

Staff-Recommended Changes
April 10, 2017
Proposed Austin Strategic Housing Plan

Page Number	Staff Recommended Change
Pg. 2	<p>Add the following text at the beginning of the document:</p> <p><u>By adopting the Austin Strategic Housing Plan, City Council demonstrates its commitment to implementation of the plan. However, every action item listed in this plan will require separate and specific implementation. Adoption of the plan does not begin the implementation of any item. Approval of the plan does not legally obligate the City to implement any particular action item.</u></p>
Pg. 2	<p>Informed by the March 31, 2017 Mayor’s Task Force on Institutional Racism and Systemic Inequalities report, language has been added throughout the document to address institutional racism, diversity and integration.</p> <p><u>The report from the March 31, 2017 Mayor’s Task Force on Institutional Racism and Systemic Inequalities states: “We believe that policies implemented by the City of Austin over time, combined with procedures created and carried out by other local institutions, caused people of color, particularly Blacks, to be segregated into the eastern parts of the city and limited their access to many things necessary for upward mobility.”</u></p> <p>Source: https://cityofaustin.github.io/institutional-racism/IRSI_Task_Force_Final_Report-Updated-4-7-17.pdf, p. 17.</p>
Pg. 2	<p>Remove existing Executive Summary text and replace with the following:</p> <p><u>From 1970 to 1990, Austin was one of the most affordable cities in the country. However, Austin has rapidly become less affordable in the last few years for many residents, including Austinites who embody the city’s character and who provide critical services in the community. The city’s growing economy and vibrant cultural assets continue to attract businesses and families, creating a steady population increase. Subsidies alone cannot close the growing affordable housing gaps or provide households with more affordable housing and transportation choices. While Austin’s affordability issues are complex, implementing the <i>Austin Strategic Housing Plan</i> can help the community address these issues in a more cost effective and efficient manner. By utilizing a multifaceted set of coordinated strategies, the City of Austin can work with partners to effectively address these challenges and reach our community’s affordability goals.</u></p> <p><u>In the broad community outreach undertaken to develop the <i>Austin Strategic Housing Plan</i> – including 30 public meetings, a statistically valid survey, and outreach to underrepresented groups – Austinites noted that affordability is not just defined by the price of housing, but also by where one lives and if one has access to daily needs and opportunities.</u></p>

By aligning with the City's *Imagine Austin Comprehensive Plan* and *CodeNEXT* revision of the Land Development Code, the *Austin Strategic Housing Plan* recommends approaches to address these interconnected issues comprehensively.

The plan includes goals for affordable housing in every City Council district to ensure that there is affordable housing throughout the city. It also includes goals for the construction of 60,000 housing units affordable to households at 80% median family income (MFI) and below, and another 75,000 units for households earning greater than 80% MFI broken into specific goals for households at different income levels.

In addition, the plan includes five community values with key recommended actions the City could take to support them:

- **Prevent Households from Being Priced out of Austin:** Support legislation to allow flat dollar-amount Homestead Exemptions, create a preservation property tax exemption for properties to minimize displacement of low-income renters, expand the use of shared-equity ownership and other mechanisms to preserve and create ownership options for households at 80-120% MFI, and invest in preservation strategies to combat gentrification.
- **Foster Equitable, Integrated and Diverse Communities:** Promote strategic investments and create protections for low-income renters by developing a strike fund to preserve multi-family buildings to retain affordable housing units, implement Austin's Fair Housing Action Plan, bolster enforcement of Fair Housing requirements, and undertake strategic land banking for affordable housing.
- **Invest in Housing for Those Most in Need:** Pursue future General Obligation Bonds and local fund appropriations for affordable housing, leverage low-income housing tax credits, challenge the private sector to fund affordable workforce housing, maximize the use of public properties for affordable housing, and expand housing for people with disabilities.
- **Create New and Affordable Housing Choices throughout Austin:** Use the affordable housing goals in this plan to guide policy, implement consistent density bonus programs, streamline City codes and permitting processes, better utilize land for affordable housing, revise the S.M.A.R.T. Housing Program, relax regulations on affordable housing products (including cooperatives and Accessory Dwelling Units), and create a Multifamily Property Tax Exemption Program.
- **Help Austinites Reduce Household Costs:** Connect housing with transportation choices, increase efforts to help households to reduce utility costs through weatherization of current residences, and ensure that future housing developments are in proximity to healthy grocery stores, health care services, and social support agencies.

It is important to note that there are other issues that impact affordability - such as utilities, taxes, transportation, and healthcare costs - that are outside of the scope of this plan, and rely on the actions of other governmental, non-profit, and private entities. The *Austin Strategic Housing Plan* provides a roadmap for Austin to maximize the most impactful opportunities, sustainably achieve affordability goals and ensure Austin remains a great city for people with different needs, values, and incomes. Austin's greatest assets are its diversity and its people, and that is why implementing the *Housing Plan* to address affordability is so important for all Austinites.

p. 4	<p>Revise as shown: A majority of meeting participants agreed that affordable housing needs to be distributed as evenly as possible throughout the city to reduce any concentration, and that this housing should also be connected to transit and schools. Another commonly expressed view throughout the engagement process was that the City should focus affordable housing policy on both income-restricted units and on non-subsidized market rate construction. Some residents were concerned that affordable housing could have a detrimental impact on the neighborhoods where they are proposed.</p>
Pg. 11	<p>Re-Name the section: “Equity, Integration and Diversity”</p> <p>Add the text below at the beginning of this section: <u>The Austin Strategic Housing Plan affirms the work generated by Austin Mayor’s Task Force on Institutional Racism and Systemic Inequalities. In its March 31, 2017 report, the Task Force noted that “Austin must acknowledge the damage being caused by our community’s continued acceptance of residential racial and ethnic segregation. The solution must begin with our community embracing integration and diversity as a core value.” The Austin Strategic Housing Plan is intended to set the community on a path to achieve an equitable housing environment where integration, diversity, and inclusion are championed.</u></p> <p>Add footnote: https://cityofaustin.github.io/institutional-racism/IRSI Task Force Final Report-Updated-4-7-17.pdf, p. 26.</p>
Pg. 13	<p>Revise as shown: HATC serves Travis County and parts of Austin. The authority manages five housing properties totaling 105 <u>154</u> affordable units. HATC also administers eight housing services programs. The largest program is the Housing Choice Voucher program, with 568 vouchers and approximately 800 households on the waiting list to receive a voucher. HATC also receives funding through a Shelter Plus Care grant to provide 95 units for homeless families or individuals in the area. <u>The Strategic Housing Finance Corporation (SHFC), a separate entity from the HATC, has developed nearly 2,000 affordable units.</u></p> <p>Public housing authorities must create five-year comprehensive plans, as well as annual plans according to U.S. Department of Housing and Urban Development guidelines. These comprehensive plans encompass policies, programs, and strategies to help the housing authorities meet their communities’ housing needs and goals. HACA’s 2016 Annual Plan and 2015-2019 Five-Year Plan and HATC’s 2016-2017 Annual Plan provide the most recent discussions of the authorities’ policies, accomplishments, and goals. By state law, HACA’s work is focused within the City of Austin while HATC prioritizes areas of Travis County outside of the city limits.</p>
Pg. 16	<p>Revise as shown: At least 75% of new housing units should be within 1/2 mile of Imagine Austin Centers and Corridors (<u>see the Figure 10 map showing Imagine Austin Centers and Corridors</u>)</p>
Pg. 16	<p>Add a new community goal: <u>At least 25% of new income-restricted affordable housing should be in high opportunity areas.</u></p>
Pg. 16	<p>Revise as shown: Produce 100 Permanent Supportive Housing (PSH) units each year through 2018, with half of those units (25 <u>50</u>) being Housing First.</p>

Pg. 16	Revise as shown: <u>WITHIN EACH CITY COUNCIL DISTRICT SHOULD CONTAIN:</u>
Pg. 17	Revise the title as shown: <u>City of Austin Neighborhood Housing and Community Development (NHCD) Department 10-Year Targets.</u>
Pg. 17	Revise as shown: <u>25% of affordable housing units that are created or preserved should have two or more bedrooms AND a preference for families with children system to provide opportunities for families with children.</u>
Pg. 17	Revise as shown: <u>90% 75% of affordable housing created or preserved within ¼ mile of local, fixed-route transit service, ensuring Metro Access service for eligible persons with disabilities.</u>
Pg. 20	Revise text under “Prevent Households from Being Priced Out of Austin” as shown: <u>Preserve communities and combat gentrification through legislative changes, local policies, programs and targeted investments.</u>
Pg. 20	Revise as shown and modify Appendix B to match: <u>Support Legislation or other Mechanisms to Create Target a Preservation Property Tax Exemption for Communities at Risk of Displacement</u>
Pg. 20-21	In section: “Prevent Households from Being Priced Out of Austin,” add a new subsection: “Increase the Supply of Multi-Bedroom Housing for Families with Children” <u>Imagine Austin calls for a city that works for people of all ages, including families with children. The number of housing units available with multiple bedrooms can constrain the choices for families; however, families also consider a number of other factors such as schools, and the availability of family oriented services and amenities. The city should evaluate CodeNEXT to ensure it is providing an adequate supply of multi-bedroom housing types throughout the community, creating diverse housing types and unit mix. This could provide additional housing stock for families and help Austin retain families and support underenrolled schools.</u>
Pg. 20-21	In section: “Prevent Households from Being Priced Out of Austin,” add a new subsection “Develop Programs and Policies that can help Mitigate Gentrification Pressures in Historically Low-Income Neighborhoods” <u>The Imagine Austin Comprehensive Plan defines gentrification as the process of neighborhood change that results in the replacement of lower income residents with higher income ones. The City of Austin should continue to focus resources on programs and policies that can help mitigate gentrification pressures in historically low-income neighborhoods. This includes undertaking equitable development strategies to create healthy, vibrant communities of opportunity. Equitable outcomes result when intentional strategies are put in place to ensure that everyone can participate in and benefit from decisions that shape their neighborhoods and city. This could also include the creation of a low interest loan fund or grant for preservation in historically low-income gentrifying areas. Such a fund could provide a further incentive to preserve affordable housing stock in targeted areas with the greatest redevelopment and displacement pressures.</u>

Pg. 20-21	<p>In section: “Prevent Households from Being Priced Out of Austin,” add a new subsection “Consider the development of a District Plan for Central East Austin”</p> <p><u>The city should explore creating a District Plan for Central East Austin focused on preservation to acknowledge the public role in making the area vulnerable to gentrification, and which allows long-time residents to shape goals and strategies for preservation.</u></p>
Pg. 22	<p>Revise as shown: Displacement is happening throughout Austin, and low-income communities in particular are at high risk of displacement. Austin will<u>should</u> make robust investments to anchor and strengthen these communities, including investments in new development and affordable housing preservation, and coordinate targeted investments in economic development, transit, and education.</p>
Pg. 22	<p>Rename section and modify Appendix B to match: “Foster Equitable, Integrated and Diverse Communities”</p> <p>Modify as shown: Promote strategic investments and create protections for low-income renters, <u>households and people of color to address racial integration in housing.</u></p>
Pg. 22-24	<p>In section: “Foster Equitable, Integrated and Diverse Communities,” add a new subsection: “Support the community goal for at least 25% of new income-restricted affordable housing to be in moderate to high opportunity areas.”</p> <p>Add text: <u>The City of Austin's Analysis of Impediments to Fair Housing Choice states that "lack of affordable housing citywide exacerbates segregation created through historical policies and practices." Successfully reaching the goal to have 25 percent of new income-restricted affordable housing in moderate to high opportunity areas will help create more equitable, integrated and diverse communities throughout Austin.</u></p>
Pg. 24	<p>Revise as shown in “Add Flexibility to Occupancy limits” subsection:</p> <p>On March 20, 2014, the City of Austin amended its city code regarding dwelling unit occupancy to reduce the maximum occupancy limits for single family homes in certain zoning districts and for duplexes from six unrelated adults to four. The ordinance has a provision excluding rooming or boarding house type settings from the limit. This occupancy change could raise the cost of housing for unrelated roommates since housing costs will be split among fewer occupants. The limits are most likely to affect the city's student population and co-ops but could also have implications for persons with disabilities who reside together in a group setting that is not a licensed rooming or boarding house. In this case, the city would need to make a reasonable accommodation to the ordinance to avoid fair housing violations.</p>
Pg. 24	<p>Revise as shown in “Pursue Legislation to Allow Inclusionary Zoning” subsection:</p> <p>Inclusionary zoning allows local governments to require developers to dedicate a certain portion of new housing units as affordable to low income residents. Texas state law limits municipalities’ abilities to implement mandatory inclusionary zoning policies. However, the law does make exceptions for sales that are part of homestead preservation districts and for allowing a requirement in <u>as part of</u> an optional density bonus program. <u>In addition, there is varying opinion in the community as to whether there is an exception that allows for inclusionary zoning for home sales in Homestead Preservation Districts.</u> The City of Austin should implement inclusionary zoning as allowed and seek to expand inclusionary zoning powers as a means to increase the affordable housing supply in Austin.</p>

Pg. 25	Revise as shown: It is estimated that over 1,900 affordable housing units could be created through <u>an additional \$65 million in voter approved G.O. Bonds...</u>
Pg. 25	In section “Invest in Housing for Those Most in Need,” add another subsection titled “Focus Federal Funds in Housing Investments” and update Appendix B to match. Add text: <u>The City of Austin receives federal formula grants from the U.S. Department of Housing and Urban Development (HUD) each fiscal year. Federally-required five-year Consolidated Plans and annual Action Plans identify priority community needs and recommend use of HUD funding. Federal funding should be focused and leveraged to achieve the goals in the Austin Strategic Housing Plan. This includes continuing to leverage federal dollars through all available funding sources, targeting current and future federal assistance for housing needs.</u>
Pg. 25	In section “Invest in Housing for Those Most in Need,” add another subsection titled “Incentive Programs” and update Appendix B to match. Add text: <u>Explore all possible mechanisms, including those requiring legislative changes, to incentivize the development of income-restricted affordable housing through fee waivers, including impact fees. Identify all current fees and potential future fees. Build upon the success of existing systems to incentive the production of affordable housing such as the S.M.A.R.T. Housing Program and Planned Unit Development (PUD) zoning process that utilize fee waivers to produce income-restricted affordable housing.</u>
Pg. 31	In section “Streamline City Codes and Permitting Processes,” revise as shown: <u>The development community has provided feedback that expedited review is the most important incentives to encourage them to participate This continues to be feedback from the development community as the most effective measure to incentivize participation in the City’s incentive programs to create affordable units.</u>
Pg. 32	Revise “Revise SMART Housing Program” subsection as shown: The City should revise <u>consider revising</u> the S.M.A.R.T. Housing Program to both offer greater incentives to developers, and lengthen the affordability period.
Pg. 32	Revise the text in the “Implement Density Bonus Program for Missing Middle Housing” section as shown: A second type of density bonus program might be more appropriate at the edges of centers and corridors or on collector streets where residents are more sensitive to building height and building size. In this type of bonus program, the “density” could take the form of units (rather than height or bulk), allowing more units within the same size building. This program could effectively provide missing middle affordable units. Relaxation of parking requirements could promote affordability and potentially maintain neighborhood character. Economic modeling has confirmed that such programs would be financially feasible while also producing affordable housing benefits. Any increase in development capacity will be tied to an affordability requirement. Incentivize and provide additional opportunities for housing units with two <u>or more</u> bedrooms or more , particularly in high opportunity areas, <u>potentially including incentives for the provision of affordable units with two or more bedrooms.</u>

Pg. 33	Revise second to last sentence of “Relax Regulations on both Internal and External ADUs” subsection as shown: Numerous regulations should be relaxed The City should consider amending regulations for both internal ADUs, which are created by converting interior residential space into a separate unit, and external ADUs, which are separate structures.
Pg. 35	Revise as shown and update Appendix B to match: <u>Support Legislation or other Mechanisms to Create a Multifamily Property Tax Exemption Program</u>
Pg. 36	Revise as shown: Encourage development in a compact and connected manner so households of all incomes have access to a range of affordable housing choices, transportation choices and transportation options , and can easily access jobs, basic needs, health care, educational opportunities, and public services. Other household expenses such as healthcare costs, utilities, food and telecommunications must also be considered.
Pg. 37	Revise fourth sentence of “Comprehensive Parking Reform” subsection to read: The City should reform <u>consider reforming</u> its parking policies to support housing affordability and access by...
Pg. 40	Add text to “Other Tools” section: Evaluate existing and potential new impact fees for the potential to support and/or incentivize the production of affordable housing, and support necessary legislative changes for that use. Modify the graph: To show the Housing Authority of Travis County and the Strategic Housing Finance Corporation’s planned affordable units.
	Corrections
	<p>p. 6: Re-insert missing footnote.</p> <p>p. 7: Change “have” to “has” on 3rd line</p> <p>p. 7: In Table 2, Correct 48,00 to read: 48,000</p> <p>p. 9: Correct as shown: Sixteen percent of Austin’s households earn under \$25,000 (roughly 30% of MFI) per year, 19% earn between \$25,000 and \$39,000 per year (roughly 31% to 60% MFI), 12% earn between \$39,000 and \$52,000 per year (roughly 61% to 80% MFI), 27% earn between \$52,000 and \$78,000 per year (roughly 81% to 120% MFI), and 27% earn \$78,000 per year or more (roughly 120% MFI and above). While 25% <u>35%</u> of the city’s households earn 60% MFI or below, only 15% of the city’s housing stock is affordable to them...</p> <p>p. 10: Correct second label in Figure 3 as shown: Small Large Lot Single Family</p> <p>p. 11&13: Correct spelling of “investments”</p>

p. 13; Correct as shown: “leverage resources to achieve the goals outlined in this plan.”

p. 14: Correct as shown: “This will require a strategy...”

p. 14: Correct as shown: “As depicted in Figure 6 ~~above~~ below, Move “Step 2: . . .” to above the table

p. 14: Add household size to chart

p. 15: Delete repeated text

p. 16: Correct spelling of “units” and “Council”

p. 18: Correct spelling of “identified”

p. 19: Correct spelling of “housing”

p. 19: Re-insert footnote number

p. 20: Correct “fund” to “funds” in box

p. 21: Correct as shown: “One form of this₂ community land trust, enables₂ eligible...”

p. 22: Correct spelling of “designing”

p. 22: Add comma after “relevant city departments”

p. 23: Correct as shown: areas develops

p. 24: Add space after “Reentry Roundtable Report:”

p. 26: In the “Success Story” box, add comma between Tax Increment Financing” and “transfers from the Capital Improvement Program”

p. 26: Correct spelling of “through” and “balanced”

p. 27: Correct spelling of “for”

p. 31: Correct footnotes #16 & 17

p. 32: Correct as shown: “To augment existing staff capacity, NHCD will look to third-party vendors to assist in performing...”

p. 32: Correct spelling of “requirements” & “almost”

p. 32: Correct as shown: “One potential way to enable more people ~~to be able to afford~~ to afford to live...”

p. 33: Correct footnote #18

p. 34: Correct spelling of “almost”

p. 36: Correct spelling of “Oriented”

p. 40: In last box, add period after “state statutes”

Correct other spelling, grammar and punctuation mistakes found in the document.