

CITY COUNCIL 4/5/12

#92

Late Backl

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. 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.

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.

With this in mind, I first provide you 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 who in HUD language were very low income and extremely low income. These families and individuals are the poorest among us, and you should be proud the voter-approved housing bonds made a difference for our brothers and sisters.

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.

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 in this year's Action Plan 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	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 HOME Program Income Limits by Household Size  
Effective Date: February 9, 2012**

*1997-2012 Area Median Family Income  
For Travis County, Texas  
\$75,900 (4 person household)*

*MSA: Austin - Round Rock, TX.*

Household Size	1	2	3	4	5	6	7	8
30% Median Income (maximum low-income defined by HUD)	15,950	18,200	20,500	22,750	24,600	26,400	28,250	30,050
50% Median Income (very low income defined by HUD)	26,600	30,400	34,200	37,950	41,800	44,000	47,100	50,100
60% Median Income	31,920	36,480	41,040	45,540	49,200	52,880	56,520	60,120
80% Median Income (low-income defined by HUD)	42,500	48,600	54,650	60,700	65,600	70,450	75,300	80,150

## 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