

# OVERVIEW PRESENTATION

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# AUSTIN STRATEGIC HOUSING BLUEPRINT UPDATE BRIEFING



City Council Housing and Planning Committee  
February 12, 2019

[www.austintexas.gov/housingblueprint](http://www.austintexas.gov/housingblueprint)

# OVERVIEW PRESENTATION AGENDA

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- Blueprint Implementation Work Plan (1-2 years)
- Funding Sources & Resource Needs
- Draft Council District & Corridor Affordable Housing Goals
- Actions Necessary
- Next Steps / Proposed Adoption Timeline
- Briefing Book Components

# WHY ARE WE HERE?

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- Intersection of:
  - Adoption of Strategic Direction 2023
  - Adoption of Housing Blueprint
  - Passage of 2018 Affordable Housing Bonds
  - Fiscal Year 2019-2023 Consolidated Plan for HUD Funding
  - Hundreds of Displacement Mitigation Recommendations
  - Dozens Council Resolutions
- Overview of NHCD's work plan
- Need for confirmation of alignment of NHCD's work plan with Council's vision

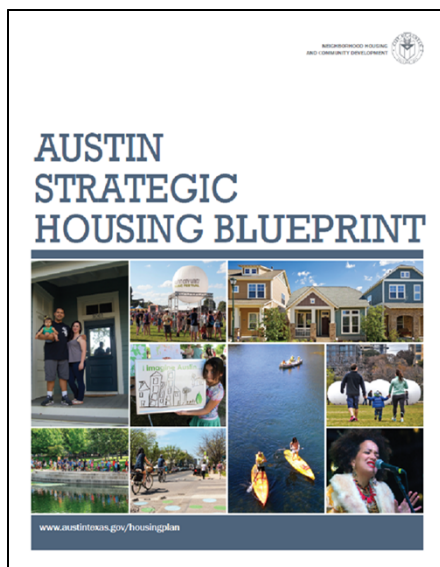
# AUSTIN STRATEGIC DIRECTION 2023

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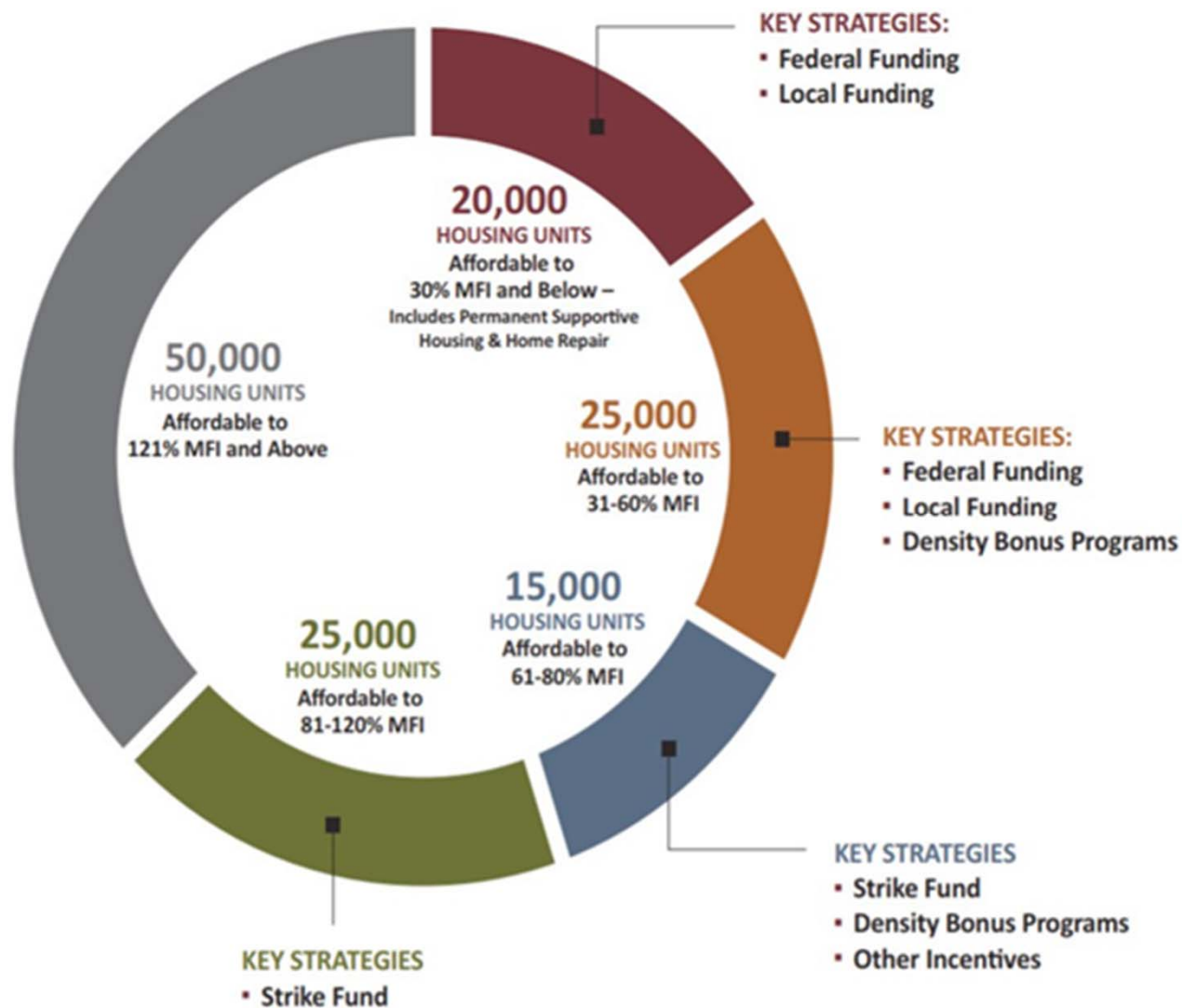


- **Implement “highest potential impact” actions identified in the Housing Blueprint.**
- Reduce the number of households and businesses displaced from Austin due to unaffordability.
- Advance equity in the City's programs and policies and ensure affordable housing options throughout Austin.
- Response to homelessness to address disparities, prevent homelessness, and support housing stability.

# BLUEPRINT GOALS



**The Blueprint calls for 60,000 affordable units below 80% MFI over the next 10 years**



# BLUEPRINT COMMUNITY VALUES

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Prevent Households from Being Priced Out of Austin



Foster Equitable, Integrated and Diverse Communities



Invest in Housing for Those Most in Need



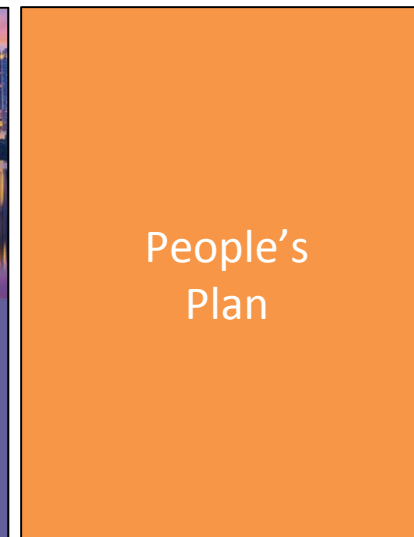
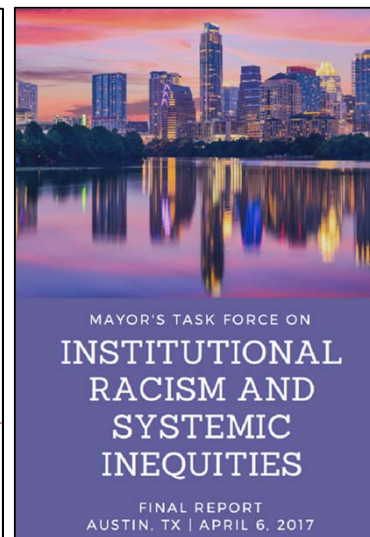
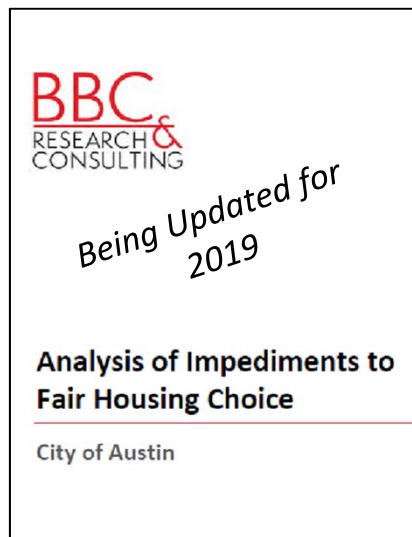
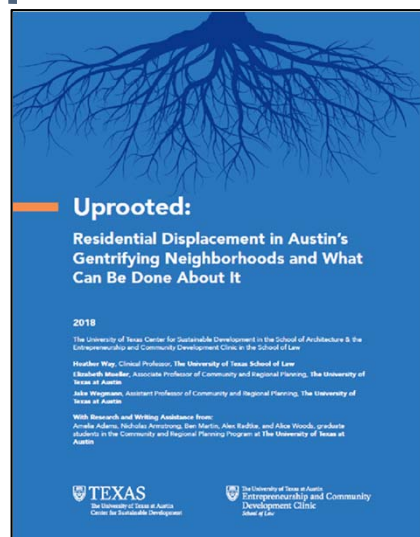
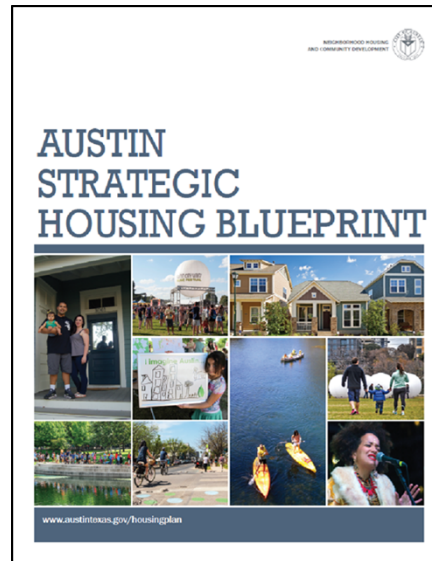
Create New and Affordable Housing Choices for All Austinites in All Parts of Austin



Help Austinites Reduce their Household Costs



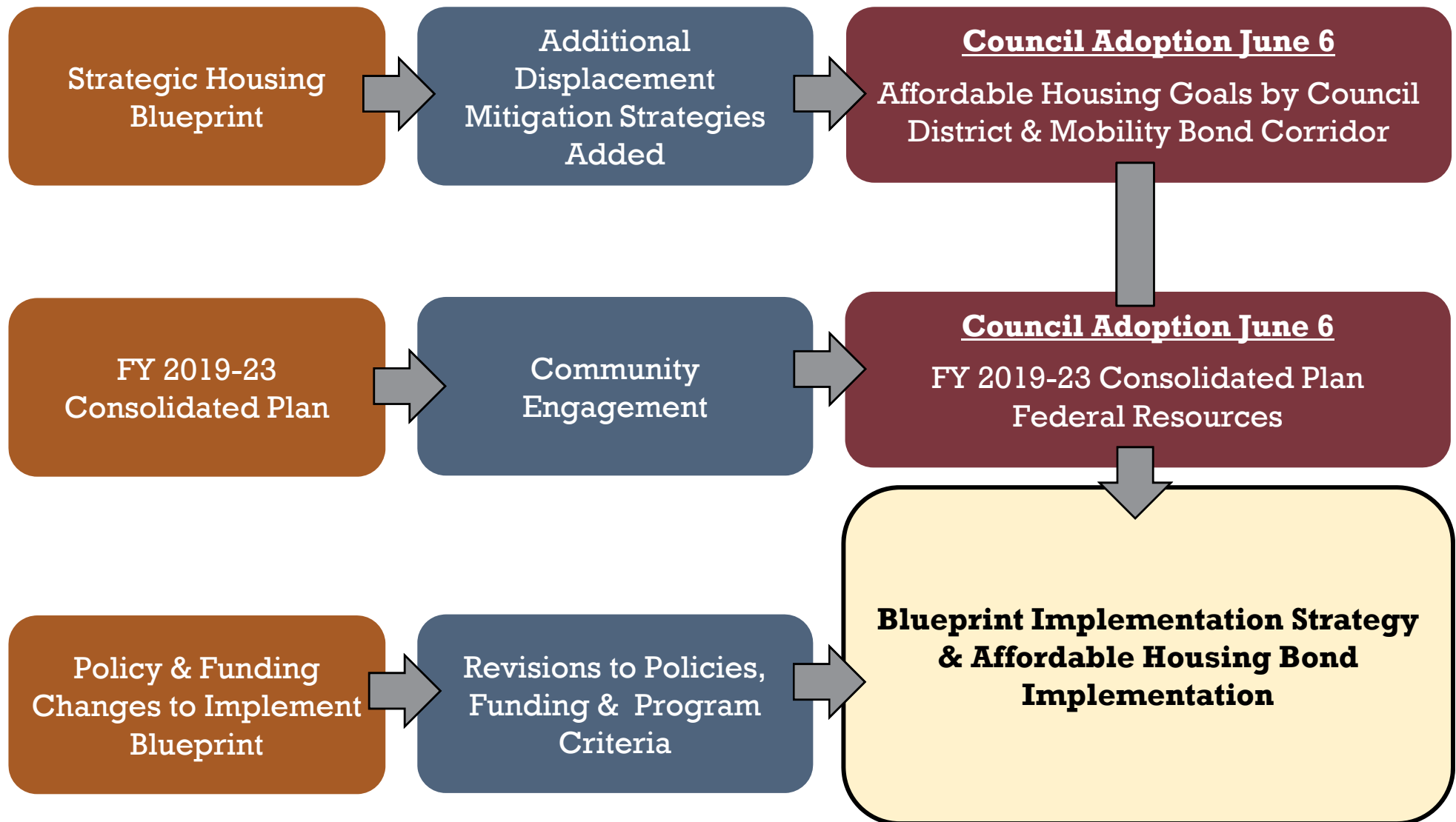
# 600+ DISPLACEMENT MITIGATION STRATEGIES REVIEWED





# CONCURRENT COLLABORATIVE PROCESSES TO IMPLEMENT BLUEPRINT

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# ACTIONS COMPLETE OR UNDERWAY

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- ✓ Affordable Housing Bonds approved & modifications made to scoring criteria for affordable housing development assistance and land acquisition programs
  - ✓ Undertake strategic land banking for affordable housing
  - ✓ Strengthen scoring criteria and develop policies to prioritize affordable housing near current and future transit service
  - ✓ Increase the supply of multi-bedroom housing for families with children
  - ✓ Implement recommendations in the Texas Criminal Background Screening Guide & Template for Rental Housing Providers
  - ✓ Support community goal for at least 25% of new income-restricted affordable housing to be in high opportunity areas
  - ✓ Support the creation of deeply affordable units
  - ✓ Expand the supply of housing for people with disabilities
  - ✓ Ensure access to affordable care and a healthful environment
- ✓ Leverage Low Income Housing Tax Credits (LIHTC) & seek legislative changes for the City of Austin
- ✓ Develop a private Strike Fund to acquire & preserve market-rate affordable developments

# 1-2 YEAR IMPLEMENTATION PLAN

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## **Policy / Procedure Changes**

- Ongoing improvements to internal controls for existing programs
- Adopt geographic specific and mobility corridor affordable housing goals to guide policy
- Improve incentive programs to produce affordable housing
  - Implement consistent density bonus programs for centers and corridors
  - Implement density bonus program for missing middle housing
  - Revise S.M.A.R.T. Housing Program
- Minimize the displacement of core transit riders
- Maximize public property to build or include affordable housing
- Implement Homestead Preservation District Tax Increment Reinvestment Zone Number One

# 1-2 YEAR IMPLEMENTATION PLAN

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## **New / Expanded Programs & Services:**

- Expand the use of Community Land Trusts and other forms of shared equity ownership
- Implement the City of Austin's Fair Housing Action Plan and bolster enforcement of existing Fair Housing requirements
- Create an educational campaign to empower vulnerable families when selling or buying a home
- Develop real-time database of affordable housing
- Increase opportunities for households to reduce utility costs
- Prevent displacement of low- and moderate-income homeowners and renters
- Develop programs and policies to help mitigate gentrification pressures in historically low-income neighborhoods
- Implement a tenant relocation assistance program
- Additional staff to be requested as part of FY 2019/20 budget process

# PROPOSED DISPLACEMENT MITIGATION STRATEGIES

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## **Policy/Procedure Changes:**

- Preference policy to prioritize new City-subsidized affordable units for income-qualified households that are appropriately sized to the unit and/or have ties to the city
- Increase communities of color participation in NHCD's affordable housing investment recommendations and displacement mitigation activities
- Incorporate robust tenant protections for all rental properties receiving city financial support
- Recalibrate, streamline & expand density bonus programs to serve renters at or below 60% median family income (MFI)

# PROPOSED DISPLACEMENT MITIGATION STRATEGIES

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## **New Outreach to Connect Eligible Community Members with Services:**

- Market NHCD-subsidized affordable units to people of color in gentrifying areas
- Streamline the application process for affordable units
- Innovation Office's iTeam will prototype a neighborhood- based process to facilitate and connect:
  - People of color to easily- accessible database of affordable units
  - Households in need to opportunities to reduce utility costs
  - Seniors in need to service providers that address displacement
  - Eligible homeowners with property tax exemptions
  - Tenants facing displacement with assistance programs
- Additional staff to be requested as part of FY2019/20 budget process

# PROPOSED DISPLACEMENT MITIGATION STRATEGIES

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## **New / Expanded Programs & Services:**

- Modify and expand home repair programs in gentrifying areas
- Support tenant organizing and engagement and provide legal and other assistance to tenants facing eviction or displacement
- Provide tenant relocation assistance and emergency rental assistance
- Land bank in gentrifying areas to acquire and develop affordable housing
- Incentivize the creation of deeply affordable (30% and below MFI) units
- Track affordable properties at risk of losing affordability to try to extend affordability periods
- Support capacity building for Community Development Corporations
- Increase fair housing enforcement and education
- Additional staff to be requested as part of FY2019/20 budget process



# CODE RECOMMENDATIONS

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- Allow Homeowners to Rent a Portion of their Houses as a Separate Housing Unit
- Allow the Development of Smaller Houses on Smaller Lots
- Link Housing Choices with Transportation Choices
- Changes to Density Bonus Programs to increase the number of Affordable Units Created

# COLLABORATION & STRATEGIC DIRECTION 2023 (SD23)

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- A significant number of displacement mitigation and Blueprint recommendations are **outside NHCD's zone of control**
- **Collaboration underway** with the interdepartmental Housing + Transit + Jobs Action Team, which includes:
  - NHCD, Planning and Zoning Department, Transportation Department, Economic Development Department, Corridor Program Office, Capital Metro
- **Additional collaboration** underway with:
  - Equity Office, Intergovernmental Relations Office, Office of Real Estate Services, Law, Economic Development Department, Transportation Department, Corridor Program Office, Innovation Office, Communications and Telecommunications
- **Leverage partnerships** through shared SD23 Economic Opportunity and Affordability Strategic Outcome Group performance measures

# RESOLUTIONS UNDERWAY

Resolution No.	Resolution	Status
20180823-077	Recalibrate density bonus program affordability requirements	Work Plan
20180823-076	Criteria for acquiring and preserving multi-family developments and mobile home parks occupied by households who earn less than 60 percent of the median family income (MFI)	Work Plan
20180628-080	Wait list to connect low-income households in need of housing with available income restricted units	Work Plan
20180628-063	Amend tenant relocation ordinance for tenants displaced from a multi-family or mobile home property	Work Plan
20180510-052	Tenant protections for tenants in rental properties on City's Repeat Offender list	In Review
20180510-050	Prohibit source of income discrimination and require eviction protections for tenants of developments using City's density bonus programs	In Review
20180510-046	Analyze the 'People's Plan' recommendations	Work Plan (Displacement Mitigation)
20180426-032	Educational campaign that seeks to empower vulnerable families when selling or buying a home	Work Plan
20180426-031	Comprehensive eviction counseling services and representation for residential tenants	Work Plan (Displacement Mitigation)
20180308-010	Preference policy for affordable housing units	Work Plan (Displacement Mitigation)
20180215-050	Residential cooperative purchase policies and creative financial mechanisms	In Review

# FUNDING NEEDS

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- NHCD is working with the Finance Department on a funding plan for the next budget cycle to:
  - Provide additional Housing Trust Fund appropriations for affordable housing
  - Provide additional funding to monitor Austin's affordable housing investments
  - Explore the creation of a multifamily property tax exemption program (Neighborhood Empowerment Zone)
- Explore the use of Tax Increment Financing (TIFs) for affordable housing
- FY2018/19 HTF appropriations available to fund short term displacement mitigation activities

# DIVERSE FUNDING PORTFOLIO

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## **Federal U.S. Department of Housing and Urban Development (HUD) Funds**

- Community Development Block Grants (CDBG)
- HOME Partnership

## **Local Funds**

- Housing Trust Fund (HTF)
- Housing Assistance Fund
- General Fund
- G.O. Bonds
- Tax Increment Reinvestment Zone (TIRZ)

## **Fee Contributions**

- Density Bonus Programs
- Development Agreements
- Planned Unit Development (PUD)
- Municipal Utility District (MUD)

# DIVERSE FUNDING PORTFOLIO

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## **Funding from diverse sources with different requirements**

- Use single funding source for each program/investment, when possible
- Leverage funds & maximize return on investment
- Be responsive to funding source restrictions & requirements

## **Federal U.S. Department of Housing and Urban Development (HUD) funds**

- Significant grant administration requirements
- Investments to be determined by Consolidated Plan outreach

## **Local Funds**

- Housing Trust Fund (HTF) - Can be used for displacement mitigation activities, homelessness, AHFC property & other misc. needs not able to be funded through other sources
- G. O. Bonds - Defined by requirements
- TIRZ - Defined by requirements

## **Fee Contributions**

- Deploy through existing programs or by contract
- Defined by restrictions
- Need to use when opportunities arise
- Need to spend funds in a timely fashion

# RECOMMENDED CHANGE TO HOUSING TRUST FUND (HTF) METHODOLOGY

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- Current HTF amount is determined through a time-intensive process of calculating the property taxes on former publicly-owned land.
- 2013 presentation from the Financial Services Department to Council recommended changing the strategy to instead set aside a specific amount per year for the HTF.
- Increased ongoing funding of the HTF could reduce reliance on cyclical bond elections, reducing interest and debt issuance costs.
- Having a multi-year, cumulative funding source would allow for planning for funds.

## **Staff Recommended Changes to HTF Methodology:**

- Replace current HTF calculation with a new policy to set a target amount for annual General Fund transfer.
- Establish a timeline for achieving target amount.



# PROPOSED FY2018/19 HOUSING TRUST FUND ALLOCATIONS

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Activity	Allocation
Displacement Mitigation	At least 50% of HTF
Maintenance & Pre-Development Activities (Austin Housing Finance Corporation Owned Properties)	20-25% of HTF
Housing up to 115% MFI	10-15% of HTF
Homelessness Contracts	5-10% of HTF

- These funds have already been allocated
- Unspent funds roll over

# PROPOSED FY2018/19 HTF ALLOCATION PLAN

Activity	Summary	Amount
Displacement Mitigation	Connecting low-income Austinites in gentrifying areas with services	\$200,000
Displacement Mitigation	Emergency rental assistance	\$500,000
Displacement Mitigation	Support tenant organizing & engagement, and provide legal and other assistance to tenants facing eviction or displacement	\$500,000
Displacement Mitigation	Incentivize the creation of deeply affordable (30% and below median family income) units	\$2,000,000
Displacement Mitigation	Capacity building for Community Development Corporations	\$300,000
Construction, Maintenance & Pre-Development Activities (AHFC Owned)	Doris Drive housing development / ownership opportunities	\$2,000,000
Homelessness Contracts	Housing-related services for persons experiencing homelessness	\$360,000

# STAFFING FOR AFFORDABLE HOUSING BOND IMPLEMENTATION

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- Additional staff to deploy affordable housing bond funds:
  - Capital Program Accountant to manage the accounting for \$250 million capital program
  - Financial Analyst for Housing Development Assistance programs to facilitate application and loan processing
  - Partnership Manager to manage developments in which AHFC is a partner through life of project
  - Project Manager to facilitate the process for land to be developed for affordable housing
  - Private Activity Bond (PAB) Administrator to manage PAB program for developments as they progress through construction and leasing
- Recommend creation of these positions with the first bond appropriation

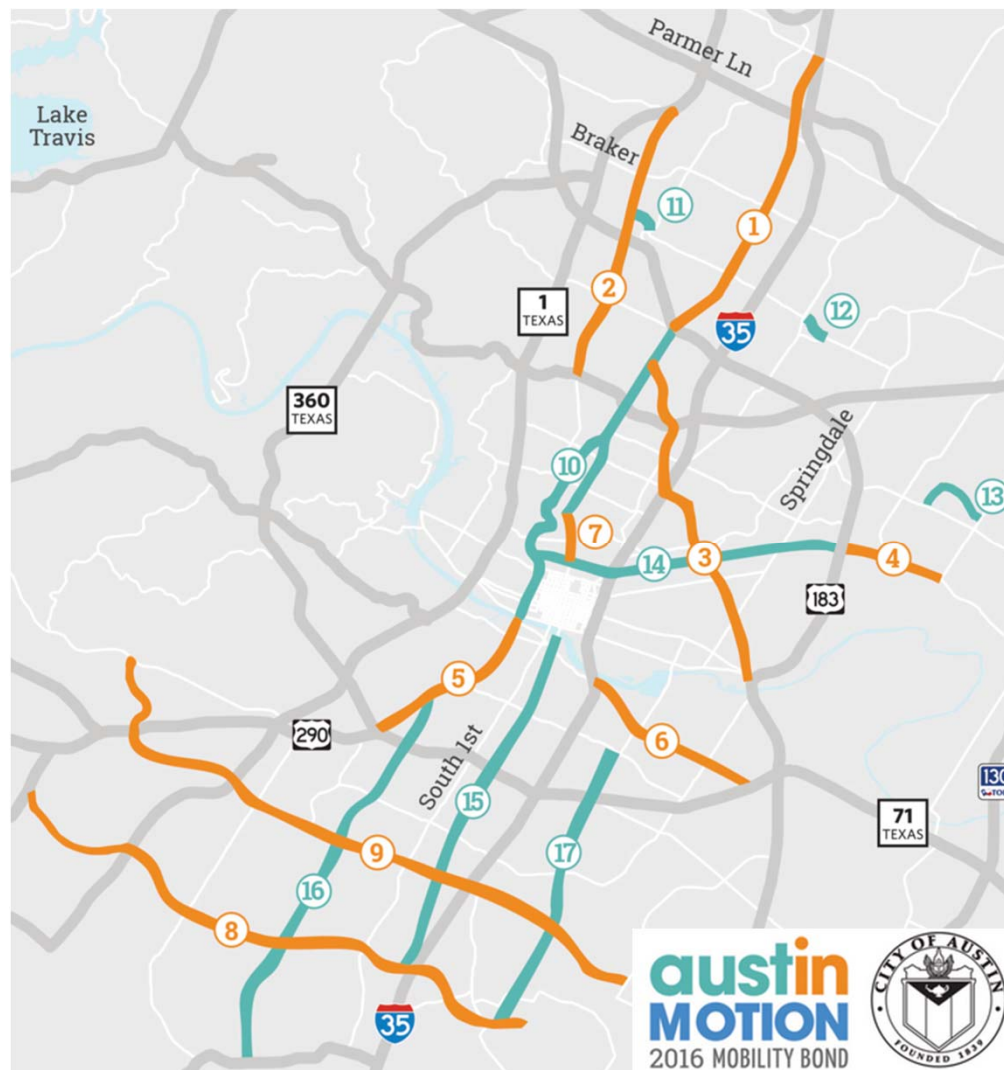
# DRAFT COUNCIL DISTRICT AFFORDABLE HOUSING GOALS

Council District Housing Goals  
Developed Considering:

- 15,000 Affordable Housing Units in High Opportunity Areas
- 15,000 Affordable Housing Units in High-Frequency Transit & Imagine Austin Centers and Corridors
- 15,000 Affordable Housing Units in High Displacement Risk Areas
- 15,000 Affordable Housing Units taking into account the Geographic Dispersion of Existing Affordable Housing

District	Distribution of Affordable Units
1	7,086
2	4,492
3	6,295
4	3,105
5	4,473
6	8,590
7	6,651
8	7,217
9	3,635
10	8,456
	60,000

# DRAFT CORRIDOR AFFORDABLE HOUSING GOALS



Corridor-Level Goals for Production and Preservation		
Corridor	District(s)	Goal for Producing and/or Preserving Units at 80% MFI and Below
<sup>1</sup> N. Lamar Blvd.	4, 7	<b>1,326</b>
<sup>2</sup> Burnet Rd.	7, 4	<b>1,098</b>
<sup>3</sup> Airport Blvd.	1, 3, 4, 7, 9	<b>1,102</b>
<sup>4</sup> East MLK/FM 969	1	<b>849</b>
<sup>5</sup> S. Lamar Blvd.	5, 9	<b>424</b>
<sup>6</sup> E. Riverside Dr.	3, 9	<b>1,144</b>
<sup>7</sup> Guadalupe St.	1, 9	<b>484</b>
<sup>8</sup> William Cannon Dr.	2, 5, 8	<b>1,884</b>
<sup>9</sup> Slaughter Ln.	2, 5, 8	<b>1,706</b>
<sup>10</sup> N. Lamar & Guadalupe St.	4, 5, 7, 9, 10	<b>1,012</b>
<sup>11</sup> <sup>12</sup> W. & E. Rundberg Ln.	4	<b>1,001</b>
<sup>13</sup> Colony Loop	1	<b>940</b>
<sup>14</sup> MLK Blvd.	1, 9	<b>766</b>
<sup>15</sup> S. Congress Ave.	2, 3, 9	<b>1,147</b>
<sup>16</sup> Manchaca Rd.	2, 3, 5	<b>1,411</b>
<sup>17</sup> S. Pleasant Valley Rd.	2, 3	<b>1,360</b>

Construction Eligible Corridors

Preliminary Engineering & Design Corridors/Critical Arterials

# ACTIONS NECESSARY

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- Resolution to adopt refined Blueprint Goals, as called for in Resolutions 20170413-024 and 20170413-025:
  - Council District Affordable Housing Goals
  - Corridor Affordable Housing Goals
- Adoption of FY 2019-2023 Consolidated Plan for HUD Funding
- Funding for additional staff in bond appropriation

# NEXT STEPS / PROPOSED ADOPTION TIMELINE

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Feb/March	Continuing Public Engagement regarding Consolidated Plan for HUD Funding
March 11	Joint Committee of City Council Mobility and Housing & Planning Committees
April 11	City Council: <i>Public Hearing</i> on Draft Consolidated Plan
April 16	City Council Housing & Planning Committee: Briefing and Discussion about Draft Consolidated Plan
March - April	Community Development Commission, Planning Commission and Zoning & Platting Commission Consideration of Geographically Specific Affordable Housing Goals
June 6	City Council: Consideration of Final Consolidated Plan and Geographically Specific Affordable Housing Goals
August 15	Consolidated Plan due to HUD



# BRIEFING BOOK COMPONENTS

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- Community & Council Engagement Strategy
- One to Two Year Blueprint Implementation Work Plan
- Displacement Mitigation Strategy
- Affordable Housing Bond Implementation Strategy
- Acquisition & Disposition Strategy
- Low Income Housing Tax Credit Strategy
- Preservation Strategy & Criteria
- Legislative Change Strategy
- Funding Sources and Resources Needed
- Appendix
  - Blueprint Implementation Resource Document
  - Atlas of Existing Conditions
  - Council Resolution Index
  - Sources of Displacement Mitigation Recommendations
  - Public Comments regarding Draft Implementation Resources
  - Resolutions regarding Blueprint Implementation Plan and General Obligation Bond Contract with Voters

# Discussion