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Update on Project Connect Anti-Displacement Funds

November 9, 2021



Project Connect Anti-Displacement Funds

Nov 2020 – City voters passed Proposition A authorizing a City tax rate increase to fund Project Connect, including providing \$300 million to acquire real property, support financing tools, and other anti-displacement strategies associated with the implementation of Project Connect

Feb 2021 – Austin City Council passed Resolution No. 20210204-062 directing staff to make available the first \$23m annual allocation of Project Connect Anti-Displacement funds to:

- 501c3 non-profits to preserve and develop affordable housing on small sites
- affordable housing providers to preserve existing affordability of rental and ownership housing on larger sites



Project Connect Anti-Displacement Community Acquisition Program (ADCAP)

Zero percent interest forgivable and non-forgivable loans that are available on a rolling basis:

- to 501c3 non-profits with experience renovating, constructing, leasing, and selling affordable housing in Austin
- for the acquisition of vacant and improved property one acre or less in size, to be developed, renovated, leased, and sold as affordable housing to low-income households
- in gentrifying areas no more than one-mile from a proposed Project Connect bus or rail line



ADCAP Implementation Timeline

Nov/Dec 2021 – Finalize ADCAP Guidelines

Jan 2022 – Launch ADCAP

HPD may update the Program Guidelines at multiple set points over the first-year to quickly respond to user feedback and lessons learned



Austin Housing Finance Corporation (AHFC) Multifamily Preservation

The AHFC has begun early conversations with owners of existing multifamily housing on Project Connect lines with the goal of purchasing one large development totaling between 100 and 300 affordable units before the end of 2022

The AHFC would likely partner with a developer partner with experience renovating and preserving affordable housing in this transaction, to own and operate the development long-term



Question and Comments

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