

# Year after High Court ruling, officials struggle to meet affordable housing demands

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June 13, 2016



Photo: Brett Coomer, Staff

## IMAGE 1 OF 5

Adeline Gonzales talks about her housing situation on Saturday, May 28, 2016, in Houston. Gonzales is a single mother struggling to locate affordable housing for her family. ( Brett Coomer / Houston Chronicle )

A year ago, the U.S. Supreme Court ratcheted up the pressure on housing officials across the country to do what has rarely been done in Houston: build affordable homes in well-off neighborhoods.

That is proving to be easier said than done.

The court warned that concentrating public housing in low-income, high-minority neighborhoods could violate the Fair Housing Act. Its guidance was essentially at odds with the goals of the Houston Housing Authority, which argued, controversially, that such a ruling would hamper its ability to provide new affordable housing.

A decade since the city housing authority last brought new affordable units to Houston, the agency is now embroiled in a seemingly endless tug-of-war with activists, developers and politicians over how to develop in areas with good schools and low poverty, while at the same time fulfilling its mission to revive distressed neighborhoods.

All but three of the Housing Authority's eight projects proposed in the last three years were blocked. And those that remain on the table - replacement housing in the Fifth Ward, a mixed-income complex in Independence Heights, and a politically thorny plan for affordable housing in affluent Briargrove near the Galleria-area - still face hurdles.

This leaves the stakes increasingly high for upwards of 100,000 Houston families in need of affordable options, facing a rising cost of living across the city.

Amid the delays and the ongoing tension over where to build subsidized units, advocates are calling on the city to develop a clear housing strategy.

"We have a history of working in silos," said Assata Richards, a former Houston Housing Authority commissioner and chair of Mayor Sylvester Turner's transition committee on housing. "What we think is a comprehensive plan around housing - previous administrations have not had that. And so without that, everyone takes on addressing housing in their own way, with their own set of priorities."

Long considered a bastion of affordability, Houston saw unprecedented levels of demolition and high-end inner-city building during the post-recession real estate boom. Between 2010 and 2014, rental rates across the region rose two to three times the healthy growth rate of 3 percent.

New construction and demolition across historically working-class neighborhoods led to continued displacement as homeownership fell out of reach for many.

As of 2013, 46 percent of Houston-area renter households were spending more than 30 percent of their income on housing - making them "cost burdened" by federal standards - and 23 percent were spending more than half of their income on rent, according to a report from Harvard University's Joint Center for Housing Studies.

Houston Housing Authority president Tory Gunsolley estimated that 100,000 Houston households - or about 270,000 people - would benefit from affordable housing. Houston has a total of 78,000 subsidized units from a web of agencies, including the authority, private developers and nonprofit organizations.

Some say the shortage of affordable units is even greater.

Among those who has found it difficult to secure an affordable home is Adeline Gonzales, a single mother and grandmother who works with patients at the Texas Medical Center. Her household income dropped by two-thirds when she divorced 10 years ago.

Gonzales has struggled to support her 25-year-old daughter and 3-year-old granddaughter on \$45,000 a year, 72 percent of the area median income for a family of three. She has been hit by three rent increases in two years, on top of other expenses.

"The rates that are going now are outrageous and not feasible for the living conditions," said Gonzales, 53. "It was never a concern until I stood alone. When you wake up one morning and say, 'Uh-oh, this is real.'"

Most of Houston's subsidized units are located in neighborhoods with high poverty and a high concentration of minority residents, prompting concerns from some that the city has perpetuated segregation.

Research shows that children benefit long-term from living in so-called "high opportunity" neighborhoods with good schools, less economic and racial segregation and lower crime rates.

The Housing Authority's proposed \$53 million development in Briargrove between the Galleria and Tanglewood - a 233-unit, mixed-income complex at 2640 Fountain View - would be the agency's first "high opportunity" project. It would provide a mix of market rate and affordable units.

The project has drawn praise from housing advocates, as the census tract where it would be built has a poverty rate of just 6.1 percent, compared with 31.5 percent for the census tracts where the Housing Authority's current developments are located. The complex also is zoned to an A-rated school, whereas just two of the 19 schools attended by children living in existing housing authority projects received a grade of C or higher from the nonprofit Children at Risk.

However, virtually all of the elected officials representing the area - its state representatives, its congressman, school board trustee and city councilman - have opposed the project.

Such political influence historically has been a strong driver in where affordable housing has been built - or rather not built - in the region.

City Hall is the next step for the Fountain View project, where City Council would have to approve a "letter of no objection" for the Housing Authority to move forward. The authority hopes to break ground by the end of the year.

Houston Housing Authority board chairman Lance Gilliam said the Supreme Court decision puts the housing authority on a "narrower path" than he would prefer.

"Could we use the same amount of money in Sunnyside for a greater good? Yes. Could we use the money for single-family homes in Katy? Yes," Gilliam said. "That's just math. Our authority, like others in the country, wants there to be housing choices across the entire city."

Opposition to concentrating resources in "high opportunity" areas also comes from places like Houston's Fifth Ward, where some would rather see revitalization of their neighborhood, a tight-knit, historically black community with deep roots.

Kathy Flanagan Payton, president of the Fifth Ward Community Redevelopment Corporation, said residents in such communities may not want to live in areas like the Galleria and should not necessarily be moved from a place where their income supports and where social services are available.

"Who are you to tell those family members that you don't have a choice to stay close to where your family is and your places of worship and the things that you're most comfortable with?" said Flanagan Payton.

After initially being rejected because of fair housing concerns, the Houston Housing Authority's proposal to build replacement public housing in the Fifth Ward appears to be moving forward slowly. The authority's next step is acquiring additional parcels of land.

Gunsolley says the current system encourages future tax-credit projects in undeveloped, outlying parts of Houston - where political opposition may be weaker - rather than in neighborhoods like Briargrove, which is a "true high opportunity neighborhood."

"For me the question is: In this new reality, how do we encourage and incentivize true high-opportunity projects?" Gunsolley said. "The new reality is encouraging aspirational, high opportunity on the one hand, and yet we're still stuck with some of the same old rules that really make it hard to do that."

One potential solution can be found in a compromise between fair housing advocates and the city's housing department over where to build affordable housing using disaster recovery funding allotted after Hurricane Ike in 2008.

The city's Housing and Community Development Department, a separate agency tasked with providing gap funding to private developers, has subsidized more than 7,000 existing income-restricted units, with another 1,000 such units under construction.

Facing potential legal action from fair housing advocates, the city agreed four years ago to target investment in a handful of neighborhoods poised to gentrify - the Near Northside, Old Spanish Trail/South Union and the Greater Fifth Ward - with the aim of spurring development while at the same time ensuring housing affordability.

Mary Lawler of Avenue CDC has followed a similar strategy to preserve affordable housing along the Washington Avenue corridor and in the Near Northside.

"What we really want to see is a balanced approach," she said. "These other neighborhoods should not be abandoned, especially neighborhoods that are really poised to become the places that we want to get these developments into 10 years from now."

The Housing Authority's proposed mixed-income project in Independence Heights, a predominantly African-American neighborhood just north of the 610 Loop that is on the cusp of gentrification, more closely aligns with this strategy. It also requires council approval.

Turner, who promised to curb inequality during his campaign, has indicated he intends to develop a comprehensive housing strategy that expands Houston's stock of single family and workforce housing. He said he would like to target neighborhoods at risk of displacement and gentrification, such as Montrose and the East End of downtown. He also noted areas throughout northeast, northwest and south Houston.

"The question is: Can we provide some sort of supplement or subsidy to developers to keep prices down?" Turner said.

He has not yet identified a timeline.

"No matter what you think about an individual project, this is something that all of Houston has to deal with," said Kyle Shelton, a researcher at Rice University's Kinder Institute for Urban Research. "The Supreme Court made this decision for a reason: Where people live matters. It's so easy to demonize either side. Affordable housing asks of all of us the fundamental question about providing equal opportunity to people."



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