

moving forward is that enacting these recommendations may lead us to a day when Austin is an exemplar and world leader in equity and each citizen reaching their fullest human potential; we are committed to this goal and will work with the Mayor and our fellow Austinites to achieve it.

## 2. Real Estate & Housing Work Group

### Summary

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. Furthermore, we believe that continued City policies are now forcing the families of those residents to move further away from and often out of the city altogether. It is not an accident that Austin is the only fast-growing city in the nation that has recently seen a numerical drop in the number of Blacks while all other groups have risen. Due to these ongoing policies of disregard for the rights and needs of people of color, we strongly believe that the City of Austin owes these Austinites redress for the wrongs they have suffered, and we propose a comprehensive new package of policies on real estate and housing to do just that.

*Institutional racism* is racism that is perpetuated by powerful social organizations (as opposed to individual actors) that implements racial inequality through systems—that is, through deliberate and organized processes. But, with respect to government, institutional racism also takes the form of inaction and neglect; when government actors fail to address racial injustice, when they allow such injustices to continue unabated, they are also engaging in institutional racism. Institutional racism will continue to persist if there is no effort to change it.

The Real Estate & Housing Work Group calls for the City of Austin to redress past wrongs through a conscious program that utilizes new public and private funding to confront inequity in real estate and housing and ensures that the City's adoption of policies align with the principles of racial equity as mandated by the City's New Equity Office.

We offer two critical recommendations to begin to redress past institutional racism in real estate and housing in Austin and avoid future systemic inequity:

- 1) First, we recommend that the City of Austin develop a local dedicated fund to carry out a comprehensive program to redress institutional racism in Austin real estate and housing.
- 2) Second, we call upon the City of Austin to not only recognize but also redress racial injustices created and sustained by City policy through creation of a comprehensive program to combat systemic racial inequities in Austin real estate and housing.

Our report details these recommendations and offers a detailed summary of policies that we recommend for consideration in the comprehensive real estate and housing equity program.

### Background: How did our city become so racially divided?

In 2014 Austin topped the list of most economically segregated large metropolitan areas in the United States. This means that when compared to its peer cities, Austin exhibits the least residential economic integration among its residents—it is the place where one is least likely to find working class people living within proximity of the upper middle class. Austin was also found to be the most racially segregated large metropolitan area in the United States. Economic segregation cuts deeply across racial lines: wealthier residential areas are overwhelmingly white; lower-income areas maintain highest concentrations of Blacks and

Hispanic/Latinos. In short, economic segregation and racial segregation go hand in hand. Economic and racial segregation have resulted in a city that is separate and profoundly *unequal*, as areas with higher concentrations of people of color are also home to under-resourced schools, fewer health centers (or healthcare options in general), fewer transportation options, fewer healthy food options and far fewer environmental protections.

In addition, homeless people are disproportionately Black, 42.4%, compared to 31% non-Hispanic Whites and 23.5% Hispanic/Latino. The lack of housing has dramatic effects on people's health. ECHO, the Austin advocacy group for the homeless, found that in Travis County, the homeless who require the most medical care, have an annual average of 37 days of in-patient care, 21 emergency rooms visits and 19 trips using EMS vehicles. These health crises cost taxpayers an average of \$222,000 per person per year; however, if these individuals were housed at an annual cost of \$22,300, their health care costs would be reduced to \$20,000 annually. Housing greatly improves the health of people and has benefits for taxpayers as well.<sup>2</sup>

What accounts for the residential economic and racial segregation of Austin? Some argue that it is driven primarily by the housing market: As Austin becomes a destination city, those with means move here from other parts of the country at a rapid clip, thus raising housing prices and, subsequently, property taxes, especially in the more attractive areas of the urban core. In turn, longstanding residents, particularly those with modest means, can no longer afford to live in the heart of the city; they are “pushed out” to outlying areas. The focus on market forces suggests that the racial segregation we are witnessing today is not statutory (as it was prior to the advent of civil rights protections) and therefore beyond the purview of government remedies. But, this line of argument fails to account for the ways in which past government policies which were explicitly racially discriminatory—including laws, ordinances, and city planning—were directly responsible for segregation and gentrification driven displacements we witness today. City government has yet to take full responsibility, much less redress these past racial injustices. Our working group believes it should. Here are several examples of racially discriminatory practices and policies:

- **Displacement of “Freedman Towns:”** Throughout the twentieth century, Austin’s people of color have experienced waves of settlement and displacement caused by the City and other government entities. One of the earliest was Wheatsville, a settlement of former slaves and their descendants, in west Austin, from which many Black families were removed in order to build the MoPac freeway. Blacks and Hispanic/Latino s were also forced to move into settlements outside of what was then the city of Austin during the 1870’s–1920’s into communities such as Clarksville, St. John’s, and Montopolis.
- **The 1928 City of Austin Master Plan and the creation of a segregated “Negro District.”** The creation of the Negro District compelled the majority of the city’s Blacks to move to the segregated eastside of Austin, and concomitant policies denied them the right to live in other parts of the city. The historic Black neighborhood in east Austin became that area east of East Ave/IH 35, north of E. 7<sup>th</sup> Street, west of Airport Blvd., and south of Manor Rd. The city’s abattoir (slaughterhouse) was located in this area.
- **The Removal of Mexican Americans:** From 1910 through the 1920s Blacks lived throughout the center of Austin with concentration along the eastern side of downtown, while “Mexican American” households were concentrated in a neighborhood in the southwest of downtown. While some “Mexican American” households remained downtown through the 1940s, most “Mexican American” families arriving in Austin moved into the Hispanic/Latino neighborhood east of downtown – just south of the Black neighborhood—between current day East 10<sup>th</sup> Street and Cesar Chavez Street, and later down to the Colorado River banks. The completion of the Tom Miller and Longhorn Dams protected the city from major floods but caused the value of their land to increase. “Mexican American” families were pushed into East and South Austin after the value of their land increased because of the successful

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<sup>2</sup> <http://austinecho.org/wp-content/uploads/2016/03/Austin-Homelessness-Needs-and-Gaps3.pdf>. Slide 9 and 13.

damming of the Colorado River. Throughout the period, the relationship between segregation laws and the two groups (Blacks and “Mexican American”) was disparate. Whereas Blacks were obliged to move into the Black neighborhood, the “Mexican American” neighborhood developed in a less structured manner. However, measures implemented to enforce and reinforce geographic segregation including real estate deed restrictions and city ordinances prohibited both Black and “Mexican Americans” from buying or renting homes anywhere in Austin outside of East Austin. In the 1930s, the city also voted to build housing projects in ways that would reinforce segregation by building separate segregated housing projects. Also in the 1930s, “Mexican American” residents were pushed to move from “Old Mexico” in order to make room for City and related office buildings. Many of them were placed in the neighborhood bounded by East Ave./IH 35 on the west, the river on the south, Airport on the east, and 7<sup>th</sup> Street on the north. The City’s Holly Power Plant was built in this area during the 1950s (Spence, J., et. al, 2012).

- **Early Chinese immigrants to Austin were prohibited from owning property.** Discriminatory laws denied Chinese immigrants (who were prohibited from citizenship under federal law) the right to own property in Austin. The spouses of these immigrants were often stripped of their U.S. citizenship and its various benefits.
- **The Industrial Development Plan of 1957 led to environmental racism.** The City Planning Commission zoned all property in East Austin “industrial,” including single family residential uses. This ensured that the most polluting industries which were already in East Austin remained there. Furthermore, because of this zoning, few residents were able to get banks loans (red-lining) for repairs or replacement of their original homes, leading to deterioration, which in turn laid the groundwork for gentrification.
- **The building of IH-35.** In 1962, the building of Interstate Highway I-35 created the clearest physical barrier between East Austin and the rest of the City, deepening the racial segregation of the city.
- **“Urban Removal”.** Urban Renewal, which began in the late 1960’s and continued through the 1970s, was a federally funded program focused primarily on areas with majority Black and Hispanic/Latino populations. Brackenridge (1969), University East (1968, Kealing (1966), and Blackshear (1969) urban renewal areas displaced people of color from large areas and turned formerly residential land into parks and schools without providing adequate opportunities for displaced households to return. The urban renewal programs therefore became known as “urban removal”. The East 11<sup>th</sup> and 12<sup>th</sup> Street urban renewal program starting in 1994 contributed significantly to the gentrification of Central East Austin with little effort to mitigate the displacement of households with low-to-moderate income.
- **Recent Zoning:** The City continues to permit higher uses in lower zoning categories in the eastern part of the city than elsewhere. In 1991 the City rezoned large areas of the western portions of the Robertson Hill and Guadalupe neighborhoods along with East 11<sup>th</sup> Street. This zoning is so intense that the Senior Planner reviewing the application commented, “Nowhere in the city, with the exception of the CBD (central business district), are these generous FAR’s (floor to area ratios) used. What about compatibility standards? Doesn’t East Austin deserve the same treatment as other areas of the city?”

Further, the following brief stories outline real examples of people who have personally experienced some of the forces of institutional racism and gentrification.

The impact of gentrification:

- Seniors Mr. and Mrs. Z, Hispanic/Latinos, live in Mr. Z’s family home, which dates to the late 1800s, located on E. Sixth Street in what has always been a mixed use neighborhood due to the widespread over-zoning of all East Austin properties through the Austin Development Plan of 1957. Mr. Z inherited his father’s auto mechanic shop, which is in back of the family home, and he changed it to a small machine repair shop when he took over the business. The neighborhood has always been busy, but the residents and businesses were neighbors who looked out for each other. Things started to change once the City opened E. Sixth Street to redevelopment with the new apartment complexes. Now, despite the fact that the Mr. and Mrs. Z still love this home in which multiple generations have lived and made a

living, at this point in their lives, they want desperately to sell their family home and get out of Austin. They feel driven out due to the gentrification of their street, which has surrounded them on three sides with new, very populated bars that have loud outdoor music and are often filled with drunk and disorderly people nearly every night. On the fourth side a local Hispanic/Latino restaurant still operates, and provides them the only peaceful enjoyment they have left in their home.

- Mr. D, a retired Hispanic/Latino man, grew up in downtown Austin in a neighborhood then called Little Mexico, the current site of the Austin City Hall and Republic Park, then known as Chili Park as it was located near the Austen Chili Factory. Due to the neighborhood's location near what was then downtown, a redevelopment effort was launched to remove the "ramshackle shacks" owned by Hispanic/Latinos and Blacks in the area. As a result, Mr. D's family moved to Rainey Street, then a small Hispanic/Latino neighborhood east of downtown. Mr. D became the President of the Rainey Area Neighborhood Association (RANA). RANA fought to and did obtain historic status for their neighborhood, but by the 1980s the pressures on Rainey were increasing. In 1983, Mr. D was quoted as predicting that Rainey would be taken over by condominiums for the rich, and there would be no more poor people. He also stated that he feared that if he had to move again, it would kill him. In 2009, the City Council voted to upgrade Rainey's zoning from single family residential, historic, to central business district, not historic. Three months after Mr. D's last move, he passed.
- Mr. and Mrs. Q, Hispanic/Latinos in their 60s but not yet retired, lived in the East Fourth and Fifth Street neighborhood of near East Austin all their lives. They were very active in their church, and served on their local Parent Teacher Association and their neighborhood association. When the Sixth Street bar district suddenly started expanding eastward, they found their modest home surrounded by impromptu parking lots for the new bars, and they suffered from the nightly noise and people walking through their yard. The more they tried to adapt, the greater became the intrusion. They finally felt forced to leave the neighborhood for which they fought for decades. They sold their home and moved out of Austin to a small town within Travis County. They return from time to time to visit their old church, but their neighborhood no longer exists and they are making new lives in their new town.

The impact of rising property taxes:

- Mr. and Mrs. W, Black senior citizens, lived on Glen Oaks Court in Rosewood Neighborhood until last year, Mr. W was a lifetime Rosewood resident, and Mrs. W had lived in Rosewood with him for their entire marriage. When Mr. W became ill and had to be hospitalized at the VA Hospital, Mrs. W was unable to keep up with the financial costs of the home, particularly the escalating property taxes, and his health care and they were forced to sell and move to San Antonio. Mrs. W noted that the taxable value of their house, for which they paid \$39,000 in 1984, had climbed all the way to over \$400,000 in 2016 which meant that, despite homestead and senior exemptions, their taxes were raising heavily every year.
- Mr. R, a Hispanic/Latino in his nineties who has owned his home since the 1950s, has put it on the market as he lives on a Social Security check of just over \$700 per month. When Mr. R was young, he had his own sheetrock and tape and float business, and his sons and grandsons learned and carried on the trade themselves. They did not have health insurance or other benefits when working for themselves and do not qualify for substantial Social Security benefits or any Medicare supplemental insurance. When Mrs. R senior was alive and working, she paid property taxes and property insurance out of her income first as a maid and then from her Social Security, but she passed almost a decade ago. Two of Mr. R's sons live with him, but they are also senior citizens living on limited Social Security. The R's find it impossible to keep food on the table, pay the utilities, pay for medications, keep gas in a vehicle and keep it running and have enough left to pay the constantly escalating property taxes. He hopes to sell the property for enough to move out of the city to a rural area where taxes are lower.
- Mr. W, a Black senior citizen who was a disabled veteran, passed away recently and left his property to his daughter. Mr. W paid no taxes due to his disabled veteran status. When Ms. W inherited the home, the tax free status disappeared, and her taxes on her family home became \$7000 per year. The home needed extensive repairs since Mr. W lived on a fixed income and was unable to afford upkeep. Although Ms. W would like to stay in the home that had been in her family, she does not qualify for a home improvement loan plus the high taxes. She feels she has no option but to sell her family home and move

to a community outside Austin where the homes are newer, taxes are lower, and most residents are closer to her age group.

Challenges with existing affordability tools:

- Approximately twelve years ago Mr. P developed a 100 unit condominium project in East Austin. The project was located on old rail road land that was very inexpensive and construction costs were low. Their target market was first time home buyers who could actually afford to own for the first time. More than half the units were priced under \$100,000 and the majority of the rest were about \$125,000. He recalls, “We were very proud of the fact that it was so affordable and so many young people had a shot at actual home ownership. At the time our project was widely celebrated and we were repeatedly thanked by the community, city officials and even the neighbors who thought we had done something that fit into their community and was affordable. City officials believed so and provided assistance through the SMART Housing program. The somewhat sad news is that today the parking spaces are full of relatively expensive cars, the units are priced at \$200,000 to over \$300,000 and it has become a community of young urban hipsters that is out of reach of most service employees and working class first time buyers. The temptation to make 10's of thousands of dollars was just too great for many of the original buyers and they sold into an ever rising market.”

The impact of rising costs of living, especially with health issues:

- Mr. and Mrs. R, a Hispanic/Latino couple in their forties, both work in a restaurant in central Austin. They work twelve hours per day, six days a week. They share a two bedroom apartment on the outskirts of Austin with Mrs. R's parents and the R's three children, including a 5 month old baby with special needs. The R's desperately wish for more space, but they do not earn enough to be able to afford the rent for a larger space even on the outskirts where they live. They had a second car, which their teenage daughter was driving to help with some of the travel needs, but they were unable to afford to keep it repaired and had to let it go. Now any medical appointments and any school needs require one of the parents to take off work, further reducing the family income.
- Mrs. P, a Black woman who is a recent widow with two school age children, was forced to sell the home that had been in her husband's family for over seventy years. Her husband had a stroke several years ago and was forced to give up his work as a construction contractor. In addition to the loss of income, he had major medical expenses as he had never been employed by a company that provided health insurance. Mr. P never recovered from the stroke sufficiently to be able to return to work, so Mrs. P took up cashier work at a convenience store and qualified for SNAP (food stamps), but was forced to sell the house as she was unable to keep up the maintenance, utilities, and property taxes. The family moved to Creedmore, a small community southeast of Austin, where they live in a trailer. Mr. P's second stroke last year was fatal, and his family remains in Creedmore.
- Mr. C is a Black man in his 40s. He was born and still lives in East Austin. However, Mr. C is homeless. Due to health issues, he is unable to hold a steady job but must work odd jobs offered by neighbors and others to maintain himself. He is unable to rent a room for himself, and so he is currently living in a storage shed behind a vacant house in the neighborhood where he used to live with relatives. To see Mr. C, you would never know he is homeless as he does not display any stereotypically “homeless” behavior or characteristics: keeps himself clean, never wears the same clothes two days in a row, and is generally polite and sociable. Since he has no home and therefore no regular address, Mr. C has been told he cannot apply for or receive Social Security Disability insurance. He worries about the future when he will be too old to keep up the life he now leads due to his health. He does not want to die on the streets.

Affordable, but not equal living spaces:

- Mr. and Mrs. B are African immigrants who live with their children, a son aged 8 and a daughter aged 9, in northeast Austin in an apartment in a moderate sized complex that is in very poor physical condition. All the apartments are very dirty, get infested with beg bugs, have issues with roaches and rodents. In addition, the physical condition of the apartment is pretty bad, with bathrooms and kitchen that are

damaged and look dangerous and unhygienic. Mr. B says that their management can't be bothered with maintenance. He said that he and his wife do not know their rights nor do they know where to report it when they are being mistreated or discriminated against. Another problem is that the B's are not fully fluent in English, and the children often serve as interpreters, but may not understand what is being said so may not interpret correctly. Mr. B said that his family was not allowed to swim in the pool because they were told they would make the pool water dirty, The B's did not even know that they were discriminated against--they just thought it was okay to be treated this way simply because they were on government assistance program and they were in a cheap apartment. The pool was not up to standards and it needed a lot of maintenance.

## Recommendations

### 2.1. Affordable Housing: fund it to create it

We believe housing affordability is the number one political issue in Austin today. It is a crisis that affects people regardless of race, but the shortage has had a profoundly disproportionate impact on Blacks and Hispanic/Latinos. There is an important and challenging nexus between housing affordability and racial justice in our city. Austin must acknowledge the inseparability of these problems and start to consider both issues together.

The affordability problem has driven up housing and land costs in Austin's core and has created sprawl in the outlying regions. This working group does not believe that the market (even a highly incentivized one) can address such a substantial affordable housing shortfall.

2.1. Therefore, we first, recommend that the City of Austin develop a local dedicated fund to carry out a comprehensive program to redress institutional racism in Austin real estate and housing.

2.1.1. We recommend a mandatory linkage fee to fund creating and preserving substantial affordable housing, based on the Denver model. Based on current projections and 2015 data, if Austin were to implement a linkage fee of \$2 per square foot, it could raise \$60 million annually for the fund, which could create 400 housing units at \$150,000 each.

2.1.2. We believe that Austin must set a goal of \$600 million for this fund over a ten-year period (based on the amount recommended just above) if we are to make progress in the area of inclusion in our great city.

2.1.3. We further recommend that uses of the fund be recommended by a special entity, based on the Denver model. The City of Denver set up a new Housing Advisory Committee to provide essential strategic input on uses of the dedicated fund:

<https://www.denvergov.org/content/denvergov/en/denver-office-of-economic-development/housing-neighborhoods/HousingAdvisoryCommittee.html>

2.1.4. We also recommend the Mayor's Strike Fund, which is in the process of raising private funds to purchase market rate but deteriorated housing, particularly in high opportunity areas, remodel it, and offer the improved housing to lower-income families, particularly families of color.

2.1.5. The dedicated fund for affordable housing can and should draw on multiple sources of funding, including TIFs, federal funding, tax policy, incentive programs, fee waivers, Homestead Preservation Districts, private funds, foundations, housing bonds, and revenue from the sale of public land. We recommend a Tax Increment Financing (TIF) program be started in existing Homestead Preservation Districts and the subsequent funds be used in the district which raised the funds for the preservation of existing affordable housing.

## 2.2. Fair Housing and the right to choose

The Fair Housing Act guarantees everyone, including subsidized housing residents and people of color, the right to freely choose where to live. This includes neighborhoods where poverty rates are lower, new jobs are being created, and schools are high performing.

Every five years, HUD requires each community that receives federal housing and community development funds to prepare an updated Analysis of impediments to Fair Housing Choice. The 2015 Analysis of Impediments in the City of Austin can be found at

[http://austintexas.gov/sites/default/files/files/NHCD/Reports\\_Publications/1Analysis\\_Impediments\\_for\\_web.pdf](http://austintexas.gov/sites/default/files/files/NHCD/Reports_Publications/1Analysis_Impediments_for_web.pdf). This Analysis identifies twelve barriers to fair housing choice, with the top three being (1) the lack of affordable housing disproportionately impacts protected classes with lower income and higher poverty rates; (2) the lack of affordable housing citywide exacerbates segregation created through historical policies and practices; and (3) the City is limited in its ability by state law to use inclusionary zoning as a tool to broaden housing choice. The Analysis also includes a prioritized list of 31 specific action items to be taken by the City to address the 12 barriers.

2.2. Second, we call upon the City of Austin to not only recognize but also redress racial injustices created and sustained by city policy through creation of a comprehensive program to combat systemic racial inequities in Austin real estate and housing.

Apply the following policies to all new affordable housing, both rental and for homeownership:

- 2.2.1. Adopt an Austin version of Portland's criteria for bringing former residents back to gentrified areas. "People displaced or at risk of displacement from the study area will have priority access to housing developed through this initiative. Similar policies have been implemented in New York, Massachusetts, California, as well as through Home Forward here in Portland. The Bureau has been and will continue to work with the City Attorney's office and the Office of Equity and Human Rights to develop this program's mechanics." See <https://www.portlandoregon.gov/phb/article/517174> The City of New York also has a "right to remain or return" policy. Austin's own Guadalupe Neighborhood Development Corporation (GNDC) is the only remaining CDC in Austin that is trying to and actually bringing former East Austinites back home through targeting people who are former residents or East Austin.
- 2.2.2. Using public-owned property to build new land-banked and land trust homes for low-income former East Austin residents of color who want to return, including a variety of housing including manufactured, mobile, modular and tiny homes. RECA in "Public Land Use in Austin" noted that Austin in October, 2016 took steps to coordinate an approach between local jurisdictions to make surplus property available for public housing.
- 2.2.3. Ensure the new land development code offers a range of housing types, with special emphasis on the availability of units affordable to low-income residents.
- 2.2.4. Ensure that the inventory of new affordable housing construction strikes an appropriate balance between households with children and singles.

## 2.3. Rental Housing

- 2.3.1. Adopt the online application being developed for the city of Portland, OR that lists all available affordable units in one location accessible to the target populations such as health clinics and community centers. This data base would include unit size, number of bedrooms, bathrooms, rent and other fees. The current density bonus units of affordable housing are spread over town in many projects, and the target population cannot know where to look for or find an affordable unit even if one is available. It is also probable that apartment owners do not actively seek the target populations.
- 2.3.2. Strictly enforce the building codes for multifamily apartments to ensure that affordable housing remains habitable, with a particular focus on housing that has received government subsidy.



- 2.3.3. Define “Affordable Housing” for projects supported by the new fund as incomes of 50% or less Median Family Income (MFI) for home ownership, and families or seniors with incomes of 30% MFI for rentals. This would apply only to projects or programs with local and private funding, not federal.
- 2.3.4. Develop a plan to conduct and fund regular matched pair housing discrimination testing to root out discrimination in Austin’s private rental and sales markets. Take enforcement actions against violators uncovered through testing.
- 2.3.5. Support Austin Housing Authority’s Section 8 mobility initiative to assist households with housing vouchers to find housing outside traditional racially and economically segregated neighborhoods.
- 2.3.6. Incentivize the development of mixed-income rental housing developments rather than 100% low-income and 0% low-income housing developments.
- 2.3.7. Work with neighboring governmental jurisdictions to adopt a new region-wide Fair Housing Plan following the new standards established by HUD in 2016.
- 2.3.8. Carry out a regional public information campaign to educate on segregation and fair housing issues.
- 2.3.9. Establish a program to recognize and reward real estate services companies, landlords, and realtors who voluntarily support and proclaim Austin values of “integration, diversity, and inclusion of everyone” through their business practices and in their properties. Develop a program of city financial incentives to reward these practices.
- 2.3.10. Develop assessments of existing conditions and goals for affordability, diversity, and inclusion for each Austin neighborhood. Provide incentives in CIP funding and code protections to encourage residents of those neighborhoods to develop and carry-out initiatives to achieve neighborhood affordability, diversity, and inclusion goals.

## 2.4. “The Right to Stay”

Austin must ensure that people of color who have long lived in a particular home or neighborhood have a right to stay and enjoy living in economically and racially integrated (or inclusive) neighborhoods. In order to do that, Austin must take aggressive steps to ensure housing for all its residents, not only those newly arriving, but also the longtime residents. The City of Houston enacted an initiative consisting of four fair housing and neighborhood rights in 2010. One of these is the “right to stay”, i.e. the right to remain in their neighborhoods. To codify this, the City must geographically identify areas that historically and/or currently house Black and Hispanic/Latino communities. We recommend that Austin start with preservation programs in the homestead preservation districts located in East Austin plus the Black Cultural Heritage District (Six Square).

- 2.4.1. Since home ownership is the most effective tool for lower income communities to build wealth, support production of units that can lead to home ownership, such as different housing types including modular-manufactured-mobile-tiny, or condominium apartments with multiple bedroom, and rent-to-own options. For some, the use of Additional Dwelling Units (ADUs) may help, if the current owner can qualify for a development loan.
- 2.4.2. Homeowner tax payment assistance (one time only) such as offered by the East Side Conservancy in addition to ensuring all seniors in the districts have applied for and received homestead and senior exemptions; plus enact city exemptions within the districts.
- 2.4.3. Consider increasing the property tax exemption for seniors; work with other units of government, including health, Austin Independent School District (AISD) and community college districts, to freeze all property taxes for seniors, and consider an exemption for those on reduced income.
- 2.4.4. Continue the home repair programs for homeowners the Austin currently runs, but also create home repair programs to enable elderly and disabled district homeowners to receive needed repairs without clear legal title, and a legal program to help clear titles on many-generations owned properties (one of our Work Group members has already begun work on creating such a program free to qualified homeowners).



- 2.4.5. Include “historical need”, meaning the length of time which an improvement has been listed in a plan or request as needed in the matrices used to make recommendations and priorities for use of any Capital Improvement Funds to include projects for utilities, streets, sidewalks and bridges, and parks.
- 2.4.6. We recommend the following provisions of the right to stay be included in CodeNEXT:
- Ensure there are effective avenues for resident involvement in decisions regarding increased non-residential uses permitted in residential areas or expanded approval by staff in addition to commissions or Council.
  - Ensure that any projects that receive City of Austin funding do not offer exclusively market rate housing.
  - Encourage modular/manufactured/mobile/tiny homes affordable to workforce families.
  - Ensure that no one funding model, such as voluntary density bonuses, is embedded in the new code, but rather that development is open to a variety of models, including those suggested in this report.
- 2.4.7. In order to develop in contained, context sensitive matter and ensure new development addresses gentrification, we suggest the City of Austin consider policies to mitigate gentrification. Examples of these policies could include:
- Enacting a temporary moratorium on all rezoning cases and demolition permits for single-family and multi-family homes within the East Austin Homestead Preservation Districts and the Black Cultural Heritage District while the City considers its official position on gentrification and implements short term initiatives for slowing down gentrification in those areas; or
  - Enacting a temporary moratorium on rezoning and demolition of any structure deemed to either be individually eligible or contributing to the historic nature of the East Austin area covered in the City of Austin Historic Resources Survey of 2015 pending review by the City of Austin Historic Preservation Commission as well as the required planning and zoning bodies. This effort is consistent with the Imagine Austin Comprehensive Plan which sets forth preservation as a key goal for the city.

## 2.5. Ensure Affordability in High Opportunity Areas

Over the past decade, the City of Austin has spent a substantial amount of time and resources studying access to opportunity and the dispersion of affordable housing. When the City of Austin brought together a diversity of stakeholders in 2006 to study ways in which to incentivize affordable housing throughout the community (the Affordable Housing Incentives Task Force), City Council adopted many (but not all) of the resulting recommendations. City Council enthusiastically embraced the Task Force’s recommended core values of long-term affordability, deeper affordability, and geographic dispersion to be guiding principles for policy decisions. However, these values have yet to be fully realized.

Indeed, several developers and non-profit leaders in our group noted that even when some units are available in areas outside East Austin, people of color and other poor families may not be interested in moving to these areas due to the lack of public transportation, affordable grocery stores and health care, and other working neighborhood services.

Building on the work of a variety of task forces and working groups over the past decade – and bolstered by the professional recommendations which are listed in the References section, the following recommendations are timely and have the potential to advance integration, diversity, and inclusion in the City of Austin:

- 2.5.1. Establish a program to put in actual affordable communities on transportation corridors in high opportunity areas that include lower-income serving businesses, recreation, education, health care, and public transportation as well as housing.
- 2.5.2. The City of Austin should consider allowing alternate bidding processes for the use of housing dollars, for example, allocating funds to different areas of the city. Have applicants bid for dollars

based on geographic areas to produce the most units meeting the required criteria. If there is money left after the first place bidder, allocate the next dollars to the second and so on. The current model makes an assumption that residents want to escape low opportunity areas and/or that the resident wants help relocating.

- 2.5.3. Modify the growth concept map in the Austin Comprehensive Plan (IACP) to enable growth and redevelopment equitably throughout the City and enact zoning changes in neighborhoods west of ITH35 to allow for smaller lot sizes and encourage ADUs.
- 2.5.4. Allow a variety--manufactured housing, modular, and tiny homes—of housing types throughout the city where appropriate.

## 2.6. Community Empowerment



The legacy of historical limitations on homeownership contributes to Austin’s high levels of income segregation, which, according to research by Harvard University’s “The Equality of Opportunity Project,” is associated with low rates of intergenerational economic mobility (Zehr, D., 2015).

The City of Austin and its residents 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.

More affordable housing is essential to achieve integration. But additional housing supply alone will not achieve integration. Austin’s extraordinary growth and the desirability of living in historic core neighborhoods undergoing rapid racial transformation means any achievable housing supply in these neighborhoods can be expected to be taken up by growth demands, which are overwhelmingly white. Laws protect all Americans from discrimination based on race or national origin and therefore racial quotas or reservations are not a solution.

There is no simple solution to this problem. But, Austin must start to address the challenge. Here are five initiatives the City of Austin should immediately pursue:

- 2.6.1. 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.
- 2.6.2. Campaign to invite Austin area citizens to embrace the values of racial integration, diversity, and inclusion at the individual, neighborhood, and regional levels.
- 2.6.3. Market housing, both renter and owner-occupied, to people of color in both gentrifying neighborhoods and in traditionally segregated white neighborhoods. Tie together housing, transit, jobs, and schools to result in thriving communities.

- 2.6.4. Initiatives to support existing lower income residents through affordable and safe ways to access home equity without selling, and for mitigating the impact of increasing property taxes.
- 2.6.5. Enforce Fair Housing laws, which in Austin today are for all practical purposes ignored. The City must aggressively root out all vestiges of housing discrimination through law enforcement actions based on a widespread program of testing and prosecution using the only effective fair housing enforcement technique—matched pair testing.
- 2.6.6. Make Austin the national center for “neighborhood integration, diversity, and inclusion” by:
  - Establishing a Joint Center for Urban Integration, Diversity, Inclusion, and Affordability at the University of Texas, Huston-Tillotson University, and St. Edwards University, with an extension program working in Austin’s neighborhoods for students to work with residents to observe, learn, and innovate.
  - Supporting Austin neighborhoods to serve as living laboratories for neighborhood and housing equity and inclusion.
  - Workforce Training and investing in neighborhood-based Community Development Corporations, to engage people of color, persons of all incomes, developers, architects, planners, and community leaders to develop neighborhood level initiatives to achieve integration, diversity, and inclusion. This could certainly tie to the recommendation on the East Austin Conservancy. For data and recommendations regarding home equity and seniors: <http://www.urban.org/urban-wire/whats-stopping-seniors-accessing-wealth-stored-their-home-equity>

## 2.7. City Accountability

While it is critical that Austin City government make meaningful changes to achieve the goals outlined in this report, success is not likely without basic understanding and buy-in from City Staff.

- 2.7.1. The Mayor, with assistance from the Task Force, should produce an executive order that acknowledges the City’s racist policies of the past (and present) and calls all City officials and employees join him in a commitment to educate themselves and to begin immediately to do their part in delivering meaningful change. All City leadership and staff should be required to develop action plans to address race-based disparities in our city and to promote multiculturalism and full involvement and participation by all residents. Staff performance reviews should measure progress in those plans.
- 2.7.2. The City’s Chief Equity Officer should be supported with additional staff to conduct an annual review of each City department using a “report card” developed by his team, approved by the Mayor, and endorsed by the Task Force. Among the staff should be one or more dedicated to coordinating efforts among various City departments, specifically the Neighborhood Housing and Community Development, to ensure: equity in publically subsidized affordable housing; the implementation and enforcement of fair housing laws; the delivery of City and County programs aimed at assisting vulnerable residents maintain their homes and remain in their neighborhoods. The City should also consider third party training for its departmental managers and team leaders to provide them with the understanding, skills, and tools needed to lead the effort to eliminate institutionalized racism.
- 2.7.3. Finally, we recommend that every new City code, ordinance, plan, or policy be reviewed and approved by the Chief Equity Officer whose responsibility it should be to identify any potential negative consequences for people of color, as well as potential for improvement to proactively make reparations for those negatively impacted by current and prior codes, ordinances, plans, or policies. This would include the current draft of CodeNext.
- 2.7.4. Through both legislative advocacy and through the courts, defend Austin’s right to enact policies and ordinances to combat residential segregation and to support “integration, diversity, and inclusion of everyone.” Start by mounting aggressive challenges to State of Texas legislative

actions infringing on Austin's ability to use inclusionary zoning, linkage fees, and prohibition of source of income fair housing protection.

### 3. Health

#### Summary

Good health is a key determinant in the ability of an individual to live and work with dignity, but not all Austin residents have equal and equitable access to health care services in their communities. The burden of the inequity in access and availability of health care services falls primarily on low-income communities of color.

Current issues in health disparity are not isolated to problems in the health system. They are the cumulative result of both past and current racism throughout the Austin minority populations. For instance, because of institutional racism, minorities have less education and fewer educational opportunities. Minorities are disproportionately homeless and have significantly poorer housing options. Due to discrimination and limited educational opportunities, minorities disproportionately work in low paying, high health risk occupations (e.g., construction, migrant farm workers, fast food workers, garment industry workers). Historic and current racism in land and planning policy also plays a critical role in minority health status. Minorities are much more likely to have toxic and other unhealthy uses sited in their communities than Whites, regardless of income. For example, over-concentration of alcohol and tobacco outlets and the legal and illegal dumping of pollutants both pose serious health risks to minorities. Exposure to these risks is not a matter of individual control or even individual choice.

Improving health takes much more than improving health care. By aligning the city budget and policies to advance equity, improvements in social conditions that determine health will result in health improvements.

Our recommendations are based on the idea that the City of Austin can intentionally redress historic and systemic forms of institutional racism and systemic inequities in order to improve the social determinants of health of the communities facing health inequities.

#### Background

*"Not everything that is faced can be changed; but nothing can be changed until it is faced."*

— James Baldwin

Institutional racism and systemic inequities have deep historical roots of hundreds of years of explicitly racist policies reinforced by de-facto practices that are on-going nationally and locally. The impact of this history on the health of Austin residents is profound. Current day institutions perpetuate these inequities if they do not intentionally address them. To truly address the cumulative impact of racism will require a commitment – that will be uncomfortable - to re-prioritize and reallocate resources to begin to “turn the Titanic.”

#### ***Where We Are Today: The Impact of the Unconscious Bias***

Standard protocols for practice help ensure that everyone receives the right care or services to meet their needs. Implicit and explicit bias influences how those protocols are interpreted and carried out. The following story (or case study) is an example of how the implementation of a care protocol can be influenced by implicit bias: