MEMORANDUM

TO: Mayor and Council Members

FROM: Rosie Truelove, Director, Housing and Planning Department

DATE: January 10, 2023

SUBJECT: Update on Tenant Relocation Program for FY23 (Ordinance No. 20220817-004)

The purpose of this memorandum is to update Mayor and Council on the progress made to date on the Tenant Relocation Program that was allocated $700,000 in the Fiscal Year 2022-2023 (FY23) Budget adopted by City Council on August 17, 2022 (Ordinance No. 20220817-004).

Background

The City Council adopted the Tenant Notification and Relocation Ordinance on September 1, 2016, (Ordinance No. 20160901-050), which called for the establishment of a Tenant Relocation Program with two funding sources: a Developer Fund for Tenant Relocation Assistance ("Developer Fund") and a City of Austin Tenant Relocation Fund ("City Fund"). However, the City cannot require developers to pay a tenant relocation fee into the Developer Fund, as called for by the ordinance, because State law prohibits linkage fees. Challenges were identified in the years following the 2016 ordinance adoption and Resolution No. 20180628-063 directed the City Manager to seek feedback from stakeholders on the category of tenants who should be eligible for notification and relocation assistance and submit recommendations to Council to initiate an ordinance change related to this topic. In April 2022, Ordinance No. 20220421-058 amended the 2016 ordinance to clarify interior renovations were included in the notification requirements for demolition and renovations of buildings with five or more occupied units. Understanding the urgency to address this important Council priority and community need, in FY23, the Housing and Planning Department (HPD) has funded the Tenant Relocation Program for the first time, allocating $700,000 to the City Fund in response to the ordinance. Additionally, City Council adopted a budget rider for FY23 that requires staff to perform a nexus study for the developer tenant relocation fee and present study results to Council in 17 months.

Tenant Relocation Services and Tenant Eligibility

The Tenant Relocation Program will provide a variety of services, including a needs assessment, housing locator assistance, moving and storage assistance, rent payment assistance, and other services and needs as identified during stakeholder engagement. Households are eligible for this program when they are facing displacement due to demolition or renovation of a multi-family property with five or more occupied households, per the Tenant Notification and Relocation Ordinance. To be eligible for assistance, tenants must have a household income at or below 70% of median family income (MFI), or at or below 80% MFI for mobile home park residents.

Status Update
On September 6, 2022, HPD staff briefed the Housing and Planning Committee of the City Council on the status of the Tenant Relocation Program, including previous Council actions related to the ordinance, anticipated services to be provided through the program, the current status of program implementation, the timeline, and the need to issue the City-funded tenant relocation services solicitation and the solicitation for the requested developer fee nexus study.

Stakeholders, including tenant stabilization service providers, were engaged in October 2022 and gave input on the needs of residents experiencing displacement from redevelopment that was used to draft the solicitation for services. The solicitation for the tenant relocation services was released on November 17, 2022, through the Austin Housing Finance Corporation (AHFC) with responses due on January 12, 2022. The Notice of Funding Availability and Application is available on the HPD website. HPD procurement staff sent the solicitation to vendors on the commodity code list and known service providers that might be interested in responding.

HPD staff are continuing to work with the Development Services Department to implement the updated ordinance (Ordinance No. 20220421-058) to include interior remodeling of buildings with five or more occupied units that will displace residents. Staff is also developing a process to establish clear roles and responsibilities for ordinance implementation, establishing guidelines and responsibilities for enforcement, and developing a solicitation for tenant relocation ordinance nexus study.

Specific next steps include:

- Releasing the solicitation for the nexus study; and
- Evaluating responses to the tenant relocation solicitation and contracting for tenant relocation assistance services.

Council requested a 30, 60, and 90-day update on the status of the Tenant Relocation Program. This is our 60-day update. Our next update will be provided 30 days from now. Should you have any questions, or require any additional information, please 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
Andrea Bates, Interim Assistant Director, Housing and Planning Department