

# NEIGHBORHOOD HOUSING and COMMUNITY DEVELOPMENT

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## Housing Displacement Mitigation Strategies



Community Development Commission – Housing Committee  
January 14, 2020

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# A GROWING CITY with DIVERSE HOUSING NEEDS

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Austin is a fast-growing city, having expanded to nearly a million residents in just a few years. Some predict the region's population could be 4 million people by 2050.

Such rapid growth has a serious impact upon accessible housing, gentrification, transportation, and affordable homes in neighborhoods that are healthy and safe.

NHCD is committed to ensuring equitable access to affordable housing and the opportunities that safe, stable homes provide.



# WHAT is AFFORDABLE HOUSING?

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Housing is defined as affordable if someone pays no more than 30 percent of monthly income for rent/mortgage and utilities, and no more than 45 percent of monthly income on housing and transportation costs.

# WHO DOES NHCD SERVE?

NHCD increases affordable housing supply, promotes stable homeownership, and fosters equitable, integrated, and diverse communities.

Eligibility for assistance is largely determined by Median Family Income (MFI), which is the annual income in which half the population makes more, and half the population makes less.



## 2019 Austin Area Median Family Income (MFI)\*

- 30% MFI: \$19,900 for 1-person household; \$28,400 for a 4-person household
- 50% MFI: \$33,150 for 1-person household; \$47,300 for a 4-person household
- 80% MFI: \$52,850 for 1-person household; \$75,500 for a 4-person household

*\*Per HUD effective June 2019 for the Austin-Round Rock-San Marcos Metropolitan Statistical Area (MSA)*

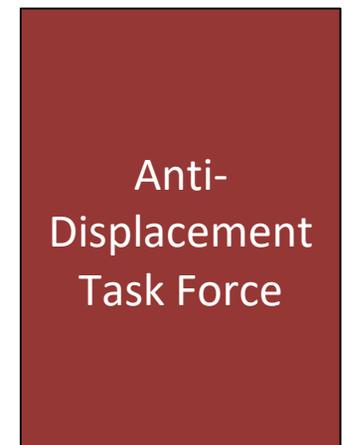
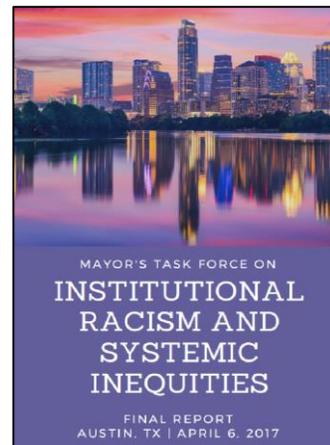
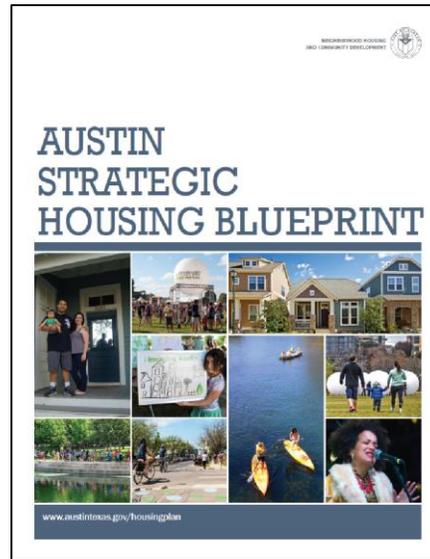
# AUSTIN'S HOUSING – HISTORICAL CONTEXT

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Neighborhood Housing and Community Development will be honest in our communication about the history of past discrimination that led to unfair housing practices and policies as we work diligently, creatively and intentionally to cultivate a diverse and economically inclusive City by creating affordable housing opportunities and mitigating community member displacement.



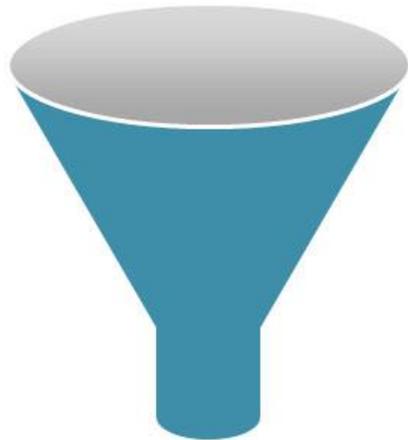
# 600+ DISPLACEMENT MITIGATION STRATEGIES REVIEWED



# DISPLACEMENT MITIGATION STRATEGIES REVIEW

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## Displacement Mitigation Recommendations Narrowing Process



612

(Records Tagged)

335

(Actionable Records)

143

(Records in NHCD's control)

103

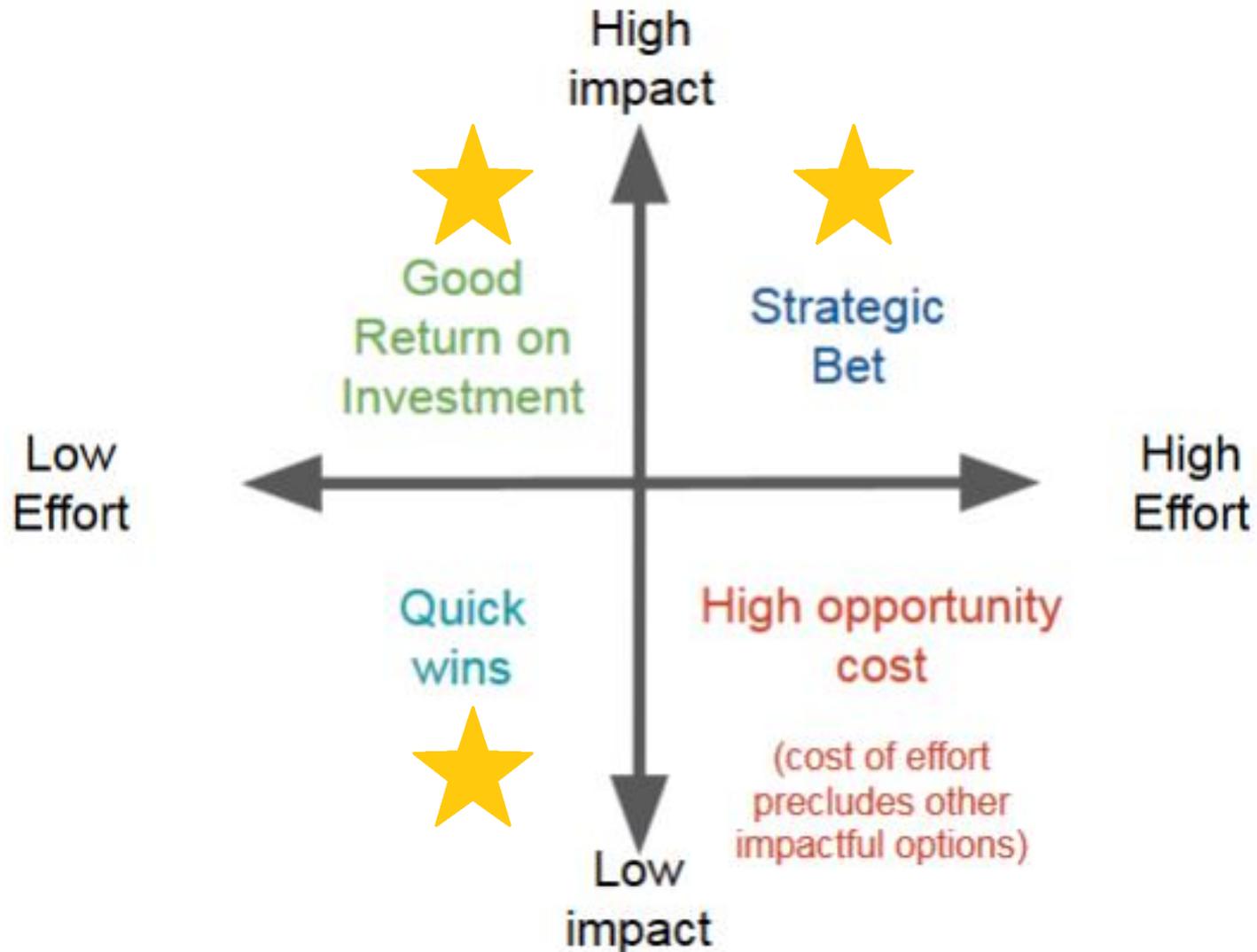
(Records prioritized)

15

(Short Term Recommended Strategies)

# DISPLACEMENT MITIGATION STRATEGIES REVIEW

Displacement Mitigation Recommendations Narrowing Process



# ONGOING DISPLACEMENT MITIGATION STRATEGIES

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# RESOURCES for RENTERS

NHCD's **Resources for Renters** website offers everything from housing searches to advice for dealing with landlords

**Tenant-Based Rental Assistance** supports low-income families move from homelessness to self-sufficiency by providing rental subsidies and case management support services.

**Tenants' Rights Assistance Program** provides counseling and technical assistance to low-income renters on tenant-landlord issues, dispute mediation, and fair housing issues to resolve or minimize discriminatory housing practices.

**Local Rental Assistance** provides rent, mortgage and utility assistance to meet urgent needs of eligible persons to prevent homelessness and to support independent living.

**Architectural Barrier Removal Program (Renters)** repairs units that pose health and safety risks or are necessary to increase self-sufficiency and mobility of low- to moderate-income residents.



# RESOURCES for HOMEBUYERS

**Down Payment Assistance Program** assists first-time homebuyers with a 0% interest loan up to \$40,000 for necessary down payment, eligible closing costs, and pre-paid expenses. The loan amount is dependent on financial need.

**Homebuyer Training** puts first-time homebuyers on track for homeownership and financial empowerment

**Affordable Home Sales** are possible through Austin Housing Finance Corporation by incentivizing both private and nonprofit developers through loans, fee waivers, density bonuses, and state low-income housing tax credits.

**Community Land Trusts** keep homes affordable for low- to moderate-income households and keep the property in the hands of the community. Low- and middle-income households purchase the house (the actual building), and pay a modest monthly



fee to lease the underlying land. By taking the cost of the land out of the transaction (often the most expensive part of home ownership), homes are more affordable than those on the open real estate market.

# RESOURCES for HOMEOWNERS

**Architectural Barrier Removal Program** repairs units that pose health and safety risks or are necessary to increase self-sufficiency and mobility of low- to moderate-income residents. Eligible homeowners and renters can receive grants of up to \$15,000 in home accessibility improvements.

**Minor Home Repair Program** provides eligible homeowners with assistance up to \$5,000 a year for minor repairs for a life-threatening condition or a health and safety hazard.

**Home Rehabilitation Loan Program** assists low-to-moderate income homeowners with loans for needed repairs to comply with city code and make the home safe, livable, and healthy. The program offers 0% interest loans ranging from \$15,000 to \$75,000 that are forgiven after a 20-year affordability period.

**GO Repair Program** provides provide up to \$20,000 per year to eligible homeowners to improve accessibility and make repairs to address substandard housing conditions that pose health and safety risks.

Before



After



# HOMELESS and SPECIAL NEEDS

**Homelessness** is a key priority for the City of Austin, with an estimate of approximately 2,000 people experiencing homelessness on the street or in shelters. NHCD partners with Austin Public Health and several community organizations to fund and administer programs for Homeless & Special Needs populations.

**Permanent Supportive Housing (PSH)** is the city's investment to address chronic homelessness by creating affordable housing units linked to support services that enable chronically homeless to live independently and participate in community life to reduce costly uses of public medical and social services.

**Tenant Relocation Assistance Program** supports vulnerable low-income households, the elderly, and persons with disabilities facing displacement.

- Requires landlords to provide early notice to tenants
- Refers clients to community services/legal assistance



# CREATING and PRESERVING AFFORDABLE UNITS

**Incentive Programs** encourage both non-profit and for-profit developers to create and preserve affordable rental and ownership housing for low- and moderate-income households and Austinites with disabilities.



Affordability may also be promoted through Development Agreements which may produce affordable units and/or fees-in-lieu.

**Rental Housing Development Assistance Program** expands the supply of affordable rental housing for low-income households and increases the availability of permanent supportive housing for persons experiencing homelessness or with special needs.



**Affordable Housing Bonus Programs** allow developers to build more units than are allowed by a location's base zoning if the developer agrees to set aside a portion of units for income-restricted affordable housing. Bonuses offset developers' costs to build affordable housing without requiring city current or future expenditures. Examples include the Downtown Density Bonus Program, University Neighborhood Overlay (UNO), and proposed citywide Affordable Housing Bonus Program.



# CREATING and PRESERVING AFFORDABLE UNITS

**Bond Financing** through the Austin Housing Finance Corporation (AHFC) Private Activity Bonds to finance the development of affordable rental or ownership housing.



**Rental Housing Development Assistance Program** finance rental developments, repaid through rents collected once the property is operational.

**Single-Family Mortgage Revenue Bonds** make low-interest mortgages and down payment assistance, or offering mortgage tax credits for qualified buyers of as much as \$2,000 per year.

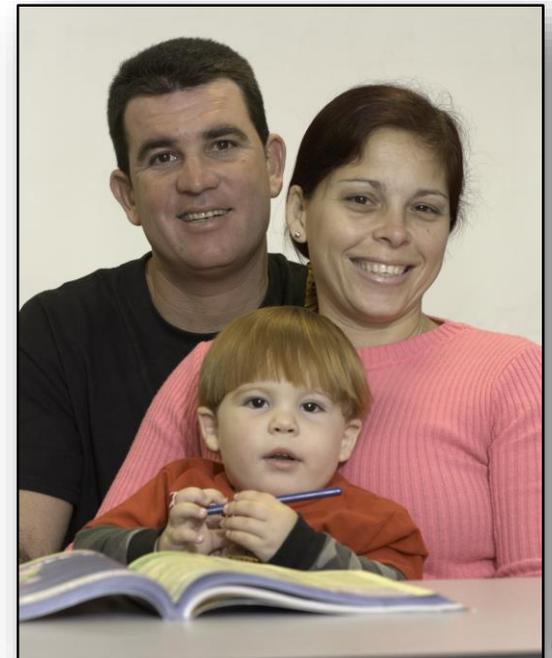
**Low-Income Housing Tax Credit Program** is managed with the Texas Department of Housing and Community Affairs to incentivize investment in low-income housing by selling tax credits to banks and other investors, who in turn use those credits to lower their own tax bills.



# DISPLACEMENT MITIGATION GOALS

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1. Prevent Displacement of Low- and Moderate- Income Homeowners and Renters
2. Increase Number of Income Restricted Affordable Housing Units
3. Increase Opportunities for Households to Reduce Utility Costs
4. Minimize the Displacement of Transit Riders
5. Improve NHCD's Operations to Address Displacement Mitigation Demands



# 15 STRATEGIC PRIORITIES

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- Implement a 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.  
**Update: Preference policy notification sent to City Council in October**
- Incorporate robust tenant protections for all rental properties receiving city support.  
**Update: Tenant protections included in all new city-funded developments**
- Streamline the application process for affordable units.  
**Update: Housing HUB affordable housing search tool ready to launch**
- Market NHCD-subsidized affordable units to people of color in gentrifying areas.  
**Update: Outreach contracts to launch in early 2020**
- Engage directly with communities vulnerable to displacement and connect them with services.  
**Update: Outreach contracts to launch in early 2020**

# 15 STRATEGIC PRIORITIES

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- Modify and expand home repair programs in gentrifying areas.  
**Update: Begin discussions in early 2020**
- Support tenant organizing and engagement and provide legal and other assistance to tenants facing eviction or displacement.  
**Update: Tenant Stabilization Contract (Tenant Rental Assistance, Eviction Prevention & Relocation Services) to be released December/January; up to \$750,000**
- Provide tenant relocation assistance and emergency rental assistance.  
**Update: Tenant Stabilization Contract (Tenant Rental Assistance, Eviction Prevention & Relocation Services) to be released December/January; up to \$750,000**
- Proactively monitor affordable properties at risk of losing affordability to extend affordability periods.  
**Update: Staff member hired to be able to assist with this**
- Increase fair housing enforcement and education.  
**Update: Coordination with regional group beginning in early 2020**

# 15 STRATEGIC PRIORITIES

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- Support capacity building for community development corporations.  
**Update: Community Development Corporation (CDC) Capacity Building grants up to \$50,000**
- Recalibrate, streamline, and expand density bonus programs to serve renters at or below 60% MFI.  
**Update: Recommendations included in Land Development Code revision**
- Increase communities of color participation in NHCD's affordable housing investment recommendations and displacement mitigation activities.  
**Update: New programs/contracts for FY19/20**
- Land bank in gentrifying areas to acquire and develop affordable housing.  
**Update: Search for property to further Blueprint goals underway**
- Support the creation of deeply affordable units at 20% and 30% MFI and below.  
**Update: Housing Trust Funds identified to fund deeply affordable units**

# DISPLACEMENT MITIGATION PROGRAM ALLOCATIONS

Summary	Amount
Tenant Stabilization Services: Tenant Rental Assistance, Eviction Prevention & Relocation Services (Source: HTF)	\$750K
Affirmative Marketing Campaign (Source: HTF)	\$200K
Capacity Building for Community Development Corporations (Source: HTF)	\$300K
New Home Repair Program (Source: G.O. Bonds)	\$2.7M
Incentivize the creation of deeply affordable (30% and below median family income) units (Source: HTF)	\$2M
Additional Anti-Displacement Programming (Source: HTF)	\$1.5M
<b>TOTAL</b>	<b>\$7.45M</b>

# STAY INFORMED

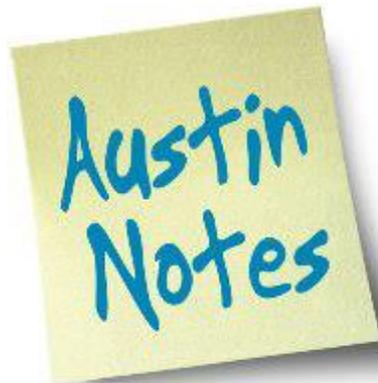
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## HOUSING MATTERS

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# QUESTIONS

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