Austin's Fair Housing Initiative:

Anti-Displacement & Economic Inclusion

More Mixed Income Developments

As working-poor communities face gentrification, we have a responsibility to work to ensure that new developments will include lower-income and moderate-income communities. We also need to ensure that communities using housing vouchers are not discriminated against when they apply to live in an affordable unit in one of the City's housing programs in a private development.

- Direct the City Manager to meet with stakeholders and provide a plan to initiate inclusionary zoning in Homestead Preservation Districts;
- Direct the City Manager to conduct a comprehensive local real estate market analysis in order to reevaluate and provide recommendations to enhance affordable housing production by the City's existing SMART Housing policy and any changes to the City's density bonus programs in CodeNEXT;
- Direct the City Manager to initiate a code amendment to require non-discrimination based on source of income as part of our voluntary SMART Housing and density bonus programs.

Larger Public Investment

We should commit more funding towards subsidizing affordable housing. In December, the Council committed more than $50 million of anticipated property taxes to the City's Housing Trust Fund which currently has under $2 million in it. We should dedicate new property tax revenue from developments on former state-owned or county-owned lands to below-market housing, and repurpose our vacant and under-utilized City land for affordable housing. We also should consider amending our fees to have more developments support the creation of affordable housing.

- Direct the City Manager to include new property taxes generated from former county-owned and state-owned land as funding for the City's Housing Trust Fund in order to ensure the City's Strategic Housing Plan and affordable housing goals are funded and viable;
- Direct the City Manager to provide a recommendation on how to redevelop any City-owned land, including properties with existing facilities, for affordable housing;
- Direct the City Manager to contract with an experienced, nationwide consulting firm to conduct a professional, thorough, and objective two-part nexus study of linkage fees for new residential and commercial construction in Austin. The report shall:
    - Analyze the maximum legally justified linkage fee on a per square footage basis on new development, based on established factors such as the number of employees occupying new developments, earnings of employees in new developments, the affordability gap between employees' earnings and available housing, and the maximum legally justified fees per square footage for new residential and commercial developments to mitigate the cost of building affordable housing;
    - Provide a feasibility analysis testing the potential market and economic impacts of various fee levels below the maximum legally justified linkage fee;
    - Review the impact of a range of potential fees levels on prototypical commercial and residential types, including mixed use development, and shall recommend fee levels to help mitigate affordable housing needs without deterring development.

'Stay in Place'
Many homeowners are faced with the choice of either having to sell their home or spend an untenable portion of their income on property taxes. We can help neighbors stay in place as property values rise by giving them the tools to downsize in place by renting parts of their property. We can repurpose this tool to create more affordable units in neighborhoods where those affordable units currently do not exist.

- Direct the City Manager to initiate a stakeholder process and code amendments that reduce housing restrictions for lower-income and moderate-income homeowners who wish to add additional units or uses on their property so they can afford to stay on their property or for other low-income or moderate-income people to stay on the property. Consider an option for homeowners who are not lower-income or moderate-income to access reduced regulatory barriers if the reduction in barriers creates income-restricted affordable housing. The regulations considered may include building structure requirements, lot size requirements, disaggregation, building height, and unit limits on a single site.
- Direct the City Manager to provide recommendations on new City programs that would help low/moderate-income homeowners develop more on their property in order to stay in place.

Smaller Housing in High-Opportunity Areas
Our most desirable and highest-opportunity neighborhoods are becoming increasingly more expensive and less economically integrated. We should change or eliminate rules in our land development code that require that homeowners and renters must pay for large pieces of land and large homes to live in certain neighborhoods. We should preserve affordable units and create new opportunities for people at all income levels in different parts of town by adding new housing supply and housing types, especially in less vulnerable neighborhoods.

- Direct the City Manager to create goals for increasing economic and racial integration in "high opportunity" areas, and slowing displacement in more vulnerable neighborhoods. Provide further direction to the City Manager to provide policy recommendations to achieve those goals that could include, but not should not be limited to, allowing for smaller housing and smaller lot sizes in CodeNEXT, especially in less vulnerable areas, and setting aggressive targets for economic integration as part of our Strategic Housing Plan;
- Direct the City Manager to present options to the City Council to create more diverse housing opportunities in areas where deed restrictions or other private covenants may have a disparate impact on low-to-moderate income communities or communities of color.