

CITY OF AUSTIN COMMUNITY DEVELOPMENT COMMISSION

Date: May 20, 2008

To: Mayor and Council Members

From: Sabino Renteria, Chair, Community Development Commission (CDC)

Subject: Affordable Housing G. O. Bond Recommendations

Margaret Shaw, Director, Neighborhood Housing and Community Development (NHCD), sought guidance from the CDC on issues related to the use of affordable housing General Obligation Bonds. After conducting a Public Hearing on May 13, 2008, the Community Development Commission reached consensus on issues related to the use of G. O. Bonds for transitional housing, rent “buy-down” projects, and Transit Oriented Developments (TODs).

The CDC postponed action on defining geographic dispersion and the ability of the Austin Housing Finance Corporation to use G. O. Bonds to acquire property for future development.

Transitional Housing. NHCD staff requested guidance on Transitional Housing projects. They are not exactly rental projects since residency is limited to a specific period of time and because residents must comply with supportive service plans and/or treatment programs. The CDC recommends not providing a specific allocation for transitional housing, but recommends revising the G. O. Bond scoring criteria to allocate more points for projects that will provide permanent supportive housing.

Rent “buy-down” projects. NHCD staff requested guidance on the use of G. O. Bonds in private developments to “buy down” rents to a level that would be affordable to low-income households. Recent examples include the Stoneridge Apartments Redevelopment and the Sunnymeade Apartments Redevelopment. CDC recommends that the buy down be calculated from an amount that would be an affordable rent for a household at 80% MFI, or the MFI under the applicable incentive program, as opposed to calculating the buy down from a market-rate rent. In addition, CDC recommends that the Council not exceed the per-project and per-unit dollar amounts specified in the program guidelines for affordable housing G. O. Bonds.

Designating G O Bond funding for TODs. NHCD staff requested guidance on the use of G. O. Bonds for TODs. The CDC recommends not providing a specific allocation for TODs, but recommends giving extra points to projects if they are located along a VMU corridor or in a TOD area.

The CDC will continue its discussion of the Affordable Housing G. O. Bond Program at its June meeting and will provide additional policy recommendations for your consideration. Please contact the CDC through the executive liaison, Diana Domeracki, 974-3156, if we can answer any questions or provide additional information.

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