

# Current Housing Crisis Demands University's Attention and Assistance

By Farrah Merchant and Nico Grayson  
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For the past 20 years, living prices near campus continue to rise even as the city works to combat unaffordable housing. However, the university could help alleviate this problem by allocating funds to develop university housing in West Campus.

In 2004, the City of Austin enacted the University Neighborhood Overlay (UNO) in West Campus in hopes of increasing housing opportunities close to [campus](#). The district prioritizes creating dense and affordable housing for students. For the first ten years, UNO instated two affordable mandates for developers. The first ensured that 10% of its units must be affordable for people with incomes below 80% of the medium family income (MFI) and the second option is a choice – developers can provide an additional 10% of units to people with incomes that are 65% of the MFI or deposit \$0.50 per square foot of net rentable floor area of the development to a UNO trust [fund](#).

Most opted for the latter option as a cheaper alternative, and the fund is granted to College Houses, Inc. (CH) and InterCooperative Council of Austin (ICC). Both use the funds to create and support affordable housing for students through co-ops which house at around \$850 per month with food, rent, and utilities included. While this offered some affordable housing, the high affordability clause and limited regulation allowed students to “vaguely imply their income by providing income statements from part-time jobs or summer jobs to qualify themselves for the affordable [units](#)”.

Soon, developers cooperated with the university to create a more equitable process through FAFSA. However, even the 80% MFI rate did not provide affordable housing in West Campus. Housing offered at 80% of market rate for the most expensive city in Texas to students who come from disadvantaged backgrounds rarely met students' demands for affordable living. In 2014, UNO reevaluated and changed its first-tier mandatory affordability to 10% affordable units for people with incomes below 60% MFI, and the second-tier option now included either an additional 10% affordable units to people with incomes below 50% MFI or a one-time payment into the UNO trust fund at \$1.00 per square foot of net living space. Additionally, the policy increased height allotments for [developers](#).

The new height allotment allowed developers to increase construction by 125 feet allowing housing complexes to stand at 300 feet in West Campus only if they fulfilled the first and second-tier [requirements](#). However, the quantitative increase in living space in West Campus fails to match the growth and increased market value of the neighborhood. While more living spaces are created in West Campus, they still do not support the entire university population, and as a consequence prices continue to rise. UT associate professor of housing and real estate Jake Wegmann agrees.

“The trouble with development is the density and the development will eventually help but it's not going to help like next year,” said Weggman. “And the people who are in those neighborhoods hanging on by their fingernails like they can't wait 20 years for new market rate housing built now to eventually become more affordable 20 years from now.”

Normally, students would rent from more affordable places in east Austin such as Riverside. However, these complexes are now being demolished after the Austin City Council voted 6 to 3 to rezone the land on the south side of Lady Bird Lake for developers to build new office, commercial and residential spaces in 2019. This project named the “Domain on Riverside” demolished four apartment buildings that housed around 3,000 [UT students](#). North Campus is the last affordable area for many students; and while this supports low-income students currently, clinical professor at UT Law and faculty researcher Heather Way claims the cost of housing is vulnerable to market forces, and possibly redevelopment, as long as real property remains in the hands of private investors and landlords.

“The problem is right now the university relies largely on the market to provide housing for students,” Way said. “The market right now is very hot for student housing and is a product that's just very high priced, and very unaffordable for, I assume, the vast majority of students attending university.”

Way and a team of professors at the university recently conducted a study, *Uprooted: Residential Displacement in Austin's Gentrifying Neighborhoods and What Can Be Done About It*, to help the city protect neighborhoods from gentrification. In the study, Way encourages the city to invest “in areas not already gentrified and where land values are not as high. It's best to get in early before the problem becomes untenable”. This report can be applied to the university. Through investment, the university can buy and build housing projects and offer it to students at affordable rates. Currently, the university allocates 14 percent of its endowment to housing and other facilities which could be invested in the purchase of property and housing near campus. This proposed solution is not idealistic but practical as UT has successfully increased students' access to housing on and near campus. The university built graduate housing on the east side and purchased 2400 Nueces, a private West Campus housing complex, and converted it into 700 student beds.

While initial investment may exceed the university's allocated housing fund, UT will eventually be reimbursed for costs. Additionally, UT's educational mission prioritizes stable and secure housing so students can succeed academically.

“And so to me, the middle, sensible, correct path is, we should allow lots of development and expect lots of development, but we should be shaping that development so that it is inclusive, to the extent possible,” Way said.

However, the university is not the only entity at fault. There is little oversight from UNO to ensure the enforcement of its policies. As of April 2020, only 8 out of the 68 developments have fulfilled the affordability clause of both [tiers](#).

Both the university and the city need to ensure students' access to affordable units. The university relies largely on the market to provide housing for students, which due to extreme demand results in unaffordable housing options. The city's program which allows high rises in exchange for affordability also needs to continue to maintain its promises. Both parties are responsible for creating an inclusive space for students from different forms of backgrounds, yet current market conditions severely hinder poor students' attendance and access to the university and its resources.

Until then, students can use the affordable housing online search tool linked [here](#).