

AFFORDABILITY UNLOCKED PROGRAM



COMMUNITY DEVELOPMENT COMMISSION

July 9, 2019



TOPICS WE'LL COVER TODAY

- What is the Affordability Unlocked Program?
 - Council Resolution
 - Affordability Requirements
 - Development Bonuses
- How could developments benefit from the program?



WHAT IS AFFORDABILITY UNLOCKED?

- A development bonus program for affordable housing providers that offers substantial waivers of development regulations in exchange for high percentages of affordable units
- Unanimously approved by City Council on May 9, 2019
- City staff currently putting together the application process

RESOLUTION 20190221-027

Purpose: To increase the number of affordable units and most effectively utilize 2018 Affordable Housing Bonds and other public funds and resources

- Initiated amendments to create a citywide affordable housing program – applies in all commercial & residential zones, overlays, and regulating plan areas
- Included very specific direction on affordability requirements, tenant protections, redevelopment limitations, development bonuses/waivers
- Called for modified site plan process for developments up to 16 units, which will be proposed through the Land Development Code rewrite



AFFORDABILITY REQUIREMENTS

- 1-2 units: all must be affordable
- More than 2 units: **at least 50%** of the units must be **affordable**
- Type 1 Bonus:
 - Rental Units: **Average of 60% MFI or below** (\$51,600 for 4-person household) for **40 years**
 - **20% of all units must serve 50% MFI or below** (\$43,000 for a 4-person household)
 - Owner Units: **Average of 80% MFI or below** (\$68,800 for a 4-person household) for **99 years**
 - **25%** of affordable units must have **2+ bedrooms** or be used as **senior or supportive housing**
 - Provide **just cause eviction, tenant right to organize & SOI protections**, & include **RHDA lease addendum**



AFFORDABILITY REQUIREMENTS

- Type 2 Bonus:
 - Meets Type 1 requirements and one or more of the following:
 - **At least 75% of units must be affordable**
 - **10% of the affordable units serve 30% MFI (\$25,800 for a 4-person household)**
 - **50% of affordable units have 2+ bedrooms**
 - **Located within ¼-mile of Imagine Austin Corridor with transit**



AFFORDABILITY REQUIREMENTS

- High percentages of affordable units + deep levels of affordability means **the vast majority of participants in this program will be affordable housing providers with subsidies**, including:
 - Low Income Housing Tax Credits
 - City of Austin funding (Rental Housing Development Assistance, Ownership Housing Development Assistance) and fee waivers (S.M.A.R.T. Housing)
 - Federal funding
- This program will enable affordable housing providers to build more units in their developments
- Better leverage for City of Austin dollars

REDEVELOPMENT REQUIREMENTS

- Redevelopment of sites with existing multifamily units only allowed to access program if:
 - The structure requires extensive repairs that will cost more than 50% of the market value
 - Market-rate affordable & subsidized units are replaced one-for-one (including bedrooms)
 - Current tenants get first option to lease
 - Current tenants receive relocation benefits consistent with the federal Uniform Relocation Act

DEVELOPMENT BONUSES

- Waivers:
 - Compatibility requirements (height and setbacks)
 - Building bulk restrictions (“Floor-to-Area Ratio/FAR”)
 - Duplex restrictions (including common wall, roof, & front porch regulations)
 - Dwelling unit occupancy limits (generally limiting homes to 4-6 unrelated individuals)
 - Site area requirements (density limits that apply in higher density zones like MF)
 - Parking requirements - except accessible parking must be provided

DEVELOPMENT BONUSES

- **Modifications:**
 - Max height allowed by base zoning increased by 1.25 (Type 1) or 1.5 (Type 2)
 - Max density increased by 1.5 or up to 6 units (Type 1) or by 2 or up to 8 units (Type 2)
 - Front & rear yard setbacks decreased by 50%
 - Minimum lot size & lot width reduced



DEVELOPMENT BONUSES

- Regulations NOT waived or modified include:
 - Impervious cover limits
 - Drainage regulations
 - Tree regulations
 - Maximum building coverage
 - Side yard setbacks in 25-2, Article 2
 - Technical codes
 - Federal accessible parking requirements (ADA, FHA)



DEVELOPMENTS THAT COULD HAVE BENEFITED FROM AFFORDABILITY UNLOCKED

ARIA GRAND

- 70-unit rental development at I-35 & Woodland Ave (received LIHTCs)
 - 60 affordable units: 30%, 50%, & 60% MFI
 - 1, 2, & 3 bedroom units
 - 7 units dedicated to Permanent Supportive Housing
 - 9 units accessible to tenants with mobility & sensory disabilities
- Constraints:
 - Compatibility: -10 units
 - Parking: -20 units
 - Zoning: site area requirements necessitated zoning change



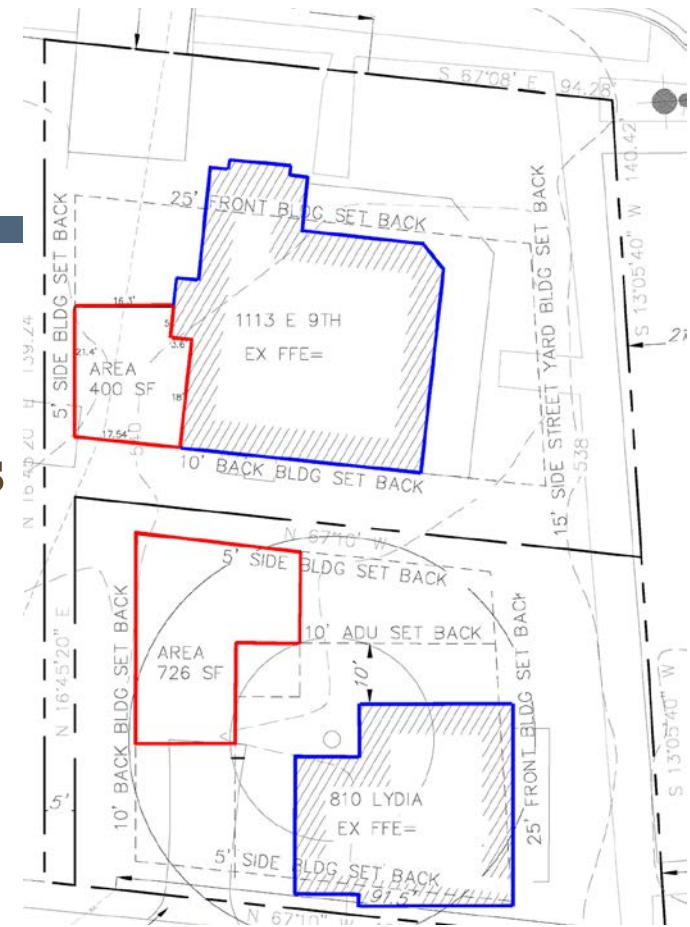
THE WORKS AT PLEASANT VALLEY

- 45-unit multifamily rental development at Pleasant Valley Road and Lyons Road (received RHDA funding)
 - Serves single mothers exiting foster care & homeless youth
 - 45 units affordable up to 50% MFI (single & multi-bedroom)
 - 20 units dedicated to Permanent Supportive Housing
- Constraints:
 - Compatibility: -25 units
 - Parking requirements resulted in 45 unused spaces



JOBE HOUSE

- 4 rental units on E. 9th & Lydia Streets (applied for RHDA funding)
 - 2 existing single family detached homes up to 80% MFI
 - 1 home will be remodeled into a duplex by adding an efficiency up to 30% MFI
 - 1 new ADU up to 50% MFI
- Constraints:
 - SF-3 lot with 2 existing units. Housing provider had sufficient space to add 2 units, but subdivision was required due to dwelling units per lot limit
 - Subdivision process required existing utility lines to be re-routed, because the existing lines would have crossed the new property lines (prohibited under Plumbing Code)



4TH & ONION

- Located in the Plaza Saltillo TOD (applied for OHDA funding)
 - Granted special waivers for site area requirements, floor to area ratio, compatibility, and modifications to maximum height and parking requirements
 - ~ 57 ownership condo units up to 80% MFI
 - ~ 30% of units will have multiple bedrooms
- Constraints:
 - Small site limited by multiple site development regulations
 - Would have only been able to achieve 19 one-bedroom units without special waivers

