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# The case for affordable housing in pricey neighborhoods

By **Erin Mulvaney** | October 21, 2015 | Updated: October 22, 2015 2:33pm



Photo: Getty Images



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As real estate becomes more valuable in Houston's urban core, a shrinking number of federally subsidized housing in these wealthier neighborhoods could threaten the economic diversity of people who live there, researchers with a Washington, D.C.-based think tank warn in a new analysis.

The owners of private apartment complexes that currently receive subsidies from the U.S. Department of Housing and Urban Development may opt out once their contracts expire if they think they can get better returns by renting at market value or selling land to the highest bidder, says [the Urban Institute analysis](#) being released Wednesday.

Researchers said the implications could be especially profound in the Houston region, where much of the publicly protected housing already is concentrated in outlying areas with the highest poverty rates.

"It's a place that has had this reputation of being relatively affordable, and yet I think is coming to confront the fact that it's becoming increasingly more difficult to find affordable housing there," report co-author Erika Poethig said.

In cities across the U.S., tens of thousands of subsidized housing units have been established in neighborhoods where soaring land prices have sent rents skyward.

Protecting affordable housing, particularly in high-quality neighborhoods, is key to breaking the cycle of poverty and keeping a mix of incomes in thriving areas, Poethig said.

She and co-author Reed Jordan pointed to apartment units that receive subsidies in the Houston Heights and some neighborhoods in The

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## MORE INFORMATION

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### Housing subsidies

As real estate prices soar, urban planners worry that the number of housing units set aside for lower-income residents will plummet. Below, the number of federally subsidized housing units in select major cities that are considered at-risk between 2015 and 2017. In parentheses, the number of units in "low-poverty" neighborhoods where less than 10 percent of residents live below the poverty line.

Woodlands, places that have been improving in recent decades.

The researchers said Houston's affordable units that receive government subsidies are already concentrated mostly in areas with higher poverty, which puts greater stress on preserving those units that exist in the more affluent, "low poverty" neighborhoods. A low-poverty census tract is one in which fewer than 10 percent of the population have incomes below the poverty line.

Washington, D.C.: 9,241 (3,277)

New York City: 40,661 (8,987)

Los Angeles: 19,310 (2,021)

HOUSTON: 4,208 (384)

Dallas: 4,124 (131)

National: 437,709 (72,875)

Source: Urban Land Institute, National Housing Preservation Database

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### ***Units in poor areas***

Just 9 percent of greater Houston's 13,019 subsidized units - a figure that does not include government-owned and fully subsidized housing projects - are in these low-poverty neighborhoods. That ratio is lower than the national average of about 15 percent.

In greater Houston, contracts for more than 4,000 subsidized units up for renewal in the next two years could be at risk, the ULI analysis suggests. That includes nearly 400 in low-poverty neighborhoods.

Jordan said once those units receiving subsidies are lost in the more affluent areas, it is difficult to get them back.

Researchers studied units around the country that receive federal subsidies through the National Housing Preservation Database and found about a third of them are at risk in the next two years.

### ***Local government role***

Poethig and Jordan said local governments would need to take an active role in ensuring

such affordable housing remains available.

Steve Spillette, a Houston-based urban development strategist with Community Development Strategies, said that as real estate values increase and neighborhoods become more affluent, they typically see reduced crime, have more desirable schools and attract more businesses. The employees who work there, however, might not be able to afford to live there.

He said affordable housing in Houston's core is decreasing and farther-out neighborhoods considered affordable often have the lower-performing schools and fewer transportation options.

"The land value will go up and it becomes hard to add housing that is affordable," Spillette said. "It's hard to keep that mix (of incomes) in high-quality areas."

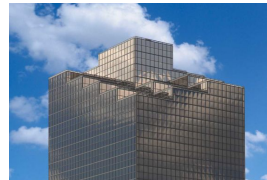
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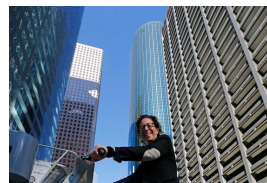
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