

**City of Austin Affordable Housing Forum:
Comprehensive Housing Market Study
Meeting Notes**

Friday, March 6, 2009

9:00 a.m. - 10:30 a.m.

Austin City Hall, 301 W. 2nd St., Council Chambers

53 attendees

Welcome and Introductions

- Brooke Boston, Assistant Director, Neighborhood Housing and Community Development Office, City of Austin

Presenter

- Rachel Thompson, BBC Research and Consulting

NHCD contracted with BBC Research & Consulting of Denver to prepare the Housing Market Study. BBC Research and Consulting was selected by competitive purchasing rules, and Council approved the contract award on August 7, 2008, which was executed in September 2008. Stakeholder meetings were led by BBC with more than 100 stakeholders and key person interviews contributed over the course of the study.

Rachel Thompson is an Associate with BBC and works with the firm's housing and economic development team. Prior to joining BBC, Rachel was an economic analyst with the Denver Regional Council of Governments (DRCOG), where she produced current and future population and employment estimates to support regional land-use and transportation efforts. Her interests include socioeconomic analysis and economic development as they pertain to community development and public policy, and working with Geographic Information Systems (GIS) for spatial and geographic analysis.

Remarks

See accompanying presentation.

Questions (responses are provided by Rachel Thompson unless otherwise noted)

1. *Does the report outline the gap in transitional housing in Austin?*

The Housing Market Study did not examine specific sub-populations or segmented housing gaps. These are areas that NHCD's upcoming Consolidated Plan will focus on more closely.

2. *How does the economic crisis affect this data? Is it out of date?*

The data is current—mostly from Q3 or Q4 of 2008. Austin's home prices have remained relatively steady since then.

3. *I have a different interpretation of slide #16, which referred to the goal of reaching a 50% homeownership rate in the next 10 years. Couldn't we look at the issue of increasing homeownership not just for households moving to Austin but also based on the proportion of renters who wish to become homeowners? It's a little different approach than just focusing on new families moving to Austin.*

Our analysis was based solely on new families moving to Austin, but yes, focusing on renters becoming homeowners is a different way to approach the same issue.

4. *Regarding the recommendations that you mentioned—how much are they fleshed out in the report? Especially in regard to affordable housing targets—did BBC suggest any specific targets?*

Recommendations are given in much more detail in the final report, but the City of Austin and not BBC would set the targets based on financial resources and community commitment.

5. *For the home price data that you analyzed, what is the median home price based on—list price or sales price?*

Home prices were taken from 10 years of data from the Multiple Listings Service (MLS) and based on all residential properties that were on the market, whether they were listed and sold, or ultimately pulled and not sold. It is difficult to get sales price data in Texas, but BBC feels confident that the list price is a good proxy for sales price in their analysis.

6. *What are NHCD's next steps with this report?*

Brooke Boston: The Housing Market Study fulfills the requirement for the City to prepare a housing market analysis and needs assessment for low to moderate-income residents every five years to receive grants from the U.S. Department of Housing and Urban Development (HUD). The FY 2009-14 Consolidated Plan needs assessment is underway with a final report due to HUD on August 15, 2009. The Housing Market Study will help inform the Consolidated Planning process in addition to future NHCD policies and programs.

7. *Fascinating Study—thank you. Why don't the recommendations call for metropolitan collaboration?*

This report was commissioned by the City of Austin and thus recommendations are specific to strategies that the City of Austin can undertake. Of course, BBC and Austin recognize that affordable housing solutions will require regional collaboration.

8. *Does the study address property tax burden across peer cities?*

Property taxes were included in the study in terms of defining the calculation for affordability (housing price + utilities + property taxes), but no specific comparison of property taxes with other cities was completed. In BBC's experience, property taxes are generally not a large issue in other states besides Texas.

9. *How does the report address Community Land Trusts and other Shared-Equity models of homeownership?*

The Housing Market Study does not focus on community land trusts or other shared-equity models. It does recommend a land bank but that would not include a shared-equity component. A community land trust restricts equity in lieu of long-term affordability of the unit.

10. *I have heard that 70% of the affordable housing in Austin is provided by private developers, and 30% provided by non-profits and public housing authorities. Does the report address this breakdown?*

BBC did not come across this exact statistic in our research, but in general we would conclude that the private market is not currently providing enough housing to meet the needs of Austin residents, especially at very low income levels.

11. *On the chart on slide #13, it would appear that the share of families with children is decreasing in Austin. Is this addressed in the study? Did you look at how this is impacting the school system?*

We heard this concern in several stakeholder discussions. This was not a major focus of the study, but the data would indicate this trend is occurring in Austin. It's certainly a trend that many major cities are dealing with. We did hear from several stakeholders that there is a concern about the relationship between affordable housing and schools, but this was not addressed in this report.

Comments

1. *It is not surprising that the share of 18-24 year olds is getting smaller in the city of Austin—this is because they are moving out of Austin because it is too expensive, though they may be staying within the MSA.*
2. *\$113,000 is too much for many families to afford to purchase a home. The recent economic crisis has shown us that earlier affordability definitions were too liberal--we should be basing the affordability on 2.5 times household income instead of 3 times.*
3. *We have great need for homes that single-income households can afford.*
4. *I moved from DC to Austin—the cost of living calculators comparing major cities skew the data because they include cheaper outlying suburban cities. Austin is not really that much cheaper than DC, and incomes are lower here, too.*
5. *Austin Area Interfaith Ministries supports a housing repair program. We applaud the report's support of the City partnering with non-profits. The "Housing Austin's Residents" maps on p.19 are fascinating—they demonstrate the pressure that has been placed on eastside neighborhoods as the homes have become more desirable for higher-income families in the past ten years.*