

# DRAFT Austin Strategic Housing Plan



Presentation to the Community Development Commission  
July 12, 2016



Neighborhood Housing  
and Community Development

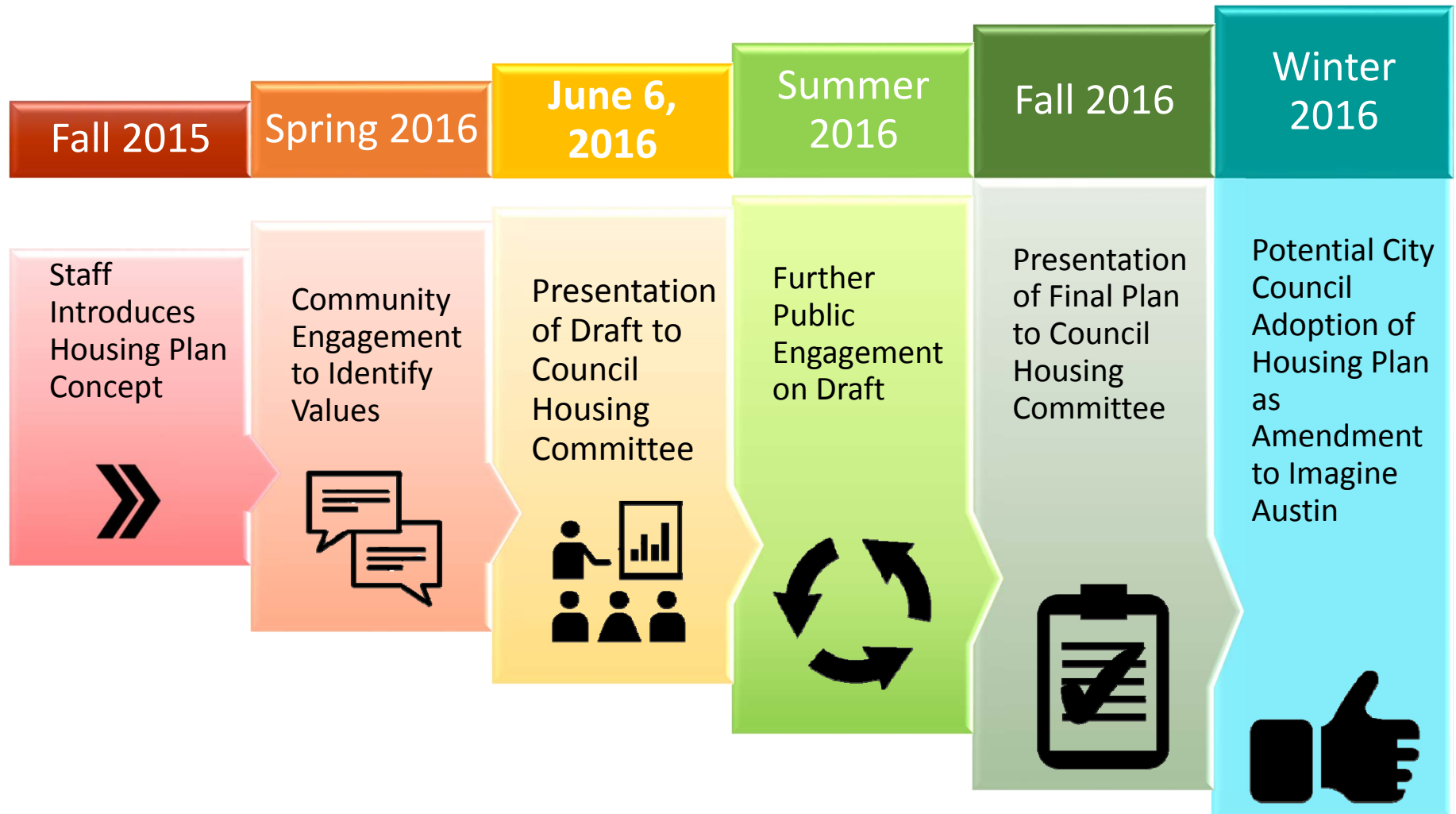
# Purpose

- 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

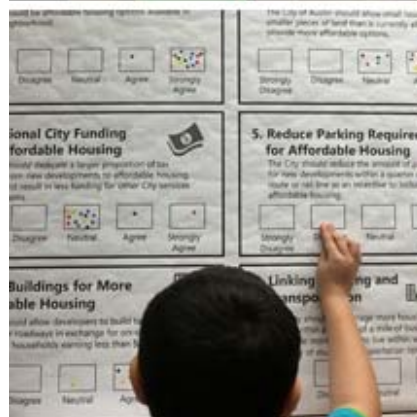
**22** Community Meetings

**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

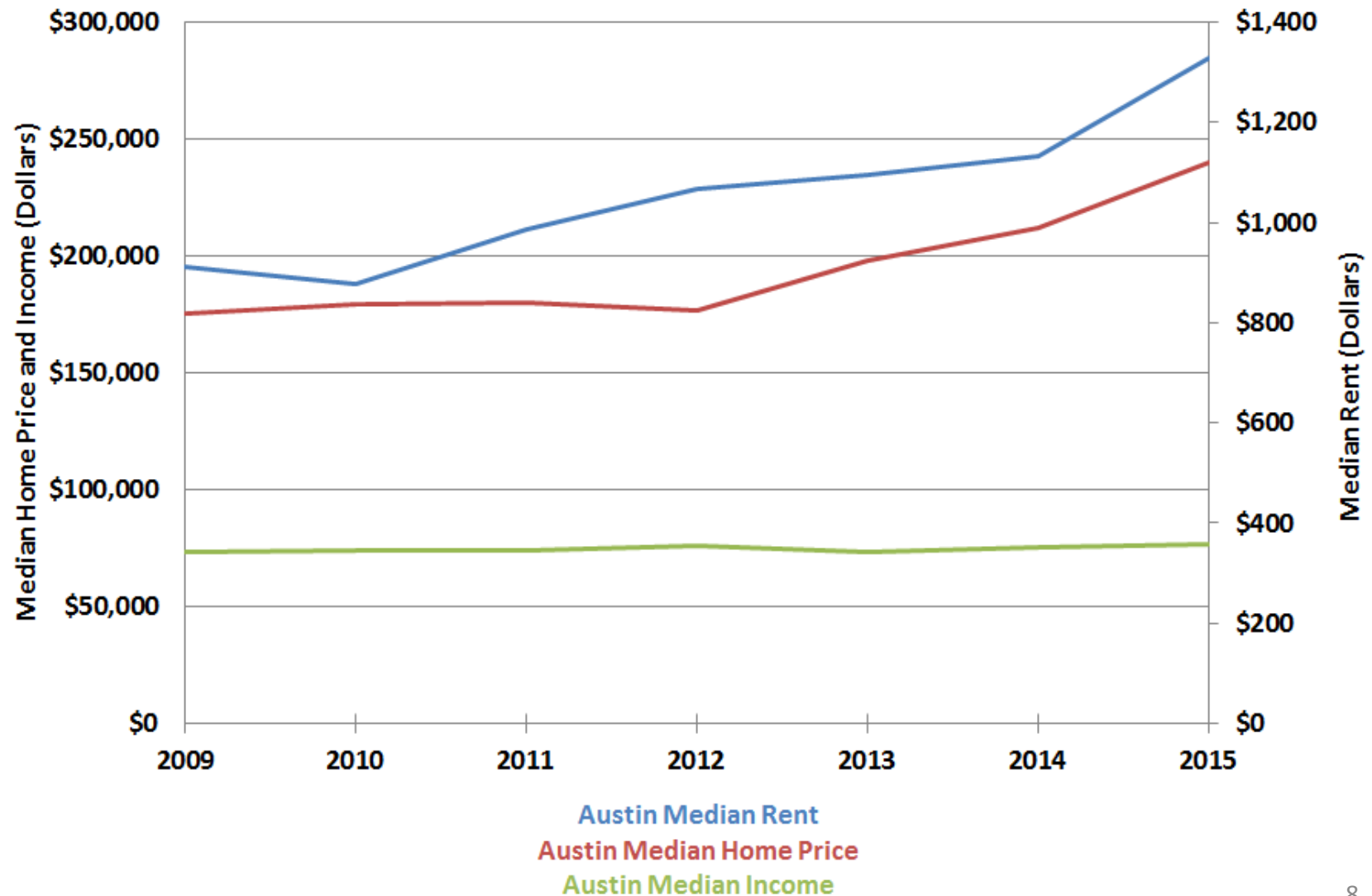
- Concern for those who can no longer afford to live here, as well as animosity toward new-comers.
- Concern about property tax increases for homeowners.
- Understanding of the need for more affordable housing in Austin, but lack of consensus of how to fund it.
- New affordable housing should be built 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?

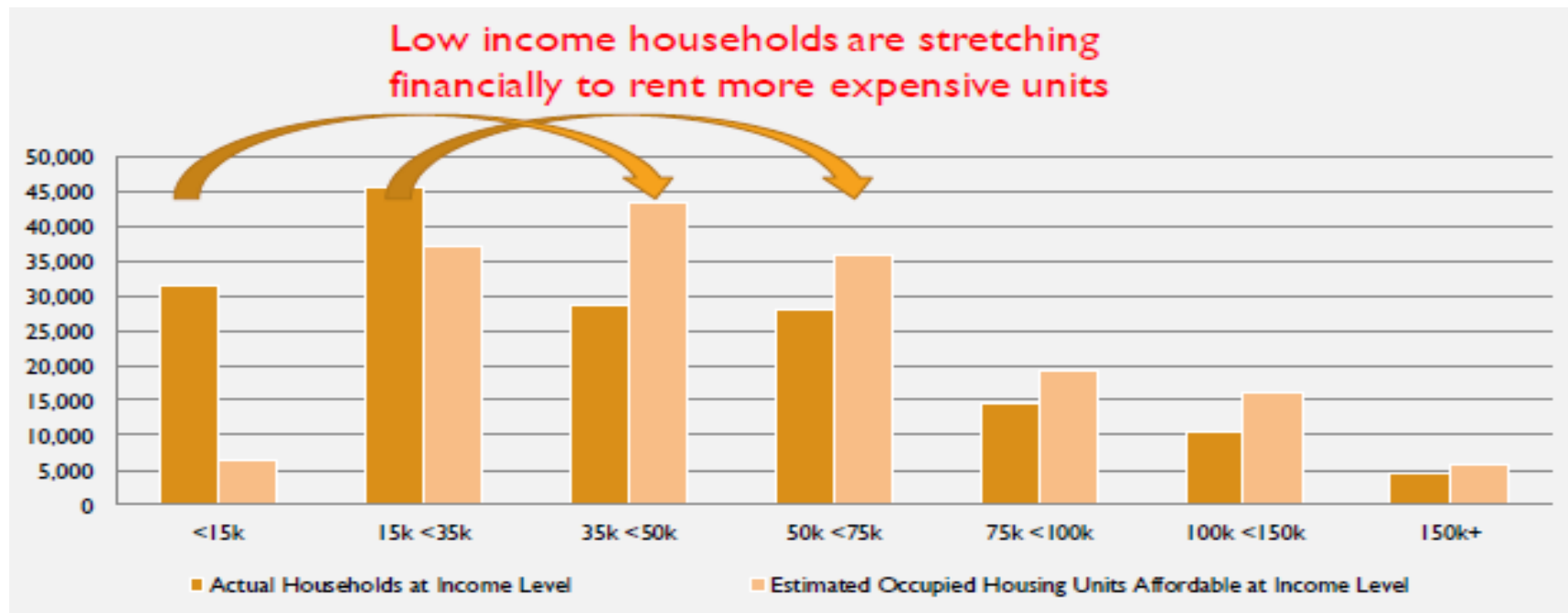
- Great need for **deeply affordable rental units** (primarily those renting for less than \$500/month) for renters earning <\$25,000 per year
- **Geographically limited** housing opportunities:
  - Affordable rentals are scarce west of I-35
  - Homes to buy for <\$250,000 concentrated in northeast, 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

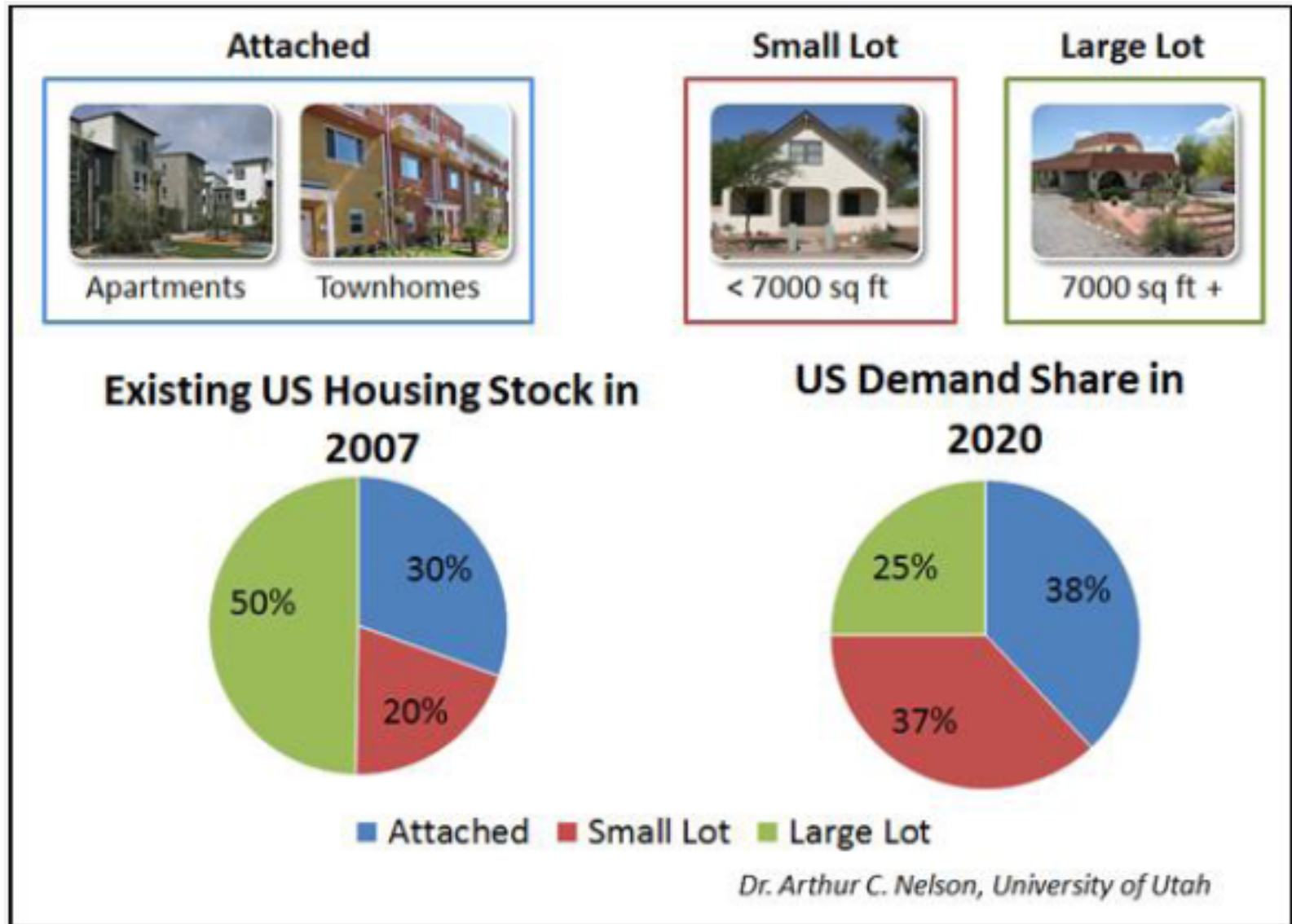
Data date: 2012

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

# Future Housing Demand

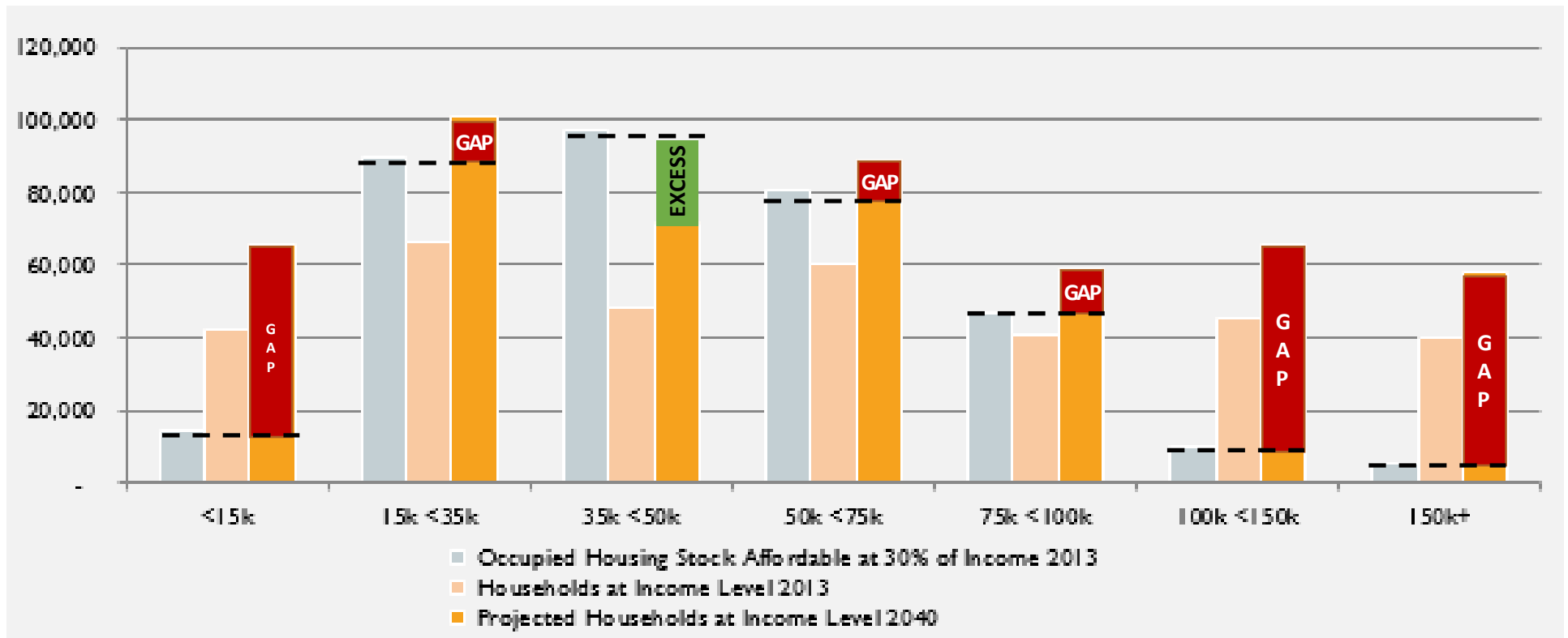
- 400,000 additional people expected to live in Austin by 2045.
- Need for 200,000 additional housing units over the next thirty years to meet demand.
- Increased percentage of Millennials, Boomers, and single people in Austin.
- These households generally have fewer people, spurring an increased demand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

# Future Housing Demand





# 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?

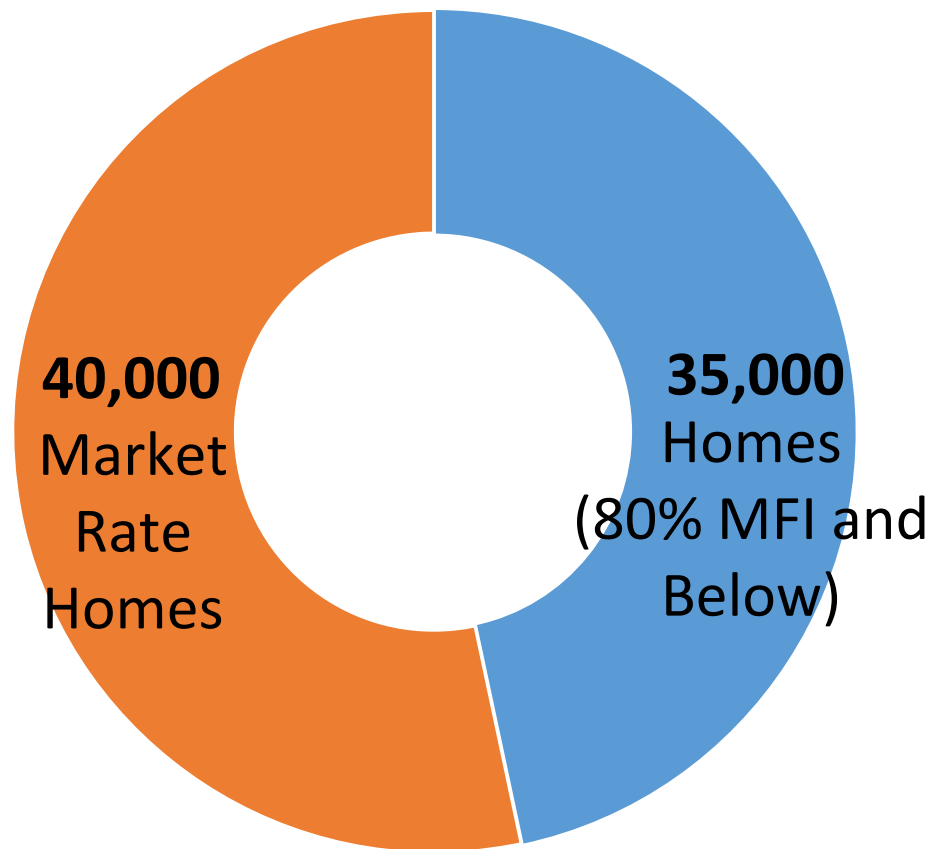
- Losing what makes Austin, Austin – it's people
- Becoming even more economically segregated
- Even worse traffic congestion as people are forced to move out of the city
- Becoming a city that is only affordable to the rich

**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

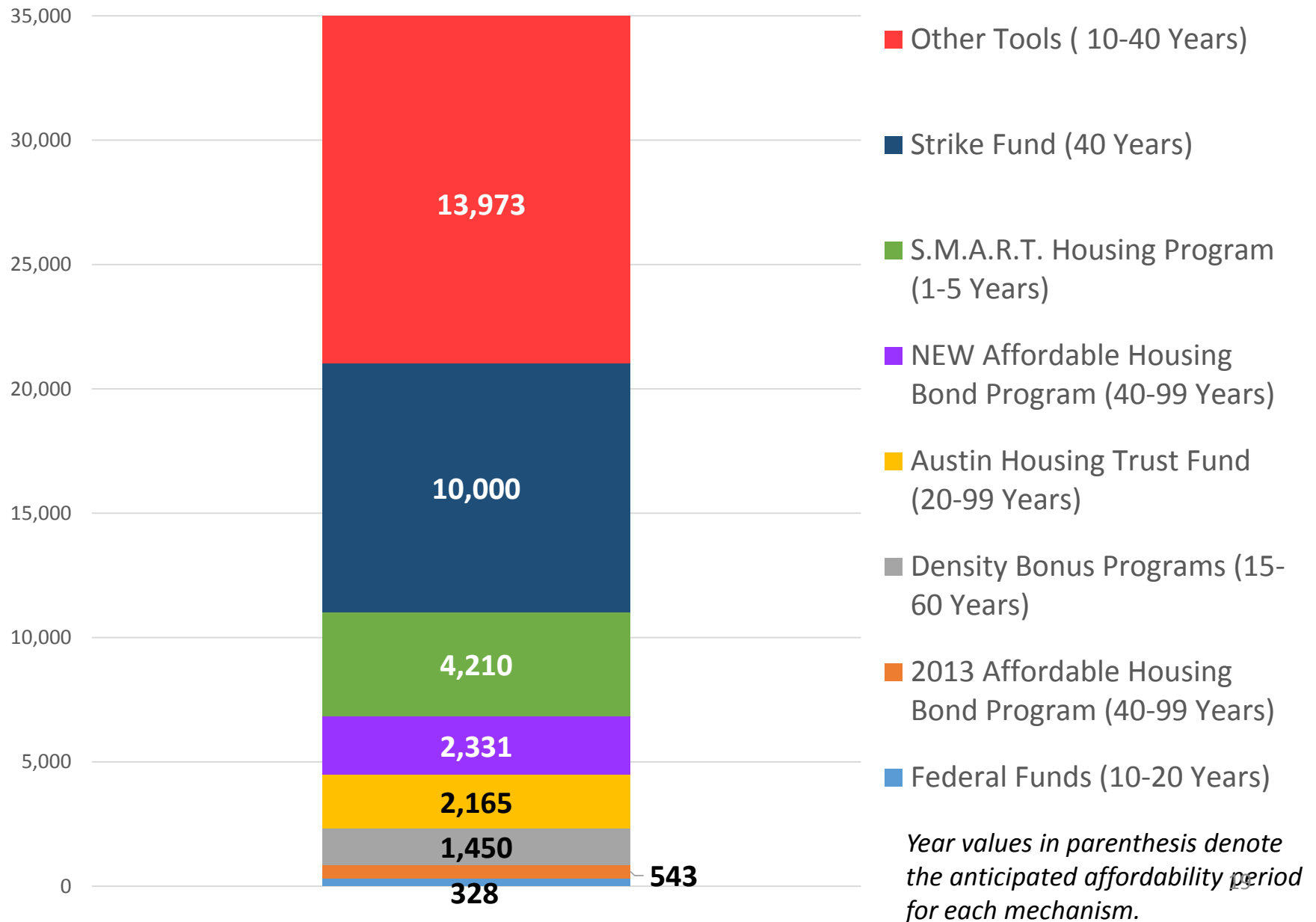
### **Family Friendly Housing**

- 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**



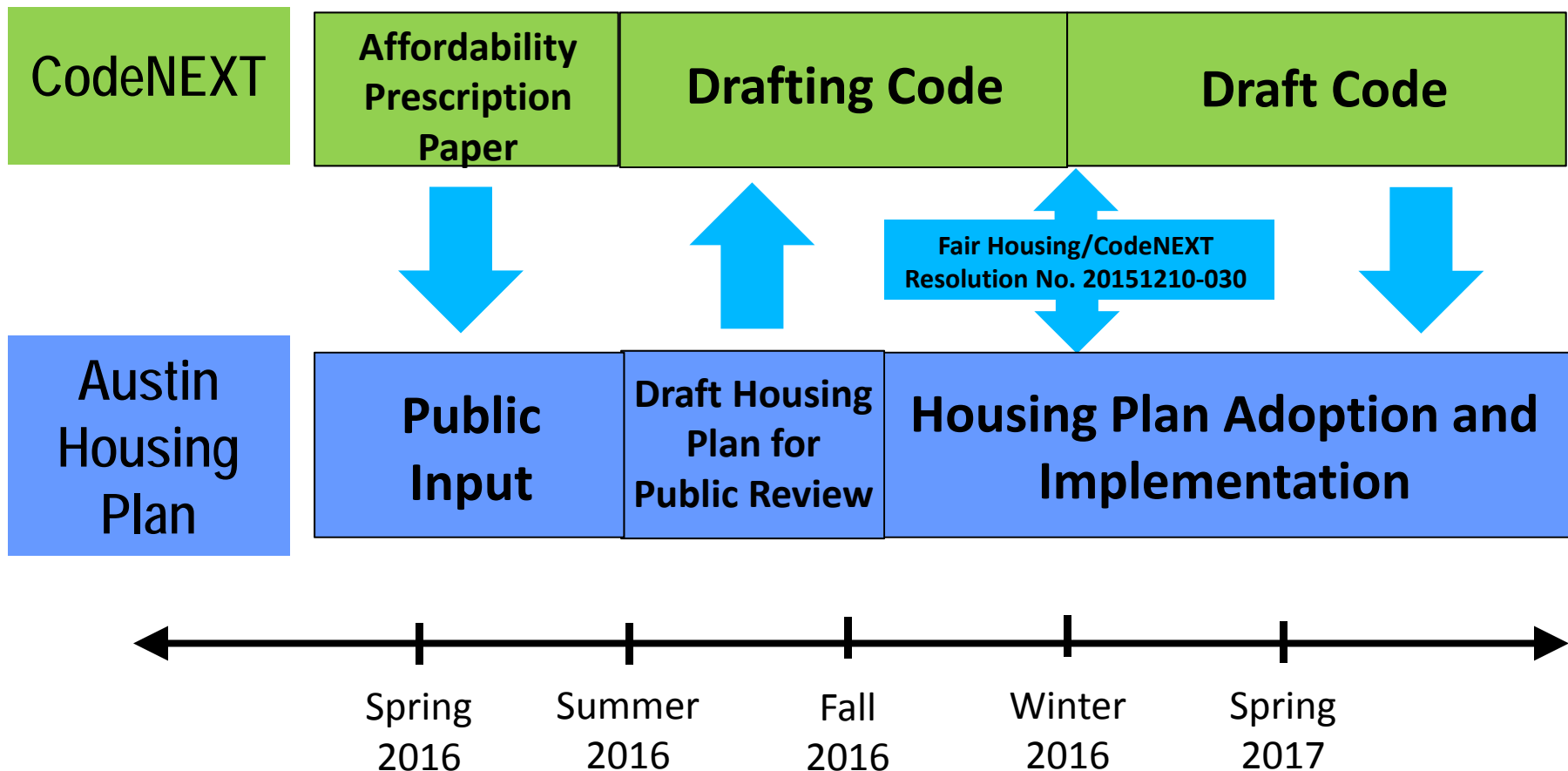
**Create New and Affordable Housing Choices for All Austinites in All Parts of Austin**



**Help Austinites Reduce their Transportation Costs**



# Timeline & Connections



# Questions



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# **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.T<sup>TM</sup> 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**