

Preserving Workforce Housing in Austin and the Surrounding Region

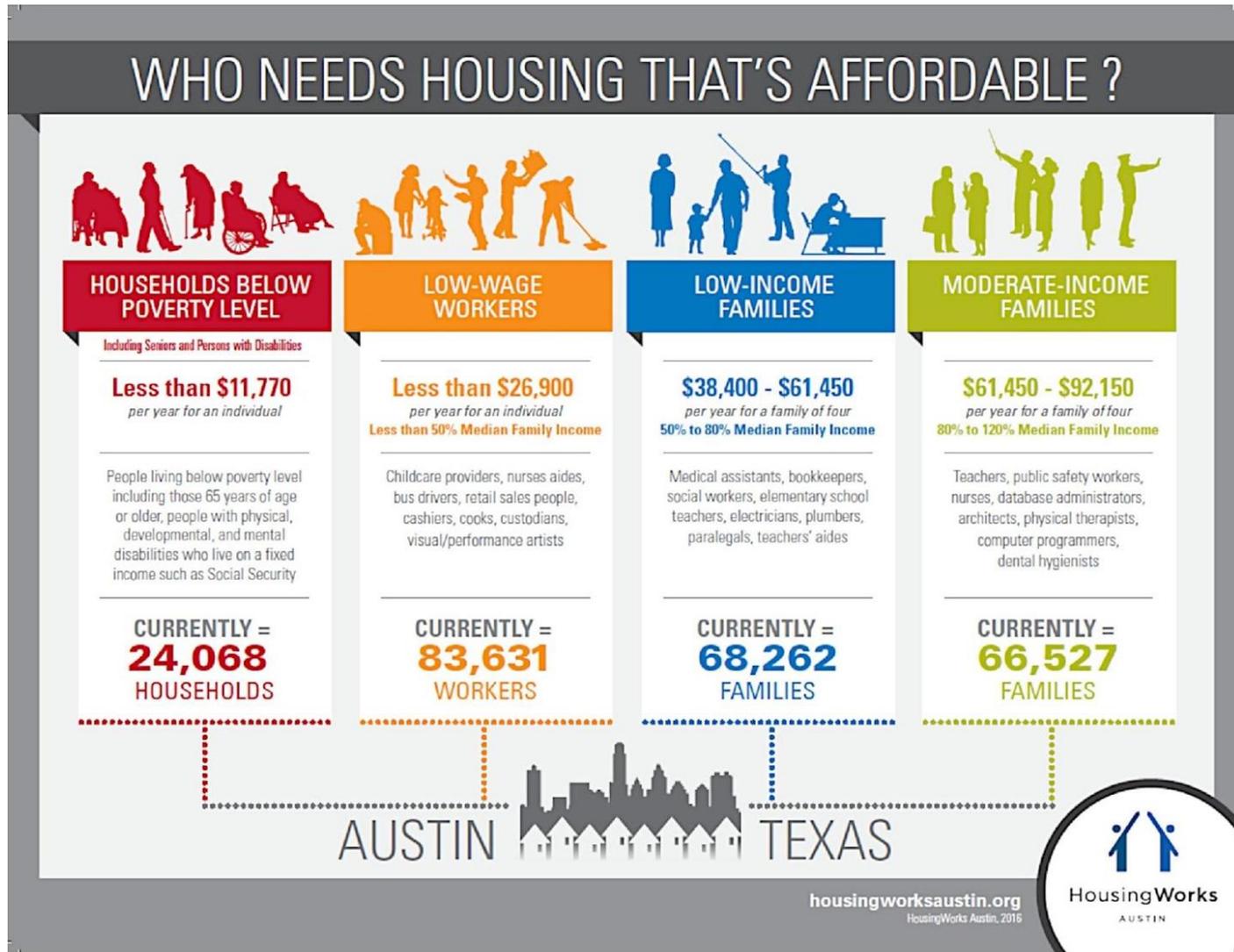


AFFORDABLE CENTRAL TEXAS

The Austin Affordable Fund

- Using Private Equity to “Bend the Cost Curve”
- Raise \$500 million equity for an open end fund
- Purchase 15,000 affordable units in 10 years
- Offering “Triple Bottom Line” Return:
 1. Economic
 2. Social
 3. Environmental
- Managed by nationally-recognized leaders in real estate and affordable housing

Affordability Defined



The Lack of Affordable Housing in Austin

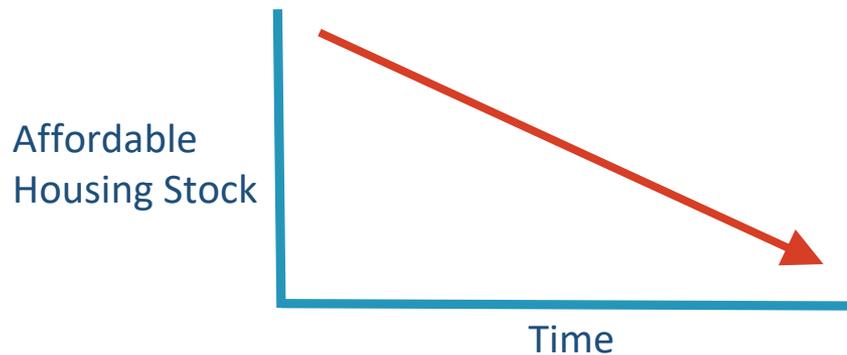
	Deeply subsidized	Low-market rent	Market rate rent
People seeking this unit type	<ul style="list-style-type: none"> Elderly People with disabilities Service workers 	<ul style="list-style-type: none"> Working families Hospitality & service workers Musicians & artists 	<ul style="list-style-type: none"> Young professionals Technology workers Health services
Target household income range	<ul style="list-style-type: none"> <\$25,000 	<ul style="list-style-type: none"> \$25,000 - \$75,000 	<ul style="list-style-type: none"> \$75,000+
Capital Sources	<ul style="list-style-type: none"> Local/State/Federal Funding 	<ul style="list-style-type: none"> Social Mission and Financial Return Capital 	<ul style="list-style-type: none"> Market Rate Capital
Current Unit Shortfall	<ul style="list-style-type: none"> Up to 48,000 	48,000	<ul style="list-style-type: none"> None
Current units of inventory	<ul style="list-style-type: none"> 21,500 	65,000	<ul style="list-style-type: none"> 194,524
Units added each year	<ul style="list-style-type: none"> ~500 units (subsidized and inclusionary) 	<ul style="list-style-type: none"> Negligible 	<ul style="list-style-type: none"> As needed

Current Inventory of Affordable Housing Being Depleted



FACTS

- 45% of Austin's renter-occupied housing was built in 1970s and 1980s (approximately 82,000 units)
- 7,000+ affordable rental units lost between 2012 and 2014
- Austin's housing stock is primed for redevelopment – and loss of affordability



WHY SHOULD I CARE?

Austin Will Pay a Steep Economic, Social, Cultural Cost if Unaddressed

Economic Cost

Austin is ranked #1 in the US in terms of economic segregation

“The greenest building is one that is already built.”

– *The Journal of the National Trust for Historic Preservation*

Environmental Cost

It takes 65 years for an energy efficient building to save the energy lost when demolishing an existing building

Social & Cultural Cost

31% of renters have gone without health care to afford housing

57% of the average working family’s budget is spent on housing and transportation (*eTOD report, p.1*)

Greater detail on home affordability in Austin can be found in the Appendix.

What Does Workforce Affordable Housing Look Like?

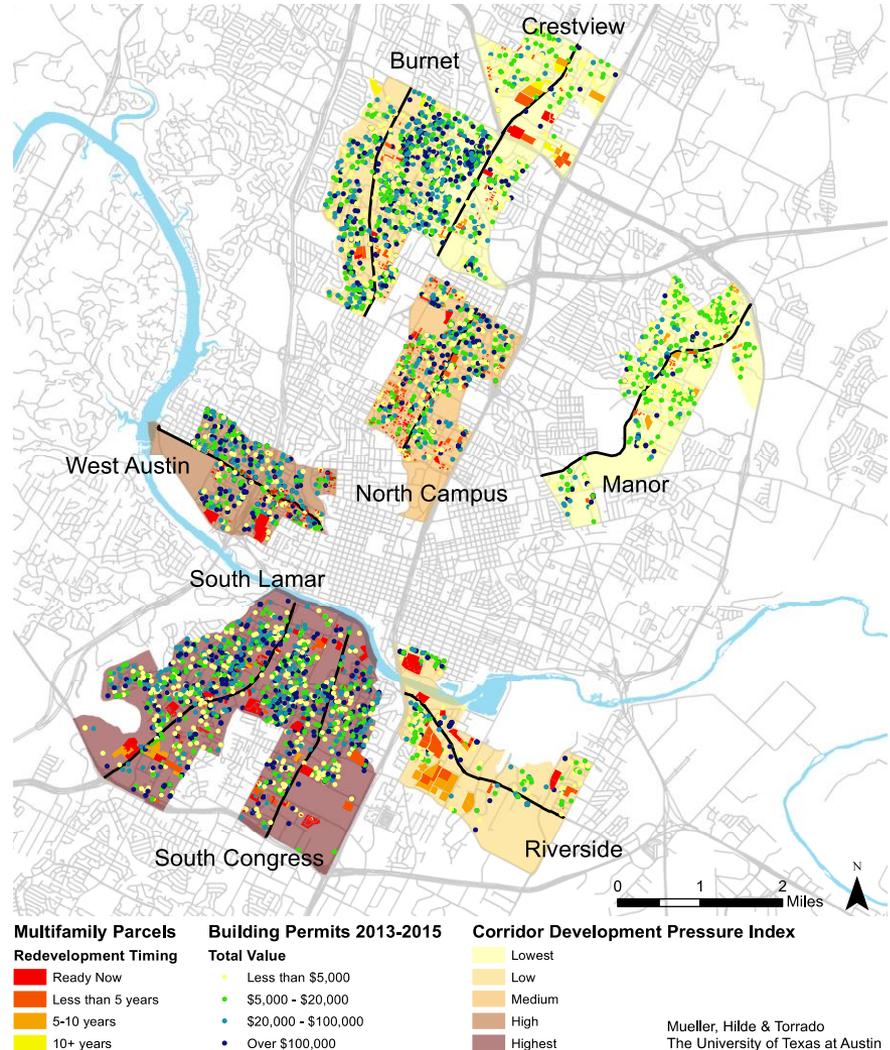


Actual communities owned by a prospective Fund operating partner, Housing Authority of the City of Austin (HACA).

Affordable Housing Preservation Prioritization

- Austin Affordable Fund will target acquisitions in transit corridors.
- Affordability can be addressed through lowered transportation costs as well as lowered rents.
- The Fund will also acquire assets based upon opportunity throughout greater Austin.

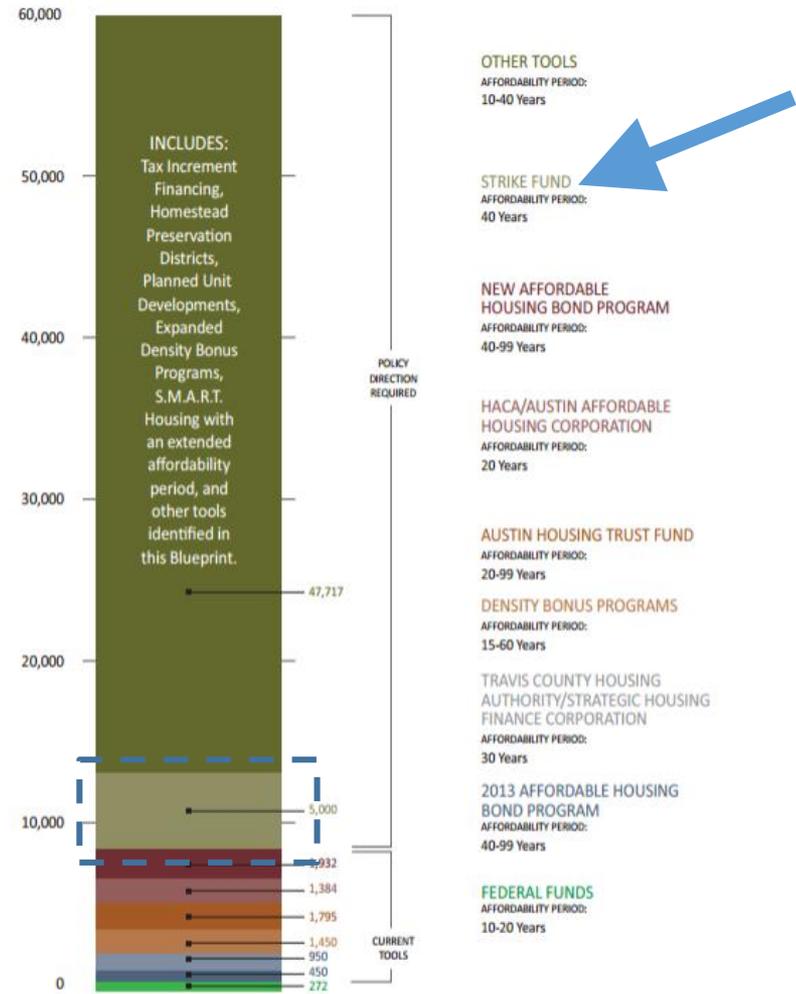
Affordable Housing Preservation Prioritization Index
Part 1: Development Pressure | Austin, TX



Housing Estimates

- Recent Affordable Housing estimates from Neighborhood Housing and Community Development report.
- The Austin Affordable Fund will be eligible to take advantage of several City of Austin initiatives and programs to enhance returns and mission impact.
- The report identified 5,000 units to be targeted by a "Strike Fund." The Affordable Austin Fund will preserve 15,000 units within the first 10 years.

FUNDING MECHANISMS AND TOOLS FOR 60,000 AFFORDABLE UNITS (UP TO 80% MFI) IN 10 YEARS



*Estimate methodology is featured in Appendix A.
 note: These strategies and activities are in addition to the existing efforts already underway amongst the City and its partners.



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June 2017