

Questions outside Council Q&A

Question: What is the recommendation for providing financial assistance for income-eligible displaced tenants?

Response:

Per counsel from the City Law Department, staff is recommending the following approach to providing funding for financial assistance to tenants facing displacement from multifamily structures or mobile home parks (as covered in the draft ordinance included in Council backup for 8/18 – item #94):

As discussed in Section 25-1-715 (page 9 of the draft ordinance included in backup), payment of a tenant relocation fee would be required as a Tier I requirement for Planned Unit Development zoning. The fee would also be required for applicants seeking rezones or other discretionary land use approvals (like variances, conditional use permits, etc), unless the requirement is waived by Council. For both cases, payment of the fee would be required only when the redevelopment of the multifamily site or mobile home park would displace tenants. The fee would be used to assist income-eligible tenants being displaced from that particular project.

For displacement that results from demolition and redevelopment of multifamily sites or mobile home parks where the applicant is not seeking any additional entitlements or land use approvals (i.e., where demolition and redevelopment occur by-right, under current zoning), staff is following the advice of the City's legal counsel and requests that Council create, and identify funding for, a City fund to which these income-eligible tenants can apply.

Staff is recommending that a nexus study be conducted that would be used to set the fee that property owners or developers would be required to pay. This would ensure that the fee would be proportionate to the impact of a redevelopment that displaces tenants. For the City-funded financial assistance, staff has developed a proposed schedule of maximum amounts that tenants could be eligible for, which is based on the US Department of Housing & Urban Development's Fair Market Rents for the Austin area. This information is included on page 3 of the August 1, 2016, memo to Mayor and Council included in the backup.

Question: Will stakeholder input be included as program guidelines are developed?

Response: The ordinance creates the tenant relocation assistance program and enables staff to develop rules and guidelines for implementation. As noted in the ordinance, staff anticipates creating the guidelines via the rulemaking process, which does allow for stakeholder feedback. It is staff's goal to ensure that the rules ultimately created are legally and administratively feasible and effective for all parties involved and we anticipate doing that by continuing to work with stakeholders prior to the rule posting.

Question: What would the nexus study entail?

Response: Staff is recommending that a nexus study be conducted that would be used to set the fee that property owners or developers would be required to pay. The study would determine the approximate cost of tenant relocation that can fairly be attributed to redevelopment. The study could investigate the financial impacts of displacement on the community, tenants, and developers. Because a

nexus study has legal implications, relevant statutes and other legal considerations will dictate what specific costs are analyzed in the study.