

RESOLUTION NO. 20141016-034

WHEREAS, the City of Austin has an enormous need for affordable housing and the preservation of existing affordable housing stock is cost efficient, environmentally responsible, diversifies housing type, and in gentrifying neighborhoods promotes ethnic and socioeconomic diversity; and

WHEREAS, in response to Council Resolution 20130509-031, which recognizes the importance of preserving affordable housing stock, the City Manager provided a report "Taking Action: Preservation of Affordable Housing in the City of Austin" (the Report), prepared by HousingWorks; and

WHEREAS, the Report included a detailed analysis of the affordable housing stock in Austin including the following:

- based upon 2010 census data, out of 354,000 households in the City of Austin, 18,500 units are publicly subsidized and of those, 13% have affordability contracts expiring within 10 years, 93% of which are privately-owned by for-profit investors
- the majority of the City's affordable housing stock is privately-owned, unsubsidized, "market-rate" housing, is older (with 45% of it built in the 1970's and 80's) and is ripe for redevelopment or significant capital improvements and expenditures
- in larger apartment properties of 50 units or more, approximately 62,000 units are affordable to households earning at or below 60% MFI and of those only 5,300 three-bedroom units exist, representing a critical but limited supply of affordable housing for low-wage working families

- the majority of the smaller, aging multifamily housing stock identified through TCAD data is centrally-located and well-served by public transportation options, making them ideal for affordable housing for low-income households but also ripe for redevelopment and displacement of low-income households; and

WHEREAS, the Report noted that the gap between demand and availability of affordable housing continues to grow due to stagnating wages, rising housing costs and growing market demand, resulting in the provision of only 13 units for every 100 extremely low-income renter households in Travis County, with the confluence of these factors making it critical to proactively and intentionally address preservation of affordable housing; and

WHEREAS, the Report notes that the City has made strides in the preservation of the city's affordable housing stock, including the following efforts among others:

- programs such as the Homeowner Rehabilitation Loan Program and the G.O. Repair! Program
- the Sustainable Places Project, a U.S. Department of Housing and Urban Development grant-funded project at the University of Texas Community and Regional Planning Department (UT CRP), which developed a model for predicting redevelopment
- the Green and Inclusive Corridors Project, which is underway at UT CRP and will help prioritize corridors and properties for preservation efforts

- the Housing + Transit + Jobs Action Team, led by the City, which is working to leverage synergy between land use, transportation and job opportunities along high frequency transit corridors, recognizing the benefits for integration of affordable housing in corridor planning; and

WHEREAS, the Report notes that the current state of affordability in the City of Austin demands immediate attention and recommends that the City of Austin establish a goal of preserving 20,000 affordable housing units over the next 20 years, which represents approximately one third of the current Class C rental housing stock; and

WHEREAS, the Report further details four specific recommendations as follows:

1. Adopt the Homestead Preservation Districts and Homestead Preservation District TIFs
2. Maximize Tax Incentives for Preservation
3. Develop an Affordable Housing Preservation Strike Fund
4. Reconvene a Stakeholder Group; and

WHEREAS, the Report concludes that the recommendations represent an opportunity to address preservation of affordable housing in a substantial and meaningful way; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Council endorses the Report and adopts a goal of preserving 20,000 affordable housing units over the next 20 years.

BE IT FURTHER RESOLVED:

The City Manager is directed to develop a plan designed to achieve this goal, based on the Report's recommendations, and include a short term strategy for the next 5 years. In developing this plan, the City Manager should work to incorporate the recommendations of the Report including the following:


- Move forward on the creation of an Affordable Housing Preservation Strike Fund and work with third party advisors as necessary on development of a sustainable economic model for the fund, a determination of a fund structure and a framework for the housing portfolio, and identify options for seeding the fund. In addition, consider coordination of this fund with a potential Transit Oriented Development Catalyst Fund as recommended by the Housing + Transit + Jobs Action Team
- Perform a cost/benefit analysis of the 100% real estate tax exemptions conferred as tools for affordability to the Villas on Sixth and the Retreat on North Bluff (formerly known as Village on Little Texas) and make a recommendation to Council on inclusion of such exemptions as a tool to use in the plan to achieve the 20,000 unit preservation goal
- Consider the promotion of zero- or low- interest loans for acquisition and rehabilitation of affordable housing and the potential Homestead Preservation Districts as tools to use in the plan to achieve the 20,000 unit goal
- Convene stakeholders to review staff recommendations and the plan as it is in development

BE IT FURTHER RESOLVED:

The City Manager is further directed to provide to the Community Development Commission and the Council a timeline for these efforts by December 11, 2014 as well as an annual report on progress in achieving the 20,000 unit goal, the status of the strike fund, and recommendations for updates to the plan to achieve the goal.

ADOPTED: October 16, 2014

ATTEST:


Jannette S. Goodall
City Clerk