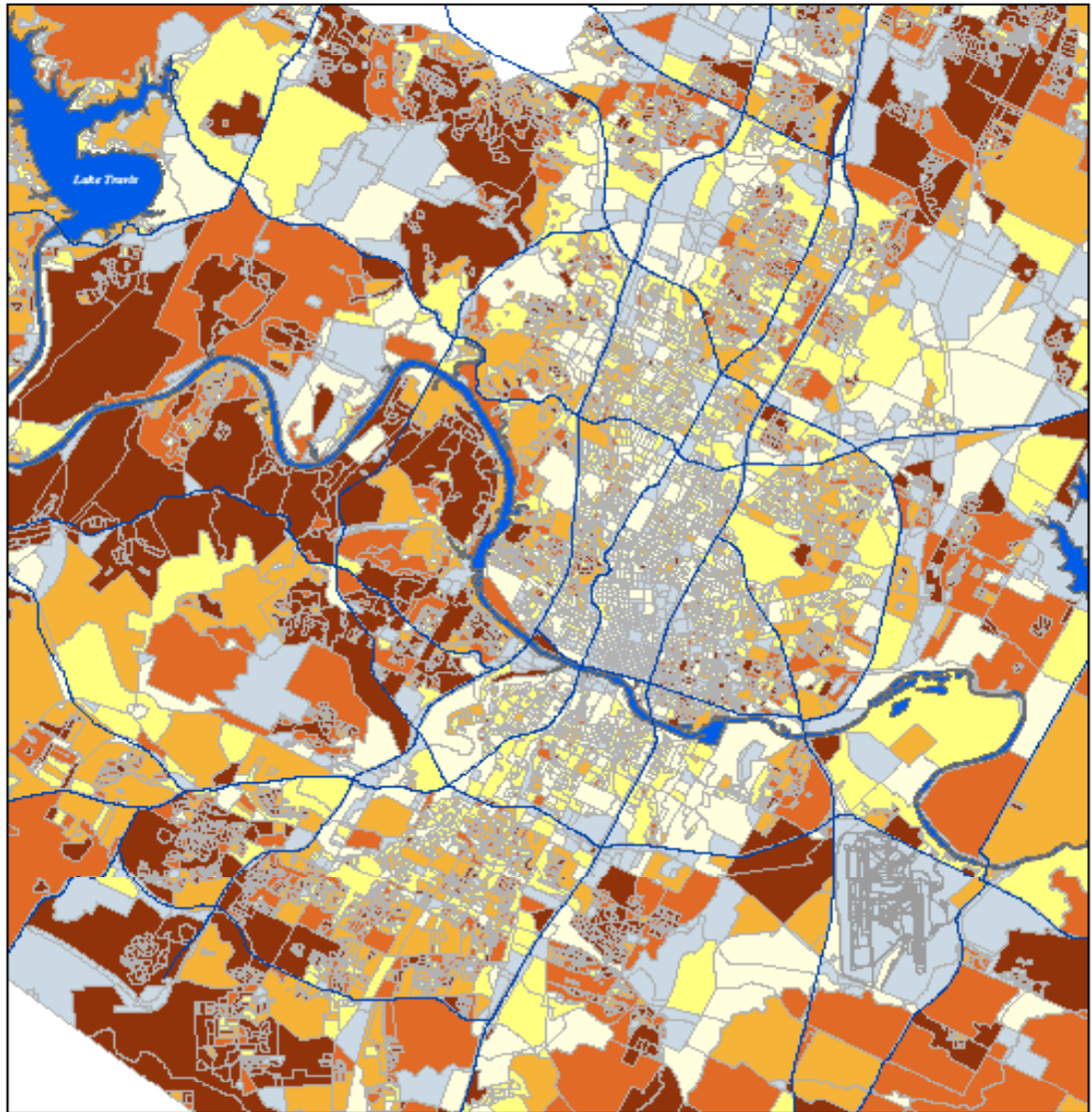


Source: BBC Research & Consulting

# Trends in Poverty Rates by Age



Source: BBC Research & Consulting



*Produced by: Ryan Robinson, City Demographer, Department of Planning, City of Austin, November 2006.*

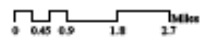
## Married with Children

### Concentrations of Married with Children Households

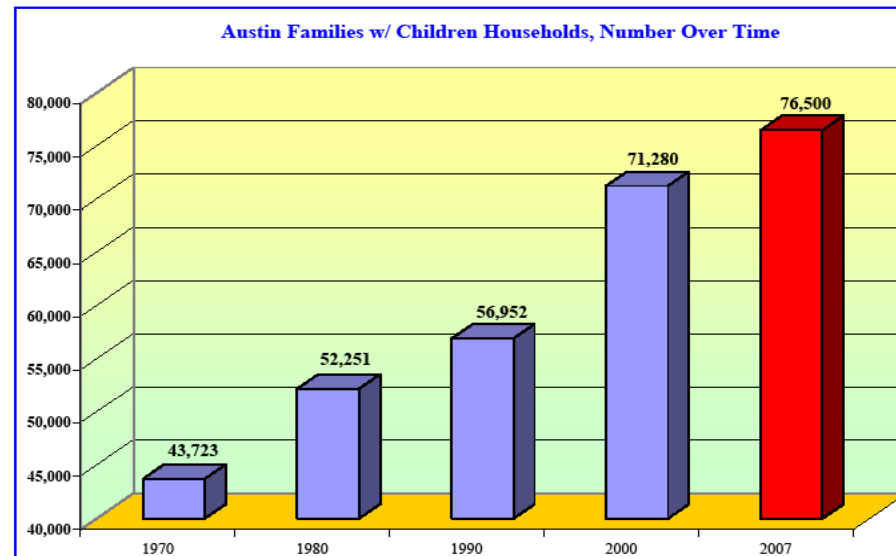
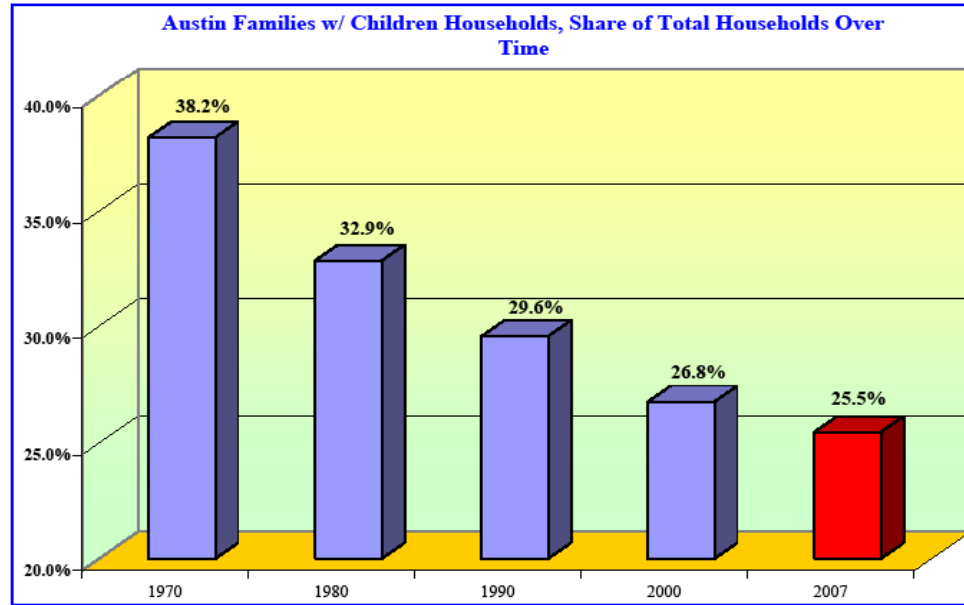
Austin, Texas  
 Census 2000 Data  
 census blocks

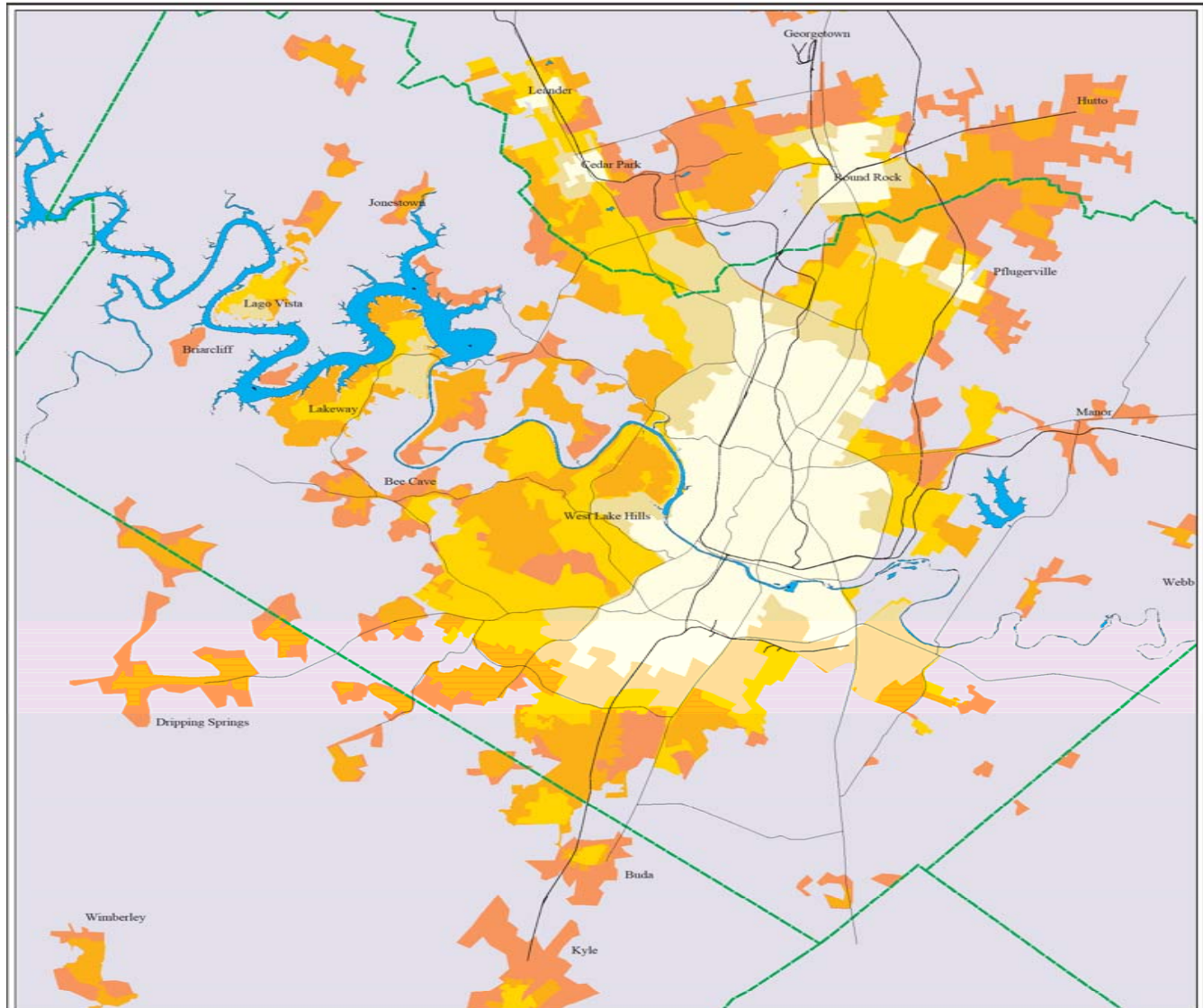
#### Share of Total Households

- No Population
- Less than 10%
- 10% to 20%
- 20% to 30%
- 30% to 40%
- 40% Plus



# Trends in Families with Children





## Austin's Urbanized Area Over Time 1970 through 2004

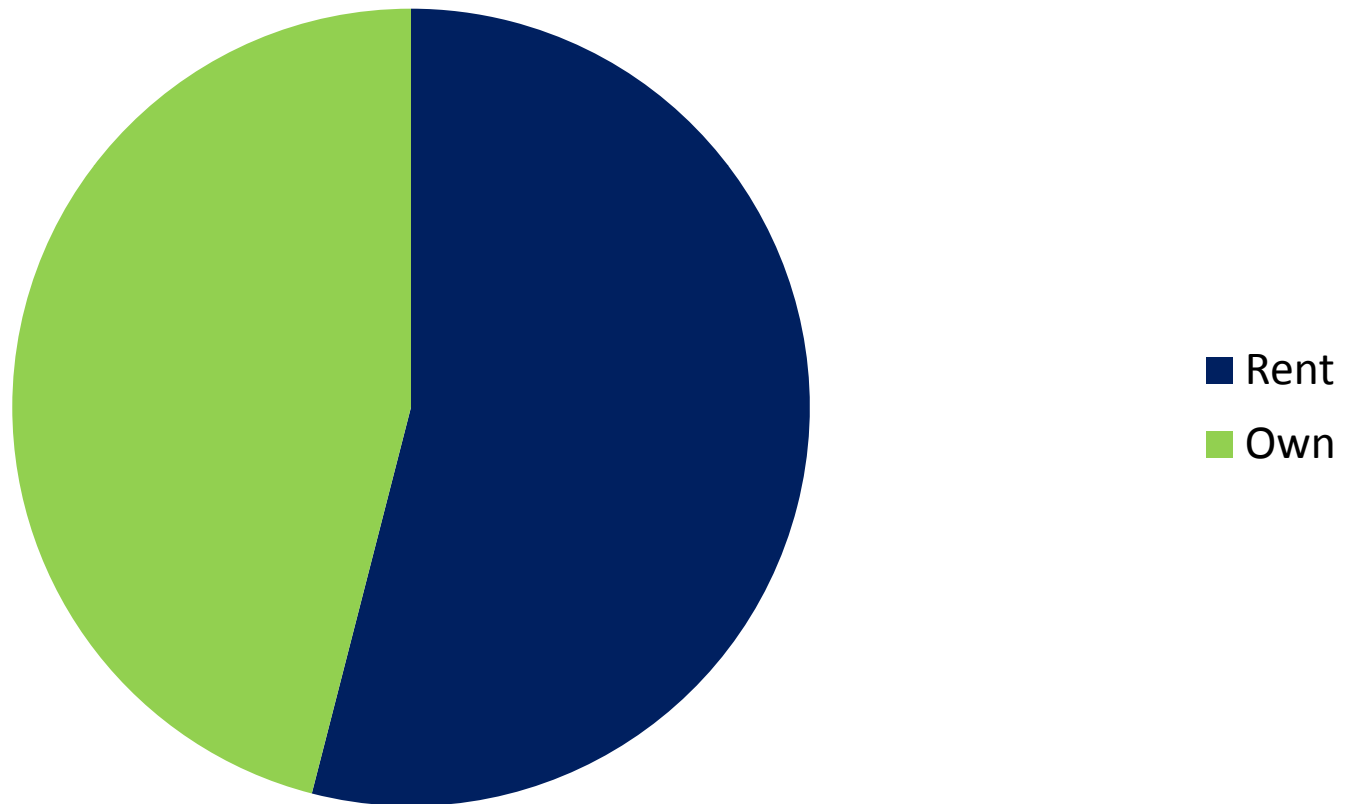
- Urbanized from 2000 to 2004
- Urbanized from 1990 to 2000
- Urbanized from 1980 to 1990
- Urbanized from 1970 to 1980
- Urbanized before 1970

Map produced by: Pam Robinson, City Demographer, Department of Planning, City of Austin, October 2004



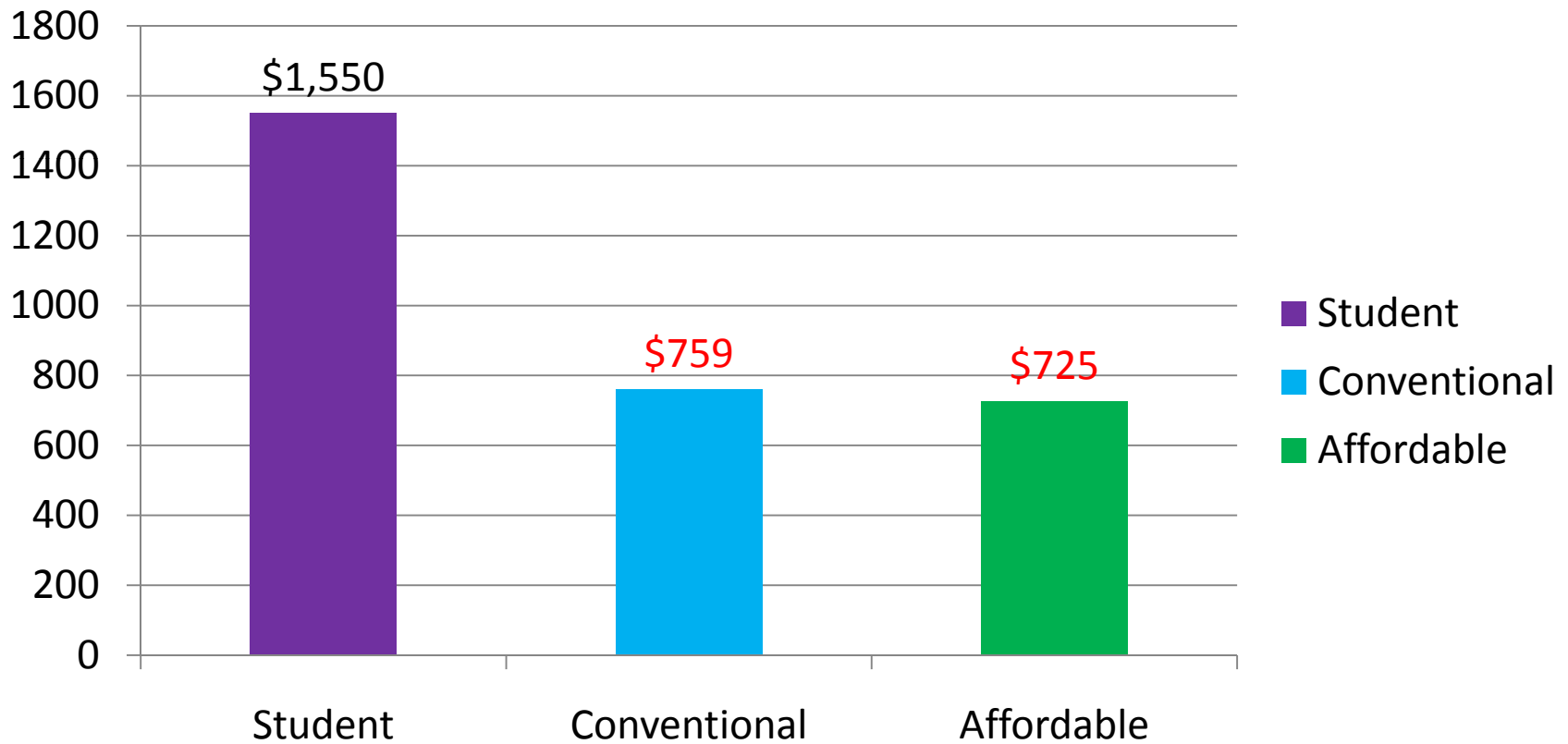
# Rent v Own

## Austin Housing Profile



# Rental Cost

## Median Rent, 3Q08

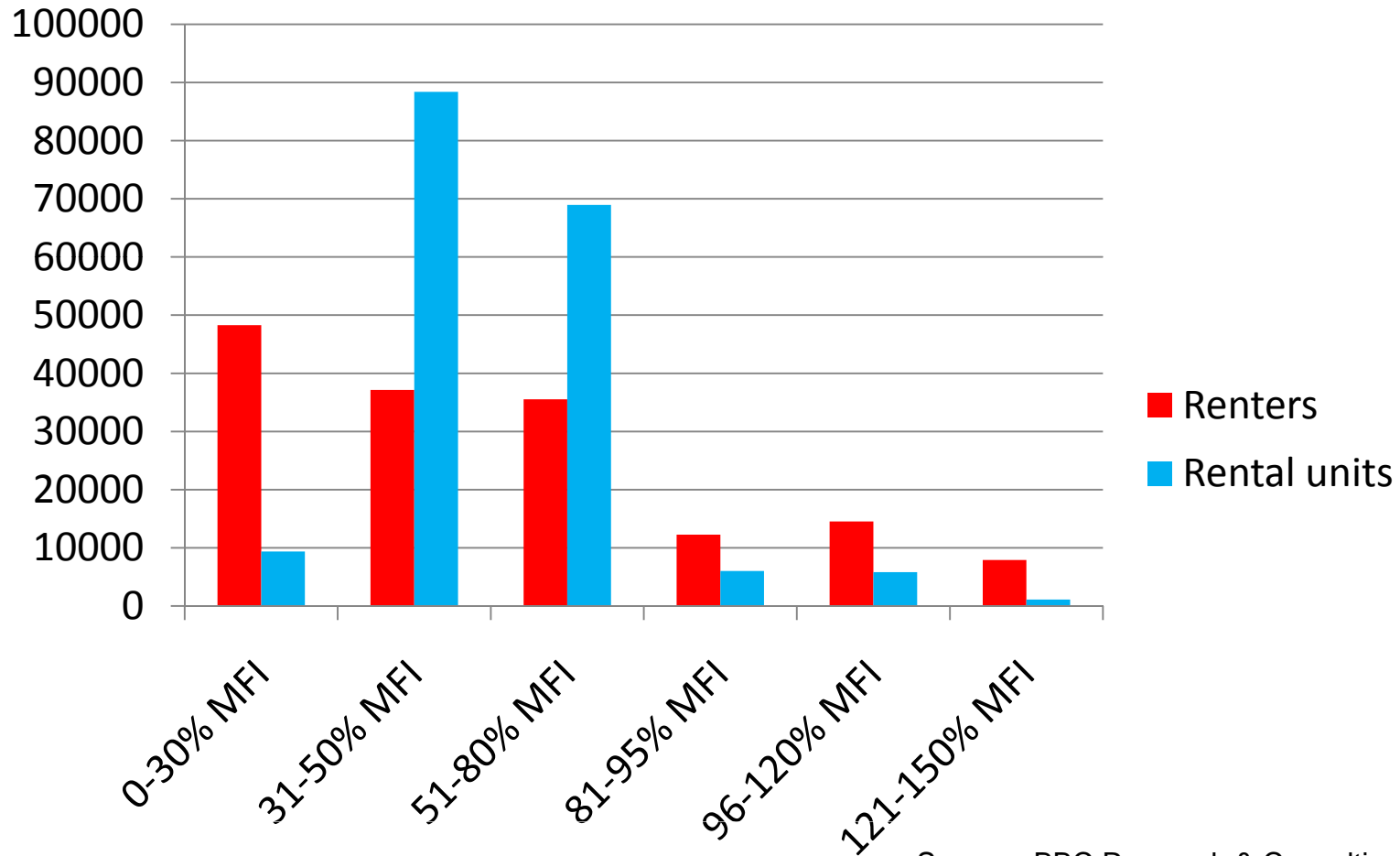


# Income Needed to Afford Average Rent, by Unit Size, 3Q08

	Average Rent	Income Needed to Afford Rent	Percent of MFI	Percent of Renter Households who can afford
Efficiency	\$546	\$21,840	32%	<b>69%</b>
1 bedroom	\$728	\$29,120	42%	<b>57%</b>
2 bedroom	\$ 935	\$37,400	54%	<b>45%</b>
3 bedroom	\$1160	\$46,400	67%	<b>35%</b>
4 bedroom	\$1700	\$68,000	98%	18%
5 bedroom	\$2,727	\$109,080	158%	6%
All	\$843	\$33,720	35%	49%

Source: BBC Research & Consulting

# RENTAL GAP ANALYSIS by MFI Level



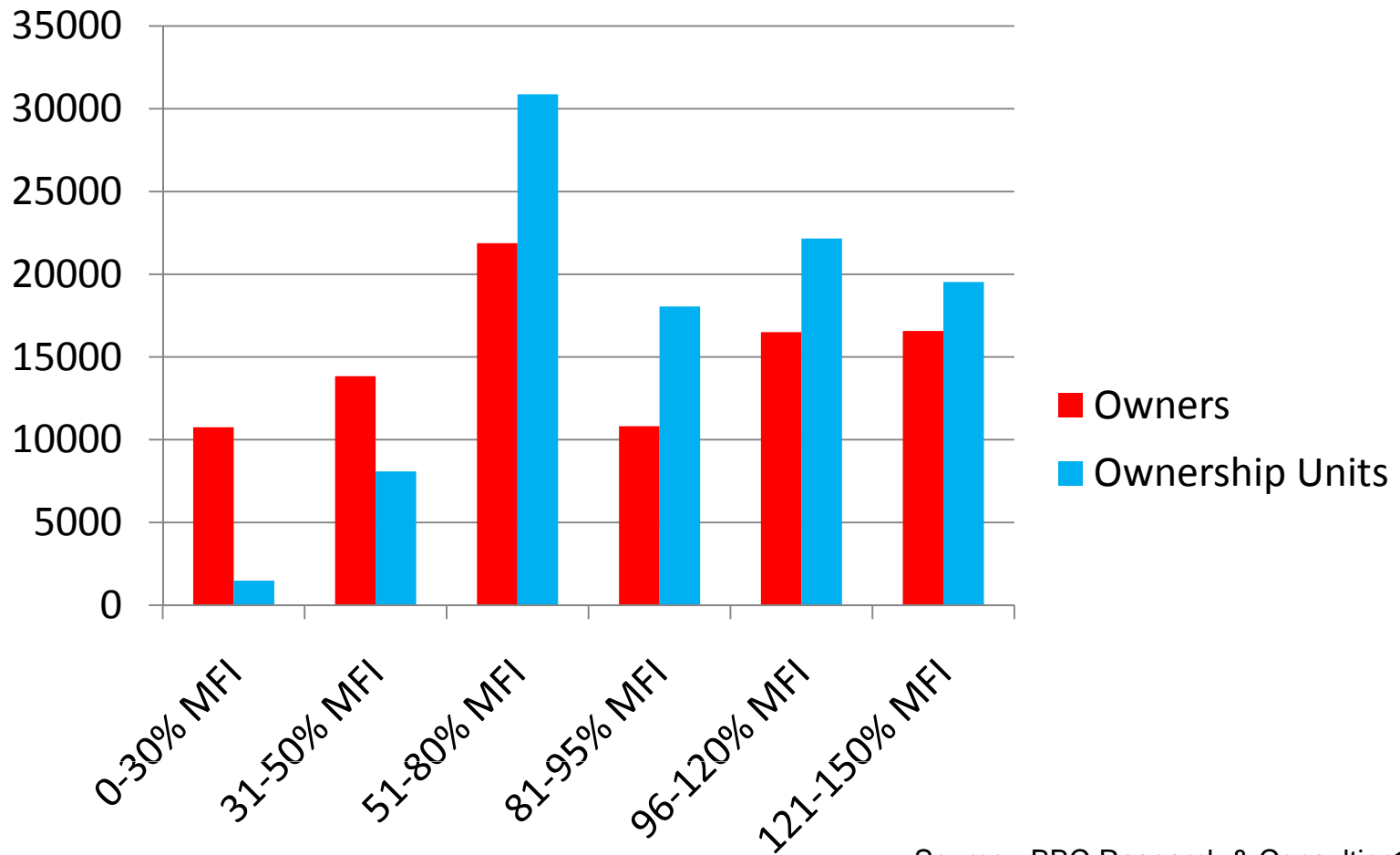
Source: BBC Research & Consulting

# Affordability of Housing Stock for Sale by MFI, Austin 2008

	Single Family Attached (condos)	Single Family Detached	Multi-Family
Extremely Low Income	3%	0.2%	0.2%
Very Low Income	<b>15%</b>	<b>4%</b>	<b>4%</b>
Low Income	<b>42%</b> <i>*older units/high maintenance costs</i>	<b>23%</b>	<b>32%</b>
Moderate Income	<b>55%</b>	<b>35%</b>	<b>49%</b>

Source: BBC Research & Consulting

# HOMEOWNERSHIP GAP ANALYSIS by MFI Level



# HOUSING NEEDS: Austin Market Mismatches, 2008

750,500 people

307,000 households

46% owners  
141,000 households

54% renters  
166,000 households

Supply Available  
To Renters  
Wanting to  
Be Owners

Renters earning < \$35,000  
3% of *detached* units are affordable  
10% of *attached* units are affordable

Renters earning \$50,000  
16% of *detached* units are affordable  
36% of *attached* units are affordable

Renters earning \$75,000  
44% of *detached* units are affordable  
64% of *attached* units are affordable

27% earn < \$20,000  
45,000 households

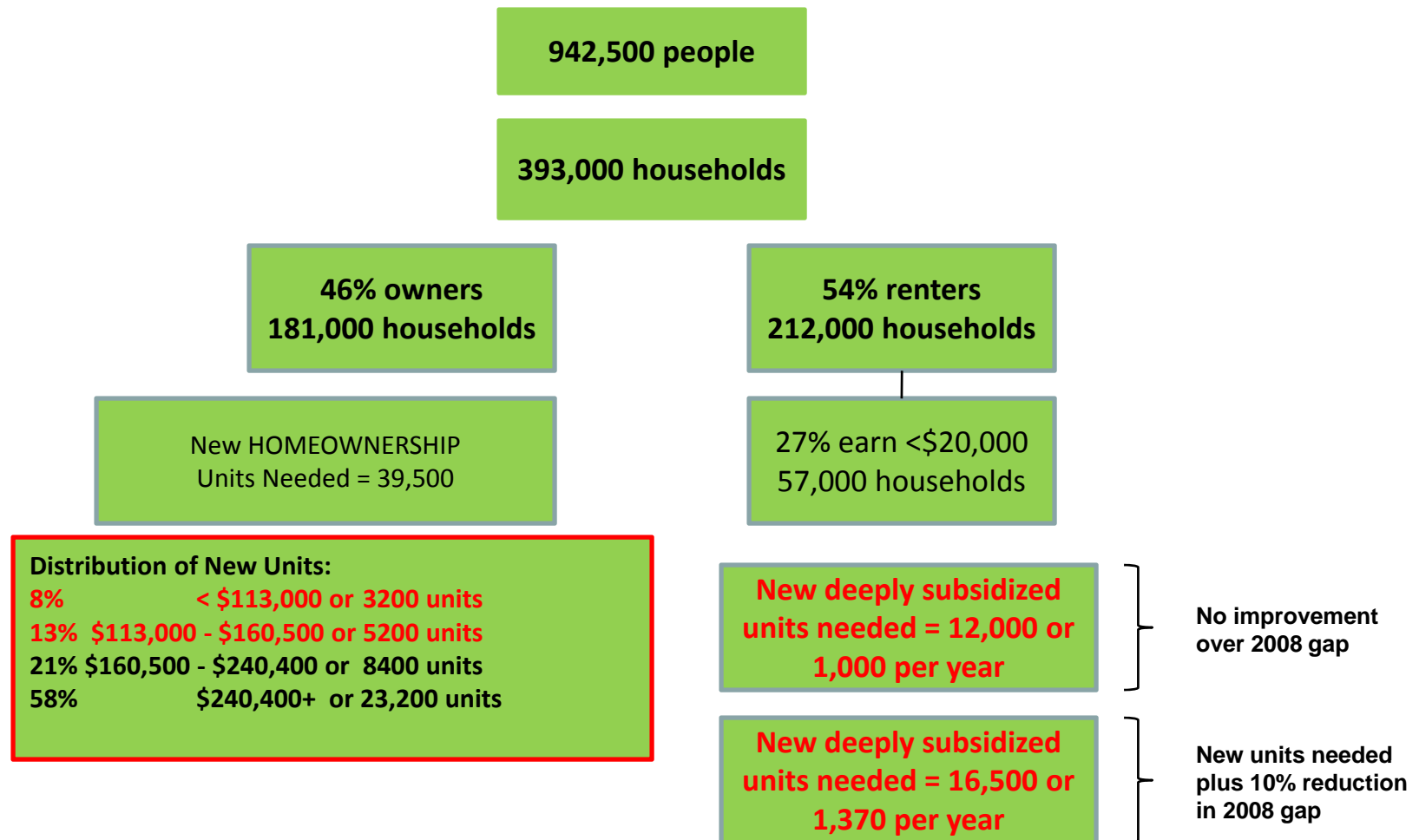
v.

4% of rental units  
that are affordable  
7,150 units

=

Gap of 37,600  
rental units

# HOUSING NEEDS: Austin Market Mismatches, 2020 Projected Growth



# Housing Market Study –

## ***WARNING IF WE DO NOTHING***

- **TAXES:** Property taxes displace lower-income and fixed-income homeowners
- **LOSS OF MIDDLE CLASS:** Working class will buy outside of Austin and commute longer distances to work due to affordable home availability and more bang for your buck
- **IMPACT ON VERY LOW INCOME:** 38,000 renters will continue to be cost-burdened
  - Increase risk of homelessness for lowest income renters
  - Moderate income renters not able to afford homeownership
  - Property taxes impact rent increases and possible deferred maintenance by landlords reducing quality of rental housing stock

# Conclusions

## AFFORDABLE HOUSING NEED

- Affordable Rental Housing for low income households (families with children)
- Affordable Homeownership for working class – middle class households

## TOOLS to CONSIDER IN COMPREHENSIVE PLANNING PROCESS

- Location (Urban Density vs. Suburban Sprawl)
- Product Types
- Building & Preserving Affordable Housing (Community Land Trusts)
- Development Incentives (Density Bonuses, Fee Waivers, Expedited Reviews)
- Locating Affordable Housing near Opportunity
- Funding through Public-Private Partnerships (CDFIs)

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