

# **LAND OF BROKEN DREAMS**

**&**

# **LAND OF OPPORTUNITY**

**A Report on Homeownership Trends in the Chestnut, East Cesar Chavez and Holly  
Neighborhoods & Portions of the Rosewood Neighborhood**

**A CALL TO ACTION FOR THE AUSTIN COMMUNITY**



**A Report by the East Austin Conservancy and  
People Organized in Defense of Earth & Her Resources (PODER)  
April 2012**

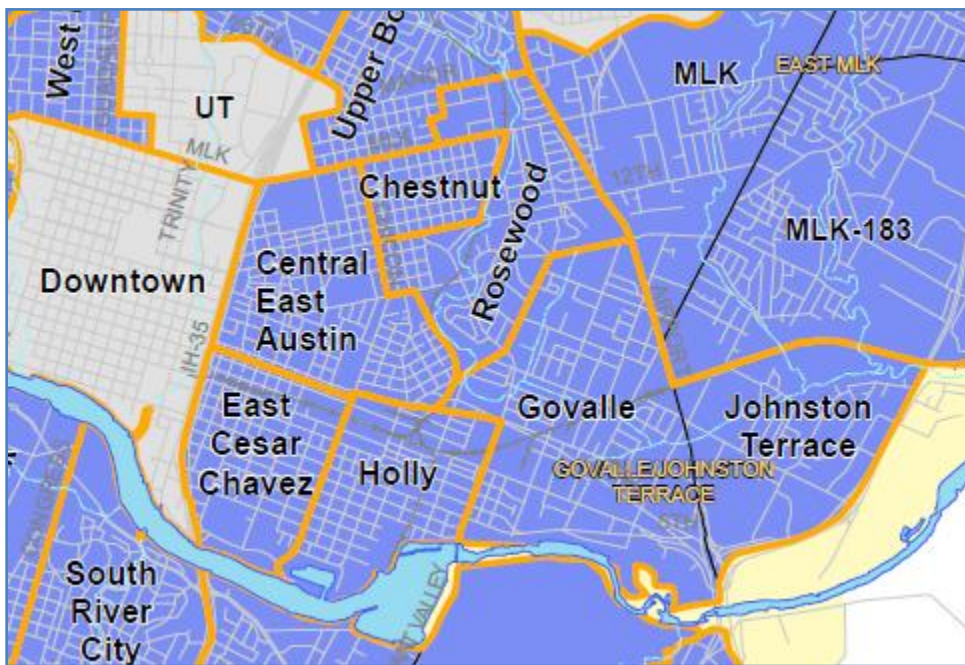
# Land of Broken Dreams & Land of Opportunity

## April 2012

### Focus of Report

The media has reported extensively on increasing housing prices and demographic shifts in Central East Austin. A quick drive through Central East Austin or a conversation with patrons at any long-time Eastside business would undoubtedly confirm the perception that the Eastside has experienced a significant economic and demographic shift in recent years and that the rate of change is not slowing but likely escalating. Analyses of the economic and demographic shifts that are occurring in East Austin have focused on changes on a broader scale and not on neighborhood level impacts. This study analyzes housing and economic trends at a neighborhood level so that differences between neighborhoods and within neighborhoods may be assessed

**Map 1 – East Austin Vicinity Map**



The East Austin Conservancy's service area is the area immediately to the East of downtown Austin and the University of Texas. The boundaries of the service area are generally Town Lake to the South, Manor Road to the North, I-35 to the West and US-183 to the East. This report focuses on two distinct neighborhood areas within the broader service area. Section One focuses on the Chestnut Neighborhood as well as an adjacent part of the Rosewood Neighborhood. Section Two focuses on the entirety of the East Cesar Chavez and Holly Neighborhoods.

The indicators of change that will be examined for the above described neighborhood areas are turnover/rate of change in homeownership, increases in market value of land/improvements, increases

in tax payments, the incidence of tax delinquencies and the extent of tax delinquencies. The report also analyzes some of the common characteristics (i.e., exemptions and geographic location) for “long-time homeowners.” The term “long-term homeowners” will be defined in the next section.

### **Study Methodology**

A similar methodology was used for the analysis of both neighborhood areas. The EAC generated a list of single family residential properties in the targeted neighborhood areas that were owned by the same owner in 2002 and in 1992 (i.e., the baseline group). Current Travis County Appraisal District records were checked to determine which of these identified homeowners still own their home in 2012. The difference between the baseline group and the actual number of these homeowners that still own their home in 2012 is what we will refer to as the “rate of change in homeownership” for the targeted neighborhood areas. Thus, “rate of change in homeownership” does not include all changes in ownership of residential properties that occurred within the targeted neighborhood areas, but only the rate of change in homeownership for the baseline group. The homeowners in the targeted neighborhoods who are part of the baseline group and still reside in East Austin have lived in their homes since 1992. It is this group of homeowners that we will refer to as “long-time homeowners.”

This report then takes a closer look at the group of “long-time homeowners” to analyze the effect of being in close proximity to I-35 (i.e., downtown & the University of Texas) and of having one or more tax exemptions/protections in place. The report will also identify the number of “long-time homeowners” who currently have tax delinquencies and provide data regarding the magnitude of the delinquencies of “long-time homeowners.”

### **Neighborhood Areas Selected**

The Chestnut and East Cesar Chavez Neighborhoods were selected for the study because these neighborhoods were two of the first three neighborhoods to adopt neighborhood plans. Both plans embraced a new urbanist approach to development, including the rezoning of large industrial tracts along the commuter rail corridor to commercial mixed-use zoning. These two neighborhood plans also recognized the need to preserve important historical and cultural elements of their respective neighborhoods, and, in the case of the East Cesar Chavez Plan, the need to develop protections to minimize the displacement of long-time residents of East Austin.

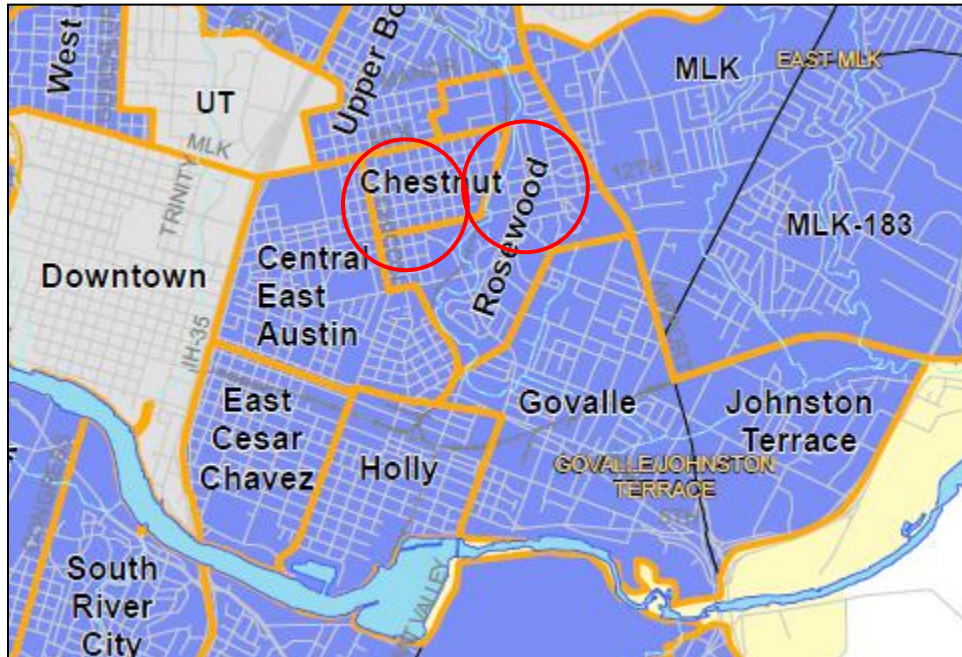
The Holly Neighborhood that is immediately East of the East Cesar Chavez Neighborhood and the portion of the Rosewood Neighborhood that is immediately East of the Chestnut Neighborhood were included in the study for the purpose of comparing the economic impact being experienced by homeowners as you move further away from I-35.

## Section 1

### The Chestnut Neighborhood and Adjacent Part of the Rosewood Neighborhood

The map below notes the location of the Chestnut Neighborhood and the portion of the Rosewood Neighborhood that were included in this study. For the sake of simplicity, we will refer to this area as the Chestnut/Rosewood Study Area.

**Map 2 – Chestnut/Rosewood Neighborhood Study Area**



The data collected for the Chestnut/Rosewood study area is presented in Tables 1.1 to 1.4. The baseline group for the Chestnut/Rosewood study area (i.e., homeowners who owned their property in 1992 & 2002) is 134. Of the 134 property owners who are part of the baseline group, per Travis County Appraisal District records, only 77 still own their home in 2012 which is the group referred to as “long-time homeowners.” This suggests that during the decade from 2002 to 2012, the Chestnut/Rosewood study area experienced a 42.5% rate of change in homeownership (i.e., 42.5% of the homeowners in the baseline group no longer live in this neighborhood area).

The market values have increased dramatically for “long-time homeowners” in the Chestnut/Rosewood study area. The land values for 55% of “long-time homeowners” have increased by at least five times in the 10 year period running from 2002 to 2012. The value of improvements (i.e., the value of the actual homes) has actually declined for 47% of the properties during this same period. Only 9% of “long-time homeowners” experienced an increase of 50% or more in the “improvements” value of their property.

**Table 1.1 – Change in Homeownership from 2002 to 2012**

Number of homeowners who owned their property in 1992 & 2002 (baseline group)	134 <sup>^</sup>
Number of properties with same homeowner in 2002 and 2012 (long-time homeowners)	77*
Number of properties with a different homeowner in 2002 and 2012	57
Percentage of homesteads that had the same owner in 2002 and 2012	57.5%
Percentage of homesteads that had a different owner in 2002 and 2012	42.5%

\*Includes any homestead where:

- The owner has the same last name
- The property is used as a one family or two family dwelling

<sup>^</sup>Does not include:

- Three properties that were residential in 2002 but cannot currently be found on TCAD.

**Table 1.2 – Market Value Analysis of Properties Owned by “Long-Time Homeowners”**

<b>Land</b>	
Average market value of land per square foot	\$9.61*
Number of properties that experienced at least a 500% (5x) increase in the market value of land_for the 10 year period from 2002-2012	42
Number of properties that experienced at least a 1000% (10x) increase in the market value of land_for the 10 year period from 2002-2012	23
<b>Improvements</b>	
Average market value of improvements per square foot	\$56.1*
Number of properties that experienced a decrease in the market value of improvements for the 10 year period from 2002-2012	36
Number of properties that experienced an increase of 50% or more in the market value of improvements for the 10 year period from 2002-2012	7

\*Average market values per square foot for properties in Chestnut Neighborhood are based on the values for 76 properties only because the square footage of the lot for one property was not available.

**Table 1.3 – Tax Delinquencies of “Long-Time Homeowners”**

Number of long-time homeowners who currently have tax delinquencies	29
Average amount owed by 29 homeowners with tax delinquencies	\$3487
Number of long-time homeowners who owe \$4000 or less as of February 13, 2012	24
Number of long-time homeowners who owe \$4000 or more as of February 13, 2012	5

As noted on Table 1.3, of the 77 “long-time homeowners” in the Chestnut/Rosewood study area, 29 (or 38%) had tax delinquencies as of February 13, 2012. The average amount owed is \$3487. Eighty three percent of homeowners with tax delinquencies owe less than \$4000.

**Table 1.4 – Location and Size of Properties Owned by “Long-Time Homeowners”**

Number of properties West of railroad tracks (Chestnut Neighborhood)	39
Number of properties with tax delinquencies (Chestnut Neighborhood)	18
Number of properties East of railroad tracks (Rosewood Neighborhood)	38
Number of properties with tax delinquencies (Rosewood Neighborhood)	11
Average market value of land per square foot for properties in Chestnut	\$11.7*
Average market value of land per square foot for properties in Rosewood	\$7.6
Average market value of improvements per square foot of properties West of railroad tracks	\$69.9*
Average market value of improvements per square foot of properties East of railroad tracks	\$42.3
Number of properties with a lot size greater than 7000 sq ft in Chestnut/Rosewood Study Area	20

\*Average market values per square foot for properties in Chestnut Neighborhood are based on the values for 38 properties only because the square footage of the lot for one property was not available.

Another factor that this report will attempt to quantify relates to the impact of location and size of properties on property values and, by extension, the tax obligations for homeowners. Table 1.4 provides a comparison of properties East and West of the railroad tracks. West of the tracks is the Chestnut Neighborhood and the part of the study area that is located East of the tracks lies in the Rosewood Neighborhood. The properties owned by the long-time homeowners are pretty evenly distributed between the Chestnut and Rosewood Neighborhood areas. On a per square footage basis, however, it is clear that the land values (\$11.7/sq ft vs. \$7.7/sq ft) and the improvement values (\$69.9/sq ft vs. \$42.3/sq ft) are significantly higher in the Chestnut Neighborhood.

Twenty properties within the Chestnut/Rosewood study area have a lot size greater than 7000 sq ft. This lot size is the threshold for approval of a secondary apartment. A secondary apartment could be a potential source of income for “long-time homeowners” who may be trying to identify resources that would allow them to remain in their homestead, so this may be one possible mitigation strategy.

**Table 1.5 – Tax Exemptions Applied to Properties of “Long-Time Homeowners”**

Total number of “long-time homeowners”	77
Number of Homeowners with Homestead Exemptions (HS)	69
Number of Homeowners with Exemption for Older Adults – Age 65 & over (OA)	51
Number of Homeowners with Exemption for Disable Veterans (DV)	1
Number of Homeowners with Exemptions for Disabled Person (DP)	4

Finally, Table 1.5 details the types of exemptions that are providing a tax benefit to the “long-time homeowners” identified within the Chestnut/Rosewood study area. The vast majority of “long-time homeowners” (i.e., 90%) have a homestead exemption in place and approximately two-thirds have an exemption for older adults who are age 65 or over.

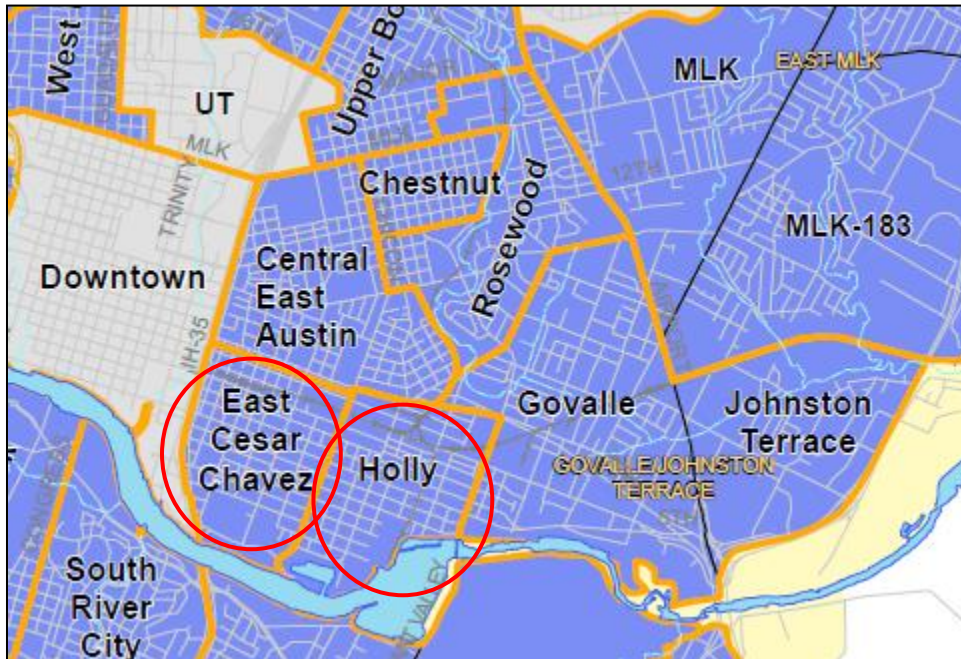


## Section 2

### The East Cesar Chavez and Holly Neighborhood Areas

The map below notes the location of the East Cesar Chavez Neighborhood and the Holly Neighborhood that are the focus of Section 2 of this study. For the sake of simplicity, we will refer to this area as the ECCN/Holly Study Area.

**Map 3 – East Cesar Chavez/Holly Neighborhood Study Area**



The data collected for the ECCN/Holly study area is presented in Tables 2.1 to 2.5. The baseline group for the ECCN/Holly study area (i.e., homeowners who owned their property in 1992 & 2002) is 488. Of the 488 property owners who are part of the baseline group, per Travis County Appraisal District records, only 331 still own their home in 2012 which is the group referred to as “long-time homeowners.” This suggests that during the decade from 2002 to 2012, the ECCN/Holly study area experienced a 32.2% rate of change in homeownership (i.e., 32.2% of the homeowners in the baseline group no longer live in this neighborhood area).

The market values have increased dramatically for “long-time homeowners” in the ECCN/Holly study area. The land values for 92% of “long-time homeowners” have increased by at least 3 times in the 10 year period running from 2002 to 2012. The value of improvements (i.e., the value of the actual homes) has increased by 25% for 61% of the properties during this same period. Approximately 25% of “long-time homeowners” experienced an increase of 50% or more in the “improvements” value of their property.



As noted in Table 2.3, of the 331 “long-time homeowners” in the ECCN/Holly study area, 96 (or 29%) had tax delinquencies as of March 14, 2012. The average amount owed by the homeowners with tax delinquencies is \$3224. Seventy-three percent of homeowners with tax delinquencies owe less than \$4000.

**Table 2.1 – Change in Homeownership from 2002 to 2012**

Number of homeowners who owned their property in 1992 & 2002 (baseline group)	488 <sup>^</sup>
Number of properties with same homeowner in 2002 and 2012 (long-time homeowners)	331 <sup>*</sup>
Number of properties with a different homeowner in 2002 and 2012	157
Percentage of homesteads that had the same owner in 2002 and 2012	67.8%
Percentage of homesteads that had a different owner in 2002 and 2012	32.2%

\*Includes any homestead where:

- The owner has the same last name
- The property is used as a one family or two family dwelling

<sup>^</sup>Does not include:

- Five properties that were residential in 2002 but cannot currently be found on TCAD.

**Table 2.2 – Market Value Analysis of Properties Owned by “Long-Time Homeowners”**

<b>Land</b>	
Average market value of land per square foot	\$14.36
Number of properties that experienced at least a 300% (5x) increase in the market value of land_for the 10 year period from 2002-2012	304
Number of properties that experienced at least a 400% (10x) increase in the market value of land_for the 10 year period from 2002-2012	59
<b>Improvements</b>	
Average market value of improvements per square foot	\$75.03
Number of properties that experienced a decrease in the market value of improvements for the 10 year period from 2002-2012	12
Number of properties that experienced an increase of 50% or more in the market value of improvements for the 10 year period from 2002-2012	202
Number of properties that experienced an increase of 50% or more in the market value of improvements for the 10 year period from 2002-2012	84

**Table 2.3 – Tax Delinquencies of “Long-Time Homeowners”**

Number of long-time homeowners who currently have tax delinquencies	96
Average amount owed by 96 homeowners with tax delinquencies	\$3224
Number of long-time homeowners who owe \$4000 or less as of March 14, 2012	70
Number of long-time homeowners who owe \$4000 or more as of March 14, 2012	26

**Table 2.4 – Location and Size of Properties Owned by “Long-Time Homeowners”**

Number of properties West of Chicon (ECCN))	134
Number of properties East of Chicon (Holly Neighborhood)	197
Average market value of land for properties East of Chicon (ECCN)	\$13.66
Average market value of land for properties West of Chicon (Holly)	\$14.84
Average market value of improvements for properties East of Chicon (ECCN)	\$74.83
Average market value of improvements for properties West of Chicon (Holly)	\$75.17
Number of properties with a lot size greater than 7000 sq ft in ECCN/Holly Study Area	77

Another factor that this report will attempt to quantify relates to the impact of location and size of properties on property values and, by extension, the tax obligations for homeowners. Table 2.4 provides a comparison of properties East and West of Chicon. West of Chicon is the East Cesar Chavez Neighborhood, and East of Chicon is the Holly Neighborhood. Approximately 60% of the properties owned by “long-time homeowners” are located in the Holly Neighborhood. On a per square footage basis, however, the market value of land and improvements in the ECCN & Holly Neighborhoods are comparable on average.

Seventy-seven properties within the ECCN/Holly study area have a lot size greater than 7000 sq ft. This lot size is the threshold for approval of a secondary apartment. A secondary apartment could be a potential source of income for “long-time homeowners” who may be trying to identify resources that would allow them to remain in their homestead, so this may be one possible mitigation strategy.

**Table 2.5 – Tax Exemptions Applied to Properties of “Long-Time Homeowners”**

Total number of “long-time homeowners”	331
Number of Homeowners with Homestead Exemptions (HS)	310
Number of Homeowners with Exemption for Older Adults – Age 65 & over (OA)	210
Number of Homeowners with Exemption for Disable Veterans (DV)	8
Number of Homeowners with Exemptions for Disabled Person (DP)	15

Finally, Table 2.5 details the types of exemptions that are providing a tax benefit to the “long-time homeowners” identified within the ECCN/Holly study area. The vast majority of “long-time homeowners” (i.e., 94%) have a homestead exemption in place and approximately 63% have an exemption for older adults who are age 65 or over.

## Section 3

### The Crisis: The Basic Truth & Its Consequences

The issue of the “gentrification” of East Austin is one that has been the subject of innumerable university studies and new articles. There’s no doubt that several more are in the works. What this study attempts to do that is different, is to present the data in a way that will lend itself to the development of community solutions. The study is called “Land of Broken Dreams” because the results confirm that the housing trends in East Austin constitute a “crisis.” It is called “Land of Opportunity” because the study suggests that the opportunity to maintain a significant degree of housing affordability in East Austin is not only possible but much more economically preferable than the traditional approaches for providing affordable housing.

This study confirms that East Austin is experiencing a significant rate of change in homeownership. For the period between 2002 to 2012, the rate of change reported for the Chestnut/Rosewood study area is 42.5% and for the ECCN/Holly Neighborhoods study area is 32.2% (refer back to Tables 1.1 and 2.1). In terms of turnover of actual units owned by “long-time homeowners” (defined as persons who owned their homes in 1992, 2002 and in 2012), 57 units experienced a change in ownership in the Chestnut/Rosewood study area and 157 units experienced a change ownership in the ECCN/Holly Neighborhood. In other words, a total of 214 housing units experienced a change in ownership. Since families who owned homes in East Austin prior to 1992 were likely families of low to moderate income, this means that the better part of 214 affordable units were “lost.” Assuming a cost of \$170,000 per unit, the cost to replace 214 affordable units in East Austin would be on the order of \$36 million.

THIS IS A CRISIS!

If the rate of change in homeownership does not change during the next 10 year period, the Austin Community could lose another 33 “affordable” units in the Chestnut/Rosewood study area and another 107 “affordable” units in the ECCN/Holly study area. The value of replacing an additional 140 “affordable” units would likely be upwards of \$24 million. **Thus, the potential value/cost of doing nothing between 2012 and 2022 is \$24 million!**

In a 20 year period from 2002 to 2022, this could mean the loss of 354 “affordable” units in East Austin. Table3.1 breaks down the overall rate of change for the Chestnut/Rosewood study area and the ECCN/Holly study area if an intervention does not occur during the upcoming decade.

**Table 3.1 – Estimated Rate of Change in the Two Study Areas Over the Next 20 Years**

	Baseline Group	2002-2012 Units “Lost”	Projected 2012-2022 Units “Lost”	Projected Total for 20 Year Period	Projected Rate of Change for 20 Year Period
Chestnut/Rosewood Study Area	134	57	33	90	67%
ECCN/Holly Study Area	488	157	107	264	54%
Total	622	214	140	354	57%

Once again, this assumes the rate of change remains constant. And it will not be constant (i.e., it may actually increase) unless the Austin community intervenes to alter the trend in some way.

Geographically, the Chestnut/Rosewood study area and the ECCN/Holly Neighborhood study area combined constitute less than half of the service area outlined by the East Austin Conservancy (i.e., I-35 to the West, Town Lake to the South, US-183 to the East and Manor Rd. to the North). **Thus, the potential number of units “lost” for the broader East Austin area could be double what has been outlined above.**

THIS IS A CRISIS!

## Section 4

### A Land of Opportunity

#### **The Question of “Who Benefits?”**

Who is benefitting from the Eastside “renaissance?”

You will get a different answer depending on who you ask. A long-time resident or business owner would likely say that only the new residents and businesses are benefitting. For a long-time East Austin homeowner who has lived all of his/her life on the Eastside and has no interest in leaving, the increasing property value and tax payments make it increasingly difficult to keep their dream alive.

The new residents and new business owners would likely say that their investment in East Austin benefits them and/or their business but also benefits East Austin. Land, homes and small businesses are worth more and businesses that have been in East Austin for many years may gain some customers as a result of increased businesses activity.

Developers and other investors would not develop or invest in East Austin if the financial return was not there. They would likely argue that their investment benefits not only them, both East Austin and Austin as a whole since for some many decades our community has struggled to revitalize East Austin.

Taxing jurisdictions benefit because of increased tax revenues.

Capital Metro’s rail service benefits from increased density which leads to increased ridership and, thus, increased fare box revenues.

Politicians benefit when they make statements like “We will do everything we can to help East Austin!”

All should benefit. The question remains how do we ensure that everyone does?

#### **Getting Beyond the “Shoulder Shrug”**

In response to the question of “What are we going to do about what is happening in East Austin,” a typical response is a literal and/or figurative “shoulder shrug” or a statement like “I wish there was more we could do.” We are at a point with this crisis (as outlined in Section 3) where the shoulder shrugs and the finger pointing must end. The window of opportunity for ensuring that East Austin remains a place where families of all socio-economic backgrounds are able to own a home is still open, but not for much longer. This challenge demands assistance from the city’s most creative minds and advocates in crafting an effective solution (or combination of solutions) as well as attention and support from business and political leaders who have the clout to ensure that adequate resources are dedicated to the issue. This will not happen unless the Eastside community (i.e., all members regardless of how recent or long-

standing in the community) coalesces around this challenge to demonstrate that the Eastside community itself is willing to put some skin in the game and to work with other community allies who also want to do their part to help the Eastside.

### **Austin's Creativity & Commitment to Quality of Life is a Key to Success**

Time & again, the Austin community has stepped up to address critical challenges through community collaboration and the allocation of resources needed to get the job done. Here are a few inspiring examples.

The community set a goal of acquiring more than 32,000 acres of critical habitat for the Balcones Canyonland Preserve. To date, more than 28,000 acres (i.e., more than 92% of what is needed) have been acquired.

Most people are familiar with our community's legendary support for protecting Barton Springs and the Barton Springs segment of the Edwards Aquifer Recharge Zone. A significant number of policies and regulations have been put in place to protect the springs and the aquifer. In addition, the city manages more than 23,500 acres of water quality protection lands: 9,000 acres that it owns outright; and 14,500 acres that it manages as conservation easements.

The 700-acre former Mueller Airport site, vacated when Austin's airport relocated in 1999, is well on its way to becoming home to approximately 10,000 people, 10,000 employees, more than 4,900 homes and 140 acres of public open space. The award-winning Mueller development is home to Dell Children's Medical Center of Central Texas, The University of Texas Medical Research Campus, Austin Film Studios, and regional retail. (excerpt from the Mueller Austin website)

The development of the Long Center for the Performing Arts represents an incredible public-private partnership for the Central Texas region. Although the project went through several twists and turns, eventually the community was able to achieve the project's fundraising targets of \$77 million required for construction and the \$10 million required for an endowment fund.

All of the above issues were accomplished over many years of community planning and collaboration as well as through the identification of significant amounts of financial resources that were required to achieve the community's vision. The affordability crisis that is plaguing East Austin is just as high of a community priority but the intensive study, planning and visioning has yet to occur. Without the level of focused attention that was placed in the aforementioned projects, our community's ability to succeed in tackling this significant challenge is severely limited.

The good news is that the Austin community doesn't give up and has a solid track record of success when it decides to tackle an issue head-on. East Austin cannot do this alone. This is a situation where Austin must rise to the occasion.



## Section 5

### In Conclusion

#### Land of Broken Dreams

To this point, we have not taken up the concept of “broken dreams.” The analysis of tax exemptions (Tables 1.5 & 2.5) reveal that nearly 2/3 of the long-time homeowners who continue to live within the boundaries of the two study areas have the exemption for older adults age 65 and over. In their day, there was such a thing as an “American dream of homeownership.” For many from that generation, a part of that American dream included the notion that one would have the ability to enjoy what one worked so hard to attain (i.e., you’d be able to stay in your home) for the rest of your days. In East Austin, that dream has faded for some and is quickly fading for many others. Although more recent generations don’t necessarily hold fast to the notion that one’s first homestead should also be one’s last, should we be so quick to allow the dreams of our elders to fade? What would that suggest about what our children or grandchildren could do with our dreams? What would it mean for us to leave this life with shattered dreams? In a society whose success relies greatly on mutual respect, the future of a society that does not value/respect the dreams of its elders would probably leave us wanting.

The results of this study confirm that East Austin is changing and that the change is occurring rapidly. As such, we cannot afford to wait for the “answer to our prayers” any longer. At this point, every short term avenue must be pursued and a parallel effort to identify long-term solutions must also be undertaken.

#### A Land of Opportunity

Section 3 focused on “the crisis” that currently exists in East Austin and what has been “lost.” That section noted that 1/3 of the homeowners (i.e., 214) who were part of the two baseline groups no longer owned their homes; however, the remaining two-thirds (i.e., 408) still reside in East Austin. The neighborhoods in our two study areas have likely experienced a very high rate change in homeownership relative to other Eastside neighborhoods. Because there is a much greater portion of East Austin that has not undergone this type of study and because those neighborhoods will not have been as adversely affected as those in our two study areas, the number of “long-time homeowners” in other parts of East Austin will greatly outnumber those identified through this study. Thus, the impact that our community could have on Eastside affordability is still very significant.

To the extent that one of our short-term solutions may involve tax payment assistance to “long-time homeowners,” the effort would not be able to count on financial support from governmental entities due to constitutional prohibitions. Such an effort would need to rely on the generosity of Austin’s residents as in the case of the Long Center for Performing Arts that was described in the previous

section. If our community could muster merely one-tenth of what was invested in the Long Center, there would be no need to rely on government assistance. Simply having the endowment that was raised for the Long Center would allow for a homeowner assistance program that could last 50 years.

### A Call for Action in the Short Term

The information presented in this report greatly supports the need for a program like the East Austin Conservancy's tax payment assistance program for low-income Eastside homeowners who are at risk of foreclosure due to tax delinquencies. The key requirements of the EAC's tax payment assistance program are:

- the program serves homeowners who earn less than 50% of the median family income of the Austin area;
- assistance to eligible homeowners will be provided on a dollar-for-dollar matching basis; and
- homeowners who wish to receive tax assistance must participate in a financial coaching program.

As a way of demonstrating the impact of such a "basic" approach, let's suggest that the goal for the 10 year period from 2012 to 2022 is to safeguard 100 existing affordable units (10 units per year). If we assume that the current level of assistance is \$3000 per homeowner and that this level of assistance increases by \$250 every year, then in order to help 100 homeowners over 10 years, the cost to assist these owners would be on the order of \$420,000. By way of comparison, if we try to build 100 affordable units in East Austin during that same period of time, the total cost would be approximately \$17 million (assuming a cost of \$170,000 per unit). Preservation is clearly more economically desirable.

### A Call for Action in the Long Term

The East Austin Conservancy and PODER strongly feel that calling a Summit on Eastside Affordability is critical at this point in time. The purpose of the summit would be to convene a meeting with a broad range of community leaders to define a vision and develop a plan for maintaining, to the greatest degree possible, the affordability that currently exists in central East Austin neighborhoods. Just as the Austin community has been able to do with Barton Springs, the Balcones Canyonland Preserve, the Long Center for the Performing Arts, and other critical community needs/projects, the Austin community must once again rise to the occasion. By bringing together the right people with the right ideas and the right attitude, our City of Ideas can become a City of Hope for hundreds of Eastside families.

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To donate to the EAC's tax payment assistance program, please visit:

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