

Open in app ↗

Sign up

Sign In



Search Medium



Experts Identify 5 Ways to Address Texas' Housing Affordability Crisis

Texas ranks 49th in the nation on state spending for housing.



Texas McCombs · Follow

Published in Big Ideas

3 min read · Mar 29

Listen

Share



Driven by inflation, high demand, rising property taxes, and more, housing affordability has become a growing crisis in Texas, according to a brief researchers and policy experts from The University of Texas at Austin prepared for the



“For decades, Texas has had tremendous growth and a competitive advantage as compared to other regions of the country. This is due in large part to comparatively lower housing costs,” says Mandy Pope, director of the Texas Real Estate Center and professor of practice at Texas McCombs, who was one of the UT faculty members who provided input on the report. “However, that trend is quickly changing as homes become increasingly more expensive.”

But while urban, suburban, and rural Texans alike are feeling the pressure of rising housing costs, state and local governments allotted less than 1% of their expenditures to housing and community development — and 98% of that spending came from local governments. Across the U.S., Texas ranks 49th in state spending on housing, ahead of just Nebraska.

Texas ranks 49th in the U.S. on state spending on housing and community development

After conducting roundtable discussions with city governments, policy organizations, academics, real estate developers, investors, and housing advocacy organizations from Austin, Dallas, Fort Worth, Houston, Abilene, Lubbock, and El Paso, the researchers identified five key challenges and opportunities in affordable housing:

Negative effects of local regulations on market rate and affordable housing supply

Local land development policies and permitting processes are cluttered with decades of amendments and regulatory responses to issues that may no longer be relevant. Cities can be incentivized to review their requirements for land development and eliminate restrictions on high-density and other kinds of housing that are the most affordable.

Lack of sufficient funding

The state can dedicate more of the funding sources it already controls to affordable housing, including state budgetary surpluses and relatively flexible one-time and ongoing federal funding. Both the State of Texas and local jurisdictions own significant amounts of underutilized public land where affordable and mixed-income housing can be built.

Reevaluate statewide regulation of affordable housing programs

In many cases, the award criteria for low-income housing tax credits make it difficult for worthy projects to receive funding. The state should consider reviewing the regulatory framework.

Existing housing support is hard to access

Existing programs such as Housing Choice Voucher (HCV), which provides low-income tenants with funding to help cover the costs of market-rate housing, should be fully utilized. For an array of reasons, HCVs are difficult to use across the state.

Property tax exemptions and public benefits


Rising real estate market valuations create higher property tax bills, imposing a growing financial burden on homeowners, landlords, and renters. Increasing the homestead exemption might help.

“As the state tackles its growing housing challenges, it’s important to remember that there will be no one-size-fits-all solution,” stated [Sherri Greenberg](#), professor of practice and fellow of the Max Sherman Chair in State and Local Government at the LBJ School of Public Affairs. “The state must deploy a combination of statewide regulatory reforms and look for ways to increase the supply of both market-rate and affordable housing.”

The brief is an outgrowth of “[Change Starts Here](#),” The University of Texas at Austin’s 10-year strategic plan to increase its impacts on its local community, as well as its city, state, nation, and the world. Its contributors include faculty members from the LBJ School of Public Affairs, the School of Architecture’s Community and Regional Planning department, the School of Law, the Steve Hicks School of Social Work, and the McCombs School of Business.

A version of this article originally appeared on the [Texas LBJ School](#) website.

- Housing
- Finance
- Texas
- Affordable Housing
- Cost

Some rights reserved 



Written by Texas McCombs

2.7K Followers · Editor for Big Ideas

News, business research, and ideas from the McCombs School of Business at The University of Texas at Austin. Learn more at www.mcombs.utexas.edu