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These are the roadblocks with building affordable housing in Houston



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In 2017, the Houston Housing Authority broke ground on Independence Heights Apartments, the city's first new affordable housing project in a decade.

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By [Fauzeyah Rahman](#) – Reporter, Houston Business Journal
3 hours ago

Rising construction costs, a decline in subsidies and a pervasive lack of awareness of what it really costs to live in Houston make it more difficult for affordable housing advocates to do their job, experts said March 27 at a panel hosted by the housing advocacy group Make Room.

When elected officials look solely at rent prices in Houston and fail to factor in other costs such as transportation, they think Houston doesn't have an affordability problem, said [Stephan Fairfield](#), CEO of Covenant Community Capital, a nonprofit capital investment firm.

"You have to couple housing costs with transportation costs to see the big picture," Fairfield said, adding that doing so shows Houston has a higher cost of living than New York or Chicago under that measure.

Fairchild said that between 1990 and 2015, median incomes went up 120 percent, while inflation rose 87 percent, food prices about 89 percent, college tuition 280 percent and the median price of a home in Houston went up 370 percent.

"The elephant in the room is how much families pay for housing," he said.

Another major factor impacting the work of [Mary Lawler](#), executive director with Houston-based builder Avenue CDC, is the rising price of land coupled with higher construction costs.

"In the past 20 years we've been doing this, it's become harder and harder to provide homeownership for low income families," Lawler said. While her group could build homes for \$80,000 decades ago, now it's difficult to buy land and build a home for less than \$180,000.

One reason is a lack of subsidies for homeownership. [While affordable rental housing can be supported with tax subsidies](#), which also fell significantly as a result of reduced

corporate taxes following congressional tax reform, that's not the case for homeownership.

However, panelists agreed the latest federal spending bill that bumped up low income housing tax credits by 12.5 percent over four years is a step in the right direction.

Joy Horak-Brown, president and CEO of [New Hope Housing](#), [said she'd also like to see policy changes](#) in Texas that would require market rate developers to include affordable housing in new developments, as seen in other states.

"The trend is being discussed, but we don't see solutions," Fairchild said.