



Note: Due to time constraints, this recommendation was provisionally authorized by the CDC (March 8, 2022) for submission to COA Budget recommendation portal prior to text being finalized. The CDC will vote to memorialize this finalized version at **April 12, 2022** meeting for procedural prudence. As such, highlighted items will be updated accordingly on the finalized recommendation

COMMUNITY DEVELOPMENT COMMISSION FY22/23 BUDGET RECOMMENDATION 20220331-01

Date: March 31, 2021

Subject: COA Community Land Trust Program – Add New FTEs

Motioned By: Vice Chair Karen Paup

Seconded By: Commissioner Cheryl Thompson

Authored By: Commissioner Kendra Garrett

Recommendation

The Community Development Commission recommends that the City Manager increase the budget to provide an additional 1.5 to 2 FTEs (est. \$150,000 to \$225,000) for the Community Land Trust Program in the Housing and Planning Department. These funds should be allocated from the general revenue and/or from dollars designated for anti-displacement efforts.

Rationale

In 2005, City Council adopted [Resolution No. 20050526-021](#) to research various forms and the feasibility of land trusts for affordable housing. From this research and analysis, the city created a Community Land Trust (CLT) and currently, there are 43 ownership properties in the portfolio. On May 21, 2020, the city [announced](#) that AHFC will purchase 20 single-family homes from HACA – to be rehabbed and sold to low-to-moderate income residents under the city’s CLT program.

However, there is only one staff member employed by the City to administer this program:

- This results in delays (i.e. status quo relative to recommendation) in the “make-ready” of these properties for resale to qualified residents, particularly in a very tight and very expensive housing market where the economic opportunity costs of delays are quickly magnified.
- Additional staff would also multiply the professional and administrative capacity to concurrently research, innovate, develop, pilot and forecast a development pipeline of more quickly scalable CLT-driven affordable homeownership models (e.g., beyond single-family) that can be brought to market more quickly and in higher numbers.

As one of the fastest growing cities in America, Austin is also one of the least affordable cities for current and future residents. In the NYT article, [“How Austin Became One of the Least Affordable Cities in America,”](#) the author writes that home sales prices have skyrocketed to a record median of \$536,000 in October, more than doubled since 2011, when the median sales prices was \$216,000. “The surging prices have created a brewing housing crisis that is reshaping the city of nearly 1 million people, and pushing mostly low-income Black and Latino residents away. In 2018, [the UT report shows that] at least 35 Austin neighborhoods were undergoing some stage of gentrification.” Increasing housing stock and utilizing a long-term affordability tool like land trust must be a top priority for the city to prevent displacement and provide affordable housing option for residents. The city, along with other local government entities, own a substantial amount of land that could be used for development of affordable housing and

tucked into the city’s community land trust program, maintaining the property’s affordability in perpetuity.

Land trusts are widely used for conservation purposes to protect land for a public benefit and/or for long-term affordability.¹ With an ever-expanding housing crisis, no end in sight, and federal interest rates increasing, it is beyond imperative that the city work towards increasing their CLT portfolio by acquiring land and properties, as well as investing in new construction projects to provide affordable homeownership options for Austin residents. Yet, again, with only one staff person dedicated to this program, it will take way too long for this program to be as effective as it could be today. We are recommending that the City Manager increase the HPD budget to include an additional 1.5 to 2 FTE for the Community Land Trust program.

Date of Approval: March 08, 2022

Vote: A motion to provisionally approve the recommendation was approved on Vice Chair Paup’s motion, Commissioner Thompson’s second, on a 9-0-0 vote.

Absent: Joe Deshotel, Bertha Delgado, Miriam Garcia, Michael Tolliver, Kendra Garrett

Against: None

Attest: *CDC Private Sector Appointee, Commissioner Kendra Garrett*

Date: 03/31/2022

¹ The Urban Land Institute, Austin, “Community Land Trust – Affordable Housing Forever”