

RESOLUTION NO. 20190221-027

WHEREAS, in order to address the affordable housing crisis, the Austin City Council adopted the Strategic Housing Blueprint (Blueprint) with the goal of producing a total of 135,000 new units with a goal of at least 60,000 new income restricted units by 2027; and

WHEREAS, to create more than 47,000 affordable units called for in the Blueprint, additional City Council policy direction is required; and

WHEREAS, there is a need for affordable housing of all types including, but not limited to, single family, duplex, townhome, condominium, and multifamily, located throughout the City; and

WHEREAS, the City Council has passed numerous resolutions aiming to strategically improve affordable housing programs to meet the Blueprint's goals, such as exploring ways to provide residents the right to return, connect those with the highest needs with affordable housing, and better monitor the affordable units being created through various programs; and

WHEREAS, currently many affordable housing units, including new affordable housing developments and properties that accept Housing Choice Vouchers are located east of IH-35, north of Hwy 183, south of SH 71, and in the City's extraterritorial jurisdiction (ETJ); and

WHEREAS, the 4% Low Income Housing Tax Credit (LIHTC) program is a popular financing tool used to create affordable housing and requires at least 50% of a development's units to average at 60% median family income; and

WHEREAS, many 4% LIHTC developments in the City or in City's ETJ are located in areas that lack many amenities and viewed as lower opportunity areas; and

WHEREAS, past affordable housing efforts have not maximized their potential impact because of some city restrictions, thereby limiting the number of affordable units, limiting levels of affordability, and limiting the availability of income restricted family-friendly units; and

WHEREAS, in November, 2018, voters approved \$250 million for affordable housing, which may serve more families at deeper levels of affordability if City restrictions on residential development are modified; and

WHEREAS, the Austin Strategic Housing Blueprint, Austin's Fair Housing Action Plan, the Obama White House Housing Development Toolkit, and multiple other studies and reports have found that some land use restrictions can be a barrier to housing affordability; and

WHEREAS, maximizing the use of land for affordable housing will allow for more affordable units, deeper levels of affordability, more family-friendly units, and will facilitate affordable housing in higher opportunity areas; and

WHEREAS, the City Council approves many zoning cases for affordable housing developments; however, some restrictions that may result in additional affordable housing units cannot be waived in a zoning case; and

WHEREAS, the rezoning process may be costly, time consuming, and may ultimately limit the number of affordable units, level of affordability, and number of family-friendly units in an affordable housing development and allowing affordable housing to be built by-right without rezoning may benefit the City's affordable housing stock; and

WHEREAS, the City Council has missed opportunities to allow for the creation of more affordable units; and

WHEREAS, Saigebrook's Aria Grand is a 9% LIHTC multifamily property in Travis Heights that received \$1.5 million in affordable housing bond subsidies to develop 60 affordable units, but could have created 10 more affordable units without compatibility and 20 more affordable units without parking requirements with negligible increases in public subsidies and a decrease in the overall subsidy per unit; and

WHEREAS, Guadalupe Neighborhood Development Corporation was able to build 6 more units for a total of 22 units at its La Vista de Guadalupe development due to a substantial reduction of compatibility limitations; and

WHEREAS, Habitat for Humanity's development in the Plaza Saltillo Transit Oriented Development is participating in an affordable housing bonus program that waives

parking, allowing it to build 56 affordable units, where they would not have built any otherwise; and

WHEREAS, the City Council is dedicated to finding creative, innovative solutions to address the City's affordable housing crisis, to create more affordable housing in high opportunity areas, to increase the effectiveness of public dollars, and to meet the goals of the Austin Strategic Housing Blueprint; **NOW, THEREFORE**,

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

In order to increase the number of affordable units and to most effectively utilize 2018 Affordable Housing Bond funds and other public funds and resources, the Council initiates amendments to City Code Title 25 (*Land Development Code*) to create an affordable housing program on a citywide basis. After adopting the amendments initiated by this resolution, Council directs the City Manager to provide an annual report on the impact and outcomes of the program to City Council and for the Planning Commission to review the results of the program after three years.

To be eligible for this program, a residential development must provide the following:

1. for rental housing, at least 50% of total units serving households with incomes at an average of 60% MFI or below and including at least 20% of total units serving households with incomes at 50% MFI or below, rounded up to the nearest unit, for at least 40 years;

2. for homeownership housing, at least 50% of owner-occupied units serving households with incomes at an average of 80% MFI or below, rounded up to the nearest unit, for at least 99 years;
3. at least three units total, unless the development is 100% affordable;
4. at least 25% of affordable units must have two or more bedrooms, unless the affordable units are permanent supportive housing or senior housing, rounded up to the nearest unit; and
5. provide just cause eviction protections and the right of tenants to organize, as required in existing city/federal affordable housing agreements.

This program would be available for a residential development or redevelopment irrespective of whether the proposed development or redevelopment requires a zoning change or other discretionary action from a City commission or the Council. It is the intent of the Council for this program to be accessed without requesting a further discretionary action by the Council. A property owner would be allowed to use this program in addition to any other existing affordable housing bonus programs, and apply in all overlays and regulating plans.

In order to avoid unnecessary disruption and displacement of low-income renters, this program would be available when an existing multifamily rental residential development is redeveloped or rebuilt only if:

1. the reason for the redevelopment or rebuilding is to replace residential facilities in serious need of repair and for which rehabilitation is not practicable and current tenants are provided notice of the redevelopment proposal; and
2. the property owner agrees to replace the affordable units (market-rate and/or income-restricted units that have been affordable to households earning 80% MFI or below in the previous year) one for one, without reducing the number of affordable bedrooms, grant current tenants a right to return to the development to a comparable unit after redeveloping or rebuilding, set rents so that current tenants are able to afford to return, and provide relocation benefits that are consistent with Uniform Relocation Act.

BE IT FURTHER RESOLVED:

The Council intends for a residential development that participates in this program to be allowed in any residential and commercial zone, but not industrial zones, and does not waive existing rules and requirements related to residential uses near health hazards; and to comply only with the occupancy limits for multi-family zoning districts. Any development that accesses this program shall not be comprised of more than 25% of gross floor area as non-residential use.

The Council intends for this program to:

1. waive compatibility standards for height and setbacks, but maintain the side setbacks as required by the base zoning district, and maintain requirements for any health and safety or environmental protection related setbacks;
2. allow building height to be 1.25 times the base zoning district's height entitlements;
3. waive parking requirements without waiving state or federal ADA parking requirements;
4. reduce front yard and rear setbacks by 50%;
5. allow density (i.e., site area requirements and units per acre) to be 1.5 times the base zoning district's density limits or allow six units, whichever is greater;
6. waive maximum floor-to-area-ratio;
7. waive the Residential Design and Compatibility Standards, as codified in Chapter 25-2, Subchapter F, but maintain the side setbacks as required by the base zoning district, and maintain requirements for any health and safety or environmental protection related setbacks;
8. require a modified site plan process that more closely resembles residential site plan while still addressing health and safety and addressing and reviewing drainage in the same way that drainage is addressed and reviewed for non-multifamily structures with the same impervious cover, including any adjustments to fee schedule as necessary, for developments with 12 or fewer units; and

9. waive common wall, roof, front porch, and other restrictions specific to duplexes in Section 25-2-773.

BE IT FURTHER RESOLVED:

If the development meets the aforementioned requirements, but in addition has:

1. between 75% and 100% of its units at rates affordable as defined above;
2. at least 50% of the affordable units have two or more bedrooms;
3. at least 10% of the affordable units serve households with incomes 30% MFI or below; or
4. is located within ¼ mile of an Imagine Austin Corridor that is served by a bus or transit line,

then, in addition to the bonuses described above, the development may also:

1. allow building height to be 1.5 times the base zoning district's height entitlements;
2. allow density (i.e., site area requirements and units per acre) to be 2 times the base zoning district's density limits or allow eight units, whichever is greater; and
3. require a modified site plan process that more closely resembles residential site plan while still addressing health and safety and addressing drainage in the same way that drainage is addressed for non-multifamily structures with the same impervious cover, including any adjustments to fee schedule as necessary, for developments with 16 or fewer units.

BE IT FURTHER RESOLVED:

The amendments initiated by this resolution should be designed with the goal of expanding the requirements, through subsequent code amendments, to align with any future changes to other City affordable housing program requirements or approvals that extend the affordability period, require rights of first refusal, or modify other program requirements.

BE IT FURTHER RESOLVED:

A residential development can establish eligibility for this program using documents required to participate in affordable housing programs operated by a local, state, or federal agency. Examples of affordable housing programs include the Low-Income Housing Tax Credit (LIHTC) program, the City's Rental Housing Development Assistance Program (RHDA), and programs funded through the U.S. Department of Housing and Urban Development. Otherwise, the Director shall establish eligibility procedures for the program that are similar to the procedures of other City bonus programs.

BE IT FURTHER RESOLVED:

The Council acknowledges that Planning Commission may recommend modifications to the amendments described in this resolution to best achieve the goals in Imagine Austin. Planning Commission should consider how to ensure the program maximizes affordable housing, meets our transportation goals and to consider the use of Transportation Demand Management Plan (TDM) as a tool for transportation needs as appropriate, and meets the housing and transportation needs of people with disabilities, and may review

setbacks/buffers and other options to address transitions between adjacent properties, with the intent of not reducing the positive impacts of this program.

BE IT FURTHER RESOLVED:

The amendments initiated by this resolution may not include increases in allowable impervious cover.

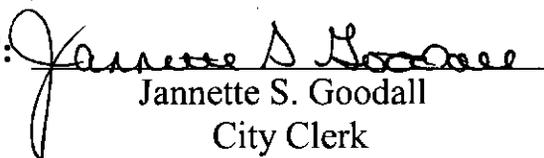
BE IT FURTHER RESOLVED:

The City Council directs the City Manager to:

1. work with affordable housing providers to provide visual representations of examples of how the program would produce more affordable units in more geographic areas, and the Manager should work with such providers to bring information forward to Council about potential projects—including their size, location, unit mix, affordability—with and without this new affordable housing program;
2. bring back an outline of the proposed modified site plan review process; and
3. bring back an ordinance for Council consideration no later than May 9, 2019.

ADOPTED: February 21, 2019

ATTEST:


Jannette S. Goodall
City Clerk