

At 7:00pm President Sara Lowman welcomed the membership and invited the members to the 677th meeting of the society and encouraged them to enjoy dinner,



At 7:45pm President Lowman called the meeting to order reminded members to nominate new members for the April membership vote. Guest introductions were made around the tables.

At 7:50pm a ten minute break was announced.

At 8:00pm President Sara Lowman introduced the speaker and topic: "Houston's Affordability Challenge: How Housing + Services Breaks the Cycle of Poverty and Homelessness" by Joy Horak Brown, President and CEO of New Hope Housing.

The focus of Ms. Horak Brown's talk was the function of affordable housing in the community as a cost effective alternative to the civic costs of homelessness. She began her talk with a brief history of New Hope Housing, Inc. (NHHI) and noted that two of NHH's past board members and current Chair of the Board are members of the Houston Philosophical Society and were present in the room. NHHI has built and maintains almost 1,000 Single Room Occupancy units (SRO) in seven buildings in Houston in the last twenty years. It has \$147 million of equity in its seven buildings. Two new facilities are in the planning stages to be built by mid-2017. Their work has been recognized nationally and internationally.

Ms. Horak Brown spelled out NHHI's mission as one to offer safe, beautiful affordable housing plus life stabilizing services to adults living alone on an extremely low income. NHH is in the planning stages to begin to serve at-risk families. Their current residents are veterans, the elderly, the formerly homeless, those recovering from substance abuse, people with a physical or cognitive challenge, or people who simply are living on a minimum wage job. She made an appeal to picture ourselves as an adult living alone on less than \$10k a year. This is the client base NHH is designed to serve; she noted, it could be any of us.

She then introduced Amanda Timm to provide context for the work that NHHI does. Ms. Timm is the Director of Houston-LISC, the Local Initiative Support Corporation, which is a national intermediary that works to transform neighborhoods and also helps affordable housing developers build capacity. Amanda has been with LISC for 15 years and was a senior planner for the City of Houston. She has worked with Avenue CDC on the Washington corridor and Project Row House in the Third Ward. Ms. Timm began by stating that affordable housing is the cornerstone of neighborhood and individual health. One can build neighborhoods around housing.

Ms. Timm pointed out that Houston used to be affordable in all economic ranges, but the last 5 years have been very different. It is now harder to find housing that is affordable. Affordable housing has been replaced with new construction that is out of the range of the previous tenants. Moving around Houston as also changed and become more difficult. This is important because it is the joint expense of housing plus transportation that determines if an apartment or a neighborhood is affordable.

Ms. Timm then outlined three parameters for thinking about affordable housing: size of need in the community, and percentage of family budget devoted to housing and percentage of family budget spent on transportation. She quantified the need for affordable housing in Houston by stating The Houston Housing Authority has a stock of 4,180 units with a waiting list for 21,284 units. The Harris County Housing Authority has a stock of 3,688 units and a waiting list for 15,216 units. There are 17,355 housing vouchers and a waiting list of 16,967. This means 53,467 families are requesting aid, which translates to about 150,000 people in Houston in need of housing assistance. This is the unmet need in Houston, today.

The second parameter Ms. Timm discussed was cost of housing. What makes housing affordable? The guideline for affordability is spending no more than 30% of household income on housing. When a family spends more than 30% of income on housing they are spoken of as 'cost burdened'. If a family spends more than 50% of income on housing they are spoken of as 'severely cost burdened'. In the eight county Houston region 24% of residents are cost burdened in their housing expenses. This translates into 1,400,000 to 1,500,000 people in the region being cost burdened for housing.

HUD's fair market rent rates currently for the income level in the Houston region is \$636 for an efficiency, \$765 for a 1-bedroom, \$945 for a 2-bedroom, \$1,290 for a 3-bedroom, and \$1,595 for a four bedroom. The 2-bedroom unit requires an annual income per family of \$37,800 in order to spend less than 30% of income on housing. At the minimum wage of \$10/hr., which generates \$15,000 per year, it takes two and one-half full time jobs to meet this income level. A minimum wage of \$15/hr. would take two full time minimum wage jobs to rent a two bedroom unit for \$945/ month and not be cost burdened.

Ms. Timm then discussed the added burden of transportation in the region and how it affects household budgets. HUD recommends that transportation cost should not be more than 15% of the household budget. The total of housing and transportation should be no more than 45% of total household income. 49.6% of Houston region households are cost burdened by that statistic. In addition, 24.6% of Houston region households are severely cost burdened. This means that 61% of Houston area residents are cost burdened or worse.

Ms. Timm outlined the current way that housing is characterized as a continuum of housing. The continuum begins with Emergency Shelters, then progresses to Permanent Supportive Housing, that serves those on the edge of homelessness, and then market Renting and ending with Home Ownership. Currently in Houston a family needs to earn at least 80% of the regional median income in order to qualify for home ownership.

She went on to discuss how affordable housing is developed and funded. There are many funders, mostly governmental and philanthropic. One can use loans or grants for land. Construction loan terms for affordable housing can be different than terms

required by banks if the funding agencies take into account the mission driven outcomes that drives affordable housing developers. Banks can be used for permanent loans. Money comes from several agencies: City of Houston Housing and Community Development Department provides \$20 million dollars, Houston Housing Authority provides \$130 million, Harris County Housing Authority provides \$33 million, Harris County Community Services provides \$3 million and Texas Department of Housing and Community Affairs provides \$84 million. Through the funding sources available 842 units of affordable housing come on line in any one year. The system is currently 25,000 units per year. This is the gap that non-profit developers exist: they can do things the private sector can't. Their mission is to understand neighborhoods, reach out to very low income families and get grant dollars that for-profit developers can't.

At the end of Ms. Timm's presentation Ms. Horak Brown introduced herself as one who came from the private sector in the early 1990's, moved to Houston and heard about Christ Church Cathedral developing their first 40 units for \$1.4 million. She wasn't really interested, but wanted to learn a bit about it. She became intrigued when the board wanted to develop what NHHI has come to call 'the idealized college dorm': SRO housing with personal bath and kitchenette. This housing stock is a benefit to people who need the economy of shared living. The residents of this housing are varied. Thirty percent of the residents have spent time in college. Some have spent 17 years living in Hermann Park. Some of them have problems with their lives. Some have low income jobs. This is the population that NHHI serves.

Responding to these people when they are on the street is a \$100,000,000 expense every year. One emergency event costs the city \$2,000, each jail visit costs \$200, each police response is \$250. Not housing people is expensive. The answer is a key to a room. NHHI provides a room with social services is less expensive. Ms. Horak Brown then went on to show several developments that NHHI has built. New Hope Housing at Brays Crossing is on I45 between Wayside and Griggs. The property takes advantage of the freeway frontage. It won the local, national and international Urban Land Institute's awards when it was built. New Hope Housing at Rittenhouse saved a grove of oak trees in its courtyard. The focus on the architectural surroundings is important because as Winston Churchill said, " We shape our buildings, and then they shape us."

Mack Fowler says that no one wakes us and wants New Hope Housing next door. NIMBY (Not In My Back Yard) sentiment causes New Hope Housing to always earn their stripes. The look of the buildings is not gratuitous, it is our entry into neighborhoods. No neighborhood invites something they think is detrimental into their neighborhood. New Hope Housing earns its reputation every day. The front door is staffed 24/7. The fragile population needs a clean, safe place to stabilize and 'move up' or stay. Stability is a success story for some. The rent is less than \$500/month and includes utilities, social services, meals on wheels, television, internet access. Rent may be paid by SSI, VA, friends, part-time jobs, or vouchers. The activities that take place at the developments include education, recreation, health services, spiritual support, financial support and social activities such as all community meals at holiday events. The University of Houston has a program called Campus Kitchen which brings surplus food from the cafeterias to NHHI facilities each day.

The typical stay at a NHHI facility is 27 months. Some residents leave to move in with

their family, some marry, some move to a single family house, some move to another city, some leave and come back. The goal is to act as a safe community for the residents, like any neighborhood. A percentage of the units are accessible per ADA. All units meet the Fair Housing visit-ability standards, and adaptable units are provided. NHHI has a process for vetting priorities as required by governmental agencies and laws. The waiting list is short, but meets FHA requirements. Most first time residents need housing immediately when they apply and don't have time to stay on waiting lists.

During the six year term of Mayor Parker Houston has reduced homelessness by 40%. NHH has assisted with this goal by getting good at SRO housing and is currently beginning to develop family housing to help move families out of poverty. NHH at Reed will serve homeless families in the region. It is a \$34 million development with service spaces and after school programs in the project. NHH is also working on a transit oriented development (TOD) in the east end which will include 4,000sf of retail space on the ground floor, 175 units of SRO housing and 7,000sf of office space for New Hope Housing on the fourth floor.