

Late Backup

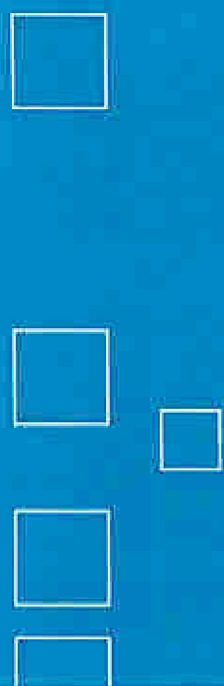
City of Austin Investment in Affordable Housing

Status of General Obligation Affordable Housing Bond Program

Margaret Shaw, Director
Neighborhood Housing and Community Development
Office


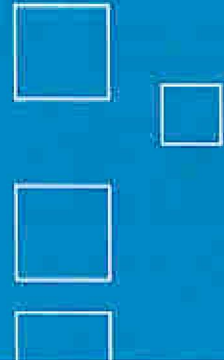
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Presentation Objective

- Provide an overview and update on the GO Bond Affordable Housing Program
 - Outline the success of GO Bond program
 - State next steps (seek policy direction on future investments March 11, 2010)
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Why we are here today





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- No funding left for remainder of FY2009-10
 - FY2009-10 GO housing bond allocation of \$7M committed
 - 3 state awards for 827 apartments
 - Wildflower Terrace (senior) Mueller: 201 units
 - M Station (family) MLK TOD: 150 units
 - Malibu Apt. (family) No. Lamar: 476 units
 - \$42M (76%) of \$55M total program funding expended/committed
 - No funding remains to create/retain rental housing.
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City of Austin









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Affordable Housing Finance Programs

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- Offer gap financing for private and non profit developers to assist in creating/retaining affordability citywide thru 2 primary programs:
 - Acquisition & Development (ownership)
 - Rental Housing and Development Assistance (rental)
 - Programs tap Federal housing grants and local funds
 - With GO bond allocation, program funding levels more than double
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Background GO Housing Bond Program

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- 11/6/06 Austin voters approved \$567.4M in tax-supported bonds, of which \$55M allocated for affordable housing for the first time in Austin
 - Proposition 5 ballot language called for:
 - “constructing, renovating, improving and equipping affordable housing facilities for low income persons and families, and acquiring land and interests in land and property necessary to do so, and funding affordable housing program as may be permitted by law...”



Background: Spring 2007 GO Housing Bond Program

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- Council adopts program guidelines modifying staff recommendations with input from stakeholders
 - Program guidelines:
 - Set goals for \$55M:
 - 60% of funds (\$33M) to support rental
 - 40% of funds (\$22M) to support ownership
 - Established categories for applicants:
 - 75% awarded competitively
 - 20% reserved for Council priorities
 - 5% for “rapid acquisition” by nonprofits
 - Community Development Commission is policy oversight body

Background: GO Housing Bond Program

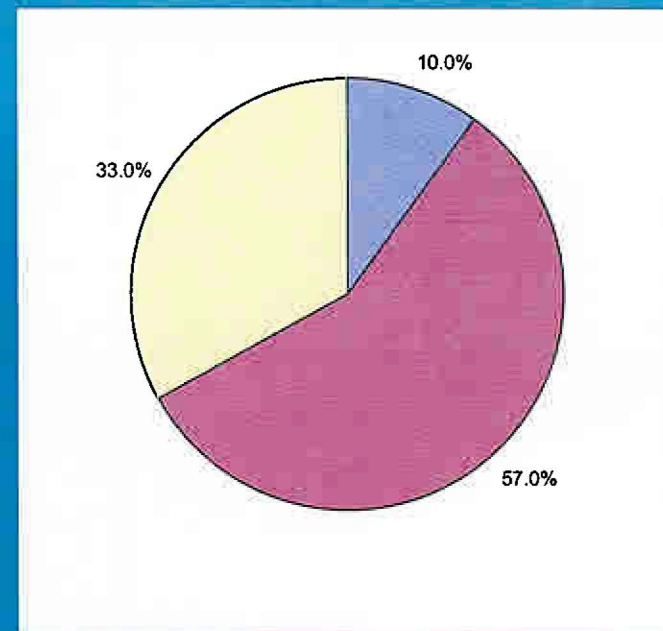
- Income eligibility and affordability terms set for clients by median family income (MFI):
 - Rentals
 - 40 years of affordability (required)
 - Cap assistance at 50% MFI (\$25,650 for 1; \$36,650 for 4)
 - Target those earning 30% MFI (\$15,400 for 1; \$22,000 for 4)
 - Ownership
 - 99 years of affordability (goal)
 - Cap assistance at 80% MFI (\$41,050 for 1; \$58,650 for 4)
 - Target those earning 65% MFI (\$33,350 for 1; \$47,650 for 4)

Investment Overview (\$ in M)

<u>Rental</u>	<u>Amount</u>	<u>Units</u>	<u>Leverage</u>
Workforce/Family Housing	\$16.2	712	\$107.1
Very Low-Income Persons/Families	\$9.9	271	\$4.6
People with Mental Disabilities	\$3.3	61	\$1.2
Senior Housing	\$3.0	108	\$22.9
Children	\$1.9	42	\$1.4
<u>Subtotal - Rental</u>	\$34.3	1,194	\$137.2
<u>Homeownership</u>			
(\$2M - Repairs; \$5M - Buyers)			
<u>Subtotal - Homeownership</u>	\$7.5	599	\$21.2
<u>Subtotal - Affordable Units</u>	\$41.8	1,793	\$158.4
<u>Total - All Units</u>		3,069	
<u>Balance Remaining from \$55 million</u>	\$13.1		

Client Incomes -contract requirements

Housing Type	Median Family Income	Affordable Units	
		Number	Percent
Rental	Less than 30%	175	10.0%
	Less than 50%	1,019	57.0%
Owner	Less than 80%	599	33.0%
Total		1,793	100.0%











Community Investment

<u>ZIPCODE</u>	<u>Affordability</u>	<u>AMOUNT</u>	
78701	24	\$1.0	
78702	181	\$4.0	CENTRAL
78704	236	\$7.1	
78721	130	\$2.5	
78722	86	\$2.0	EAST
78723	112	\$4.8	
78724	65	\$2.0	
78744	25	\$0.5	
78745	267	\$9.6	SOUTH
78752	37	\$2.3	
78753	215	\$3.0	
78757	14	\$0.9	NORTH
78758	1	\$0.1	
<u>Citywide</u>	<u>400</u>	<u>\$2.0</u>	
Total	1,793	\$41.8M	



Housing Market Study, 2009

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- Homelessness/Poverty
 - 25% of respondents said they or someone in the household had been homeless or near homeless at some point in their lives.
 - Nearly 17,000 children in Austin under the age of five (5) live in poverty.
 - Rental
 - Only 1 in 6 renters earning less than \$20,000 annually can find affordable housing in Austin
 - Gap between 1,000-1,370 more units per year with rents at \$425 or less to meet demand.

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Housing Market Study, 2009

- Homeownership
 - Austin needs homes priced between \$113,000 and \$240,000 to enable its renter population earning between \$35,000 and \$75,000 annually to become homeowners;
 - Many urban cities solve this problem through “attached” housing (duplexes/condominiums/townhomes), which is in limited supply currently in Austin.

Summary Community Involvement




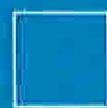

- Staff with CDC support recommend a “pause” in accepting applications from December to March in order to receive input on community priorities and seek guidance from City Council for use of remaining funds.
- November - February: Discussions with Community Development Commission
- December - January: Public input process
 - Written comments
 - Web survey (also available at all public libraries)
 - CDC public hearing
- February - City Council public hearing



Summary of Community Involvement To Date



Community Supports a Variety of Needs:

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- Affordable homeownership;
 - Owner-occupied repair/rehabilitation;
 - Geographic dispersion of affordable housing throughout the city;
 - Creation and preservation of affordable housing, especially for very low-income, homeless and vulnerable populations;
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Next Steps & Additional Info

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- 2/25 City Council public hearing on community housing priorities
 - 3/11 City Council to direct staff on investment priorities

For additional information on:

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- General Obligation housing bonds:
 - *Return on Investments* (detailed information on applications) <http://www.ci.austin.tx.us/housing/roi/>
 - General program information: <http://www.ci.austin.tx.us/ahfc/gobonds.htm>
 - Housing Market Study 2009 & reports <http://www.ci.austin.tx.us/housing/publications.htm>
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