




Neighborhood Housing and Community Development

P.O. Box 1088, Austin, TX 78767 -1088

1000 East 11th Street, Ste 200, Austin, TX 78702

(512) 974-3100 ♦ Fax (512) 974-3161 ♦ www.austintexas.gov/housing

TO: Mayor and Council

FROM: Betsy Spencer, Director 
Neighborhood Housing and Community Development (NHCD)

DATE: June 30, 2015

SUBJECT: Resolution No. 20141016-034: Affordable Housing Preservation

The purpose of this memorandum is to address Resolution No. 20141016-034, which directed the City Manager to develop a plan designed to achieve the goal of preserving 20,000 affordable housing units over the next 20 years, including a short term strategy for the next 5 years, and to provide to the Community Development Commission and the Council a timeline for these efforts.

Since the adoption of the resolution, staff has collaborated with HousingWorks Austin, Professor Elizabeth Mueller with the University of Texas at Austin, and the Low Income Investment Fund (LIIF), and participated in a Capital Absorption Workshop as an initial step in the development of an affordable housing strike fund. NHCD staff in conjunction with HousingWorks Austin briefed the Community Development Commission about potential strategies to preserve affordable housing at its January 13 meeting and briefed the City Council Housing and Community Development Committee on this issue at its April 29 meeting.

NHCD has been working with HousingWorks to develop the Austin Community Investment Collaborative (ACIC) a partnership of public, private and nonprofit organizations committed to investing in complete communities that link affordable housing to better opportunities, healthier environments, increased mobility and a higher quality of life. One of the tools that the ACIC will deploy is an investment fund that is targeting the preservation and creation of affordable housing in Austin.

The Austin Community Investment Collaborative proposes a scaled **public-private investment fund** that is focused on making Austin more affordable by making strategic investments in housing and supporting facilities (e.g., childcare, community facilities, small businesses, etc.) in transit-rich and/or high opportunity areas.

The fund will focus on targeted populations, including low- and moderate-income households and middle-income families. Housing will include multifamily rental (new construction and preservation) and homeownership opportunities for households with limited affordable options, including teachers, public servants, social service employees, health care employees.

The proposed innovative capital solutions will require participation of a range of stakeholders to fill financing gaps that will leverage the current financial resources and allow the city to meet its housing and neighborhood needs at the necessary scale.

HousingWorks is working with the Urban Land Institute (ULI) Austin on financial modeling of the investment fund and is bringing together real estate professionals in early September 2015 to structure the proposed investment fund. It is anticipated that the investment fund prospectus will be finalized by the end of 2015.

NHCD's continued participation in the Austin Community Investment Collaborative (ACIC) will be instrumental in responding to the Resolution as it relates to exploring the implementation of a strike fund to respond to Austin's housing needs to include preservation of affordable housing.

In addition, the department has proposed a DRAFT Housing Plan that addresses the many policy goals and targets either directed by the Austin City Council (permanent supportive housing policy goals and preservation policy goals) and/or signaled by stakeholders as desired goals and targets. The proposed DRAFT Housing Plan, drafted by Neighborhood Housing and Community Development staff, will assist the department in the direction laid out in Resolution No. 20141016-034 to achieve affordable housing goals to include the preserving 20,000 affordable housing units over the next 20 years. It will also provide a mechanism to report regularly on the City and community efforts to reach these goals.

Should you have any questions or need additional information, I can be reached at (512) 974-3182.

cc: Marc A. Ott, City Manager
Bert Lumbreras, Assistant City Manager