

Late Backup

Item No. 024
Initiated by CM Garza
4/7/2016

RESOLUTION NO.

WHEREAS, the Austin metro area has ranked in the Gentrification in America Report as one of the 10 most gentrified cities and the most economically segregated metropolitan area in the United States in the University of Toronto's Martin Prosperity Institute's report; and

WHEREAS, the Imagine Austin Comprehensive Plan Priority Program to Develop and Maintain Household Affordability Throughout Austin states as one of its Short Term Work Programs "to promote long-term affordability by supporting a local community land trust and other shared equity approaches;" and

WHEREAS, Imagine Austin's Comprehensive Plan includes as one of the Neighborhood Policy Building Blocks to "create complete neighborhoods across Austin that have a mix of housing types and land uses, affordable housing, and transportation options;" and

WHEREAS, a study done by the Ohio State University Kirwan Institute for the Study of Race & Ethnicity identifies that "expand[ing] the range of housing not susceptible to the commercial market through permanent affordability mechanisms" is one of the principles needed to promote a model of equitable development; and

WHEREAS, the study "Mapping Susceptibility to Gentrification: The Early Warning Toolkit" developed by the Center for Community Innovation at the Institute of Urban and Regional Planning in the University of California, Berkeley states in regards to gentrification "from a policy and planning perspective, the most important intervention is to create permanently affordable housing;" and

WHEREAS, the 2006 and 2013 Affordable Housing General Obligation (G.O.) Bond Funds, that can be used for income brackets of 80% Median Family Income (MFI) and under for ownership and 50% MFI and under for renters, have been used primarily for home repair and rental units; and

WHEREAS, middle income families with income brackets ranging from 80% MFI to 120% MFI do not qualify for any housing options subsidized by any City program; and

WHEREAS, the Urban Land Institute discusses the “missing middle” in terms of housing that is “in between single- and multi-family as they most commonly exist in Austin” and in reference to buyers who are “unserved by public subsidies but who find market-rate housing in Austin increasingly unattainable;” and

WHEREAS, insufficient affordable and workforce housing is being developed to fulfill the need, with a significant portion of new affordable housing development only affordable during the terms of initial financing, due to relatively short-term subsidies, after which time it has the potential to revert to market rates; and

WHEREAS, community land trust models, which allow for the purchase of a home and lease of the land, have been used as a tool to create permanently affordable housing; and

WHEREAS, \$30 million (48%) out of the \$65.0 million dollars 2013 Affordable Housing G.O. Bonds Funds have not yet been allocated; and

WHEREAS, the 2013 Affordable Housing General Obligation (G.O.) Bond Funds language states that the general obligation bonds and notes of the City can

be used for "acquiring land and interests in land and property necessary to do so; funding affordable housing programs as may be permitted by law to provide for those purposes;" **NOW, THEREFORE,**

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

The City Manager is directed to explore the feasibility of using a portion of unallocated 2013 Affordable Housing General Obligation bond funds for geographically dispersed permanent affordable housing throughout the City, at or below 80% MFI, included but not limited to community land trusts.

BE IT FURTHER RESOLVED:

The City Manager is further directed to convene a working group which includes the University of Texas at Austin Community and Regional Planning department, Austin Board of Realtors, school districts within the City of Austin, affordable housing advocates and service providers, and representatives with expertise in the fields of real estate and land use policy, and it is recommended that staff from the Neighborhood Housing and Community Development Department, Planning Development and Review Department, and the Economic Development Department be included in the working group to:

1. Develop recommendations regarding options that would create more homeownership options throughout the City within the income brackets ranging from 80% MFI to 120% MFI. These options should include but not be limited to proposed zoning and land use changes, considerations for future CodeNext regulations, subsidies that can be applied to a sliding scale income bracket, and potential methods to finance housing options.

2. Prepare a report and develop recommendations regarding approaches for incorporating permanent affordable housing homeownership opportunities in future bond packages.

BE IT FURTHER RESOLVED:

The City Manager is directed to present preliminary findings at a Council work session no later than June 14, 2016, and present a final report including a fiscal note for any recommendations regarding options for permanent affordable housing no later than August 2, 2016. Recommendations and findings of this report should be informed by and coordinated with the following:

- White paper "Household Affordability Code Prescription", developed by Opticos consultant team, CAG (Code Advisory Group), and CodeNext team; and
- Austin Housing Plan that will be presented by the Neighborhood Housing and Community Development.

ADOPTED: _____, 2016

ATTEST: _____
Jannette S. Goodall
City Clerk