



MEMORANDUM

TO: Mayor and Council Members

FROM: Rosie Truelove, Director, Neighborhood Housing and Community Development Department

DATE: February 5, 2019

SUBJECT: Most Contributing Development to the Concerted Revitalization Plan – East Riverside/Oltorf Combined Neighborhood Plan

As part of the application for the 9% Low Income Housing Tax Credits submitted to the Texas Department of Housing and Community Affairs (TDHCA), an applicant may submit a resolution of support issued by the local governing body identifying the area as a Concerted Revitalization Plan area. If approved by TDHCA, this resolution provides additional points for the competitive application. A local governing body may also designate one development per Concerted Revitalization Plan area as the most contributing development to the implementation of said plan. Of the developments that were submitted to the City of Austin for resolutions of support, three identified the East Riverside/Oltorf Combined Neighborhood Plan as the operative Concerted Revitalization Plan and claimed to be the most contributing development to the implementation of the plan. If TDHCA determines this area to be governed by a Concerted Revitalization Plan, all three applications can receive additional points for being within the Concerted Revitalization Plan area; however, Council may designate only one development per Concerted Revitalization Plan area as the most contributing development.

The three developments claiming this designation are Burleson Apartments developed by Foundation Communities, Tierra Skyline developed by Saigebrook Development, and Vi Collina developed by Saigebrook Development. Goal 8 of the East Riverside/Oltorf Combined Neighborhood Plan states: "Provide affordable housing opportunities through redevelopment of existing multifamily developments." Whereas all three of these developments would be new construction on vacant land, this goal provides no guidance for implementation of the plan. Staff then turned to the Austin Strategic Housing Blueprint to determine which proposal most contributed to development of affordable housing in the area. Each development was filtered through the Rental Housing Development Assistance scoring criteria, which has been aligned with the goals established in the Blueprint. The resulting scores left Burleson Apartments and Vi Collina tied with Tierra Vista not scoring as well.

Staff then turned to the Austin Strategic Housing Blueprint Implementation Plan and Atlas of Existing and Historical Conditions. This plan provides more detailed guidance for the City to achieve the goals established in the Austin Strategic Housing Blueprint. The Implementation Plan provided two key insights. First, the Atlas of Existing and Historical Conditions uses the University of Texas study *Uprooted: Residential Displacement in Austin's Gentrifying Neighborhoods, and What Can Be Done About It* to derive

a Displacement Risk Index of census tracts. While both Vi Collina and Burleson Apartments are within the same census tract, they are on opposite ends. Vi Collina is adjacent to a census tract that is currently experiencing dynamic levels of gentrification and displays high displacement risk; conversely, Burleson Apartments is adjacent to a census tract that is susceptible to gentrification and shows future displacement risk. Second, the Atlas provides an Environmental Index “to identify key environmental risks that could preclude the development of new affordable housing in certain areas.” Noting the negative health effects of living near a highway with heavy traffic, the Atlas suggests an air quality test should be conducted for any property within 500 feet of a highway prior to the construction of any affordable housing units. As the Burleson Apartments property is adjacent to Ben White Boulevard and a portion of the property lies within 500 feet of the highway, this property must undergo additional scrutiny.

Because Vi Collina achieves a higher score on the Rental Housing Development Assistance scoring criteria than Tierra Skyline, and because Vi Collina is proposed to be on property closer to areas undergoing dynamic levels of gentrification and displays higher risk of displacement than the property that Burleson Apartments is proposed for, and because Vi Collina is further away from a highway with heavy traffic than Burleson Apartments, staff recommends the City designate Vi Collina as the development that is most contributing to the implementation of the East Riverside/Oltorf Combined Neighborhood Plan.

On Friday, February 1, 2019, Foundation Communities informed the City of Austin that it would not be moving forward with a complete application for the Burleson Apartments development. This information did not impact staff’s recommendation.

cc: Spencer Cronk, City Manager
Rodney Gonzales, Assistant City Manager