

The house that Walter built

Walter Moreau uses his know-how to ensure everyone has a place to call 'home'

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Walter Moreau leads nonprofit Foundation Communities, the region's largest affordable housing provider, which has an annual operating budget of more than \$14 million.



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But when needed, he works for free. This spring, as part of a Foundation Communities effort, Moreau volunteered his nights and weekends to help working families complete their income tax returns. Year-round, the nonprofit organization provides affordable housing to more than 2,000 low-income families in Central Texas.

"In January, I had a client — she was a single mom with four kids working as a police dispatcher, earning \$30,000 a year," he says. "Her refund was \$7,500."

In all, Moreau says he and 250 other volunteers processed 7,300 income tax forms for low-income workers who claimed more than \$9.3 million in refunds from the Internal Revenue Service.

"That's a significant amount of money that goes directly into our local economy — directly into the pockets of our neediest citizens," Moreau says.

The IRS estimates that each year, \$24 million in refunds goes unclaimed by working families in Central Texas.

"The [tax assistance] program has an opportunity to double in size next year," he says.

While new to Central Texas this year, the tax assistance program is not unique. Similar efforts in San Antonio and Tulsa have become long-running, successful programs.

"That's one of the hallmarks of our organization," Moreau says. "We've stolen good ideas from other places and made them our own."

In his eight-year tenure as executive director of Foundation Communities, Moreau has brought to Austin several innovative programs that were successful in other cities.

"What motivates me is the frustration of seeing a real solution — something that works in other places — but is missing in our community. That's agonizing to me," he says.

That frustration led Moreau to bring single-room occupancy housing, known as SRO, to Central Texas in 2003. A nursing home in South Austin was converted into Garden Terrace, a housing complex for 85 residents. Common in West Coast cities such as San Francisco, SROs offer home-

less, disabled and extremely low-income individuals an affordable, stable place to live. At Garden Terrace, rents vary from \$50 to \$300 per month, based on income. Residents must submit to a criminal background check and provide personal references to qualify.

One of the first residents in Garden Terrace was 46-year-old Darrel Walterman. When alcohol abuse led to homelessness, Walterman landed at a local shelter downtown. With no job, no money and no permanent address, he had few prospects for rebuilding his life. After moving into Garden Terrace, he has been able to return to college and now is searching for work.

"Without this place, I would have to use my student loan money to pay for an apartment. The money would be gone and I might be back at the shelter," he says. "It's amazing and astounding how important this [housing] is. It changes people's lives."

By the looks of the months-long waiting list, Garden Terrace is filling an unmet need for housing in Austin.

"If you want to reduce homelessness in Austin, you have to have entry-level housing," Moreau says. "The next step from the shelter is supportive housing. No one else is providing that piece."

Foundation Communities is preparing to open another SRO project in North Austin. Moreau says the group is purchasing and renovating an extended-stay hotel for \$4.1 million. The project will house another 140 units.

"The hotel business is suffering, and there are a number of properties in Austin we could buy if we had the money," Moreau says. "With proper funding, we could cut homelessness in Austin in half."

Foundation Communities was established in 1989, when leaders with the University of Texas Student Co-op broke away to start an organization to serve the housing needs of low-income families. Within the next several years, the fledgling nonprofit purchased four apartment communities when market prices were low. Moreau, who started working for



Walter Moreau of Foundation Communities says that with proper funding, Austin's homeless population could be cut in half.

Foundation Communities while attending graduate school at the LBJ School of Public Policy, rose to executive director in 1997.

Since then, Foundation Communities has grown to own and manage 12 communities in two cities, with a market value of more than \$70 million. Under his leadership, Moreau led the construction of two new housing complexes: the Trails at the Park and Southwest Trails.

Moreau says the properties generate 80 percent of the nonprofit's operating budget, even though the rents are below market value. Housing Statistics from the National Low Income Housing Coalition show that fair market rent for a two-bedroom apartment in Austin averages about \$726 — down from \$911 three years ago. Moreau says his apartments are about \$75 below the average, and occupancy rates are above those of private communities.

Moreau says Foundation Communities has excelled at bringing assistance and enrichment programs to its residents. At several of the Foundation Community housing developments, residents of all ages have access to English classes, computer learning centers, social services and more.

"Part of our philosophy is to bring these services to people's doorsteps," Moreau says.

Ten years ago, Foundation Communities opened its first learning center, because residents wanted to organize an after-school program for children of working parents.

Today, seven learning centers offer free classes and access to after-school programs. "What's really great is a lot of private developers have copied our model, and now their properties include learning centers," he says. "I'm proud of that. When you have an opportunity to influence the market, that's rewarding."