




## MEMORANDUM

**TO:** Mayor and Council Members

**FROM:** Rosie Truelove, Director, Housing and Planning Department (HPD) 

**DATE:** June 30, 2022

**SUBJECT:** Project Connect Anti-Displacement Funding for Fiscal Year 2022 Deliverables (Resolution No. 20220303-030)

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The purpose of this Memorandum is to provide the Mayor and Council with an update on the Housing & Planning Department's (HPD) progress on the Project Connect Anti-Displacement Funding for Fiscal Year 2022 as approved in [Resolution No. 20220303-030](#).

This resolution outlined three directives. Below is the status of each directive in the resolution along with the progress made to date:

**1. Allocate the Project Connect anti-displacement funding for Fiscal Year 2022 as follows:**

- **\$21 million towards the development of affordable housing along the Project Connect high-capacity transit lines through the City's housing development assistance programs.**

**Status and progress made to date:**

On April 13, 2022, the Austin Housing Finance Corporation (AHFC) announced the availability of \$21 Million in Rental Housing Development Assistance (RHDA) and Ownership Housing Development Assistance (OHDA) projects along Project Connect Transit Corridors. Projects must be within one mile of a Project Connect transit corridor and include a policy for tenant or owner selection to prioritize persons that have been or are currently at risk of displacement.

The City's affordable housing development assistance RHDA/OHDA programs accept applications on a quarterly basis as outlined on the FY [2021-2022 Calendar](#). Applications submitted prior to May 6, 2022, were reviewed, and assessed for eligibility for Project Connect funds. Those eligible were asked to provide additional information to meet the requirements of the funding source.

Staff received 17 applications for financing through the RHDA/OHDA program for the final review of the fiscal year. Staff will work with each applicant to determine eligibility for Project Connect funds as part of the standard underwriting process. Recommendations for funding will be made to the AHFC Board on July 28, 2022.

- **\$20 million towards anti-displacement initiatives as outlined in the soon to be available notice of funding availability, based on Project Connect anti-displacement priorities and rooted in the Contract with the Voters, the Equity Tool, and data-informed maps.**

**Status and progress made to date:**

On April 11, 2022, AHFC and HPD launched the Community Initiated Solutions application with funding for nonprofit organizations that support residents and households by avoiding evictions and foreclosures, preserving homeownership opportunities, supporting the expansion of homeownership, and creating asset-building opportunities that improve people's economic mobility. As outlined in the [Notice of Funding Availability](#), the funding must benefit existing residents who face vulnerable, chronic, or active displacement risk and live within one mile of Project Connect lines and stations and address one or more of the funding priorities:

- Renter/tenant stabilization (15 applications received)
- Expansion and preservation of homeownership opportunities (6 applications received)
- Other housing-focused, anti-displacement strategies that support economic mobility opportunities (16 applications received)

Outreach and engagement for the Community Initiated Solutions Funding began in March 2022. Leading up to the announcement of funding availability, leaders of organizations were invited to join virtual Meet & Greet sessions to learn about the opportunity, ask questions and share feedback. Five sessions were held, with 55 attendees from 40 organizations. The pre-submittal meeting and technical assistance sessions that were held during the open solicitation also provided valuable insight. Outreach for these sessions included targeted communication with community organizations, including direct emails and mailers to 185 organizations. These organizations continued to receive email reminders throughout the solicitation period. An additional 400 community leaders were contacted via email and asked to help spread the word. Broader messaging included a press release and social media. The application period closed on June 27, 2022, at 4pm. We received a total of 37 applications with funding requests totaling approximately \$68 million.

The application review process includes a community evaluation panel responsible for ranking proposals using guidance from the developed Equity Tool. Successful applications will be forwarded to a working group of the Project Connect Community Advisory Committee (CAC) to make final recommendations to the AHFC board.

The community evaluation panel application was open from April 20, 2022, to May 20, 2022. The application was available in the five most spoken languages in Austin; and a stipend was available for selected participants. Staff received 88 applications representing a diverse pool of panelists from across the city.

**2. Continue with its commitment of \$23 million in Fiscal Year 2021 towards land acquisition and affordable housing preservation, in alignment with direction from Austin City Council Resolution No. 20210204-062, as well as the processes described in that resolution.**

**Status and progress made to date:**

Per [Resolution No. 20210204-062](#), the Austin Housing Finance Corporation was allocated \$23 million for anti-displacement strategies in Fiscal Year 2021. Council directed the City Manager to allocate that initial Project Connect, anti-displacement funding to two strategies: 1) small site development or small site preservation of affordable housing by 501(c)(3) community development organizations; and 2) preservation of existing affordable housing on larger sites by affordable housing partners.

Regarding the first strategy, AHFC staff developed the Anti-Displacement Community Acquisition Program (ADCAP) and allocated \$8 million from the initial \$23 million. Staff have developed program guidelines and loan templates. AHFC received its first application in January 2022 from the Austin Revitalization Authority (ARA) and the Board approved a loan up to \$458,000 on March 24, 2022, to support the acquisition of an existing fourplex (8402 Garcreek Circle in Council District 1). All four units will be affordable to renters at 50% AMFI.

Regarding the second strategy, AHFC staff allocated the remaining \$15 million to AHFC-led acquisitions of larger, existing affordable housing developments, whether already income- and rent-restricted or “naturally occurring affordable housing.” On June 16, 2022, the AHFC Board approved the acquisition of a 40-unit development of naturally occurring affordable housing called Midtown Flats (615 W. St. Johns Avenue in Council District 4), for an acquisition cost of \$7,680,000. This will be AHFC’s first Project Connect related acquisition, and data indicates that it is an area that has seen significant displacement pressure. AHFC will be able to preserve most, if not all, of the units in the 50-60% AMFI rent range. Additionally, AHFC has issued a Letter of Interest to the Strategic Housing Finance Corporation to purchase its ownership interest in and the underlying land for a 70-unit multifamily development called City View Apartments (2000 Woodward Street in Council District 3). If accepted, AHFC will use Project Connect Anti-Displacement funds to preserve this existing affordable housing development. Staff will pursue a phase II development on the site as well.

To date, AHFC has also partnered with Affordable Central Texas (ACT) on several large acquisition opportunities. Several of these existing developments were within walking distance to planned Project Connect stations and were anywhere from 250 to 400 units. Unfortunately, AHFC and ACT, while making competitive offers, have been unable to match the market’s competitive buying terms, such as significant amounts of nonrefundable earnest money. AHFC and ACT continue to pursue several acquisition and partnership opportunities, especially in areas near the planned Orange and Blue lines where there is significant displacement pressure.

To increase community awareness and amplify Project Connect funding streams available through ADCAP and RHDA/OHDA, two additional engagement methods will be conducted beginning in July 2022. Round table discussions will be held for small developers and mission-driven organizations to learn about these programs and provide valuable feedback for future program enhancements. One-on-one technical assistance sessions will also be offered. These sessions will be customized to meet the needs of individual organizations and will target smaller organizations that are unfamiliar with the process.

**3. Further analyze the locations determined to be at risk of displacement and identify potential strategies for those specific locations. These strategies should align with input from community**

engagement in those specific areas, and from engagement with the Project Connect Community Advisory Committee. The information gathered should inform a targeted solicitation process to fund projects identified through this analysis for funds in Fiscal Year 2023.

**Status and progress made to date:**

The development of the Equity Tool & Report was a key collaborative, co-creative process with city departments, consultants, and community members. Thirty compensated community members, referred to as Catalysts, were selected from over 100 applicants. Catalysts contributed nearly 950 hours over a 4-month period, to the development of the tool. The Catalyst model provided a deep and focused alternative to the broad engagement processes that regularly exclude community members most vulnerable to displacement.

Key components of the [Nothing About Us Without Us Report & Tool](#) guided the initial investment of the anti-displacement funding, including the purpose of the investment and location. The geographic priority for the initial investments includes displacement risk areas within one mile of a Project Connect line or station. As part of the development of the Equity Tool, staff produced [interactive anti-displacement maps, dashboard](#), and [fact sheets](#) that provided more detail on the demographic characteristics of areas within one mile of Project Connect stations that are at risk of displacement. The initial investment strategy was also informed by previous research (Strategic Housing Blueprint, Uprooted Report, Anti-Displacement Task Force, etc.) data, existing policies, an examination of promising practices across the country, and the priority purposes outlined in the Equity Tool.

Beginning in July 2022, HPD staff will collaborate with the Project Connect Community Advisory Committee (CAC) to engage community members in discussions about funding priorities for the next three years of anti-displacement investments. Specifically, community members in areas at risk of displacement (as indicated in the anti-displacement maps), will be a key focus of our outreach strategy. Outlined below are the engagement opportunities and strategies.

- **Focused Community Conversations:** Engagement to guide the analysis for funds in Fiscal Year 2023 will begin with listening sessions hosted by the CAC in July 2022. City staff will support these sessions by helping to design the engagements and conduct thorough outreach. Community members will be invited to participate in a series of discussions that will focus on the lived experiences of those at risk of displacement as well as established displacement mitigation strategies that may help them. Participants will have the opportunity to prioritize these strategies based on their own experience. In addition, a conversation guide will be available for community members to host their own conversations.
- **Online Engagement:** In parallel to the community conversations, a Speak Up Austin page will offer community members the opportunity to virtually share their feedback for the mitigation strategies presented during the in-person Focused Community Conversations.

- **Stakeholder Roundtables:** Following the community conversations, stakeholder roundtables will be held in August 2022 to review and discuss community feedback. These conversations will involve leaders within the affordable housing sector and will help the CAC to continue narrowing down the anti-displacement strategies that should be prioritized for Project Connect funding.
- **CAC Recommendations:** The CAC will use the feedback from online and in-person engagement with community members and stakeholders to form recommended funding priorities for the next three years. This part of the process will begin in September and conclude in early November when the CAC will announce its recommendations.
- **Ongoing Community Dialogue:** Once decisions are made about the 2022 investments (through the Land Acquisition, Land Development and Community Initiated Solutions) and priorities are set for 2023 investments, engagement opportunities will continue so that the community is kept informed about the progress of the funds and so that staff are continually listening to their feedback. The types of ongoing opportunities will be determined following engagement conducted throughout July and August.

Affirmative marketing and outreach will be conducted for all the opportunities outlined above. Marketing will consist of flyers, email announcements, social media toolkits, paid media ads, and will be available in Spanish and English. The outreach will consist of working directly with community leaders who serve as trusted voices to help spread the word and invite community members in (service providers, faith leaders, neighborhood leaders, employers, small business owners).

Should you have any questions, or require any additional information, please do not hesitate to contact Nefertitti Jackmon, Community Displacement Prevention Officer, [nefertitti.jackmon@austintexas.gov](mailto:nefertitti.jackmon@austintexas.gov).

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