

RESOLUTION NO. 20190221-027

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2
3 **WHEREAS**, in order to address the affordable housing crisis, the Austin City
4 Council adopted the Strategic Housing Blueprint (Blueprint) with the goal of
5 producing a total of 135,000 new units with a goal of at least 60,000 new income
6 restricted units by 2027; and

7 **WHEREAS**, to create more than 47,000 affordable units called for in the
8 Blueprint, additional City Council policy direction is required; and

9 **WHEREAS**, there is a need for affordable housing of all types including, but
10 not limited to, single family, duplex, townhome, condominium, and multifamily,
11 located throughout the City; and

12 **WHEREAS**, the City Council has passed numerous resolutions aiming to
13 strategically improve affordable housing programs to meet the Blueprint's goals,
14 such as exploring ways to provide residents the right to return, connect those with
15 the highest needs with affordable housing, and better monitor the affordable units
16 being created through various programs; and

17 **WHEREAS**, currently many affordable housing units, including new
18 affordable housing developments and properties that accept Housing Choice
19 Vouchers are located east of IH-35, north of Hwy 183, south of SH 71, and in the
20 City's extraterritorial jurisdiction (ETJ); and

21 **WHEREAS**, the 4% Low Income Housing Tax Credit (LIHTC) program is a
22 popular financing tool used to create affordable housing and requires at least 50% of
23 a development's units to average at 60% median family income; and

24 **WHEREAS**, many 4% LIHTC developments in the City or in City's ETJ are
25 located in areas that lack many amenities and viewed as lower opportunity areas;
26 and

27 **WHEREAS**, past affordable housing efforts have not maximized their
28 potential impact because of some city restrictions, thereby limiting the number of
29 affordable units, limiting levels of affordability, and limiting the availability of
30 income restricted family-friendly units; and

31 **WHEREAS**, in November, 2018, voters approved \$250 million for
32 affordable housing, which may serve more families at deeper levels of affordability
33 if City restrictions on residential development are modified; and

34 **WHEREAS**, the Austin Strategic Housing Blueprint, Austin's Fair Housing
35 Action Plan, the Obama White House Housing Development Toolkit, and multiple
36 other studies and reports have found that some land use restrictions can be a barrier
37 to housing affordability; and

38 **WHEREAS**, maximizing the use of land for affordable housing will allow
39 for more affordable units, deeper levels of affordability, more family-friendly units,
40 and will facilitate affordable housing in higher opportunity areas; and

41 **WHEREAS**, the City Council approves many zoning cases for affordable
42 housing developments; however, some restrictions that may result in additional
43 affordable housing units cannot be waived in a zoning case; and

44 **WHEREAS**, the rezoning process may be costly, time consuming, and may
45 ultimately limit the number of affordable units, level of affordability, and number of
46 family-friendly units in an affordable housing development and allowing affordable

47 housing to be built by-right without rezoning may benefit the City's affordable
48 housing stock; and

49 **WHEREAS**, the City Council has missed opportunities to allow for the
50 creation of more affordable units; and

51 **WHEREAS**, Saigebrook's Aria Grand is a 9% LIHTC multifamily property
52 in Travis Heights that received \$1.5 million in affordable housing bond subsidies to
53 develop 60 affordable units, but could have created 10 more affordable units without
54 compatibility and 20 more affordable units without parking requirements with
55 negligible increases in public subsidies and a decrease in the overall subsidy per unit;
56 and

57 **WHEREAS**, Guadalupe Neighborhood Development Corporation was able
58 to build 6 more units for a total of 22 units at its La Vista de Guadalupe development
59 due to a substantial reduction of compatibility limitations; and

60 **WHEREAS**, Habitat for Humanity's development in the Plaza Saltillo
61 Transit Oriented Development is participating in an affordable housing bonus
62 program that waives parking, allowing it to build 56 affordable units, where they
63 would not have built any otherwise; and

64 **WHEREAS**, the City Council is dedicated to finding creative, innovative
65 solutions to address the City's affordable housing crisis, to create more affordable
66 housing in high opportunity areas, to increase the effectiveness of public dollars, and
67 to meet the goals of the Austin Strategic Housing Blueprint; **NOW, THEREFORE,**

68 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

69 In order to increase the number of affordable units and to most effectively
70 utilize 2018 Affordable Housing Bond funds and other public funds and resources,
71 the Council initiates amendments to City Code Title 25 (*Land Development Code*)
72 to create an affordable housing program on a citywide basis. After adopting the
73 amendments initiated by this resolution, Council directs the City Manager to provide
74 an annual report on the impact and outcomes of the program to City Council and for
75 the Planning Commission to review the results of the program after three years.

76 To be eligible for this program, a residential development must provide the
77 following:

- 78 1. for rental housing, at least 50% of total units serving households with
79 incomes at an average of 60% MFI or below and including at least 20%
80 of total units serving households with incomes at 50% MFI or below,
81 rounded up to the nearest unit, for at least 40 years;
- 82 2. for homeownership housing, at least 50% of owner-occupied units
83 serving households with incomes at an average of 80% MFI or below,
84 rounded up to the nearest unit, for at least 99 years;
- 85 3. at least three units total, unless the development is 100% affordable;
- 86 4. at least 25% of affordable units must have two or more bedrooms, unless
87 the affordable units are permanent supportive housing or senior housing,
88 rounded up to the nearest unit; and
- 89 5. provide just cause eviction protections and the right of tenants to organize,
90 as required in existing city/federal affordable housing agreements.

91 This program would be available for a residential development or
92 redevelopment irrespective of whether the proposed development or redevelopment
93 requires a zoning change or other discretionary action from a City commission or

94 the Council. It is the intent of the Council for this program to be accessed without
95 requesting a further discretionary action by the Council. A property owner would be
96 allowed to use this program in addition to any other existing affordable housing
97 bonus programs, and apply in all overlays and regulating plans.

98 In order to avoid unnecessary disruption and displacement of low-income
99 renters, this program would be available when an existing multifamily rental
100 residential development is redeveloped or rebuilt only if:

- 101 1. the reason for the redevelopment or rebuilding is to replace aging or
102 dilapidated residential facilities and current tenants are provided notice of
103 the redevelopment proposal; and
- 104 2. the property owner agrees to replace the affordable units (market-rate
105 and/or income-restricted units that have been affordable to households
106 earning 80% MFI or below in the previous year) one for one, without
107 reducing the number of affordable bedrooms, grant current tenants a right
108 to return to the development to a comparable unit after redeveloping or
109 rebuilding, set rents so that current tenants are able to afford to return, and
110 provide relocation benefits that are consistent with Uniform Relocation
111 Act.

112 **BE IT FURTHER RESOLVED:**

113 The Council intends for a residential development that participates in this
114 program to be allowed in any residential and commercial zone, but not industrial
115 zones, and does not waive existing rules and requirements related to residential uses
116 near health hazards; and to comply only with the occupancy limits for multi-family

17 zoning districts. Any development that accesses this program shall not be comprised
18 of more than 25% of gross floor area as non-residential use.

19 The Council intends for this program to:

- 20 1. waive compatibility standards for height and setbacks, but maintain the
21 side setbacks as required by the base zoning district, and maintain
22 requirements for any health and safety related setbacks;
- 23 2. allow building height to be 1.25 times the base zoning district's height
24 entitlements;
- 25 3. waive parking requirements without waiving state or federal ADA parking
26 requirements;
- 27 4. reduce front yard and rear setbacks by 50%;
- 28 5. allow density (i.e., site area requirements and units per acre) to be 1.5 times
29 the base zoning district's density limits or allow six units, whichever is
30 greater;
- 31 6. waive maximum floor-to-area-ratio;
- 32 7. waive the Residential Design and Compatibility Standards, as codified in
33 Chapter 25-2, Subchapter F, but maintain the side setbacks as required by
34 the base zoning district, and maintain requirements for any health and
35 safety related setbacks;
- 36 8. require a modified site plan process that more closely resembles residential
37 site plan while still addressing health and safety and addressing and
38 reviewing drainage in the same way that drainage is addressed and
39 reviewed for non-multifamily structures with the same impervious cover,
40 including any adjustments to fee schedule as necessary, for developments
41 with 12 or fewer units require a consolidated review process in lieu of a site
42 plan for a development with 12 or fewer units; and

- 43 9. waive common wall, roof, front porch, and other restrictions specific to
44 duplexes in Section 25-2-773.

45 **BE IT FURTHER RESOLVED:**

46 If the development meets the aforementioned requirements, but in addition
47 has:

- 48 1. between 75% and 100% of its units at rates affordable as defined above;
49 2. at least 10% of the affordable units serve households with incomes 30%
50 MFI or below; or
51 3. is located within ¼ mile of an Imagine Austin Corridor that is served by a
52 bus or transit line,

53 then, in addition to the bonuses described above, the development may also:

- 54 1. allow building height to be 1.5 times the base zoning district's height
55 entitlements;
56 2. allow density (i.e., site area requirements and units per acre) to be 2 times
57 the base zoning district's density limits or allow eight units, whichever is
58 greater; and
59 3. require a modified site plan process that more closely resembles residential
60 site plan while still addressing health and safety and addressing drainage
61 in the same way that drainage is addressed for non-multifamily structures
62 with the same impervious cover, including any adjustments to fee schedule
63 as necessary, for developments with 16 or fewer units.

64 **BE IT FURTHER RESOLVED:**

65 The amendments initiated by this resolution should be designed with the goal
66 of expanding the requirements, through subsequent code amendments, to align with
67 any future changes to other City affordable housing program requirements or
68 approvals that extend the affordability period, require rights of first refusal, or
69 modify other program requirements.

70 **BE IT FURTHER RESOLVED:**

71 A residential development can establish eligibility for this program using
72 documents required to participate in affordable housing programs operated by a
73 local, state, or federal agency. Examples of affordable housing programs include the
74 Low-Income Housing Tax Credit (LIHTC) program, the City's Rental Housing
75 Development Assistance Program (RHDA), and programs funded through the U.S.
76 Department of Housing and Urban Development. Otherwise, the Director shall
77 establish eligibility procedures for the program that are similar to the procedures of
78 other City bonus programs.

79 **BE IT FURTHER RESOLVED:**

80 The Council acknowledges that Planning Commission may recommend
81 modifications to the amendments described in this resolution to best achieve the
82 goals in Imagine Austin. Planning Commission should consider how to ensure the
83 program maximizes affordable housing, meets our transportation goals, and meets
84 the housing and transportation needs of people with disabilities, and may review
85 setbacks/buffers, with the intent of not reducing the positive impacts of this program.

86 **BE IT FURTHER RESOLVED:**

87 The amendments initiated by this resolution may not include increases in
88 allowable impervious cover.

BE IT FURTHER RESOLVED:

The City Council directs the City Manager to:

1. work with affordable housing providers to provide examples of how the program would produce more affordable units in more geographic areas, and the Manager should work with such providers to bring information forward to Council about potential projects—including their size, location, unit mix, affordability—with and without this new affordable housing program;
2. bring back an outline of the proposed modified site plan review process;
and
3. bring back an ordinance for Council consideration no later than May 9, 2019.

ADOPTED: _____, 2019 **ATTEST:** _____

Jannette S. Goodall
City Clerk