



## RECOMMENDATIONS

November 2018

## ANTI-DISPLACEMENT TASK FORCE

DRAFT

## Financing Strategies for Recommendations

Public efforts to stop displacement and gentrification and to provide affordable housing are ultimately financial issues. Most of the strategies generated by this task force, the Task Force on Institutional Racism, and “Uprooted”, the recent UT study, require funding that does not exist.

For example, land banking without a dependable, consistent source of funds to purchase land is not a strategy. The Strategic Housing Blueprint estimated that the shortfall in affordable housing over the next 10 years was a \$4-\$6 billion dollar issue.

If the City of Austin is serious about making meaningful strides on these issues it must allocate additional resources, and it must find additional sources of funding.

H.U.D. requires that all cities receiving federal housing dollars file annual action plans that contain a section describing both federal and local sources of funding. For 2017, that latest data on the H.U.D. website, Austin shows spending \$15 of local resources per city resident. That amount included \$10 million from the 2013 housing bond issue which is now exhausted. Without the GO bonds Austin spends \$4 per capita. In their 2017 action plan Denver reports it will spend \$34 of local funds per capita; Philadelphia, \$37; Boston, \$68; Seattle, \$115; Portland, \$186; and San Francisco, \$536 per capita.

This data indicates that Austin spends significantly fewer local dollars on housing issues than comparable cities.

### I. Local Sources of Revenue

State law limits the local sources of funding for these issues. The main source of funding is property taxes. There are 4 ways to think about using property taxes a source of funding. Austin can allocate collected tax revenue from the general fund to housing efforts. It can redirect tax revenue to these uses before the taxes are deposited into the general fund. It can waive or reduce the taxes before they are collected, a tax expenditure. And, Austin can bring forward future tax revenue by selling bonds.

A. Allocating collected property tax revenue to housing efforts.

1. Make funding these efforts a priority around which the remaining budget is structured.
2. Direct the Manager to prepare the next year’s budget with the priority of allocating \$16 million for these programs. This amount is roughly equal to the revenue generated by \$.01 of the tax rate. As a comparison, Austin budgeted roughly \$13.7 million in FY 2018 and \$11.3 million in FY 2019 on economic development incentive payments.
3. Set a budget policy that for the next 5 years the additional tax revenue generated by new development be allocated to these efforts. For FY 2019 that amount is roughly \$16.5 million.
4. City staff estimates that roughly \$3 million dollars in fees are waived annually for the Smart Housing Program. These waivers usually provide 5 years of affordability at relatively high incomes. Rather than budget for these waivers, use an equal amount for anti-gentrification efforts that provide longer term affordability at lower income levels.

B. Allocating property tax revenue to these efforts before it is deposited into the general fund.

1. In FY 2019 Austin is projected to collect roughly \$52 million more in property taxes due to increases property valuations. Of that, roughly \$16.5 million is from new development.
2. Tax Increment Financing (TIF) is a tool cities use to capture and spend some of the tax revenue generated by new development and increases in the value of existing development before that revenue is put in to the general fund.
3. The political and policy advantage of a TIF is that the uses and the amounts of spending are locked in for a number of years. These uses do not have to compete annually with other City demands.
4. Create TIFs in areas that are experiencing rapid development or along corridors that are slated for transit upgrades or city infrastructure investment. A TIF has a limited life, and after its life all the revenue reverts to the City.
5. Adopt a policy that all new TIF districts or life extensions or expansions of existing TIFs be required to dedicate 30% of the revenue to housing. For example, if the Waller Creek TIRZ expansion had this requirement, Austin would have an additional \$33 million for housing over the next 20 or so years.
6. Require that TIFs sell bonds when financially feasible which brings forward the tax revenue for use today. This ability is useful in buying land or older apartments in rapidly redeveloping areas.

C. Waive property taxes, a tax expenditure, before those funds go into the general fund.

1. Work with the Travis County Appraisal District to ensure that projects with affordable units are appraised at a lower market value that reflects the loss of revenue attributable to the affordable units. Property taxes for apartments are roughly 50% of total operating expense. A fairer appraisal will reduce developer's resistance to providing affordable units.
2. Combine density bonuses with property tax abatements to gain more units at lower rents. Investigate legal mechanisms to waive property taxes to further subsidize the units created by density bonuses. Include other local taxing jurisdictions in this efforts

D. Sell bonds to bring future tax revenue forward.

1. Set a policy that for the next 10 years 20% of every GO bond election be allocated to housing. If Austin had this policy on the last 2 bond elections it would have allocated \$329 million for housing bonds rather than \$250 million.
2. When scheduling bond sales and using those proceeds, direct the staff to prioritize in timing the use of bonds proceeds for housing. If the proposed \$250 million in housing bonds are spent over 5-7 years, their impact on rapidly gentrifying areas of Austin will be greatly diminished.

## II. Other sources of revenue.

### A. Density bonus fee-in-lieu

1. Staff estimates that from 2005 to 2017 Austin has collected an average of \$200,000 annually from fee-in-lieu of on-site units required by density bonus programs.
2. Recalibrate these fees to capture most of the economic value of the density bonus.
3. Extend density bonus fees-in-lieu to all new commercial development.
4. Establish a citizen's review committee to continuously monitor and make recommendations on density bonuses and fees-in-lieu to ensure that the program is addressing the rental rates and type/sized units needed for the target population. For example, a 450 square foot efficiency, while affordable, does not provide housing for families with children.
5. Have a transparent discussion about whether to encourage on-site affordable units which play a role in economic/demographic inclusion or payment of a fee-in-lieu which can be used to fund anti-gentrification efforts. The on-site units produced by the density bonus program play an important role in providing affordable housing in conjunction with market rate housing, but the units produced must be affordable and appropriately sized for low income families. In that discussion include data about the demographics of the tenants residing in the affordable units. Austin needs to answer the question, who is being helped by on-site units, and are those residents the folks we are trying to help?

### B. Other tools and sources of revenue

1. Austin needs additional tools and sources of revenue to fund these efforts. Property tax revenue alone cannot provide the \$4-\$6 billion needed to address Austin's affordable housing shortage.
2. Apartment developments cannot bear the sole burden of providing affordable housing. The burden needs to be spread to all types of new development.
3. Work with the Texas Municipal League and other Texas cities to lobby the Legislature to allow cities to adopt a reasonable, broad based housing linkage fee. Workforce and affordable housing is as much an economic development issue as corporate incentives, and all major Texas cities face an affordable housing shortage.
4. Work with the same bodies to lobby for allowing property tax waivers for projects that include affordable housing.
5. Work with the same bodies to lobby the Legislature to allow inclusionary zoning. Texas is one of only 3 states that prohibit inclusionary zoning.

## Summary

Change the way Austin thinks about housing. While money alone cannot provide the solution to socially and economically integrated housing, lack of it is a barrier to success. Any plan or great idea without adequate funding is not a successful strategy.

# Recommendations for Preserving and Expanding the Supply of Affordable Housing for Homeowners

## I. Adopt and implement programs to support the implementation of a “Right to Remain and Right to Return” policy.

*This recommendation aligns with Resolution #2 of “The People’s Plan” that was endorsed by the Anti-Displacement Task Force and is a major theme in the recent report from the Guadalupe Neighborhood Development Corporation: Right to Remain: Montopolis Neighborhood.*

- A. Develop and adopt a “Right to Remain and Right to Return” policy.
- B. Develop policies and programs to support residents at risk of displacement and outreach strategies to effectively connect these residents with available resources, particularly those included in this report from the Anti-Displacement Task Force.
- C. Previously displaced residents should be prioritized: on waitlists for City financed, incentivized, and endorsed housing; and for programs that are designed to assist first-time homebuyers.

## II. Increase public understanding, awareness and support to address displacement

- A. The City should partner with a non-profit organization to develop a one-stop-shop (e.g., Office of Housing Stability) to:
  - (i) integrate all assistance programs, simplify processes and develop a targeted outreach program to ensure that seniors, low-income homeowners, long-time homeowners and disabled homeowners in neighborhoods experiencing displacement:
    - Are taking full advantage of all exemptions/rebates relating to taxes & utilities;
    - Receive assistance regarding property sales/transfers to protect equity/assets of homeowners;
    - Receive assistance with probate and estate planning;
    - Are able to access home repair programs; and
    - Receive support from NHCD’s financial empowerment program.
    - Understand options relating to property tax deferrals.
  - (ii) connect homeowners and renters with displacement assistance and resources.
  - (iii) conduct outreach and education to the public on housing and development issues.
  - (iv) connect with non-profits and academic institutions involved in displacement work.

- B. Partnering with service providers providing services to seniors (e.g., Meals on Wheels) to reach seniors where they live; and via regular presentations at senior centers and neighborhood centers; working with Texas Rio Grande Legal Aid, the Texas Legal Service Center, local higher education partners and other non-profit partners to organize legal clinics and one-on-one counseling and resources to help seniors with probate and estate planning.
- C. Request that Travis County Appraisal District develop a proactive mechanism by which to identify and notify homeowners who do not have a homestead exemption but who may qualify for that exemption.

**III. Consider new or expanded tax exemptions/abatements to assist long-time and/or low income homeowners in neighborhoods experiencing displacement.**

- A. Consider the possibility of granting special senior and/or homestead tax exemptions to help address instances where seniors or low-income homeowners face a demonstrable inability to pay property taxes, putting them at risk of displacement.
- B. If tax exemption measures identified in IV-A require legislative action, then pursue those actions during the next legislative session.
- C. Seniors can be automatically enrolled for the older-adults tax exemption if the appraisal district has their birthdate on file, so Task Force recommends that: (i) the City of Austin work with the appraisal district to develop a form that homeowners can submit to officially have their birthdate on file; (ii) assist long-time homeowners that currently do not have an older adults exemption to help them submit the form that ensure that this exemption is instituted automatically when they are eligible.
- D. Establish a tax abatement program for homeowners and other property owners in “reinvestment zones” as authorized and defined in the Texas Tax Code. The program requires that a homeowner participate in a home repair program.

*This recommendation is more extensively described in the University of Texas Study, Uprooted, on Page 67.*

- E. Establish a senior volunteer tax break coupled with a senior volunteer program. Per Texas Tax Code, the City and County can partner to provide volunteer opportunities to low-income seniors in exchange for the senior homeowners’ property taxes being forgiven. Pursue legislation that allows the City/County to set the dollar value of each hour of service and not have the value default to the federal minimum wage. When pursuing legislation, seek to include a clause that allows a community member to volunteer on behalf of a homeowner who is not able to volunteer but who needs the tax assistance.

*This recommendation is more extensively described in the University of Texas Study, Uprooted, on Page 68.*

- F. Develop a Neighborhood Stabilization Overlay (also called a Neighborhood Conservation District) requiring new development to meet standards more stringent than the baseline zoning standards as a way of respecting neighborhood scale and character (i.e., slowing or prohibiting out-of-scale development that is occurring).

*This recommendation is more extensively described in the University of Texas Study, Uprooted, on Page 76.*

*This recommendation aligns with Resolution #5 of “The People’s Plan” that was endorsed by the Anti-Displacement Task Force.*

**IV. Develop initiatives and expand funding sources to support affordable housing production and preservation and ensure that adequate resident protections are in place.**

- A. Develop an “Opportunity Fund” run by a non-profit entity or community foundation that can serve as a private fundraising vehicle that may be used by developers, real estate agents, neighborhood residents/businesses and other others who wish to mitigate displacement to provide support for: long-time, low-income homeowners and renters; iconic/legacy businesses; and the preservation of cultural/historic resources.
- B. Establish a Neighborhood Stabilization Loan Program to assist vulnerable low-income homeowners to provide long-term, low-interest loans to low-income homeowners who are paying for more than 30 percent of their income on housing. The loans could be forgivable in exchange for the homeowner agreeing to a longer-term affordability restriction, ensuring that the home would be sold to another low-income owner and remain owner-occupied.

*This recommendation is more extensively described in the University of Texas Study, Uprooted, on Page 67.*

- C. Make ongoing significant investments in the creation and preservation of affordable housing through the City’s bond program, with an ultimate goal of reaching \$300 million in bonds dedicated to affordable housing per bond cycle.

*This recommendation aligns with Resolution #1 of “The People’s Plan” that was endorsed by the Anti-Displacement Task Force.*

- D. Require that 85% of bond funds approved for affordable housing target families whose income is 50% MFI or less with at least half of these funds being targeted to families at earning 30% MFI or less.
- E. Significant investments in land acquisition, affordable housing production and preservation should only be approved if there is a guarantee for long-term affordability.
- F. Invest at least 30% of revenues generated through all Tax-Increment Financing (TIF) Districts in the City of Austin be dedicated to creating and preserving affordable housing as currently

done by the City of Houston.

- G. Investment of \$16 million in general fund dollars in the Housing Trust Fund, including the requirement that all funds target households making 60% or less of median family income. *This recommendation aligns with Resolution #1 of “The People’s Plan” that was endorsed by the Anti-Displacement Task Force.*

- H. Support the ability of low-income homeowners to build an accessory dwelling unit by easing land restrictions and viable financing options.

*This recommendation is more extensively described in the University of Texas Study, Uprooted, on Page 70.*

- I. Allow homeowners to subdivide and sell a portion of their lots while remaining in place. This options helps them to remain in place, generate from sale of the additional lot, and reduce the tax obligation for their homestead.

*This recommendation is more extensively described in the University of Texas Study, Uprooted, on Page 70.*

- J. Establish a mobile home park resident acquisition program through resident acquisition and management.

*This recommendation is more extensively described in the University of Texas Study, Uprooted, on Page 70.*

**V. Prioritize City-owned land for the development of affordable housing, particularly large tracts and tracts located within three-miles of the central business district.**

- A. Use community land trust as a way of preserving existing affordable housing units as well as to ensure long-term affordability of new affordable housing units.

*This recommendation is more extensively described in the University of Texas Study, Uprooted, on Page 88.*

- B. Establish a City-controlled or joint City/County controlled community land trust (e.g., Austin Land Assemblage Authority) that can facilitate affordable housing development on publicly-owned property as well as on land acquired for the purpose of developing affordable housing. This City or City/County land trust can serve as a safe-guard to community land trusts operated by non-profit entities, should those entities dissolve or choose to discontinue management of a community land trust that they control.

- C. Establish an advisory board for the City or City/County community land trust. This advisory board will provide oversight of the City or City/County community land trust and suggest performance standards for community land trusts that are run by non-profit organizations.



D. The City (or City/County if applicable) will ensure that certain legal provisions are included in order to safeguard the interests of local government as well as to ensure that homeowners' access to mortgage financing or security of tenure are not jeopardized, including provisions that: outline what happens in the event of default of an entity managing a community land trust; provide an opportunity for an entity managing a community land trust to cure problems that may lead to default; outline the remedies that are possible should problems remain unresolved; and stipulating that the rights of the owners and their lenders will be honored if the ground lease is transferred from non-profit land trust to a city or city-county controlled land trust.

E. Identify publicly-owned property (city, county, school and state) that may be used for affordable homeownership and affordable rental opportunities, particularly tracts greater than 2 acres and located within 3 miles of downtown.

*This recommendation aligns with Resolution #3 of "The People's Plan" that was endorsed by the Anti-Displacement Task Force.*

F. Consider designating some of the tracts identified in VI-E and located in gentrifying areas as parcels that may be used for the establishment of new mobile home parks, for example the undeveloped City-owned land/campus on Levander Loop.

G. Require a formal assessment of the "affordable housing potential" for city-owned property meeting criteria in IV-E as well as a formal "release" by Mayor and Council before such a tract may be sold or before the use of any such property may be changed.

H. For all city-owned property greater than 2 acres, utilize criteria used in the development of the "Villas on 6<sup>th</sup> Street" project, specifically that: (i) the city will retain ownership of the land and lease it to the developer or subsequent entity controlling the project; at least half of the units will be made available to families earning 50% MFI or less; and that the affordability period will be 50 years. Additional affordability (beyond half of the housing units) may be leveraged using housing bonds and tax credits.

I. Re-evaluate undeveloped property at Mueller to see if deeper affordability and a longer period of affordability can be secured.

J. In discussion with other public entities about government-owned tracts of land, such as the Lions Golf Course, ensure that a variety of community needs, like the need for affordable housing, are considered when considering redevelopment options.

VI. **Maximize the impact that established and future Homestead Preservation Districts (HPDs) can have by increasing the percentage of City tax revenues that will be deposited in the tax increment fund.**

A. Increase the percentage of the City tax revenues into the tax increment fund of the existing Homestead Preservation District from 10% to 30%, consistent with the recommendation in Recommendation 3(c) above.

- B. For any new HPD's that are established, set the percentage of the City tax revenues that is to be deposited into the tax increment fund at 30%.

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## Recommendations for Preserving and Expanding the Supply of Affordable Housing for Renters

Renter households are the households most vulnerable to displacement and protections and resources for renters must be prioritized in any effort to meaningfully impact displacement in Austin. Not only do renters make up the majority of Austin households (55%), the lowest-income Austinites also are predominately renters (75% of households earning less than \$50,000 a year are renters) and those who are housing-cost burdened are disproportionately renters (almost 50% of renters are cost burdened compared to 25% of homeowners). A person of color is also more likely to live in a renter household than a homeowner household (68% of Black Austinites, 65% of Latinx Austinites, 57% of Asian American Austinites). These patterns are in large part a product of institutionalized racism and historical segregation that has created barriers to acquiring land and building wealth. These residents are now on the front line of displacement, most often not having any claim to stay in their homes as market pressures increase.

Austin needs both the political will and the tools to combat displacement. Building the political will requires making more people see why attacking displacement is in their interest. Ideas for accomplishing this are outlined under topic I below. As far as tools go, there are a number outlined under topics II and III below. There is no simple solution to this problem. Additionally, because there will be no quick fixes to our displacement problem we must ensure that Austinites who are directly impacted by displacement get as much support as possible to mitigate the effects of displacement. These recommendations are outlined in topic IV.

\* = In the UT Gentrification Study

### I. Increase public understanding, awareness and support to address displacement

- A. Make Austin the national center for “neighborhood affordability, integration, diversity and inclusion” by:
  - i. Establishing a Joint Center for Urban Affordability, Integration, Diversity and Inclusion at the University of Texas, Huston-Tillotson University and St. Edwards University, with an extension program working in Austin’s neighborhoods for students to work with residents to learn, teach and innovate.
  - ii. Support Austin neighborhood directed programs to serve as living laboratories for neighborhood and housing equity and inclusion.
  - iii. Train and fund neighborhood-based CDCs, to engage people of color, persons with disabilities, persons of all incomes, developers, architects, planners and community leaders to develop and carry out neighborhood level initiatives to achieve integration, diversity and inclusion.

- B. \*Invest public dollars to support tenant engagement and organizing around housing development so that residents know where they can go and are aware of the existing resources that they can leverage well before a displacement event occurs.
- C. Continually update UT Gentrification study maps as new census and real estate market data comes out and continuously conduct deep-dive analyses for all gentrifying and at-risk neighborhoods.
- D. Undertake a campaign to encourage Austinites to embrace the values of affordability, integration, diversity and inclusion at the neighborhood and city levels.
- E. Implement rental registration, which would track the location, occupancy, ownership information, and number of rental units, so that the City knows which units in Austin are rental and which are owner-occupied and can better track displacement patterns.
- F. Aggressively advocate for and zealously defend Austin's core values of diversity, integration and community by ensuring that the City Law Department retains senior counsel specializing in housing justice matters and the City Council should avail itself of outside legal counsel specializing in housing law who would report directly to the City Council.
- G. \*Preserve existing affordable housing stock by monitoring properties at-risk of leaving affordability programs, informing residents, housing advocacy groups and the public of potential losses, and identifying resources necessary to aid in preservation efforts.

II. **Adopt initiatives to support affordable housing production and preservation with adequate resident protections**

- A. Make ongoing significant investments in the creation and preservation of affordable housing by allocating at least \$300 million every bond election towards the acquisition, development and preservation of affordable housing.
- B. Only invest in land acquisition, affordable housing production, and preservation if there are guarantees of permanent affordability. Wherever possible, the City should retain ownership or control of land or ensure that a Community Land Trust or similar entity with a commitment to permanent affordability retains ownership or control.
- C. Establish an Austin land bank, which will hold in trust land where permanent affordable housing will be developed and maintained.
- D. Prioritize investing in units for the most underserved populations according to regular housing market analysis. Public funds should not be used to invest in housing that the

market is already sufficiently providing. Currently, this means investment should be directed at housing with deep affordability serving families at or under 30% AMI.

- E. Do not take actions that shift the tax burden to renters and small businesses such as increasing the homestead exemption. Any property tax relief should be targeted to populations at risk of displacement. The Mayor should take the initiative to bring together the mayor of other Texas cities that face displacement challenges related to property taxes with the purpose of developing recommendations for the legislature to provide targeted property tax relief for affordable rental housing and low-income homeowners.
- F. \*Work with the Travis County Tax Appraiser to explore alternative assessment approaches to rental housing, in accordance with Texas law which permits an income-based appraisal approach to be utilized when the owner has committed to charge substantially below market rents.
- G. \*Expand tenant protections, including implementing just cause eviction protections, anti-retaliation and anti-harassment protections, providing an opportunity for tenants to cure lease violations including nonpayment, and providing tenants with a right to organize.
- H. \*Any rental property which benefits from City dollars, a City endorsement or City incentives must have a standardized set of robust tenant protections including just cause eviction, an opportunity to cure alleged lease violations, an opportunity to rent regardless of source of income, limited tenant screening, and requirements for notice prior to entry.
- I. \*Enact an Eviction Notification Ordinance where landlords will be required to notify the City when they intend to evict ten households or more or not renew more than 10% of a property's leases in less than a year period.
- J. Revise the existing density bonus program to require affordability in all new developments and require tiers of deeper income targeting (0-30% MFI, 31-50%MFI).
- K. \*Implement a Tenant Opportunity to Purchase Program akin to the one passed in Washington DC, which provides tenants in multifamily properties or a tenant-designated nonprofit the right of first refusal upon the sale of their property. The City should fund such a program, including money to help finance purchases, organize tenants, and provide technical assistance to resident-owned properties.
- L. Implement a Troubled Buildings Program similar to Chicago's Troubled Building Initiative to ensure that landlords do not profit off of neglecting maintenance in their buildings and that there are responsible landlords available to act as receivers or purchasers if owners of neglected properties fail to adhere to compliance timelines.
- M. Adopt a Community Benefits Agreement Ordinance that which would require that all large projects that receive business incentives through the City to mitigate the impact

of the project on vulnerable neighborhoods and populations and engage in a Community Benefits process.

- N. Ensure that Austin renters have equal access to Austin Energy programs. Multifamily Renters often receive utility services that are submetered and allocated and they, therefore, do not qualify for Austin Energy customer assistance programs. The City should provide the same financial assistance that would be available to a homeowner or a single-family renter to multifamily renters. Similarly, multifamily renters should equally benefit from weatherization programs.

**III. Adopt initiatives to support integration, diversity and inclusion in housing**

- A. Carry out an Assessment of Neighborhood Equity (ANE) for each neighborhood which will include an analysis of affordability, integration, diversity and inclusion, public services, and schools.
- B. Create fair share policies for each neighborhood. Identify affordability, integration, diversity and inclusion goals for each Austin neighborhood. Require neighborhoods that do not wish to be subject to blanket density increases to adopt a workable plan to meet their goals. Link future neighborhood density protections, public investments in parks, libraries, other improvements to the achievement of these goals. Provide incentives in CIP funding, and code protections to encourage residents of those neighborhoods to develop and carry-out initiatives to achieve neighborhood affordability, diversity and inclusion goals. If neighborhoods do not voluntarily adopt and implement a workable plan to achieve a specified level of diversity and inclusion, then the city would prioritize upzoning requests and density bonuses requested by nonprofits and for profits who propose to develop affordable housing in those neighborhoods.
- C. Work with nonprofits and for profits to affirmatively market housing, both renter and owner-occupied, to people of color and persons with disabilities in both gentrifying neighborhoods and in traditionally segregated white neighborhoods.
- D. Aggressively enforce Fair Housing laws, which in Austin today are for all practical purposes ignored. The City must aggressively root out all vestiges of housing discrimination through law enforcement actions based on a systemic program of Testing, diligent investigation and prosecution.
- E. \*Implement a program with uniform tenant eligibility standards, a central application process, and waitlist procedures for all City-financed, endorsed and incentivized housing.
- F. Increase opportunities for low-income residents in gentrifying communities to participate in planning and development processes. Ensure that all residents know about and are invited to participate in meaningful discussions related to development in their neighborhoods. Meetings should be conducted in the neighborhoods, during evenings and weekends, and interpreted into all languages spoken in the area.

- G. Adopt Small Area Fair Market Rents for Section 8 voucher holders.
- H. Adopt regulatory changes to treat manufactured housing as real estate rather than personal property.
- I. Through both legislative advocacy and through the courts defend Austin's right to enact policies and ordinances to combat residential segregation and to support "integration, diversity and inclusion of everyone." Start by mounting aggressive challenges to State of Texas legislative actions infringing on Austin's ability to use inclusionary zoning, linkage fees and prohibition of source of income fair housing protection.

**IV. Adopt initiatives to mitigate its effects on Austinites**

- A. \*Fund the City of Austin relocation assistance program, conduct the needed nexus study, and explore further methods to ensure that the effects of displacement are mitigated and families who wish to can remain in Austin, including rapid response supportive services.
- B. \*Increase funding for emergency rental assistance and increase awareness of assistance resources, through outreach programs.
- C. \*Fund programs to support Austinites in navigating eviction proceedings and in negotiating appropriate settlements that minimize the impacts of eviction.
- D. Prioritize previously displaced residents should on waitlists for City-financed, endorsed, and incentivized housing.
- E. Austin Energy should waive set up fees and deposits for previously displaced tenants. Past arrears and the need for a down payment should not be a barrier to connecting services. Many displaced tenants are unable to procure housing in the City of Austin because of barriers to reconnecting utilities because of past expenses.

## **Recommendations for Preserving and Growing Small Businesses and Cultural Assets**

Communities are unique places where individuals first begin to gain their personal identity and their interconnectedness to the world. A strong community is often characterized by a stabilized housing market, long standing businesses and vibrant and accessible cultural offerings. Along with educational institutions, these are the assets that serve as the nexus and the safety net of thriving communities.

Cultural production generally happens organically, in the context of how people live. Whether people are gathering to worship together, or young children are joining one another for a game of double-dutch, authentic cultural experiences aren't manufactured, they are created naturally as people go about their daily habits. Culture is the sum of people's traditional celebration which mark important milestones from birth to death. Cultural celebrations and recognition is how we keep our rich cultural heritage alive. Positive memories are created in the context of community which help to build cultural and civic pride.

A healthy community contributes to the stabilization and growth of the business and cultural assets that dominate any given neighborhood. With the displacement of people, there is often the corresponding displacement of businesses that have served as the anchors in many communities. The loss of legacy businesses and other cultural institutions creates gaping holes in the cultural, social and emotional fabric of a communities' identity.

The greatest stabilizing force to cultural and business displacement, is stabilizing the housing for not only the most vulnerable members of our society, but also for the middle class. The middle class is the glue to ensure that communities aren't separated with two economic classes that have little in common, the upper Austin has the opportunity to take bold steps to address the housing affordability crisis. It prides itself on being innovative, progressive, and city leaders are seeking to find solutions to address these difficult problems that we've been facing for more than 20 years. The solution is not to be timid in taking corrective actions, but to take bold steps to halt the further displacement of people and cultural assets to ensure that Austin's future boldly embraces the diverse narratives of the many citizens who desire to call Austin home. Current policies have not promoted inclusive growth and development among all segments of our city, and for too long, obstacles were created that limited the capacity to build wealth for certain segments of our city. It is only equity, in: funding, investment and policies, that will strengthen the social, economic, cultural and educational fabric of this city that will allow Austin to representative of the best that America has to offer.

Austin is a special place, for those who have grown up here and for recent arrivals, however, it is changing right before our eyes. The story of what's taking place to communities with STAGE 4 (UT's Report) displacement, is also occurring in cities across the nation. Yet, research says great cities value inclusiveness, social integration, and affordable housing, and insist on opportunity for all. Austin prides itself in being a great city. It is with the anticipation of reaching that great end that we have drafted the following recommendations that we hope will not only be adopted by City Council, but also enacted by staff to ensure that we protect and preserve our small businesses and cultural assets that have been, or that have the potential to be, the greatness of Austin's hallmarks.



1. Dedicated bond funds and other sources of funding to establish a robust cultural land trust.
2. Use the disposition of surplus City-owned land, and through partnerships with private, nonprofit and local government entities, establish a robust cultural land trust. (Chapter 253 Local Government Code allows for this)
3. The creation of a robust cultural land trust to be implemented within one year to be operated as a joint venture as a public-private partnership with city, philanthropic, corporate and nonprofit arts leaders. The cultural land trust will provide:
  - a. Affordable housing for artists;
  - b. Studio, office, practice and performance space for artists.
4. Expand use of Neighborhood Conservation Combining Districts and Historic Districts to preserve Austin's historically black and brown communities, with an immediate priority on communities experiencing continued loss and late displacement.
5. A complete analysis of current economic development incentives to recommend changes to these programs to make them more meaningful for small businesses (including individual entrepreneurs, music venue operators, and cultural/arts organizations).
6. The adoption of a legacy business registry, whose oversight would be jointly shared by the Economic Development Department and the Historic Preservation Office, to protect legacy businesses and institutions that are important cultural assets to Austin's identity.
7. The Economic Development Department complete a third-party analysis of current fees and ordinances that small businesses are charged by the City of Austin to establish the true annual cost of doing business in Austin; the findings are to be prepared in a report and are to include how collected fees are spent.
8. Funding for two permanent, full-time employee ombudsman, to be housed in the Economic Development Department, who will be responsible to assist small businesses (including individual entrepreneurs, music venue operators, and cultural/arts organizations) navigating city requirements for operating and doing business to be hired within 1 year.