



## **COUNCIL COMMITTEE REPORT HOUSING AND COMMUNITY DEVELOPMENT COMMITTEE**

**Date:** June 6, 2016

**Agenda Item #:** 3

**Agenda Item:** Discussion and possible action on issues and possible code amendments related to positively affirming fair housing, which includes the following elements: increased funding for the affordable housing trust fund, inclusionary zoning and affordable housing generation, stay-in-place, and smaller housing in exclusive areas.

**Vote:** Committee members voted on each recommendation separately. The votes are documented below in the “Recommendation” section. [Committee members are Council Member Renteria (Chair), Council Member Kitchen (Vice-Chair), Council Member Casar, and Council Member Gallo.]

**Original Sponsors/Department:** SPONSOR: Council Member Gregorio Casar; CO 1: Council Member Sabino “Pio” Renteria

**Summary of Discussion:** Committee members discussed each of the 10 recommendations separately. Committee members discussed including additional information on tools for seniors when the first “stay-in-place” recommendation is discussed by the full Council and amended the recommendation to direct the City Manager to provide a report to the City Council at the end of the stakeholder process. An additional amendment was made to the first “smaller housing in high-opportunity areas” recommendation to include language to ensure that policy recommendations regarding smaller housing and lot sizes that support affordability would be considered in CodeNEXT.

### **Speakers**

David King  
Mary Ingle  
Brad Parsons  
Fred Lewis  
Ann Teich  
Monica Guzman  
Matthew Cornwall  
Eric Goff  
Andrei Lubomudrov

Stephanie Thomas  
Julie Montgomery  
Cindy Noland  
Brennan Griffin  
Frank Onuorah  
Rachel Stone  
Ryan Nill  
Mandy DeMayo

**Direction:** The Committee voted to recommend moving all 10 recommendations to the full Council for consideration. The votes on each recommendation are listed below.

**Recommendation:** The Committee voted to recommend to the full Council the following recommendations regarding fair housing:

#### More Mixed Income Developments

- Direct the City Manager to meet with stakeholders and provide a plan to initiate inclusionary zoning in Homestead Preservation Districts. (**Vote: 3-1, with Council Member Gallo against**)
- Direct the City Manager to conduct a comprehensive local real estate market analysis in order to reevaluate and provide recommendations to enhance affordable housing production by the

City's existing SMART Housing policy and any changes to the City's density bonus programs in CodeNEXT (**Vote: 4-0**)

- Direct the City Manager to initiate a code amendment to require non-discrimination based on source of income as part of our voluntary SMART Housing and density bonus programs (**Vote: 3-1, with Council Member Gallo against**)

#### Larger Public Investment

- Direct the City Manager to include new property taxes generated from former county-owned and state-owned land as funding for the City's Housing Trust Fund in order to ensure the City's Strategic Housing Plan and affordable housing goals are funded and viable (**Vote: 3-1, with Council Member Gallo against**)
- Direct the City Manager to provide a recommendation on how to redevelop any City-owned land, including properties with existing facilities, for affordable housing (**Vote 4-0**)
- Direct the City Manager to contract with an experienced, nationwide consulting firm to conduct a professional, thorough, and objective two-part nexus study of linkage fees for new residential and commercial construction in Austin. The report shall:
  - Analyze the maximum legally justified linkage fee on a per square footage basis on new development, based on established factors such as the number of employees occupying new developments, earnings of employees in new developments, the affordability gap between employees' earnings and available housing, and the maximum legally justified fees per square footage for new residential and commercial developments to mitigate the cost of building affordable housing;
  - Provide a feasibility analysis testing the potential market and economic impacts of various fee levels below the maximum legally justified linkage fee;
  - Review the impact of a range of potential fees levels on prototypical commercial and residential types, including mixed use development, and shall recommend fee levels to help mitigate affordable housing needs without deterring development. (**Vote: 3-0-1, with Council Member Gallo abstaining**)

#### "Stay in Place"

- Direct the City Manager to initiate a stakeholder process and code amendments that reduce housing restrictions for lower-income and moderate-income homeowners who wish to add additional units or uses on their property so they can afford to stay on their property or for other low-income or moderate-income people to stay on the property. Consider an option for homeowners who are not lower-income or moderate-income to access reduced regulatory barriers if the reduction in barriers creates income-restricted affordable housing. The regulations considered may include building structure requirements, lot size requirements, disaggregation, building height, and unit limits on a single site. Direct the City Manager to provide a briefing to City Council on recommendations at the end of the stakeholder process. (**Vote 4-0**)
- Direct the City Manager to provide recommendations on new City programs that would help low/moderate-income homeowners develop more on their property in order to stay in place. (**Vote 4-0**)

#### Smaller Housing in High-Opportunity Areas

- Direct the City Manager to create goals for increasing economic and racial integration in "high opportunity" areas, and slowing displacement in more vulnerable neighborhoods. Provide further direction to the City Manager to provide policy recommendations to achieve those goals that could include, but should not be limited to, allowing for smaller housing and smaller lot sizes that support affordability in CodeNEXT, especially in less vulnerable areas, and setting aggressive targets for economic integration as part of our Strategic Housing Plan. (**Vote 4-0**)
- Direct the City Manager to present options to the City Council to create more diverse housing opportunities in areas where deed restrictions or other private covenants may have a disparate impact on low- to moderate-income communities or communities of color. (**Vote 3-1, with Council Member Gallo against**)

**Additional Information Needed:** None