INCOME LEVELS

- Median Family Income (MFI)
  - Low-Income (80% of MFI)
  - Very Low-Income (50% of MFI)
  - Extremely Low-Income (30% of MFI)
- Supplemental Security Income (SSI)
  - $710/month (individual) = $8,520/year
  - $1,066/month (couple) = $12,792/year
<table>
<thead>
<tr>
<th>HH#</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% MFI</td>
<td>$15,390</td>
<td>$17,580</td>
<td>$19,770</td>
<td>$21,960</td>
<td>$23,730</td>
<td>$25,500</td>
<td>$27,240</td>
<td>$29,010</td>
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<tr>
<td>50% MFI</td>
<td>$25,650</td>
<td>$29,300</td>
<td>$32,950</td>
<td>$36,600</td>
<td>$39,550</td>
<td>$42,500</td>
<td>$45,400</td>
<td>$48,350</td>
</tr>
<tr>
<td>60% MFI</td>
<td>$30,780</td>
<td>$35,160</td>
<td>$39,540</td>
<td>$43,920</td>
<td>$47,460</td>
<td>$51,000</td>
<td>$54,480</td>
<td>$58,020</td>
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<tr>
<td>80% MFI</td>
<td>$41,040</td>
<td>$46,880</td>
<td>$52,720</td>
<td>$58,560</td>
<td>$63,280</td>
<td>$68,000</td>
<td>$72,640</td>
<td>$77,360</td>
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</tbody>
</table>
WHAT IS AFFORDABLE?

- **Affordable Rent**
  - 30% of gross income toward rent and utilities
  - Individual on SSI = $213/month for rent and utilities
  - Couple on SSI = $320/month for rent and utilities

- **Fair Market Rent**
  - Determined by HUD annually
  - $834/month for one-bedroom in Austin
  - $1,050/month for two-bedroom in Austin

- So someone on SSI in Austin would need to spend more than 100% of their entire income on housing costs.
COST OF HOUSING - DEVELOPMENT

Development Costs
- Land Acquisition
- Predevelopment Expenses
- Construction Costs
- Architectural Fees
- Professional Fees
- Transactional Fees
- Financing Fees
COST OF HOUSING - OPERATIONAL

- Operational Costs
  - Utilities
  - Taxes
  - Mortgage/Financing
  - Groundskeeping
  - Bookkeeping
  - Repairs
  - Reserves
  - Management Fees
# Basic Math: How Can We Make Housing Affordable?

<table>
<thead>
<tr>
<th>Loan Amount</th>
<th>Interest Rate</th>
<th>Term (Years)</th>
<th>Principal &amp; Interest (Monthly)</th>
<th>Operating Expenses (Monthly)</th>
<th>Rent (Per Unit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000,000.00</td>
<td>8%</td>
<td>20</td>
<td>$8,364.40</td>
<td>$2,500</td>
<td>$1,087</td>
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<tr>
<td>$1,000,000.00</td>
<td>7%</td>
<td>20</td>
<td>$7,752.99</td>
<td>$2,500</td>
<td>$1,026</td>
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<tr>
<td>$750,000.00</td>
<td>5%</td>
<td>20</td>
<td>$4,949.67</td>
<td>$2,500</td>
<td>$745</td>
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<tr>
<td>$500,000.00</td>
<td>4%</td>
<td>30</td>
<td>$2,387.08</td>
<td>$2,500</td>
<td>$489</td>
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<tr>
<td>$0</td>
<td>0</td>
<td>n/a</td>
<td>$0</td>
<td>$2,500</td>
<td>$250</td>
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</table>
TYPES OF SUBSIDIES

- Development
  - Grants/Equity
  - Below Market Loan/Debt
- Operating
  - Rental Subsidies
AFFORDABLE HOUSING RESOURCES
DEVELOPMENT AND OPERATIONS

Federal

State

Local
HOUSING AT THE FEDERAL LEVEL

- USDA
- HUD
- Veterans Affairs
FEDERAL LEVEL
HUD SECTION 811

- **Section 811**
  - National Affordable Housing Act of 1990
  - Nonprofit Sponsor
  - Dual Subsidy
    - Capital Advance
    - Operating Subsidy

- **Development Type**
  - New Construction, Acquisition, or Rehab
  - Group Home or Independent Living Facility

- **Accessible**
  - Section 504
  - Fair Housing Act

- **Tenant Profile**
  - Low-Income (<50% MFI)
  - Qualified Disability
DECLINING FUNDING:

Section 811 Units
2000 - 2009
“Three-legged stool” for Supportive Housing
- Capital (HFA)
- Operating (HUD)
- Services (Medicaid, HHS)

30-year use restriction (5 year PRA + renewal)

30% MFI income targeting

New integration rule (<25% units reserved for people with disabilities)

TDHCA awarded $12 million under the Section 811 Project Rental Assistance Demonstration Program
- 385 units
- Layered with TDHCA-financed multifamily developments
- Finalizing contract with HUD
TEXAS STATE AFFORDABLE HOUSING CORPORATION (TSAHC)

- TSAHC Homeownership
  - The Professional Educators Home Loan
  - The Homes for Texas Heroes Home Loan Program
  - The Home Sweet Texas Loan Program
- Direct Lending (Multifamily and Single Family)
- Affordable Communities of Texas Land Bank
- Asset Oversight and Compliance
- Foreclosure Prevention
- Homebuyer Education Certification (TSHEP)
State Housing Finance Agency

Administers variety of affordable housing programs (single-family and multifamily):

- My First Texas Home
- Low Income Housing Tax Credits
- Multifamily Bonds
- HOME
- Housing Trust Fund
- Neighborhood Stabilization (NSP)

Monitoring and Compliance
TDHCA - RENTAL SUBSIDIES

- Tenant Based Rental Assistance (HOME)
- TDHCA Project Access
HOUSING AT THE LOCAL LEVEL

1. Municipalities Public Housing Authorities
2. Receive Funds from Federal and/or State Level
3. Determine Local Needs via Consolidated Plan or Planning Process
4. Funding for Affordable Housing and Community Development
PUBLIC HOUSING AUTHORITIES

- Receive Funding Directly from HUD
- 400+ PHAs in Texas
- 56,000+ units in Texas
  - Single-family scattered
  - Multifamily

- Housing Choice Vouchers
  - Tenant-Based (Portable)
  - High Demand
  - Targeted Vouchers
    - HUD-VASH
    - Non-Elderly Disabled (NED)
    - Mainstream
    - Family Unification Program (FUP)
OPPORTUNITIES FOR INPUT

- Local
  - Consolidated Plan
  - PHA Plan

- State
  - Consolidated Plan
  - PHA Plan
  - State Low Income Housing Plan (SLIHP)
  - Qualified Allocation Plan
QUESTIONS?

Call In Number:
1-866-643-5251 (Toll Free)

Passcode:
512-232-0740
The Housing and Services Partnership Academy is paid for with 100% federal funding from the Real Choice Systems Change Grant awarded to the State of Texas by the Centers for Medicare and Medicaid Services.

The Real Choice Systems Change Grant is a partnership between the Texas Department of Aging and Disability Services and the Texas Department of Housing and Community Affairs. This grant is awarded through September 29, 2013.