

# Housing

THE ANCHOR OF  
ECONOMIC SECURITY



## EXECUTIVE SUMMARY

Nearly 14 million women and girls live in Texas<sup>1</sup> – working, going to school and caring for families. When the women of Texas are financially secure, families and communities are strong and stable. When women are healthy and well-educated, their strength creates a positive ripple effect for their families and communities.

Texas women have made great strides over the last several decades by increasing their education and taking more leadership roles in the business world. But even with significant educational and economic progress, Texas could do more to close the gaps that still exist for women and ensure they reach their full potential.

As reported in *Economic Issues for Women in Texas 2014*, four essential building blocks are critical to women's economic security: education, child care, health insurance and housing. Education is a pathway to economic security; child care is a critical work support for families; health insurance is a financial shield against the unexpected; and housing is the anchor of economic security. All four work together to support financially strong women, girls and families.



EDUCATION



CHILD CARE



HEALTH INSURANCE



HOUSING

*Housing: The Anchor of Economic Security* is one in a four-part series that focuses on each of the building blocks of women's financial security.

The entire **Economic Issues for Women in Texas** series is available at [www.dallaswomensfdn.org/economicissues](http://www.dallaswomensfdn.org/economicissues).



DALLAS  
WOMEN'S  
FOUNDATION

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<sup>1</sup> U.S. Census Bureau, Population Division; Annual Estimates of the Resident Population by Sex, Race, and Hispanic Origin: April 1, 2010 to July 1, 2015. Table PEPAGESEX

## Things You Should Know About Texas Women and Housing

- The “rule of thumb” for housing costs being too high is when a household spends 30 percent or more of its income on housing.<sup>2</sup> Using this threshold, 20 percent of Texas homeowners and 44 percent of renters were burdened by housing costs in 2015.<sup>3</sup> Single women and women of color are at higher risk.<sup>4</sup>
- Women are at higher risk for eviction than men.<sup>5</sup> Eviction has been connected to long-term negative effects on physical and mental health,<sup>6</sup> and increases the risk of job loss and homelessness.<sup>7</sup>
- Locating affordable housing developments in areas with less poverty provides improved health, mental health and educational outcomes for residents,<sup>8</sup> as well as greater economic mobility.<sup>9</sup>
- 84 percent of Texas households that use housing vouchers to help pay for housing are headed by females.<sup>10</sup> Many landlords refuse to rent to families who use vouchers.<sup>11</sup>
- The state awards tax credits to developers to help subsidize the development of affordable housing through the Low Income Housing Tax Credit (LIHTC) program. The process of determining which developments receive tax credits has been criticized for increasing economic and racial segregation.<sup>12</sup>

## WHAT TO DO

### Removing barriers to financial and housing stability strengthens women and their families and gives them the means they need to succeed.

- State legislators can allow cities to pass local ordinances that protect low-income renters who use vouchers – the vast majority of whom are women – from housing discrimination.
- The Legislature can reform the process of awarding tax credits through the Low Income Housing Tax Credit (LIHTC) program to minimize the influence of individual state representatives in determining which developments receive awards.
- Local governments can use one of the proven, city-based strategies to increase and preserve affordable housing.
- Local governments can invest in legal services for women and families facing eviction.



<sup>2</sup> Schwartz, E., & Wilson, E. (2008). *Who can afford to live in a home?* U.S. Census Bureau. <http://bit.ly/2glJV8o> For renters, housing costs include rent and utilities; for homeowners, mortgage payments, utilities, taxes, insurance and any fees.

<sup>3</sup> U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates, Table DP04.

<sup>4</sup> Population Reference Bureau analysis of U.S. Census Bureau, 2015 American Community Survey Public Use Microdata Sample.

<sup>5</sup> White, G. B. (2016, Mar 1). *America's insidious eviction problem.* *The Atlantic.* <http://theatlantic.com/2g211YA>

<sup>6</sup> Desmond, M., & Kimbro, R. T. (2015). *Eviction's fallout: Housing, hardship and health.* *Social Forces* 94: 295-324. <http://bit.ly/2g0YuKk>

<sup>7</sup> Greenberg, D. et al. (2016). *Discrimination in evictions: Empirical evidence and legal challenges.* *Harvard Civil Rights-Civil Liberties Law Review* 51: 115-158. <http://bit.ly/2go5aav>

<sup>8</sup> Chetty, R., Hendren, N., & Katz, L.F. (2016). *The Effects of Exposure to Better Neighborhoods on Children.* *American Economic Review* 106(4): 855-902. <http://bit.ly/2h4jXDz>

<sup>9</sup> Chetty, R. & Hendren, N. (2015). *The Impacts of Neighborhoods on Intergenerational Mobility.* *Harvard University and National Bureau of Economic Research.* <http://bit.ly/2h7idtS>

<sup>10</sup> U.S. Department of Housing and Urban Development. (2016). *Picture of subsidized households - Texas [Data file]* <http://bit.ly/2eLQ65q>

<sup>11</sup> *Austin Tenants' Council.* (2012). *Voucher holders need not apply.* <http://bit.ly/2g0TyFx>

<sup>12</sup> *Texas Low Income Housing Information Service.* (2015). *2015 Housing tax credit report.* <http://bit.ly/2FRDIP1>

# WOMEN'S FINANCIAL SECURITY

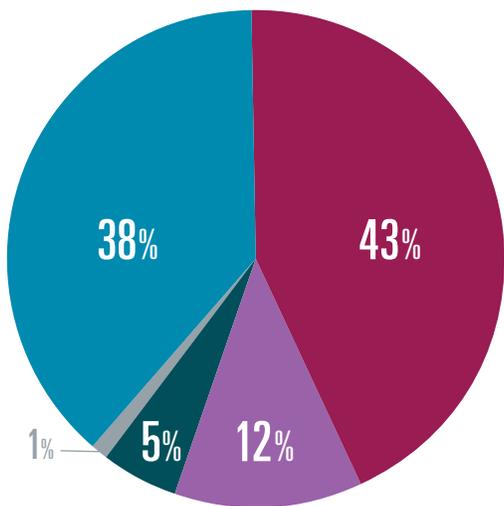
Families are increasingly dependent on women's financial security. In Texas, 61 percent of families rely wholly or substantially on women's incomes.<sup>13</sup>

But women also tend to be more financially vulnerable than men, with a greater likelihood of poverty and lower median incomes overall.<sup>14</sup> Although the likelihood of poverty is similar in childhood, as women and men age, women become increasingly more likely to fall below the poverty line than men. For adult Texans, women are 1.4 times more likely to live in poverty than men in the same age group.<sup>15</sup> Housing anchors women's financial security and provides access to other opportunities, yet the high cost can sometimes burden a family budget.

## Nearly 14 million females live in Texas<sup>16</sup>

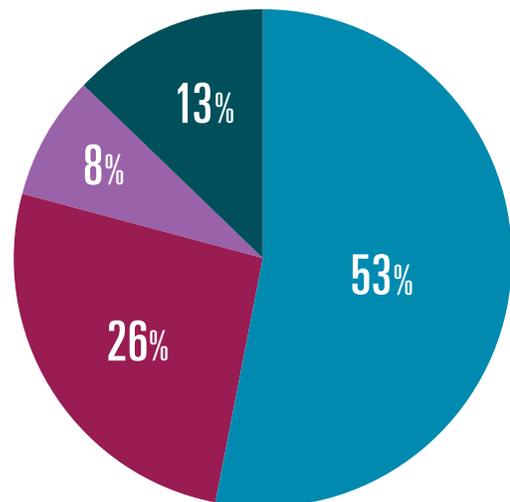
- The median age of Texas women is 35, compared to 39 for the U.S.<sup>17</sup>
- 17 percent of women and girls live in poverty, compared to 14 percent of men and boys.<sup>18</sup>
- Child poverty rates between boys and girls are similar, but diverge as women age.<sup>19</sup>
- 16 percent of Texas women ages 18 to 64 live in poverty, versus 11.5 percent of men in the same age group.<sup>20</sup>
- Nearly 12 percent of Texas women over 65 live in poverty, compared to 9 percent of men in the same age group.<sup>21</sup>

WOMEN AND GIRLS IN TEXAS ARE RACIALLY AND ETHNICALLY DIVERSE:<sup>22</sup>



- HISPANIC/LATINA (Any Race)
- BLACK/ AFRICAN-AMERICAN
- MULTIRACIAL (Non-Hispanic)
- WHITE/ANGLO
- ASIAN

ABOUT HALF OF TEXAS WOMEN (OVER AGE 18) ARE MARRIED:<sup>23</sup>



- CURRENTLY MARRIED
- NEVER MARRIED
- WIDOWED
- DIVORCED

<sup>13</sup> Erickson, R., Corley, D., & Buchanan, M.J. (2016). *Fast facts: Economic security for Texas families*. Washington, DC: Center for American Progress. <http://ampr.gs/2f69rh5>

<sup>14</sup> Center for Public Policy Priorities analysis of U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates, Table C17001 and B20017

<sup>15</sup> Center for Public Policy Priorities analysis of U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates, Table C17001.

<sup>16</sup> U.S. Census Bureau, Population Division; *Annual Estimates of the Resident Population by Sex, Race, and Hispanic Origin: April 1, 2010 to July 1, 2015*, Table PEPAGESEX

<sup>17</sup> Ibid.

<sup>18</sup> Center for Public Policy Priorities analysis of U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates, Table C17001

<sup>19</sup> Ibid.

<sup>20</sup> Ibid.

<sup>21</sup> Ibid.

<sup>22</sup> Center for Public Priorities Analysis of U.S. Census Bureau, Population Division, *Annual Estimates of the Resident Population by Sex, Race, and Hispanic Origin: April 1, 2010 to July 1, 2015*. Table PEPSR6H. Does not add to 100% due to rounding. The Census Bureau uses the term "Hispanic" to describe persons who may identify as Hispanic, Latino or Spanish. For consistency, we use "Hispanic" throughout.

<sup>23</sup> Center for Public Priorities analysis of U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates, Table B12002.



# HOUSING

## The Anchor of Economic Security

Housing is a critical building block of a woman’s economic security. It is often the largest and highest priority expense in family budgets and provides the stability women need to access other opportunities, such as education and jobs. However, too-high housing costs are a heavy financial burden and leave too few remaining resources for other key areas of economic security.



### KEY DATA POINTS

The “rule of thumb” policymakers use to determine when housing costs are too high and detrimental to financial stability is when a household spends 30 percent or more of its combined income on housing costs. These households are considered “housing cost burdened.”<sup>24</sup> Households that spend more than half their income on housing are considered “severely cost burdened.” In 2015:

	TEXAS HOMEOWNERS	TEXAS RENTERS
<b>HOUSING COST BURDENED</b> <i>spending &gt;30% of income on housing</i>	<b>20%</b> <i>nearly 1.2 million households<sup>25</sup></i>	<b>44%</b> <i>1.6 million households<sup>26</sup></i>
<b>SEVERELY HOUSING COST BURDENED</b> <i>spending &gt;50% of income on housing</i>	<b>8%</b> <i>457,000 households<sup>27</sup></i>	<b>21%</b> <i>767,000 households<sup>28</sup></i>

<sup>24</sup> Schwartz, E., & Wilson, E. *Who can afford to live in a home?* U.S. Census Bureau. <http://bit.ly/2gJIV8o> For renters, housing costs include rent and utilities; for homeowners, mortgage payments, utilities, taxes, insurance and any fees.

<sup>25</sup> U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates, Table DP04.

<sup>26</sup> U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates, Table GCT2515

<sup>27</sup> U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates, Table B25091

<sup>28</sup> U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates, Table B25070

**High housing costs and housing instability are linked to food insecurity, and diminished health and educational outcomes for children.**

There is ample evidence of the strong link between high housing costs and food insecurity, because people can more easily skip meals than skip rent.<sup>29</sup> Frequent moving, also a sign of housing insecurity, is associated with many negative effects for children and adolescents in particular, including irregular health care and more frequent use of emergency rooms;<sup>30</sup> problems in school, such as grade retention;<sup>31</sup> higher rates of depression; and increased teenage pregnancy rates.<sup>32</sup>

**Housing locations and neighborhood contexts can have profound and long-lasting impacts on multiple aspects of well-being for women and families.**

Research on families that used housing vouchers (nearly all headed by women) and who moved to lower-poverty neighborhoods found benefits to adults' physical and mental health, such as improvements in obesity rates, diabetes, depression and psychological distress.<sup>33</sup> The same study found large improvements in the mental health of teenage girls in these households, while the same impact was not seen in boys. Recent research has found that the positive effects of living in lower-

poverty neighborhoods has a particular impact on children that can be traced throughout their lives, including better educational outcomes; a lower likelihood of becoming a single parent;<sup>34</sup> and a lower likelihood of living in poverty as an adult.<sup>35</sup>

**A home is the biggest financial asset that most women own.**

Common assets include cash savings, investment or retirement accounts, and owned homes. Assets provide a financial cushion that helps people weather financial crises such as job loss, a medical emergency or car repair. In addition to their function as residences, homes are also wealth-building vehicles that help strengthen women's long-term financial security. However, there is a large "wealth gap," or disparity in the value of assets, between households in Texas and the U.S., and between women and men. Data on median net worth (assets minus debts and loans) for U.S. households is \$70,000, compared to \$53,000 for Texas households.<sup>36</sup> Nationally, median wealth (value of assets only) for married couples is \$78,000; \$10,150 for single males; and just \$3,210 for single females. For single women of color, the gap is even worse. Single white women have median wealth of \$15,640, compared to \$200 for single Black women and \$100 for single Hispanic women.<sup>37</sup>



<sup>29</sup> Popkin, S.J. & Dubay, L. (2014, Feb 3). Can housing assistance help protect children from hunger? [Urban Institute blog post] <http://urban.is/2fbE0mj>

<sup>30</sup> Fowler, M.G., Simpson, G.A., & Schoendorf, K.C. (1993). Families on the move and children's health care. *Pediatrics* 91(5). <http://bit.ly/2fbDvsv>

<sup>31</sup> US General Accounting Office (1994). *Elementary School Children: Many Change Schools Frequently, Harming Their Education*. Washington, DC. <http://bit.ly/2hclJld>

<sup>32</sup> Jelleyman, T., & Spencer, N. (2008). Residential mobility in childhood and health outcomes. *Journal of Epidemiology and Community Health* 62 (7): 584-591. <http://bit.ly/2glcra1>

<sup>33</sup> U.S. Department of Housing and Urban Development. (2011). *Moving to opportunity for fair housing demonstration program: Final impacts evaluation*. <http://bit.ly/2fveBTg>

<sup>34</sup> Chetty, R., et al. (2016). The Effects of Exposure to Better Neighborhoods on Children. *American Economic Review* 106(4): 855-902. <http://bit.ly/2h4jXDz>

<sup>35</sup> Chetty, R. & Hendren, N. (2015). *The Impacts of Neighborhoods on Intergenerational Mobility*. Harvard University and National Bureau of Economic Research. <http://bit.ly/2h7idTS>

<sup>36</sup> Corporation for Enterprise Development. *Assets and opportunity scorecard: Net worth, 2011*. <http://bit.ly/2fsq9Di>

<sup>37</sup> Chang, M. (2015). *Women and wealth*. Asset Funders Network. <http://bit.ly/2fvinfa>

## HOUSING IN TEXAS

Who are housing costs most likely to burden?

**Housing cost burden has two factors: the price of housing and the incomes of women and families. When available housing is too expensive relative to income, or income is too low relative to available housing, housing costs burden households.**

One reason housing costs are of particular concern to women's financial security is that women often hold lower paying jobs, but housing costs are the same regardless of gender. If a woman is married, she may have the benefit of a combined income, but slightly less than half of Texas women (over age 18) are single, widowed or divorced.<sup>38</sup> The median income of a single female-headed household in Texas is \$32,000, compared to \$46,000 for a single male-headed household.<sup>39</sup> Not surprisingly, households with lower incomes are more likely to be burdened by housing costs. Higher wages for women would increase household incomes and reduce the housing-cost burden for women and their families.

### Female-headed families, women of color and renters are particularly vulnerable to housing cost burden.

Renters are more likely than homeowners to pay a high share of their income on housing. Housing costs burden over 40 percent of Texas renters, compared to 20 percent of Texas homeowners.<sup>40</sup>

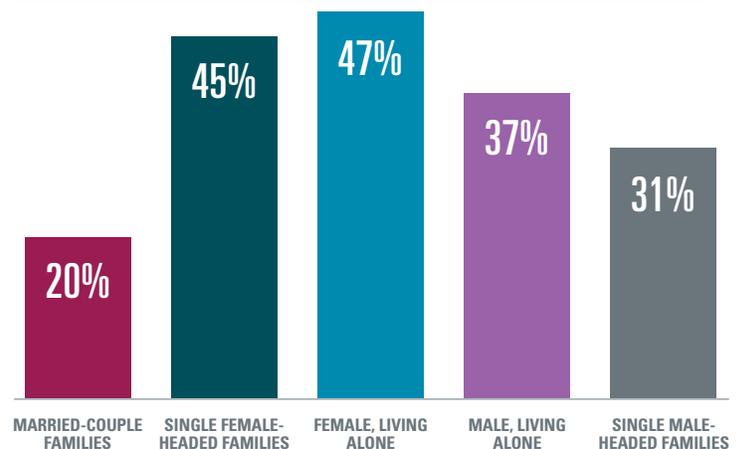
Housing costs are more likely to burden female-headed families. In Texas, housing costs burden 45 percent of all female-headed families (renters and owners combined), compared to 31 percent of male-headed families and 20 percent of married-couple families. Housing costs burden nearly 50 percent of the 1.3 million Texas women who live alone, compared to 37 percent for men living alone. The situation is particularly challenging for single mothers who rent their homes: 63 percent are considered housing cost burdened, and nearly 42 percent live in poverty.<sup>41</sup>



## Women and Eviction

New research shows that eviction is much more common than previously understood. Furthermore, eviction disproportionately affects women, especially women of color.<sup>42</sup> In cities across the U.S., the majority of tenants facing eviction and appearing in housing courts are women.<sup>43</sup> Research on low-income mothers showed that those who had been evicted suffered long-term negative effects to health and mental health.<sup>44</sup> Eviction puts women at risk of job loss, severe challenges finding subsequent adequate housing, and homelessness.<sup>45</sup> **Because of its prevalence and negative impact, researchers have compared the effects of eviction on the lives of low-income women of color to the effects of incarceration on the lives of low-income men of color.**<sup>46</sup>

### HOUSING COST BURDEN IS WIDESPREAD FOR SINGLE WOMEN IN TEXAS.<sup>47</sup>



Percentage of Texas households spending more than 30 percent of income on housing, by household type, 2015

Note: Includes renters and owners.

<sup>38</sup> Center for Public Priorities analysis of U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates, Table B12002

<sup>39</sup> U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates, Table B19126

<sup>40</sup> U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates, Table DP04

<sup>41</sup> U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates, Table B17019

<sup>42</sup> White, G. B. (2016, Mar 1). America's insidious eviction problem. *The Atlantic*. <http://theatlantic.com/2g211YA>

<sup>43</sup> Greenberg, D., Gershenson, C., & Desmond, M. (2016). *Discrimination in evictions: Empirical evidence and legal challenges*. *Harvard Civil Rights-Civil Liberties Law Review* 51: 115-158. <http://bit.ly/2go5aav>

<sup>44</sup> Desmond, M., & Kimbro, R.T. (2015). Eviction's fallout: Housing, hardship and health. *Social Forces* 94: 295-324. <http://bit.ly/2g0YuKk>

<sup>45</sup> Greenberg, D., Gershenson, C., & Desmond, M. (2016). *Discrimination in evictions: Empirical evidence and legal challenges*. *Harvard Civil Rights-Civil Liberties Law Review* 51: 115-158. <http://bit.ly/2go5aav>

<sup>46</sup> Desmond, M. (2016). *Evicted: Poverty and profit in the American City*. New York, NY: Crown Publishers.

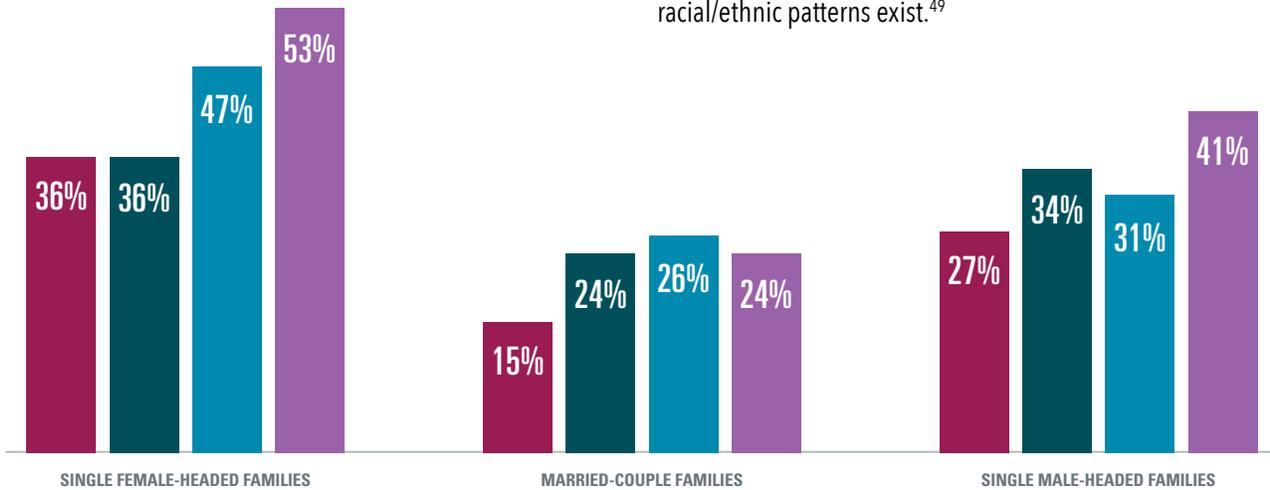
<sup>47</sup> Population Reference Bureau analysis of U.S. Census Bureau, 2015 American Community Survey Public Use Microdata Sample.



**HOUSING COSTS ARE MORE LIKELY TO BURDEN ASIAN, HISPANIC AND BLACK MARRIED COUPLES AND FEMALE-HEADED HOUSEHOLDS.**

*Housing cost burden for Texas renters and homeowners by race/ethnicity of head of household and family type, 2015<sup>48</sup>*

Housing costs are also more likely to burden women of color. Although housing costs strain female-headed households of all races and ethnicities, housing costs burden half of Hispanic and Black women who are single heads of household, compared to 36 percent of White and Asian women. Although the rates of housing cost burden are lower for married couples, similar racial/ethnic patterns exist.<sup>49</sup>



*Note: Because of small sample size, differences in housing cost burden between Asian single male-headed families and other racial/ethnic groups and family types is not statistically significant.*

● WHITE ● ASIAN ● HISPANIC ● BLACK

<sup>48</sup> Population Reference Bureau analysis of U.S. Census Bureau, 2015 American Community Survey Public Use Microdata Sample.

<sup>49</sup> Ibid.



## The prevalence of housing cost burden for renters varies among Texas cities, but it is widespread throughout the state.

Housing cost burden is widespread throughout Texas, affecting communities all across the state. The cities with the highest share of renters burdened by housing costs include places as different as Denton (in North Texas), Edinburg (in South Texas) and Tyler (in East Texas). However, the prevalence of the problem varies widely. In cities with the lower share of cost burden, 25 to 30 percent of renters are housing cost burdened, and in cities with the highest share, more than 50 percent of renters are housing cost burdened.<sup>50</sup> Based on the 2016 report from the Dallas Mayor's Taskforce on Poverty, 181,652 Dallas households (48 percent of renters and 31 percent of homeowners) are housing cost burdened.<sup>51</sup>

### Texas cities with highest and lowest percentage of renters who are housing cost burdened.<sup>52</sup>



#### HIGHEST HOUSING COST BURDEN FOR RENTERS

Percentage of renters who spend >30% income on housing

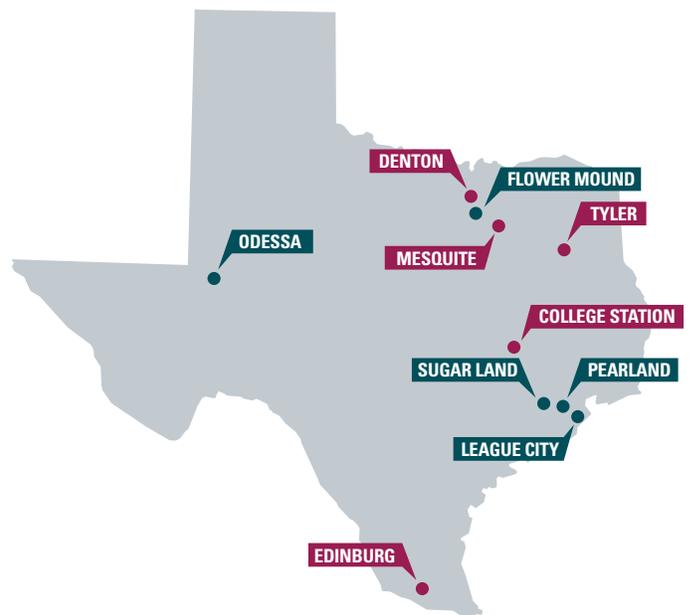
<b>Mesquite</b> .....	<b>62%</b>
<b>College Station</b> .....	<b>56%</b>
<b>Denton</b> .....	<b>55%</b>
<b>Edinburg</b> .....	<b>53%</b>
<b>Tyler</b> .....	<b>52%</b>



#### LOWEST HOUSING COST BURDEN FOR RENTERS

Percentage of renters who spend >30% income on housing

<b>League City</b> .....	<b>26%</b>
<b>Flower Mound</b> .....	<b>29%</b>
<b>Sugar Land</b> .....	<b>30%</b>
<b>Pearland</b> .....	<b>30%</b>
<b>Odessa</b> .....	<b>33%</b>



<sup>50</sup> U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates, Table GCT2515

<sup>51</sup> Mayor's Task Force on Poverty, City of Dallas. (2016, Sep 7). Reducing the epidemic of poverty and ending the opportunity gap [Powerpoint presentation]. <http://bit.ly/2hTLf0k>

<sup>52</sup> U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates, Table GCT2515



## A CLOSER LOOK AT HOUSING

Federal, state and local roles in affordable housing for women and families

**Federal, state and local policies all play a role in supporting housing as a building block of financial security for women and families. Although much of the financial investment in housing comes from the federal government, the state plays an important role in establishing the policies and processes that ensure housing programs have the best outcomes for families.**

# 84%

*of Texas households that received housing vouchers in 2014 were headed by women.<sup>56</sup>*

### Rental assistance for families: The Housing Choice Voucher Program

Recognizing the gap that many families experience between their monthly incomes and rents, the federal government provides rental assistance to over 278,000 households in Texas. In 2014, 28 percent of these households were headed by a person over age 65, and 24 percent were headed by disabled adults.<sup>53</sup>

The largest rental assistance program in Texas is the Housing Choice Voucher Program, which assisted over 142,000 Texas households in 2014.<sup>54</sup> Eighty-four percent of these households were headed by women.<sup>55</sup> Families using housing vouchers must pay 30 percent of their income towards rent and utilities, and vouchers pay for the remainder. Vouchers are able to be used only at rentals that cost up to a locally determined limit.

Although vouchers assist many low-income families in paying for housing, many who apply for rental assistance do not receive it. Long waiting lists for the voucher program are common, and many housing authorities have closed waiting lists for years. For example, in 2014, the City of Austin's Housing Authority opened its waitlist after eight years of being closed.<sup>57</sup> The average wait time for people who finally were able to access vouchers is 23 months.<sup>58</sup>

Additionally, many women and families face discrimination in housing markets. Many landlords will not rent to families who use housing vouchers, even though vouchers are a stable source of a portion of the rent. One study of the Austin metro area found that only 11 percent of rental units under the maximum allowable rent accepted vouchers.<sup>59</sup>

<sup>53</sup> Center on Budget and Policy Priorities. (2016). Texas fact sheet: Federal rental assistance. <http://bit.ly/2g3GJf7>

<sup>54</sup> Ibid.

<sup>55</sup> U.S. Department of Housing and Urban Development. (2016). Picture of subsidized households - Texas [Data file] <http://bit.ly/2eLQ65q>

<sup>56</sup> Ibid.

<sup>57</sup> Weidaw, K. (2014, Oct. 22). Waiting list opens for Section 8 in Austin. Austin, TX: KXAN. <http://bit.ly/2g3AWpK>

<sup>58</sup> U.S. Department of Housing and Urban Development. (2016). Picture of subsidized households - Texas [Data file] <http://bit.ly/2eLQ65q>

<sup>59</sup> Austin Tenants' Council. (2012). Voucher holders need not apply. <http://bit.ly/2g0TyFx>

## Subsidies for affordable housing developers: Low Income Housing Tax Credits (LIHTC)

In addition to providing rental assistance to families, public policies can help encourage the development of affordable housing. According to analysis by the National Low-Income Housing Coalition, Texas has only 24 affordable and available units of rental housing for every 100 “extremely low income” renter households, and the Dallas-Fort Worth-Arlington metro area has one of the lowest availability of affordable rental units for low-income households (19 units per 100 renter households).<sup>60</sup> In another study, three Texas counties – Denton, Collin and Travis – were among the worst out of the 100 largest counties in the country for having adequate, affordable and available units for extremely low-income renters.<sup>61</sup>

The federal policy that subsidizes the construction of affordable housing is Low Income Housing Tax Credits (LIHTC). Tax credits are assigned to states that in turn award the tax credits to developers, who reserve a minimum number of units for lower-income families. In 2016, the Texas Department of Housing and Community Affairs (TDHCA) awarded more than \$65 million of tax credits to developers. Demand is high; only half of applications were approved for tax credits.<sup>62</sup> Although TDHCA does collect some information on the demographic characteristics of residents in LIHTC-subsidized properties, the agency does not collect information on the gender or family structure of residents.

*Texas has only 24 affordable and available units of rental housing for every 100 “extremely low income” renter households.<sup>63</sup>*

The state is responsible for setting the criteria that determine which developments receive tax credits. The current system awards points for a variety of factors, including support from the state legislator who represents the district where the development would be located (this applies to state representatives only, not state senators). Research has shown that by locating developments in slightly lower-poverty areas, residents experience improved health, mental health and educational outcomes,<sup>64</sup> and children were more able to move up on the income ladder during their lifetimes.<sup>65</sup> However, analysis of the points system reveals that the current process results in fewer approvals for family housing (as opposed to elderly-only housing), with approved construction concentrated in areas of greater poverty and racial isolation.<sup>66</sup>



<sup>60</sup> Aurand, A., et al. (2016). *The Gap: The affordable housing gap analysis 2016*. Washington, DC: The National Low Income Housing Coalition. <http://bit.ly/2go5zdg> “Extremely low-income” is defined as households with income at or below 30 percent of area median income. For example, in Dallas for a family of three, this would be \$20,160.

<sup>61</sup> Leopold, J., et al. (2015). *The housing affordability gap for extremely low-income renters in 2013*. Washington, DC: The Urban Institute. <http://urban.is/2fKDubE>

<sup>62</sup> Texas Department of Housing and Community Affairs. *Competitive Housing Tax Credits Award and Waiting List (September 23)* [Excel file]. <http://bit.ly/2hkWrkX>

<sup>63</sup> Aurand, A., et al. (2016). *The Gap: The affordable housing gap analysis 2016*. Washington, DC: The National Low Income Housing Coalition. <http://bit.ly/2go5zdg>. See note 60.

<sup>64</sup> Ibid.

<sup>65</sup> Chetty, R. & Hendren, N. (2015). *The Impacts of Neighborhoods on Intergenerational Mobility*. Harvard University and National Bureau of Economic Research. <http://bit.ly/2h7idTS>

<sup>66</sup> Texas Low Income Housing Information Services. (2015). *2015 Texas housing tax credit report*. <http://bit.ly/2fKDIPI>



## Local strategies to increase and preserve affordable housing

Texas cities are increasingly using a variety of strategies to both expand and preserve existing affordable housing.

- Cities and developers can voluntarily enter into agreements that increase the number of affordable housing units in new developments. These agreements reserve a share of units (typically 10 to 15 percent) for lower-income renters in exchange for city fee waivers; allowances to build at greater density than allowed for by normal zoning; reduced parking requirements; etc.<sup>67</sup> Austin and San Antonio are two Texas cities that have used this strategy.<sup>68</sup>
- Cities can designate areas Homestead Preservation Districts, also called Homestead Preservation Reinvestment Zones. Under this designation, a portion of the property taxes collected within the district/zone is deposited into a special fund dedicated to preserving and developing affordable housing for low and moderate-income residents of the district. Homestead Preservation Districts are usually used in areas with lower-income residents where property values are increasing rapidly. First authorized by Texas legislation in 2005,<sup>69</sup> Austin created the first Homestead Preservation District in Texas.<sup>70</sup>
- Neighborhoods have used community land trusts to preserve the affordability of existing housing in areas where housing prices have rapidly increased. Community land trusts separate the ownership of houses (owned by the family) from the land (owned by a public or non-profit organization). Because land value makes up a large portion of property value, this arrangement keeps homes affordable for families in quickly-changing neighborhoods.<sup>71</sup> Guadalupe Neighborhood Development Corporation is one non-profit organization that manages a community land trust in East Austin.<sup>72</sup>

*By locating developments in slightly lower-poverty areas, residents experience improved health, mental health and educational outcomes.<sup>73</sup>*

## Most low-income families do not receive any type of housing assistance.

Although the Housing Choice Voucher Program and LIHTC-subsidized housing are critical to increasing housing affordability, most low-income Texans do not receive any type of housing assistance. When combining all major federal rental assistance programs, approximately 278,000 Texas households received housing assistance to keep their rent payments below 30 percent of their incomes.<sup>74</sup> However, data show that in 2015, nearly 2.8 million Texas households (both renters and homeowners) paid more than 30 percent of their income on housing costs. This includes 1.1 million households that earn less than \$20,000 per year.<sup>75</sup>

<sup>67</sup> C67. Though regulations that set maximum home prices are not allowable in Texas, voluntary incentive and bonus programs designed to increase housing supply for low and moderate-income households are allowable. See Local Government Code Sec. 214.905 <http://bit.ly/2fmnk7J>

<sup>68</sup> See City of Austin Development Incentive Programs, <http://bit.ly/2gfvz5k> and San Antonio Unified Development Code Sec. 35-360. <http://bit.ly/2h7mYDb>

<sup>69</sup> Local Government Code Sec 373A. <http://bit.ly/2g1dx84>

<sup>70</sup> City of Austin, Neighborhood Housing and Community Development. Homestead preservation districts. <http://bit.ly/2h1Rj4L>

<sup>71</sup> For more information, visit the National Community Land Trust network, <http://cltnetwork.org/>

<sup>72</sup> For more information, see [http://www.guadalupecdc.org/?page\\_id=243](http://www.guadalupecdc.org/?page_id=243)

<sup>73</sup> Chetty, R., et. al. (2016). The Effects of Exposure to Better Neighborhoods on Children. *American Economic Review* 106(4): 855-902. <http://bit.ly/2h4jXDz>

<sup>74</sup> Center on Budget and Policy Priorities. (2016). Texas fact sheet: Federal rental assistance. <http://bit.ly/2g3GJf7>

<sup>75</sup> U.S. Census Bureau, 2015 American Community Survey 1-Year Estimates, Table B25095 and C25074

## POLICY RECOMMENDATIONS

### State legislators can allow cities to pass local ordinances that protect low-income renters who use vouchers – the vast majority of whom are women – from housing discrimination.

Low-income renters who use vouchers to help pay a portion of their rent often find that apartments refuse to rent to them because they use federal rental assistance. Many states and cities across the U.S have passed laws that protect renters from this type of discrimination. However, Texas has gone in the other direction. Current state law bars cities from passing ordinances that would provide this protection, leaving these families (84 percent of whom are headed by women) with few choices in finding safe and affordable housing.

### The Legislature can reform the process of awarding tax credits through the Low Income Housing Tax Credit (LIHTC) program to minimize the influence of individual state representatives in determining which developments receive awards.

The LIHTC program helps to subsidize the construction of affordable housing in Texas by awarding tax credits to housing developers who agree to keep a share of units affordable. However, under the current program, individual state representatives effectively hold veto power to determine if developments proposed within their district are approved for credits and can move forward. (The law does not

allow Texas state senators to intervene in the process.)<sup>76</sup> Research shows that this process has resulted in fewer approvals of affordable housing developments in moderate or mixed-income areas,<sup>77</sup> and has contributed to racial, ethnic and economic segregation.

### Local governments can use proven strategies to increase and preserve affordable housing.

In recent years, Texas cities have used various innovative strategies to respond to housing needs within their communities. These include Homestead Preservation Districts, which dedicate a portion of increased property tax revenue to investments in housing affordability; community land trusts; and density bonus programs (or other agreements with developers) to increase the number of rental units available for lower-income renters.

### Local governments should invest in legal services for women and families facing eviction.

Eviction is a serious problem that disproportionately affects women.<sup>78</sup> The vast majority of tenants facing eviction cannot afford legal representation, while most landlords can.<sup>79</sup> Women can be evicted for a variety of reasons: withholding of rent because of unmet repair needs, sudden change of rent amounts by landlords, a change in building ownership, or even being a victim of domestic violence.<sup>80</sup> Pilot programs have shown that providing tenants with legal services led to fewer evictions, and may even save cities money due to public costs related to homelessness.<sup>81</sup>



## About Dallas Women's Foundation

Dallas Women's Foundation is the largest regional women's fund in the world. With the support of its donors, the Foundation unlocks resources to advance women's economic security and women's leadership through research, grantmaking and advocacy. The Foundation's work improves education and quality of life, gives voice to issues affecting women and girls, and cultivates women leaders for the future. Since its founding in 1985, Dallas Women's Foundation has granted more than \$32 million to help create opportunities and solve issues for women and girls. For more information, visit [www.DallasWomensFdn.org](http://www.DallasWomensFdn.org)



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<sup>76</sup> L76. Livesley-O'Neill, W. (2016, Jun 13). Federal report calls out political influence on affordable housing locations in Texas. [Texas Housers blog post]. <http://bit.ly/2g872jB>

<sup>77</sup> Texas Low Income Housing Information Services. (2015). 2015 Texas housing tax credit report. <http://bit.ly/2fKDIP1>

<sup>78</sup> White, G. B. (2016, Mar 1). America's insidious eviction problem. *The Atlantic*. <http://theatlantic.com/2g211YA>

<sup>79</sup> Greenberg, D., et al. (2016). Discrimination in evictions: Empirical evidence and legal challenges. *Harvard Civil Rights-Civil Liberties Law Review* 51: 115-158. <http://bit.ly/2go5aav>

<sup>80</sup> Desmond, M. (2016). *Evicted: Poverty and profit in the American City*. New York, NY: Crown Publishers.

<sup>81</sup> Seedco Policy Center. (2010). *Housing help program: Homelessness prevention pilot final report*. New York, NY. <http://bit.ly/2g3NugY>