

**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:** Postponed by Planning Commission to their June 28, 2016 meeting.

**June 28, 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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# TENANT RELOCATION ASSISTANCE

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City of Austin Planning Commission  
June 28, 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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City of Austin

Neighborhood Housing and Community Development

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

Proposed Code Amendment:	<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>
Impact on implementation of Imagine Austin vision, goals and priorities related to household affordability	<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>
Impact on regulatory barriers to affordable housing development	<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>
land use / zoning opportunities for affordable housing development	<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>Rh Copie 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:**

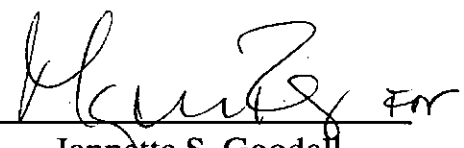
The City Manager is directed to present an ordinance incorporating national best practices and consistent with this resolution to the Council's Housing and Community Development Committee for consideration not later than 120 days after adoption of this resolution.

**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

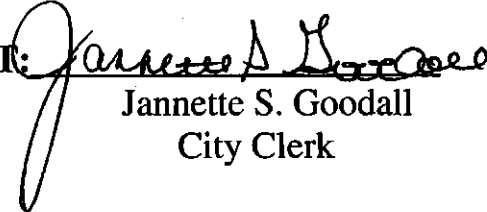
**WHEREAS**, on April 13, 2016, the Housing and Community Development Committee, with a vote of 3-1, voted to recommend to the City Council that Council direct the City Manager to include mobile homes in the proposed Tenant Relocation Ordinance initiated by Resolution No. 20151112-027 and provide other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

**Dutton, Greg**

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**From:** Avioli, Lauren  
**Sent:** Thursday, June 23, 2016 10:56 AM  
**To:** Avioli, Lauren  
**Subject:** RE: City of Austin tenant relocation process update

**From:** Juliana Gonzales [REDACTED]  
**Sent:** Wednesday, June 22, 2016 2:57 PM  
**To:** Avioli, Lauren <[Lauren.Avioli@austintexas.gov](mailto:Lauren.Avioli@austintexas.gov)>  
**Subject:** Fwd: City of Austin tenant relocation process update

Dear Ms. Avioli:

I'm submitting these comments on behalf of the Austin Tenants' Council, a nonprofit that receives City and County funding to provide tenants' rights advocacy, counseling, and mediation, regarding the proposed City of Austin tenant relocation policy. Please include these comments in the backup for the Planning Commission meeting June 28, 2016.

Austin Tenants' Council supports the proposed policy being presented to the City Planning Commission this week. Rapid development in Austin, paired with lack of affordable housing, has resulted in tenant displacement that is destabilizing to Austin's most vulnerable populations. Displaced tenants are encountering substantial relocation costs, and often are not given adequate notice or support to identify new affordable, stable housing in the area where they are established. Frequently, property owners prepare for displacement by putting tenants on month-to-month leases, which mean that they are only obligated to give 30 days notice to tenants who will need to find replacement housing and relocate.

Austin Tenants' Council is strongly in support of:

1. The proposed notice requirements on developers/property owners, requiring that they post and provide notice to tenants well in advance of displacement, and
2. The creation of a City fund to provide displaced tenants with financial assistance for relocation.
3. Continued work by Neighborhood Housing and Community Development to create guidelines related to income eligibility and methodology for determining tenant assistance and eligible expenses.

Moreover, Austin Tenants' Council strongly encourages the City to conduct an impact study and legal review, in order to mandate private developers' contribution to the fund in the future.

While we sincerely appreciate the investment that the City has made into collecting stakeholder input, it has taken significant time—as has the lengthy legal review that the City has needed to evaluate various proposals in the draft. More Austin tenants are still being displaced every week. Moving forward expediently with proposing and adopting a policy will benefit Austin tenants. The sooner we have a policy in place, the sooner tenants will benefit from at least the notice requirements. Please consider doing whatever you are able to move this forward through the process for consideration and adoption, as expediently as possible, with a plan to re-examine and expand the policy after an assessment of the impact. We can certainly expand the policy in future years, but we need to adopt this proposed policy as soon as possible to protect and care for displaced tenants in Austin.

Please contact me if you have any questions or need further input.  
Juliana

Juliana Gonzales, Executive Director  
Austin Tenants' Council



When available a draft ordinance can be found by clicking on the link below.

[http://www.austintexas.gov/cityclerk/boards\\_commissions/meetings/40\\_1.htm](http://www.austintexas.gov/cityclerk/boards_commissions/meetings/40_1.htm)