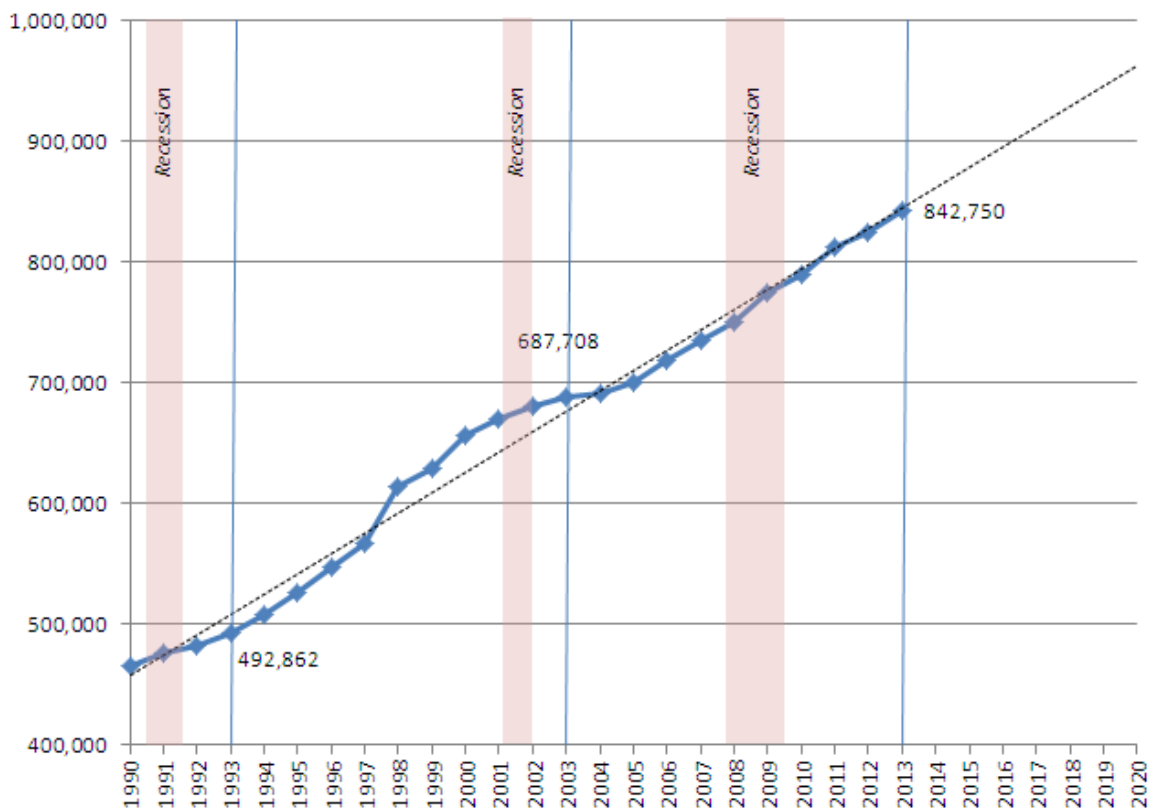


FY 2013-2014 Action Plan COMMUNITY NEEDS ASSESSMENT

Austin’s Citizen Participation Plan directs NHCD staff to gather community input and statistical data to prepare the draft Action Plan. The Community Needs Assessment Phase of the Action Plan development process includes two public hearings, one before the Community Development Commission, and one before the Austin City Council in which the City receives citizen input on the community’s needs and service gaps. This information coupled with current data is critical to establishing priority needs and funding allocations among projects and programs within NHCD’s Annual Investment Plan.

I. Population

As illustrated in *Graph 1*, the City of Austin’s population has continued to grow at a steady and rapid pace. In 1990, Austin’s population was 465,622. As of 2013 it is estimated that 842,750 people now reside in Austin.¹ It is noteworthy that Austin has also maintained its strong population growth, even through the course of national economic recessions.² Population forecasts show Austin’s population exceeding one million residents by 2025.³



Graph 1: Austin’s Population Growth 1990-2013

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, 1990-2013

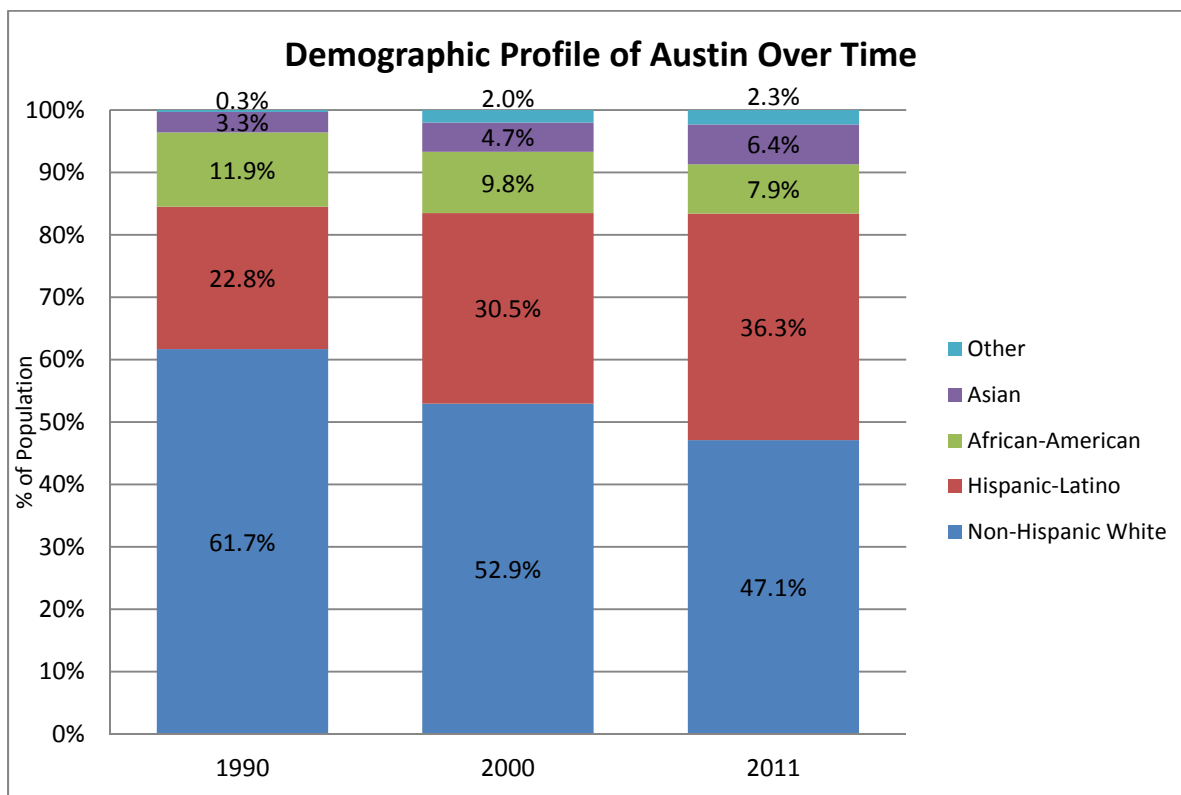
¹ City of Austin Planning and Development Review Department. Demographics: [Population & Land Area Summary, 2013](http://austintexas.gov/demographics) URL: <http://austintexas.gov/demographics>.

² The National Bureau of Economic Research. U.S. Business Cycle Expansions and Contractions URL: <http://www.nber.org/cycles.html>

³ Robinson, Ryan, City of Austin Planning and Development Review Department. [Austin Area Population Histories and Forecasts](http://austintexas.gov/demographics) URL: <http://austintexas.gov/demographics>

II. Demographic Trends

As with population, demographically the City of Austin is also changing, as depicted in *Graph 2*. The Anglo (non-Hispanic white) share represents 47.1 percent of the population in 2011, a 14.6 percent decrease from 1990 levels. Meanwhile the Hispanic (Latino) share has steadily increased to 36.3 percent of the population in 2011. The Asian community has also grown considerably in the last ten years. In 1990, the Asian community represented about 3.3 percent of the population - in 2011 this share has grown to 6.4 percent of the population. African Americans comprised about 12 percent of Austin's population in 1990, but the African American percentage has dropped to just under eight percent and is expected to continue to decrease as the city continues to increase in population.⁴ African Americans as well as other demographic groups have migrated to surrounding areas outside the city limits - the suburbs and neighboring communities. The geographical dispersion of affordable housing has also moved into the suburbs as the Austin housing market has become more expensive. This also accounts for the migration of residents to the suburbs.

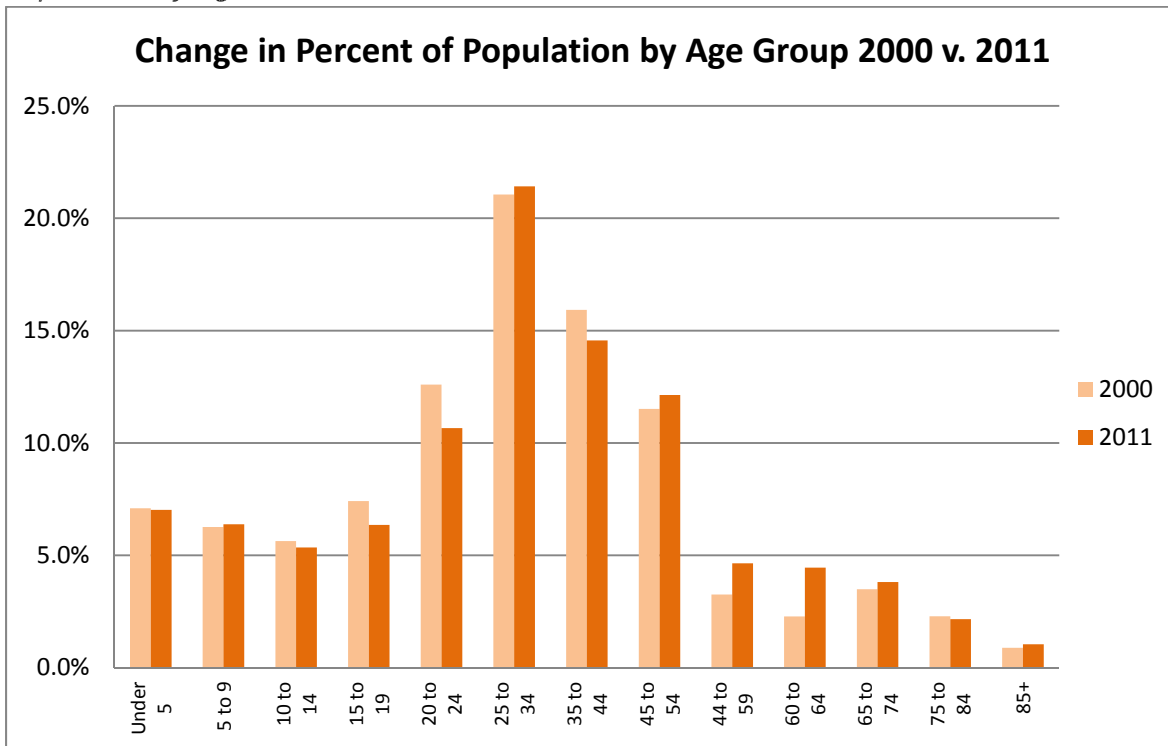


Graph 2: Demographic Profile of Austin over Time

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, 1990, 2000, and 2011

⁴ U.S. Census Bureau, American Community Survey 1-Year Estimates, 1990, 2000, and 2011 URL: <http://www.census.gov/acs/www/>

Population by Age



Graph 3: Change in Percent of Population by Age Group 2000 v. 2011

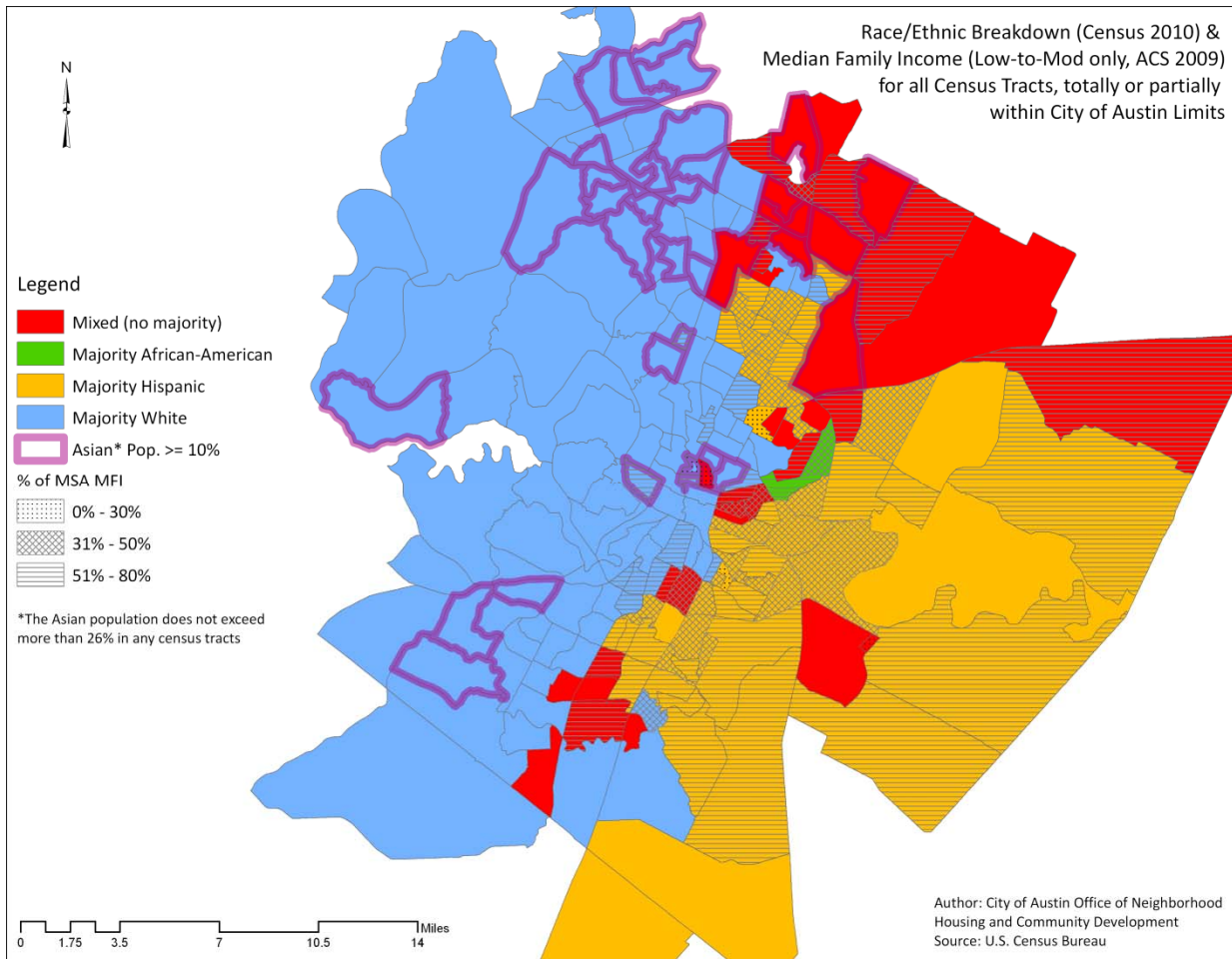
Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, 2000 and 2011

Data indicates that Austin is aging and while some age groups are seeing reductions in the percent of the city population they comprise, others are growing as seen in *Graph 3*. Among age groups between 2000 and 2011, the greatest percent increases were among the 60-64, 44-59, and 45-54 age groups with 2.2 percent, 1.4 percent and 0.6 percent increases, respectively. The greatest percent decreases were among the 20-24, 35-44 and 15-19 age groups with -1.9 percent, -1.4 percent and -1.1 percent decreases, respectively.⁵

Racial and Ethnic Dispersion

The racial and ethnic dispersion throughout the City is illustrated in *Map 1*, which also identifies the concentrations of low- and moderate-income households based on Median Family Income (MFI) for all census tracts, totally or partially within the Austin city limits. The Neighborhood Housing and Community Development (NHCD) Office uses this map to manage the City’s CDBG and HOME entitlement grant funding, by mapping proposed projects and funding sources.

⁵ U.S. Census Bureau, American Community Survey 1-Year Estimates, 2000, 2011 URL: <http://www.census.gov/acs/www/>

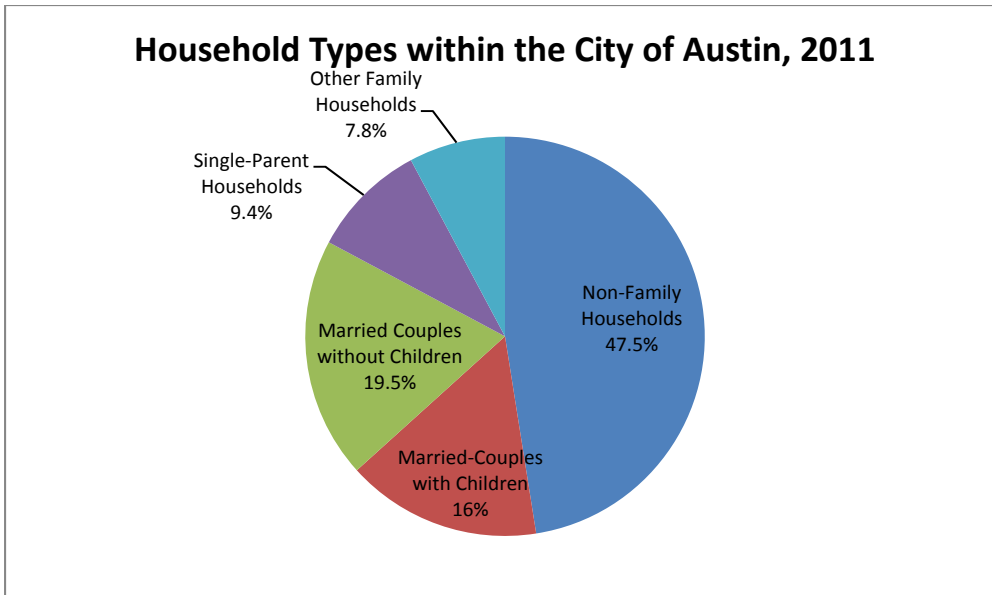


Map 1: Racial, Ethnic and Low- to Moderate Income Concentration by Census Tract
Source: U.S. Census Bureau

Household Types

47.5 percent of Austin households are considered non-family households. These are persons living together that are un-related - for instance, they may be un-related roommates or other persons who reside together but are not related by blood or marriage. Austin’s large student population contributes to the non-family household share. The remaining 52.5 percent of Austin’s households are comprised of: married couples without children (19.5 percent); married couples with children (16 percent); single parents (9.4 percent) and; 7.8 percent are categorized as other family households.⁶ The breakdown of household types in Austin is illustrated in *Graph 4*.

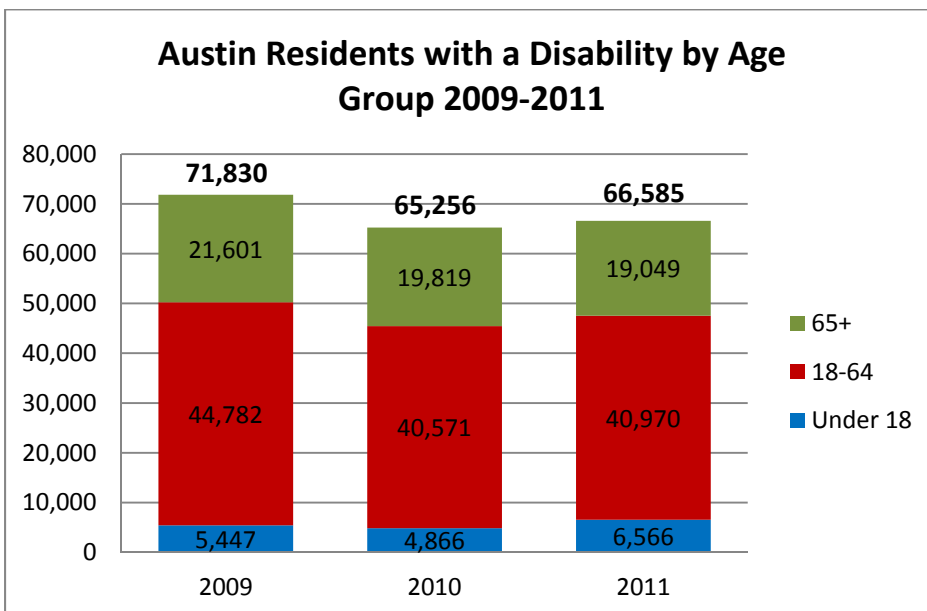
⁶ U.S. Census Bureau, American Community Survey 1-Year Estimates, 2011 URL: <http://www.census.gov/acs/www/>



Graph 4: Household Types within the City of Austin, 2011
Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, 2011

Persons with Disabilities

Data indicates there were 66,585 persons living with disabilities within the City of Austin in 2011. This is a 7.3 percent decrease from two years ago. As illustrated in *Graph 5* the breakdown by age reveals decreases in both the 65 and older demographic as well the 18-64 age groups over the two year period. Meanwhile, the population of those under 18 years old with disabilities has increased by 20.5 percent over the same period.⁷

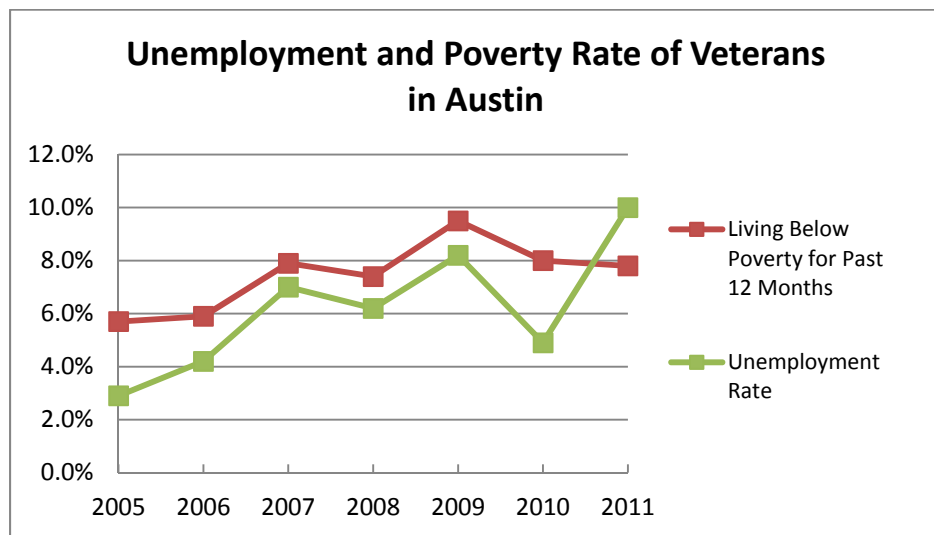


Graph 5: Austin Residents with a Disability by Age Group, 2009-2011
Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, 2009-2011

⁷ U.S. Census Bureau, American Community Survey 1-Year Estimates, 2009-2011 URL: <http://www.census.gov/acs/www/>

Veterans

In 2011, there were 37,717 veterans living within the City of Austin, a 5.8 percent decrease from two years ago. The percentage of veterans within Austin living below the poverty level was stable 8 percent as of 2011, however concurrently there was a jump in unemployment among veterans in Austin as the rate has doubled from 4.9 percent in 2010 to 10.0 percent in 2011 as seen in *Graph 6*.⁸ This is most likely due to the national economic recession, coupled with an increase in military personnel returning from active duty.



Graph 6: Unemployment and Poverty Rate of Veterans in Austin, 2005-2011

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, 2005-2011

III. Economic Profile

Income – Data Sources

Sources for income data include the U.S. Census Bureau’s American Community Survey (ACS) as well as by the U.S. Department of Housing and Urban Development’s (HUD) Income Limits documentation system. The ACS defines median household income as including the income of the householder and all other individuals 15 years old and over in the household, whether they are related to the householder or not. Because many households consist of only one person, median household income is usually a smaller value than median family income.

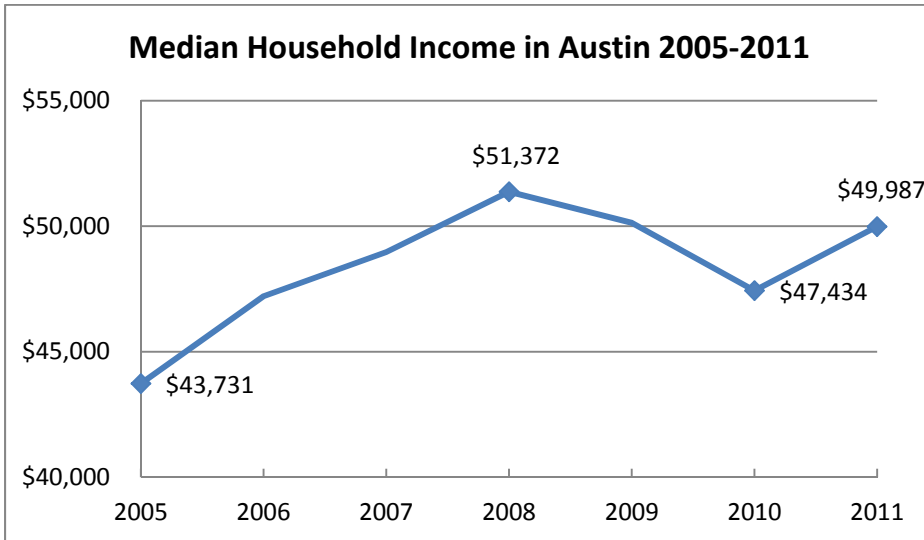
The FY2013 HUD Income Limits Documentation System⁹ is the source of median family income (MFI) data which is an annual estimate utilized by HUD to set income limits for a variety of housing programs. HUD uses the ACS median income as a baseline and then factors in the national consumer price index and other variables to establish an area MFI. Thus, MFI is generally a much higher figure than the median household income or median income figure from the ACS.

Median Household Income

⁸ U.S. Census Bureau, American Community Survey 1-Year Estimates, 2005-2011 URL: <http://www.census.gov/acs/www/>

⁹ U.S. Department of Housing and Urban Development FY2013 Income Limits Documentation System, Median Family Income Calculation Methodology for Austin-Round Rock-San Marcos MSA . URL: http://www.huduser.org/portal/datasets/il/il2013/2013MedCalc.odn?inputname=Austin-Round+Rock-San+Marcos%2C+TX+MSA&area_id=METRO12420M12420&fips=%24fips%24&type=hmfa&year=2013&yy=13&stname=%24stname%24&stusps=%24stusps%24&statefp=99&incpath=C%3A\huduser\wwwMain\datasets\il\il2012\

The median household income in Austin increased between 2005 through 2008, decreased from 2008 to 2011, and increased 5.4 percent from 2010 to 2011. *Graph 7* reflects the overall change in median household income over the past eight years.

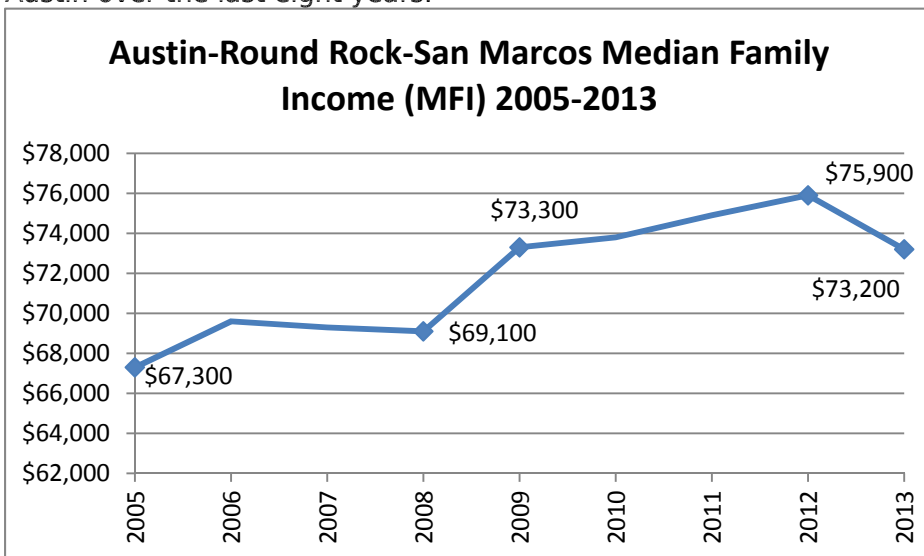


Graph 7: Median Household Income in Austin 2005-2011
 Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, 2005-2011

Median Family Income

The trend in median family income, as calculated by HUD, illustrates a slightly different picture over the past eight years, increased by 8.8 percent overall since 2005, although decreasing slightly from 2012 to 2013.

Overall, both *Graph 7* and *Graph 8* help to illustrate that incomes have remained relatively static in Austin over the last eight years.¹¹

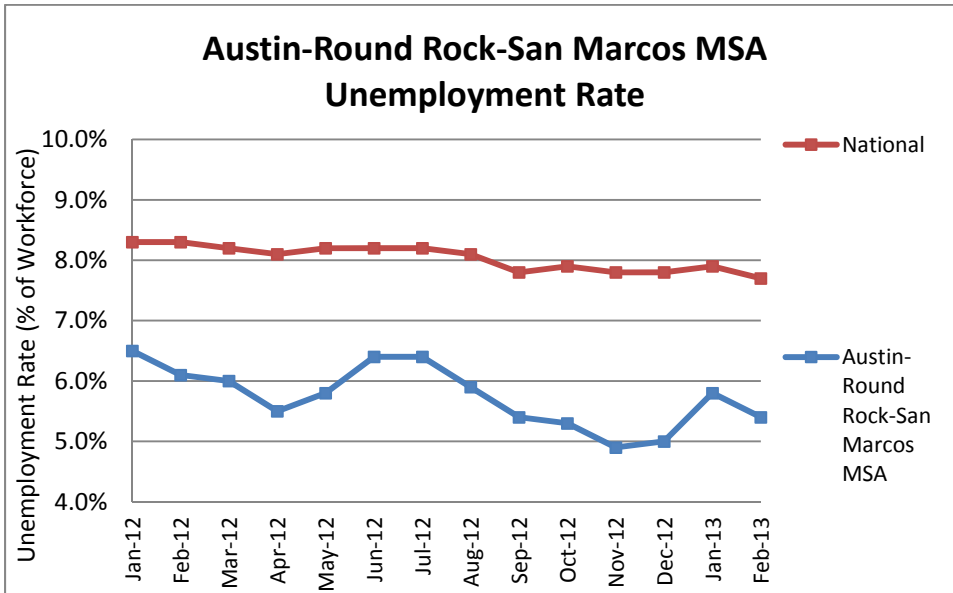


Graph 8: Median Family Income in Austin 2005-2013
 Source: U.S. Department of Housing and Urban Development

¹¹ Bureau of Labor Statistics CPI Inflation Calculator URL: www.bls.gov/data/inflation_calculator.htm

Unemployment

The Austin-Round-Rock-San Marcos MSA has had a lower unemployment rate than the nation as a whole for over a year as seen in *Graph 9*. As the national economy continues to improve the City will continue to monitor economic indicators relating to unemployment.

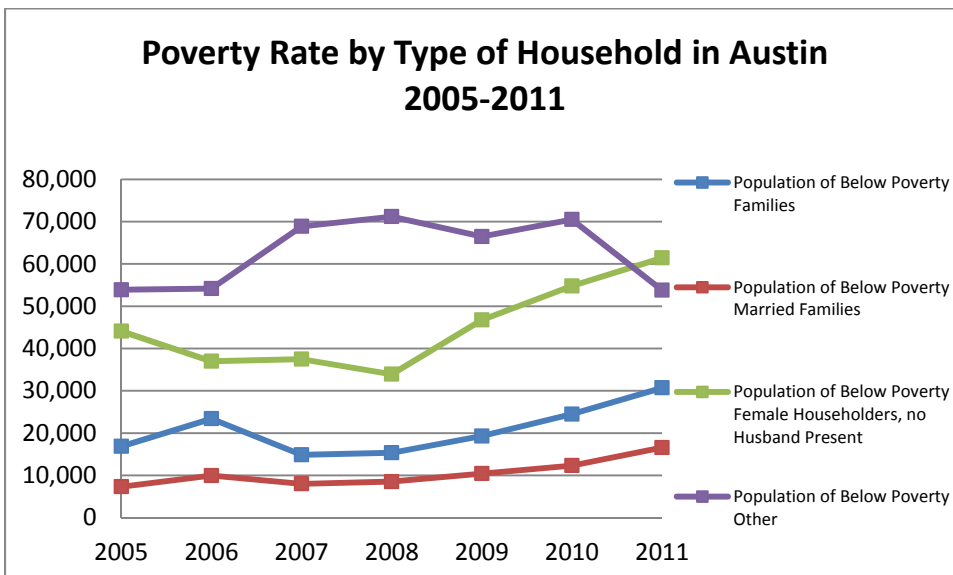


Graph 9: Austin-Round Rock-San Marcos MSA Unemployment Rate

Source: U.S. Bureau of Labor Statistics

Poverty

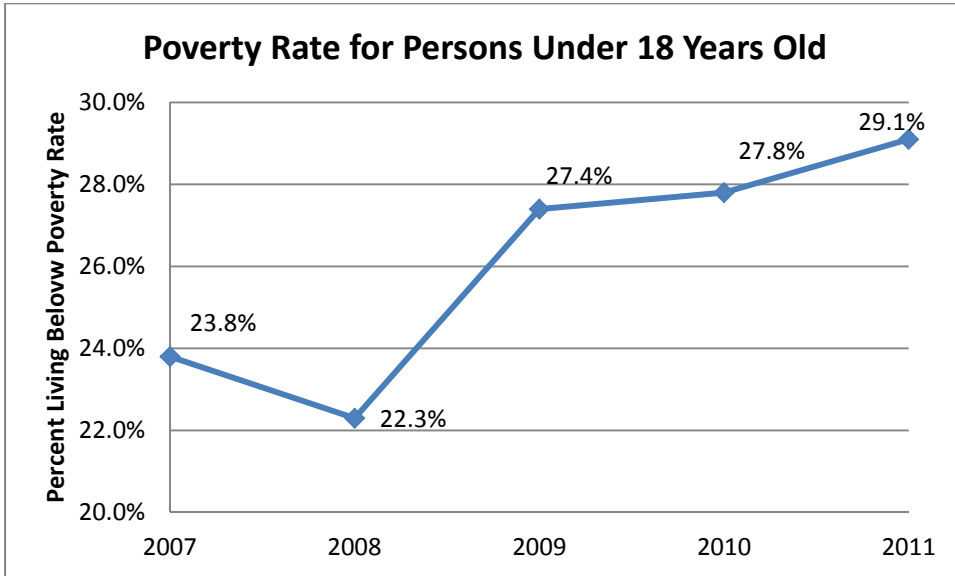
Poverty levels in Austin have steadily increased as illustrated in *Graph 10*. In 2005, the poverty rate for individuals was slightly above 18 percent. Beginning in 2009, the rate began to increase to 18.4 percent in 2009 and 20.8 percent by 2010. It is noteworthy that female householders with no husband present represented the largest driver of this increase. The population comprising this subgroup increased by 81.1 percent from 33,911 in 2008 to 61,421 in 2011.



Graph 10: Poverty Rate by Type of Household in Austin 2005-2011

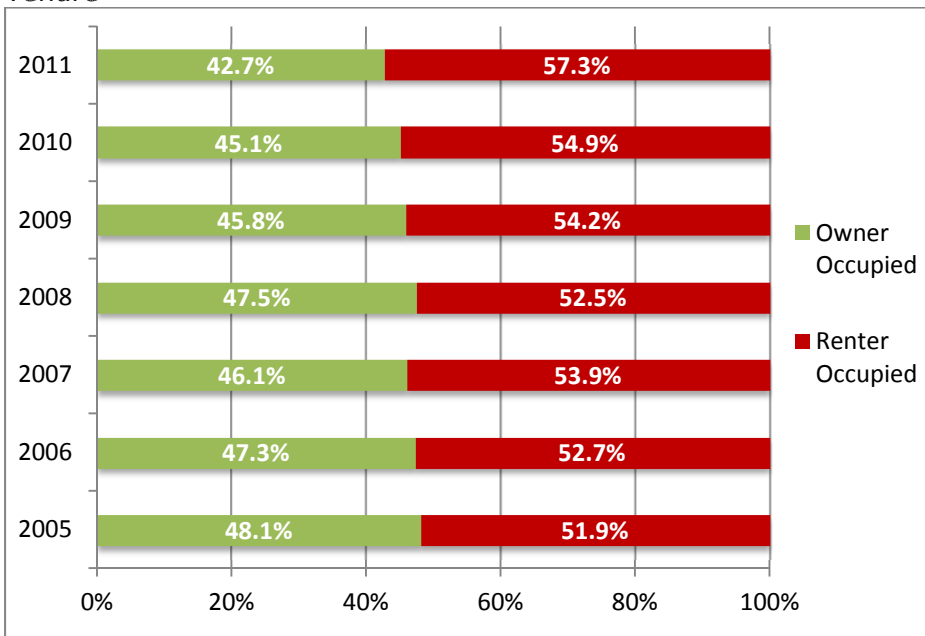
Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, 2005-2011

Poverty levels for persons under 18 years old have increased 3 of the past 4 years in Austin as seen in *Graph 11*. In 2005, the poverty rate for individuals was 23.8 percent. There was a decrease of 1.5 percent in 2008 that followed with a substantial increase of 5.1 percent in 2009. If this rate of increase were to continue as early as 2014 one in three persons under the age of 18 could be living below the poverty rate in Austin.



Graph 11: Poverty Rate for Individuals under 18 Years Old
Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, 2007-2011

IV. Housing
Tenure

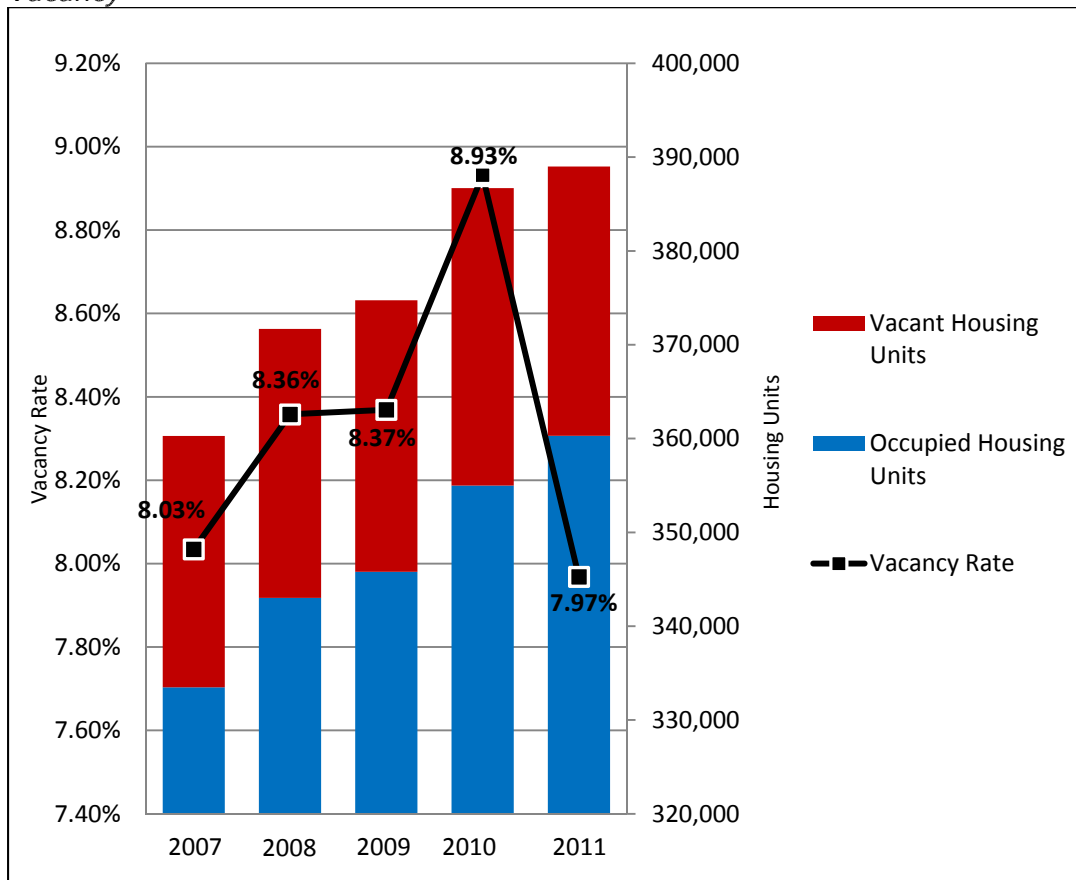


Graph 12: Housing Tenure in Austin 2005-2011
Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, 2005-2011

As a result of the housing bubble that began in 2006 and the following credit crunch that continues to present challenges, homeownership continues to decrease across the country. This trend is

pronounced in Austin as well as seen in *Graph 12*. Since 2005, the proportion of households that are renter-occupied has grown from 51.9 percent to 57.3 percent.¹²

Vacancy



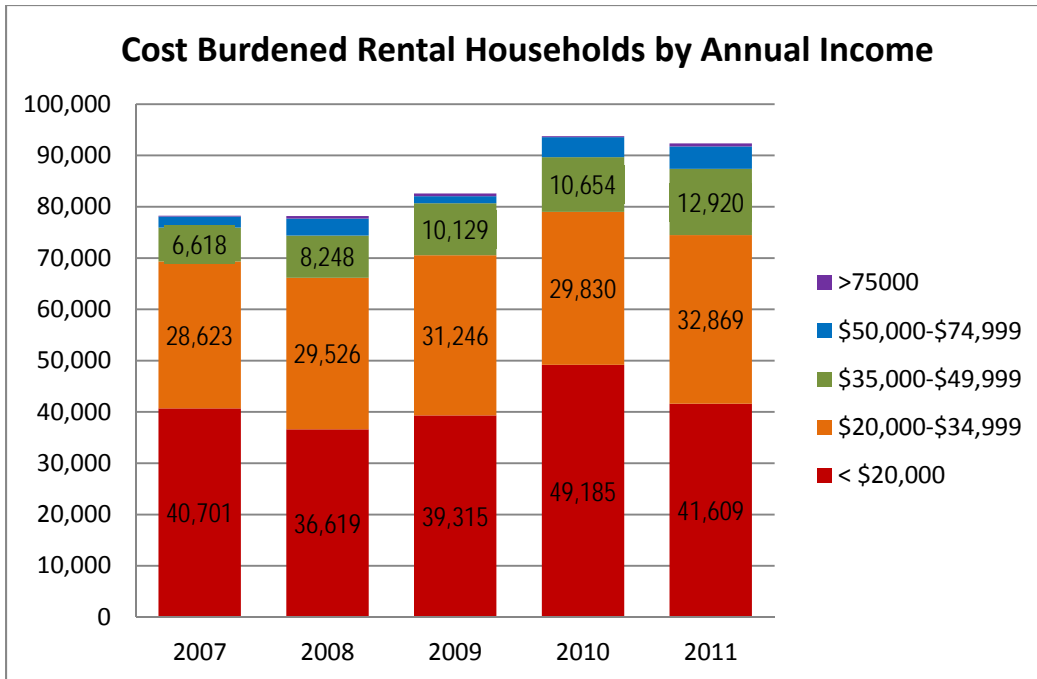
Graph 13: Vacant and Occupied Housing Units in Austin 2007-2011

Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, 2007-2011

Housing Vacancy in Austin fell to below 8% in 2011. As *Graph 13* illustrates there was a 2.7 percent increase in the number of housing units from 2009 to 2010. In 2011 however the increase in units was not as large, only 5,303 units were added, nearly half as many as in the year before, leading to a nearly 1 percent decline in the vacancy rate.

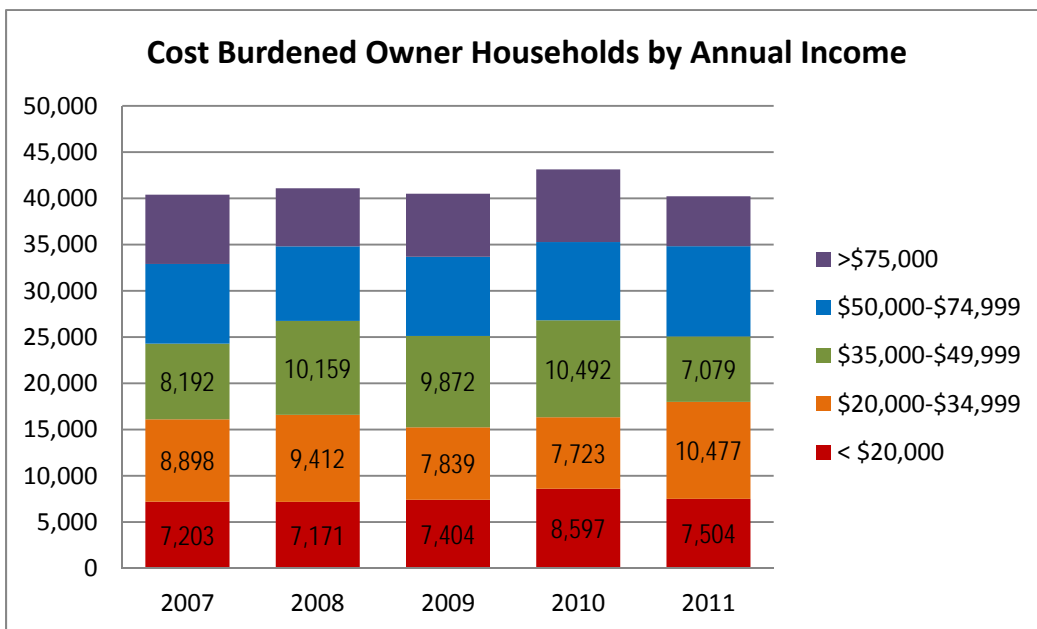
Cost Burdened Households

¹² U.S. Census Bureau, American Community Survey 1-Year Estimates, 2005-2011 URL: <http://www.census.gov/acs/www/>



Graph 14: Cost Burdened Rental Households by Annual Income in Austin, 2007-2011
 Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, 2007-2011

The number of rental households that are cost burdened, expending more than 30 percent of their household income on housing costs in Austin was 92,339 representing 48.6 percent of all occupied rental households. The number of cost burdened rental households has remained roughly the same in 2011 as in 2010.¹³ Graph 14 illustrates the change in cost burdened rental households.

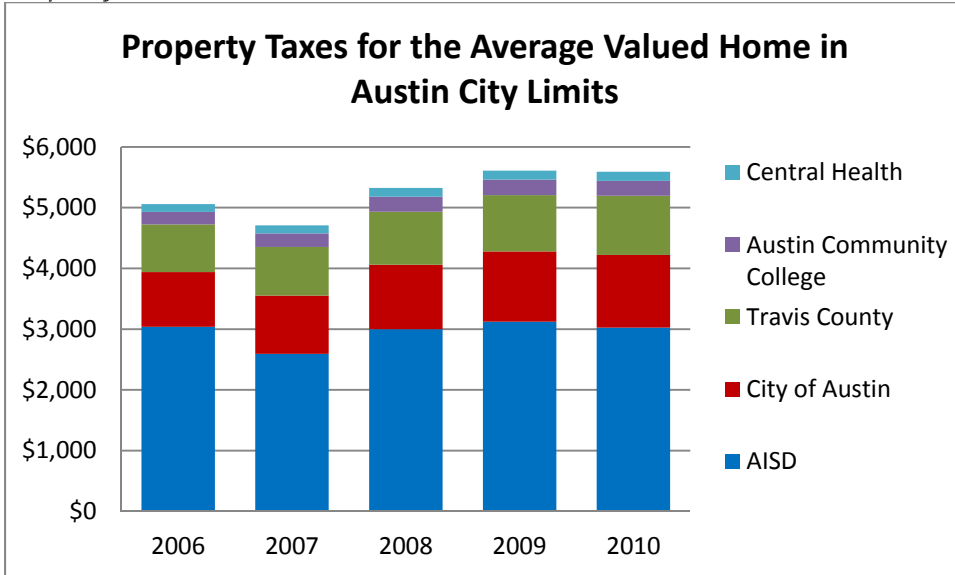


Graph 15: Cost Burdened Owner Households by Annual Income in Austin, 2007-2011
 Source: U.S. Census Bureau, American Community Survey 1-Year Estimates, 2007-2011

¹³ U.S. Census Bureau, American Community Survey 1-Year Estimates, 2007-2011 URL: <http://www.census.gov/acs/www/>

The number of owner households that are cost burdened, expending more than 30 percent of their household income on housing costs in Austin was 40,210, representing 28.4 percent of all occupied owner households.¹⁴ These figures are illustrated in *Graph 15*.

Property Taxes



Graph 16: Change in Property Tax Amounts for an Average Priced House in Austin, 2006-2010

Source: Travis County Appraisal District (TCAD)

Property taxes were cited numerous times in the feedback that was received at both the public hearings and through the City’s online forum SpeakUp! Austin. Property tax liability has increased by approximately 10 percent, or \$531 for the average homeowner, during the period from 2006 to 2010.¹⁵ This year over year change is illustrated in *Graph 16*.

Housing Gap Analysis

Many local reports build upon data and conclusions released in the City’s Comprehensive Housing Market Study (2009), particularly the housing gap analysis completed as a component of the study. Table 1 below outlines the estimated housing gap by income level and housing continuum category. Tables 2 and 3 outline the projected housing production necessary to serve future projected growth for the estimated gaps in rental and homeownership products. This analysis was published in the FY 2011-12 Action Plan. The statistical data continues to serve as a basis in identifying and addressing community needs for FY 2012-13. NHCD used this data along with feedback received during the community needs assessment period to develop long-term goals and strategies outlined in this plan. An updated 2013 Housing Market Study is underway and will assist in re-evaluating housing gaps for residents of the City of Austin, it is slated to be released in early 2014.

¹⁴ U.S. Census Bureau, American Community Survey 1-Year Estimates, 2007-2011 URL: <http://www.census.gov/acs/www/>

¹⁵ Travis County Tax Assessor

| Housing Type | Income Level Served | Number of Occupants | Number of Units | Estimated Housing Gap ¹⁶ | Notes |
|----------------|---------------------|---------------------|-----------------|-------------------------------------|---|
| Rental Housing | 0-30% MFI | 48,287 | 9,375 | 39,912 units | Supportive housing units are included as a portion of the total estimated housing need for rental housing units serving households at or below 30% MFI. For more information on needs for specific types of supportive housing, see Exhibit 8 below. |
| Rental Housing | 31-50% MFI | 37,140 | 88,392 | N/A | While there is no estimated housing gap at this income level, households at this income level are likely to experience difficulty finding adequate rental housing due to the demand placed upon the market renters in other income categories (primarily <30% MFI). |
| Rental Housing | 51-80% MFI | 35,543 | 68,956 | N/A | While there is no estimated housing gap at this income level, households at this income level are likely to experience difficulty finding adequate rental housing due to the demand placed upon the market renters in other categories (primarily >80% MFI) |
| Rental Housing | 81-120% MFI | 26,788 | 11,840 | 14,948 units | |
| Rental Housing | >120% MFI | 17,893 | 1,443 | 16,450 units | |
| Homeownership | 0 - 50% MFI | 24,590 | 9,568 | 15,022 homes | |
| Homeownership | 51-80% MFI | 21,872 | 30,877 | N/A | No estimated housing gap at this income level. |
| Homeownership | 81-120% MFI | 27,319 | 40,212 | N/A | No estimated housing gap at this income level. |
| Homeownership | >120% MFI | 67,628 | 65,551 | 2,077 homes | |
| Home Repair | <50% MFI | N/A | N/A | 13,286 homes | Imputed figure based on the analysis conducted in the <i>Housing Repair Needs Assessment (2011)</i> |

¹⁶ Based on gap analysis conducted in the Comprehensive Housing Market Study (2009). The gap analysis was conducted by comparing the number of renters/homeowners from the American Community Survey data (2007/3-year estimates) with the number of available renter or homeownership units available at a price that does not exceed 30% of the individual's imputed income. Because the number of extremely low income persons at or below 30% MFI vastly exceeds the number of rental units available to that population, it is reasonable to expect that a majority of those renters are indeed renting but are spending an amount greater than 30% of their income for housing. In other words, low-income renters who are cost-burdened are competing with other households in higher income brackets for available rental housing, increasing demand on the overall rental housing market. A portion of the individuals in the extremely low-income category may also be homeless, precariously housed, or living in substandard housing.

| | | | | | |
|--|--|--|--|--|---------|
| | | | | | report. |
|--|--|--|--|--|---------|

Table 1: Austin Housing Gap Analysis

Sources: Austin Comprehensive Housing Market Study (2009), Housing Repair Needs Assessment (2011).

| | Units per year | Total units needed by 2020 |
|--|----------------|----------------------------|
| Units to meet forecasted demand ¹⁷ | 1,045 | 12,540 |
| Units to meet forecasted demand + achieve 10% reduction in gap ¹⁸ | 1,370 | 16,440 |

Table 2: Estimated Production to Meet Forecasted Demand for Extremely Low-Income Renters (Units Renting at \$425 and Less)

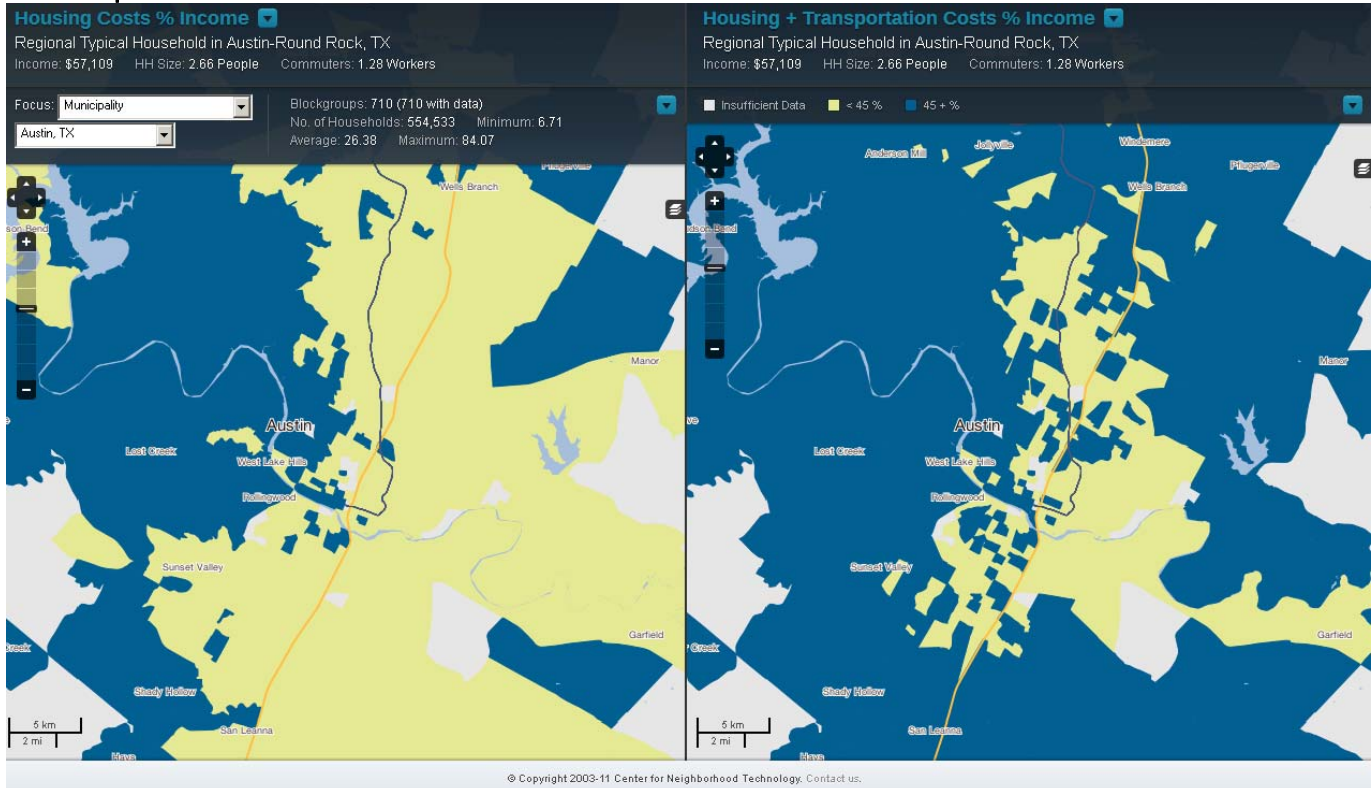
Source: Comprehensive Housing Market Study (2009).

| | Units per year | Total units needed by 2020 |
|--|----------------|----------------------------|
| 8% at \$113,000 and less (likely small condos) | 264 | 3,200 |
| 13% at \$113,000 - \$160,500 (mix of condos and townhomes) | 428 | 5,200 |
| 21% at \$160,500 - \$240,400 (range of housing options) | 692 | 8,400 |

Table 3: Estimated Production to Meet Forecasted Demand for Homeownership at Affordable Levels

Source: Comprehensive Housing Market Study (2009).

V. Transportation



Map 2: Housing Costs as a % of Income and Housing + Transportation Costs as a % of Income

Source: Center for Neighborhood Technology

¹⁷ Assumptions for this estimate include twelve years of City growth projections (2008-2020) and no change in the homeownership rate.

¹⁸ Ibid.

The Imagine Austin Priority Program on Household Affordability (Priority Program #6) defines Household Affordability as being about the costs of housing, utilities, taxes and transportation. Transportation is an important consideration when evaluating housing's true cost to a household. Map 2 illustrates areas of the City of Austin in which combined housing and transportation costs exceed 45% (blue), as well as areas in which those combined costs are less than 45% (yellow) of annual household income. The City of Austin will begin to evaluate transportation costs as a component of household affordability.