Finding Shelter: Affordability Squeeze in a Tight Texas Housing Market February 23, 2018





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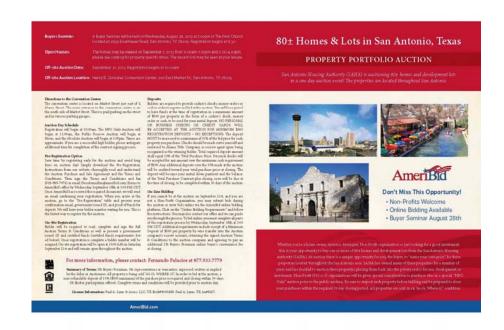
Houston Housing Authority (HHA)

- ➤ Offered 175, Closed and boarded up Properties
- ➤ 1 day auction event generated \$8M+ for HHA, 500 +/- Attendees
- > Sold and closed all properties
- ▶ Part of 400+ property Scattered site home program from HUD
- > Average sales price \$48,000
- > Rehab needs, \$5 \$30 K



San Antonio Housing Authority (SAHA)

- ➤ 80+/- Homes and Lots Offered
- ➤ 1 Day auction, users and investors
- Generated \$1.8M sales
- Mostly surplus properties of SAHA



New Orleans Redevelopment Authority (NORA)

- Seller, New Orleans Redevelopment Authority (NORA)
- Nine Auctions held between 2012 and 2017, 1,000± houses and lots offered
- One day Absolute Live Auction Sales or On-line only
- > 93% ± Sold and closed
- ➤ Gross Sales \$40± Million
- Former Katrina Properties assumed by HUD and State
- ➤ Goal To put properties back into commerce and reduce community blight
- Buyers Mix of end users and investors



Challenges w/Gov Agencies

- > Housing Authorities Est. in 1930's as part of New Deal Initiatives
- > Local and Federal relationship
- > Need to be revamped to reflect current state of affordable housing needs
- > HUD needs to lighten restrictions and rules, Ben Carson recently stated:
 - "...Bureaucrats are concerned with process, we want to focus on results"
- > Too much overlap between competing agencies
- > Need to focus on vouchers and qualifications of users/constituents
- > Sell off surplus and unused real estate
- > Develop Public/Private partnerships
- > Partner with other Non-Profits focused on affordable housing needs

Manufactured Home Communities

- > 99 Manufactured Home Communities
- **→** High Quality Communities
- ➢ Offered in a series of 3 auction programs over 2 years
- > 56 Offered Absolute
- ➤ Sold 59 Communities, \$200+ Million
- > Avg. Cap Rate 7.5%





Challenges for MHCs

- ➤ Most Communities/Govs Restrict Location
- Perceived Financial Stigma
- > Offers Affordable housing option
- > Financing/Ownership Structures
- **➤ MFC** need to be operated correctly
- Different than RV parks





Take Away

- ➤ Public Agencies have excess/surplus properties that can be sold to generate funds to fulfill their core mission
- ➤ Local, State and Federal Housing Agencies need to restructure rules and requirements to encourage more affordable housing options, but not give up on safety concerns
- > Communities tend to add restrictions, regulations and rules that discourage or limit additional affordable housing options
- ➤ Public Agencies should serve to qualify those in need vs. being large real estate developers/owners
- ➤ Public/Private Partnerships need to be created with NPOs and For- Profit developers that will provide affordable housing options
- Affordable alternative living arrangements need to be created and encouraged

Thank you

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