November 15, 2010

Ben Sifuentes
Chair, Urban Renewal Board
City of Austin
bsifuentes@austin.rr.com

Re: Marshall Arms Apartments and Urban Renewal Board

Dear Mr Sifuentes:

Over the weekend I became aware that the possible renovation of the Marshall Arms Apartments is on the agenda for the November 15th Urban Renewal Board. I apologize for not being available to address the board in person, but am out of town and unable to attend the meeting this evening. I hope you will accept this letter in lieu of a personal appearance.

Corporation for Supportive Housing, a national nonprofit founded nearly 20 years ago, works with local communities and nonprofits to promote high quality permanent supportive housing as a means to prevent and end homelessness. I currently serve as the Director of the Texas program for Corporation for Supportive Housing, and recently completed a proposed permanent supportive housing strategy for the City. As a long-time Austinite and East Austin neighbor, this issue is of particular interest to me.

I hope the Board will view CSH as a resource as you contemplate any possible action on the Marshall Arms Apartments, or future projects including permanent supportive housing. I recently had the opportunity to discuss the proposed renovation of the Marshall Arms with the project sponsor, Summit Housing Partners. At the same time, we discussed a potential partnership with Caritas in which approximately 15 to 20% of the units could be made available as permanent supportive housing.

In anticipation of some of the frequently raised questions around permanent supportive housing in general, and around this project in particular, I offer the following observations, and remain at your service should I be able to provide additional information.

Capital Improvements Benefit the Tenants and the Neighborhood. The proposed project would provide much-needed investment and capital improvement in critical affordable housing stock. I understand that Summit intends to invest over $22,000 per unit in renovations and site improvements, both interior and exterior. Marshall Arms, while structurally solid, is sorely in need of capital re-investment, and said improvements would position the development as asset to the neighborhood.

The Project is Consistent with the Proposed City PSH Plan. On September 30th, 2010, CSH presented a potential strategy for meeting a goal of creating 350 units of permanent supportive housing by 2014. The proposed project is consistent with CSH's recommendations: integrating PSH units into other affordable housing developments, locating PSH units near transportation and other resources, leveraging existing rental subsidies, and providing quality on-site services.

PSH tenants must abide by terms of their lease, and on-site services support tenant success and effective property management. One of the key elements of permanent supportive housing is that tenants have the rights and responsiblitilies of a legally enforceable lease, ***just like any other neighbor.*** The difference is that when the PSH units are in place on-site, Caritas will have on on-site presence that will support and complement the property management staff. In addition to the case management offered PSH residents by Caritas, *all* tenants will have access to general community building and social services offered, further improving the success of the property and the well-being of neighbors.

Permanent Supportive Housing *supports* Stabilization and Growth in Property Values. Neighbors unfamiliar with permanent supportive housing are often concerned that the siting of PSH units nearby will negatively impact property values. This concern is simply not supported by the evidence. A 2008 study by New York University tracked changes in property values in areas surrounding over 100 new permanent supportive developments over a multi-year period, and found no evidence of negative impact on values; in fact, tracts surrounding PSH developments appreciated more quickly than otherwise-similar counterparts.[1] This research is supported by recent analysis in other Texas cities. Fort Worth has

[1] *The Impact of Supportive Housing on Surrounding Neighborhoods: Evidence from New York City.* Furman Center for Real Estate and Urban Policy, New York University. November 2008.

replicated the study [2]and the United Way of the Greater Houston has produced extensive analysis in Houston (report attached to this message), taking into account the unique nature of the Houston housing market. All studies found that tracts adjacent to PSH developments performed *as well as, or better than* similar tracts that had no PSH neighbors.

URB should ensure that it clearly understands the City's responsibilities around Fair Housing regulations when contemplating support or opposition to housing targeted to individuals with disabilities. Fair Housing regulations are too complex to be summarized here, but community or URB opposition to tenancy by residents that are members of a protected class should be carefully analyzed to ensure that the City remains in compliance with Fair Housing requirements.

Thank your for your consideration of this issue, and please do not hesitate to contact me.

Sincerely,
Dianna
Dianna Lewis-Grey
Director, Texas

[2] http://www.fortworthgov.org/homelessness/default.aspx?id=69174&blogid=2902