

Late Backup

Item No. 050

10/6/2016

Initiated by CM Garza

RESOLUTION NO.

WHEREAS, owning a home is an important tool for families to accumulate wealth and transfer intergenerational wealth; and

WHEREAS, the Neighborhood Housing and Community Development Department's draft "Austin Strategic Housing Plan" states that, "an adequate supply of housing affordable to people working all types of jobs is necessary to maintain a culturally rich, diverse, and livable city;" and

WHEREAS, middle income families who would be capable of successfully repaying a mortgage often find it challenging to make initial down payments, and there are few down payment assistance programs for families with incomes greater than 80% of the median family income (MFI); and

WHEREAS, middle income families with incomes ranging from 80% MFI to 120% MFI do not qualify for housing options subsidized by any current City program; and

WHEREAS, after the recent US financial crisis, many lenders tightened their lending standards, limiting middle income families' access to financial assistance; and

WHEREAS, Resolution No. 20160407-024 directed the City Manager to convene a working group to develop recommendations regarding options that would create more homeownership options throughout the City within the incomes ranging from 80% MFI to 120% MFI; and

WHEREAS, Resolution No. 20160616-035, Fair Housing Initiative, directed the City Manager to provide recommendations for financial support for the construction of accessory dwelling units; and

WHEREAS, the Austin Community Design and Development Center at the University of Texas, a nonprofit that is currently working with private homeowners and community development corporations to develop accessory dwelling units on single family lots that participate in City of Austin housing programs, has identified financial barriers for homeowners that want to participate in any program that tries to help them pull more value out of the property other than selling and moving somewhere else; and

WHEREAS, the U.S. Department of Housing and Urban Development, the Federal Housing Administration, and non-profit groups offer financial assistance to firefighters, teachers, and emergency response personnel through diverse grant programs such as the Good Neighbor Next Door, Everyday Hero Housing Assistance Fund, Mortgages for Champions, among others, to help pay expenses related to finding and maintaining a home; and

WHEREAS, city staff submitted a memo in August 2016 in response to Resolution No. 20160407-024 regarding strategies for homeownership opportunities in Austin, which recommended exploring options for engaging with lending establishments to develop more mechanisms that make it easier for Austinites with incomes between 80% and 120% MFI to receive loans; **NOW, THEREFORE,**

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

The City Manager is directed to create a housing lending advisory group to:

- (1) engage lending establishments to develop more mechanisms that make it easier for Austinites with incomes between 80% and 120% MFI to receive loans for the purchase of a home or to finance an accessory dwelling unit (ADU);
- (2) partner with relevant organizations to consider hosting or helping market home buying education sessions for first time homebuyers;
- (3) create a compilation and assessment of existing lending resources available to current and future homeowners;
4. develop an evaluation of the ease of access to existing lending resources and educational materials available to connect homeowners with these resources; and
- (5) compile a review of creative lending alternatives already in use in comparable cities and a determination of the potential applicability of these in Austin.

The housing lending advisory group shall include affordable housing experts including the University of Texas, Austin Women in Housing, Housing Works, Austin Board of Realtors, Housing Authority of the City of Austin, local lending institutions, local entities and institutions such as non-profits, and any other organizations working towards establishing programs that would provide new lending tools such as down payment assistance through joint ventures with local lenders for Austinites seeking to purchase a home or finance an accessory dwelling unit.

The housing lending advisory group shall expire upon completion of its assigned task.

BE IT FURTHER RESOLVED:

The City Manager is directed to present preliminary recommendations at a Council work session on December 6, 2016 with identified next steps.

ADOPTED: _____, 2016

ATTEST: _____
Jannette S. Goodall
City Clerk

