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Priced-out Austinites find relief in complexes with low-end rents

BYLINE: Shonda Novak, American-Statesman Staff

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Central Texas' economic boom is fading, but one effect remains in force: many workers are priced out of the housing market.

But several new apartment projects in the works and a slew of new complexes scattered across Central Texas, from South Congress Avenue to Pflugerville, may offer relief.

Rents start in the \$500 to \$600 range for one-bedrooms. That makes them affordable under federal guidelines for a family of four with an income of \$32,350, or for a single person making \$22,650.

It also makes them cheaper than the citywide average monthly rent of \$709 for a one-bedroom and \$917 for a two-bedroom, according to Austin Investor Interests' latest survey.

Developers say the apartments will be more affordable for low- to moderate-income working families and senior citizens, who have seen rents escalate as higher-end housing proliferated during flush economic times. But the new complexes won't come close to meeting the need, however.

"There are still thousands of families in Austin who are working hard and earning \$25,000 to \$30,000 a year and need rent that's in the \$600 range," said Walter Moreau, executive director of Foundation Communities, a nonprofit agency that works to create affordable housing in the Austin area.

Only about a dozen complexes with rents that start at about \$550 have been built in the past five years in the Austin area, said David Saling, project manager with Campbell-Hogue & Associates Inc. The Bellevue, Wash., company is building **Fort Branch at Truman's Landing** in Austin, where rents will start at \$661 a month.

Moreau and other observers say affordable housing in Central Texas is in shorter supply than higher-priced apartments for several reasons, from the lack of available land to financing obstacles.

More moderately priced housing is under way, in part because of the city's Smart Housing program, which waives fees if the developer keeps rents down and makes the project accessible to handicapped persons.

Paul Hilgers, Austin's housing director, said developers are "getting religion" about moderately priced complexes at the same time the demand for higher-end housing is on the decline. Developers are learning to piece together financing to make the dollars work, real-estate observers say.

Developers make their money on affordable housing through development fees and a percentage of the net operating income on the property. The developer fee -- set by the Texas Department of Housing and Community Affairs, a state agency -- is limited to 15 percent of a project's depreciable costs.

Apartments and developments:

- * The Heights on Congress, 172 units at 2703 S. Congress Ave. Monthly rents: \$519 to \$716
- * Walnut Creek Apartments, 98 units at 6409 Springdale Road. Rents same as the Heights
- * **Fort Branch at Truman's Landing**, 5800 Techni Center Drive. The first apartments are expected to be ready early next year. Rents: \$661 to \$807.
- * The Southwest Trails Apartments in Oak Hill. Rents: \$661 to \$807.
- * The Southwest Trails Apartments in Oak Hill. Rents: \$522 to \$698.
- * The 168-unit **Heatherwilde Park Retirement Homes** in Pflugerville. The first units are expected to be completed in January. Rents will start at \$661
- * Riverside Meadows, 248 units to be built at Riverside and Montopolis drives. Rents \$502 to \$690.
- * Construction is expected to start soon on a 150-unit complex at Congress Avenue and Dittmar Road, and on Blunn Creek, 280 units at Woodward Street near I-35. Rents will range from \$634 to \$853.

Developers say apartments such as The Heights on Congress will be more affordable for low- to moderate-income working families and senior citizens, who saw rents escalate during flush economic times.