



City of Austin


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MEMO

Neighborhood Housing and Community Development Office

Betsy Spencer, Director

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DATE: February 14, 2013 

TO: Mayor and Council Members 

FROM: Betsy Spencer, Director
Neighborhood Housing and Community Development

SUBJECT: Response to Resolution No. 20130117-061 regarding a timeline for required actions for a General Obligation Bond election specific to affordable housing

The purpose of this memorandum is to respond to items set forth in Resolution No. 20130117-061, namely to identify and take preliminary steps to authorize a General Obligation Bond Proposition for affordable housing; and review previous practices of the City of Austin and best practices of other cities to identify long-term sources of funding for affordable housing. The Resolution also directs staff to report back to Council no later than February 14, 2013, on a timeline for required actions, stakeholder presentations, public input and briefings to the City Council on various topics related to affordable housing.

Attached is the timeline for proposed scenarios for potential future election dates. The information outlines a proposal for three different election dates – **November 5, 2013; May 10, 2014; and November 4, 2014** – for further Council consideration and/or discussion. Please note the November proposal provides a monthly schedule for both November 2013 and November 2014. Should direction be given to authorize a November 2014 General Bond election, an updated schedule of activities will be presented to Council closer to that date.

LEGAL REQUIREMENTS

In response to the Resolution, the following is provided related to timing of actions required to establish future bond elections for 2013 and 2014 dates. Staff will provide specific costs associated with conducting each of the respective elections on these dates, which will vary depending on whether it is a regular general election or special election.

- **November 2013:** Monday, August 26, 2013, is the last legally required date before the November 5, 2013 election to call the election. The last regularly scheduled council meeting before August 26 is Thursday, August 22, 2013. Council also has the option to call a special meeting for the purpose of calling an election.
- **May 2014:** Friday, February 28, 2014, is the last required date before the May 10, 2014 election to call the election. The 2014 City Council meeting dates have not been set.
- **November 2014:** August 18, 2014, is the last required date before the November 4, 2014 election to call the election.

Again, the 2014 City Council meetings dates have not been set.

TIMELINE/ACTIVITIES

The proposed activities are provided as a combined effort by staff from the Neighborhood Housing and Community Development Department (NHCD), Capital Planning Office, Finance Department and the Law Department. The timelines include key components responsive to the resolution including proposed briefing dates for future presentations and suggested time periods for actions required by Council to set an election date. Following is a high-level snap shot of the more detailed attached timeline and scenarios:

KEY COMPONENTS	SUMMARY OF ACTION	NOV* 2013/ NOV 2014	MAY 2014
Presentation by Capital Planning Office	Presentation will include information related to timing of other City of Austin jurisdictions' planned activities over the next 5 years as well as Recap of work done by the 2012 Bond Election Advisory Task Force and community input on Imagine Austin	Council Meeting March 2013	Council Meeting March 2013
Update by Finance Department regarding estimated debt capacity	Presentation to the Austin City Council on debt capacity. Finance will update Council as needed responsive to a 2013 or 2014 date.	May	May 2013
Development and Implementation of a comprehensive Community Outreach Plan	Plan will include community meetings, online outreach tools and other methods to comprehensively educate and engage the community.	April – August	April 2013 – February 2014
Council briefings on affordable housing issues presented by NHCD	NHCD staff will present requested information to Council including a needs assessment, investment outcomes, and affordable housing best practices.	March – May	March 2013 – Oct 2014
Initial Staff recommendation and preliminary guidance on proposed bond package	Presentation to Council and community on overall community input on affordable housing bond election	June	Dec 2013
Finalization of Bond Package by Council and Council calls bond election	NHCD and the Capital Planning Office will work with Council as needed to finalize information	August	Feb 2014
Election Day		Nov. 5, 2013 or Nov. 4, 2014	May 10, 2014

**November timeline reflects months applicable to both a Nov. 2013 and Nov. 14 election date.*

AFFORDABLE HOUSING BOND LANGUAGE

A comparison of the ballot language from Austin's 2006 affordable housing bonds to the ballot language from 2012 is as follows:

- **Ballot Language 2006:** The issuance of \$55,000,000 in tax supported General Obligation Bonds and Notes for constructing, renovating, improving, and equipping affordable housing facilities for low income persons and families, and acquiring land and interests in land and property necessary to do so, and funding affordable housing programs as may be permitted by law; and the levy of a tax sufficient to pay for the bonds and notes.
- **Ballot Language 2012:** The issuance of \$78,300,000 housing bonds and notes and the levy of a tax sufficient to pay for the bonds and notes.

Either option is appropriate and lawful. Legal staff is available to provide additional information as requested about future bond language.

COMMUNITY ENGAGEMENT

In addition to the briefings to Mayor and Council, NHCD will work with communications staff in the Communications and Public Information Office and Capital Planning Office to develop and implement a Community Engagement Plan, which will be presented to Council at a future briefing as a component of the attached timeline.

Staff will build on the educational initiatives underway as a part of NHCD's Action Plan community needs assessment activities, which begins in late February and continues through July. The Action Plan is the City of Austin's federal grant application for housing and community development dollars administered by the U.S. Department of Housing and Urban Development (HUD). The Action Plan outlines the federal investment to address the needs of Austin's low income community and is due to HUD in August of each year. NHCD has expanded its outreach and education to embrace both federal and local investments and activities, creating a more comprehensive educational opportunity each year for the community.

Staff will design the Community Outreach Plan taking into consideration recent data including election polling data and community survey data to assist in broadening comprehensive outreach activities as well as to develop and refine strategies to further educate the entire community about affordable housing. The Community Engagement Plan will include multiple ways the City will interact with the community including hosting educational forums, developing online feedback tools, and creating multiple avenues to hear from community members and interested stakeholders. In addition, staff will provide a number of public briefings to the Austin City Council as described below and in the attached timeline:

PROPOSED SEQUENCE OF BRIEFINGS

Staff propose, in the attached timeline, initial presentations that will address key components of the Resolution including presentations by the Neighborhood Housing and Community Development Office and the Capital Planning Office to address comparative practices undertaken by peer cities to provide the community with voter information; an update on current plans for tax ratification and/or bond elections of other governmental jurisdictions within the City of Austin; a recap of the work done by the 2012 Bond Advisory Task Force related to affordable housing bonds; and community input from the Imagine Austin and 2012 bond development efforts.

In addition, NHCD staff will follow with a series of presentations at future Council Work sessions and/or Council meetings. The information has been grouped into four proposed presentations to meet a more compressed timeline requirement should Council opt to consider an election in November 2013.

-Needs assessment and importance of affordable housing investment: Briefing will address: (1) a community needs assessment of affordable housing and available community data on targeted subpopulations; (2) information regarding Return on Investment (ROI) of target housing categories based on leveraging and outside funding; (3) as well as national information regarding cost avoidance for cities and other service entities of target housing categories.

-Best Practices in Affordable Housing: Staff will present best practices and approaches both statewide and nationally related to affordable housing based on existing research and applicable benchmarks. The presentation will include best practices related to dedicated revenue, regulatory practices and setting affordable housing targets and goals. The briefing will including best practices in linking affordable housing and transportation to address household affordability across the community.

-Siting Affordable Housing in Austin -- Strategic Approach and Community Outreach: The briefing will provide an overview of the existing project scoring matrix for Austin Housing Finance Corporation application process, use of market studies, and an overview of siting policies and practices as well as neighborhood outreach programs to include Austin's Good Neighbor Guidelines.

-Short-term funding opportunities through Austin's Housing Trust Fund: Briefing will provide recommendations on short-term funding opportunities for affordable housing programs and long-term opportunities through Affordable Housing Trust Fund. NHCD and Finance staff will present information for Council consideration in preparation of the Fiscal Year 2014 budget.

BEST PRACTICES

Responsive to the Resolution, NHCD has attached an Affordable Housing Best Practices Report to provide overarching best practices and strategies noted across the country in three key areas including:

- (1) practices related to providing accurate, relevant data to set local goals;
- (2) examples of dedicated revenue sources; and
- (3) policies that have produced innovative zoning/regulations to facilitate lower-cost housing.

The information serves to complement future briefings by NHCD to the Austin City Council.

Staff will incorporate the actions noted in the Resolution with the number of activities already underway including discussions regarding a short and long term financing strategy to address the spectrum of affordable housing needs through a variety of funding sources. This includes continuing to work with the Health and Human Services Department and key stakeholders to ensure that our community outreach efforts and financial strategies embrace the needs around permanent supportive housing. NHCD continues to work with the City Manager and the executive team to identify responsive action to community discussions focused on affordable housing.

In partnership with a number of departments responding to the items outlined in the Resolution, I am available to assist as needed.

cc: Marc A. Ott, City Manager
Bert Lumbreras, Assistant City Manager
Elaine Hart, Chief Financial Officer
Ed Van Eenoo, Deputy Chief Financial Officer
Mike Trimble, Capital Planning Officer
Carlos Rivera, Health and Human Services Department
Doug Matthews, Chief Communications Officer
Karen Kennard, City Attorney
Leela Fireside, Law Department

Attachments