The background of the slide is a photograph of a residential street. It shows several houses with varying architectural styles, including gabled roofs and dormer windows. Green trees are visible in the foreground and between the houses, partially obscuring them. The sky is a clear, pale blue. The entire scene is framed by a thin red border.

Why is there an affordable
housing crisis?

And what can we do about it?



Why is there an affordable
housing crisis?

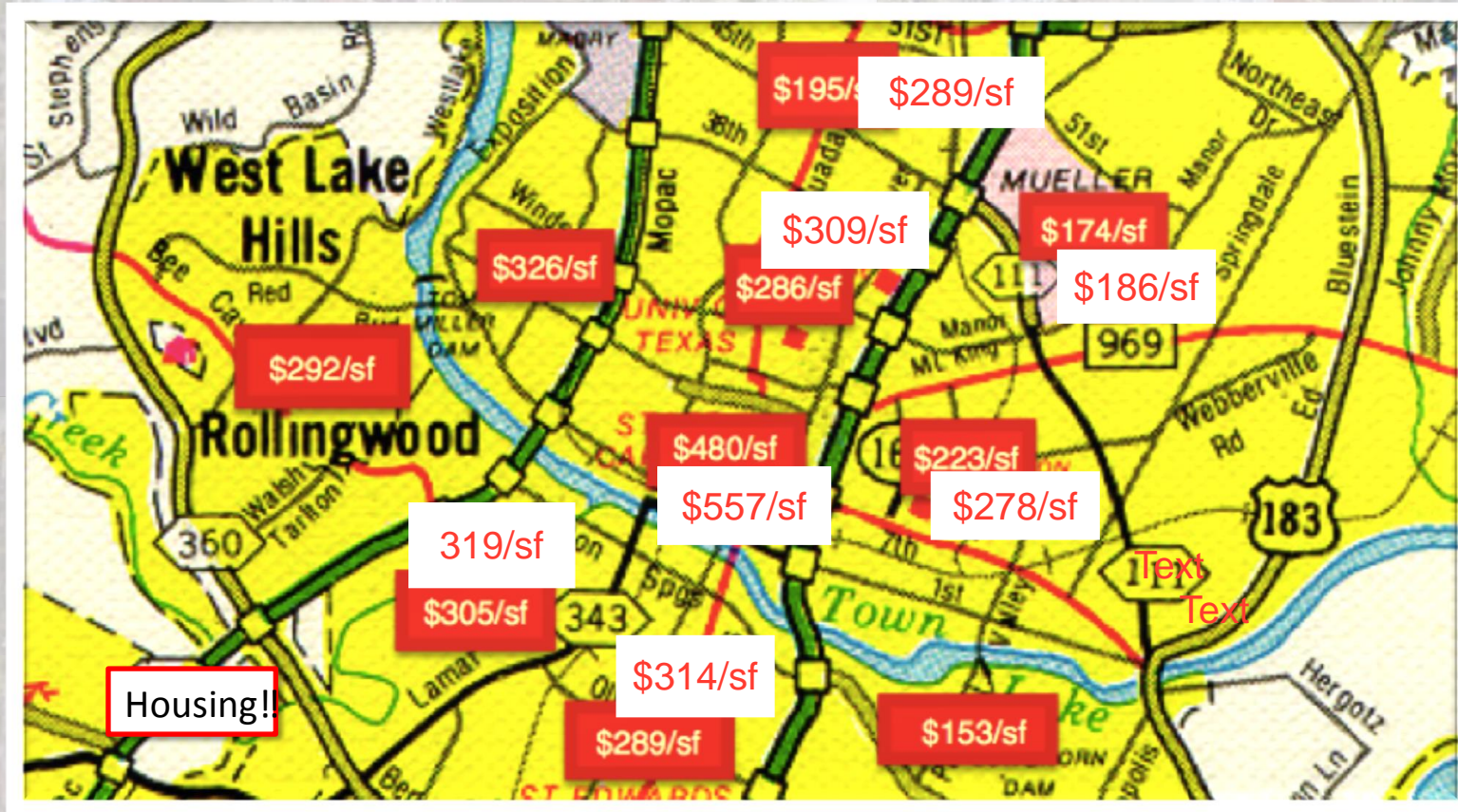
Supply and demand

Incomes are flat

Construction industry rebuilding

Our form of development

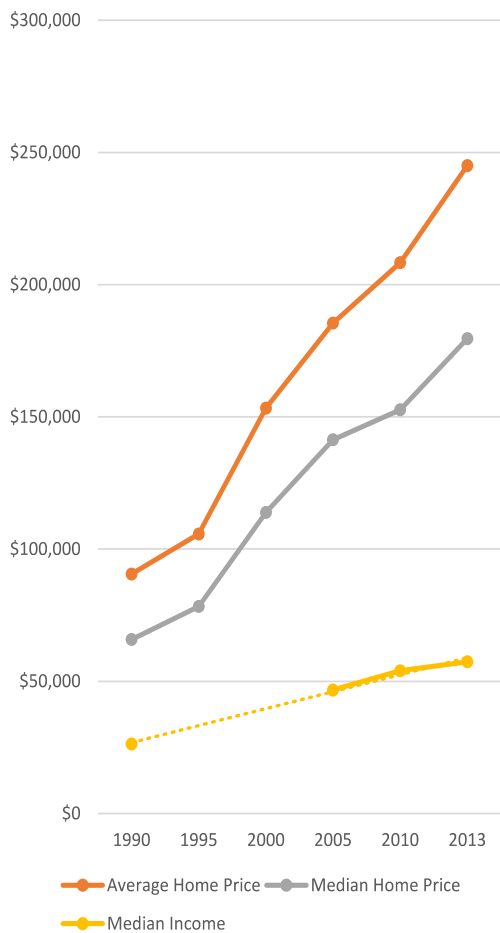
Why is there an affordable housing crisis?



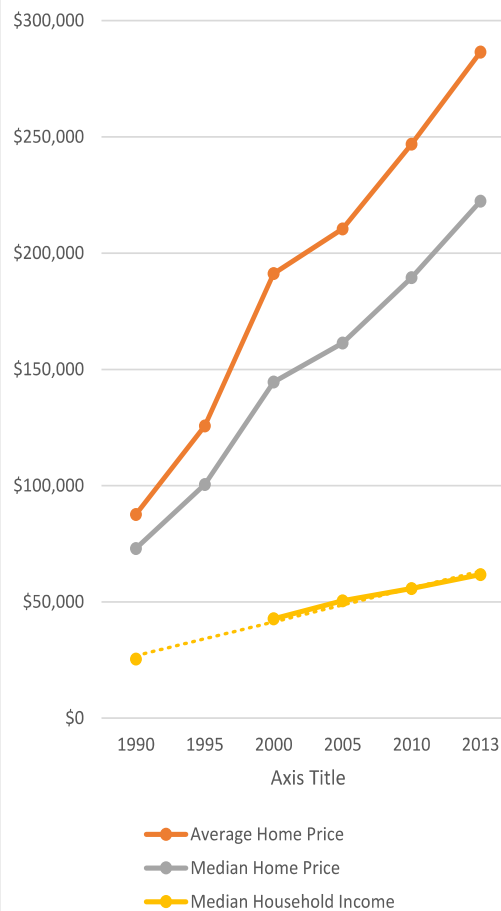
MLS!StaDsDcs!for!the!month!of!March,!2014!

And Feb. 2015

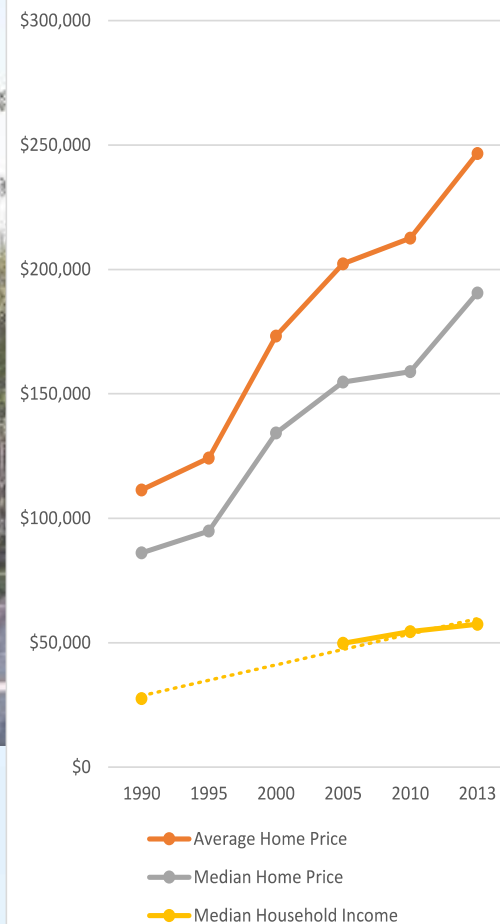
Houston, TX Home Prices and Income since 1990



Austin, TX Home Prices and Income since 1990

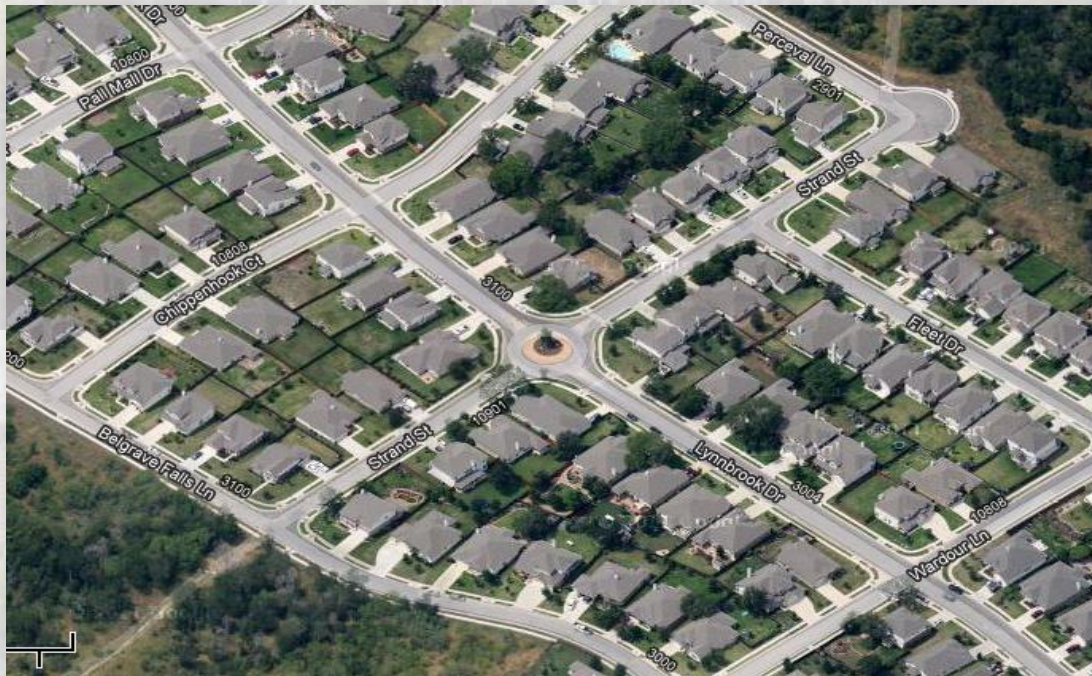


Dallas, TX Home Prices and Income Since 1990



Why is there an affordable housing crisis?

Cities are struggling to meet the needs of their citizens and costs are passed along to new development. (That is good.)



Why are Cities Struggling?

200 Units/Acre

10 Units/Acre

3 Units/Acre

114.26 Square Miles

81 Square Miles

116 Square Miles

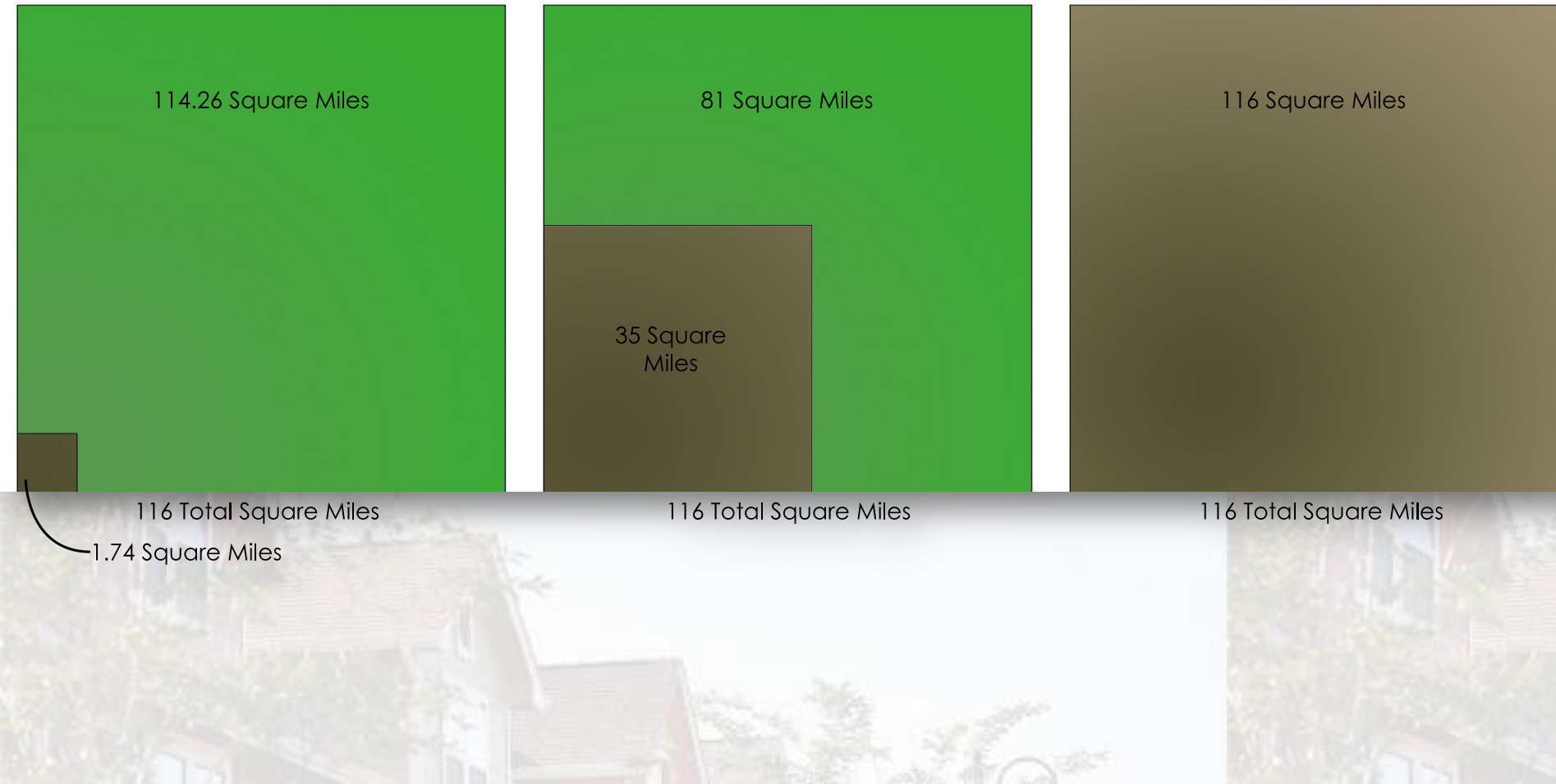
35 Square Miles

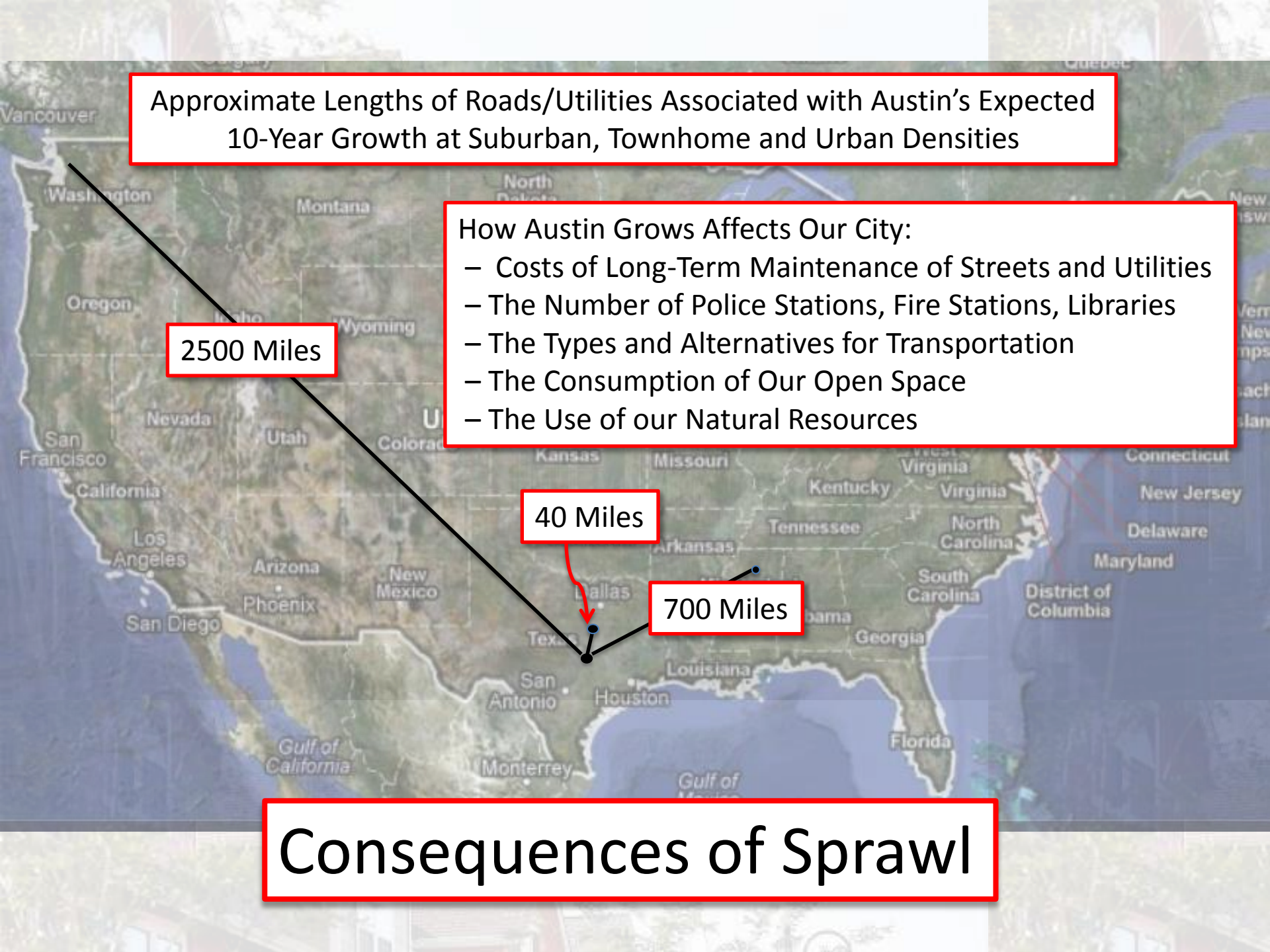
116 Total Square Miles

116 Total Square Miles

116 Total Square Miles

1.74 Square Miles



A map of the United States with several callouts. A long black line from the top left points to a red-bordered box labeled '2500 Miles'. A red arrow points from a red-bordered box labeled '40 Miles' to Dallas, Texas. A black line from a red-bordered box labeled '700 Miles' points to Houston, Texas. A large red-bordered box at the bottom contains the text 'Consequences of Sprawl'.

Approximate Lengths of Roads/Utilities Associated with Austin's Expected 10-Year Growth at Suburban, Townhome and Urban Densities

2500 Miles


How Austin Grows Affects Our City:

- Costs of Long-Term Maintenance of Streets and Utilities
- The Number of Police Stations, Fire Stations, Libraries
- The Types and Alternatives for Transportation
- The Consumption of Our Open Space
- The Use of our Natural Resources

40 Miles

700 Miles

Consequences of Sprawl

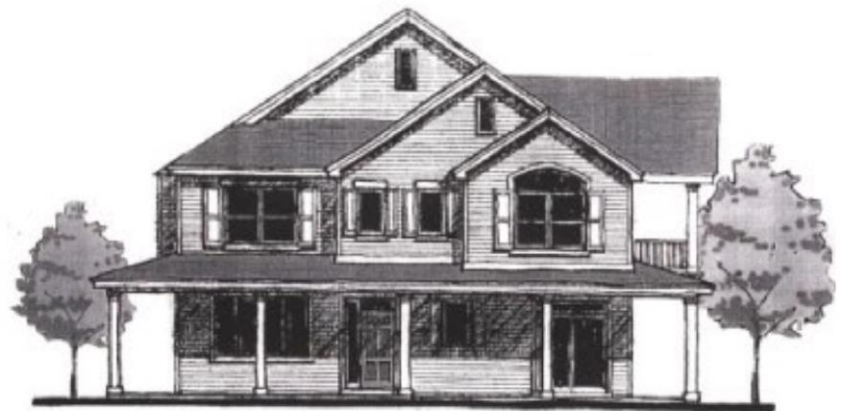


What is “missing middle” housing and what tools can we use to implement this housing?

Duplex

Original Lot: \$200,000

Duplex Unit Land Cost \$100,000



Triplex



Original Lot: \$200,000

Triplex Unit Land Cost: \$66,667



Fourplex

Original Lot: \$200,000

Fourplex Unit Land Cost: \$50,000





Six-plex

Original Lot: \$200,000

Six-plex Unit Land Cost: \$33,333



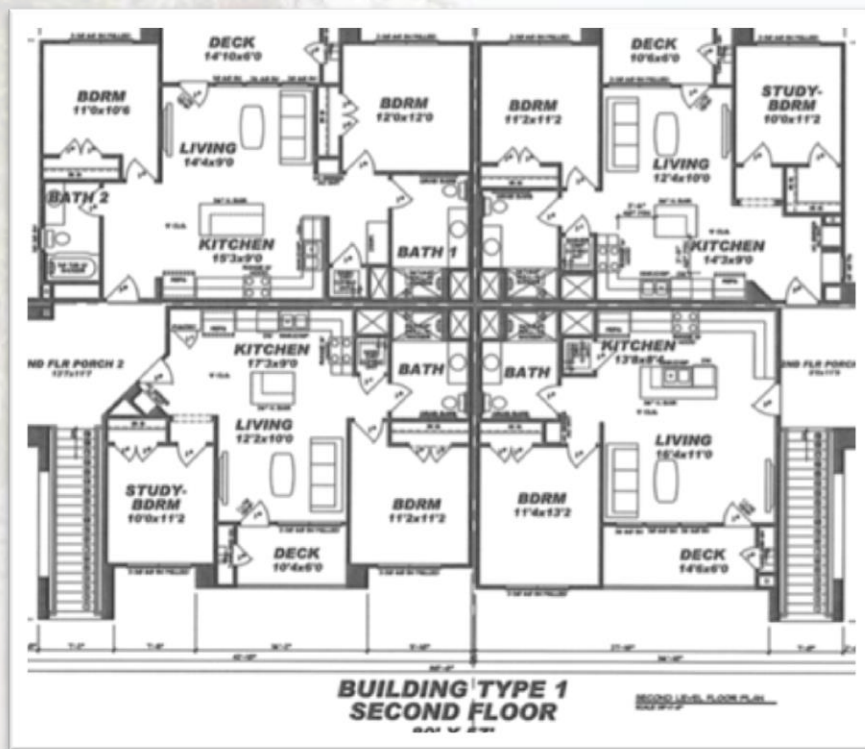


11 to 14 units pre acre



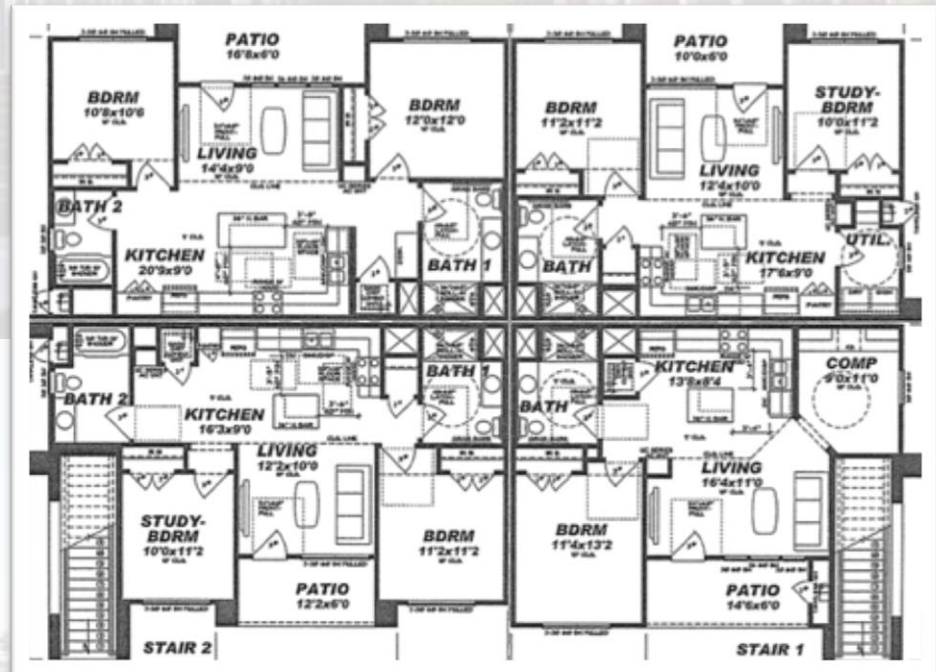
Townhomes . . . 8 to 12 units per acre





Eight-plex

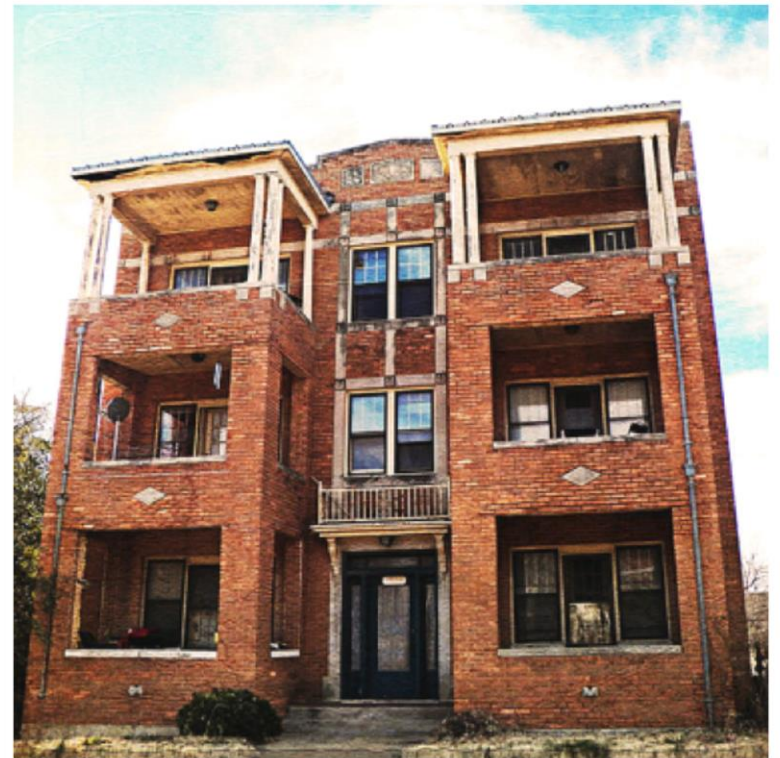
About 18 units per acre





Small apartment buildings

About 20 to 30 units per acre



Density Helps Affordability

Austin Affordability Analysis

| | | |
|---------------------------------|---------------------|---|
| Property: | 10 Acres | |
| Land Price: | \$5,000,000 | |
| Austin Median MFI (family of 4) | \$69,300 | Income Assumptions: |
| Mortgage Affordability | | 2001 Median Family Income (four person family) = \$71,100 |
| | | 2001 Austin METRO Median NEW Home Price app. = \$155,000 |
| | | 2007 Median Family Income (four person family) = \$69,300 |
| | | 2007 Austin METRO Median NEW Home Price app. = \$202,000 |
| for Austin MFI (@ 6.75%) | 185000 ¹ | |
| Sales Price of MFI Home | \$205,000 | Assume reasonable credit, modest debt and 10% down. |

¹ For purposes of determining affordability for a "median family income family of four" we made the following assumptions: Reasonable credit standards; \$600 per month in outside fixed payments such as car payments, day care, credit cards, etc.



| Product Type | SF-3 Single Family | SF-3 Duplex | SF-6 Condo | MF-1/MF-2 Condo | MF-3 Condo | MF-6 Condo |
|----------------------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Units | 54 Units | 88 Units | 123 Units | 145 Units | 300 Units | 800 Units |
| Units per Acre | 5.4 Units per Acre | 8.8 Units per Acre | 12.3 Units per Acre | 14.5 Units per Acre | 30.0 Units per Acre | 80.0 Units per Acre |
| Per Unit Land/Below | | | | | | |
| Ground Improvement Cost | \$160,000 | \$120,000 | \$87,000 | \$74,000 | \$35,000 | \$15,000 |
| Sale Price | \$475,000 | \$360,000 | \$240,000 | \$225,000 | \$166,000 | \$166,000 |
| Income Required for Purchase | | | | | | |
| Down Payment | \$47,500 | \$36,000 | \$24,000 | \$22,500 | \$16,600 | \$16,600 |
| Loan Amount | \$427,500 | \$324,000 | \$216,000 | \$202,500 | \$149,400 | \$149,400 |
| Monthly P/I | \$3,765 | \$2,906 | \$1,949 | \$1,832 | \$1,373 | \$1,373 |
| Total Monthly Debt Payment | \$4,265 | \$3,406 | \$2,349 | \$2,232 | \$1,773 | \$1,773 |
| Total Monthly PMI Payment | \$278 | \$211 | \$140 | \$132 | \$97 | \$97 |
| Minimum Qualifying Annual Income | \$173,249 | \$133,579 | \$89,529 | \$84,156 | \$63,025 | \$63,025 |



A photograph of a row of modern townhouses with red, green, and orange siding. A white sign with a red border and the text "Thank you!" is centered over the image. The scene includes a sidewalk, young trees, and a street lamp.

Thank you!