

## DRAFT

### COMMUNITY DEVELOPMENT COMMISSION FY25 BUDGET RECOMMENDATION

**Date:** TBD

**Subject:** Increase Economic (Direct) Assistance for Renters

**Authored By:** Noé Elias, Jenny Achilles, Estevan Delgado

#### **Recommendation:**

Today, the majority of poor renting families in America spend over half of their income on housing costs, and eviction is negatively transforming their lives.

Based on the current housing and economic conditions in our city, we recommend the following rental assistance budget for the upcoming fiscal year.

The Community Development Commission recommends that the City Manager increase the budgeted amount for economic assistance to renters by ,at least, an additional \$15 million, with suggested allocations of \$5 million to be disbursed through Austin Public Health's (APH) Neighborhood Services Unit and \$10 million to be disbursed through the Housing Department's (HD) rental assistance programs. We recommend that these dollars be allocated from the general revenue and/or from applicable federal funds allocated to the city through whichever configuration results in the least and/or most flexible restrictions on expenditure to assure that economic relief most quickly reaches Austinites who are facing eviction and at risk of becoming homeless.

#### **Rationale and Key Considerations**

- 1. High Rental Costs and Eviction Rates\*:** Our city has seen a significant increase in rental prices over the past few years, putting a strain on low-income residents. This has led to rising eviction rates (a 12% increase in eviction filings relative to pre-COVID average), which can have devastating impacts on families and individuals.
- 2. Increased Demand for Assistance\*\*:** The continued and unrelenting economic impacts of the pandemic have exacerbated the need for rental assistance, with many households struggling to make ends meet. This budget aims to provide direct relief to those most in need.
- 3. Preventing Homelessness:** By investing in homelessness prevention programs, we can help keep individuals and families in their homes, reducing the strain on our social services and emergency shelters.
- 4. Alignment with City's Housing Strategy:** This budget proposal aligns with the city's overall housing strategy, which focuses on increasing housing affordability and stability for all residents.
- 5. The Right Thing to Do:** Rental assistance programs play a vital role in mitigating poverty by lifting families above the poverty line, particularly benefiting vulnerable groups such as seniors and children. By allocating resources to those most in need, these programs contribute to reducing inequality and improving economic opportunities for low-income households.

This rental assistance budget is designed to provide immediate relief to those facing housing insecurity, while the City of Austin invests in long-term solutions to address the underlying challenges in our housing market. We believe this proposal will have a significant positive impact on

our community, would be a wise investment of city resources and bring us closer to the City's vision of making Austin the most livable City in the country not just a slogan, but a reality.

**Additional Considerations for a Comprehensive Housing Strategy:**

In our pursuit to address the urgent housing and economic challenges facing our city's residents, especially the low-income households disproportionately affected by high rental costs and eviction risks, the Community Development Commission has carefully considered community input. This feedback, gathered during public comment periods at our monthly meetings, highlights the interconnectedness of housing stability and broader community needs. To complement our primary recommendation for an increased budget for rental assistance, we suggest the City Manager, staff, and City Council also consider the following areas for targeted improvements and resource allocation:

- **Enhanced Communication and Support for Inclement Weather:** Reflecting on community feedback, particularly accentuated by the challenges faced during the early 2024 freeze, there's a clear need for more robust communication strategies regarding available supports, such as warming and cooling stations. Implementing and funding a comprehensive plan to ensure that information about these critical services reaches all residents, especially the most vulnerable, is essential.
- **Improved Public Transit Infrastructure:** The lack of weather-appropriate infrastructure at public transit locations, notably in North and Northeast Austin, has been a significant concern. Investment in weather-protected transit amenities, such as covered benches, would not only support the daily transportation needs of low-income residents but also contribute to overall community resilience.
- **Refinement of Rental Assistance Communication and Delivery:** Community feedback has consistently pointed to the need for improved communication and accessibility of rental assistance programs implemented by Austin Housing and Public Health. It's vital that these programs are not seen as isolated pools of funding but as part of a cohesive strategy that includes:
  - Streamlined access to information and resources, ensuring residents can easily navigate and utilize available support.
  - Preservation of low and mid-tier housing as a critical element of maintaining affordable housing options for all residents.
  - Enhanced rapid re-housing initiatives, particularly for those in most immediate need, to prevent homelessness and facilitate quicker transitions to stable housing.

Adequately funding and incorporating these additional considerations into our fiscal planning will not only address the immediate needs highlighted by our community but also reinforce our commitment to a holistic approach to housing and economic stability.

By ensuring that all residents have access to essential resources and supports, we can foster a more inclusive, resilient, and thriving community, thereby advancing Austin closer to our vision of making our city the most livable in the country.

The Community Development Commission requests that the City Manager, staff, and City Council consider these pressing needs as they determine budget allocations, in order to ensure that all residents have access to the resources needed to ensure a thriving community.

**Date of Approval:** TBD

**Vote:** TBD

**Absent:** TBD

**Against:** TBD

**Attest:** CDC \_\_\_\_\_ Sector Appointee, Commissioner \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_

*\*The Eviction Lab at Princeton University*

*\*\* Mandy DeMayo, interim director for the city’s housing departments, said the city received more than 7,000 applications for financial assistance since the form opened. “The need far outpaces the resources,” DeMayo said. “We are looking at ways to perhaps reprioritize applicants so we can narrow the pool of applicants to better have resources to meet the demand.” Council Members Chito Vela and Vanessa Fuentes both expressed concern with the limited funding and said they would support finding permanent funding for the program, considering the ongoing housing and affordability crisis in Austin. “We have to keep continuity in these programs,” Vela said. “The stop-and-start nature is not good for people asking for funds, it’s not good for contractors administering the funds. We want something more steady and stable, and the fact that the program has already closed and is likely to run out of funding is a real concern.” (“Austin’s budget shortfall could put rental assistance programs in jeopardy” KUT article, Published February 27, 2024)*

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