

LETTER/OVERVIEW

Austin is at a crossroads. Our community is growing and changing faster than any time in its history. Housing costs are skyrocketing while incomes for many are flat. Our vision of Austin was challenged this year when we topped the list of the most economically segregated cities in the nation.

Austin's housing crisis creates important and undeniable consequences. Traffic congestion is exacerbated as working families are pushed farther and farther out of the city. Our largest school district, Austin Independent School District, projects a declining student population for the next five years. And, with housing scarce, our major employers are challenged with retaining an effective and diverse workforce.

We have solutions, but we need your help. Over the past decade, we have implemented policies and programs that help to increase affordable housing across the city. We have a wide range of nonprofit organizations that are on the front lines developing, owning, and managing quality affordable housing. Through coordinated efforts and targeted funding, we have seen our homeless population steadily decline over the past several years.

We have solutions, but they need to be scaled. As we become one of the largest cities in the United States, our size and diversity demands creative and ambitious solutions. HousingWorks is leading the Austin Community Investment Collaborative, working to create a "strike fund" for the preservation of affordable rental housing. We are advocating sustainable funding and resources (including publicly-owned land) for deeply affordable housing. We are innovating inclusive policies through density bonus programs and a revised land development code.

In order to become the Austin we all imagine, where we have all kinds of homes in all parts of town for all kinds of people, we need to take some bold steps. Our yearly report celebrates our recent successes and provides details of our bold next steps. Thank you for joining us on this journey.

Sincerely,

Frances Ferguson

FRANCES FERGUSON
President, Board of Directors
HousingWorks Austin

Mandy DeMayo

MANDY DeMAYO
Executive Director,
HousingWorks Austin

PHOTO CREDITS: HousingWorks Austin, Housing Authority of the City of Austin (page 3), Austin Habitat for Humanity (page 9), Foundation Communities (page 14), and Atelier Wong Photography (page 15).





Former US Marine Darryl Thomas and his family found shelter from Foundation for the Homeless after he became unemployed and his wife became disabled.

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5 STEPS TO KEEPING AUSTIN AFFORDABLE:

1 PRESERVE

We need to preserve affordable housing — both subsidized and unsubsidized.

2 INVEST

We need to continue and expand the wise investments that our community makes.

3 LEVERAGE

We need to stretch our scarce housing dollars by continuing our impressive record on leveraging.

4 PARTNER

We need to foster partnerships between public and private entities.

5 INCLUDE

We need to implement inclusionary affordable housing policies across the city and in a range of housing types.

PRESERVE

The City of Austin has an enormous need for affordable housing. Although Austin is home to 18,500 subsidized housing units, there is a demonstrated need for an additional 48,000 rental units affordable to people earning \$25,000 per year or less.



The Bridge at Center Ridge is an affordable apartment complex acquired by a subsidiary of the Housing Authority of the City of Austin (HACA) and a private investor.

In HousingWorks' recent report, *Taking Action: Preservation of Affordable Housing in the City of Austin*, HousingWorks identified the universe of both subsidized and unsubsidized affordable rental stock. The report uncovered a significant amount of affordability in private, market rate rental properties. Often referred to as "Class C" apartment complexes, many of these are well-located, with proximity to public transit, in high opportunity areas. In fact, there are more than 65,000 unsubsidized housing units that are currently providing below market rent. The map on page 4 shows the location and size of these Class C apartment complexes.

With unanimous support from City Council, Oak Creek Village Apartments in south Austin is currently being redeveloped, with increased density and market-rate units, while maintaining the 173 deeply affordable units governed by a federal project-based Section 8 contract.

In the preservation report, HousingWorks recommended a multi-tiered preservation strategy, including adopting the contemplated Homestead Preservation Districts (HPDs) and associated tax increment finance districts (TIFs), maximizing tax incentives for preservation, and the development of a preservation "strike fund." In October 2014, City Council adopted the report's recommendations.

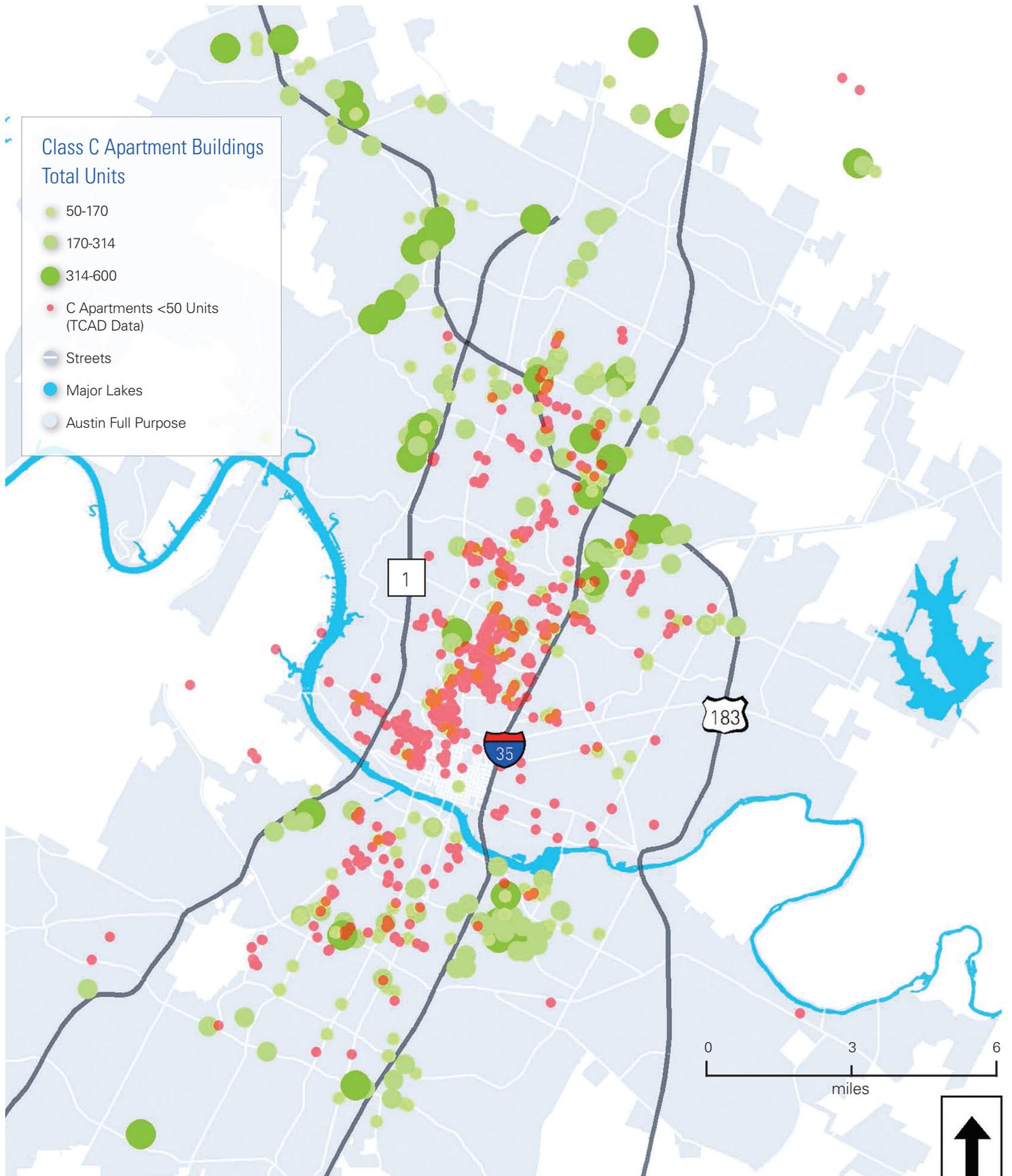
Over the past year, HousingWorks has been leading the effort to create a sustainable source of funding for preservation of existing affordable housing stock. HousingWorks leads the newly created collaborative - The Austin Community Investment Collaborative (ACIC) — which is a partnership of public, private and nonprofit organizations committed to investing in complete communities that link affordable housing to better opportunities, healthier environments, increased mobility and a higher quality of life. ACIC is currently

working on the feasibility and the potential structure of the strike fund, which will focus on strategic investments in housing in transit-rich and/or high opportunity areas. This proposed innovative funding will require participation of a range of stakeholders to fill financing gaps that will leverage the current financial resources and allow the city to meet its housing and neighborhood needs at the necessary scale.

Our community needs to preserve affordable housing — both subsidized and unsubsidized — so that we have sufficient affordable housing stock today and into the future. Preservation of existing affordable housing stock is important because it is cost efficient, environmentally responsible, and it aligns with local planning initiatives. Preservation is closely tied to the Imagine Austin Comprehensive Plan's call for "complete communities" — inclusion of a wide range of housing types and price points in all parts of town. 🏠



CLASS C APARTMENTS





Austin teachers purchased a new, affordable home through Guadalupe Neighborhood Development Corporation's (GNDC) Community Land Trust Program.

INVEST

Increasing the supply of deeply affordable housing requires careful investment of our local, state, and federal dollars. In Austin, we are fortunate to have a local commitment to affordable housing resources. But we need to ensure that our local resources – affordable housing bonds and the Housing Trust Fund - provide a stable and sustainable source of funding.

Austin voters care about affordability. In 2013, voters overwhelmingly approved \$65 million in affordable housing bonds. These local

dollars are critical to increasing deeply affordable housing stock.

Since voters approved an additional \$65 million in affordable housing bonds in 2013, the city has committed more than \$21 million toward 10 affordable housing developments. These developments will provide deeply affordable housing for a range of Austinites, including low-wage workers, families, seniors, and people with disabilities. 2013 bond funds have also been committed to Austin's first "housing first" development, which will

provide permanent supportive housing to individuals experiencing homelessness.

With the \$55 million 2006 housing bonds, we were able to create or preserve more than 3,400 affordable homes. At the same time, we were able to achieve the city's core values related to affordable housing. We need to continue the wise investments that our community makes into affordability and expand our resources to meet the growing needs. 🏠

AFFORDABLE
HOUSING
BONDS
ADDRESS OUR CITY'S
CORE VALUES

LONG TERM AFFORDABILITY:

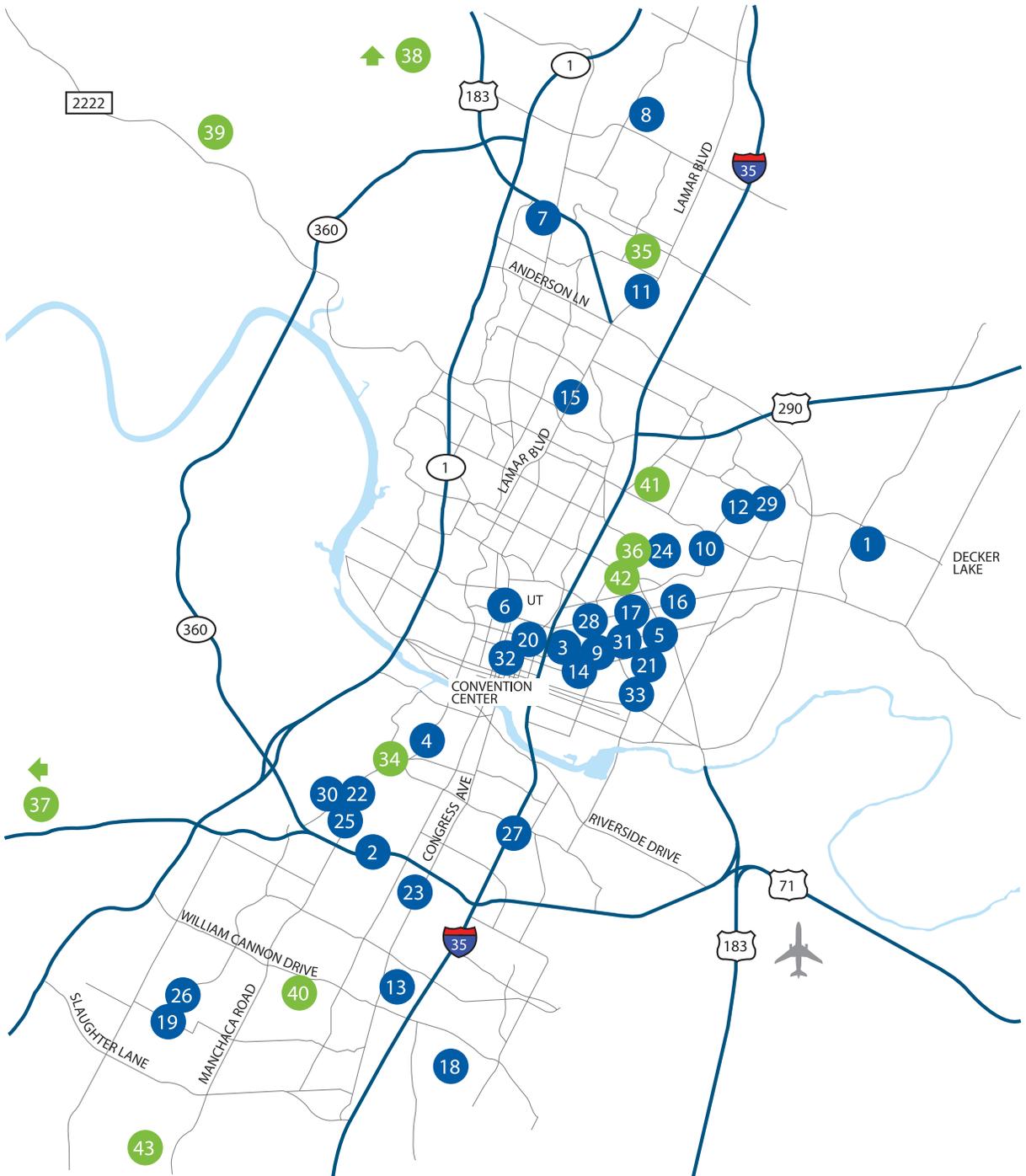
All bond-funded projects have affordability restrictions for at least 40 years (rental) or 99 years (ownership).

DEEPER AFFORDABILITY:

All bond-funded units are affordable to very low-income people, at or below 50% median family income (rental) or 80% median family income (ownership).

GEOGRAPHIC DISPERSION:

More than half of the bond-funded units are located west of IH-35.



2006 HOUSING BOND INVESTMENTS

- 1. Sendero Hills, Phase IV
- 2. Skyline Terrace
- 3. GNDC-Lydia Alley Flat
- 4. The Willows
- 5. Guadalupe-Saldana Subdivision
- 6. St. Louise House I & II
- 7. Crossroads Apartments
- 8. Carol's House
- 9. Blackshear Infill Rental Project
- 10. Austin Children's Shelter
- 11. Malibu Apartments
- 12. Sweeney Circle Preservation/Revitalization
- 13. Village on Little Texas
- 14. 807 Waller St. Acquisition
- 15. Crisis Respite Center
- 16. Chestnut Corner Senior Housing
- 17. M Station
- 18. Meadow Lake Subdivision
- 19. Westgate Ownership Project
- 20. E 15th Transitional Housing Facility
- 21. Elm Ridge Apartments

2013 HOUSING BOND INVESTMENTS

- 22. The Ivy Condominiums
- 23. Sierra Vista Apartments
- 24. Wildflower Terrace
- 25. Treaty Oaks
- 26. Westgate II Ownership Project
- 27. Arbor Terrace
- 28. Marshall Apartments
- 29. Pecan Springs Common, Phase III
- 30. The Ivy Condominiums, Phase II
- 31. The Chicon
- 32. Capital Studios
- 33. The Works at Pleasant Valley
- 34. Bluebonnet Studios
- 35. Cross Creek Apartments
- 36. Guadalupe-Jeremiah Housing
- 37. Live Oak Trails
- 38. Lakeline Station
- 39. Cardinal Point Apartments
- 40. Garden Terrace Phase 3
- 41. Aldrich 51 Apartments
- 42. Housing First Oak Springs
- 43. LaMadrid Apartments

Home repair (city-wide) | Architectural barrier removal (city-wide)



Formerly a homeless teen, Franklin is a resident of Lifeworks' affordable apartment complex The Works at Pleasant Valley

LEVERAGE

Every dollar from the 2006 affordable housing bonds was leveraged with an additional four dollars in outside funds. Affordable housing investment creates both stable housing and local jobs. In 2013 HousingWorks asked a local economic consulting firm, Civic Economics, to determine the economic impact of the 2006 affordable housing bonds. While we knew how many units of housing the bonds created, we wanted to be able to quantify the complete return on investment.



Using industry-standard economic modeling, the consultants determined that the local economic impact of the 2006 housing bonds will be \$865+ million over the next 10 years. While building new homes and repairing existing homes, the bonds also created jobs and boosted spending in the local economy. It's a great return on investment. We need to stretch our scarce housing dollars by continuing our impressive record on leveraging.

In 2013, nearly two-thirds of voters approved an additional \$65 million in affordable housing bonds. To date, approximately \$21 million of those bond dollars have been committed to 10 affordable developments, which are

located in six of the 10 city council districts. Affordable developments include workforce housing for low- and moderate-wage workers, family housing with supportive services, and permanent supportive housing for individuals experiencing homelessness.

In recognition of the affordable housing bond program's 10 year anniversary in 2016, HousingWorks will undertake an updated return on investment analysis. Initial findings indicate that our 2013 bonds' leverage ratio exceeds the 2006 leverage ratio. An updated report will enable the community to gage the current return on investment and to make adjustments to the program as necessary. 🏠

Foundation Communities is building Homestead Oaks in south Austin. Partially funded by City bonds, it will be an affordable apartment community for low-to-moderate income families.

2006 HOUSING BONDS: A Great Return on Investment

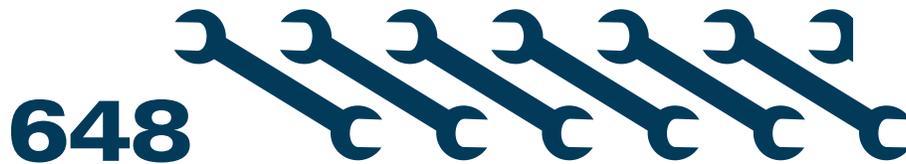
\$55 MILLION
IN AFFORDABLE HOUSING BONDS

\$196⁺ MILLION
LEVERAGED

3,417



NEW HOMES AND APARTMENTS



HOME REPAIRS FOR LOW-INCOME HOMEOWNERS



NEW RENTAL HOMES FOR LOW-INCOME FAMILIES



NEW ACCESSIBLE HOMES FOR PEOPLE WITH DISABILITIES



NEW RENTAL HOMES FOR LOW-INCOME SENIORS



Sylvia Gonzales posing in front of the new affordable home Austin Habitat for Humanity is building for her.

PARTNER



Housing impacts schools, jobs, transportation – just about every facet of life. Because of this, it's critical for Austin to foster partnerships between public and private entities. When we build schools, designate transit-oriented districts, offer economic incentives to private companies, we need to ensure that affordable housing is part of the equation.

HousingWorks is leading the newly formed Austin Community Investment Collaborative (ACIC), which is a partnership of public,

private and nonprofit organizations committed to investing in complete communities that link affordable housing to better opportunities, healthier environments, increased mobility and a higher quality of life. ACIC partners know that housing is inextricably connected to a variety of issues, including transportation, health, economic opportunity, family stability, and educational attainment. Affordable and attainable housing can provide both the foundation and the platform for success. 🏠

Austin Mayor Steve Adler and HousingWorks Austin Board President Frances Ferguson chat before a HousingWorks affordable housing bus tour.

KEEP AUSTIN AFFORDABLE

Keep Austin Affordable (KAA) is an educational initiative of HousingWorks Austin. Building on the success of the 2013 Keep Austin Affordable bond campaign, HousingWorks is leading a sustainable educational program comprised of a broad-based group of stakeholders to foster a culture of affordability in Austin.



Through coordinated community outreach, including social media, newsletters, media relations, speaker engagements, tours, and individual contacts, HousingWorks profiles people who have been impacted by affordable housing and programs and policies that have shaped our community's affordability. In each of our monthly newsletters, we feature stories that highlight the profound effect that affordable, safe, and secure housing can have on people.

While affordable housing policy can be abstract and intangible, it's the transformational nature of affordable housing that truly matters. So, with our KAA community partners, we celebrate success – like when a senior citizen finds affordable housing in a community that provides services and support or when a formerly homeless veteran finds stable housing for his family that enables his kids to succeed in school or when a person with a physical disability finds affordable, accessible, and integrated housing so that she can truly be part of the community.

Information on Keep Austin Affordable is on HousingWorks Austin's website: housingworksaustin.org. You can sign up for our monthly newsletters to hear the latest up-to-date information and success stories.

Meals on Wheels and More's Home Repair program built a large ramp for Salvador Gonzales after a circulatory disease affected his mobility





A project of Momark Development and PeopleTrust funded by city bonds, Westgate Grove is a community of single-family homes in south Austin for low- and moderate – income buyers.

INCLUDE

The Land Development Code rewrite – CodeNEXT – is our opportunity to shape what gets built, where it gets built, and how it gets built. HousingWorks recognizes that well-located density, streamlined development reviews, and a simple and predictable development process will increase affordability in a broad sense. But in order to achieve true affordability, it is imperative that onsite, inclusionary affordable housing policies are implemented across the city and in a range of housing types. We need to provide development incentives such as increased density and relaxed development standards only in exchange for onsite affordability.

We are fortunate to have a proven track record when it comes to innovative inclusionary programs. In 2014, the Urban Land Institute’s Terwilliger Center for Housing recognized the City of Austin’s broad range of

affordable housing tools over the past decade. Specific land use policies cited include the vertical mixed use (VMU) incentives and other density bonus programs that have produced both units on the ground and funding for affordable housing over the past several years. In fact, the city’s lauded VMU program has resulted in nearly 400 affordable units integrated into newly-developed Class A apartment complexes along core transit corridors.

Density bonus programs are important because they provide private developers with an incentive (increased density and/or relaxed development standards) in exchange for community benefits, including affordability. So, while the community increases its affordable housing stock, there is no direct subsidy required. Density bonus programs are another essential tool in the toolbox. 🏠

The map on the opposite page shows the location of the city’s density bonus program units.



Stroke survivor Beth Alden lives with her son in an affordable and accessible apartment in southeast Austin provided by Easter Seals Central Texas.

CITY'S DENSITY BONUS PROGRAMS PRODUCE AFFORDABILITY

Vertical Mixed Use (VMU)

394

AFFORDABLE UNITS

Transit Oriented
Development (TOD)

162

AFFORDABLE UNITS

Rainey Street

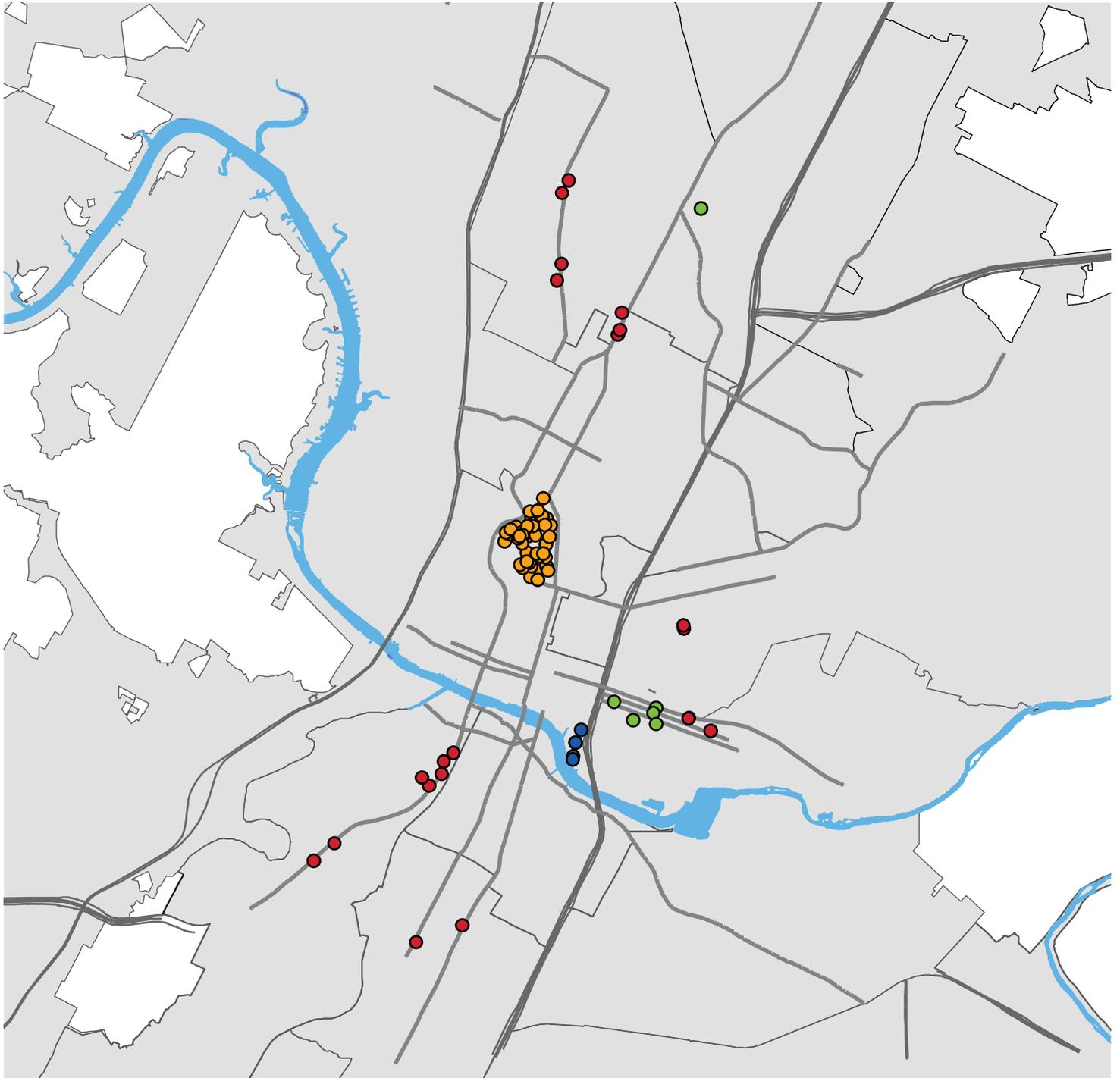
51

AFFORDABLE UNITS

University Neighborhood
Overlay (UNO)

558

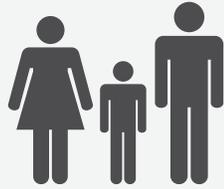
AFFORDABLE UNITS



COMMUNITY AT A GLANCE

POVERTY RATE ¹

17.8%
POVERTY
RATE



154,172
INDIVIDUALS BELOW POVERTY



INCOME ²



\$76,800
MEDIAN FAMILY INCOME

RENT ³



\$1,122
AVERAGE RENT PER MONTH

HOME PRICE ⁴



\$322,500
MEDIAN HOME PRICE

HOMELESS ⁵

OF
PEOPLE LIVING
ON THE STREETS
1,877



SUBSIDIZED HOUSING ⁶

21,539



OF SUBSIDIZED AFFORDABLE HOUSING UNITS

COST BURDENED ⁷

30%
ARE COST
BURDENED

13%
ARE EXTREMELY
COST BURDENED
STATE OF TEXAS

38%
ARE COST
BURDENED

15%
ARE EXTREMELY
COST BURDENED
CITY OF AUSTIN

TRANSIT CHOICES ⁸



82 AVERAGE ANNUAL MASS TRANSIT
TRIPS TAKEN CITYWIDE

17,970
AVERAGE ANNUAL VEHICLE
MILES TRAVELED CITYWIDE



1. Poverty: Ryan Robinson City of Austin, 2013 1-Year ACS | **2. Income:** U.S. Department of Housing and Urban Development, 2015 | **3. Rent:** Austin Investor Interests, Q2 2015
4. Home Price: Austin Board of Realtors, Q1 & Q2 2015 | **5. Homelessness:** Ending Community Homelessness Coalition, 2015 | **6. Subsidized Housing:** Neighborhood Housing
and Community Development City of Austin, 2015 | **7. Cost Burden:** Community Action Network, 2013 1-Year ACS | **8. Transit Choices:** Location Affordability Index, 2008-2012

DISTRICT FACTS

HousingWorks Austin is dedicated to providing the necessary research for leaders in our city to make the best affordable housing policy decisions.

Our district-by-district analysis serves as a snapshot of the housing issues facing our community. For the second straight year, HousingWorks Austin has explored household affordability, utilizing a wide range of data sources, from a variety of angles. We found some similarities across all 10 districts and some distinct differences:

District 1 has **103** subsidized housing developments in total, with **65%** of those developments having less than **10** affordable units.

More than half of the renters in **District 2** are cost burdened, meaning that they spend more than **30%** of their income on rent and utility costs.

The Austin Housing Repair Coalition completed **234** home repair projects in **District 3** from 2010 to 2014, the highest among all districts. A total investment of **\$2,600,000** was made in these homes.

In order to afford an average rental apartment in **District 4** without being cost burdened, a minimum wage worker would have to work a total of **110** hours per week.

In **District 5**, there are **six times** the number of people living at or below poverty as there are subsidized housing units.

According to United Way for Greater Austin among all calls received in 2014 "**District 6** had the highest ratio of housing related needs, from **Section 8** vouchers to help locating homeless shelters."

Five properties in **District 7** have been developed or are in the process of being developed under the city's Vertical Mixed Use zoning category. These VMU developments include **88** affordable units, which will remain affordable for a minimum of **40** years.

Median income families in **District 8** travel **21,018** vehicle miles annually, the highest among all districts. At **50%**, it also has the highest average Housing + Transportation Costs as a percent of income.

Median income families in **District 9** take **149** mass transit trips annually, the highest among all districts. At **33** bus stops per square mile, it also has the highest transit stop coverage.

District 10 has the highest median family income at **\$131,100** and the highest median home price at **\$544,870** among all ten districts.

ALL 10 CITY COUNCIL DISTRICT ANALYSES CAN BE DOWNLOADED FROM HOUSINGWORKS AUSTIN'S WEBSITE: housingworksAustin.org

Foundation Communities is building Bluebonnet Studios on South Lamar to provide affordable housing for 107 single adults, including low-wage workers, veterans, seniors and individuals with disabilities.





VISION

Austin is a community where everyone has the opportunity for a secure and affordable home.

MISSION

HousingWorks advocates a wide range of housing options so that all Austinites can afford a home that is close to jobs, family, schools, recreation, and places of worship.



To support HousingWorks,

please use the self-addressed envelope provided, or donate online: housingworksaustin.org

HOUSINGWORKS SUPPORTERS

HousingWorks Thanks Our Generous Sponsors:

\$10,000+



Housing Authority of the City of Austin (Austin Affordable Housing Corporation)

\$5,000+



Austin Board of Realtors (ABoR)



Foundation Communities



The Bank of America Charitable Foundation



LDG Development



BBVA Compass Foundation



The Mulholland Group (TMG)



Constructive Ventures



Ryan Companies



DMA Development Company, LLC



Urban Land Institute (ULI)

\$2,500+

- Austin Habitat for Humanity
- Home Builders Association of Greater Austin
- Rebekah Baines Johnson (RBJ) Center
- Community Wheelhouse

\$1,000+

- Sarah Andre/Structure Development
- Ending Community Homelessness Coalition (ECHO)
- Momark Development/Terry Mitchell
- ARA Newmark
- Frances Ferguson
- Texas Housing Finance Corporation
- Catellus Austin, LLC
- Frank and Cindy Liu Family Foundation
- Texas State Affordable Housing Corporation
- COATS | ROSE
- Frost Bank
- The Seton Fund
- Malcom Accounting Services, LLC
- Wells Fargo

\$500+

- Austin Housing Coalition
- Green Doors
- Laura Morrison
- Austin Investor Interests LLC
- Guadalupe Neighborhood Development Corporation
- lookthinkmake
- Cile Montgomery
- H+UO Architects
- McCann Adams Studio
- Cookie Ruiz
- Karen Paup/Texas Low Income Housing Information Service
- Nora Linares-Moeller
- Edy Embry/Keller Williams Realty
- Pierpont Communications



HousingWorks

AUSTIN

P.O. Box 41833 | Austin, TX 78704

housingworksAustin.org

512.454.1444