

Austin Strategic Housing Plan



Planning Commission Briefing
March 28, 2017



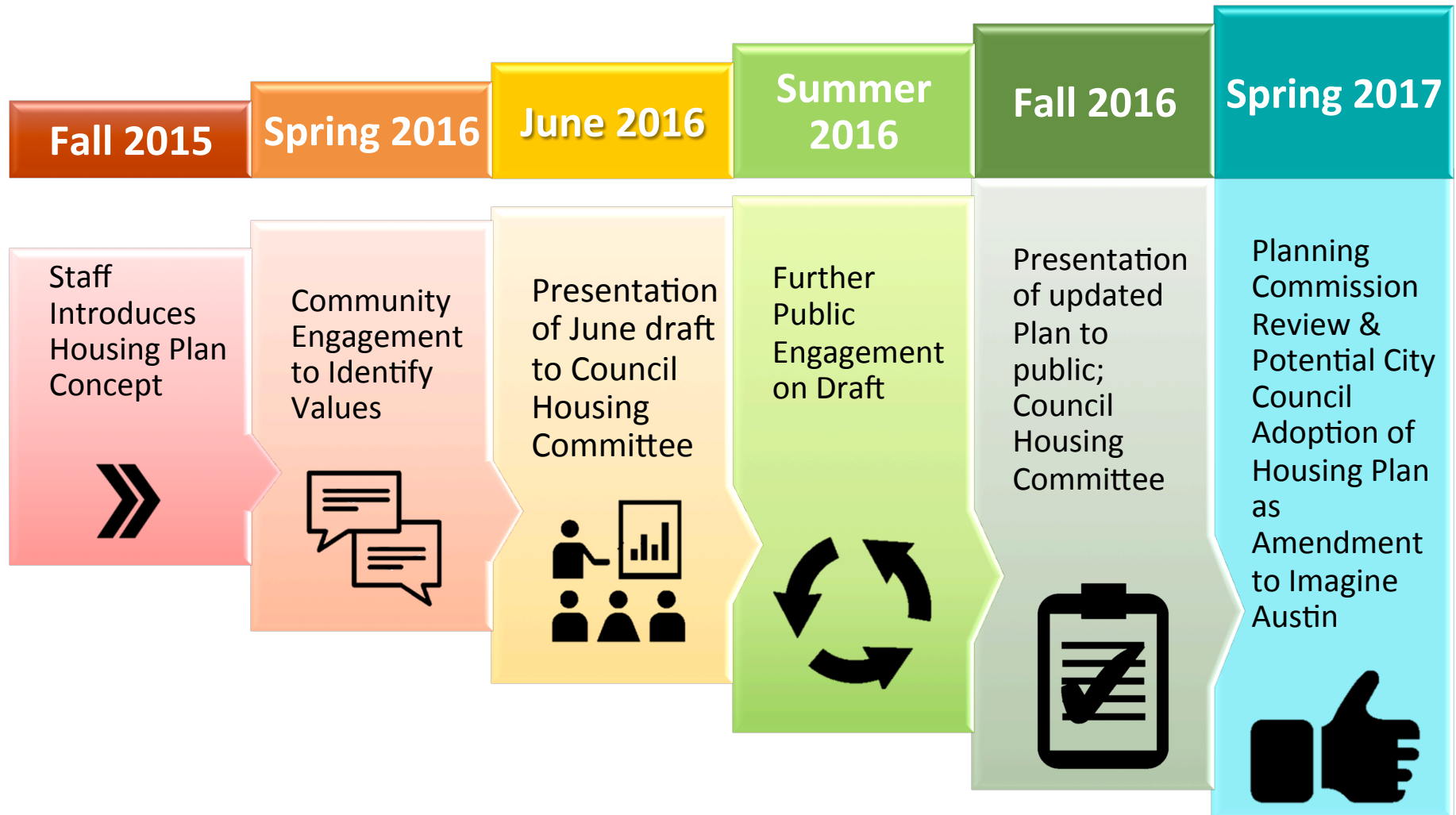
Neighborhood Housing
and Community Development

Austin Strategic Housing Plan

Presentation Highlights

- Background
- Community Engagement
- Methodology for Setting Goals and Targets
- Measuring Performance
- Next Steps

Strategic Housing Plan Development Timeline



Definitions of Affordable Housing and Household Affordability

Affordable Housing:

Housing in which the occupant(s) is/are paying no more than 30 percent of his or her income for gross housing costs and no more than 45 percent of his or her income including transportation.

Definition from the U.S. Department of Housing and Urban Development (HUD)



Imagine Austin Household Affordability (Priority Program #6):

Household affordability is about the costs of housing, utilities, taxes and transportation.

Definition from Imagine Austin Comprehensive Plan

Median Family Income	1 Person Household	4 Person Household	Affordable Monthly Rent
30%	\$16,350	\$24,300	\$408-\$607
50%	\$27,250	\$38,900	\$681-\$972
80%	\$43,600	\$62,250	\$1,090-\$1,556

Per HUD as of March 2016 for the Austin-Round Rock Metropolitan Statistical Area (MSA)



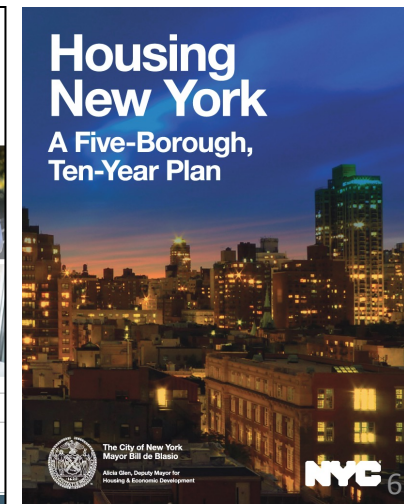
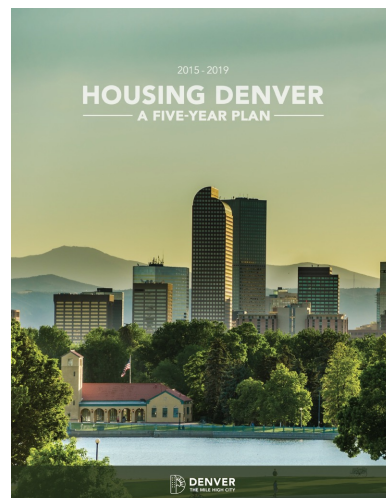


What is a Strategic Housing Plan?

- A roadmap with specific strategies and actions that will position the City of Austin to establish and reach **numerical goals** for affordable housing.



Examples:

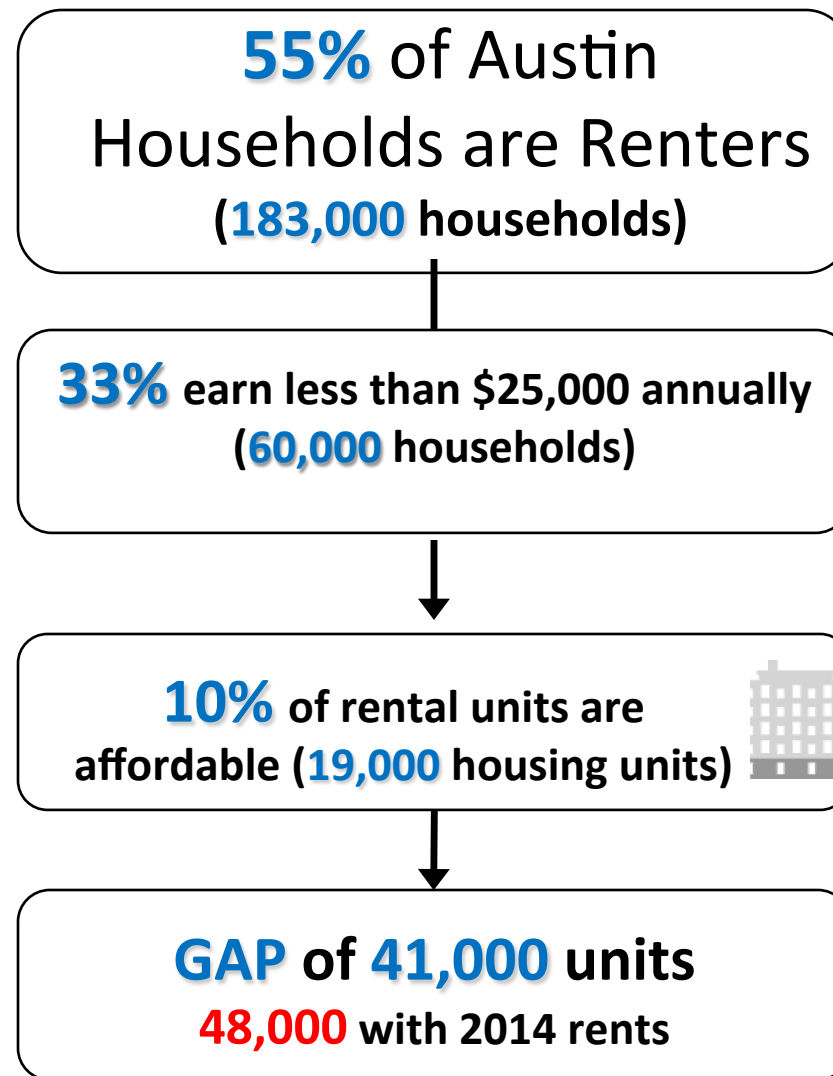


Importance of a Strategic Housing Plan

A Housing Plan will align resources, specify strategies, and clarify the community's role in achieving the shared vision for the future. A Plan can:

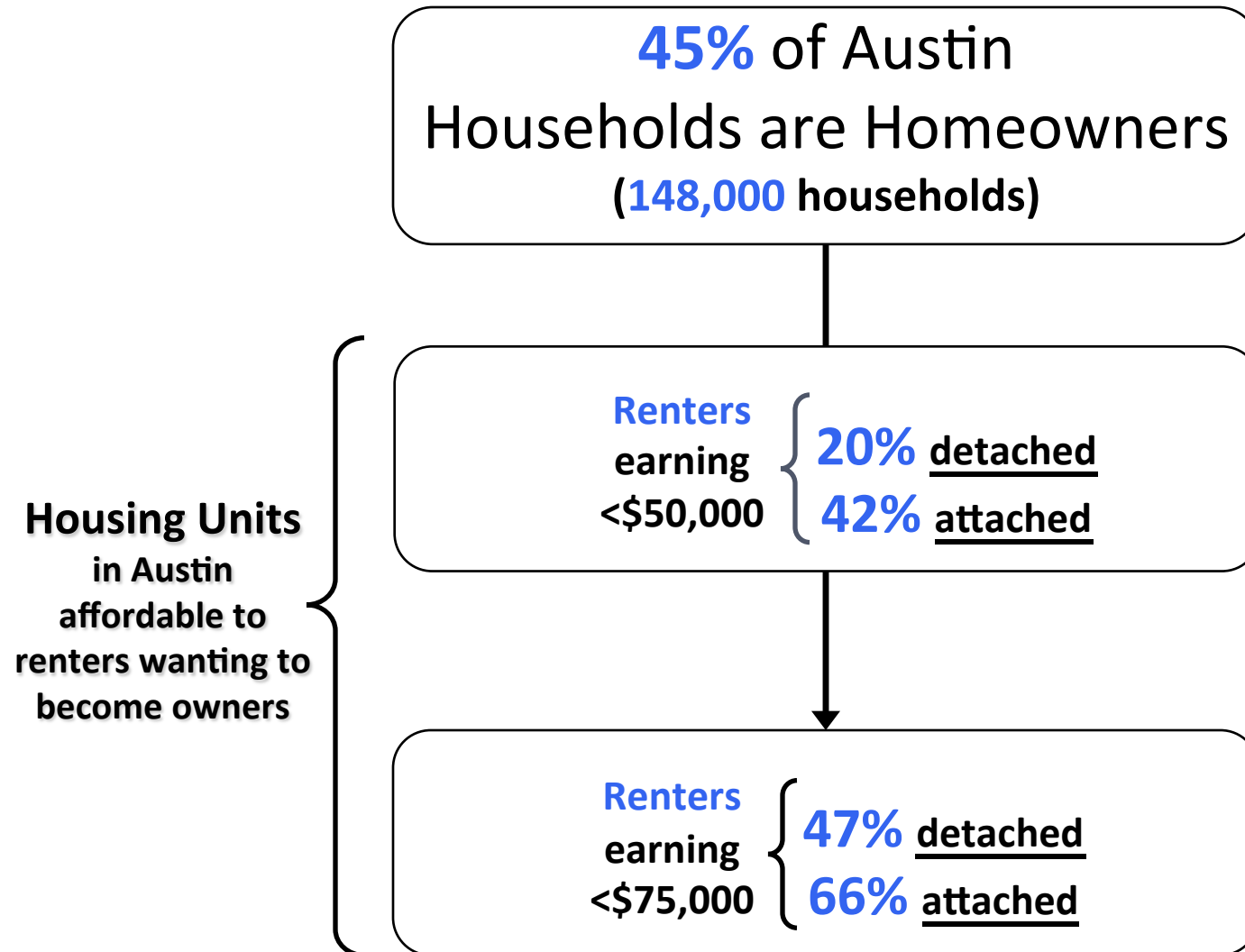
- Identify aggressive strategies to address fair housing.
- Preserve Austin's identity and culture as a city.
- Create affordable housing for residents along the whole income spectrum.
- Provide housing options closer to jobs and infrastructure to address Austin's traffic, quality of life, and environmental quality.
- Apply a data-driven planning approach that guides housing policies responsive growth pressures

Austin Rental Housing Gap



Increasing Affordable Ownership Opportunities

Land Development Code drives results

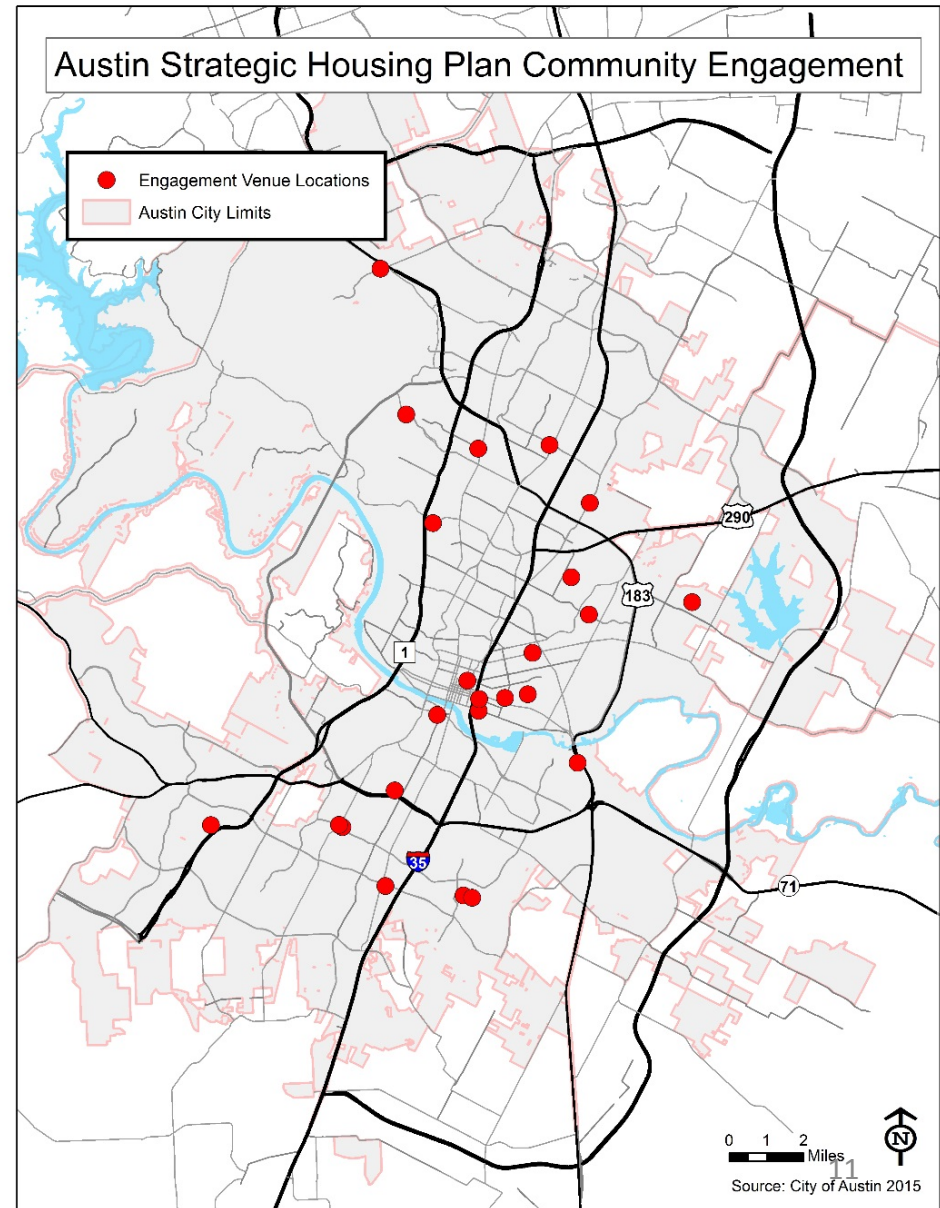




Engagement Designed for *Diverse Outreach*

Stakeholders were engaged at various:

- Senior Centers
- Libraries
- Faith Based Communities
- Community Centers
- Neighborhood Associations
- Universities and Schools



Methods and Avenues for Outreach

11,000+ Web site Views

1,572 Survey Responses*

433 Meeting Attendees

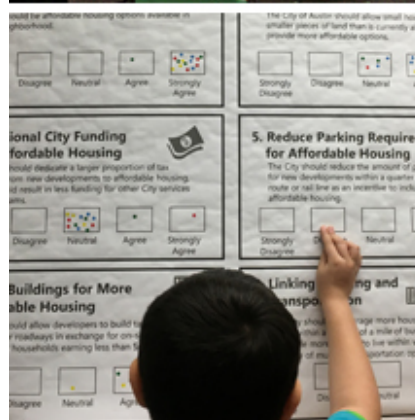
30 Community Meetings

14 Boards & Commission Meetings & Presentations

6 Email Blasts

5 Media Stories, including ATXN

*Includes both statistically significant and open surveys



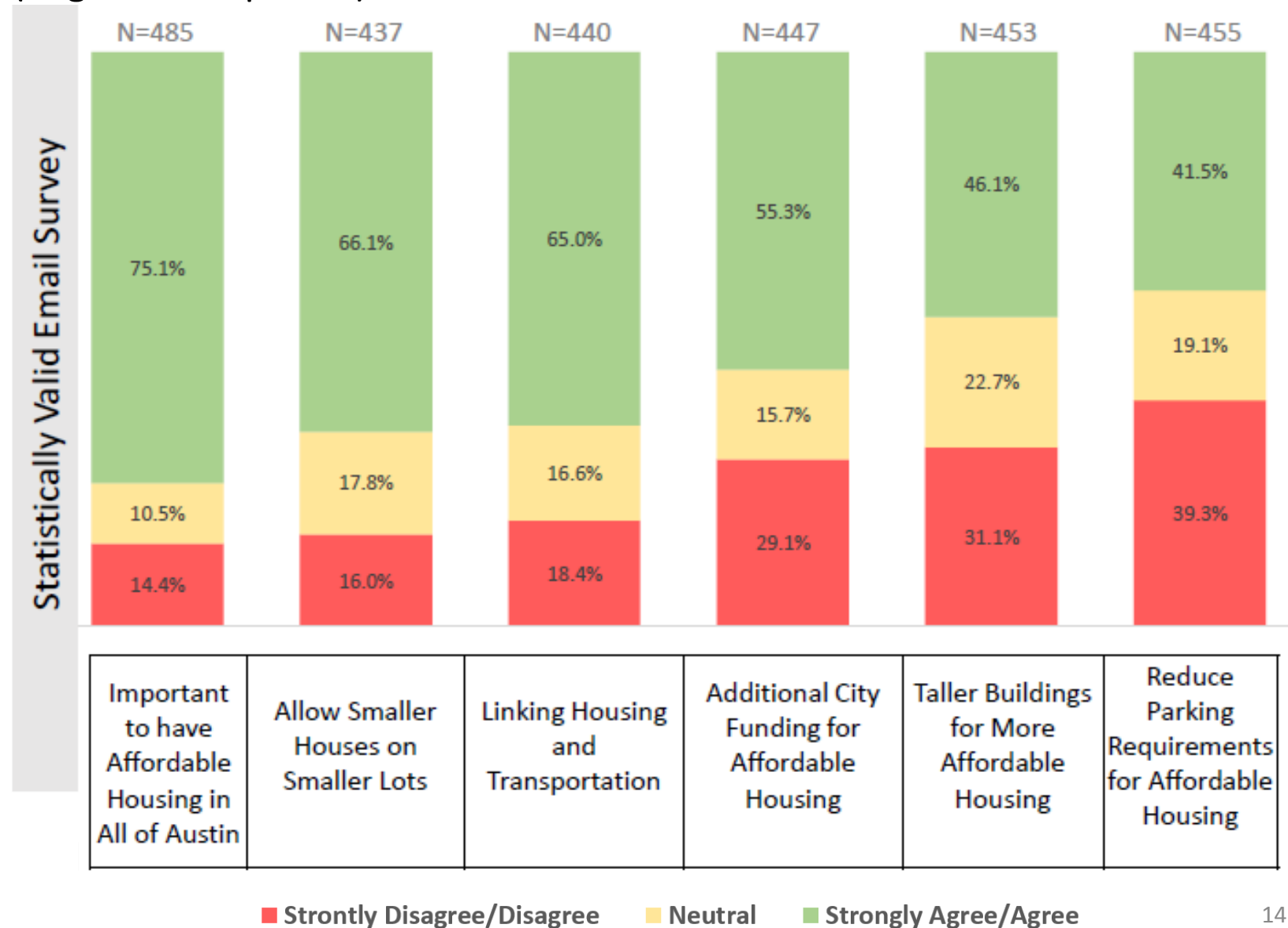
Objective of Community Meetings

Discussions about:

- Key proposed strategies being explored to address affordability
- Attendees provided their thoughts about proposed strategies and concerns they might have
- Additional feedback was collected on other strategies to address affordability and how they might or might not address specific housing needs in Austin
- Opportunities for additional feedback on the Draft Plan

Statistically Significant Survey Results

(English and Spanish)



Changes Made to Respond to Feedback

- ✓ Broke down affordable housing goals by median family income (MFI) categories
- ✓ Aligned housing goals with city council districts instead of zip codes
- ✓ Increased housing goals based on regional growth rate
- ✓ Provided detailed methodology of how housing goals were established
- ✓ Set home repair goals
- ✓ Highlighted how the plan implements Imagine Austin and how CodeNEXT can help implement the plan
- ✓ Added implementation matrix to denote high impact actions, policymaking required, partners and estimated timeframes

All comments received on the June 6, 2016 Draft Plan are included in appendix E:
www.austintexas.gov/housingplan

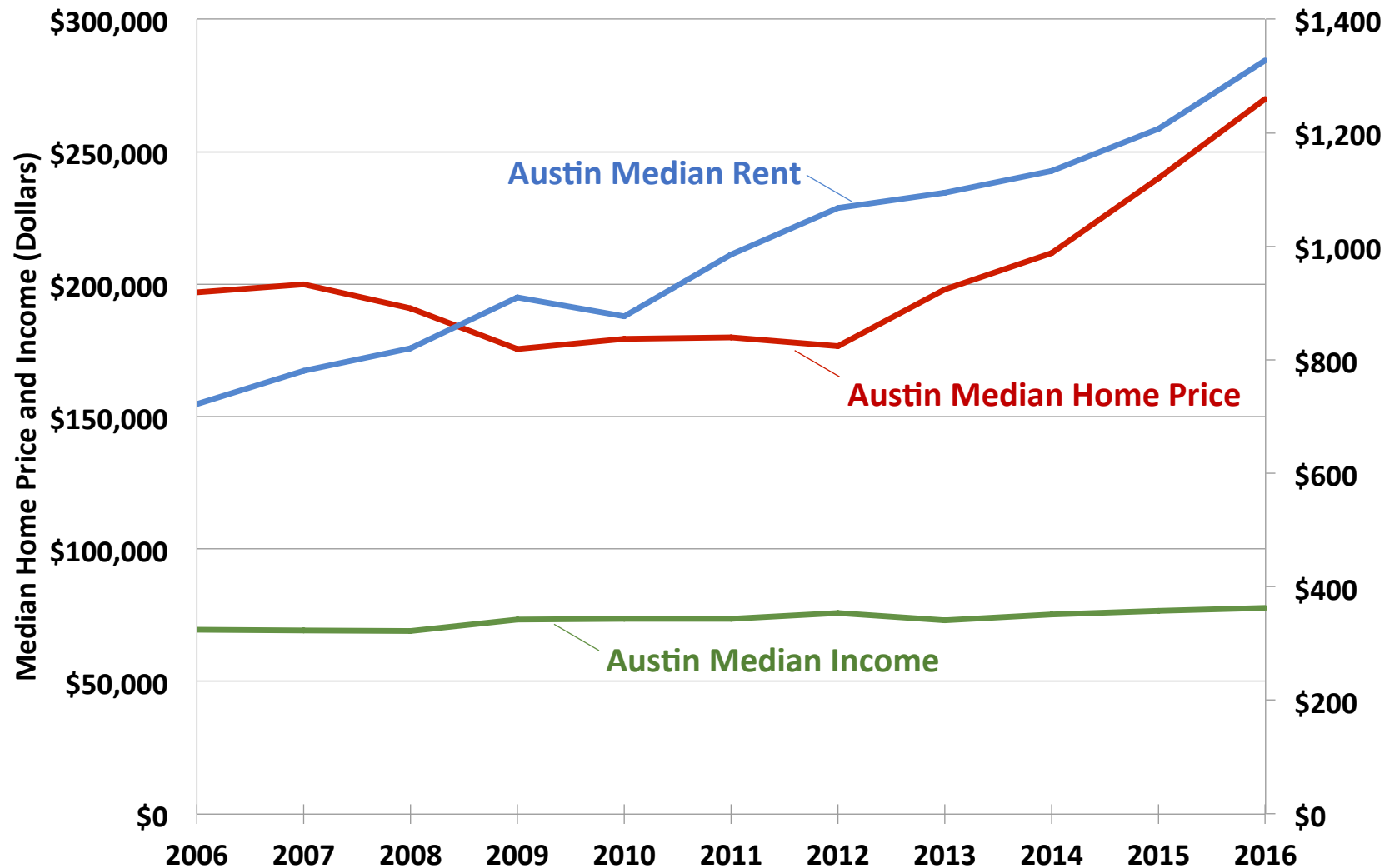


Methodology for Setting Goals and Targets

Austin's Unique Challenges

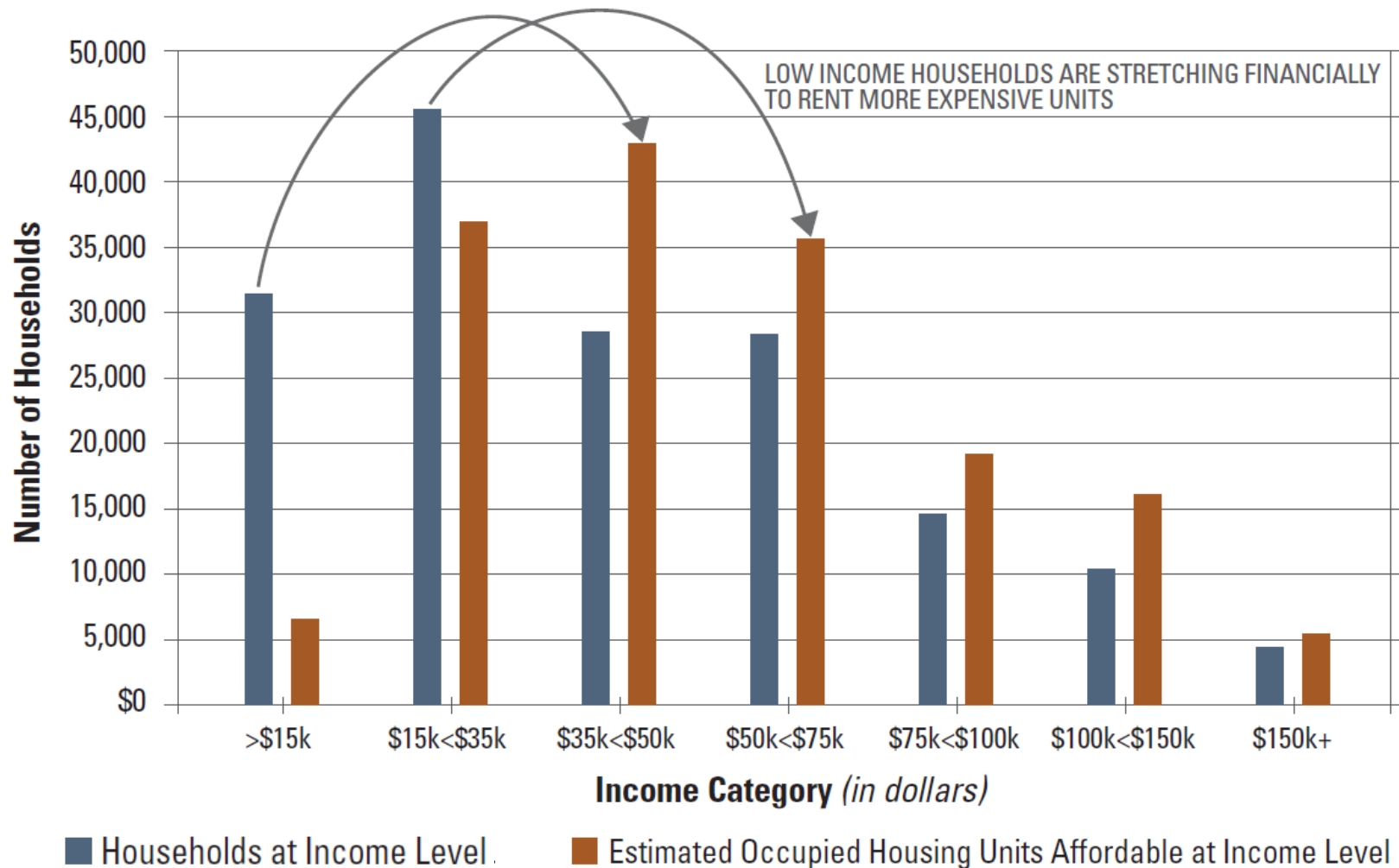
- **Rental Gap:** Significant need (48,000 units) for deeply affordable rental units (primarily those renting for less than \$500/month) for renters earning <\$25,000 per year
- **Geographic Dispersion:** Geographically limited housing opportunities:
 - Affordable rentals are scarce west of I-35
 - Homes to buy for <\$250,000 concentrated in northeast, far south and southeast Austin
- **Resident Displacement:** Rising housing costs in some neighborhoods causing long-time residents to seek more affordable housing elsewhere
- **Linking Housing and Transit:** A growing need for affordable housing near transit and services to:
 - Enable seniors to age in place
 - Provide a wider array of housing choices for persons with disabilities
 - Mitigate the financial impact of rising transportation costs

Wages Flat, Home Prices and Rents Rising Fast



Source: National Association of Homebuilders (NAHB), Austin Opportunity Index, and Austin Investor Interests Data (2006-2016)

Lack of Deeply Affordable Rental Units Forces Low Income Households to Compete for



SOURCE: 2014 ACS Census; Austin Balanced Housing Model, Fregonese & Associates, 2016

Cost of the Affordable Rental Housing Gap



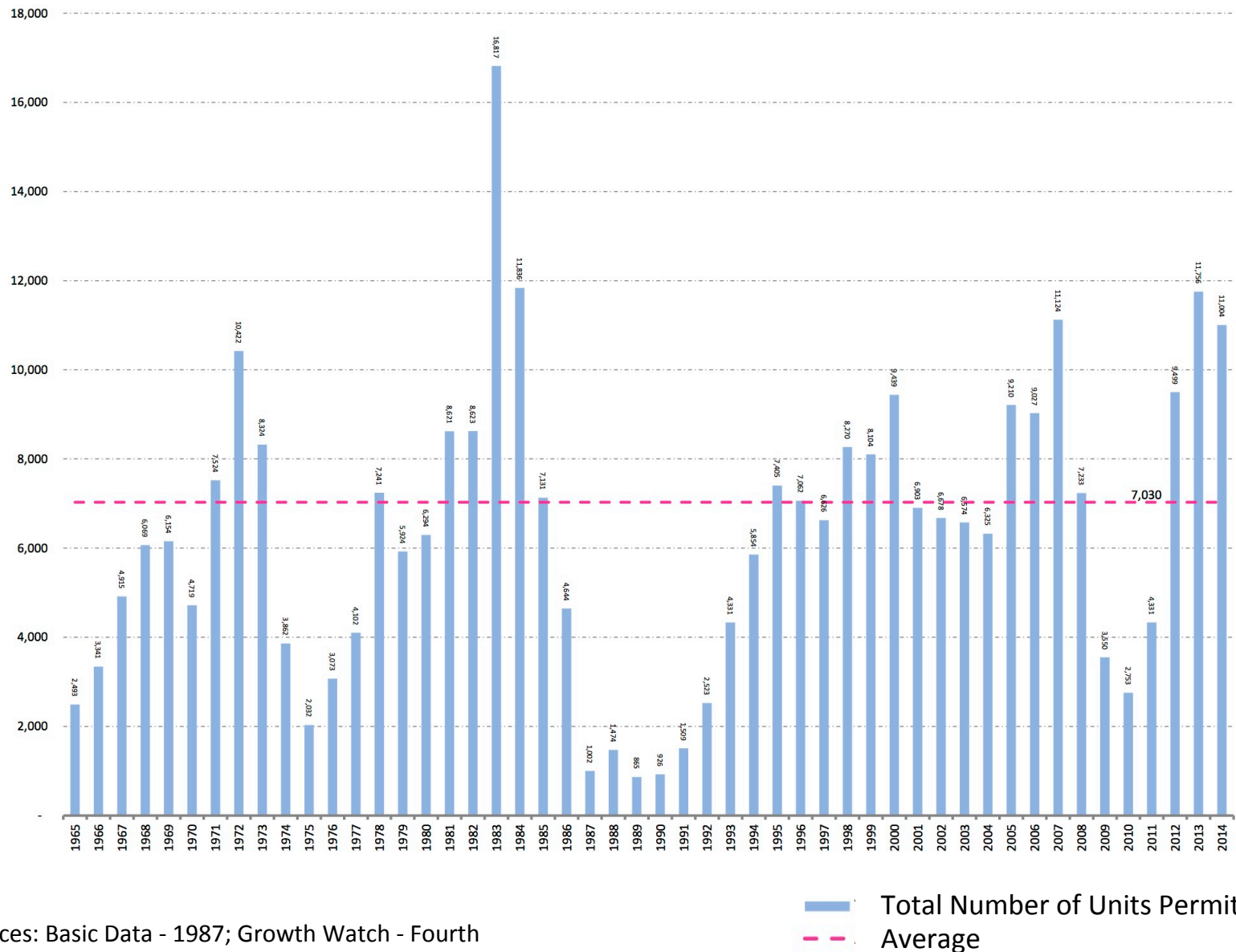
Cost of closing Austin's Affordable Housing Gap Today \approx **\$6.48 Billion** for 48,000 unit gap



Cost of closing Austin's Affordable Housing Gap 2025 \approx **\$11.18 Billion**

- *Calculation: \$135,000 (estimated construction cost) x 48,000 units = \$6.48 billion.*
- *Calculation: \$164,430 (estimated construction costs in 2015 dollars) x 68,000 units (continued rate of increase from 2008 through 2014) = \$11.18 billion.*
- *Does not include land costs.*

Austin Residential Growth over Fifty Years



Data Sources: Basic Data - 1987; Growth Watch - Fourth Quarter 1996; PIER; AMANDA; City of Austin GIS data

Community Housing Goals Methodology

STEP 1: Multiply the 2015 City of Austin Total Housing stock by the 2025 MSA Population Percent Change. This shows the number of new housing units that need to be added to keep pace with population growth.

$$\begin{array}{ccccc}
 397,637 & \times & 34\% & = & 135,197 \\
 \text{2015 \# Housing Units} & & \text{2025 MSA Population \%} & & \text{2025 \# New Housing Units Needed} \\
 \text{(City of Austin)} & & \text{Change (est.)} & & \text{to Keep Pace with Population Growth}
 \end{array}$$

MFI Range	Income Ranges	Percent of Households by MFI Range*	2025 # New Housing Units Needed by MFI Range
0-30% MFI	< \$22,600	16.58%	22,417
31-60% MFI	\$22,601-\$45,240	18.46%	24,963
61-80% MFI	\$45,241-\$60,300	11.70%	15,822
0-80% MFI Unit Goal			63,201
			ROUNDED 60,000

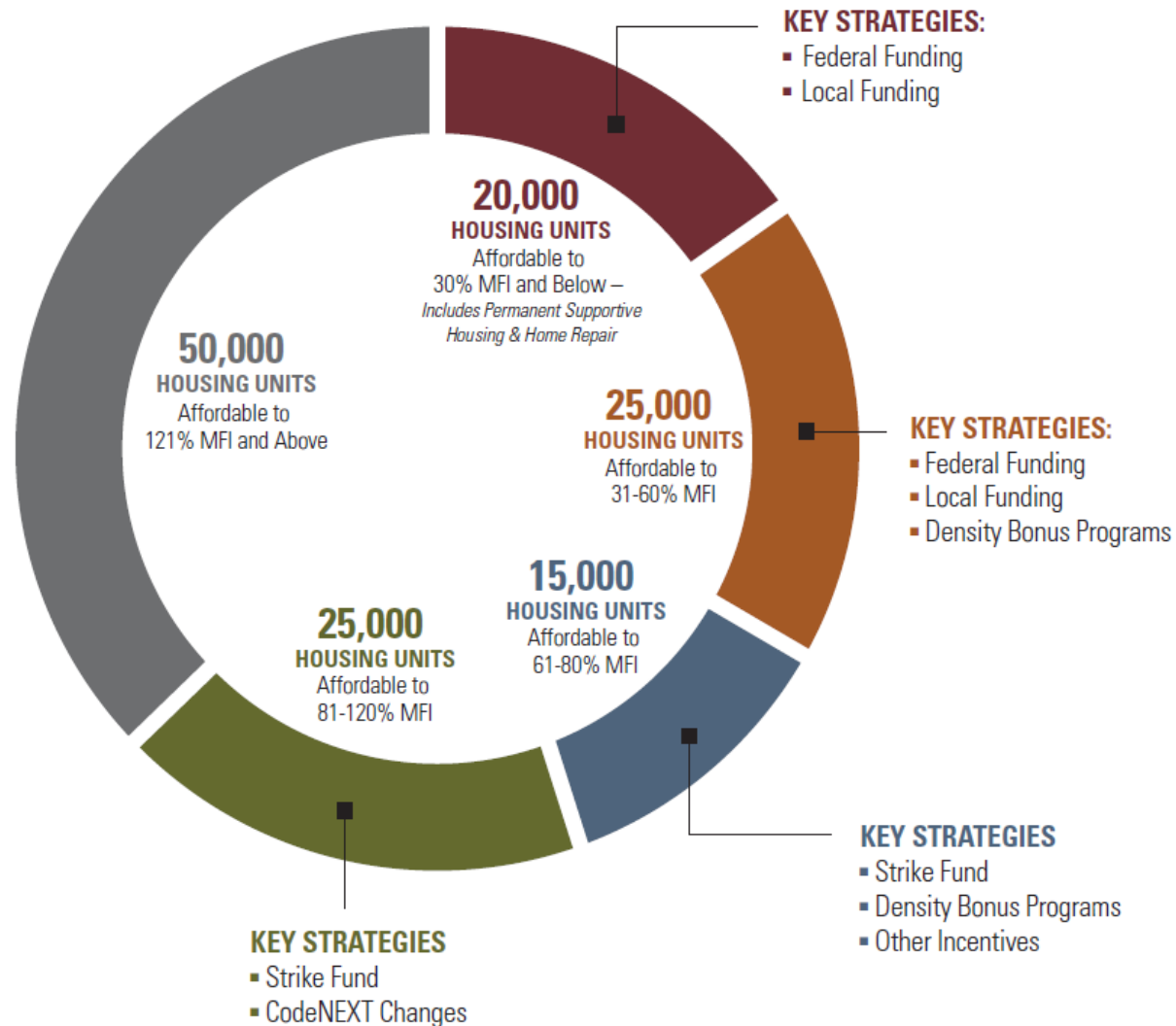
STEP 2: Proportionally distribute the number of new units needed to keep pace with population growth by the percent of Austin households at various income levels.

81-120% MFI	\$63,301-\$90,480	19.20%	25,959
121%+ MFI	\$90,481+	34.05%	46,037
81% + MFI Unit Goal			71,995
			ROUNDED 75,000

Proposed 10 Year Community Housing Goals

135,000 Housing Units in 10 Years:

60,000 at 80% MFI and below; and 75,000 at 80% MFI and above



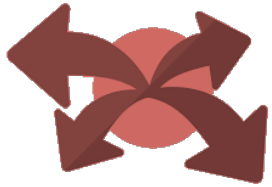
Holistic Approach to Affordable Housing



- Acquire and rehabilitate affordable homes at-risk
- Advance new home ownership models
- Create supportive financing environment

- Simplify regulations
- Use available public land for affordable housing
- Expand funding at all levels
- Adopt proven policies

Community Values Identified Through Stakeholder Process



Prevent Households From Being Priced Out of Austin



Foster Equitable Communities



Invest in Housing for Those Most in Need



Create New and Affordable Housing Choices for All Austinites in All Parts of Austin



Help Austinites Reduce their Household Costs

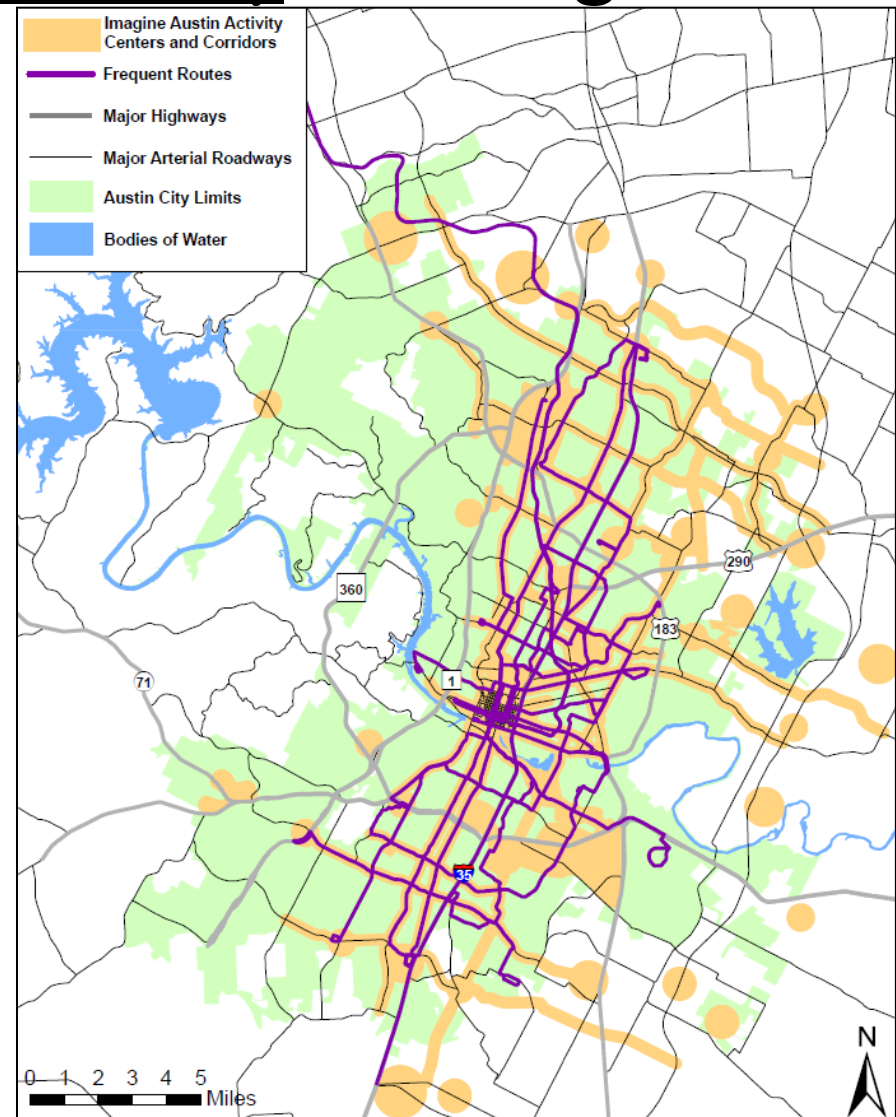
Proposed 10 Year Community Housing Goals

- **Housing Near Transit:**

At least 75% of new housing should be within ½ mile of Imagine Austin Centers & Corridors

- **Prioritized Preservation:**

Preserve 10,000 affordable housing units over 10 years



Relationship between Imagine Austin Activity Centers/Corridors and Frequent Service in CapMetro Connections 2025 Plan

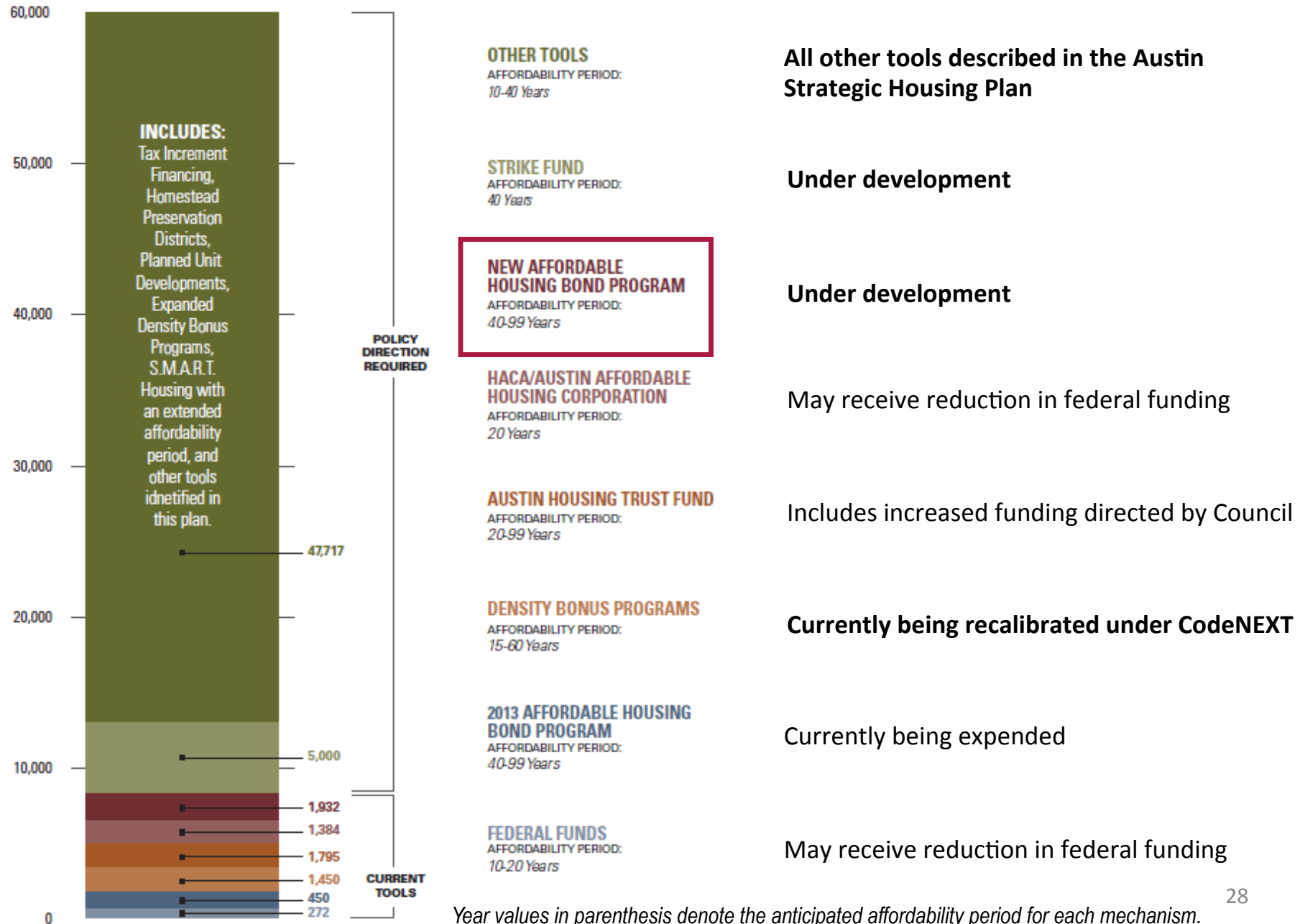
Proposed 10 Year Community Housing Goals

- **Permanent Supportive Housing:** Produce 50 Permanent Supportive Housing (PSH) units each year through 2018, with half of those units (25) being Housing First
- **Each City Council District should contain:**
 - **Establish a 10% rental housing goal:** At least 10% of rental housing units that are affordable to households earning at or below 30% Median Family Income (MFI) (\$24,300 or less for a 4 person household in 2016);

and

 - **Establish a 25% ownership housing goal:** At least 25% of ownership housing units that are affordable to households earning at or below 120% Median Family Income (MFI) (\$93,360 or less for a 4 person household in 2016)

Strategy to Achieve 60,000 Affordable Units in 10 Years



Recommendations

1. Adopt Affordable Housing Goals to Guide Policy
2. Implement Consistent Density Bonus Programs for Imagine Austin Centers and Corridors through CodeNEXT
3. Strengthen Austin's Scoring Criteria and Develop Policies to Prioritize Affordable Housing Near Current and Future Transit Service
4. Pursue Future General Obligation Bond Elections for Affordable Housing
5. Streamline City Codes and Permitting Processes

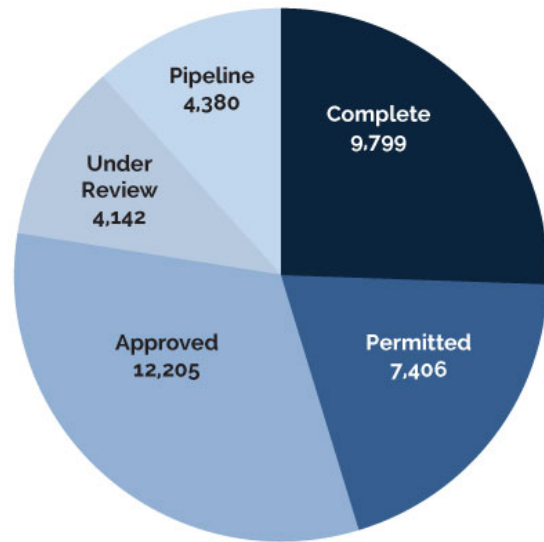
Recommendations

6. Expand the Use of Community Land Trusts and other form of Shared Equity Ownership
7. Provide Additional Funding to Monitor Austin's Affordable Housing Investments
8. Target Preservation Property Tax Exemption to Communities at Risk of Displacement
9. Undertake Strategic Land Banking
10. Provide Additional General Fund Appropriations for Affordable Housing

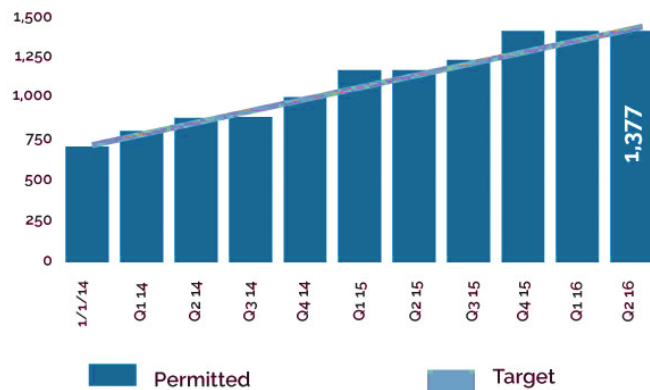


Measuring the Community's Progress

PROGRESS TOWARD 53,000 UNIT GOAL:
37,839 UNITS



PERMITTED LOW-INCOME UNITS



EXAMPLE: CITY OF BOSTON

Narratives will Clearly Explain:

- Why each goal is important
- How the City of Austin measures the goal
- What progress the City of Austin and the Community are making toward each goal

Links will provide:

- Public access to the data
- Additional information on specific programs

Next Steps

April 6: Austin City Council Meeting

- Austin City Council Public Hearing;
- Recommendation for Council Action (RCA) to Adopt Plan as an Amendment to Imagine Austin

Dec 31 annually: Report to Mayor and Council, public aligned with the department Consolidated Annual Performance & Evaluation Review report

Discussion



Neighborhood Housing and Community Development Department

512.974.3100

www.austintexas.gov/housingplan