

2018-2019 BUDGET QUESTION

Response to Request for Information

DEPARTMENT: Neighborhood Housing & Community Development

REQUEST NO.: 155

REQUESTED BY: Tovo

DATE REQUESTED: 9/4/18

DATE POSTED: 9/7/18

REQUEST: Please provide additional detail regarding the \$500,000 for implementation of the Strategic Housing Blueprint. Please provide details about how much the City funded for the implementation of the Strategic Housing Blueprint last year. Please provide details about what implementation of the Blueprint entails and whether this funding is intended to come from the Housing Trust Fund.

RESPONSE:

The FY19 proposed budget includes \$500,000 for funding studies and other activities needed to implement the adopted Strategic Housing Blueprint. Direction was given to staff in the form of a budget rider in 2016 to avoid using the affordable Housing Trust Fund (HTF) for salaries, studies, consultant fees and ongoing expenses.

(<http://www.austintexas.gov/edims/document.cfm?id=264441>, page 15, second to last paragraph). This amount is budgeted in the General Fund and would allow the department to no longer fund such studies from the Housing Trust Fund (HTF) and instead direct resources from the HTF toward the housing goals set in the Blueprint.

The specific studies and initiatives to implement the adopted Strategic Housing Blueprint to be funded will be influenced by the recommendations made by the Anti-Displacement Task Force, but could include the following: 1) Community Land Trust Technical Assistance; and 2) A homeowner Educational Campaign.

Community Land Trust (CLT) Technical Assistance would provide the department with additional knowledge and support for a CLT program through which a non-profit entity (the City of Austin, in this case) owns the land and sells just the home to an income-eligible buyer, who leases the land. By taking the cost of the land out of the real estate transaction, land trust homes are more affordable than houses on the open real estate market, creating more attainable opportunities for first-time home buyers. The department would likely contract with a CLT consultant before expanding the city's portfolio of CLT properties. The contract would be executed in FY 2019. The Strategic Housing Blueprint recommends "Expand[ing] the use of CLTs and other forms of shared equity ownership." This strategy is recommended and is denoted as a high impact strategy in the Strategic Housing Blueprint.

The **Homeowner Education Campaign** would create an educational campaign for families to provide information about options related to their homes if they are considering selling - whether that means selling their home at fair market price, choosing to sell to a family instead of a house flipper, or choosing to stay in place and accessing capital with reasonable loan terms. The educational campaign would be designed, created and executed by a consultant with experience in this field in collaboration with other stakeholders. This program was called for in Resolution No. 20180426-032

(<http://www.austintexas.gov/edims/document.cfm?id=297827>).

Last year's funding to implement the Strategic Housing Blueprint included only the contract to develop the Blueprint Implementation Plan. This \$130,000 contract was funded with \$100,000 from the Budget Stabilization Fund and \$30,000 from the HTF.