



AURA on 2018 Affordable Housing Bond

Invest big and maximize construction of new public housing.

We're in this on our own



Housing Crisis!

Immediate actions: **More Housing**

Market-rate Housing = CodeNEXT massive upzoning near schools, jobs, transit, and other amenities

AND

Public Housing = Massive Housing bond to build housing targeted at those in which the market is unable to provide housing to

BOTH

$$\begin{array}{ccccc}
 \mathbf{397,637} & \mathbf{\times} & \mathbf{34\%} & \mathbf{=} & \mathbf{135,197} \\
 \text{2015 \# Housing Units} & & \text{2025 MSA Population \%} & & \text{2025 \# New Housing Units Needed} \\
 \text{(City of Austin)} & & \text{Change (est.)} & & \text{to Keep Pace with Population} \\
 & & & & \text{Growth}
 \end{array}$$

MFI Range	Income Ranges for a Four-Person Household	Percent of Households by MFI Range*	2025 # New Housing Units Needed by MFI Range
0-30% MFI	< \$22,600	16.6%	22,417
31-60% MFI	\$22,601-\$45,240	18.4%	24,963
61-80% MFI	\$45,241-\$60,300	11.7%	15,822
0-80% MFI Unit Goal			63,201
			ROUNDED 60,000
81-120% MFI	\$63,301-\$90,480	19%	25,959
121%+ MFI	\$90,481+	34%	46,037
81% + MFI Unit Goal			71,995

Most of our subsidized need is 0% MFI to 60% MFI

But we're doing very little to meet this need.

Public housing can do it.

Why public housing?

- Publicly owned homes let Austin target the current need
- If today's need is for 60% MFI, with more supply and older Class C apartments with a reduced development incentive (due to more land in Central Austin available for redevelopment), perhaps tomorrow's need is for 50% or even 30%
- Austin could target the rental cost to the income of the particular qualifying family, without regard to the profitability of a privately managed development.
- **Public housing is a public good.**

What makes a good affordable housing bond?

- Production of new homes to meet existing population's need for income-qualified housing
- Leverages private money to maximize the production of housing
- Builds community support for new housing supply
- Targeted to help reduce rental occupancy rate to help reduce rent for all Austinites.
- Increases housing primarily in high opportunity areas, **not the suburbs**

Why not more?

AURA says \$300,000,000

Recent Affordable Housing Bonds/Levies

Bond Issue	size	population	outcome
Los Angeles 2016	\$1.2 billion	4,000,000	76% in favor
Portland 2016	\$258 million	640,000	62% in favor
Santa Clara County 2016	\$950 million	1,900,000	68% in favor
Alameda County 2017	\$580 million	1,600,000	73% in favor
Seattle 2016	\$290 million	790,000	68% in favor

How to maximize new public housing?

- Buy land.
- Waive zoning requirements that impact production of homes.
- Issue an RFP awarded to the project that produces the most public housing.
- Lease for \$1/year to the project that delivers the most publicly owned housing.

Lastly: homes, not units



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When more people want to live somewhere than there are homes, somebody gets excluded, by definition. In a housing market, the mechanism for exclusion is high prices.

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