Affordable Housing Acquisition & Development: Project Connect, pt. 2

Jamey May
Housing and Community Development Officer
Housing Department
Citizen Advisory Committee
August 10, 2023
Content

- Project Connect Acquisitions
- Median Family Income
AHFC Acquisitions
Land Acquisition

- 3 Hotels for Permanent Supportive Housing
- 52.5 Acres Acquired
- 2 Partnerships Preserved
- 9 Multi-family properties preserved
- 20 Single-family homes added to the CLT
- $100M allocated by AHFC Board (remaining balance $7.82)
- $69M Expended
- $31M Encumbered
- All funds to be expended by the end of FY22-23
Project Connect Acquisitions

- $23,000,000 for Anti-Displacement investments allocated to AHFC in 2021
- AHFC allocated $8M to Anti-Displacement Community Acquisition Program ("ADCAP")
- AHFC allocated the remaining $15M to AHFC-led acquisitions
Naturally Occurring Affordable Housing (NOAH)

- 20 one-bedroom
- 20 two-bedroom
- Market Rent affordable at 50% AMI

Acquired June 2022

- Acquisition price: $7,680,000
- AHFC is 100% Owner

100% Restricted Affordable Housing

- 15 @ 30%
- 15 @ 50%
- 8 @ 80%

One unit is used as an office
One unit is occupied by property maintenance staff member
SOCO 121
(121 Woodward Street)

Low-Income Housing Tax Credit (expiring)
20 one-bedroom
32 two-bedroom
Rent restricted at 60% AMI
Acquired March 2023
Acquisition price: $10,500,000
($4,72M of PC funds)
AHFC is 100% Owner
100% Restricted Affordable Housing
14@ 30% AMI
18@ 50% AMI
19@ 80% AMI
$520,000 RHDA loan in April 2023
Naturally Occurring Affordable Housing (NOAH)

108 units BEDROOMS
Market Rent Affordable at 50% AMI
Acquired June 2023
$16M acquisition price
(no PC funds used, yet)
Partnership with Affordable Central Texas
90% Restricted Affordable
22 @ 50%
33 @ 60%
22 @ 80%
11 @ 100%
10 @ 120%
10 @ Market

Central Park
6008, 6010 N Lamar Blvd
Future Acquisitions

- **Assemblage opportunities**
  - Create multiple-acre sites that allow for comprehensive planning and phased development.
  - Create deeply affordable and mixed-income transit-supportive housing at key locations.

- **Preservation opportunities**
  - Naturally Occurring Affordable Housing
  - Expiring Tax Credit properties

- **Multi-phase development**
Median Family Income
# HOME Program Income Limits

<table>
<thead>
<tr>
<th>Income Limit</th>
<th>1 Person</th>
<th>2 Persons</th>
<th>3 Persons</th>
<th>4 Persons</th>
<th>5 Persons</th>
<th>6 Persons</th>
<th>7 Persons</th>
<th>8 Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>16,350</td>
<td>18,700</td>
<td>21,000</td>
<td>23,350</td>
<td>25,250</td>
<td>27,100</td>
<td>28,950</td>
<td>30,850</td>
</tr>
<tr>
<td>* 30%</td>
<td>24,550</td>
<td>28,050</td>
<td>31,550</td>
<td>35,050</td>
<td>37,900</td>
<td>40,700</td>
<td>43,500</td>
<td>46,300</td>
</tr>
<tr>
<td>40%</td>
<td>32,700</td>
<td>37,400</td>
<td>42,050</td>
<td>46,700</td>
<td>50,450</td>
<td>54,200</td>
<td>57,950</td>
<td>61,650</td>
</tr>
<tr>
<td>* 60%</td>
<td>40,900</td>
<td>46,750</td>
<td>52,600</td>
<td>58,400</td>
<td>63,100</td>
<td>67,750</td>
<td>72,450</td>
<td>77,100</td>
</tr>
<tr>
<td>* 60%</td>
<td>49,080</td>
<td>56,100</td>
<td>63,120</td>
<td>70,080</td>
<td>75,720</td>
<td>81,300</td>
<td>86,940</td>
<td>92,520</td>
</tr>
<tr>
<td>65%</td>
<td>53,150</td>
<td>60,750</td>
<td>68,350</td>
<td>75,900</td>
<td>82,000</td>
<td>88,050</td>
<td>94,150</td>
<td>100,200</td>
</tr>
<tr>
<td>70%</td>
<td>57,250</td>
<td>65,400</td>
<td>73,600</td>
<td>81,750</td>
<td>88,300</td>
<td>94,850</td>
<td>101,400</td>
<td>107,900</td>
</tr>
<tr>
<td>* 80%</td>
<td>65,450</td>
<td>74,800</td>
<td>84,150</td>
<td>93,400</td>
<td>100,950</td>
<td>108,450</td>
<td>115,900</td>
<td>123,400</td>
</tr>
<tr>
<td>100%</td>
<td>85,600</td>
<td>97,850</td>
<td>110,050</td>
<td>122,300</td>
<td>132,100</td>
<td>141,850</td>
<td>151,650</td>
<td>161,450</td>
</tr>
<tr>
<td>120%</td>
<td>102,750</td>
<td>117,400</td>
<td>132,100</td>
<td>146,750</td>
<td>158,500</td>
<td>170,250</td>
<td>182,000</td>
<td>193,700</td>
</tr>
<tr>
<td>140%</td>
<td>119,850</td>
<td>137,000</td>
<td>154,100</td>
<td>171,200</td>
<td>184,900</td>
<td>198,600</td>
<td>212,300</td>
<td>226,000</td>
</tr>
</tbody>
</table>

* Income provided by HUD.

Other income limits calculated by HPD based on the formula used by HUD.

HUD rounds to the nearest $50 dollars

MFI Chart was expanded to include other percentages used by HPD.

# HOME Program Rent Limits

<table>
<thead>
<tr>
<th>Efficiency (1 person)</th>
<th>1 BR (2 persons)</th>
<th>2 BR (3 persons)</th>
<th>3 BR (4 persons)</th>
<th>4 BR (5 persons)</th>
<th>5 BR (6 persons)</th>
<th>6 BR (7 persons)</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% Rent Limit</td>
<td>$ 613.00</td>
<td>$ 701.00</td>
<td>$ 768.00</td>
<td>$ 875.00</td>
<td>$ 947.00</td>
<td>$ 1,017.00</td>
</tr>
<tr>
<td>* 50% Rent Limit</td>
<td>$ 1,022.00</td>
<td>$ 1,095.00</td>
<td>$ 1,315.00</td>
<td>$ 1,518.00</td>
<td>$ 1,693.00</td>
<td>$ 1,869.00</td>
</tr>
<tr>
<td>* 65% Rent Limit</td>
<td>$ 1,309.00</td>
<td>$ 1,404.00</td>
<td>$ 1,687.00</td>
<td>$ 1,940.00</td>
<td>$ 2,144.00</td>
<td>$ 2,347.00</td>
</tr>
<tr>
<td>80% Rent Limit</td>
<td>$ 1,636.00</td>
<td>$ 1,870.00</td>
<td>$ 2,103.00</td>
<td>$ 2,336.00</td>
<td>$ 2,523.00</td>
<td>$ 2,711.00</td>
</tr>
<tr>
<td>120% Rent Limit</td>
<td>$ 2,568.00</td>
<td>$ 2,935.00</td>
<td>$ 3,302.00</td>
<td>$ 3,668.00</td>
<td>$ 3,962.00</td>
<td>$ 4,256.00</td>
</tr>
<tr>
<td>* LOW HOME Rent Limit</td>
<td>$ 1,022.00</td>
<td>$ 1,095.00</td>
<td>$ 1,315.00</td>
<td>$ 1,518.00</td>
<td>$ 1,693.00</td>
<td>$ 1,869.00</td>
</tr>
<tr>
<td>* HIGH HOME Rent Limit</td>
<td>$ 1,253.00</td>
<td>$ 1,386.00</td>
<td>$ 1,826.00</td>
<td>$ 2,086.00</td>
<td>$ 2,416.00</td>
<td>$ 2,778.00</td>
</tr>
<tr>
<td>* FAIR MARKET RENT</td>
<td>$ 1,253.00</td>
<td>$ 1,386.00</td>
<td>$ 1,826.00</td>
<td>$ 2,086.00</td>
<td>$ 2,416.00</td>
<td>$ 2,778.00</td>
</tr>
</tbody>
</table>

* Rents provided by HUD.

Other rent limits calculated by HPD.
78741 Compared to Surrounding Areas

Median Household Income

The median household income ($54,422) for 78741 is less than the median household income for 78745 ($72,439), 78742 ($63,750), 78744 ($65,262), 78701 ($136,486), 78702 ($82,176), 78704 ($82,641), 78725 ($78,420), Travis County ($85,043), and Austin city ($78,965). But it’s more than 78719 ($49,671).

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>78741</td>
<td>$54,422</td>
</tr>
<tr>
<td>Austin city</td>
<td>$78,965</td>
</tr>
<tr>
<td>Travis County</td>
<td>$85,043</td>
</tr>
</tbody>
</table>

Average Household Income

The average household income ($73,737) for 78741 is less than the average household income for 78745 ($92,262), 78725 ($96,446), 78744 ($79,728), 78701 ($197,864), 78702 ($106,592), 78704 ($125,252), Travis County ($119,031), and Austin city ($111,233). But it’s more than 78719 ($71,559) and 78742 ($67,599).

<p>| | |</p>
<table>
<thead>
<tr>
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<th></th>
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</thead>
<tbody>
<tr>
<td>78741</td>
<td>$73,737</td>
</tr>
<tr>
<td>Austin city</td>
<td>$111,233</td>
</tr>
<tr>
<td>Travis County</td>
<td>$119,031</td>
</tr>
</tbody>
</table>
### 78704 Compared to Surrounding Areas

#### Median Household Income

The median household income ($82,641) for 78704 is less than the median household income for 78701 ($136,486), 78703 ($125,448), 78746 ($166,415), and Travis County ($85,043). But it's more than 78702 ($82,176), 78741 ($54,422), 78744 ($65,262), 78745 ($72,439), and Austin city ($78,965).

<table>
<thead>
<tr>
<th></th>
<th>Median Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>78704</td>
<td>$82,641</td>
</tr>
<tr>
<td>Austin city</td>
<td>$78,965</td>
</tr>
<tr>
<td>Travis County</td>
<td>$85,043</td>
</tr>
</tbody>
</table>

#### Average Household Income

The average household income ($125,252) for 78704 is less than the average household income for 78701 ($197,864), 78703 ($197,542), and 78746 ($240,365). But it's more than 78702 ($106,592), 78741 ($73,737), 78744 ($79,728), 78745 ($92,262), Travis County ($119,031), and Austin city ($111,233).

<table>
<thead>
<tr>
<th></th>
<th>Average Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>78704</td>
<td>$125,252</td>
</tr>
<tr>
<td>Austin city</td>
<td>$111,233</td>
</tr>
<tr>
<td>Travis County</td>
<td>$119,031</td>
</tr>
</tbody>
</table>
### 78705 Compared to Surrounding Areas

#### Median Household Income

The median household income ($23,750) for 78705 is less than the median household income for 78756 ($87,985), 78731 ($92,641), 78751 ($67,552), 78701 ($136,486), 78703 ($125,449), 78722 ($85,137), Travis County ($85,043), and Austin city ($78,965). But it’s more than 78712 ($-1).

<table>
<thead>
<tr>
<th>Location</th>
<th>Median Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>78705</td>
<td>$23,750</td>
</tr>
<tr>
<td>Austin city</td>
<td>$78,965</td>
</tr>
<tr>
<td>Travis County</td>
<td>$85,043</td>
</tr>
</tbody>
</table>

#### Average Household Income

The average household income ($53,030) for 78705 is less than the average household income for 78756 ($118,991), 78731 ($152,741), 78751 ($93,009), 78701 ($197,864), 78703 ($197,542), 78722 ($112,536), Travis County ($119,031), and Austin city ($111,233). But it’s more than 78712 ($-1).

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<thead>
<tr>
<th>Location</th>
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<tr>
<td>78705</td>
<td>$53,030</td>
</tr>
<tr>
<td>Austin city</td>
<td>$111,233</td>
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<tr>
<td>Travis County</td>
<td>$119,031</td>
</tr>
</tbody>
</table>
78702 Compared to Surrounding Areas

Median Household Income

The median household income ($82,176) for 78702 is less than the median household income for 78701 ($136,486), 78704 ($82,641), 78722 ($85,137), and Travis County ($85,043). But it’s more than 78723 ($76,535), 78712 (-$1), 78721 ($61,462), 78742 ($63,750), 78725 ($78,420), 78741 ($54,422), and Austin city ($78,965).

<table>
<thead>
<tr>
<th></th>
<th>Median Household Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>78702</td>
<td>$82,176</td>
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<td>Travis County</td>
<td>$85,043</td>
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Average Household Income

The average household income ($106,592) for 78702 is less than the average household income for 78701 ($197,864), 78704 ($125,252), 78722 ($112,536), Travis County ($119,031), and Austin city ($111,233). But it’s more than 78712 (-$1), 78721 ($92,455), 78723 ($103,811), 78725 ($96,446), 78741 ($73,737), and 78742 ($67,599).

<table>
<thead>
<tr>
<th></th>
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<tr>
<td>78702</td>
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<td>$111,233</td>
</tr>
<tr>
<td>Travis County</td>
<td>$119,031</td>
</tr>
</tbody>
</table>
Thank You

James.May@austintexas.gov
City of Austin
Small Business Construction Mitigation Pilot Program

Director Sylnovia Holt-Rabb
Economic Development Department
City of Austin

August 10, 2023
Economic Development Department Leadership Team

Sylvonia Holt-Rabb  
Director  
Economic Development Department

Susana Carbajal  
Deputy Director  
Economic Development Department

Morgan Messick  
Acting Assistant Director  
Economic Development Department

Our mission is to promote a competitive, sustainable and equitable economy for all.
State of Small Businesses

**COVID-19** and subsequent nation-wide shutdowns placed significant financial and operational burdens on Austin’s small business community. Many of the surviving businesses remain economically fragile as they attempt to stabilize revenue and customer base with changing needs.

**Major Construction Projects** including Project Connect in the long-term seek to provide greater mobility and economic prosperity; in the short-term these city-wide projects may result in business interruption and displacement of existing small businesses including for-profits, creatives, and non-profits.
Project Connect Phase I – Approved June 6, 2023

The Austin Transit Partnership announced the **first phase of Austin Light Rail, running from 38th Street to Oltorf to Yellow Jacket** with additional priority extensions, has been approved by all three partners including the Austin City Council and the CapMetro Board of Directors.

The recommendation was initially one of five options revealed in March, and was selected after planning data analysis, engineering evaluation and community dialogue came together to identify this plan as the path for light rail that serves the Austin community.
Impact of Construction – Business Revenue Loss

*Seattle, Washington – Sound Transit Light Rail to Northgate

**Construction Projects Generally**
- Reduces accessibility for both vehicles and pedestrian
- Removal of side walks/blocking of business entrances
- Reduced parking supply
- Interruption of utility services
- Phycological Impacts i.e. areas under construction avoided

**Transportation Projects**
- Traffic Diversions
- Lane reconfigurations
- Changes to traffic lights/signals

Impact of Construction - Workforce

* Profile of a Retail industry worker
  - Retail workers are younger: Over half were ages 16-34
  - Women are more likely in retail jobs: About 56.5% were women
  - Black and Hispanic communities over-represented in retail work: 12% Black compared to 11.4% of total workforce; Hispanics were 18.7% versus 17.5% of total workforce.
  - Retail workers were more likely to live in poverty: 10.1% of retail workers v. 6% of all workers lived in poverty.

** Profile of a Service industry worker
  - 67% of all service industry providers are women, in 2021 women in service industry earned 95% of what men earned
  - Hispanics and Black communities represent 18.5% and 11.9% respectively

*U.S. Census Bureau: A Profile of the Retail Workforce
** Zippier: Service Worker Demographics and Statistics in the US
Construction Mitigation Pilot Program

- Pilot includes a targeted section of the Project Connect - Phase 1 line
- Boundaries: James Street (N) down to Oltorf (S) and one block over to Nickerson (E) and Eva Street (W)
- Displacement Risk of Pilot Area (Project Connect Anti-Displacement Risk Dashboard) – Chronic
- Major Business industries in Pilot Area - 31% Retail, 35% Service industry providers

South Congress Business District *(Souly Austin)*
- 183 Businesses in the District
- 1,736 Estimated jobs in the District
- 407,634 Commercial square footage
- 3 Cultural and Historic Assets
- $1,113,765 Sales Tax (2018)
Program Pilot Framework

• $600,000 seed funds from City of Austin General Fund
• $4 million Anti-Displacement Funds
• Up to $30,000 one–time grant plus:
  ✓ Business coaching/training
  ✓ Reimburse costs associated rent or mortgage payments
  ✓ Marketing and advertising
  ✓ Customer loyalty programs
Program Pilot Framework

Eligibility Requirements

• For-profit, creative, or non-profit organization that has been at the current location for more than 12 months and has 50 employees or fewer
• Business is located within a block of the construction area as shown in the pilot program area
• Business has been negatively impacted by street closures and construction as demonstrated by revenue impact
• Business is a “brick-and-mortar” merchant in the restaurant, bar, retail space, or non-profit organization
• Business must demonstrate financial profitability prior 12 months of construction
• 12-month commitment to monthly 1:1 coaching sessions/trainings at no-cost
Business Coaching & Training

• Coaching – 1:1 assistance with measuring business financial health and development of a relocation or retention strategy to minimize impact to business and customers. Alternatively, we can develop an exit strategy for businesses to preserve capital for their next business venture.

• EDD Small Business Classes – Access to affordable small business instruction to shore up business knowledge and operational fundamentals so an owner can focus on emerging challenges.

• Technology – Leveraging access to subscription-based services to execute the business plan co-developed with a coach and develop strong roots in a new location.
Construction Mitigation Program Timeline

- **Spring 2024** – $600,000 Pilot Program Launch (subject to construction timeline announcement)

- **Summer 2025** – Pilot Program Assessment & Review

- **Fall 2025** – $4 million Program Rollout subject to Project Connect Phases
CAC BYLAWS REVIEW- PROCESS & TIMELINE

**JULY** – Joint Partnership staff discussions around bylaws modifications, process changes, and governance documents

**AUGUST** – Sharing recommendations with CAC, current nominating committee (members of CapMetro Board & City Council) and ATP Board Chair, and gathering feedback

**SEPTEMBER** – Final recommendations shared with CAC and on joint partnership agendas for approval

- Sept. 14 - CAC
- Sept. 20 - ATP Board
- Sept. 21 - City Council
- Sept. 25 - CapMetro Board

**OCTOBER** – Public outreach seeking applicants for CAC positions

**NOVEMBER & DECEMBER** – Applicant review and selection process
WHY ARE WE REVISITING CAC BYLAWS?

• Staggering terms

• Clarifying appointment and reappointment process

• Increasing accountability and transparency in the appointment process, and reducing application barriers

• Clarifying staff liaison roles and responsibilities

• Evolving bylaws and committee structure to reflect today’s joint partnership and CAC role to Project Connect
SUMMARY OF PROPOSED CHANGES

• General clean up (such as being consistent in committee name, reorganizing sections, consolidating similar topic areas and removing impracticalities).

• Terms: Increasing term to four years, creating a staggering of terms and creating a two term limit.
  • For members appointed by commissions and committees, they must be confirmed every two years

• Eligibility: Clarified that members must remain eligible throughout their term

• Clarifies process for reappointment, resignation, filling of vacancies and removal of members based on attendance or changes in eligibility.

• Created a new Staff Liaison section and clarified roles
## PROPOSED CHANGES TO MEMBERSHIP

### Composition
- 11 members (no change)
  - Six “At Large Members”
  - Five “Commission and Committee Members”
- A non-voting ex-officio appointed by the CAC

### Appointment

<table>
<thead>
<tr>
<th>Option 1 - Independent Selection by each body</th>
<th>Option 2 - Joint selection by Nominating Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td>• City Council, CapMetro Board and ATP Board each appoint 2 members.</td>
<td>• A nominating committee is formed to review applicants and make a recommendation that must be approved by each agency’s governing body</td>
</tr>
<tr>
<td>• Each body uses the same application but may otherwise set their own process</td>
<td>• The nominating committee shall include the Chair of the City’s Mobility Committee, the Chair of the CapMetro Operations, Planning and Safety Committee, the Community Expert Director for Community Planning who sits on the ATP Board, and one member of the CAC to be identified by the Chair.</td>
</tr>
<tr>
<td>• The process must be publicly posted with dates, materials, interview questions if applicable, etc., and must conclude with an on-dais consideration of the recommended candidate(s)</td>
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</tr>
</tbody>
</table>
OTHER ITEMS TO CONSIDER

- Increasing the number of members
- Alternate or “backup” members
- Allow variance to term limits
- Length of Officer Terms versus Ex Officio Role