

**ORDINANCE AMENDMENT REVIEW SHEET**

**Amendment:** C20-2015-018

**Description:** Consider an amendment to Title 25 of the Land Development Code to establish tenant relocation assistance requirements.

**Proposed Language:** See attached draft ordinance.

**Summary of proposed code changes:**

- Establishes a notification requirement whereby applicants for demolition (or partial demolition) permits for multifamily structures of 5 or more units must provide 120 days' notice to tenants in order to receive permits
- Establishes a notification requirement whereby applicants for rezoning, change of use, or site plan approvals for mobile home parks must provide 270 days' notice to tenants in order to receive approvals
- Establishes a notification requirement whereby applicants required to provide either of the notifications described above must also post notices on-site during the notice period
- Establishes a publicly funded tenant relocation assistance fund to assist income-eligible tenants with relocation costs
- Establishes a requirement for applicants seeking Planned Unit Development zoning for a property from which tenants would be displaced to pay into a tenant relocation assistance fund to assist income-eligible tenants being displaced from their site with relocation costs
- Establishes an option for applicants seeking discretionary approvals to pay into a tenant relocation assistance fund to assist income-eligible tenants being displaced from their site with relocation costs

**Background:** Initiated by Council Resolution 20151112-027

On November 12, 2015 Council approved Resolution No. 20151112-027, directing staff to initiate amendments to the Land Development Code to establish relocation assistance requirements for applicants of developments with the intent to demolish and/or renovate multifamily structures that would result in displacement of tenants. The intent of the resolution was to mitigate the negative impacts of displacement on low-income and vulnerable residents in Austin.

On April 21, 2016 Council approved Resolution No. 20160421-035, directing staff to include recommendations for displacements of mobile home residents in the ordinance development process as well.

**Staff Recommendation:** Recommended

## **Board and Commission Actions**

**May 17, 2016:** Forwarded with no recommendation by the Codes and Ordinances Subcommittee on a 3-0 vote (Commissioner Kazi absent).

**June 14, 2016:** To be reviewed by Planning Commission.

## **Council Action**

**June 23, 2016:** A public hearing has been scheduled.

**Ordinance Number:** NA

## **City Staff:**

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**DRAFT CODE AMENDMENTS AND REVIEW SHEET:****TENANT RELOCATION AND NOTIFICATION**

June 9, 2016

Prepared for:

Planning Commission Backup

June 14, 2016 Meeting

➤ **Overview:**

Staff recommends the code amendments set forth below in response to Resolution Nos. 20151112-027 and 20160421-035, which initiated development of a proposed ordinance to address impacts of tenant displacement resulting from redevelopment of multi-family buildings and mobile home parks. The amendments would establish a program to provide tenant relocation assistance, in certain circumstances, as well as tenant notification prior to redevelopment activities that are likely to displace existing tenants.

➤ **Legislative Findings:**

To provide a policy basis for the proposed amendments and enumerate key impacts of multi-family demolition and redevelopment projects, the following legislative findings are proposed:

1. The rapid pace of development and redevelopment in the City of Austin has substantially reduced, and continues to reduce, the available supply of rental housing affordable to low-and moderate-income tenants. Replacement of low-income units has not occurred at a rate sufficient to mitigate the loss of affordable units due to demolition, redevelopment, and change in the use of existing multi-family buildings.
2. To the extent that low-income tenants displaced by development are eventually able to find affordable units in the City of Austin, the time and cost associated with relocation have increased substantially. These impacts are destabilizing to some of Austin's most vulnerable populations, including low-income families and individuals; single parents and families of school-aged children; and residents over the age of 65, on fixed incomes, or with disabilities.

3. The financial, social, and public health impacts of rental displacement caused by demolition or redevelopment is well-documented, both nationally and in the Austin market.
4. Several public hearings and stakeholder meetings have been held in connection with rental displacement, beginning with Council's adoption of Resolution No. 20121108-05 and continuing with the adoption of Resolution No. 20151112-027 and Resolution No. 20160421-035.
5. Based on evidence gathered by NHCD and other stakeholders, the City Council finds that costs incurred by displaced tenants to relocate within Austin—including physical moving costs, advance payments, utility fees, security deposits, and additional rental costs—result in a substantial burden to displaced tenants, which in turn has broader communitywide impacts.
6. Conditions in the current rental market, with historically low occupancy rates, have created a relocation crisis because tenants, particularly at lower incomes, do not have sufficient time to save money for relocation costs or to find comparable housing when they are displaced as a result of demolition or redevelopment.
7. Many cities across the nation have begun requiring or incentivizing projects that will displace existing tenant communities to provide relocation assistance and to notify tenants well in advance of planned demolitions or development. While none of these programs are sufficient to fully address the problem of tenant displacement, each of them has helped to mitigate the impacts of forced relocation on low income renters.

➤ **Proposed Code Amendments – City Code Chapter 25-1:**

1. **Restructuring Housing Provisions in Chapter 25-1.** In order to logically integrate the proposed amendments into Chapter 25-1 (*General Procedures*) of the Land Development Code, staff proposes re-titling Article 15 (*S.M.A.R.T. Housing*) as “*Housing*” and subdividing it into three separate divisions:

Division 1. *General Provisions.*

Division 2. *S.M.A.R.T. Housing.*

Division 3. *Tenant Notification and Relocation.*

2. **New Definitions.** Section 25-1-701 (*Definitions*) would be placed into Division 1 (*General Provisions*) and amended to add the following new definitions of “Mobile Home Park,” “Multi-Family Redevelopment,” “Tenant,” and “Tenant Displacement,” with the remaining definitions renumbered accordingly:

- (4) MOBILE HOME PARK means a site containing three or more structures that:
  - (a) are transportable in one or more sections;
  - (b) in travelling mode, are at least 8 feet in width or 40 feet in length or, when erected onsite, are 320 square feet or more in area;
  - (c) are built on a permanent chassis and designed to be used as a dwelling, with or without a permanent foundation; and
  - (d) includes plumbing, heating, air-conditioning, and electrical systems; or
  - (e) satisfies all criteria other than the size requirements in Paragraph (4)(b).
- (6) MULTI-FAMILY REDEVELOPMENT means the redevelopment of an existing multi-family building or mobile home park for which a zoning, rezone, or other discretionary land use approval is required.
- (7) TENANT means any person who is entitled to occupy a dwelling unit primarily for living or dwelling purposes under a rental agreement or lease, including those persons who are considered to be tenants under Section 92.001 of the Texas Property Code. For purposes of this article, “tenant” does not include owner of a dwelling unit or members of the owner’s immediate family.
- (8) TENANT DISPLACEMENT means any directive or condition that requires a tenant to vacate a multi-family building or mobile home park due to multi-family redevelopment, where a tenant will not be relocated to another unit within the same building or site.

4. **Notification & Relocation Assistance.** The substantive amendments to Chapter 25-1 would appear as a new “Division 3” in Article 15, to read as follows:

### **Division 3. Tenant Notification and Relocation.**

#### **§ 25-1-711 TENANT NOTIFICATION REQUIRED.**

- (A) Except as provided under Subsection (B), the requirements of this section apply to an application to:
- (1) demolish or partially demolish a multi-family building consisting of five or more residential units, including a demolition permit or a building permit that authorizes demolition;
  - (2) approve a site plan or change of use permit for an existing mobile home park; or
  - (3) rezone a property within the Mobile Home Residence (MH) District designation that contains an existing mobile home park.
- (B) The requirements of this section do not apply to any dwelling unit:
- (1) demolished or vacated because of damage caused by the tenant or by other events beyond the owner's control, including fire, civil commotion, malicious mischief, vandalism, tenant waste, natural disaster or other destruction;
  - (2) owned by a public housing agency;
  - (3) located inside the boundaries of an educational institution that is occupied by students, faculty, or staff of the institution;
  - (4) for which relocation assistance is required to be paid to the tenants under federal or state law; or
  - (5) that is operated as emergency or temporary shelter for homeless persons and owned or administered by a nonprofit organization or public agency.
- (C) Notification must be provided in accordance with the timelines established in this subsection.
- (1) To demonstrate that required notification was provided prior to submittal of an application, the applicant must include a certified statement, on a form approved by the director, confirming that all tenants of the structure or site received notification required under this section at least:
    - (a) 120 days prior to the date application was submitted; or
    - (b) for a mobile home park or manufactured housing development, at least 270 days prior to the date the application was submitted.

- (2) If notification is provided after the application is submitted, the application may be approved no earlier than:
  - (a) 120 days after all tenants of the structure or site received notification required under this section; or
  - (b) for a mobile home park or manufactured housing development, 270 days after all tenants of the site received notification required under this section.
- (D) The notification required under Subsection (A) of this section must be in a form approved by the director and must:
  - (1) be delivered to all tenants of the proposed multi-family redevelopment by the applicant or the applicant's representative or by registered or certified mail, with return receipt requested; and
  - (2) include the following information:
    - (a) the applicant's name and contact information;
    - (b) a description of the development application for which notification is required under Subsection (A) of this section;
    - (c) a statement that the application may be approved on or after the 120<sup>th</sup> day following receipt of the notice and may result in displacement of tenants;
    - (d) a description of any tenant relocation assistance that may be available under Section 25-1-713 (*Tenant Relocation Program*) or Section 25-1-714 (*City Tenant Relocation Fund*), including income eligibility requirements and forms for requesting assistance;
    - (e) information regarding applicable school district policies relating to district residency requirements;
    - (f) information regarding the availability of fee waivers from Austin Energy for obtaining utility service at a new residence where relocation is required due to displacement; and
    - (g) other information as may be required by the director, including programs and services to assist displaced tenants.

**§ 25-1-712 ADDITIONAL NOTIFICATION REQUIREMENTS.**

- (A) At the time that notification is provided under Section 25-1-711 (*Tenant Notification Required*), the owner or operator of a multi-family building or mobile home park must post one or more signs in accordance with this section.
- (B) The sign must be on a form approved by the director and must:
  - (1) describe the application for which notification is required under Section 25-1-711 (*Tenant Notification*) and state that any new or existing tenants may be required to relocate from the property as a result of proposed demolition or redevelopment; and
  - (2) to the greatest extent feasible:
    - (a) for a mobile home park, be posted at the main entrance in a location visible to the public from the adjacent public right-of-way or private drive; or
    - (b) for a multi-family building, be posted at the front of the leasing office or other primary building entrance as determined by the director.
- (C) A sign required to be posted under this section must remain on the property until:
  - (1) for a multi-family building, the date that demolition is approved to begin; and
  - (2) for a mobile home park, the earlier of:
    - (a) the date that the property ceases to be used as a mobile home park or manufactured housing development; or
    - (b) if applicable, the date that the site plan approval or change of use permit expires.

**§ 25-1-713 TENANT RELOCATION PROGRAM.**

- (A) A tenant relocation program, to be administered by the director, is established for the purpose of mitigating the impacts of tenant displacement resulting from multi-family redevelopment for which a rezone or other discretionary land use approval is required. Compliance with the tenant relocation program may only



be required if authorized by another provision of this title or upon agreement by an applicant for a discretionary land use approval required for a multi-family redevelopment that is likely to result in tenant displacement.

- (B) If compliance with the tenant relocation program is required, an applicant must pay a fee established by separate ordinance. The fee shall be deposited into a tenant relocation fund and used by the director to provide tenant relocation assistance consistent with guidelines adopted under Subsection (C) of this section.
- (C) The director shall adopt guidelines by administrative rule to aid in implementing the tenant relocation program. The guidelines must, at a minimum, include each of the elements described in this subsection.
  - (1) *Tenant Relocation Fee.* The guidelines must include a methodology to be used by the director in recommending to the city council the amount of the tenant relocation fee required under Subsection (B) of this section. The methodology shall include a nexus study that accounts for the impacts of displacement to tenant communities directly affected by multifamily redevelopment and to the community as a whole.
  - (2) *Eligibility for Tenant Relocation Assistance.* The guidelines shall establish eligibility requirements that a tenant must meet in order to receive tenant relocation assistance. At a minimum, the guidelines must require that a tenant:
    - (a) have a household income at or below 70% of median family income or, for residents of a mobile home park or manufactured housing development, 80% of median family income;
    - (b) reside at the property on the date notice required under Section 25-1-711 (*Tenant Relocation Notification*) is issued under the terms of a lease, which may be month-to-month or for a longer duration; and
    - (c) submit a claim form documenting income eligibility no later than the deadline established by the director.
  - (3) *Use of Tenant Relocation Assistance.* The guidelines must define the types of expenses for which tenant relocation assistance may be

provided. Eligible expenses must be reasonably attributable to tenant displacement based on the nexus study required under Paragraph (C)(1).

- (4) *Refund Procedures.* The guidelines shall establish procedures by which an applicant who paid a tenant relocation fee under Subsection (B) of this section may request a refund of any fees not spent for an authorized purpose within five years after approval of an application for which notification is required under Section 25-1-711 (*Tenant Notification Required*).

#### **§ 25-1-714 CITY TENANT RELOCATION FUND.**

- (A) The City of Austin Tenant Relocation Fund is established for use in providing tenant relocation assistance to individuals displaced from multi-family buildings or mobile home parks as a result of redevelopment.
- (B) The director shall administer the fund consistently with guidelines established under Section 25-1-713 (*Tenant Relocation Program*) and may use the fund to provide tenant relocation assistance to:
  - (1) any tenant displaced by development activity for which notification was required under Section 25-1-711 (*Tenant Relocation Required*), whether or not the applicant was required to pay a tenant relocation fee;
  - (2) tenants displaced due to emergency orders to vacate based on health and safety concerns; and
  - (3) tenants temporarily displaced due to major repairs or renovations of multifamily buildings.

**4. Planned Unit Development Districts.** To require compliance with the tenant relocation program as a “Tier 1” requirement for PUDs within the City of Austin’s zoning jurisdiction, amend City Code § 2.3.2 (*Additional Requirements*) to read:

#### **2.3.2. Additional Requirements.**

In addition to the requirements contained in Section 2.3.1 (*Minimum Requirements*), a PUD containing a retail, commercial, or mixed use development must:

- A. comply with Chapter 25-2, Subchapter E (Design Standards And Mixed Use)[-];

- B. inside the urban roadway boundary depicted in Figure 2, Subchapter E, Chapter 25-2 (Design Standards and Mixed Use), comply with the sidewalk standards in Section 2.2.2., Subchapter E, Chapter 25-2 (Core Transit Corridors: Sidewalks And Building Placement);
- C. comply with the program established under Section 25-1-713 (*Tenant Relocation Program*), if approval of the PUD would allow multi-family redevelopment that may result in tenant displacement; and
- D.[C.]contain pedestrian-oriented uses as defined in Section 25-2-691(C) (*Waterfront Overlay District Uses*) on the first floor of a multi-story commercial or mixed use building.

**5. Timing of Application Review.** The following amendments to Chapters 25-2 and 25-5 would prohibit approval of applications prior to the notification period required under Section 25-1-711 (*Tenant Notification Required*) and provide that the required notification period does not count towards the expiration period.

- Amend Section 25-1-82 (*Application Requirements and Expiration*) to add a new Subsection (D) to read:
  - (D) In establishing application deadlines under Subsection (A) of this section, the director shall provide that no application for which notice is required under Section 25-1-711 (*Tenant Notification Required*) may be approved or posted for public hearing until after the required notification period.
- Amend Subsection (A) of Section 25-2-282 (*Land Use Commission Hearing and Recommendation*) to read:
  - (A) The Land Use Commission shall hold a public hearing on a zoning or rezoning application not later than the 60th day after the date the application is filed, except that a hearing for an application for which notification to existing tenants is required under Section 25-1-711 (*Tenant Notification Required*) may not be held until 230 days after the notice is provided. The director of the Planning and Zoning Department shall give notice under Section 25-1-132(A) (*Notice of Public Hearing*) of the public hearing. If the application includes property located within the Waterfront Overlay (WO) combining district, the director shall request a recommendation from the Small Area Planning Joint Committee of the Planning Commission and the Zoning and Platting Commission to be

considered by the Land Use Commission at the public hearing. If the Board fails to make a recommendation as required under Section 25-2-715 (*Review and Recommendation of the Small Area Planning Joint Committee of the Planning Commission and the Zoning and Platting Commission*), the Land Use Commission or accountable official may act on the application without a recommendation from the Board.

- Amend Subsection (A) of Section 25-5-43 (*Approval Date*) to read:
  - (A) The director may release a site plan after:
    - (1) the site plan is approved;
    - (2) the applicant posts the required fiscal security with the director; ~~[and]~~
    - (3) the time period for filing an appeal of the approval expires, or each interested party signs and submits to the director a written waiver of the right to appeal~~[-]; and~~
    - (4) if applicable, tenant notification has been provided for the period required under Section 25-1-711 (*Tenant Notification Required*).
- Amend Subsection (A) of Section 25-1-89 (*Tolling of Application Period*) to read:
  - (B) A deadline established by the director under Section 25-1-82 (*Application Requirements and Expiration*) for obtaining approval of an application is tolled if, prior to expiration of the application, the director determines that:
    - (1) approval of the application requires:
      - (a) discretionary review, as authorized under this title, by the Land Use Commission, Board of Adjustment, or city council, other than a zoning change or code amendment; and
      - (b) ~~[(2)]~~ the application meets all other requirements for approval, except for payment of fees, posting fiscal surety, and other code requirements as determined by the director under Section 25-1-82 (*Application Requirements and Expiration*); or
    - (2) the applicant has provided a 90 or 270-day notification to tenants of a multi-family building or mobile home park, as required by Section 25-1-711 (*Tenant Notification Required*).

# TENANT RELOCATION ASSISTANCE

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City of Austin Planning Commission  
June 14, 2016

# Overview

- Background and Council Resolutions
- Proposed Requirements under Draft Ordinance
- Overview of Programmatic Guidelines
- Cost Estimates

## Council Resolutions

- Resolutions 20151112-027 and 20160421-035 initiated amendments to the Land Development Code to establish relocation assistance requirements for applicants of developments with the intent to demolish and/or renovate multi-family structures or mobile home parks that will result in the displacement of tenants
  - Consider temporary and emergency relocation standards as well
- Stakeholder feedback process conducted to identify community needs and ensure the ordinance that is ultimately drafted is responsive to them
- The goal is to mitigate the negative impacts of displacement on the most vulnerable residents

## Overview of Ordinance Recommendations

- Applies to multifamily and mobile home park redevelopment
- Notification requirement
- City fund available to help cover relocation costs for income-eligible tenants
- Private developers/property owners may pay into the fund in certain circumstances



## Applicability

- Amends Chapter 25-1, Article 15, adding a new division for Tenant Notification and Relocation
- Requirements apply to:
  - Applications to demolish or partially demolish a multifamily building consisting of 5 or more residential units
  - Applications for site plan approval or change of use permit for mobile home parks
  - Rezoning of property within a Mobile Home Residence (MH) district designation

## Notification

- Applicant (or representative) must deliver notices of the owner's intent to demolish or redevelop the property to all tenants in person or via registered or certified mail
- Notices will include information on development application, available relocation assistance, and other relevant policies and programs that can help tenants
- Applications may be approved no earlier than 120 days after all multifamily building tenants receive notification or 270 days after all mobile home park tenants receive notification
- Notices will be posted on the property during the notification period to ensure any new tenants are aware of the redevelopment. New tenants will not be eligible for relocation assistance.

## Relocation and Moving Assistance

- Establishes a tenant relocation assistance program to be administered by Neighborhood Housing & Community Development
- For displacements due to by-right development or where discretionary approval is not required, tenants may apply to a City-funded relocation fund for financial assistance

## Developer/Property Owner Payments

- Compliance with the tenant relocation assistance program would become a Tier I requirement for Planned Unit Developments within the City's zoning jurisdiction that would displace tenants
- May be agreed to by applicant when:
  - tenant displacement occurs due to rezone or change of use, as discussed previously, or
  - upon agreement by applicant for a discretionary land use approval for a redevelopment likely to cause displacement.
- Fees would be paid into a relocation fund to provide assistance to tenants displaced by the project. The fee would be established by separate ordinance, pending the findings of an impact study.

## Timing of Application Review

- Provisions to prohibit approval of applications prior to the required tenant notification period
- Tolling (“stop the clock”) mechanism where notification was not provided prior to submittal of application

## Programmatic Guidelines

- Neighborhood Housing will adopt guidelines to implement the tenant relocation assistance program, including:
  - A methodology to set an amount for tenant relocation fees, taking into account the results of an impact study to determine direct costs to tenants and indirect costs to the community due to displacement
  - Eligibility requirements for tenants – income-eligibility of 70% area median family income (MFI) for multifamily building tenants and 80% MFI for mobile home park tenants
  - Eligible expenses for which relocation assistance may be provided (including security deposits, application fees & deposits, moving trucks and supplies)
  - Refund procedures for unspent funds contributed by a private developer/property owner

## Potential Costs of Program

The following activities represent potential costs to implement the recommendations:

- Relocation and moving assistance for low-income tenants
- Impact study
- Contracting with a third-party relocation agency to provide housing location assistance and other services
- Program administration at the City
- Changes to AMANDA system to flag and track developments that may displace tenants

## Questions/Discussion

<http://austintexas.gov/page/tenant-relocation-assistance>

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Affordability Impact Statement  
 Neighborhood Housing and Community Development  
 City Council Agenda:  
 Case No. Resolution No. 20151112-027  
 Tenant Relocation

<p>Proposed Code Amendment:</p>	<p>Proposed amendment to Title 25 of the land development code to create tenant relocation assistance requirements. The proposed ordinance would require property owners/developers to provide advance notice to vacate to tenants, and would establish a program for income-eligible tenants to receive relocation and moving expense assistance and relocation services Staff will be recommending funding for both the program and an impact/nexus study to determine the impact of tenant displacement on the community.</p>
<p>Impact on implementation of Imagine Austin vision, goals and priorities related to household affordability</p>	<p><input checked="" type="checkbox"/> Positive   <input type="checkbox"/> Negative   <input type="checkbox"/> Neutral</p> <p><b>The Proposed Amendment Supports the Implementation of the Following Imagine Austin Policies:</b></p> <p><b>HN P15</b> - Protect neighborhood character by providing opportunities for existing residents struggling with rising housing costs to continue living in their existing neighborhoods.</p> <p><b>S P13</b>- Provide opportunities for seniors and other persons to live in affordable housing that meets their specific needs and in neighborhoods that allow them to safely travel to and access their daily needs.</p> <p><b>Household Affordability Priority Program Work Plan Step 3b</b> – targeting the use of public funds for the lowest-income households, including those who are homeless, at risk of homelessness, or who have other special needs.</p> <p>The proposed Ordinance Amendment may have a positive impact by requiring property owners/developers to provide additional notice to vacate to tenants and by providing financial assistance to low-income, elderly, disabled tenants being displaced, to enable them to search for comparable housing that meets their needs in Austin.</p>
<p>Impact on regulatory barriers to affordable housing development</p>	<p><input checked="" type="checkbox"/> Positive   <input type="checkbox"/> Negative   <input type="checkbox"/> Neutral</p> <p>This Proposed Ordinance Amendment may have a positive impact on regulatory barriers to affordable housing development by requiring property owners/developers to provide additional notice to vacate to tenants and by providing financial assistance to help mitigate the adverse health, safety and economic impacts to low-income, elderly, disabled tenants being displaced, to enable them to search for comparable housing that meets their needs in Austin.</p>
<p>land use / zoning opportunities for affordable housing development</p>	<p><input type="checkbox"/> Positive   <input type="checkbox"/> Negative   <input checked="" type="checkbox"/> Neutral</p>

	This Proposed Ordinance Amendment does not impact land use / zoning.
Impact on cost of development	<input type="checkbox"/> Positive <input checked="" type="checkbox"/> Negative <input type="checkbox"/> Neutral  <p>Additional notice to tenants could impact the cost of development by increasing time it takes for a project to be redeveloped; may increase cost for developers seeking PUD zoning if property owner/developer required to pay into a relocation assistance fund for assisting low income tenants with relocation costs; program administration by City staff may require additional/increased development fees.</p> <p>While this proposed Ordinance Amendment could have an impact on the cost of development, tenant relocation requirements may prevent destabilizing effects on our most vulnerable residents, including elderly, low-income or disabled residents.</p>
Impact on production of affordable housing	<input type="checkbox"/> Positive <input checked="" type="checkbox"/> Negative <input type="checkbox"/> Neutral  <p>The proposed Ordinance Amendment may have an impact on the production of affordable housing for redevelopment projects that include affordable housing units; the cost of development may increase due to additional notice to tenants increasing development project timelines.</p> <p>While this proposed Ordinance Amendment could have an impact on the production of affordable housing, tenant relocation requirements may prevent destabilizing effects on our most vulnerable residents, including elderly, low-income or disabled residents.</p>
Proposed Changes Impacting Housing Affordability:	<p>The proposed Ordinance Amendment may have an impact on housing affordability by requiring property owner/developer to provide advance notice to displaced tenants which may lead to increase in development schedule and cost of a project. If the redevelopment project were to include affordable units, this cost could be passed on to new tenants in higher rents.</p> <p>The proposed Ordinance Amendment could also impact housing affordability by minimizing the impact of relocation on income-eligible displaced residents by providing advance notice and relocation assistance so the residents may continue to live in affordable housing.</p>
Alternative Language to Maximize Affordable Housing Opportunities:	
Other Housing Policy Considerations:	
Date Prepared:	June 8, 2016
Director's Signature:	<i>[Handwritten Signature: B. Copic for Betsy Spencer]</i>

**RESOLUTION NO. 20151112-027**

**WHEREAS**, recent development trends in Austin, including the demolition and redevelopment of multi-family properties, have resulted in the displacement of tenants; and

**WHEREAS**, displaced tenants are confronted with the financial burden and unanticipated cost of relocation; and

**WHEREAS**, the destabilizing repercussions of displacement affect many of the most vulnerable members of our community, including low-income families and individuals, families with school-aged children, residents over the age of 65, residents with fixed incomes, and residents with disabilities or limited mobility; and

**WHEREAS**, on multiple occasions, Council has found it to be in the public interest to approve zoning change cases that have included agreements by applicants to provide relocation assistance to displaced tenants; and

**WHEREAS**, there is no uniform ordinance or existing standard mechanism addressing this public interest need; and

**WHEREAS**, Council Resolution 20121108-059 directed the City Manager to work with the Community Development Commission and stakeholders to develop recommendations regarding relocation standards and to identify the feasibility of and mechanisms for implementing these standards in zoning and demolition permit applications; and

**WHEREAS**, from February to May of 2013, City staff conducted seven public and commission input gathering sessions including presentations before the Housing Committee of the Community Development Commission and the Codes and Ordinances Committee of the Planning Commission; and

**WHEREAS**, on May 20, 2013 the Neighborhood Housing and Community Development Department, with assistance from the Law Department, presented a memorandum to Council with tenant relocation policy recommendations incorporating feedback from stakeholders and research from the Community Development Clinic at the University of Texas at Austin School of Law; **NOW, THEREFORE**,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

The City Council initiates amendments to the Land Development Code (*Title 25*) to establish tenant relocation assistance requirements for applicants of developments with the intent to demolish and/or renovate multi-family structures that will result in displacement of tenants. The City Manager is directed to prepare a draft ordinance consistent with this initiation and to consider including the following provisions, in addition to any other provisions deemed appropriate:

- Requiring applicants to provide notice to tenants of the final move-out date at least six months in advance.
- Requiring applicants to allow flexible move-out dates to tenants within the six months after the final move-out date notice is given.
- Requiring applicants to provide relocation and moving stipends to eligible, qualified tenants.
  - Determining the eligibility and qualification of tenants as well as the level of assistance required shall be based on tenant household income and consideration of specific special needs such as age and disabilities.
- Requiring applicants to refund full security deposits to tenant

households where no developer-owned property is missing upon move-out.

- Requiring a reasonable waiting period between the issuance of a demolition permit and the execution of the demolition by the applicant.
- Requiring applicants to provide displaced tenants resources and access to realtors or other qualified individuals to assist with navigating the relocation process.

**BE IT FURTHER RESOLVED:**

The City Manager is directed to explore the viability of including the following:

- Requirements for temporary relocations, including tenant relocation assistance requirements specifically for tenants who are displaced because of repair or rehabilitation of their rental unit by the landlord to bring the unit into compliance with code, and the tenants are expected to be able to reoccupy the unit.
- Requirements for emergency relocations, including tenant relocation assistance requirements specifically for tenants who are displaced from their rental units as a result of a city or court order to vacate the unit or where vacation is required to enable compliance with a notice of code violation from the city because of imminent potential harm to the health and safety of tenants.

**BE IT FURTHER RESOLVED:**

In addition to the legally required public hearing before the Planning Commission, the City Manager is directed to hold two public meetings to solicit

input regarding the code amendments which shall include affected tenants and their advocates and representatives from the development community, including stakeholders from, but not limited to, the Austin Apartment Association, the Board of Realtors, and the Austin Tenants' Council.

**BE IT FURTHER RESOLVED:**

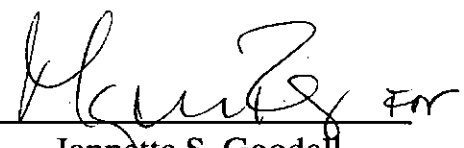
The City Manager is directed to present an ordinance incorporating national best practices and consistent with this resolution to the Council's Housing and Community Development Committee for consideration not later than 120 days after adoption of this resolution.

**BE IT FURTHER RESOLVED:**

After completing the stakeholder input gathering process, the City Manager is directed to provide information detailing any additional resources and administrative support needed to implement a tenant relocation assistance program in accordance with this resolution and a mechanism for enforcing its standards not later than 180 days after adoption of this resolution.

**ADOPTED:** November 12, 2015

**ATTEST:**

  
Jannette S. Goodall  
City Clerk

**RESOLUTION NO. 20160421-035**

**WHEREAS**, Resolution No. 20151112-027 was approved by Council on November 12, 2015 in which the City Council initiated a Tenant Relocation Program for displaced renters who reside in multi-family structures; and

**WHEREAS**, displaced mobile home tenants experience financial and emotional costs that are similar to those of displaced tenants of multi-family structures; and

**WHEREAS**, mobile homeowners experience an extreme burden when they are displaced from their homes due to the fact that mobile homeowners own or partially own their homes, but not the land beneath them, which makes mobile homeowners among our community's most vulnerable when they experience displacement; and

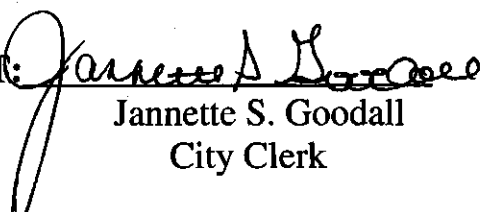
**WHEREAS**, on April 13, 2016, the Housing and Community Development Committee, with a vote of 3-1, voted to recommend to the City Council that Council direct the City Manager to include mobile homes in the proposed Tenant Relocation Ordinance initiated by Resolution No. 20151112-027 and provide other recommendations for addressing the displacement of mobile home residents;  
**NOW, THEREFORE,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

Council directs the City Manager to include mobile homes in developing a Tenant Relocation Ordinance, as initiated by Resolution No. 20151112-027, and provide recommendations that address the displacement of mobile home residents.

**ADOPTED:** April 21, 2016

**ATTEST:**

  
Jannette S. Goodall  
City Clerk



**ORDINANCE NO.**

**AN ORDINANCE AMENDING CITY CODE CHAPTERS 25-1, 25-2, AND 25-5 TO ESTABLISH REQUIREMENTS FOR TENANT NOTIFICATION AND TENANT RELOCATION ASSISTANCE FOR CERTAIN PROJECTS IMPACTING MULTI-FAMILY AND MOBILE HOME OCCUPANCIES.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

**PART 1.** The city council makes the following legislative findings:

- (A) The rapid pace of development and redevelopment in the City of Austin has substantially reduced, and continues to reduce, the available supply of rental housing affordable to low-and moderate-income tenants. Replacement of low-income units has not occurred at a rate sufficient to mitigate the loss of affordable units due to demolition, redevelopment, and change in the use of existing multi-family buildings.
- (B) To the extent that low-income tenants displaced by development are eventually able to find affordable units in the City of Austin, the time and cost associated with relocation have increased substantially. These impacts are destabilizing to some of Austin's most vulnerable populations, including low-income families and individuals; single parents and families of school-aged children; and residents over the age of 65, on fixed incomes, or with disabilities.
- (C) The financial, social, and public health impacts of rental displacement caused by demolition or redevelopment is well-documented, both nationally and in the Austin market.
- (D) Several public hearings and stakeholder meetings have been held in connection with rental displacement, beginning with Council's adoption of Resolution No. 20121108-05 and continuing with the adoption of Resolution No. 20151112-027 and Resolution No. 20160421-035.
- (E) Based on evidence gathered by NHCD and other stakeholders, the City Council finds that costs incurred by displaced tenants to relocate within Austin—including physical moving costs, advance payments, utility fees, security



deposits, and additional rental costs—result in a substantial burden to displaced tenants, which in turn has broader communitywide impacts.

(F) Conditions in the current rental market, with historically low occupancy rates, have created a relocation crisis because tenants, particularly at lower incomes, do not have sufficient time to save money for relocation costs or to find comparable housing when they are displaced as a result of demolition or redevelopment.

(G) Many cities across the nation have begun requiring or incentivizing projects that will displace existing tenant communities to provide relocation assistance and to notify tenants well in advance of planned demolitions or development. While none of these programs are sufficient to fully address the problem of tenant displacement, each of them has helped to mitigate the impacts of forced relocation on low income renters.

**PART 2.** City Code Chapter 25-1, Article 15 (*S.M.A.R.T. Housing*) is retitled as “*Housing*” and subdivided into two divisions to be captioned as follows:

Division 1. General Provisions.

Division 2. S.M.A.R.T. Housing.

with Section 25-1-701 (*Definitions*) placed under Division 1 (*General Provisions*) and Sections 25-1-702 (*Administration*), 25-1-702 (*Program Requirements*), Section 25-1-704 (*Fee Waivers*), and Section 25-1-705 (*Required Affordability Period*) placed into Division 2 (*S.M.A.R.T. Housing*).

**PART 3.** City Code Section 25-1-701 (*Definitions*) is amended to add the following new definitions of “Mobile Home Park,” “Multi-Family Redevelopment,” “Tenant,” and “Tenant Displacement” and to renumber the remaining definitions accordingly:

- (4) MOBILE HOME PARK means a site containing three or more structures that:
- (a) are transportable in one or more sections;
  - (b) in travelling mode, are at least 8 feet in width or 40 feet in length or, when erected onsite, are 320 square feet or more in area;
  - (c) are built on a permanent chassis and designed to be used as a dwelling, with or without a permanent foundation; and

- 1 (d) includes plumbing, heating, air-conditioning, and electrical systems; or
- 2 (e) satisfies all criteria other than the size requirements in Paragraph (4)(b).
- 3 (6) MULTI-FAMILY REDEVELOPMENT means the redevelopment of an
- 4 existing multi-family building or mobile home park for which a zoning, rezone,
- 5 or other discretionary land use approval is required.
- 6 (7) TENANT means any person who is entitled to occupy a dwelling unit primarily
- 7 for living or dwelling purposes under a rental agreement or lease, including
- 8 those persons who are considered to be tenants under Section 92.001 of the
- 9 Texas Property Code. For purposes of this article, “tenant” does not include
- 10 owner of a dwelling unit or members of the owner’s immediate family.
- 11 (8) TENANT DISPLACEMENT means any directive or condition that requires a
- 12 tenant to vacate a multi-family building or mobile home park due to multi-
- 13 family redevelopment, where a tenant will not be relocated to another unit
- 14 within the same building or site.

15

16 **PART 4.** City Code Chapter 25-1 (*General Provisions*) is amended to add a new

17 Division 3 to read:

18 **Division 3. Tenant Notification and Relocation.**

19 **§ 25-1-711 TENANT NOTIFICATION REQUIRED.**

- 20 (A) Except as provided under Subsection (B), the requirements of this section apply
- 21 to an application to:
- 22 (1) demolish or partially demolish a multi-family building consisting of five
- 23 or more residential units, including a demolition permit or a building
- 24 permit that authorizes demolition;
- 25 (2) approve a site plan or change of use permit for an existing mobile home
- 26 park; or
- 27 (3) rezone a property within the Mobile Home Residence (MH) District
- 28 designation that contains an existing mobile home park.
- 29 (B) The requirements of this section do not apply to any dwelling unit:

- (1) demolished or vacated because of damage caused by the tenant or by other events beyond the owner's control, including fire, civil commotion, malicious mischief, vandalism, tenant waste, natural disaster or other destruction;
  - (2) owned by a public housing agency;
  - (3) located inside the boundaries of an educational institution that is occupied by students, faculty, or staff of the institution;
  - (4) for which relocation assistance is required to be paid to the tenants under federal or state law; or
  - (5) that is operated as emergency or temporary shelter for homeless persons and owned or administered by a nonprofit organization or public agency.
- (C) Notification must be provided in accordance with the timelines established in this subsection.
- (1) To demonstrate that required notification was provided prior to submittal of an application, the applicant must include a certified statement, on a form approved by the director, confirming that all tenants of the structure or site received notification required under this section at least:
    - (a) 120 days prior to the date application was submitted; or
    - (b) for a mobile home park or manufactured housing development, at least 270 days prior to the date the application was submitted.
  - (2) If notification is provided after the application is submitted, the application may be approved no earlier than:
    - (a) 120 days after all tenants of the structure or site received notification required under this section; or
    - (b) for a mobile home park or manufactured housing development, 270 days after all tenants of the site received notification required under this section.
- (D) The notification required under Subsection (A) of this section must be in a form approved by the director and must:

- (1) be delivered to all tenants of the proposed multi-family redevelopment by the applicant or the applicant's representative or by registered or certified mail, with return receipt requested; and
- (2) include the following information:
  - (a) the applicant's name and contact information;
  - (b) a description of the development application for which notification is required under Subsection (A) of this section;
  - (c) a statement that the application may be approved on or after the 120<sup>th</sup> day following receipt of the notice and may result in displacement of tenants;
  - (d) a description of any tenant relocation assistance that may be available under Section 25-1-713 (*Tenant Relocation Program*) or Section 25-1-714 (*City Tenant Relocation Fund*), including income eligibility requirements and forms for requesting assistance;
  - (e) information regarding applicable school district policies relating to district residency requirements;
  - (f) information regarding the availability of fee waivers from Austin Energy for obtaining utility service at a new residence where relocation is required due to displacement; and
  - (g) other information as may be required by the director, including programs and services to assist displaced tenants.

#### § 25-1-712 ADDITIONAL NOTIFICATION REQUIREMENTS.

- (A) At the time that notification is provided under Section 25-1-711 (*Tenant Notification Required*), the owner or operator of a multi-family building or mobile home park must post one or more signs in accordance with this section.
- (B) The sign must be on a form approved by the director and must:
  - (1) describe the application for which notification is required under Section 25-1-711 (*Tenant Notification*) and state that any new or existing tenants may be required to relocate from the property as a result of proposed demolition or redevelopment; and

- 1 (2) to the greatest extent feasible:
- 2 (a) for a mobile home park, be posted at the main entrance in a
- 3 location visible to the public from the adjacent public right-of-way
- 4 or private drive; or
- 5 (b) for a multi-family building, be posted at the front of the leasing
- 6 office or other primary building entrance as determined by the
- 7 director.
- 8 (C) A sign required to be posted under this section must remain on the property
- 9 until:
- 10 (1) for a multi-family building, the date that demolition is approved to begin;
- 11 and
- 12 (2) for a mobile home park, the earlier of:
- 13 (a) the date that the property ceases to be used as a mobile home park
- 14 or manufactured housing development; or
- 15 (b) if applicable, the date that the site plan approval or change of use
- 16 permit expires.

17

18 **§ 25-1-713 TENANT RELOCATION PROGRAM.**

- 19 (A) A tenant relocation program, to be administered by the director, is established
- 20 for the purpose of mitigating the impacts of tenant displacement resulting from
- 21 multi-family redevelopment for which a rezone or other discretionary land use
- 22 approval is required. Compliance with the tenant relocation program may only
- 23 be required if authorized by another provision of this title or upon agreement by
- 24 an applicant for a discretionary land use approval required for a multi-family
- 25 redevelopment that is likely to result in tenant displacement.
- 26 (B) If compliance with the tenant relocation program is required, an applicant must
- 27 pay a fee established by separate ordinance. The fee shall be deposited into a
- 28 tenant relocation fund and used by the director to provide tenant relocation
- 29 assistance consistent with guidelines adopted under Subsection (C) of this
- 30 section.

(C) The director shall adopt guidelines by administrative rule to aid in implementing the tenant relocation program. The guidelines must, at a minimum, include each of the elements described in this subsection.

(1) *Tenant Relocation Fee.* The guidelines must include a methodology to be used by the director in recommending to the city council the amount of the tenant relocation fee required under Subsection (B) of this section. The methodology shall include a nexus study that accounts for the impacts of displacement to tenant communities directly affected by multifamily redevelopment and to the community as a whole.

(2) *Eligibility for Tenant Relocation Assistance.* The guidelines shall establish eligibility requirements that a tenant must meet in order to receive tenant relocation assistance. At a minimum, the guidelines must require that a tenant:

(a) have a household income at or below 70% of median family income or, for residents of a mobile home park or manufactured housing development, 80% of median family income;

(b) reside at the property on the date notice required under Section 25-1-711 (*Tenant Relocation Notification*) is issued under the terms of a lease, which may be month-to-month or for a longer duration; and

(c) submit a claim form documenting income eligibility no later than the deadline established by the director.

(3) *Use of Tenant Relocation Assistance.* The guidelines must define the types of expenses for which tenant relocation assistance may be provided. Eligible expenses must be reasonably attributable to tenant displacement based on the nexus study required under Paragraph (C)(1).

(4) *Refund Procedures.* The guidelines shall establish procedures by which an applicant who paid a tenant relocation fee under Subsection (B) of this section may request a refund of any fees not spent for an authorized purpose within five years after approval of an application for which notification is required under Section 25-1-711 (*Tenant Notification Required*).



1     **§ 25-1-714 CITY TENANT RELOCATION FUND.**

2         (A) The City of Austin Tenant Relocation Fund is established for use in providing  
3             tenant relocation assistance to individuals displaced from multi-family  
4             buildings or mobile home parks as a result of redevelopment.

5         (B) The director shall administer the fund consistently with guidelines established  
6             under Section 25-1-713 (*Tenant Relocation Program*) and may use the fund to  
7             provide tenant relocation assistance to:

8             (1) any tenant displaced by development activity for which notification was  
9                 required under Section 25-1-711 (*Tenant Relocation Required*), whether  
10                or not the applicant was required to pay a tenant relocation fee;

11            (2) tenants displaced due to emergency orders to vacate based on health and  
12                safety concerns; and

13            (3) tenants temporarily displaced due to major repairs or renovations of  
14                multifamily buildings.

15  
16     **PART 5.** City Code Chapter 25-2, Subchapter B, Article 2, Division 5 (*Planned Unit*  
17     *Developments*) is amended to amend Section 2.3.2 (*Additional Requirements*) to read:

18     **2.3.2. Additional Requirements.**

19         In addition to the requirements contained in Section 2.3.1 (*Minimum*  
20     *Requirements*), a PUD containing a retail, commercial, or mixed use development must:

21         A. comply with Chapter 25-2, Subchapter E (Design Standards And Mixed Use)[-];

22         B. inside the urban roadway boundary depicted in Figure 2, Subchapter E, Chapter  
23             25-2 (Design Standards and Mixed Use), comply with the sidewalk standards in  
24             Section 2.2.2., Subchapter E, Chapter 25-2 (Core Transit Corridors: Sidewalks  
25             And Building Placement);

26         C. comply with the program established under Section 25-1-713 (*Tenant Relocation*  
27             *Program*), if approval of the PUD would allow multi-family redevelopment that  
28             may result in tenant displacement; and

29         D.~~[C.]~~ contain pedestrian-oriented uses as defined in Section 25-2-691(C)  
30             (*Waterfront Overlay District Uses*) on the first floor of a multi-story commercial  
31             or mixed use building.

**PART 6.** City Code Section 25-1-82 (*Application Requirements and Expiration*) is amended to add a new Subsection (D) to read:

- (D) In establishing application deadlines under Subsection (A) of this section, the director shall provide that no application for which notice is required under Section 25-1-711 (*Tenant Notification Required*) may be approved or posted for public hearing until after the required notification period.

**PART 7.** Subsection (A) of City Code Section 25-2-282 (*Land Use Commission Hearing and Recommendation*) is amended to read:

- (A) The Land Use Commission shall hold a public hearing on a zoning or rezoning application not later than the 60th day after the date the application is filed, except that a hearing for an application for which notification to existing tenants is required under Section 25-1-711 (*Tenant Notification Required*) may not be held until 230 days after the notice is provided. The director of the [Neighborhood] Planning and Zoning Department shall give notice under Section 25-1-132(A) (*Notice of Public Hearing*) of the public hearing. If the application includes property located within the Waterfront Overlay (WO) combining district, the director shall request a recommendation from the Small Area Planning Joint Committee of the Planning Commission and the Zoning and Platting Commission to be considered by the Land Use Commission at the public hearing. If the Board fails to make a recommendation as required under Section 25-2-715 (*Review and Recommendation of the Small Area Planning Joint Committee of the Planning Commission and the Zoning and Platting Commission*), the Land Use Commission or accountable official may act on the application without a recommendation from the Board.

**PART 8.** Subsection (A) of City Code Section 25-5-43 (*Approval Date*) is amended to read:

- (A) The director may release a site plan after:
- (1) the site plan is approved;
  - (2) the applicant posts the required fiscal security with the director; [and]



(3) the time period for filing an appeal of the approval expires, or each interested party signs and submits to the director a written waiver of the right to appeal[-]; and

(4) if applicable, tenant notification has been provided for the period required under Section 25-1-711 (Tenant Notification Required).

**PART 9.** Subsection (A) of City Code Section 25-1-89 (*Tolling of Application Period*) is amended to read:

(B) A deadline established by the director under Section 25-1-82 (*Application Requirements and Expiration*) for obtaining approval of an application is tolled if, prior to expiration of the application, the director determines that:

(1) approval of the application requires:

(a) discretionary review, as authorized under this title, by the Land Use Commission, Board of Adjustment, or city council, other than a zoning change or code amendment; and

(b) ~~[(2)]~~ the application meets all other requirements for approval, except for payment of fees, posting fiscal surety, and other code requirements as determined by the director under Section 25-1-82 (*Application Requirements and Expiration*); or

(2) the applicant has provided a 120 or 270-day notification to tenants of a multi-family building or mobile home park, as required by Section 25-1-711 (Tenant Notification Required).

**PART 10.** This ordinance take effect on \_\_\_\_\_, 2016.

**PASSED AND APPROVED**

\_\_\_\_\_, 2016      § \_\_\_\_\_  
§ \_\_\_\_\_  
§ \_\_\_\_\_

Steve Adler  
Mayor

**APPROVED:** \_\_\_\_\_

Anne L. Morgan  
City Attorney

**ATTEST:** \_\_\_\_\_

Jannette S. Goodall  
City Clerk