M E M O R A N D U M

TO: Mayor and Council Members

FROM: Rosie Truelove, Director, Housing and Planning Department

DATE: September 16, 2022

SUBJECT: Update Resolution No. 20220303-030 regarding Progress on the Project Connect Anti-Displacement Funding for Fiscal Year 2021-22

The purpose of this memorandum is to update Mayor and Council on the progress made to date to spend the initial allocation of $65 million in anti-displacement funding for Fiscal Years 2021 and 2022, as approved in Resolution No. 20220303-030 . Specific updates include:

- Status of the $65 million anti-displacement funds received in FY21 and FY22,
- Overview of the Community Initiated Solutions program,
- Hiring status of approved full-time positions,
- Development of the Public Performance Dashboard, and
- Next steps to establish budget priorities for the next three years of anti-displacement funds.

Status of the $65 million anti-displacement funds received in FY21 and FY22

The planned annual allotment of anti-displacement funds for FY21 and FY22 was $65 million. An inter-departmental team of City staff developed the initial framework to determine the funding strategy in alignment with priorities outlined in the Racial Equity Anti-Displacement Tool (Resolution No. 20210202-062). To date, the funding has been allocated as follows:

$23 Million – Land Acquisition

Per Resolution No. 20210204-062, the Austin Housing Finance Corporation (AHFC) received $23 million for anti-displacement strategies in FY21. Council directed the City Manager to allocate those anti-displacement funds 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 to this program. Staff developed program guidelines and loan templates. AHFC received its first application in January 2022 from the Austin Revitalization Authority (ARA). The AHFC Board approved a loan of 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 are to be affordable to renters at 50% of the area median family income (AMFI). This loan has not yet closed.

Regarding the second strategy, AHC successfully acquired Midtown Flats on September 1 for $7,680,000, and recently executed a Purchase and Sale Agreement with Strategic Housing Finance Corporation to acquire their ownership interest in City View Apartments for $2,600,000. Midtown Flats is 40 units of naturally occurring affordable housing, and City View Apartments is 70 units of existing affordable housing. AHFC has already begun planning a phase II development on excess land at the City View site, with a plan to deliver Permanent Supportive Housing.

AHFC is aggressively pursuing multiple potential acquisitions throughout Austin that align with Project Connect's goals. Several opportunities have been identified on South Congress, East Riverside, and along and near North Lamar.

$21 Million – Rental Housing Development Assistance and Ownership Housing Development Assistance

On September 1, 2022, the AHFC Board approved $46 million in rental housing development assistance (RHDA) and ownership housing development assistance (OHDA) applications. Project Connect Anti-Displacement Funding comprised $21 million of this total investment, supporting five developments (four RHDA and one OHDA). This investment will result in 380 rental units affordable below 50% MFI and 23 ownership units affordable below 80% MFI within one mile of Project Connect in areas vulnerable to displacement.

$20 Million – Community Initiated Solutions

Recommendations have been forwarded to the AHFC Board for approval during the September 29, 2022, meeting. If the recommendations are approved by the AHFC Board, funding for the $20 million Community Initiated Solutions program will be approved for allocation before the close of FY22, with the execution of contracts being completed after AHFC Board approval through the end of this calendar year. Details of the recommendations are provided below.

Overview of the Community Initiated Solutions program

The Community Initiated Solutions (CIS) program was inspired and informed by the Equity Tool and Report. The goal was to devise a solicitation process that did not mirror traditional engagement and planning processes that are typically devised by staff and delivered to community to obtain their feedback. This process was first informed by Community Catalysts who helped to inform the Equity Tool with the goal of having people who are closest to the challenges devise solutions to address the challenges. Austin Housing Financing Corporation received 37 proposals with a request in funding of over $68 million.

For this process to be successful, it was critical to engage community not only in the design of the solicitation, but also in the subsequent evaluation process. Staff received 88 applications from community members to serve on the evaluation panel. Twenty-five were selected, representing a diverse pool of panelists from across the city. The following describes the two-step evaluation process for the CIS proposals that were received.

Evaluation Process

- Community Evaluation Panel – Applications were reviewed by a community evaluation panel composed of practitioners, academics, and stakeholders from communities most impacted by displacement. The panel reviewed and scored proposals using evaluation criteria informed by the Nothing About Us Without Us report and tool. The list of scored and ranked proposals was then provided to a working group of the Project Connect Community Advisory Committee (CAC).

- Review Panel – A working group of the CAC considered balances between funding categories. These ranked scores, along with the entire application process, were presented to the anti-displacement working group of the Project Connect Community Advisory Committee. Due to the large number of competitive applications that received high scores from the community evaluators, the panel decided to limit the total award amount to ensure more applicants received an award. As a result of viewing total requests, and total applications, the working group established a maximum award amount of $2 million. Described below is the process that was used by the CAC Review Panel.
    1. All applications that received a score above 90 by the Community Evaluators were given an award, except for those removed from consideration, as described below. The two applications from the Del Valle Community Coalition were reconsidered with a focus on selecting one for a final award due to organization capacity to deliver program services, assessed based on financial and other information provided by the organization. In this instance, the homeowner program proposal was selected in hopes of promoting greater balance between program priority areas, seeing as rental assistance and tenant programs were already well represented in the list of final awardees.
    2. All applications that received a score below 85 by the Community Evaluators were removed from the final award list to honor the work of the evaluators and meaningfully include community members in the decision process.
    3. All applications that scored above 85 and below 90 were individually ranked, along with the two applications from the Del Valle Community Coalition under reconsideration. One application was removed from consideration, as described below. The ranking was based on the following criteria:
        a. Balance between program priority areas (Expansion and Preservation of Home Ownership, Renter Tenant Stabilization, and Other Anti-displacement measures)
        b. Alignment of proposal with overall funding goals to address transit-induced displacement pressures along Project Connect high-capacity lines
        c. The number of households or people impacted or served by the proposal
        d. Careful review of the application and assessment of the organization(s) capacity and ability to deliver the proposed program within the funding period
        e. Funding request (including the potential ability to fund the program partially considering overall funding constraints)
        f. Community evaluator score

g. Additional information - used only to clarify (including knowledge gained from organization website, familiarity with the work, etc.)

4. The Review Panel collectively discussed its ranking and created a singular ranked list for final consideration.
5. The list of high scored applications was combined with the ranking by the review panel to create the final list of awardees.

Final recommendations for funding are included below; these recommendations will be presented to the AHFC Board for final approval during the September 29th meeting.

Recommendations to Council for Contract Awards

As a result of this process, staff are recommending the following organizations for funding:

1. Goodwill Industries of Central Texas $2,000,000
2. Interfaith Action of Central Texas_iACT $256,650
3. Meals on Wheels Central Texas $900,000
4. Austin Voices for Education and Youth $1,268,000
5. Workers Defense Project_Building And Strengthening Tenant Action $2,000,000
6. Catholic Charities of Central Texas $1,924,000
7. Business & Community Lenders $2,000,000
8. El Buen Samaritano $2,000,000
9. Del Valle Community Coalition – Homeowner $1,100,000
10. Communities in School of Central Texas $1,500,000
11. Austin Cooperative Business Foundation Asociación de Residentes $516,206
12. Life Anew Restorative Justice Inc. $2,000,000
13. Austin Tenants Council $997,310
14. Mama Sana Vibrant Woman $1,537,834

Hiring status of approved full-time positions

During FY21 budget discussions, Council approved 11 full-time employees (FTEs) for HPD to provide administrative, operational, and programmatic support to deploy the Project Connect anti-displacement

funds over the next 13 years. Eight FTEs have been hired. We anticipate the final three vacancies to be filled by the end of the 2022 calendar year.

Development of the Public Performance Dashboard

Following directions from Resolution 2020807-003, which calls for the creation of a publicly available performance dashboard to track progress of strategies identified for implementation, Displacement Prevention staff have started developing the Anti-Displacement Funds Dashboard with the goal of having it publicly available by early 2023. Updates of the Dashboard will be presented to the Community Advisory Committee's (CAC) Anti-Displacement Working Group and other stakeholders before presenting the Dashboard to the full body of the CAC.

Next steps to establish budget priorities for the next three years of anti-displacement funds

Effective FY23, budget priorities for the anti-displacement funding will be set every three years. Community engagement initiatives to prioritize budget allocations for investments over the next three years will begin on September 21, 2022, at 5:30 PM at the South Austin Recreation Center. The outreach flyer providing information on the engagement opportunities is attached to this memo.

Through initial work with the Community Catalysts, staff used deep engagement and gathered qualitative data to design the Equity Tool that helped to inform the FY22 spending plan. Stakeholder feedback will be expanded to inform budget priorities for the $75 million allocation over the next three years. The CAC will lead community engagement to help inform future priorities.

Stakeholder feedback will be solicited from:

1. The Equity Tool
2. The CAC-led Community Engagement Budget Prioritization Process
3. CAC solicited feedback from Mayor and Council
4. Other stakeholder input

Staff will support the CAC as they launch a series of community engagement sessions to prioritize investments. Budget priorities will continue to be determined through a similar process every three years with the CAC leading the community engagement.

Establishing the investment priorities every three years will allow City staff to be more responsive to the realities of displacement pressures on the ground and the real, lived experiences of households along the transit lines and stations. Led by a working group of the CAC, community engagement opportunities will be held at various public locations to receive community input to review the framework and provide further guidance on the efficacy of this strategy to ensure alignment with community priorities.

Engagement sessions to inform FY23, FY24, and FY25 begin September 21, 2022. The CAC established four anti-displacement goals to discuss with the community during the sessions. The goals are:

1. Expand affordable housing opportunities for those most in need
2. Empower and stabilize tenants
3. Assist and support homeowners
4. Provide services to residents and preserve local businesses

The CAC will present strategies to help meet each goal. Through in-person, virtual, and online opportunities, community members will learn about these strategies and share their thoughts and feedback. Outreach for the engagement sessions is focused on areas most at risk of displacement within one mile of Project Connect lines. Please see the attached flyer for details on the community engagement sessions and locations.

Should you have any questions, or require any additional information, please do not hesitate to contact Nefertitti Jackmon, Community Displacement Prevention Officer, at nefertitti.jackmon@austintexas.gov or 512-974-3196.

cc: Spencer Cronk, City Manager
Rodney Gonzales, Assistant City Manager
Gina Fiandaca, Assistant City Manager
Andrea Bates, Interim Assistant Director, Housing and Planning
Annick Beaudet, Mobility Officer, Project Connect

HOUSING & PLANNING

AUSTIN HOUSING FINANCE CORPORATION

How would you invest $75 million in Project Connect Anti-Displacement Funds?

$75 million of Project Connect funding will be at the center of a community conversation. How should the City of Austin prioritize this investment to support those most vulnerable to displacement along new transit lines?

The Project Connect Community Advisory Committee wants to hear from you! Your opinion and experiences are crucial to help inform budget priorities for the next three years.

Join us for a community conversation to learn about anti-displacement goals. Come share your ideas about how $75 million should be invested.

UPCOMING CONVERSATIONS:

September 21, 5:30 p.m. – 7:30 p.m.
South Austin Recreation Center

September 29, 5:30 p.m. – 7:30 p.m. (virtual)

October 1, 10:00 a.m. – 12:00 p.m.
Montopolis Recreation & Community Center

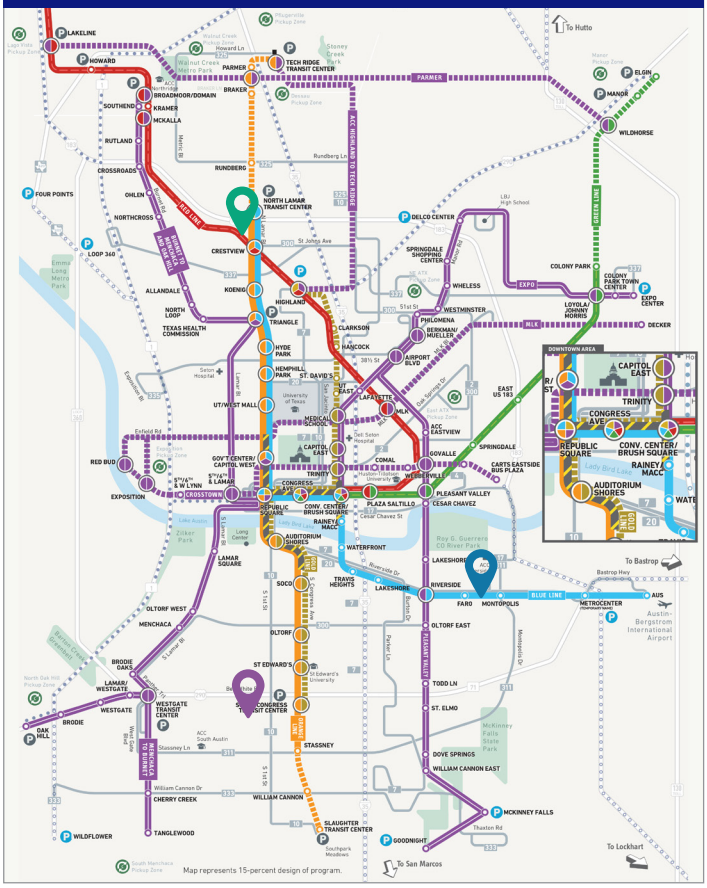
October 6, 5:30 p.m. – 7:30 p.m.
North Austin YMCA

October 10, 5:30 p.m. – 7:30 p.m. (virtual)

Kids welcome!

For language interpretation requests, please contact 3-1-1 at least 5 business days prior to the meeting you wish to attend.

Do you live near a future transit line?





Learn more and register for a Community Conversation at **SpeakupAustin.org/anti-displacement**