

DRAFT Austin Strategic Housing Plan



Presentation to Austin City Council Housing and Community Development Committee
June 6, 2016



Neighborhood Housing
and Community Development

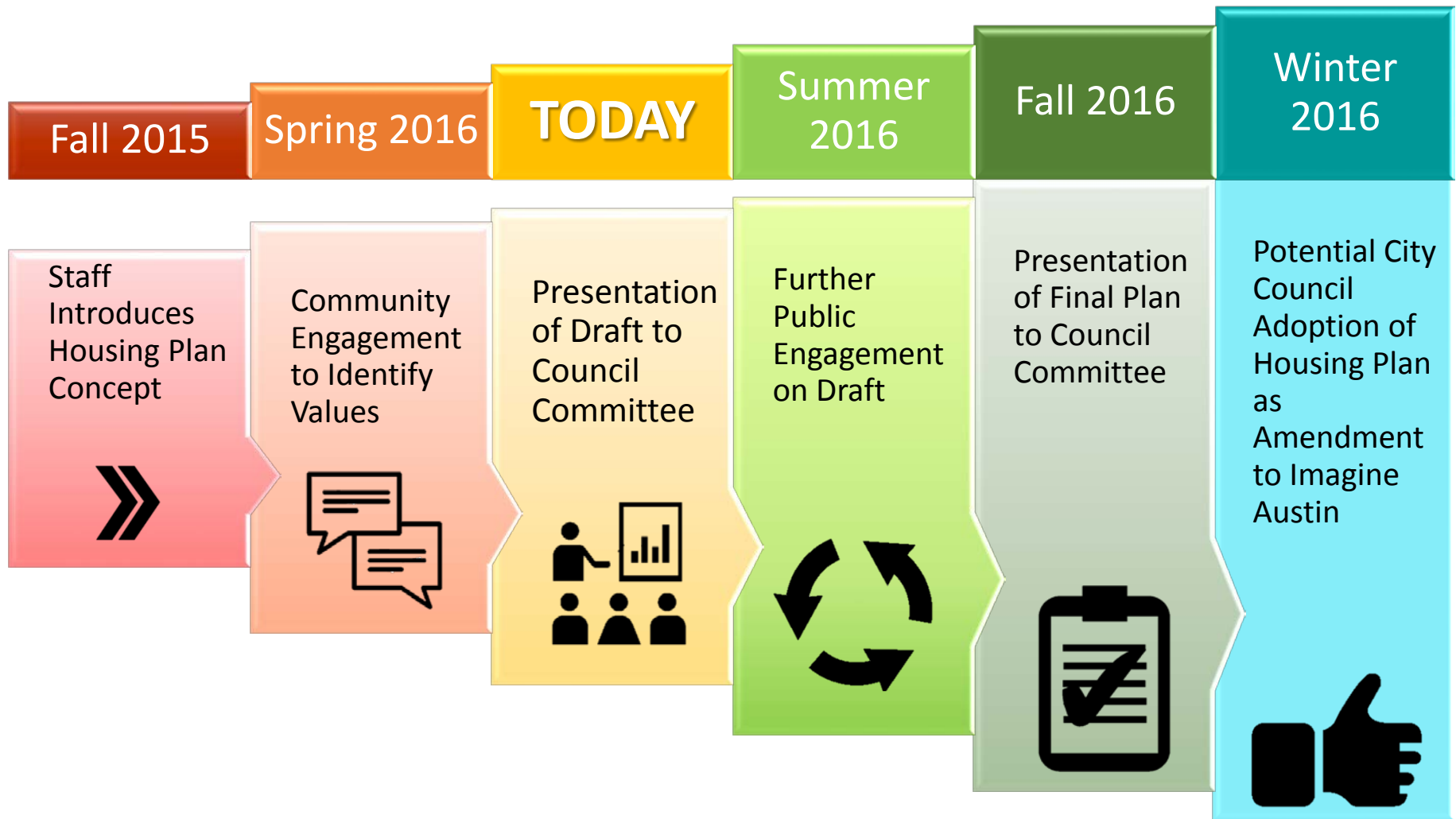
Purpose

- Align Resources
- Ensure a Unified Strategic Direction
- Facilitate Community Partnerships to Achieve a Shared Vision



Plan explores funding mechanisms, potential regulations, and other creative approaches the City of Austin and the community should utilize to achieve housing goals

Timeline



Outreach

11,000+ Website Views

1,572 Survey Responses

314 Meeting Attendees

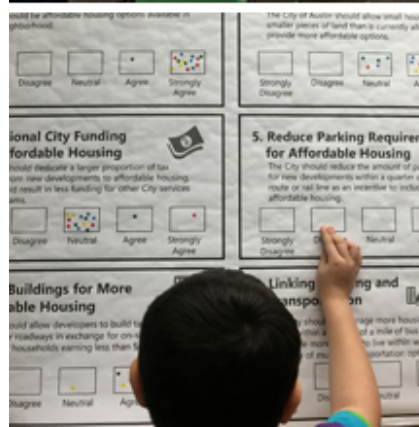
22 Community Meetings

8 Boards & Commission
Presentations

6 Email Blasts

5 Media Stories, including
ATXN

1 Fourth Grade Class



What We Heard: Community and Stakeholder Engagement



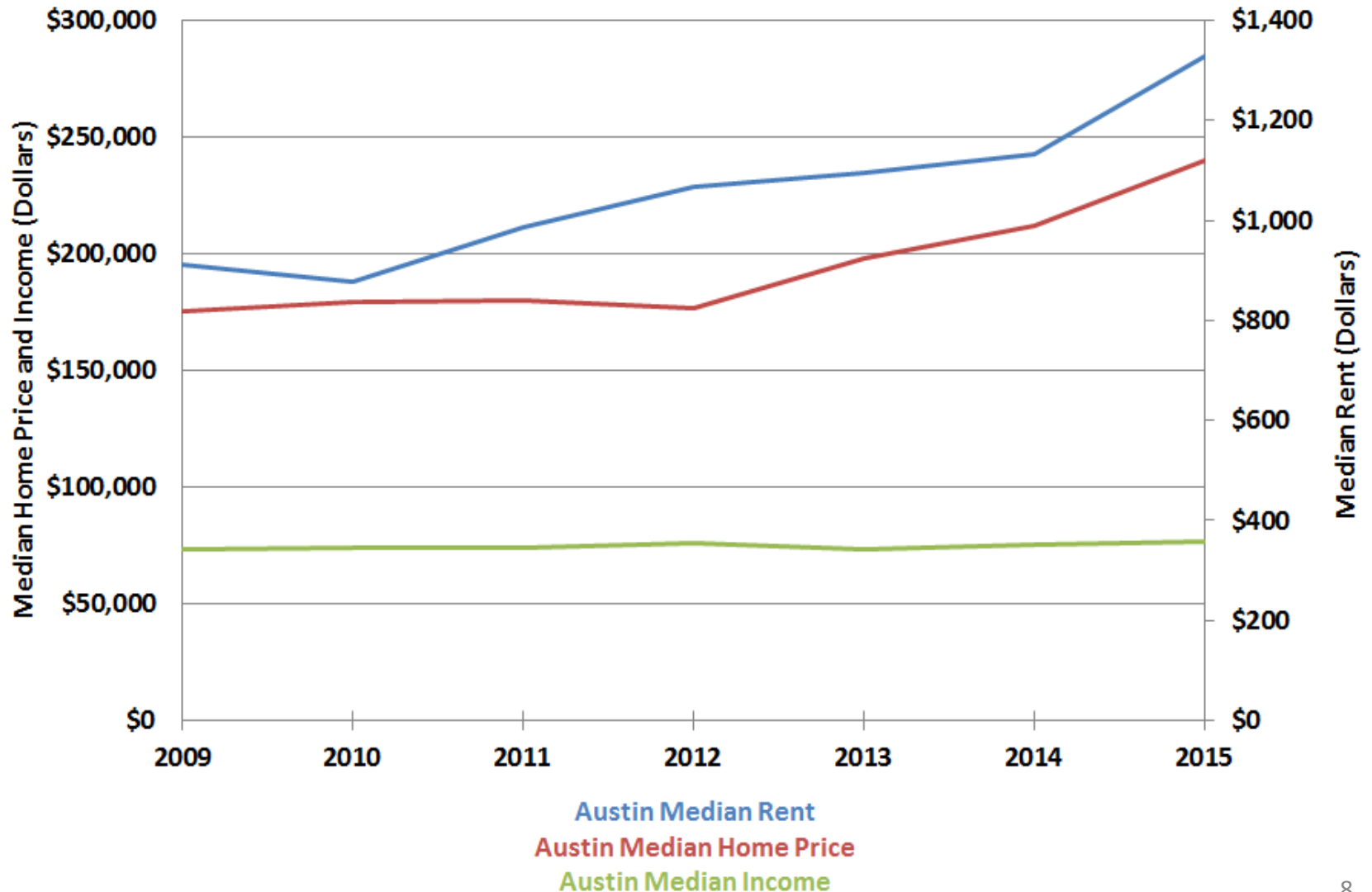
What We Heard

- Concern for those who can no longer afford to live here, as well as animosity toward new-comers.
- Concern about property tax increases for homeowners.
- Understanding of the need for more affordable housing in Austin, but lack of consensus of how to fund it.
- New affordable housing should be built where excellent transit infrastructure already exists or is planned.
- A greater percentage of units in new residential developments should be affordable.
- Zoning regulations should be relaxed on tiny houses, accessory dwelling units, and smaller housing units.
- Minimize regulations to enable the private market to build more housing to fill the housing gap.
- Better utilize land trusts as an affordable housing tool.
- The city should enact rent control and/or raise the minimum wage.

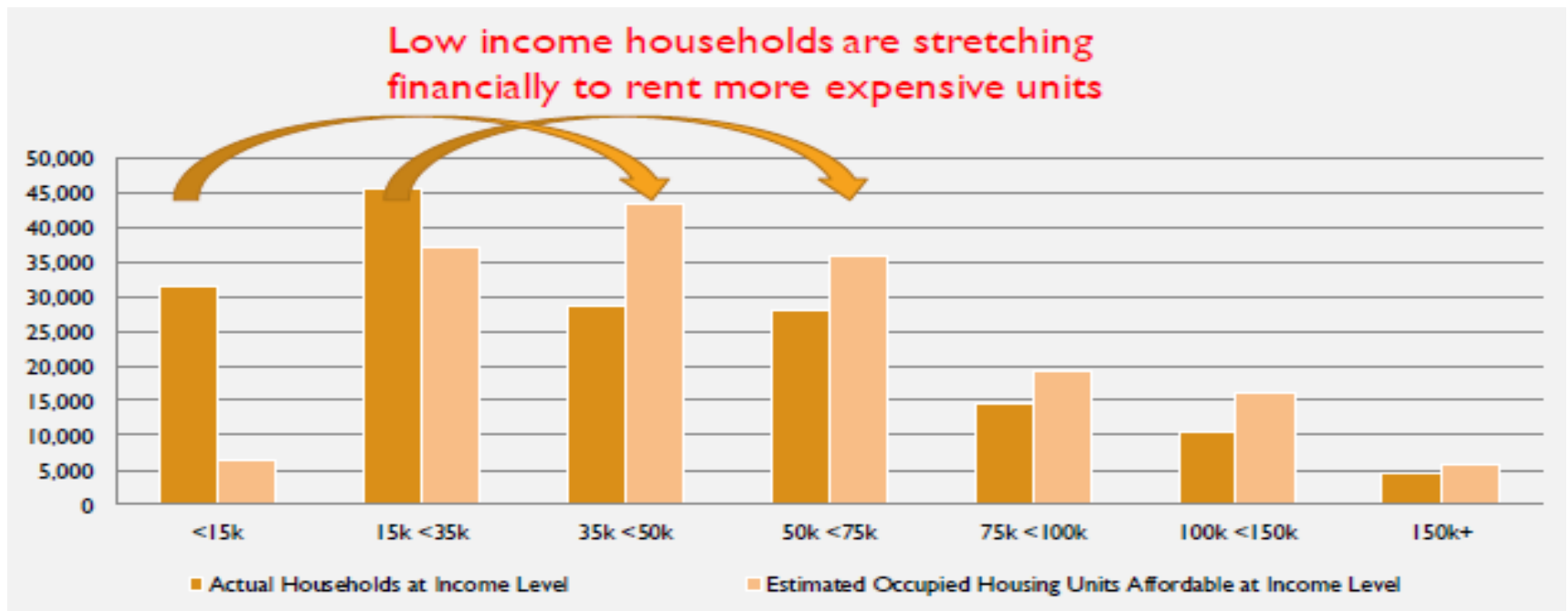
What is the Need?

- Great need for **deeply affordable rental units** (primarily those renting for less than \$500/month) for renters earning <\$25,000 per year
- **Geographically limited** housing opportunities:
 - Affordable rentals are scarce west of I-35
 - Homes to buy for <\$250,000 concentrated in northeast, far south and southeast Austin
- **Rising housing costs** in some neighborhoods causing long-time residents to seek more affordable housing elsewhere
- A growing need for **affordable housing near transit** and services to:
 - Enable seniors to age in place
 - Provide a wider array of housing choices for persons with disabilities
 - Mitigate the financial impact of rising transportation costs

Wages Flat, Home Prices and Rents Rising Fast



Comparing Rental Household Incomes with Occupied Units Affordable at Each Income Level



Austin's Affordable Ownership Housing Needs

Households
earning
<\$50,000

Can Afford



20% of detached units

42% of attached units

Households
earning
<\$75,000

Can Afford



47% of detached units

66% of attached units

Data date: 2012

Land Development Code determines how much land
is available for attached units.

Future Housing Demand

- 400,000 additional people expected to live in Austin by 2045.
- Need for 200,000 additional housing units over the next thirty years to meet demand.
- Increased percentage of Millennials, Boomers, and single people in Austin.
- These households generally have fewer people, spurring an increased demand for smaller housing options.

Future Housing Demand

Attached



Small Lot



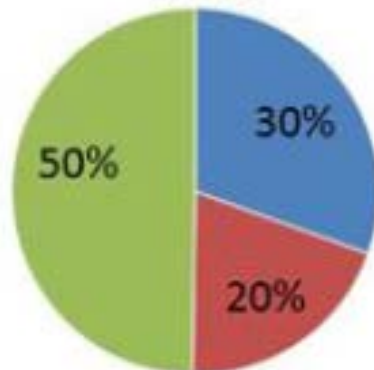
< 7000 sq ft

Large Lot

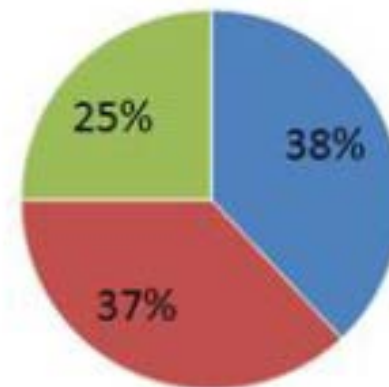


7000 sq ft +

**Existing US Housing Stock in
2007**



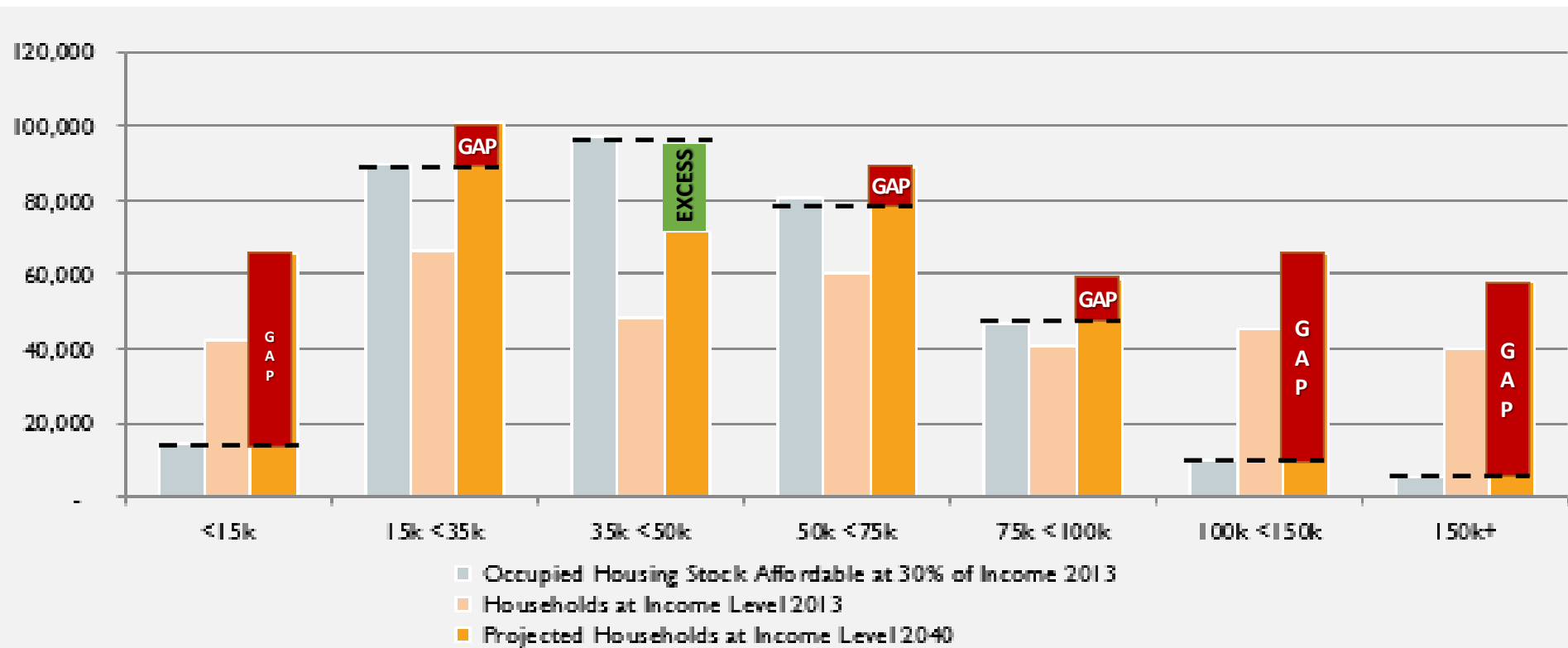
**US Demand Share in
2020**



■ Attached ■ Small Lot ■ Large Lot

Dr. Arthur C. Nelson, University of Utah

Current Households and Housing Stock Compared with Future Demand (2040)



Closing the Affordable Rental Housing Gap



Cost of closing Austin's Affordable Housing Gap Today \approx **\$6.48 Billion**



Cost of closing Austin's Affordable Housing Gap 2025 \approx **\$11.18 Billion**

What's At Risk?

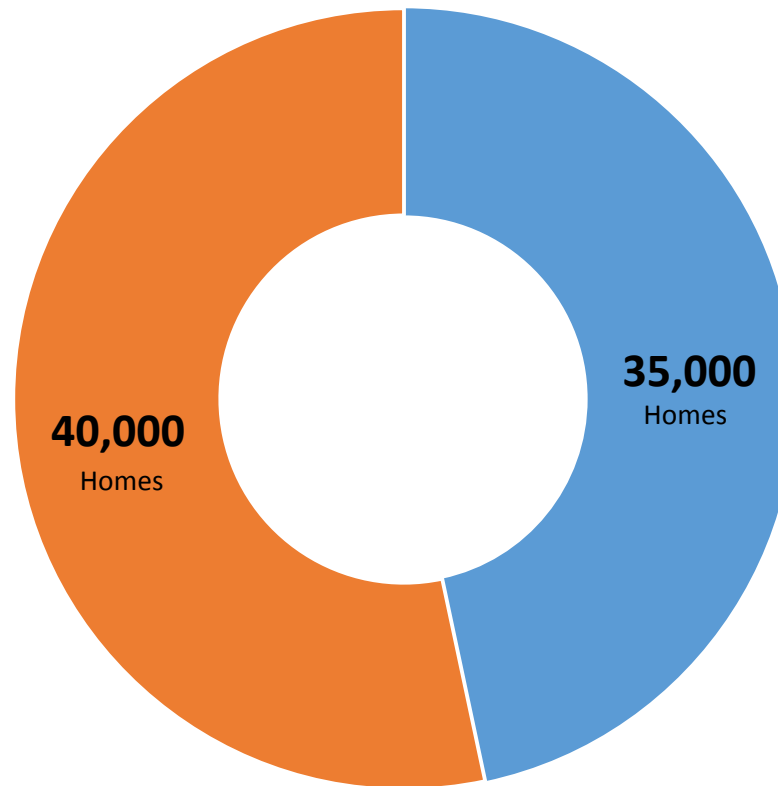
- Losing what makes Austin, Austin – it's people
- Becoming even more economically segregated
- Even worse traffic congestion as people are forced to move out of the city
- Becoming a city that is only affordable to the rich

Is that the type of city we want to be?

Proposed 10 Year Community Housing Goals

75,000 Housing Units in 10 Years:

- 35,000 Affordable Units (80% MFI and below); and
 - 40,000 Market Rate Units



Proposed 10 Year Community Housing Goals

- At least ___%* of new housing should be in **Imagine Austin Centers & Corridors**
- **Each zip code should contain:**
 - At least 10% of **rental housing** units that are affordable to households earning at or below 30% Median Family Income (MFI) or (\$24,300 or less for a 4 person household in 2016); **and**
 - At least 25% of **ownership housing** units that are affordable to households earning at or below 120% Median Family Income (MFI) or (\$93,360 or less for a 4 person household in 2016).

* In development

Neighborhood Housing and Community Development

10 Year Housing Targets

Housing for All

- Serve at least 20 unduplicated people under 20% MFI without a voucher each year
- 50% of new affordable housing units created to be adaptable and 25% to be accessible
- Support the production of 50 Permanent Supportive Housing (PSH) Units each year, with half of those being Housing First

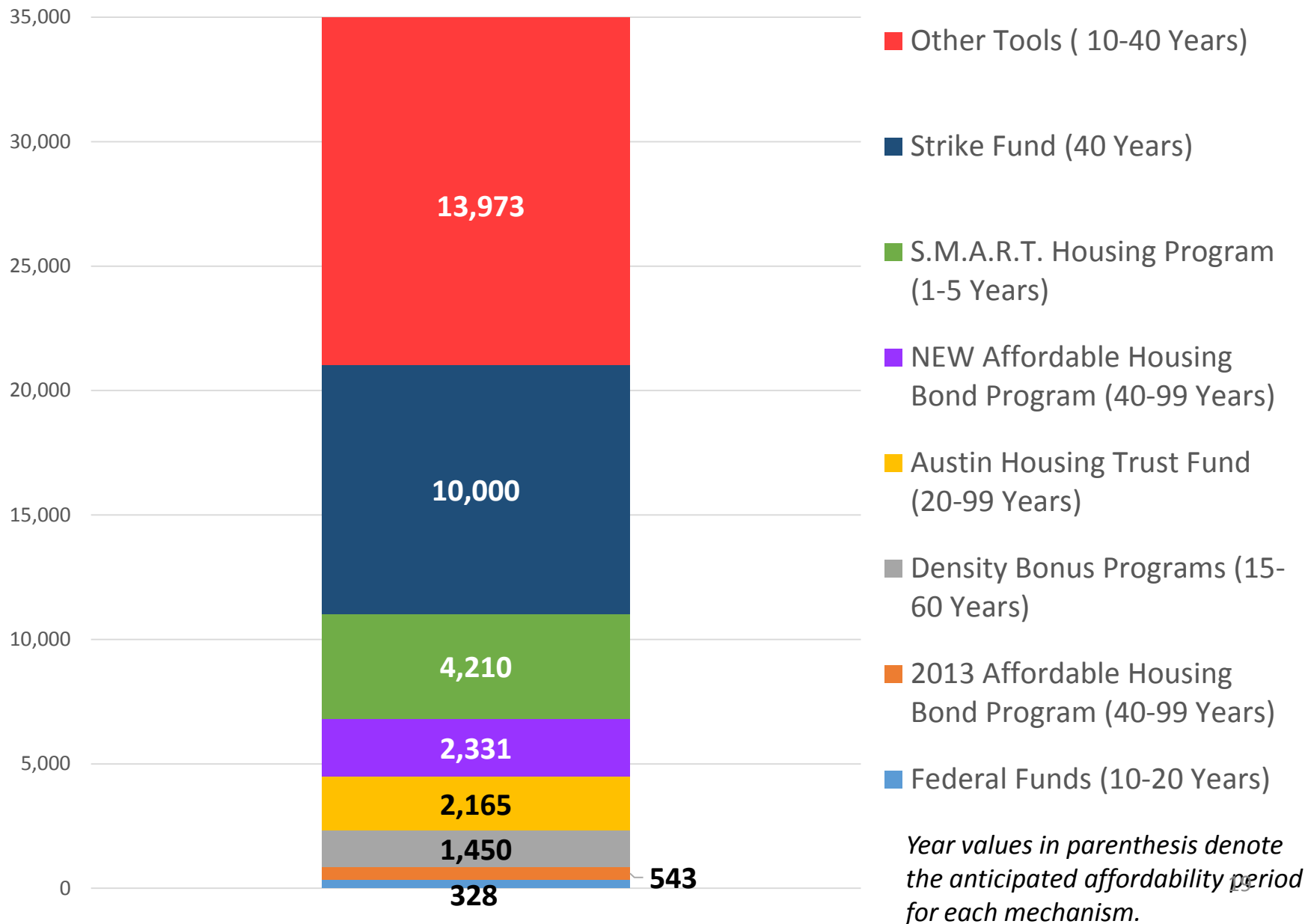
Family Friendly Housing

- 25% of affordable housing units created or preserved with two or more bedrooms

Linking Housing with Transportation

- 25% of affordable housing created or preserved are within ¼ mile of high frequency transit

Achieving 35,000 Affordable Units in 10 Years



Housing Plan Key Policies and Programs



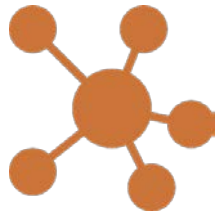
Prevent Households From Being Priced Out of Austin



Foster Equitable Communities



Invest in Housing for Those Most in Need



Create New and Affordable Housing Choices for All Austinites in All Parts of Austin



Help Austinites Reduce their Transportation Costs



Prevent Households From Being Priced Out

Preserve communities through legislative changes, local policies, programs and targeted investments.

- **Prevent Displacement of Low-Income Homeowners**
- **Preserve and Create Ownership Options for Households at 80% to 120% MFI**
- **Support Legislation to Allow a Flat Dollar-Amount Homestead Exemption for all Local Taxing Entities**
- **Ensure that New Development Covers the Cost of Growth**
- **Use Incentives to Support the Production of Jobs for Lower-Income Residents**
- **Target a Preservation Property Tax Exemption to Communities at Risk of Displacement**
- **Make Strategic Investments to Minimize Displacement**
- **Expand the use of Community Land Trusts (CLT)**
- **Allow Homeowners to Rent Part of Their Houses**



Foster Equitable Communities

Promote strategic investments and create protections for low-income renters.

- **Develop a Strike or Preservation Fund**
- **Implement Tenant Relocation Assistance Program**
- **Protect Renters from Discrimination Based on Source of Income**
- **Implement the City of Austin's Fair Housing Action Plan**
- **Add Flexibility to Occupancy Limits**
- **Pursue Legislation to allow Inclusionary Zoning**
- **Pursue Legislation to allow Rent Control**
- **Undertake Strategic Land Banking**
- **Fully Utilize Homestead Preservation Districts Tools**
- **Develop Programs, Resources and Guides to Aid with Small Scale Preservation**



Invest in Housing for Those Most in Need

Adopt a balanced approach to provide affordable housing resources for low-income workers, seniors, people with disabilities and the thousands of people experiencing homelessness.

- **Pursue Future General Obligation Bond Elections for Affordable Housing**
- **Challenge the Private Sector to Participate in a Fund for Affordable and/or Workforce Housing**
- **Maximize Public Property to Build or Include Affordable Housing**
- **Utilize Tax Increment Financing (TIFs) for Affordable Housing**
- **Utilize Social Impact Bonds/Pay for Success Models for Services for People Experiencing Homelessness**
- **Utilize the National Housing Trust Fund**
- **Leverage Low Income Housing Tax Credits (LIHTC) and Seek Legislative Changes for the City of Austin**
- **Support the Creation of Deeply Affordable Units Serving People at 20% MFI and Below**
- **Support Housing for the Chronically Homeless through Housing First/Permanent Supportive Housing (PSH) and Landlord Participation**
- **Expand the Rental Assistance Program**



Create New and Affordable Housing Choices For All Austinites in All Parts of Austin

Harness new development to create affordable homes and diversify housing choices for current and future residents.

- **Adopt Affordable Housing Goals to Guide Policy**
- **Better Utilize Land for Affordable Housing**
- **Revise S.M.A.R.TTM Housing Program**
- **Implement Consistent Density Bonus Programs for Centers and Corridors**
- **Implement Density Bonus Program for Missing Middle Housing**
- **Allow the Development of Smaller Houses on Smaller Lots**
- **Relax Regulations on both Internal and External Accessory Dwelling Units (ADUs)**
- **Relax Regulations on Housing Cooperatives (Co-ops)**
- **Utilize Planned Unit Developments (PUDs) to Provide a Range of Affordability**
- **Increase Housing Diversity in New Subdivisions**
- **Create a Multifamily Property Tax Exemption Program**
- **Streamline City Codes and Permitting Processes**

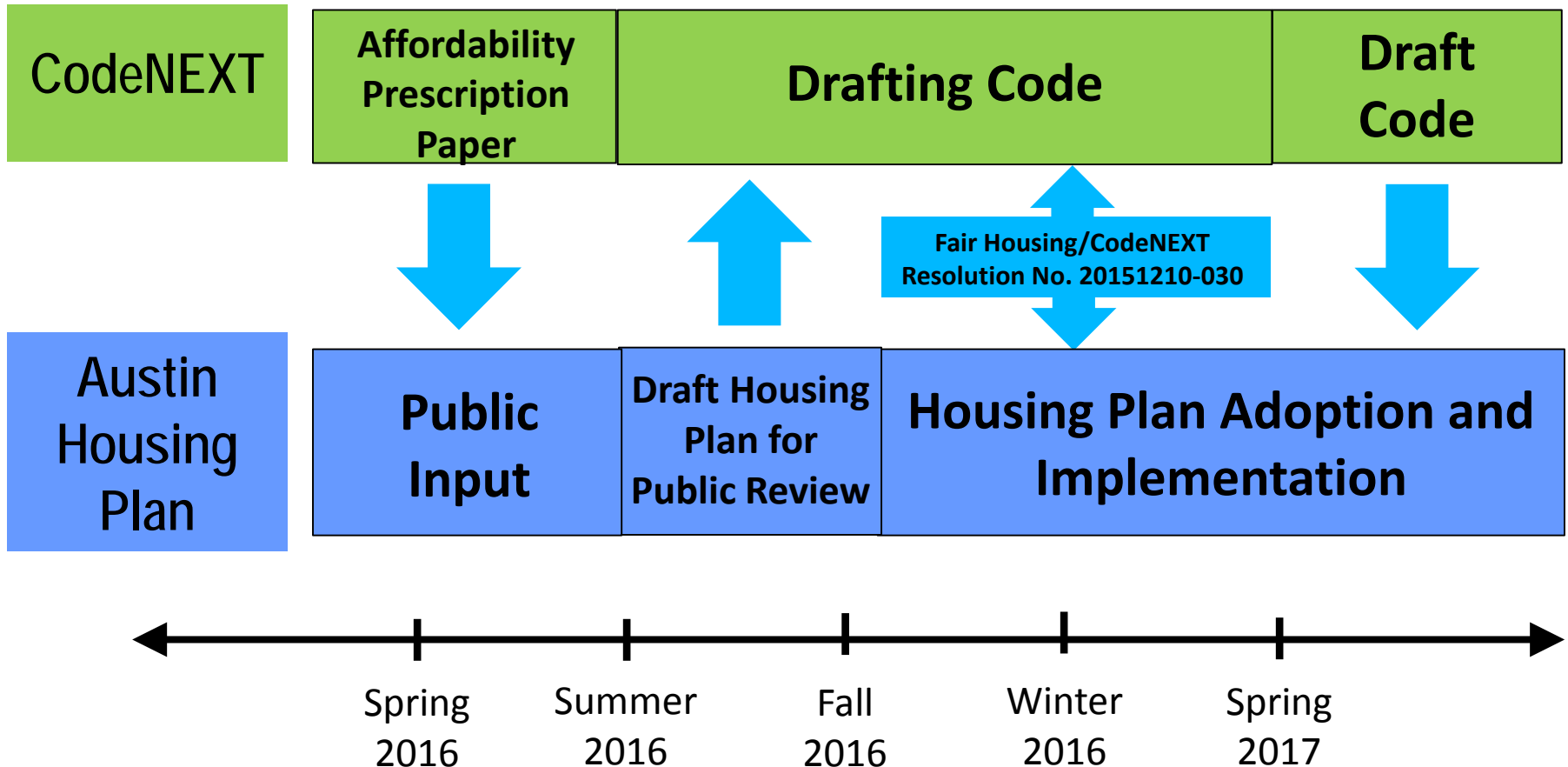


Help Austinites Reduce their Transportation Costs

Encourage development in a compact and connected manner so households of all income have access to a range of more affordable housing and transportation choices and can easily access jobs, basic needs, educational opportunities, and public services, all while travelling shorter distances.

- **Strengthen Scoring Criteria and Develop Policies to Prioritize Affordable Housing Near Current and Future Transit Service**
- **Minimize the Displacement of Core Transit Riders**
- **Link Housing Choices with Transportation Choices**
- **Pursue Comprehensive Parking Reform**
- **Increase Bikeability**
- **Increase Walkability**
- **Align Sidewalk Master Plan with Imagine Austin**

Timeline & Connections



Questions



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