



MEMORANDUM

TO: Mayor and Council Members

FROM: Rosie Truelove, Director
Neighborhood Housing and Community Development Department

DATE: August 7, 2019

SUBJECT: Response to Resolution No. 20180510-046 regarding analysis of the People's Plan

City Council [Resolution No. 20180510-046](#) directed the City Manager to provide an analysis of the People's Plan, which is a series of resolutions drafted by community members aimed at preventing displacement. Neighborhood Housing and Community Development (NHCD) staff collaborated on the analysis with the Equity Office, Planning and Zoning Department (PAZ), Watershed Protection Department (WPD), and Development Services Department (DSD). Over four meetings, this group of City staff worked together with community members who created the People's Plan to ensure accuracy and transparency in completing the analysis below.

Collaborative Efforts

Staff utilized the City of Austin's participation in the PolicyLink: All-In Cities Anti-Displacement Policy Network to investigate similar displacement mitigation policies in other cities as directed in the Council Resolution. PolicyLink staff collected information about displacement mitigation strategies in other cities and found that displacement mitigation strategies, such as the actions described in the People's Plan, are not consistently tracked or analyzed in any of the participating cities to evaluate their effectiveness.

The Equity Office facilitated conversations with community members to understand the intent behind the People's Plan. These conversations were critical to connect staff with community leaders to better illustrate the historical context that necessitates a displacement mitigation policy. Informed by this history, the authors of the Plan seek a holistic and unified system of actions to be quickly implemented by the City.

Co-chairs from the Anti-Displacement Task Force also participated in these meetings. The draft staff analysis of the People's Plan was shared with the Task Force members for their consideration as they developed their final recommendations, which were presented to City Council in November of 2018.

To address immediate community needs, NHCD worked with the City's Innovation Office to develop displacement mitigation strategies to synthesize recommendations from the People's Plan, Anti-Displacement Task Force, Uprooted, Mayor's Task Force on Institutional Racism and Systemic Inequities, and the City's Analysis of Impediments to Fair Housing Choice. NHCD and the Innovation Office staff identified and categorized over 600 pieces of information from the five reports into a sorting database. Recommendations that were actionable, related to displacement, free of significant legal or financial

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challenges, and considered within NHCD's zone of control were filtered into 15 short-term [displacement mitigation strategies](#) (attached). These strategies were presented to the City Council Housing and Planning Committee on February 12, 2019 as part of NHCD's short term plan to implement the Strategic Housing Blueprint. NHCD plans to swiftly move forward with implementing as many of these as possible based on staff capacity. Four recommendations outlined in the People's Plan are part of the department's short term displacement mitigation strategies. To view how the actions of the People's Plan were synthesized, please refer to [Appendix E of the Housing Blueprint Implementation Briefing Book](#), pages 10-12.

Information Provided by *Uprooted* Report

The University of Texas gentrification study *Uprooted* identifies the communities most vulnerable to gentrification as:

- Communities of color
- Renters
- People over 25 without a bachelor's degree
- Households making at or below 80% Median Family Income
- Households with children in poverty

Further, there are intersections between these populations. In particular, communities of color are disproportionately represented within all four of the risk factors, creating a compounding effect on the City's communities of color. NHCD's *Strategic Housing Blueprint* indicates that "while 35% of the city's households earn 60% MFI or below, only 15% of the city's housing stock is affordable to them."

Uprooted identified 48 Austin neighborhoods susceptible to, or displaying characteristics of, gentrification. This builds on a legacy which has left 10 neighborhoods across the Eastern Crescent already lost to gentrification. Additionally, issues of gentrification and affordability draw on the same systemic inequities and institutional racism that have resulted in negative outcomes for communities of color. For instance, although the City is only 8% black, over 40% of the people experiencing homelessness within the City are black people, according to the Ending Community Homelessness Organization.

For these reasons, the Equity Office considers gentrification of great concern with an urgent need for systemic action. The Equity Office's equity analysis of the Plan as a whole found that it has the potential to substantially further equity for vulnerable communities in Austin, if implemented comprehensively.

Actions to Minimize Displacement

This report describes actions city departments can implement in the near-term to minimize displacement and to support the overall goal of the People's Plan. Additional actions related to the People's Plan are outlined in the attached Displacement Mitigation Strategy Chapter of the Housing Blueprint Implementation Briefing Book. Examples of key actions included in the report are:

- Recognizing that low-income families of color are most at risk of being displaced from the Eastern Crescent, NHCD has appropriated more than half of the 2018/2019 Housing Trust Fund to support displacement mitigation efforts, the outcomes of which will be tracked by staff. In addition, the Fiscal Year 2019/20 proposed budget contains \$14.4 million for the Housing Trust Fund for permanent supportive housing, housing rehabilitation, land acquisition for affordable housing, and policy priorities including displacement mitigation. Median Family Income (MFI) limits for displacement mitigation efforts will be at or below 60% for renters and NHCD will explore limiting

the maximum MFI for programs serving *existing* homeowners to an MFI lower than 80%. In addition, it is estimated that the 2018 Affordable Housing Bond Funds will create a total of approximately 3,700 rental units to serve households at or below 50% MFI, more than 500 ownership units for households at or below 80% MFI, and more than 1,300 home repairs.

- NHCD's production goals for FY 2018-2019 include providing 586 tenants' rights assistance services, serving 20 households with down payment assistance, providing 521 home repairs for homeowners at or below 80% MFI, providing funds for 74 rental units for households at or below 50% MFI, and providing funds for 21 home ownership units for households at or below 80% MFI.
- NHCD will pilot a preference policy for affordable units owned by Austin Housing Finance Corporation to provide relief to people staying in the neighborhoods most susceptible to gentrification, as identified by *Uprooted*.
- NHCD will release a solicitation for an eviction prevention contract in 2019.
- The Historic Preservation Office will continue to streamline historic review and increase community engagement with historic preservation via the National Park Service Underrepresented Communities grant and improvements to the program website, documents, and process.
- The Historic Preservation Office will continue efforts to increase equity in survey and historic district designation by considering equity in allocating survey funding, drafting common design standards, and analyzing equity and historic preservation in Austin.
- The Watershed Protection Department will engage communities within the Eastern Crescent in a meaningful way to increase awareness of and reduce barriers to use of 3-1-1 as a resource for reporting drainage problems.
- The Watershed Protection Department will develop a method to consider equity when prioritizing both small and large drainage projects.
- City departments will explore process improvements to help improve transparency for available environmental data and further publicize the availability of existing online tools.

As part of this analysis, City staff identified a selection of key actions from the report City Council could take to further mitigate displacement in Austin to include the following:

- Set aside a specific amount for the Housing Trust Fund each year, rather than having that amount be determined by the tax revenue from specific properties. Recommendations from the People's Plan, African American Advisory Commission, and Anti-Displacement Taskforce request the City invest \$16 million annually into the fund.
- Request that other taxing jurisdictions participate in tax abatements for historic district rehabilitations.
- Allocate additional resources for staff to work with community members on historic district and landmark designation, especially in low-income areas that are underrepresented in locally designated historic properties; and for historic resource surveys.
- Approve revisions to the Land Development Code that seek to reduce overall flood risk. For example, consider requiring that redevelopment projects help address existing drainage issues.

Should you have questions or need additional information, please contact me at (512) 974-3064 or rosie.truelove@austintexas.gov or Erica Leak, Housing Policy and Planning Manager, at (512) 974-9375 or erica.leak@austintexas.gov.

cc: Spencer Cronk, City Manager
City Manager's Executive Team
Brion Oaks, Equity Office
Jose Guerrero, Acting Director, Watershed Protection Department
Denise Lucas, Acting Director, Planning and Zoning Department
Denise Lucas, Director, Development Services Department

Attachment

Summary of Staff Analysis of People's Plan Resolutions

The People's Plan authors produced six resolutions to address the urgent need for a community-driven, comprehensive, neighborhood-level strategy to mitigate residential displacement for vulnerable residents, particularly within communities of color. From a community standpoint, gentrification accelerates the displacement of lower income residents; transforms the physical nature of a neighborhood; and changes the cultural character of a neighborhood. This is especially pronounced within communities of color with a history of disinvestment through public policy and private real estate practices, ultimately undermining property values and living conditions. According to the 2018 study on displacement and gentrification produced by the University of Texas, the most vulnerable tracts in Austin follow the geographic pattern of what has come to be known as Austin's Eastern Crescent, an area that runs from the Rundberg Lane corridor in North Austin to east of Interstate 35 and arcs back toward neighborhoods south of downtown to Dove Springs.

City staff from four different departments/city offices collaborated with the People's Plan authors. Neighborhood Housing and Community Development (NHCD), Watershed Protection (WPD), Planning and Zoning (PAZ), Development Services (DSD), and the Equity Office reviewed and analyzed the resolutions included within the People's Plan. In addition to meeting with the People's Plan authors, staff also considered several reports produced by various departments and groups over several decades. One example is a report from the Center for Disease Control, which links gentrification to limited access to affordable healthy housing, transportation options, and quality schools for those facing displacement, in addition to higher stress levels and more pervasive mental health issues. Displaced senior populations, in particular, face an increased rate of social isolation and a loss of community resiliency and cohesion.

Drawing from the spirit of the People's Plan recommendations, it is clear that multifaceted actions are necessary to address the needs laid out by the People's Plan authors, which should be enacted in a holistic manner with a heightened sense of urgency and potential for impact. The following staff analysis includes: current and past City efforts, examples from other cities, partial operational and fiscal impacts, and ideas for discussion. In addition, the Equity Analysis considers Austin's history, impacts on communities of color, and alignment with City Council's strategic priorities.

Additional Initiatives

Two additional initiatives regarding these issues have recently been completed: [recommendations](#) from the Anti-Displacement Task Force (Resolution No. 20170817-053) and the University of the Texas Gentrification Study, [Uprooted](#) (Resolution No. 20170817-055).

City Council created an Anti-Displacement Task Force (ADTF) and charged it with reviewing and recommending strategies to prevent and mitigate the negative effects of displacement. The ADTF presented recommendations in the following categories to City Council in November of 2018:

1. Preserving and expanding the supply of affordable housing
2. Controlling land for community development
3. Preserving and growing small businesses and cultural assets
4. Income and asset creation by providing needed services - child care, transportation, a basic retail sector, access to health care, and employment opportunities - as a precondition for success
5. Financing strategies to provide community-specific ways to fund the other four categories of action

The *Uprooted* report, produced by researchers from the University of Texas at Austin, including Dr. Liz Mueller, Dr. Jake Wegman, and Dr. Heather Way, identifies areas in Austin already experiencing gentrification, areas vulnerable to gentrification, and provides neighborhood specific policy recommendations for preventing displacement.

PEOPLE’S PLAN RESOLUTION I: HOUSING TRUST FUND

Action 1: Establish a separate, dedicated Low Income Housing Trust Fund (LIHTF) into which all City housing funds, including those specified below, are placed.

Action 2: Establish a Low Income Housing Fund Management Agent to administer the LIHTF. The Agent shall have diverse membership and shall include lower income residents, both homeowners and renters, and community representatives.

Action 3: Begin each annual budget process by first allocating \$16 million to the LIHTF to preserve, construct or subsidize housing for low income families, defined as households making 60% of less of median income, this being the amount the City of Austin spent in fiscal year 2015 – 2016 on fee waivers.

Action 4: Establish a policy that all future general obligation bond elections include at least 20% of the bonds for low income housing.

Action 5: Establish a policy similar to the City of Houston’s that all new Tax Increment Zones or other quasi-governmental entities created by the City be required to dedicate at least 1/3 of their revenue to the LIHTF for both preservation and construction of low income housing.

Action 6: Amend all density bonus programs so that developers have the mandatory option to pay a fee in lieu equal in an amount to the economic value of the required on-site affordable units.

Action 7: Require that all City public employee pension funds investigate and consider investing in low income housing within the Austin city limits.

Existing or Past City efforts:

City Council created the Housing Trust Fund (HTF) in [Ordinance No. 000420-33](#), which is intended to contribute to the economic development of the City, to revitalize neighborhoods, and to create/preserve reasonably priced housing opportunities for persons residing in Austin. HTF dollars have historically been used as part of a multi-layered funding strategy leveraging local, federal, and private sources to create affordable units. Since inception, HTF funds have been layered with other funds to subsidize a total of 33 projects resulting in the creation and/or preservation of 1,430 units for income-eligible households. See additional details on the [Housing Trust Fund](#) website. In the past, the HTF has also been used to fund housing studies, relocation expenses resulting from code enforcement activities, and the salaries of three NHCD employees; these employees have been moved to the City’s general fund in Fiscal Year 2018-2019. Moving forward, NHCD’s goal is to utilize a significant portion of the HTF for displacement mitigation efforts, help reach the affordable housing goals adopted in the [Strategic Housing Blueprint](#) (Blueprint) over the next 10 years, and serve households at lower median family incomes (MFIs)

than are allowed by federal regulations, which is often up to 80% MFI. The HTF can play a critical role in helping create or preserve income-restricted affordable housing that reaches deeper levels of affordability.

Examples in other cities:

Regarding Housing Trust Funds (Action 1-3):

In 2016, Denver, Colorado, approved the creation of the city's first-ever dedicated fund for affordable housing. It is expected to bring in \$150 million in its housing trust over 10 years to create or preserve 6,000 affordable homes for low- to moderate-income families. The trust will be funded by a portion of a property taxes already approved by Denver voters and a new, one-time per square foot impact fee on commercial, industrial and residential development. It will be used to create and preserve housing for households across a wide income spectrum, including people experiencing homelessness. The fund will support permanent housing and supportive services for at-risk residents, low- and moderate-income workforce rental housing, and moderate-income for-sale housing. While the City of Austin is not legally able to levy property taxes in this way or utilize impact fees for affordable housing under Texas Law, this example highlights utilizing a dedicated housing trust fund to produce and preserve income restricted housing for a wide spectrum of needs within the community.

The Chicago Low-Income Housing Trust Fund, which was created by Council ordinance in 1989 and incorporated as a non-profit organization in 1990, aims to meet the permanent housing needs of Chicago's very low-income residents. The Trust Fund assists residents living in poverty, with income not exceeding 30 percent of area median income. The Trust Fund is required to use at least 50 percent of its resources for households earning less than 15 percent of the area median income.

Since 2005, Philadelphia, Pennsylvania, has funded its housing trust fund with a 1% Construction Impact Tax on all improvements as a result of construction or renovation that qualify for the ten-year tax abatement. There is a proposal to dedicate a sub-fund of the Philadelphia Housing Trust Fund that would help fund a first-time homebuyers program.

Most housing trust funds have an oversight body other than or in addition to elected officials. The representation of boards vary greatly; some are majority government coordinating bodies with staff from other agencies, and some include a broad membership of housing advocates and community members.

For example, the St. Louis, Missouri, Affordable Housing Trust Fund has 11 members appointed by the Mayor. They represent: the financial or banking industry; the St. Louis Labor Council; the home builders association; licensed realtors; tenants in subsidized or assisted housing; an organization that advocates for disabled persons; the healthcare profession; an organization that advocates on affordable housing issues; and three community at-large members.

Regarding Tax Increment Financing Districts (Action 5):

In Dallas, Texas, the City's Tax Increment Financing (TIF) program identifies under-performing real estate in the City, develops redevelopment plans, works with private developers to implement these plans and reinvests a portion of property tax revenues generated from new real estate development into the area to encourage the implementation of the redevelopment plan. This includes dedicating a portion of new tax revenues to the creation or preservation of affordable housing within the area. All TIF Districts created or amended after 2005 require an affordable housing set-aside (20% of all housing receiving TIF funding must be set-aside for families earning less than 80% of Area Median Family Income (AMFI) for a period of 15 years), as well as complying with Fair Housing considerations.

Beginning in 2006, Portland, Oregon, established a TIF Set-Aside Policy dedicating a permanent resource to invest in meeting the City's housing needs by creating and preserving homes for the City's most vulnerable people and families. In its first five years, the policy generated more than \$152 million in direct investment in housing affordable to low-income and workforce residents. Affordable housing accounted for one-third of TIF expenditures across nine urban renewal areas.

According to the October 2015 State of Housing Report in Portland, the City was not meeting production goals for units at 0 to 60% MFI due in part to a lack of available resources. As a result, beginning in July 2015, Portland raised the TIF Set Aside for Affordable Housing from an aggregate citywide minimum of 30% to an aggregate citywide minimum of 45% of TIF resources. These funds would be dedicated to the development and preservation of housing affordable to households at 100% median family income. This policy applies to all existing renewal districts after November 2007. By June 30, 2021 the City Council and Portland Housing Bureau will conduct a thorough review of this policy and its impact on tax increment revenues, city housing and other goals. At that time they will consider changes to program, if necessary.

Regarding fee-in-lieu options (Action 6):

Affordable housing fee-in-lieu options vary widely from city to city. Typically there are two methods: the affordability gap method bases the typical difference in price (or rent) between market rate and affordable units. For example, if a typical market rate home sold for \$300,000 and the affordable price was \$200,000, the fee would be \$100,000. The second method is the production costs method which bases the in-lieu fee on the average amount that the public has invested to actually produce each additional off-site unit. For example, if it generally costs \$250,000 to build a new unit and qualified low income buyers could generally afford \$200,000, then the fee would be \$50,000.

In San Jose, California, the affordable housing fee-in-lieu is calculated by subtracting the affordable housing cost from the median sales price in that area, plus an administrative fee.

In Boulder, Colorado, developers have four different options they can use to satisfy this city affordable housing requirement: provide affordable units on-site, provide them off-site, dedicate land to the city that is equivalent to the value of the requirement, or pay the city an equivalent amount of money. The fee-in-lieu is calculated based on the square footage of the average unit

within the development and the type of housing unit. In a recent report, the City stated that it can build about 30 percent more affordable housing units with in-lieu fees than developers can build on-site.

San Francisco, California, revised their ordinance regulating affordable housing in-lieu fees in 2015 after a fiscal analysis and established their fee based on the difference between the cost and the affordable price that would be allowed for each unit size. The ordinance calls for this fee to be adjusted annually based on the Construction Cost Index (CCI) for San Francisco.

Regarding public employee pension funds (Action 7):

New York City's Economically Targeted Investment (ETI) program allocated 2% of pension assets towards ETIs. The ETI program's investments have historically been targeted towards affordable or workforce housing for low, moderate and middle income neighborhoods and populations. The ETIs have revitalized neighborhoods by returning distressed properties to the City's tax rolls and by developing new housing that is affordable to working people. Since the ETI program began in the 1980s, over \$2 billion has been invested in New York City's five boroughs.

Operational Issues and Fiscal Impacts:

Regarding public employee pension funds (Action 7): The City of Austin Employees' Retirement System (COAERS) provided the following information regarding the potential investment of employee pension funds in low income housing within the Austin city limits:

1. The City Council cannot require the City of Austin Employees' Retirement System (COAERS) to investigate or invest in low income housing within the Austin city limits. COAERS is a separate legal entity from the City of Austin with its own governing statute, Vernon's Civil Statute Article 6243n. While the City Council could encourage COAERS to study this investment, COAERS would have the final decision on which investments it wishes to review.
2. COAERS Board of Trustees has sole discretion over the investment of the assets of the retirement system. This includes the power to invest and reinvest, alter, and change the form of investment of funds. (See Section 11(a) of 6243n of Vernon's Civil Statutes.) Again, while the City Council may encourage COAERS on this matter, the Board is the entity with the ultimate authority to decide what investments COAERS may or may not pursue.
3. The Board has a fiduciary duty to COAERS members and their beneficiaries. This is a requirement set forth in the State of Texas Constitution, as well as state law. In fulfilling its fiduciary duty, the Board targets a long-term rate of return of 7.5%. Achieving this level of return is necessary to ensure that benefit obligations are met and current, former, and future City workers receive the retirement benefits they earn during their City service. Any effort by the City Council to direct the investment of COAERS would create a conflict with the Board's fiduciary duty.

4. COAERS Board Approved Investment Policy does not permit direct real estate investment. The only permissible real estate investments are real estate investment trusts (REITs) and open-ended commingled funds (mutual funds). In addition to the prohibition against direct real estate, COAERS does not have the staff resources to diligently direct real estate investments. Even if COAERS were to hire such staff, investing directly in Austin real estate could create unnecessary risk for COAERS as a downturn in the Austin economy broadly, or specifically in Austin real estate, could not only put pressure on COAERS contributions but also its investment portfolio due to a concentration in Austin real estate.

Recommendation:

Regarding Actions 1 and 3 to establish a Low Income Housing Trust Fund and allocate \$16 million to it, staff agrees with the Plan's goal of refocusing the use of the City's current Housing Trust Fund (HTF). NHCD's FY 18-19 City budget included funding for the HTF at 100% in accordance with prior Council Resolutions, changed the funding for three NHCD staff salaries from the HTF to the City's General Fund, and included an allocation from the General Fund to NHCD for studies that were previously funded by the HTF. NHCD staff agrees that the median family income (MFI) limitations for a majority of the HTF be adjusted to be consistent with affordable housing goals in the Blueprint and supports the People's Plan and the African American Resource Advisory Commission's recommendations for a limitation of 60% MFI for rental units. Staff recognizes the Plan's goal of limiting the MFI for ownership to 60% MFI or less, as well; however, NHCD has found that most households earning 60% MFI or less are not able to qualify for mortgages, making that limitation difficult. NHCD will explore limiting the maximum MFI for programs that serve *existing* homeowners to a lower MFI. Staff believe this update of the HTF uses are responsive to the goals of the People's Plan recommendations. NHCD sent a [memo](#) to City Council with this recommendation on September 26, 2018. Staff also understands the Plan's goal to use the HTF separately from other funding sources so that the funds can be used to serve lower income Austinites.

Regarding Action 2 to establish a Low Income Housing Fund Management Agent to administer the LIHTF, staff recognizes the Plan's intention to create more community representation in the City's process of funding and deciding upon affordable housing developments and policies. While staff oversight of City funds is a part of the City's fiduciary responsibility, NHCD staff plans to respond to this recommendation by including more community members who are directly affected by systemic inequalities in Housing Investment Review Committee (HIRC) activities. This recommendation is also reflected in Action 2 of the NHCD's Displacement Mitigation Strategy: Increase communities of color participation in NHCD's affordable housing investment recommendations and displacement mitigation activities.

The HIRC was initially created as the Housing Bond Review Committee to review project applications that staff recommends for General Obligation Bond funding. Per city council resolution, the Committee is comprised of housing development and planning industry experts along with representatives from the Community Development Commission. NHCD will utilize the knowledge and guidance from the HIRC to review applications not only for bond funding, but also for all future affordable housing investments. The HIRC began meeting quarterly in 2019 and will

expand to include additional community members. Staff believes this change is responsive to the intent of People’s Plan Resolution 1, Action 2. The revised HIRC will allow more low-income residents, renters, and communities of color to participate in NHCD’s decision-making process of siting and funding affordable housing developments.

Regarding Action 4 to establish a policy that all future general obligation bond elections include at least 20% of the bonds for low income housing, staff recognizes the Plan’s intention to continually reserve funds for the creation of low income housing in future bond funding. City departments do not have the authority to implement a policy that stipulates such an allocation; however, staff is recommending City Council explore adopting this policy. The proposed use for bond funding must appear in ballot language and be approved by voters.

Regarding Action 5 to establish a policy for all new TIFs to be required to dedicate at least 1/3 of their revenue for the preservation and construction of low income housing, staff recognizes the Plan’s goal to maximize the use of funding captured in TIF Districts for the construction of low income housing. On March 1, 2018, the City Council adopted [Resolution No. 20180301-023](#) directing the City Manager to make recommendations examining the use of TIFs for affordable housing, whether through direct subsidy or by other means, and offer options to update Austin’s TIF Policy to create or incentivize more affordable housing, focusing on the unfunded Homestead Preservation Districts and along the mobility corridors identified in the 2016 Mobility Bond. The staff [response](#) considered an overall assessment of the City’s existing TIF policy, general fund revenue requirements, financial analysis of how use of TIFs impact future general fund needs, determination of how TIFs support affordable housing stimulates economic development, use of TIF supported debt for housing, use of TIF funds or debt to support the infrastructure required for affordable housing, legislative perspective, other potential uses for TIFs, review of financial and legal frameworks, and development of goals and programs in line with the Austin Strategic Housing Blueprint.

Regarding Action 6 to amend all density bonus programs to include a fee in lieu equal to the economic value of the required on-site affordable units, staff recognizes the Plan’s concern that developers using the City’s density bonus programs should not pay less for the fee-in-lieu option over the creation of on-site affordable units. On August 17, 2018, the City Council adopted [Resolution No.20180823-077](#) directing the City Manager to recalibrate the density bonus program affordability requirements and fee-in-lieu requirements to more accurately reflect current market conditions. In the resolution, Council also expressed “its intent that on-site affordability is preferable” in these programs. Planning Commission initiated code amendments in April of 2019 related to recalibrating City’s density bonus program. This People’s Plan recommendation is reflected in Action 4 of NHCD’s Displacement Mitigation Strategy: Recalibrate, streamline, and expand density bonus programs to serve renters at or below 60% MFI.

Regarding Action 7 to require all public employee pension funds investigate and consider investing in low income housing in Austin, staff recognizes the Plan’s intent to creatively identify funding for affordable housing creation. While the City Council cannot direct the City of Austin

Employees' Retirement System (COAERS) to invest in low income housing in Austin, members of the Council could encourage that members of COAERS investigate and consider this type of investment.

PEOPLE'S PLAN RESOLUTION II: RIGHT TO STAY/RIGHT TO RETURN POLICIES

Action 1: The City Council directs the City Manager to develop within 60 days a comprehensive plan, budget, and ordinance for the Council's consideration to adopt and fund an effective, robust Right to Return and Right to Stay Program for East Austin.

Existing or Past City efforts:

NHCD is in the process of responding to [Resolution No. 20180308-010](#), which directs staff to provide recommendations for a residential preference policy for Austin residents who have generational ties to the city and to ensure that household sizes are appropriately matched to unit sizes. Any policy adopted by the City must comply with the Federal Fair Housing Act and federal regulations that address the use of federal funds or vouchers, as appropriate.

Examples in other Cities:

Portland, Oregon's North/Northeast Preference Policy gives housing assistance priority to families who have generational ties to the area. North/Northeast Portland experienced large amounts of disruption and displacement due to urban renewal projects. The city uses a point system to place these residents at the top of waiting lists for housing in the area. This program uses TIF funding only; it does not allow any federal money to be used on these units. The policy has not faced legal issues because the North/Northeast area's racial/ethnic makeup is sufficiently diverse, mirroring the city's as a whole; however, only five households had benefitted from it as of March 2018.

San Francisco, California, implements a similar policy called the Neighborhood Resident Housing Preference (NRHP). NRHP prioritizes residents of particular neighborhoods when new housing developments are built in these neighborhoods. HUD approved a modified version of this plan provided that race was not considered and residents from across the city are eligible for the preference.

New York City, New York's adopted a Community Preference Policy that provides housing preference to residents who, at the time of initial lease-up, live in the same district in which a new housing development is located. The preference applies to 50% of the units. The city is currently in litigation over whether the policy complies with the Federal Fair Housing Act.

Operational Issues and Fiscal Impacts:

Because staff is in the process of developing a preference policy, operational issues are still be discussed.

Recommendation

Staff acknowledges that these policies may mitigate the impacts of displacement.

As part of the response to Resolution No. 20180308-010, NHCD plans to pilot the use of preferences on Community Land Trust ownership housing units that are anticipated to become available in the next two years. This People's Plan recommendation is reflected in Action 1 of NHCD's Displacement Mitigation Strategy: Preference policy to prioritize new city-subsidized affordable units for income-qualified households that are appropriately sized to the unit and/or have ties to the city.

PEOPLE'S PLAN RESOLUTION III: USE OF CITY OWNED LAND FOR LOW INCOME HOUSING

Action 1: The City Council directs the City Manager to identify no less than four properties owned by the City of Austin that can be quickly made available for building by March, 2018.

Action 2: The City Council directs the City Manager to release a Request for Proposals (RFP) to local non-profits to place manufactured and/or construct single family homes on those properties adequate to house no less than 100 low income families by May, 2018.

Action 3: The City Council directs the City Manager to release four additional properties through the same process by August 2018.

Existing or Past City Efforts:

Over the years, City Council approved multiple resolutions related to re-purposing publicly owned land for a variety of uses, including affordable housing. In 2017, the Office of Real Estate Services compiled ten of these resolutions to address in a [comprehensive portfolio approach](#) that would help the City assess multiple potential uses to achieve strategic goals.

The Economic Development Department (EDD) is leading this comprehensive effort, working with multiple City departments to develop a framework for identifying methods of utilizing or strategically disposing of City-owned land. Approximately a dozen properties were assessed to test this framework approach. These properties were presented to City Council during a work session [briefing](#) on March 6, 2018. The Economic Development Department sent the a [memo](#) to City Council in August of 2018, recommending four properties be assessed for development programs using a competitive (RFP) approach , and provided an [update memo on November 6, 2018](#).

Examples in Other Cities:

Washington DC's Disposition of District Land for Affordable Housing Amendment Act of 2013 applies whenever private residential development occurs on public land the District has disposed of. One quarter of rental units must be affordable to households at or below 30% MFI and three quarters of rental units must be affordable to households between 30 and 50% MFI. For ownership units, half are affordable to households between 50 and 80% MFI.

San Francisco's Public Land for Housing program established consistent, effective and coordinated processes and objective when a public site will be proposed for development including: optimize land utilization, provide public benefits, fund public services, utilize innovative approaches to deliver projects and public benefits, complement neighborhood context and engage the community.

Operational Issues and Fiscal Impacts:

The Strategic Housing Blueprint includes this section:

Maximize Public Property to Build or Include Affordable Housing: Intense competition for limited land drives up cost and makes it challenging to build affordable homes for low-income residents. Publicly owned land is a public asset that must be used strategically to achieve multiple public benefits, including the creation of affordable homes in our community. In order to do this, the Austin City Council must decide to make siting affordable housing on public land a priority by setting policy that construction of affordable housing will always be considered when the City makes decisions regarding its publicly owned land. The City should also consider proposals, bids and partnerships with other public entities who have underutilized land — including but not limited to Travis County, Austin Independent School District, Capital Metro and the State of Texas. Building affordable housing on developable public land in key locations near transit and job centers is invaluable in helping low-income workers and families live close to jobs and schools, while decreasing congestion and pollution. The City should consider developing a strategy to purchase state-owned lands as they come up for sale in order to achieve the citywide goal of the creation of desirable and affordable locations that include income-restricted housing and parkland. The City should also consider co-locating affordable housing with other public facilities including fire stations, libraries, community centers, offices, etc.

Recommendation

Regarding the actions in Resolution III, staff recognizes the Plan's intention to use the City of Austin's power to expediently construct low income housing on land it owns. NHCD is conducting a market feasibility analysis of several properties in preparation for initiating a Request for Proposals (RFP) process for the construction of affordable housing on those properties. NHCD anticipates launching this RFP process in 2019. This action in the People's Plan is reflected in Objective III.5 of the Blueprint: Maximize public property to build or include affordable housing.

PEOPLE’S PLAN RESOLUTION IV: ESTABLISH INTERIM DEVELOPMENT REGULATIONS IN AREAS WITH INADEQUATE DRAINAGE

Introduction

The People’s Plan authors highlight a range of concerns for quality of life impacts due to inadequate drainage infrastructure and regulations. Staff from the Watershed Protection Department (Watershed) and Development Services Department reviewed the People’s Plan to provide (1) technical analysis of the drainage proposal and (2) recommendations for each general area of concern. Staff analysis attempts to focus on the root concerns raised in the People’s Plan. Staff understands that reducing the risk of flooding does not directly resolve displacement and gentrification of Eastern Crescent communities. However, the authors of the People’s Plan and Watershed staff recognize that reducing flood risk can help residents remain in the community and provide a safer, more resilient community overall. Thus, the drainage component should be tightly integrated with efforts to relieve displacement and improve housing affordability.

The People’s Plan Drainage Proposal

The People’s Plan Resolution to Establish Interim Development Regulations in Areas with Inadequate Drainage includes the following provisions:

1. Within four designated watersheds (see next), requires that all redevelopment or remodeling of Commercial or Residential structures be limited to a maximum of 115% of the existing gross floor area.
2. Applies to all development within four “Flood Prone” areas: all lands within the Boggy, Onion, Walnut, and Williamson Creek watersheds.
3. Provides a process by which Council can waive the “moratoria” (115% limitation) with a three-fourths vote (supermajority) if it makes detailed findings that:
 - a. Implementation of the ordinance imposes an undue hardship on the applicant;
 - b. The proposed development will not adversely affect, directly or indirectly, the public health, safety, and welfare; and
 - c. The Directors of Watershed Protection and Development Services Departments determine that the development proposed by the applicant will reduce the flooding impact to other properties, as compared to pre-development conditions
4. Requires that applications for all demolition or relocation permits for Commercial and Residential buildings be filed concurrently with an application for a Site Plan or Building Permit.
5. Requires City Council to direct the City Manager to prepare administrative rules in support of the above provisions.
6. Waives the requirement that Planning Commission review the ordinance adopting the People’s Plan resolution.
7. States that the City Council finds that the flooding impacts resulting from development in the Flood Prone Zone constitutes an emergency. Because of the emergency, the City Council would direct the City Manager to prepare the ordinance for City Council to adopt immediately for the immediate preservation of the public peace, health, and safety.

Examples in Other Cities

Many cities have restrictions on new development in the floodplain, but not for entire watersheds. Houston has recently implemented regulations to require flood mitigation of existing impervious cover for redevelopment. In August 2018, the City of Bastrop issued an emergency 90-day moratorium on new development to allow their staff to evaluate whether their existing drainage regulations were sufficiently protective in preventing adverse impacts on drainage. Their Council also passed an emergency ordinance to study the potential impact of development on stormwater flow in the city.

Existing or Past City Efforts

In 2006, the Austin City Council passed [Ordinance 20060216-043](#) establishing interim regulations for single-family and duplex development. The interim regulations included similar requirements to those proposed by the People’s Plan, including concurrent filing of demolition and Building Permits and a cap on structure size. The rationale for these requirements was that storm drain systems in older subdivisions were operating near or beyond capacity, and that interim regulations were needed to study the impact of redevelopment of older neighborhoods and the effect on aging infrastructure. The interim regulations were amended multiple times; the strict caps on building size were replaced with the requirements now known as the “McMansion Ordinance.” (It is important to note that the McMansion Ordinance did not ultimately contain measures to directly address drainage concerns.)

Operational Issues and Fiscal Impacts

Gross Floor Area is not the best measure of impacts. Application of a 15% maximum Gross Floor Area increase would not necessarily achieve the desired result of reducing drainage impacts of new and re-development. A building could double the Gross Floor Area by adding another story within the existing footprint and not create any additional drainage impacts. Conversely, a project might maintain—or even reduce—its Gross Floor Area but increase its impervious cover and associated drainage impacts. Gross Floor Area also only addresses impervious cover associated with buildings and does not include other important forms, such as pavement. WPD staff recommends the use of impervious cover—instead of Gross Floor Area—as the appropriate measure to gauge development intensity and calculate measures needed to offset any drainage impacts.

The drainage concerns in the Eastern Crescent are not limited to the four selected watersheds. These four watersheds do indeed include significant drainage concerns. But many areas within these watersheds do not experience flooding and have adequate infrastructure, and City of Austin data document high-priority flooding problems in most of Austin’s urbanized watersheds, including others within the Eastern Crescent.

Additional project expense and development process workload. Several People’s Plan requirements would likely increase the cost to new development and staffing resources needed to review this development. These elements include: (1) the requirement to submit concurrent

demolition and relocation permits with associated Site Plans and Building Permits; and (2) the requirement that in order to receive a waiver, projects must demonstrate hardship; demonstrate no adverse impacts to public health, safety, and welfare; design and build to meet a pre-development drainage standard; and obtain a supermajority Council approval. Applicants with modest economic resources would be at a disadvantage to comply with these steps, and additional staff and resources would likely be required to administer the workload of reviewing single-family drainage plans and taking all waiver requests to the City Council for approval.

Limitations on the use of moratoriums. The resolution refers to the recommendations as “moratoria.” If the requirement to strictly limit the Gross Floor Area of all redevelopment within these four watersheds qualifies as a moratorium under Texas State Law, the requirement would need to comply with the regulations for moratoriums, which are very constrained in scope and length of application.

Recommendations including Existing City Efforts and an Equity Analysis

To help evaluate the potential range of solutions and ensure that we have a comprehensive strategy to tackle flooding concerns in the Eastern Crescent, Watershed staff met with the authors of the People’s Plan to summarize their concerns. Staff agrees that additional regulatory solutions should be explored, and the May 2, 2019 Council Direction to staff for the Land Development Code Revision includes the following: “The revised Code text and map should result in reduced allowable city-wide impervious cover, improved city-wide water quality, and reduced overall flood risk.” (See more detailed discussion below.) In addition to regulatory fixes, extensive capital improvements are needed to reduce flood risk and upgrade undersized infrastructure.

The following summarizes Watershed’s response to each area of concern from the community:

Legacy Storm Drain Infrastructure

Summary of Concern:

Rapid redevelopment and build out of neighborhoods is straining old and undersized (“legacy”) storm drain infrastructure faster than the City can upgrade the drainage system to increase capacity. The resulting flooding creates a hardship on longstanding residents and adds to displacement pressure.

Technical Assessment/Validation

While the capacity of our creeks and the resulting floodplains are generally well-understood through engineering models, the capacity of our storm drain infrastructure is not as comprehensively quantified. Watershed currently prioritizes projects to improve storm drain capacity by the number of community member reports of problems in an area. We are well underway in creating engineering models for storm drain systems throughout the City. This information will be used in conjunction with community member reports to prioritize storm drain projects.

Equity Issues

Reliance on community reporting is an important source of information but can potentially bias our understanding of flooding problems. Neighborhoods with more knowledge of City processes are more likely to know to call 3-1-1 to report a problem. This action requires understanding that flooding is a problem that the City would fix, knowing to call 3-1-1, using the right language to describe the problem such that the call is routed to Watershed, and then allowing a follow up visit by City staff to validate the report. Some communities may be especially reluctant to invite government authorities to view their concerns, and thus flooding (among other) problems would potentially be under-reported.

Terrain in the eastern portion of our City tends to have flatter slopes. Flatter terrain causes ponding water that may impact multiple properties and can drain more slowly. Flood risks in the Eastern Crescent have the potential to have greater impact on quality of life than in more affluent communities, which have the resources and insurance coverage to recover from flood damages.

Existing Efforts

Building resilience to flood risks in our City in general, and the Eastern Crescent in particular, requires a variety of methods including engineering model information and outreach to the community. Watershed addresses legacy storm drain problems primarily with our capital improvement program (CIP) and related programs to inspect, maintain, and upgrade our extensive drainage system. For a problem to be solved, it must first be identified, funding secured, then designed and constructed. Our current project prioritization system, as mentioned, uses community drainage reports from 3-1-1. We supplement this data with engineering model information, which more objectively quantify needs. We recognize that building our modeling capacity will help address the concern of problem underreporting.

Watershed currently has staff that is building storm drain models for approximately 140 identified problem areas. A problem area is defined when five or more reports of street, yard, or structure flooding occur in an area that is outside the floodplain. Models are currently being developed in order of the highest ranking problem score, which is based on community drainage reports. Modeling all problem areas will take at least two years. As our inventory of engineering models for storm drain systems increases, we will use this quantitative data in addition to community reporting to prioritize storm drain improvements City-wide. We are improving our prioritization process to not solely rely on community reports.

In the last year, Watershed has significantly increased the ability to analyze, design, and construct small projects, such as storm drain improvements. These projects may provide the opportunity to provide quicker relief than large capital projects that take many years to complete.

Recommendation

- Staff recommends meaningful engagement with communities within the Eastern Crescent to increase awareness of and reduce barriers to use of 3-1-1 as a resource for reporting. This action would help reduce potential underreporting of drainage problems and improve prioritization of new capital projects.

- Staff recommends the development of a method to consider equity when prioritizing both small and large drainage projects.

Fiscal Impacts

This effort will likely increase the number of storm drain improvement projects. Engineering modeling typically identifies previously unknown areas of our community that have flood risks, even when community reports are well documented. Additionally, storm drain improvements are typically expensive projects which further limits the number of projects that can be done. Completing a capital project can take four to five years. Watershed’s current process of analyzing, designing, and constructing small projects supplements the development of larger, long-term solutions.

Commercial, Multi-Family, and Subdivision Development

Summary of Concern

Commercial, multifamily, and residential subdivision development have specialized review and regulations for drainage, yet often drain to undersized infrastructure downstream. Community members do not trust that the measures required of these projects adequately address resulting flood flows.

Technical Assessment/Validation

While existing drainage regulations require that development not cause additional flooding to other properties, it does not always address existing flooding issues. The community concern highlights two areas of potential improvement. First, only mitigating for increases in stormwater runoff does not address the legacy flooding issues that existed prior to the drainage regulations. Second, much of Austin, including the Eastern Crescent, has undersized drainage infrastructure. Unless this infrastructure is upgraded, flooding continues. Any additional development is seen as contributing to this flooding.

Equity Issues

Historic allowances of more intensive zoning and higher impervious cover limits in the Eastern Crescent have allowed for more concentrated development than in many western areas of Austin. While this helps achieve the Imagine Austin goal and benefits of compact and connected land use patterns, new development should prevent additional and potentially help mitigate existing downstream flooding.

Existing Efforts

Watershed staff believe that current code mitigates drainage and flooding impacts from new development (i.e., on previously undeveloped / natural lands), but only “holds the line” on drainage and flooding impacts from re-development. In other words, re-development is not asked to address legacy drainage concerns. Problems are not worsened, but also not improved.

On May 2, 2019, Council approved direction to staff to guide the new Land Development Code Revision. This direction included the following elements relating to flood management:

- The revised Code text and map should result in reduced allowable city-wide impervious cover, improved city-wide water quality, and reduced overall flood risk.
- The new Land Development Code should not weaken current City of Austin floodplain regulations, drainage criteria, and water quality regulations and criteria.
- Methods to measure and options to reduce allowable impervious cover in each watershed relative to current code should be developed for the new code.
- The Atlas 14 floodplain regulations should be approved and incorporated with the most current rainfall data as soon as possible.
- The Manager will report on how revisions to the land development code will likely affect existing environmental regulations, understanding that the goal of the council is to preserve, or increase, our current level of environmental protections and sustainability with respect to flooding, water quality and usage, air quality, and greenhouse gas emissions.

To respond to this direction, staff will look at various strategies to address drainage from not only new development, but also redevelopment, including existing, legacy impervious cover. Such a strategy would not just hold the line but provide forward progress towards addressing existing flooding challenges.

As discussed above, Watershed also has a substantial capital improvement program (CIP) and related programs to inspect, maintain, and upgrade our drainage system. These public projects—sometimes done in partnership with private development to achieve cost savings—help directly address existing problems and reduce impacts from new and re-development.

Recommendation

- Seek ways to reduce overall flood risk through revisions to the Land Development Code per the Council’s May 2, 2019 direction to staff. For example, consider requiring that redevelopment projects help address existing drainage issues.
- Staff recommends creating a process to alert Development Services and Watershed department staff of development projects in known problem areas to allow for special review and consideration of public-private partnerships.

Fiscal Impacts

Additional detention and/or downstream drainage improvements will require additional cost and potentially space for on-site improvements. Additional permitting steps will require additional resources for the Development Services Department. This increase in the cost of development may be passed along to the consumers through higher price points. However, it should be noted that initial modeling in Envision Tomorrow—a real estate pro-forma tool—found that the provision of on-site stormwater management ranged from 1 to 3% of total project costs, depending on the type of technology utilized.

Single-Family Residential Construction

Summary of Concern

The residential Building Permit process does not incorporate detailed drainage review. This is a concern on both an individual lot and cumulative neighborhood level. At the individual lot level, new home construction—when a much larger building or buildings replaces smaller, original homes—is observed to cause lot-to-lot flooding. The current recourse is for the aggrieved party to sue the new builder or owner. Such lawsuits are beyond the financial and logistical means of many residents. At the neighborhood level, the community is concerned that the cumulative impact of increased impervious cover contributes to additional flooding of downstream residents.

Technical Assessment/Validation

The cumulative impact of increased impervious cover is already accounted for in the City's floodplain calculations and generally has minimal impact on large-scale creek flooding. For smaller drainage systems, such as storm drains and open channels, many older areas are served by legacy, undersized systems and suffer localized flooding as a result. Watershed's analysis shows that new impervious cover from infill residential development does not significantly worsen problems for these systems. Thus restriction of new infill development will only have a very minor impact. Nonetheless, these systems remain undersized and require correction. The direct and effective solution is to upgrade these systems with the City's capital improvement program. However, at a smaller level, increases in impervious cover and changes in drainage patterns (e.g., redirection and concentration) can cause significant lot-to-lot (neighbor-to-neighbor) flooding in relatively small rain events if poorly managed.

Equity Issues

Thus far, the lot-to-lot drainage problems have been handled by the City as a civil matter between neighbors. This means that a person impacted by poor lot-to-lot drainage must file a lawsuit in court. This puts the onus on the individual to navigate the system, in addition to acquiring resources to pursue a civil suit.

Existing Efforts

Watershed manages a substantial capital improvement program (CIP) and related programs to inspect, maintain, and upgrade our drainage system. These public projects help directly address existing problems and reduce impacts from new and redevelopment. Lot-to-lot drainage from individual single-family projects is subject to Texas State Law but is not regulated by the City.

On May 2, 2019, Council approved direction to staff to guide the new Land Development Code Revision (see above). With Council direction to preserve or increase environmental protections and to reduce overall flood risk, staff will evaluate drainage options as part of the residential

building permit process to address lot-to-lot drainage concerns for single-family, duplex, and missing middle development.

Recommendation

- Seek an approach to manage lot-to-lot drainage from single-family, duplex, and missing middle housing as part of the Land Development Code Revisions.

Fiscal Impacts

Additional permitting steps will require additional staff resources for the Development Services Department. Additional staff resources would be funded through increases in applicable single-family residential permit application fees.

PEOPLE’S PLAN RESOLUTION V: EXPAND USE OF NEIGHBORHOOD CONSERVATION COMBINED DISTRICTS AND HISTORIC DISTRICTS

Action 1: To support vigorously and apply through specific requirements these two tools to help conserve and preserve our neighborhoods and prevent gentrification and displacement;

Action 2: To provide immediately before it is too late the financial resources and professional assistance needed to neighborhoods, to create historic districts and NCCDs by no later than the end of calendar year 2018 to prevent further displacement and demolition, particularly in East Austin

Action 3: To apply through the Equity Office a comprehensive equity analysis and tools by July 2018 to East Austin to alleviate gentrification and displacement, while protecting the people who live there now through additional affordability, conservation, and preservation programs.

Existing or Past City efforts:

Historic Districts

Historic districts (local)

Aldridge Place
Castle Hill
Harthan Street
Hyde Park
Mary Street
Smoot/Terrace Park

No local historic districts exist in East Austin. Staff are working with community members in a few East Austin neighborhoods to review historic district application drafts.

Three National Register historic districts exist in East Austin. See National Park Service item for current designation efforts.

National Register historic districts

Bremond Block
Camp Mabry
Clarksville
Congress Avenue
Delwood Duplex
Hyde Park
Moore’s Crossing
Old West Austin
Rainey Street
Santa Rita Courts
Shadow Lawn
Sixth Street
Swedish Hill
West Line
Willow-Spence
Wilshire Wood
Zilker Park/Barton Springs

Historic district designation at the local and national levels has been demonstrated to stabilize and support property values. Though no data has been collected for Austin, preservation of East Austin’s older, smaller houses through historic district designation may help stabilize property values by retaining naturally affordable small-scale buildings. This is particularly true for local-

level historic districts, which regulate demolition; historic review in National Register historic districts is advisory.

Certified Local Government status

The City of Austin is a Certified Local Government (CLG) in partnership with the Texas Historical Commission and National Park Service. CLG communities commit to develop and maintain a comprehensive preservation planning program: enforcement of historic preservation legislation, a historic review commission (the Historic Landmarks Commission), public participation in the local program, and a system for surveying and inventorying historic properties.

Website and process improvements (current)

Historic Preservation Office staff are developing a new website, clearer documents, and a streamlined process to make the historic review and designation process easier to understand and complete. This will benefit all citizens, but especially those with limited experience navigating the historic preservation and permitting processes and those with limited English skills.

Additional Historic Preservation Office staff (FY 2018-2019)

Two additional staff positions were added for FY 2018-2019, which may allow more substantive assistance to communities who wish to initiate the historic district application process. Currently, applicants bear most of the responsibility for conducting outreach and completing the detailed application. Some application sections must be completed by a historic preservation professional, which requires fundraising for consultants from neighbors or other sources. Providing staff assistance with portions of the application could increase equity by lowering the cost and reducing the time required for communities to achieve historic district designation.

Detailed historic building surveys (FY 2018-2019)

Council allocated Hotel Occupancy Tax (HOT) funding to complete two new detailed historic building surveys in North Central Austin (straddling IH-35), a project that will be completed in FY 2019. Future HOT funding may be allocated to similar surveys, which identify potential historic landmarks and historic districts, in areas that attract tourists and convention delegates.

National Park Service Underrepresented Communities Grant (2018-19)

The Historic Preservation Office has received a National Park Service Underrepresented Communities grant to support two National Register historic district applications for historically significant African American and Latinx areas. The grant will also support extensive community outreach and engagement and related community heritage projects. Work funded by the grant is anticipated to be completed by September 30, 2019, with outreach and engagement continuing.

Design standards (2018-19)

The Historic Preservation Office is working with the Historic Landmark Commission Preservation Plan Committee to draft common design standards that would remove the community requirement to develop individual design standards for each historic districts, as well as the

associated costs and time. Community members would still identify character-defining features specific to their neighborhoods, which would be referenced by the common standards.

Equity preservation framework (2018-19)

The Historic Preservation Office is working on an equity preservation framework with quantitative metrics assessing how the City's preservation tools and policies impact equity. The framework will integrate a qualitative community engagement process in the future.

Citywide Historic Building Scan (2018)

A reconnaissance-level scan of approximately 50,000 historic-age properties across the city, roughly one-third of which were located in East Austin, was completed in summer 2018. Scan data will be used to identify high-integrity historic-age areas for more intensive survey and designation recommendations, similar to the East Austin Historic Resources Survey. It can also be combined with Census data on household income and other factors, to include equity as a consideration in allocating survey resources.

East Austin Historic Resources Survey (2016)

A detailed historic resource survey of approximately 5,300 properties in Central East Austin was completed in fall 2016. The survey recommended 24 potential historic districts as eligible for local designation. This survey reduces the entry level barriers to create new historic districts in East Austin.

Staff analysis (ongoing)

Analysis of areas in East and West Austin by Historic Preservation Office staff shows that average assessed values of newer single-family houses are 32 to 44% higher than those of historic-age single-family houses. This result holds true for both areas analyzed (about 630 properties in Clarksville/Smoot/Terrace Park and about 5,300 properties in the East Austin Historic Resource Survey area). In part, this is because newer houses are larger. Newer houses also occupy more of the parcel, reducing the opportunity to construct ADUs (where they are permitted). Meanwhile, many smaller historic-age houses sit on parcels with sufficient space to construct additional housing at affordable rents - and to provide extra income for homeowners.

Reference:

<https://www.austinmonitor.com/stories/2018/07/do-historic-districts-help-or-hurt-affordability/>

Neighborhood Conservation Combining Districts

Existing Neighborhood Conservation Combined Districts (NCCDS)

- Fairview Park (1986)
Neighborhood Plan Area: Greater South River City
Established to preserve character

- East 11th Street (1991)
Neighborhood Plan Areas: Central East Austin, Rosewood, Chestnut
Established to encourage development
- Hyde Park (2002)
Neighborhood Plan Area: Hyde Park
Established to preserve character
- North University (2004)
Neighborhood Plan Area: Central Austin Combined
Established to preserve character
- North Hyde Park (2005)
Neighborhood Plan Area: Hyde Park
Established to preserve character
- East 12th Street (2008)
Neighborhood Plan Areas: Central East Austin, Rosewood, Chestnut
Established to encourage development

Examples in Other Cities:

Historic Districts

New York City, NY

A 2016 study, “The Intersection of Affordable Housing and Historic Districts,” found that historic district designation was not correlated with increases in rents and household income. Furthermore, it found that rental housing burden increased *less* in historic districts than it did citywide (8.8% compared to 18.1%); and that a higher percentage of subsidized units was developed in historic districts in three of NYC’s five boroughs. The study also found a correlation between an increase in median household income and historic district designation, but chiefly in Brooklyn.

Another 2016 study entitled “Does Preservation Accelerate Neighborhood Change? Examining the Impact of Historic Preservation in New York City” found that designating a neighborhood as historic usually leads to a rise in the socioeconomic status of the neighborhood, but it was also acknowledged that New York City is not very representative of other U.S. cities.

References:

- <http://hdc.org/featured/the-intersection-of-affordable-housing-and-historic-districts>
- <https://lawreview.vermontlaw.edu/wp-content/uploads/2017/05/07-Tisher.pdf>
- <https://www.tandfonline.com/doi/full/10.1080/01944363.2015.1126195>

San Antonio, TX

A 2015 study of the economic impact of preservation in San Antonio found that historic districts reflected the city's racial, ethnic, and income diversity; and were more economically resilient than the city as a whole. The proportions of Hispanic residents and African American residents in historic districts nearly match the citywide proportions. Though most local historic district properties increased in value more than other properties between 1998 and 2013, property value per square foot is less than the citywide average in half of historic districts. In short, historic district properties are still affordable to households with a range of incomes. Income distribution in historic districts almost mirrors that of the city, though with more very low-income households and more high-income households. Finally, 10 of 13 residential historic districts had foreclosure rates below that of the city.

The City of San Antonio offers a tax abatement to owner-occupied residences in newly designated local historic districts. These property owners receive a 20% exemption on their City property taxes for 10 years, with a possible 5-year extension. The abatement does not carry over if the property is sold.

Reference:

<https://www.sanantonio.gov/historic/Resources/EconomicImpactStudy>

<https://www.sanantonio.gov/historic/Programs/incentives>

Durham, NC

Durham is aiming to stop gentrification by preserving the Golden Belt neighborhood as a local historic district. Golden Belt is a mill village built around 1900 and includes 10 blocks of small homes that are still home to working-class families. By preventing demolition of these small homes and requiring additions to meet historic standards, advocates hope that appreciation will hit a ceiling.

Reference:

<https://www.citylab.com/equity/2016/12/using-preservation-to-stop-gentrification-before-it-starts/510653/>

San Francisco, Seattle, and Washington, DC

The Older, Smaller, Better study produced by the Preservation Green Lab found that older neighborhoods with a mix of building uses and sizes held “a significantly higher proportion of new businesses, as well as more women and minority-owned businesses than areas with predominantly larger, newer buildings.” The study also found that these areas have a much higher proportion of non-chain businesses and a higher proportion of jobs in small businesses.

Reference:

<https://savingplaces.org/stories/preservation-tips-tools-older-smaller-better-new-findings-preservation-green-lab>

<https://forum.savingplaces.org/HigherLogic/System/DownloadDocumentFile.ashx?DocumentFileKey=b73e8fc7-7fb2-0fc7-202c-d0ed58ff3089&forceDialog=0>

Neighborhood Conservation Combining Districts

Many other US cities have implemented some kind of conservation district(s) (although none are called Neighborhood Conservation Combining Districts), separate from historic districts that aim to preserve certain design or character elements of a neighborhood. These cities include (not exhaustive):

- Dallas, TX
- San Antonio, TX
- Nashville, TN
- Indianapolis, IN
- Raleigh, NC
- Boulder, CO
- Phoenix, AZ
- Philadelphia, PA

The regulations and requirements for Neighborhood Conservation Districts vary from city to city, but generally include elements seen in Austin’s Neighborhood Conservation Combining Districts as well as Residential Design and Compatibility Standards, with an emphasis on general design and site development standards, and not land uses or specific architectural elements.

Operational and Fiscal Impacts:

Historic Districts

Two additional Historic Preservation staff positions were added for FY 2019, which can assist with outreach and education, and helping community members with research and writing.

Neighborhood Conservation Combining Districts

NCCDs are a way to create a very specific set of development regulations that confer use and design requirements, different from standard code, that are unique and can be tailored to an area to achieve certain goals. However, the following are issues to consider:

- The one-off nature and specificity of regulations - that may vary from one lot to the next - causes difficulty in reviewing projects against the NCCD and enforcing code.
- Confers different development standards to a certain geographic area although zoning may appear to be the same. Confusing to property owners, both inside and outside the NCCD, and inconsistent with the principle of zoning “uniformity.”
- Perpetuates the city’s patchwork of regulations.
- From the *Land Development Code Diagnosis* (p. 33), NCCDs are:
 - Hard to find
 - Complex and difficult to administer
 - Add another layer (of regulation/complexity)

In the past, NCCDs were used to *preserve character* and control design in neighborhoods prior to the advent of Austin’s local historic districts (2004), the creation of Residential Design and

Compatibility Standards (aka McMansion standards, 2006), and commercial design standards (2007), or to *encourage redevelopment* (11th and 12th Street NCCDs), by changing by-right entitlements in specific ways that differ from standard zoning. NCCDs are generally not considered a best-practice planning tool for the above reasons, and can create inequitable situations where two properties with the same zoning designation have different entitlements. The University of Texas study on displacement, *Uprooted: Residential Displacement in Austin's Gentrifying Neighborhoods and What Can Be Done About It*, does not mention NCCDs specifically, but states the following about neighborhood conservation districts (p.77), which are similar to NCCDs and Residential Design and Compatibility Standards:

Pros: Slows down redevelopment pressures in a neighborhood; helpful as a short-term intervention in neighborhoods with accelerating tear-downs and housing costs. In Dallas's La Bajada neighborhood, the NSO [Neighborhood Stabilization Overlay] has created a strong political statement that preservation of the low-income neighborhood is a priority and has been used to defeat rezoning requests that threaten existing affordable single-family units.

Cons: (1) There is no evidence yet of neighborhood stabilization tools permanently halting displacement of vulnerable residents—as long as the real estate market in a city is hot, market pressures will eventually catch up in a neighborhood where these tools are used. (2) If applied to limit development of denser housing types (duplexes, 4-plexes, etc.) across a city, an NSO will limit citywide supply of housing and exacerbate accelerating housing prices. (3) Depending on how an NSO is structured, the overlay can make it more difficult to build new income-restricted affordable housing. (4) Could lead to a reduction in property values for owners of single-family houses.

Other means that currently exist and are available to achieve similar outcomes:

- Historic (H or HD) zoning can be applied where preservation is desired.
- New zoning/re-zoning can be applied if there is a desire to change use and site development standards to individual properties or a larger geographic area.
- Overlays can be applied if there is a desire to allow greater entitlements, or non-standard entitlements, in return for a developer-provided amenity (e.g., the University Neighborhood Overlay allows greater height in return for affordable housing).
- Existing infill and design tools can be applied to neighborhood plan areas (or sub-districts within a neighborhood plan area) to control form, character, and density.
- A new process for revising the land development code can take all of the above into consideration, or create new zones.

Recommendation

Historic Districts

Staff does not currently have data on if and how historic district designation prevents gentrification and displacement in Austin, though quantitative analysis is being completed through the preservation equity framework. The New York study on affordable housing and historic districts suggests that designation in a hot housing market can reduce increases in the rental housing burden. This may be due to the preservation of naturally affordable older housing stock, which Durham is also aiming to encourage through historic district designation of a working-class neighborhood. Finally, data and incentives from San Antonio's historic districts demonstrate that historic designation can happen in concert with retention of racial, ethnic, and income diversity, as well as continued housing affordability.

Potential actions include:

- *With Travis County and AISD, explore the potential benefits and impacts of expanding the City tax abatement for rehabilitation work in local historic districts to the County and school district portions of property taxes.* The current rehabilitation tax abatement is offered only by the City of Austin. Expanding it to other taxing jurisdictions could encourage historic district designation and support property owners in reinvesting in their buildings - a decision that boosts local economic activity.
- *Allocate staff time to work with community members on historic district and landmark designation, especially in low-income areas that are underrepresented in locally designated historic properties.* In some cities, historic preservation staff complete the portions of historic district applications that require professional training, with support from communities. Two additional staff positions were added for FY 2019 that may allow more substantive assistance to communities who wish to initiate the historic district application process. This could increase equity by 1) removing or reducing the requirement for neighborhoods to pay consultants to complete survey work and design standards, both required to be completed by a preservation professional; and/or 2) remove the need for community members to develop high-level archival research skills, spend extensive time in library archives, and write a detailed historic context narrative (this can also be outsourced to preservation professionals, but at a cost).
- *Continue to allocate funds for historic resource surveys to facilitate the identification of potential historic districts.* Surveying areas with potential historic significance provides community members and City staff with proactive recommendations for potential historic districts. A completed survey can be used as part of a district application, thereby reducing the need to hire a professional preservation consultant.

Neighborhood Conservation Combining Districts

Staff recommends the use of zoning tools that can both preserve existing housing to slow down demolition and displacements, and enable additional supply of market-rate and income-restricted affordable housing options for residents who are displaced and want to remain in their neighborhood.

The *Uprooted* Study identifies positive and negative attributes to neighborhood conservation districts (similar to Austin’s NCCDs and Residential Design and Compatibility Standards); it also recommends coupling neighborhood conservation districts with residential infill and deconstruction policies in order to “disincentivize redevelopment and demolitions of current affordable homes in gentrifying neighborhoods” (p. 77).

Council direction given to staff on May 2, 2019 (*Direction in Response to City Manager’s March 15, 2019 Memo re: Land Development Code Revision Policy Guidance*), directs staff to create and expand preservation incentives to disincentivize the demolition of market-rate affordable housing units, while expanding the city’s housing capacity through by-right and income-restricted units. Existing NCCDs are recommended to remain in place, with possible updates regarding required off-street parking, preservation and affordability bonuses, accessory dwelling units, and new transition areas.

PEOPLE’S PLAN RESOLUTION VI: IMPLEMENT ENVIRONMENTAL QUALITY REVIEW

Action 1: Establish an environmental quality review program.

Action 2: Develop an environmental quality review technical manual.

Action 3. Establish an environmental quality subcommittee of the Environmental Commission or the Joint Sustainability Committee

Existing or Past City Efforts

The People’s Plan recommends that the City of Austin establish an environmental quality review program to examine the impacts (both site-specific and cumulative) of development on the natural and cultural environment. The resolution states that this new program should evaluate potential impacts related to environmental justice, public health, air quality, displacement, and neighborhood character, among others. Having this information available would further empower citizens to evaluate and weigh in on discretionary actions, such as zoning, variances, and city projects.

The City of Austin has extensive environmental submittal requirements to evaluate site-specific impacts for subdivisions and site plans, as well as for any proposed variances. However, most of this information (e.g., flood modeling, a tree survey, and an environmental resource inventory) is not available during the zoning process. The City currently provides a staff report for zoning cases that explains applicable drainage and environmental regulations and identifies potential site constraints.

The maximum impervious cover allowed by zoning may not be attainable due to environmental features such as trees, waterways, and steep slopes. Where necessary, the project must reduce the impervious cover to comply with environmental requirements. Extensive back-up information about potential impacts is provided to the Environmental Commission and Land Use Commission for environmental variances as well as to the City Council for floodplain variances.

Analyses required to demonstrate compliance with drainage and environmental regulations do not factor in other potential community considerations such as displacement, historic and cultural resources, air quality, and neighborhood character. However, some of these technical areas are considered by other disciplines as part of development review and zoning. In addition, analyses of environmental features like trees, springs, and wetlands are mostly focused on site-specific impacts rather than cumulative impacts across the watershed or region.

Additionally, the Environmental Commission already has established committees that consider some of these issues at their ongoing meetings. The existing committees of the Environmental Commission are:

- Urban Growth Policy and Water Quality Protection Committee
- Development Committee
- Air Quality Committee
- Urban Forestry Committee
- Drainage Infrastructure and Flood Mitigation Committee
- Joint Environmental/Parks Board

The Environmental Commission (along with multiple other City boards and commissions) also has a member serving on the Joint Sustainability Commission that advises Council on matters related to conservation and sustainability.

Examples in Other Cities

New York City

The New York [City Environmental Quality Review \(CEQR\)](#) is a disclosure process required by New York City to determine what effect, if any, a discretionary action may have upon the environment. The review process is applicable to any project that needs discretionary approvals (e.g., rezoning or variance applications) or permits from a city agency, any project receiving city funding, or any project undertaken by a city agency. Most projects just complete an Environmental Assessment Statement ([link to form](#)). The form covers a large range of issues, including land use, zoning, and public policy; socioeconomic conditions (including displacement); community facilities and services; open space; shadows; historic and cultural resources; urban design and visual resources; natural resources; hazardous materials; water and sewer infrastructure; solid waste and sanitation services; energy; transportation; air quality; greenhouse gas emission; noise; public health; neighborhood character; and construction. For smaller projects or actions, if the applicant can demonstrate no significant adverse impact, then a negative declaration is issued. The Environmental Assessment Statement and negative declaration are posted online, but there is no public comment period unless there is a conditional negative declaration that requires mitigation of impacts. For larger projects or actions that are causing a significant adverse impact, the applicant has to complete a full Environmental Impact Statement in compliance with the [Technical Manual](#). There is a public comment period for both the draft scope of work for the Environmental Impact Statement as well as the draft Environmental Impact Statement. The lead agency will then issue a Statement of Findings summarizing their review of impacts, mitigation, and alternatives.

Operational Issues and Fiscal Impacts

Introducing a comprehensive environmental quality review similar to the New York City program for all discretionary decisions (e.g., zoning, variances) would create a substantial new requirement for applicants as well as an additional review burden for staff and policymakers.

Additional review staff would likely be required to compile and evaluate the additional information submitted. The amount of staff needed to develop and implement the program would be contingent upon the extent of analysis required and thresholds for determining significant impacts. For reference, the criteria manual that guides New York City's program is over 800 pages in length. City Council would need to establish the scope of a new comprehensive environmental quality review and provide a mechanism for evaluating information received before staff could provide a more detailed estimate of impacts.

Recommendation

- Staff recognizes the Plan's intention to improve public transparency of environmental data and impacts related to development, including data potentially relevant to decisions of boards, commissions, and City Council. Staff recommends exploring process improvements to help improve transparency for available environmental data and further publicize the availability of existing online tools to view this data, such as the Property Profile Tool, the Watershed Protection Problem Score Viewer, and the Socrata Open Data Portal.

Alignment with Imagine Austin, Strategic Housing Blueprint, and City of Austin Strategic Outcomes:

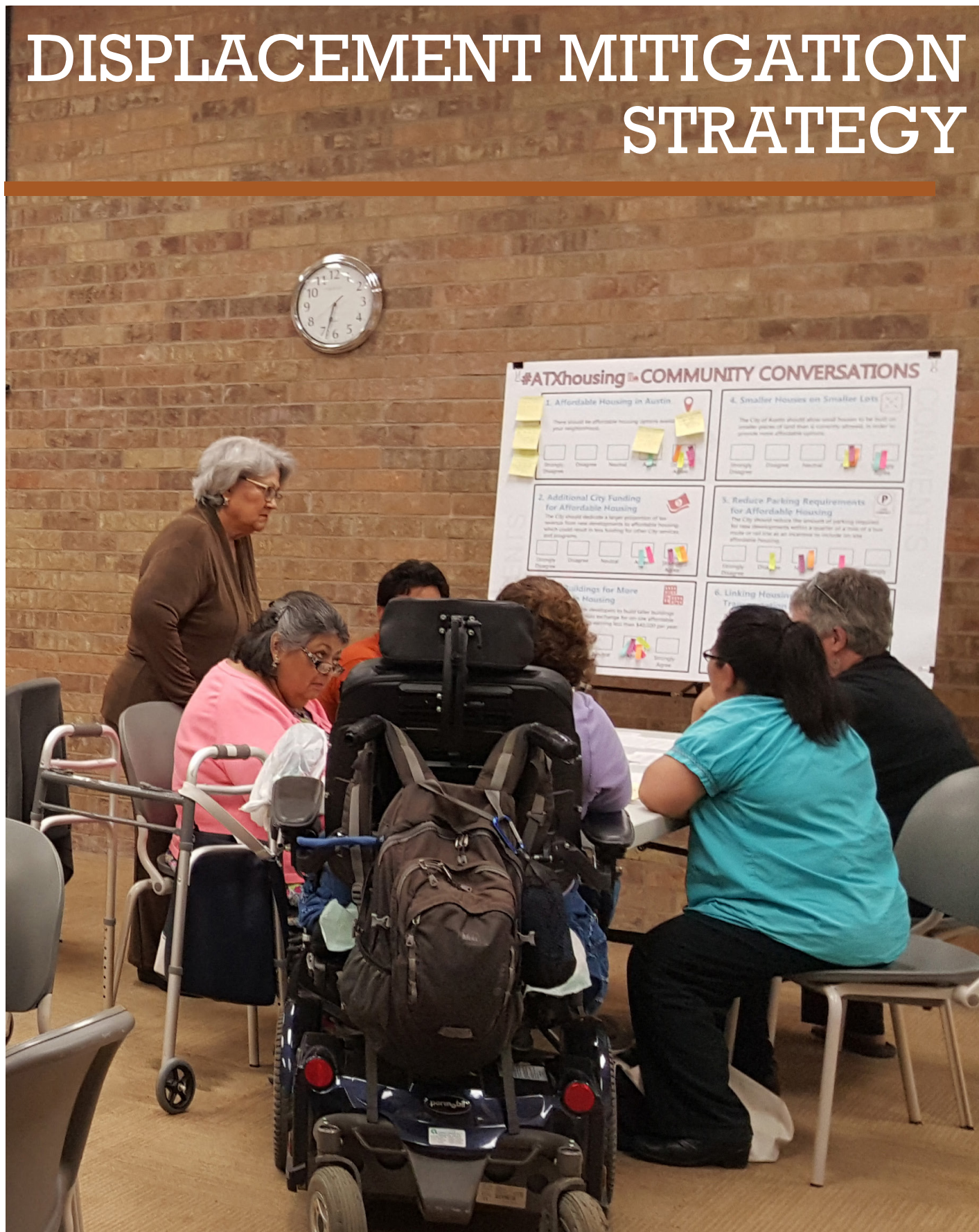
People’s Plan Resolution	Imagine Austin	Strategic Housing Blueprint	Strategic Outcomes
I: HOUSING TRUST FUND ACTIONS 1-3	<p>Core principles for action: Develop as an affordable and healthy community.</p> <p>Austin is Livable: Housing Diversity and Affordability.</p> <p>HN P3:3. Increase the availability of affordable housing, including housing for very low-income persons, through new and innovative funding mechanisms, such as public/private partnerships.</p> <p>Priority Programs: Develop and maintain household affordability throughout Austin</p>	<p>Invest In Housing for Those Most in Need: Provide Additional Local Fund Appropriations for Affordable Housing.</p>	<p>Strategic Outcome: Having economic opportunities and resources that enable us to thrive in our community.</p> <p>Indicators: Housing and Homelessness.</p>
I: HOUSING TRUST FUND ACTIONS 4	<p>Core principles for action: Develop as an affordable and healthy community.</p> <p>Austin is Livable: Housing Diversity and Affordability.</p> <p>HN P3:3. Increase the availability of affordable housing, including housing for very low-income persons, through new and innovative funding mechanisms, such as public/private partnerships.</p> <p>Priority Programs: Develop and maintain household affordability throughout Austin</p>	<p>Invest In Housing for Those Most in Need:*Pursue Future General Obligation Bond Elections for Affordable Housing, Provide Additional Local Fund Appropriations for Affordable Housing</p>	<p>Strategic Outcome: Having economic opportunities and resources that enable us to thrive in our community.</p> <p>Indicators: Housing and Homelessness.</p>
I: HOUSING TRUST FUND ACTIONS 5	<p>Core principles for action: Develop as an affordable and healthy community.</p> <p>Austin is Livable: Housing Diversity and Affordability.</p> <p>HN P3:3. Increase the availability of affordable housing, including housing for very low-income persons, through new and innovative funding mechanisms, such as public/private partnerships.</p> <p>Priority Programs: Develop and maintain household affordability throughout Austin</p>	<p>Fully Utilize Homestead Preservation District Tools, Invest in Housing for Those Most in Need: Utilize Tax Increment Financing (TIFs) for Affordable Housing</p>	<p>Strategic Outcome: Having economic opportunities and resources that enable us to thrive in our community.</p> <p>Indicators: Housing and Homelessness.</p>

People’s Plan Resolution	Imagine Austin	Strategic Housing Blueprint	Strategic Outcomes
I: HOUSING TRUST FUND ACTIONS 6-7	<p>Core principles for action: Develop as an affordable and healthy community.</p> <p>Austin is Livable: Housing Diversity and Affordability.</p> <p>HN P3:3. Increase the availability of affordable housing, including housing for very low-income persons, through new and innovative funding mechanisms, such as public/private partnerships.</p> <p>Priority Programs: Develop and maintain household affordability throughout Austin</p>	<p>Invest In Housing for Those Most in Need:*Pursue Future General Obligation Bond Elections for Affordable Housing, Provide Additional Local Fund Appropriations for Affordable Housing</p>	<p>Strategic Outcome: Having economic opportunities and resources that enable us to thrive in our community.</p> <p>Indicators: Housing and Homelessness.</p>
II: RIGHT TO STAY/RIGHT TO RETURN POLICIES	<p>Tackling the Ethnic Divide</p>	<p>Foster Equitable, Integrated and Diverse Communities: Develop Programs and Policies that can help Mitigate Gentrification Pressures in Historically Low-Income Neighborhoods, Make Strategic Investment to Minimize Displacement, Consider the Development of a District Plan for Central East Austin</p>	<p>Strategic Outcome: Having economic opportunities and resources that enable us to thrive in our community.</p> <p>Indicators: Housing and Homelessness.</p> <p>Strategy: Acknowledge Austin’s history of racial segregation and counter it by applying an equity perspective to the City’s land development code and associated programs and policies, aligning with community priorities as articulated in Imagine Austin, and ensuring affordable housing options throughout Austin.</p>
III: USE OF CITY OWNED LAND FOR LOW INCOME HOUSING	<p>Core principles for action: Develop as an affordable and healthy community.</p> <p>Austin is Livable: Housing Diversity and Affordability.</p> <p>HN P3:3. Increase the availability of affordable housing, including housing for very low-income persons, through new and innovative funding mechanisms, such as public/private partnerships.</p> <p>Priority Programs: Develop and maintain household affordability throughout Austin</p>	<p>Invest In Housing for Those Most in Need: Maximize Public Property to Build or Include Affordable Housing</p>	<p>Strategic Outcome: Having economic opportunities and resources that enable us to thrive in our community.</p> <p>Indicators: Housing and Homelessness.</p>

People’s Plan Resolution	Imagine Austin	Strategic Housing Blueprint	Strategic Outcomes
IV: ESTABLISH INTERIM DEVELOPMENT REGULATIONS IN AREAS WITH INADEQUATE DRAINAGE	<p>CFS P2. Maintain water, wastewater, and stormwater infrastructure regularly throughout its useful life and replace aged infrastructure as conditions warrant. Continue to ensure safe and reliable service.</p> <p>CFS P7. Reduce the threats flooding poses to public safety and private property</p> <p>CFS P14. Integrate erosion, flood, and water quality control measures into all City of Austin capital improvement projects.</p>	<p>N/A</p>	<p>Strategic Outcome: Safety</p> <p>Strategy: Collaboratively and comprehensively assess the vulnerabilities and interdependencies that exist for critical City infrastructure. Prioritize actions and investments to prevent and mitigate the identified risks.</p>
V: EXPAND USE OF NEIGHBORHOOD CONSERVATION COMBINED DISTRICTS AND HISTORIC DISTRICTS	<p>LUT A42. Create incentives and develop funding mechanisms and regulations to promote the rehabilitation, reuse, and maintenance of historically designated properties.</p> <p>LUT A44. Develop and implement straightforward and transparent preservation strategies, guidelines, and regulations for historic areas, sites and structures, and cultural resources that preserve Austin’s heritage, while being respectful of the local character, community values, and of the desires of property owners.</p> <p>LUT P38. Preserve and interpret historic resources (those objects, buildings, structures, sites, places, or districts with historic, cultural, or aesthetic significance) in Austin for residents and visitors.</p> <p>LUT P41. Protect historic buildings, structures, sites, places, and districts in neighborhoods throughout the City.</p> <p>LUT P42. Retain the character of National Register and local historic districts and ensure that development and redevelopment is compatible with historic resources and character.</p> <p>LUT P4. Protect neighborhood character by directing growth to areas of change that include designated redevelopment areas, corridors, and infill sites. Recognize that different neighborhoods have different characteristics, and infill</p>	<p>Prevent Households from Being Priced Out of Austin: Develop Programs and Policies that can help Mitigate Gentrification Pressures in Historically Low-Income Neighborhoods.</p>	<p>Strategic Outcome: Culture and Lifelong Learning.</p> <p>Strategy: Maintain a mapped inventory of City and non-City cultural and historical assets to identify and address service gaps while accurately recognizing, preserving, and elevating the profile of place-based and underrepresented histories, narratives, and gathering spaces.</p> <p>Strategy: Ensure Austin’s historical narrative is comprehensive and accurate by partnering with the community to protect, preserve, and share the character of Austin’s cultural, social, economic, political, and architectural history.</p>

People's Plan Resolution	Imagine Austin	Strategic Housing Blueprint	Strategic Outcomes
	and new development should be sensitive to the predominant character of these communities.		
VI: IMPLEMENT AUSTIN ENVIRONMENTAL QUALITY REVIEW	<p>CE P12. Adopt innovative programs, practices, and technologies to increase environmental quality and sustainability and reduce Austin's carbon footprint through the conservation of natural resources.</p> <p>CE A7 Establish a comprehensive, predictable, consistent, and efficient process to evaluate the environmental effects of new development.</p> <p>CE A18 Create a regional task force to address inter-jurisdictional environmental sustainability issues.</p>	N/A	<p>Strategic Outcome: Health and Environment.</p> <p>Strategy: Invest in a variety of energy, water, and air quality programs and initiatives that emphasize conservation and environmental protection, and are aligned with our long-term environmental policy goals (e.g. Austin Community Climate Plan).</p>

DISPLACEMENT MITIGATION STRATEGY



DISPLACEMENT MITIGATION STRATEGY

BACKGROUND

Low-income and minority Austin residents continue to face an increasing risk of residential displacement. According to *Uprooted*, there are three types of displacement:

1. **Direct displacement** occurs when (1) residents can no longer afford to remain in their residence due to rising housing bills (rents or property taxes), or (2) residents are forced out due to causes such as eminent domain, lease non-renewals, and evictions to make way for new development, or physical conditions that render their residence uninhabitable.
2. **Indirect displacement** refers to changes in who is moving into the neighborhood as low-income residents move out. While there is often a lot of movement in and out of rental housing in low-income neighborhoods, indirect displacement occurs when units being vacated by low-income residents are no longer affordable to other low-income households. This is also called exclusionary displacement since future low-income residents are excluded from moving into the neighborhood. This process is also sometimes referred to as a process of residential succession, whereby current low-income residents move out of a neighborhood—even if not due to direct displacement as a result of increased housing prices, eviction, or housing conditions—and are replaced with higher-income residents over time. Such changes can also occur due to discrimination against low-income residents (for example, those using vouchers) or changes in land use or zoning that foster a change in the character of residential development.

3. **Cultural displacement** occurs through changes in the aspects of a neighborhood that have provided long-time residents with a sense of belonging and allowed residents to live their lives in familiar ways. As the scale of residential change advances, and shops and services shift to focus on new residents, remaining residents may feel a sense of dislocation despite physically remaining in the neighborhood. This may also reflect the changing racial or ethnic character of the neighborhood—not just its class composition.

As a result of Austin’s continuing challenge with displacement, over 300 recommendations for mitigating displacement have been offered through community studies, reports, and assessments. These include:

- [*Uprooted: Residential Displacement in Austin’s Gentrifying Neighborhoods, and What Can Be Done About It*](#) (56 recommendations)
- [*People’s Plan*](#) (19 recommendations)
- [*Anti-Displacement Taskforce Report*](#) (107 recommendations)
- [*Mayor’s Task Force on Institutional Racism and Systemic Inequities Report*](#) (40 housing recommendations)
- [*Fair Housing Action Plan*](#) (2015) (32 recommendations)
- [*Austin’s Plan to End Homelessness*](#) (10+ housing-related recommendations)

Each of the reports offers a unique perspective. *Uprooted* is intended to provide policy-makers with a range of options grounded in research about underlying causes that lead to displacement. This report acknowledges its lack of lived experience perspective on gentrification pressure and displacement. In contrast, the People’s Plan, Anti-Displacement Task Force report, and Task Force on Institutional Racism and Systemic Inequities report provide a call to action in the voice of expertise and experience of the Austin community. The *Blueprint*, endorsed by City Council, includes recommendations generally related to affordable housing, with one of the main community values being the prevent households from being priced out of Austin.

To address immediate community needs, NHCD worked with the City’s Innovation Office to develop a one to two year displacement mitigation plan that incorporates recommendations from these community reports. To develop an actionable plan and ensure short-term impact, the Innovation Office facilitated a process to synthesize the reports and prioritize recommendations based on impact and effort (resources required). Subsequently, 15 recommendations rose to the top that cover a wide range of displacement concerns that have been voiced by the community, including strategies that help households who are facing imminent risk of displacement and longer term strategies that address the citywide affordable housing stock. The Displacement Mitigation Strategy is incorporated into objectives and actions in the Blueprint Implementation Resource Document.

PROCESS FOR PRIORITIZING RECOMMENDATIONS

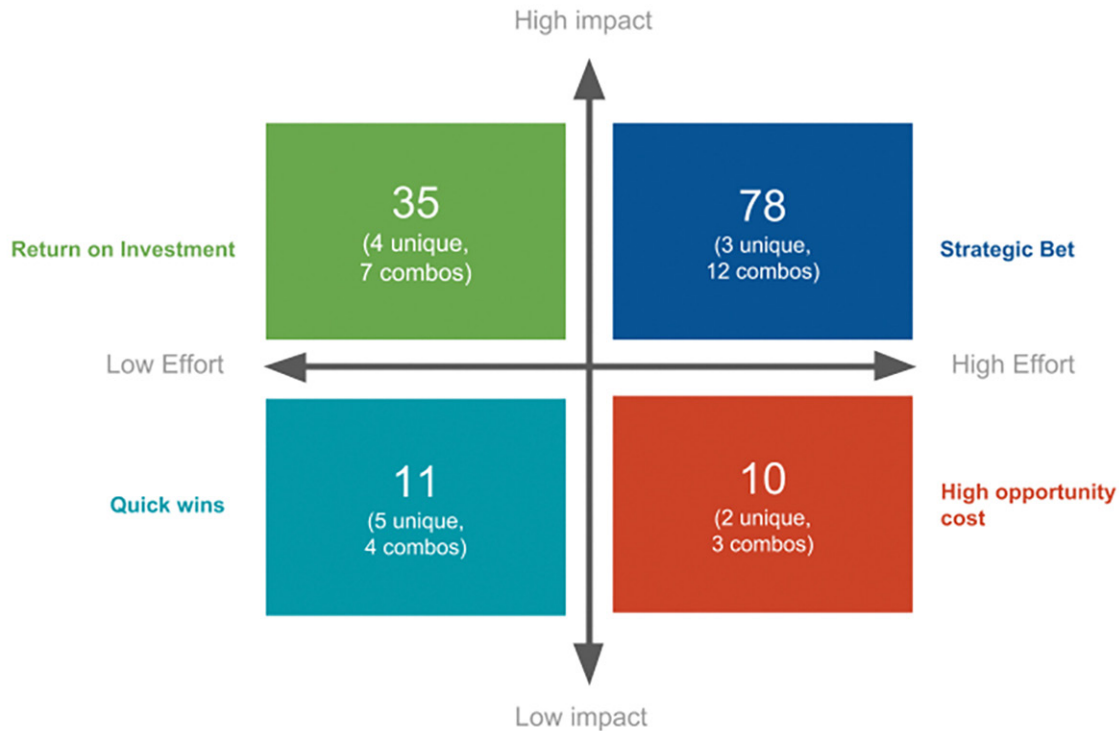
NHCD and the Innovation Office staff identified and entered over 600 pieces of information from the six reports into an Airtable database. These pieces of information were tagged and categorized with various attributes, including, but not limited to:

- Their source, description, and keywords
- Their type (e.g. background information, goal, policy, program, etc.)
- Whether they related to displacement, and if so, the type of displacement they addressed
- Whether they were actionable
- Whether they were currently underway
- The type of resident they targeted
- Whether they were in NHCD’s zone of control (these outside NHCD’s zone of control may be in the zone of control of other departments within the City of Austin, or external entities)
- Whether they require analysis by the City’s Finance and/or Law departments
- Whether they require legislative change and should be considered by the City’s Intergovernmental Relations Office

Recommendations that were actionable, related to displacement, free of significant legal or financial challenges, and considered within NHCD’s zone of control were grouped with similar recommendations, and plotted on a matrix based on their anticipated impact, their efficacy in mitigating displacement, and the resources required to implement. All of the recommendations fit into one of the four quadrants shown in the graphic on the next page.

Staff used the results of the sorting exercise and prioritized recommendations that could have the highest impact to include in a short term displacement mitigation plan to address immediate community needs. Priority was given to recommendations in the Strategic Bet and Return on Investment categories, as they had the highest potential impacts.

PRIORITIZING RECOMMENDATIONS



SHORT TERM DISPLACEMENT MITIGATION STRATEGY

The following 15 displacement mitigation strategies were prioritized from the 300+ community recommendations and have been incorporated into the Blueprint Implementation Resource Document. These recommendations are either currently underway or will be implemented in the next one to two years if additional staff are approved to increase the capacity of the department.

ACTION 1: PREFERENCE POLICY TO PRIORITIZE NEW CITY-SUBSIDIZED AFFORDABLE UNITS FOR INCOME-QUALIFIED HOUSEHOLDS THAT ARE APPROPRIATELY SIZED TO THE UNIT AND/OR HAVE TIES TO THE CITY

Target MFI Level: 80% and below

Community Plan Alignment: People’s Plan, Institutional Racism & Systemic Inequities Task Force report, Anti-Displacement Task Force report, *Uprooted*

Blueprint Implementation Alignment:

Community Value I: Prevent Households from Being Priced Out of Austin

Objective I.11: Pursue a Right to Return Policy

Action I.11.A: Preference policy to prioritize new City-subsidized affordable units for income-qualified households that are appropriately sized to the unit and/or have generational ties to the city

Background:

Preference policies can help mitigate displacement by prioritizing subsets of income-eligible households for affordable units. Households with certain characteristics, such as a number of persons that correlate with the number of bedrooms in units or with generational ties to a neighborhood, are given preference on waiting lists and lotteries for available affordable housing units.

City Council Resolution No. [20180308-010](#) directed the City Manager to propose a preference policy that prioritized applicants’ generational ties to the city and household size in relation to unit size. The Law Department is researching and analyzing what a possible Austin preference policy could include.

Implementation Timeline: Staff aims to offer a policy recommendation to the Austin City Council in Spring 2019.

ACTION 2: INCREASE COMMUNITIES OF COLOR PARTICIPATION IN NHCD’S AFFORDABLE HOUSING INVESTMENT RECOMMENDATIONS AND DISPLACEMENT MITIGATION ACTIVITIES

Target MFI Level: 80% and below

Community Plan Alignment: People’s Plan, Institutional Racism & Systemic Inequities Task Force report, Anti-Displacement Task Force report

Blueprint Implementation Alignment:

Community Value I: Prevent Households from Being Priced Out of Austin

Objective I. 11: Make strategic investments to minimize displacement

Action I.8. B: Engage Communities of Color in participating in NHCD’s affordable housing investment recommendations and displacement mitigation activities

Background:

The Housing Investment Review Committee (HIRC) is currently charged with reviewing staff’s

analysis and recommendations for affordable housing investments. The HIRC consists of six community members. The 2007 council resolution that directed the creation of the body called for a Housing Bond Review Committee consisting of two representatives from the Community Development Commission plus three representatives with expertise and experience in affordable housing development and finance. As NHCD invests a variety of funding sources into affordable housing developments (including federal, Housing Trust Fund, and General Obligation Bond), NHCD expanded the responsibilities of the committee from reviewing only bond-related investments to reviewing all housing investments.

NHCD is working with a committee of the Equity Action Team (EAT) to strategize ways to incorporate more inclusive oversight of NHCD’s housing investments. Specifically, NHCD and EAT are working to develop ways to incorporate more input from communities of color. Current strategies contemplated include expanding the HIRC to include more community members of color and providing more targeted outreach to gather feedback on contemplated housing investments at various crucial decision points, such as HIRC, CDC, and City Council/Austin Housing Finance Corporation meetings.

Implementation Timeline: Staff began meeting with community members and the Equity Action Team in January 2019 and will continue the process.

ACTION 3: INCORPORATE ROBUST TENANT PROTECTIONS FOR ALL RENTAL PROPERTIES RECEIVING CITY SUPPORT

Target MFI Level: 80% and below

Community Plan Alignment: Anti-Displacement Task Force report, *Uprooted*

Blueprint Implementation Alignment:

Community Value I: Prevent Households from Being Priced Out of Austin

Objective I.10: Prevent Displacement of Low- and Moderate-Income Renters

Action I.10.A: Incorporate robust tenant protections for all rental properties receiving City support

Background:

Austin City Council Resolution No. [20180510-051](#) directed the City Manager to require all developments funded through Private Activity Bonds to carry the Tenant Protection Lease addendums that are required for all developments funded through the RHDA program.

The application and guidelines have been revised to require all developments funded through newly issued Private Activity Bonds (PABs) by the AHFC to carry these protections.

Staff will continue to evaluate these protections and work with advocacy groups and development partners to improve tenant protections. Staff will also continue to explore areas where these protections can be applied, including for all developments seeking resolutions of no objection for an application to Texas Department of Housing and Community Affairs (TDHCA) for 4% low income housing tax credits.

Implementation Timeline: Tenant protections will be included in the next Private Activity Bond (PAB) development application process (PABs are processed on a rolling basis).

ACTION 4: RECALIBRATE, STREAMLINE, AND EXPAND DENSITY BONUS PROGRAMS TO SERVE RENTERS AT OR BELOW 60% MFI

Target MFI Level: 60% and below

Community Plan Alignment: People’s Plan, Anti-Displacement Task Force report, *Uprooted*, *Austin Strategic Housing Blueprint*

Blueprint Implementation Alignment:

Community Value I: Prevent Households from Being Priced Out of Austin

Objective I.10: Prevent Displacement of Low- and Moderate-Income Renters

Action I.10.B: Recalibrate, streamline & expand density bonus programs to serve renters at or below 60% MFI

Background:

Density bonuses are a valuable tool for leveraging the private market to create affordable housing without the use of public subsidy. Staff is currently working on a response to Resolution No. [20180823-077](#), which directed staff to develop and deliver to City Council recommendations for code amendments that would recalibrate existing density bonus policies. Staff is also anticipating expanding density bonuses through any future comprehensive revision to the City’s Land Development Code.

Changes to the density bonus program will be implemented through Council’s adoption of amendments to the Land Development Code. NHCD, PAZ, and DSD will be the lead departments responsible for drafting policy recommendations and code language.

Implementation Timeline: Staff aims to provide City Council with recommendations for the recalibration and streamlining of existing density bonus policies in early 2019.

ACTION 5: STREAMLINE THE APPLICATION PROCESS FOR AFFORDABLE UNITS

Target MFI Level: 80% and below

Community Plan Alignment: People’s Plan, Institutional Racism & Systemic Inequities Task Force report, Anti-Displacement Task Force report, *Austin Strategic Housing Blueprint*

Blueprint Implementation Alignment:

Community Value II: Foster Equitable, Diverse, and Integrated Communities

Objective II.12: Improve access to affordable housing information for communities vulnerable to displacement

Action II.12.A: Streamline the application process for affordable units

Background:

NHCD is working with a vendor to develop a web-based portal to streamline its housing tenancy programs. The platform aims to provide NHCD’s clients the full spectrum of experience, from client application intake to meeting NHCD’s reporting requirements. The platform includes both a public facing portal and an internal facing portal for NHCD staff to manage programs and ensure program requirements are met.

The public portal allows clients to view services offered by NHCD and where the services are available via a mapping tool. Clients will be able to sign up for services, and submit applications online in one place.

Implementation Timeline: Staff is currently working with the vendor to develop the software application.

ACTION 6: MARKET NHCD-SUBSIDIZED AFFORDABLE UNITS TO PEOPLE OF COLOR IN GENTRIFYING AREAS

Target MFI Level: 80% and below

Community Plan Alignment: Institutional Racism & Systemic Inequities Task Force report, Anti-Displacement Task Force report

Blueprint Implementation Alignment:

Community Value II: Foster Equitable, Diverse, and Integrated Communities

Objective II.12: Improve access to affordable housing information for communities vulnerable to displacement

Action II.12.B: Market NHCD-subsidized affordable units to people of color in gentrifying areas

Background:

NHCD is working to expand its affirmative marketing of NHCD-subsidized affordable units to people of

color in gentrifying areas. This marketing is intended to attract home buyers and renters of protected classes to subsidized or incentivized rental projects and ownership opportunities. The marketing plan describes initial advertising, outreach (community contacts) and other marketing activities that inform potential income-eligible buyers and renters of the existence of the affordable units. NHCD will incorporate strategies to strengthen outreach to people of color in gentrifying areas

Implementation Timeline: Staff is currently working to expand affirmative marketing of income-restricted affordable housing to people of color in gentrifying areas.

ACTION 7: ENGAGE DIRECTLY WITH COMMUNITIES VULNERABLE TO DISPLACEMENT AND CONNECT THEM WITH SERVICES

Target MFI Level: 80% and below

Community Plan Alignment: People’s Plan, Institutional Racism & Systemic Inequities Task Force report, Anti-Displacement Task Force report, *Uprooted*, *Austin Strategic Housing Blueprint*

Blueprint Implementation Alignment:

Community Value II: Foster Equitable, Diverse, and Integrated Communities

Objective II.12: Improve access to affordable housing information for communities vulnerable to displacement

Action II.12.C: Conduct outreach to communities vulnerable to displacement and connect eligible community members with services

Background:

This strategy focuses on the creation of neighborhood-specific strategies to alleviate immediate displacement pressures by focusing on sharing information with Austin residents to help them be able to stay in their current residence.



Riverside Meadows in Montopolis

The Innovation Office iTeam will prototype an approach for creating neighborhood-specific strategies with the Montopolis neighborhood, with the intention of transferring the work to NHCD to implement in areas in the city with displacement pressure. In 2019 the iTeam will work with NHCD, Montopolis residents, and community partners to create a process to:

1. Determine the factors that contribute to displacement pressures in Montopolis;
2. Identify promising interventions from recommendations in existing anti-displacement reports that can affect those contributing factors;
3. Co-create, with neighborhood residents, effective design and delivery of these interventions; and
4. Measure the interventions' effects on the contributing factors.

The iTeam is well versed in resident-centered work from their past two years of prototyping homelessness services. They will increase NHCD's capacity to work on displacement mitigation, take on the early, uncertain stages of service and process prototyping, and provide expertise in human-centered design and community co-creation that other City departments and community partners can incorporate into ongoing displacement mitigation efforts.

Lived experience is the key concept of this approach. It responds to what residents of a specific neighborhood are experiencing, rather than citywide strategies. Where citywide initiatives may create policies related to affordable housing supply and access, a lived experience approach may focus, for example, on accessible eviction counseling, alternatives to predatory lending, obtaining home repairs, exercising tenants rights, and lowering utility costs.

The process the iTeam prototypes in Montopolis will be adaptable to other neighborhoods, and can create a series of neighborhood-appropriate displacement mitigation efforts across Austin that could be brought to scale with additional resources over time.

Implementation Timeline: The Innovation Office iTeam will prototype and test this strategy throughout 2019.

ACTION 8: MODIFY AND EXPAND HOME REPAIR PROGRAMS IN GENTRIFYING AREAS

Target MFI Level: 80% and below

Community Plan Alignment: People’s Plan, Institutional Racism & Systemic Inequities Task Force report, Anti-Displacement Task Force report, *Uprooted*

Blueprint Implementation Alignment:

Community Value I: Prevent Households from Being Priced Out of Austin

Objective I.4: Prevent Displacement of Low-and-Moderate-Income Homeowners

Action I.4.B: Assist 600 Low-Income Households Per Year With Home Repair Programs, With the Objective to Help Preserve Existing Housing Stock

Background:

The 2018 General Obligation (GO) Bond includes an estimated \$28 million in funding for the GO Repair! Program. Staff recommends a graduated increase in annual funding for the program, which will enable nonprofit providers to appropriately staff and build internal capacity. Staff is also implementing program changes in order to better meet the community’s needs for home repairs and to deploy the funding more strategically. With the *Uprooted* report, staff can now target residents in areas at risk of displacement. In addition to increasing locally sourced funds for GO Repair!, staff is exploring expanding federally-funded home

repair programs and is pursuing this effort through the Consolidated Plan process.

Implementation Timeline: Staff is currently developing programmatic changes, and the bond funds for GO Repair! are expected to be released in early-to-mid 2019.

ACTION 9: LAND BANK IN GENTRIFYING AREAS TO ACQUIRE AND DEVELOP AFFORDABLE HOUSING

Target MFI Level: 50% and below for rental units; 80% and below for ownership

Community Plan Alignment: People’s Plan, Institutional Racism & Systemic Inequities Task Force report, Anti-Displacement Task Force report, *Uprooted*, *Austin Strategic Housing Blueprint*

Blueprint Implementation Alignment:

Community Value II: Foster Equitable, Integrated, and Diverse Communities

Objective II.3: Undertake Strategic Land Banking
Action II.3.A: Strategically acquire and hold land in underdeveloped activity centers and corridors, making it available to private or non-profit developers for the construction of affordable housing as these areas develop

Background:

NHCD is currently exploring opportunities for land banking properties in gentrifying areas, as the 2018 GO Bonds will provide approximately \$100 million for land acquisition. Staff is working to proactively identify opportunities ranging from small infill properties to larger scale vacant land (see the Acquisition & Disposition chapter). Any property acquired using the GO Bonds will limit the subsequent affordability to at or below 50% MFI for rental units and at or below 80% MFI for ownership units. In addition, long-term affordability will be ensured through a focus maintaining AHFC ownership of the land.

Properties will be assessed for potential acquisition using the a new criteria that aligns with goals in the *Blueprint*. The criteria include:

- Total unit production for each Council District;
- Unit production within High Opportunity areas as defined by Opportunity 360;
- Unit production within areas at Risk of Displacement as defined by *Uprooted*;
- Unit production within one quarter-mile of high frequency transit routes;
- Unit production within one half-mile of Imagine Austin centers and corridors;
- Unit production within one half-mile of a corridor improved through the Mobility Bonds; and
- Unit production to improve geographic dispersion of affordable units.

Implementation Timeline: Staff has developed criteria for land acquisition and are in the process of identifying potential properties.

ACTION 10: SUPPORT TENANT ORGANIZING AND ENGAGEMENT AND PROVIDE LEGAL AND OTHER ASSISTANCE TO TENANTS FACING EVICTION

Target MFI Level: 80% and below

Community Plan Alignment: Anti-Displacement Task Force report, *Uprooted*

Blueprint Implementation Alignment:

Community Value I: Prevent Households from Being Priced Out of Austin

Objective I.10: Prevent Displacement of Low- and Moderate-Income Renters

Action I.10.C: Support tenant organizing and engagement and provide legal and other assistance to tenants facing eviction

Background:

Eviction is a type of direct displacement and can lead to housing insecurity, including the potential for individuals and households to fall further down the continuum of housing toward homelessness. NHCD to develop guidelines for a program that will offer assistance to households facing eviction and help households prevent eviction. NHCD will implement this program via a contract with an external partner. The program will offer education around the eviction process and legal aide. Staff has developed a scope of work and will be issuing a Notice of Funding Availability (NOFA) in 2019.

Implementation Timeline: Staff aims to launch the NOFA in spring 2019.

ACTION 11: PROVIDE TENANT RELOCATION ASSISTANCE AND EMERGENCY RENTAL ASSISTANCE

Target MFI Level: 70% and below

Community Plan Alignment: Anti-Displacement Task Force report, *Uprooted*, *Austin Strategic Housing Blueprint*

Blueprint Implementation Alignment:

Community Value I: Prevent Households from Being Priced Out of Austin

Objective I.10: Prevent Displacement of Low- and Moderate-Income Renters

Action I.10.D: Provide tenant relocation assistance and emergency rental assistance

Background:

NHCD began implementing the Tenant Notification and Relocation Assistance Ordinance in 2016, which allows for financial relocation assistance to income-eligible tenants facing displacement from multifamily buildings and mobile home parks. The ordinance enables City Council to charge a tenant relocation fee to developers in certain cases, and establish a public fund that can provide assistance to income-eligible displaced tenants any time the ordinance is triggered. To implement the fee to

developers, a study must be completed to set the fee level. A Request for Qualifications (RFQ) has been issued to find a consultant to undertake the study.

Staff is also responding to Council Resolution No. [20180628-063](#), which directed staff to make updates to the ordinance, with recommendations to be forwarded to Council in the first quarter of 2019. Staff recommends that City Council establish the public fund for relocation assistance.

For emergency rental assistance, NHCD is planning to develop a short-term rental assistance program funded through the Housing Trust Fund. Staff are working on a competitive solicitation to find a qualified service provider to administer the program with the goal of having the scope of work and program guidelines developed by the end of fiscal year 2019.

Implementation Timeline: Staff has released the Request for Qualifications to complete the fee study, and plan to develop the Emergency Rental Assistance Program guidelines by the end of Fiscal Year 2019.

ACTION 12: SUPPORT THE CREATION OF DEEPLY AFFORDABLE UNITS AT 20% AND 30% MFI AND BELOW

Target MFI Level: 30% and below

Community Plan Alignment: Anti-Displacement Task Force report, *Austin Strategic Housing Blueprint*

Blueprint Implementation Alignment:

Community Value III: Invest in Housing for Those Most in Need

Objective III.9: Support the Creation of Deeply Affordable Units Serving People at 20% and 30% MFI and Below

Action III.9.A: Focus resources and funding on housing that is affordable to this income bracket (20% and 30% MFI)

Background:

NHCD's Rental Housing Development Assistance (RHDA) scoring system assigns a point value for each unit assisted with RHDA funds (see the Bond Implementation chapter). Based upon the goals established in the *Strategic Housing Blueprint*, points are calculated as the percentage of the annual goal achieved with the provided units. Percentages are then multiplied by a constant to assign a point value. This point value represents the first threshold for applications in the overall review process. For units available to households at or below 50% MFI, the constant multiplier is 15 for all goals. Units available to households at or below 30% MFI get a 25% increase in the per unit score, with a constant multiplier of 20. By assigning points based upon the percentage of the goal achieved, applications in different areas of the City can more easily be compared against one another. The constant allows the unit scores to weigh as heavily in the overall score as the score for initiatives and priorities. By weighting the units with deeper levels of affordability, the application and scoring process increases the incentive to provide these units.

Implementation Timeline: Staff began using the new scoring system for RHDA applications starting in early 2019.

ACTION 13: PROACTIVELY MONITOR AFFORDABLE PROPERTIES AT RISK OF LOSING AFFORDABILITY TO TRY TO EXTEND AFFORDABILITY PERIODS

Target MFI Level: 60% and below

Community Plan Alignment: Anti-Displacement Task Force report, *Uprooted*, *Austin Strategic Housing Blueprint*

Blueprint Implementation Alignment:

Community Value I: Prevent Households from being Priced Out of Austin

Objective I.8: Make Strategic Investments to Minimize Displacement

Action I.8.B: Track which income-restricted units are set to expire in a given year, and target

these units with strategies like the strike fund, community land trust, and others

Background:

Tracking housing at risk of losing an affordability requirement will help AHFC and community partners identify opportunities for acquisition and preservation of units. While some properties may be too costly or require too much maintenance and rehabilitation for AHFC to purchase and operate outright, community partners like Affordable Central Texas, affordable housing non-profits, community development financial institutions (CDFIs), and real estate investment trusts (REITs) can use the information and network to acquire and preserve affordable properties.

NHCD is developing the Affordable Housing Data Hub, a dynamic database of income-restricted affordable housing in the Austin area, using data from the Housing Authority of the City of Austin, the Housing Authority of Travis County, Texas Department of Housing and Community Affairs, and the City of Austin. This database contains information on affordability period expiration dates, which will allow NHCD and community partners to proactively track when the affordability requirements on existing affordable units are set to expire. See the Preservation Strategy chapter for more information.

To preserve the expiring affordable housing units, the community should also create a preservation network of entities that can use the database information to identify at risk properties and purchase them for continued use as affordable housing.

NHCD is working with partners to create and maintain the tracking database. The preservation network should be comprised of entities from the community, like affordable housing owners, operators, and funders. Community partners that can work with the preservation network to acquire identified properties could range from national organizations with large affordable housing portfolios to local nonprofit organizations, such as

Foundation Communities and Affordable Central Texas, to CDFIs, and mission-driven REITs.

Implementation Timeline: Staff aims to publicly launch the database of affordable units in early 2019, which includes information to track developments with expiring affordability periods.

ACTION 14: SUPPORT CAPACITY BUILDING FOR COMMUNITY DEVELOPMENT CORPORATIONS

Target MFI Level: 60% and below

Community Plan Alignment: Anti-Displacement Task Force report, *Uprooted*

Blueprint Implementation Alignment:

Community Value IV: Create New And Affordable Housing Choices For All Austinites In All Parts of Austin

Objective IV.19: Support Local Non-Profit Entities to Expand Affordable Housing Production

Action I.8.B: Support capacity building for Community Development Corporations

Background:

NHCD's goal is to assist local non-profit entities in expanding current affordable housing production, benefitting more low-income households and/or operating more efficiently and effectively. In FY 2019, NHCD will release a Request for Proposals for nonprofit organizations to increase their capacity to develop affordable housing. NHCD plans to award \$300,000 to an estimated three to four eligible nonprofit organizations. Proposals will be targeted to benefit households at or below 60% MFI.

NHCD is contemplating the following eligible activities for non-profit funding:

1. Project and Operations Management improvements, to include:
 - a. Staff salary for new project and operations management positions;

- b. Training for staff (including both existing and new staff); and
 - c. Technical and management consultants
2. Board Development, with a particular focus on governance to include:
- a. Training, including travel; and
 - b. Consultants and facilitators.

Applicants will be evaluated based on a variety of factors, including their work plan, budget, and alignment with the *Austin Strategic Housing Blueprint*.

Implementation Timeline: Staff aims to launch the RFP in 2019.

and marital status. The City of Austin enforces its fair housing ordinance through the Equal Employment and Fair Housing Office (EE/FHO), located in the Human Resources department. The City also provides funding to Austin Tenants' Council (ATC) to investigate violations of the federal fair housing law.

This strategy also aligns with findings from the City's Analysis of Impediments to Fair Housing Choice publications. NHCD will implement this strategy of increased fair housing enforcement and education with guidance from the EE/FHO.

Implementation Timeline: Ongoing

ACTION 15: INCREASE FAIR HOUSING ENFORCEMENT AND EDUCATION

Target MFI Level: All

Community Plan Alignment: Institutional Racism & Systemic Inequities Task Force report, Anti-Displacement Task Force report, *Austin Strategic Housing Blueprint*

Blueprint Implementation Alignment:

Community Value II: Foster Equitable, Integrated, and Diverse Communities

Objective II.2: Implement the City of Austin's Fair Housing Action Plan and Bolster Enforcement of Existing Fair Housing Requirements

Action II.2.A: Implement the Fair Housing Action Plan in Its Entirety

Background:

The City of Austin fair housing ordinance provides protections from discrimination in housing that exceed those in the Federal Fair Housing Act, including additional protections for age, creed, sexual orientation, gender identity, student status,