

## HOUSING OPPORTUNITY

While Imagine Austin and the City's Strategic Housing Blueprint provide housing policy guidance for the City as a whole, the North Shoal Creek Neighborhood Plan reflects the existing conditions and preferred outcomes on the neighborhood and corridor level. Throughout the planning process stakeholders expressed the desire to make the planning area into a more complete community and to protect vulnerable residents from being displaced. Becoming a more complete community means providing more opportunities to meet daily needs near where one lives. To become more complete, a community must provide a range of housing opportunities for all residents. Though a neighborhood plan cannot solve the broader problems of gentrification and displacement, it can guide the application of tools the City is using to overcome those challenges.

### ***Existing Housing Market***

In Austin, like many fast growing cities across the country, housing costs are consuming an ever larger share of household incomes as rental and for-sale housing prices continue to increase. Rising housing costs and the increase of other household expenses such as taxes, utilities, childcare, and transportation can place a financial burden on many households. As housing becomes more expensive, individuals and families who could once afford to rent or buy in many neighborhoods are no longer able to do so. Like the rest of Austin, North Shoal Creek housing prices are increasing; however, depending on the type of housing, the planning area is both more and less expensive than the citywide average. Apartments and condominiums in North Shoal Creek provide more affordable options relative to much of Austin, while single-family homes are less affordable than the city-wide average.

### ***Housing Mix***

There is a mix of housing options available in the North Shoal Creek planning area. Apartments comprise the majority of units in the area, accounting for 57% of total units. Detached single-family houses account for 37.3% of units. The remaining 5.7% of housing consists of duplex, triplex or fourplex units. As of the 2010 Census, 44.1% of North Shoal Creek's dwelling units were owner-occupied (mostly houses and condos) as compared to 45.1% citywide.

Map out housing types – sf/dup/3-4-plex/multi-fam  
Bar chart showing the mix

*Multi-Family Rentals*

North Shoal Creek contains eight apartment complexes built in the 1970s and 1980s, This existing inventory represents an opportunity for affordability that should be maintained. There are 1,229 multi-family units in North Shoal Creek and additional 32 triplex or fourplex units. Average multi-family rental rates in the planning area for one, two, and three-bedroom units are less than the citywide average. Summer 2017 data from online real estate companies, Zillow and Trulia, indicated that the average of all multi-family rents for the planning area was \$1,202.80. According to rentcafe.com, Austin’s city-wide June 2017 average multi-family rent was \$1,215. When broken down by number of bedrooms, the average rental rates in North Shoal Creek were lower than the citywide average. For one and two-bedroom units, the average monthly rent in the planning area was almost \$100 a month lower. The average rent for three-bedroom units was \$172 less than Austin’s average.

	<b>NSCNPA Average</b>	<b>Austin Average</b>
All Apartments	\$1,202.80	\$1,215.00
1 Bedroom	\$988.00	\$1,084.00
2 Bedroom	\$1,268.14	\$1,364.00
3 Bedroom	\$1,587.50	\$1,760.00

*Source: Zillow.com, Trulia.com, Rentcafe.com, 2017*

*Condominiums*

Condominium prices in the planning area offer relatively affordable ownership possibilities. In North Shoal Creek, condominium developments consist of multi-family complexes, with a handful of townhouses zoned for multi-family. When comparing average prices, condominiums in the planning area are almost \$160,000 less than the rest of Austin. The average price difference for one-bedrooms and the citywide average is about \$133,000 and the difference between two-bedrooms is \$221,063.

	<b>NSCNPA Average Sales Price</b>	<b>Austin Average Sales Price</b>
All Condominiums	\$190,532	\$349,000
1 Bedroom	\$162,569	\$295,440
2 Bedroom	\$212,903	\$433,966

*Source: Zillow.com, 2017*

Like the for-rent apartments, this price differential is likely due to the planning area's older stock and smaller unit sizes. Although less expensive than the citywide average, many of these condominium complexes were built in the mid to late 1960s. As these units age, residents may be held responsible for major repairs, which could affect the affordability.

#### *Single-Family Houses and Duplexes*

There are 804 single-family houses and 45 duplexes (90 units) in the planning area. Most of the single-family homes in North Shoal Creek were built from the mid-1960s to 1970s, and have been well-maintained. In the residential core, houses are typically one-story ranch-style homes on large lots. The final single-family subdivision in the planning area was developed in the late 1990s, and has a mix of one and two-story houses on smaller lots.

The median single-family house prices in the planning area continue to be greater than most of Austin. According to Trulia and Zillow, the median listed sales price in the planning area for July 2017 for single-family houses was \$452,450. The Austin Board of Realtors' (ABOR) *June 2017 Market Report* (arbor.com) shows that the median sales price for single-family houses in Austin was \$393,500. In June 2016 the single-family median sales listing price in the planning area was \$419,000. According to ABOR, the median sales price inside Austin for June 2016 was \$350,000.

Year	NSCNPA Median Sale Price	City of Austin Median Sale Price
Summer 2016	\$419,000	\$350,000
Summer 2017	\$452,450	\$393,500

*Source: ABOR, 2017*

In addition to recent sales, the trend of price increases can be seen in the Zillow Home Value Index (ZHVI) for single-family homes in North Shoal Creek (<https://www.zillow.com/north-shoal-creek-austin-tx/home-values/>). The ZHVI is Zillow's proprietary estimate of the median house value in an area, and is a less volatile measure than monthly median sales price. The following chart shows a trend of increasing single-family house values in North Shoal Creek and in the City of Austin dating back to the year 2008.

**ZHVI CHART** *Source: Zillow.com, 2017*

### ***Impacts of Demographic and Housing Price Trends***

Since the end of the Great Recession in 2008, prices of single-family houses in the planning area have continued to increase. Based on this trend, the most recently available median house prices, and the planning area's median household incomes, many long-term residents could not afford to buy into the neighborhood today. Over time, increased house prices can lead to long-term demographic and socio-economic changes in the planning area. Two other factors could further accelerate this demographic shift. As older apartment complexes continue to age they will face redevelopment pressure and the new units will likely be more expensive than the ones they replace. As the population ages, generational change can alter population profile of the planning area.

As illustrated in the Demographics section on p. XX, the number of families with children within North Shoal Creek has been declining over the last three decades, and is significantly lower than the citywide average. The 2010 Census indicated that 26% of North Shoal Creek's population was 55 years or older, as compared to 16% for the rest of Austin. Although a percentage of this group live at the Christian Village Apartments, many others reside in single family homes. This percentage of 55 years and older could increase as residents in their late forties and early fifties aged in place. As older residents leave the workforce, property taxes and other household expenses may create cost burdens for households on fixed incomes.

Over time, these factors could lead to changes in the planning area's social character. The expense and effort of maintaining a house and yard could lead to downsizing on the part of some older residents. Some cost-burdened households may be forced to sell and seek more affordable accommodations. As current residents sell their houses, they will be replaced by more affluent households. If the trend continues, increased house prices will make the planning area more and more unattainable for many prospective buyers, particularly those with younger children. While Pillow Elementary may be an attractor for some households, nationwide and citywide trends point to fewer households with children. This is important to note as the majority of Pillow students live outside of the North Shoal Creek planning area according to Pillow's principal. Such shifting demographics could have long-term effects for the school.

### ***Housing Affordability***

Housing affordability is relative to income. Conventionally, housing is considered affordable if monthly housing costs (rent, mortgage, property taxes, and utilities) are equal to or less than 30% of household income. A more comprehensive look at affordability includes both housing and transportation costs. Housing experts recommend spending less than 45% of gross income on these two expenses. Transportation costs include expenses such as car payments, fuel, repairs, insurance,

and public transit costs. As shown on the [Housing + Transportation map on page XX](#), housing and transportation costs combined averaged between 39% and 49% within North Shoal Creek in 2014 (the most recent data available.) Those costs have likely increased since then.

### [Housing + Transportation map](#)

There are two subsidized housing developments in North Shoal Creek. One development, Foundation Community's Crossroad Apartments is a 92-unit development that targets families earning 80% or less of Austin's Median Family Income (MFI). In 2017, the HUD MFI for the Austin-Round Rock area was set at \$81,400. City records indicate that 14 units in this complex are required to be leased to families earning 30% or less than the region's MFI. There is also a 105-unit Christian Village Apartments retirement community within the neighborhood that receives HUD funding. This apartment complex is a Section 202 project-based rental assistance property for residents 62 years old and older. These two developments account for 9% of the planning area's housing.

Maintaining existing affordable units and increasing housing supply are important components to improving housing opportunities. While newer units generally cost more to buy or rent, they provide some relief from the demand that has driven up the price of existing units. The North Shoal Creek Neighborhood Plan aims for an increase in housing supply along Activity Corridors, and especially near the 803 Metro Rapid high-capacity transit line. Directing change and redevelopment along the major roadways will help maintain the character of the residential core. As new units are built, a variety of unit sizes should be offered to expand housing choice for households needing more than one bedroom. While unit size is largely market-driven, it can be influenced by city-wide policies such as parking requirements. Additionally, accessory dwellings could allow for more housing choice and reduce housing payment burden for homeowners, and should continue to be allowed.

[Call-out box: Strategic Housing Blueprint – Address relationship to neighborhood character goals/policies](#)

The North Shoal Creek Neighborhood Plan aims to increase housing options along activity corridors while preserving the single-family character of the residential core. The definitions and locations of the Activity Corridor and Residential Core character districts are shown on the Future Land Use Map (page ##), and will be implemented through future zoning changes. Policies found below should be followed when private development or public investment are proposed and when zoning changes are being considered by the City. The subsequent actions should be undertaken by City departments and neighborhood stakeholders in order to achieve the plan goals and policy objectives.

***Goal: Maintain a balance of housing types for a variety household sizes and incomes.***

***Housing Opportunity Policies:***

*Meet the housing needs of people of different ages, abilities, and other protected classes with a variety of housing options within North Shoal Creek.*

*Encourage and support a range of affordable housing in appropriate locations.*

*Encourage location of residential units near transit to improve overall housing and transportation affordability.*

*Create opportunities for more families to live in North Shoal Creek through preservation of existing multiple bedroom apartments and condos, and promotion of two and three bedroom units in new construction.*

*Support implementation of the Strategic Housing Blueprint.*

*Allow for accessory dwelling units to help homeowners reduce burden of mortgage payments and property taxes.*

**Housing Opportunity Actions:**

H-1 Adopt more robust affordable housing density bonus provisions into the Land Development Code to allow more affordable units in new developments as consistent with Community Character goals and policies. (PAZ)

H-2 Educate residents about house repair and down payment assistance programs currently available to low to moderate-income households through neighborhood association newsletter or web site. (NSCNA, NHCD)

H-3 Work with Code Compliance and Austin Tenant’s Council to ensure existing multi-family units are well-maintained to extend their life. (Code, ATC)

H-4 Coordinate with NHCD to identify and implement actions from the Strategic Housing Blueprint as consistent with Community Character goals and policies.(NSCNA, NCHD)

H-5 Educate residents about housing issues and how to advocate for housing-supportive laws and policies. (NSCNA)

*Related Policies:*

*Buffer single-family zones from more intense uses. (CC #?)*

*Promote new dwellings along **Imagine Austin** Activity Corridors served by transit and access to goods and services. (MC#?)*

*Imagine Austin policies LUT P3-5, LUT P10, LUT P15, HN P1, HN P2, HN P10, HN P11, and HN P13.*

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