

Anti-Displacement Community Acquisition Program (ADCAP)

Review and Recommendations for Consideration

June 2025

Chase Bryan, Planner II Housing Department

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ADCAP Background & Overview



Creation

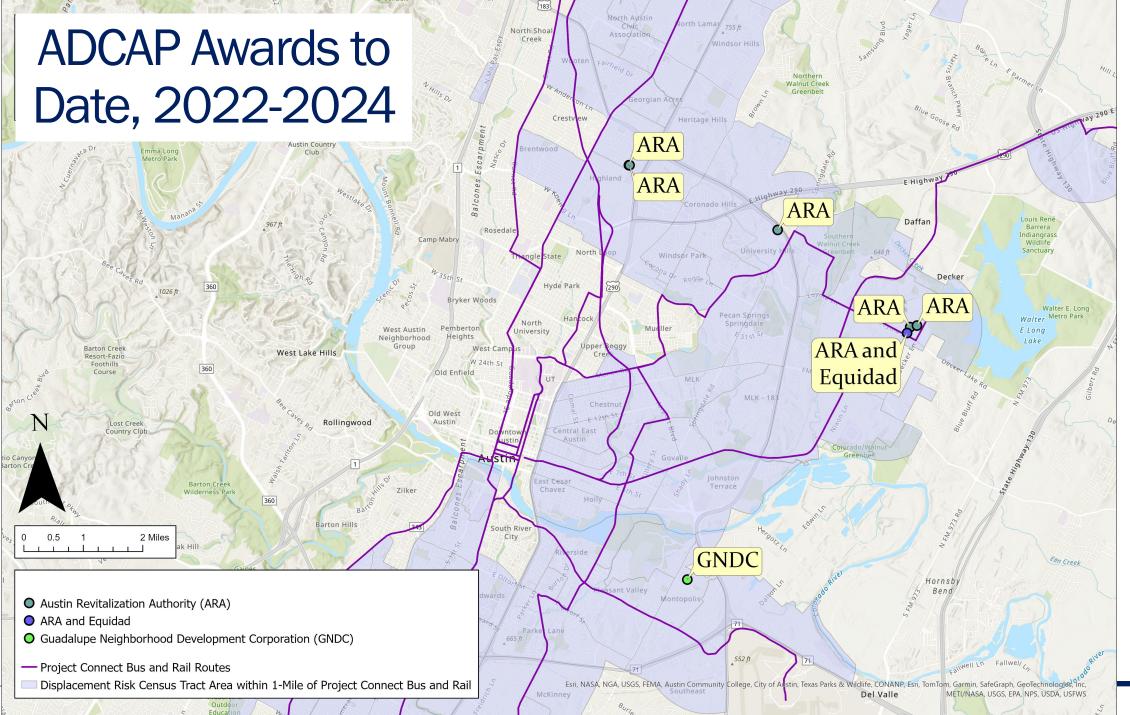
- 2020 community advocacy for rapid acquisition funds for 501(c)3 community development organizations, allocated from the \$300 million in Project Connect Anti-Displacement Funding
- ADCAP created in December 2021 after direction from Council Resolution No. 20210204-062
- \$8 million allocation
- 2 main functions of ADCAP:
 - Protect housing and land from speculation in gentrifying areas
 - Support nonprofit community development organizations



ADCAP Guideline Overview

- Zero-interest forgivable or non-forgivable loans (AHFC discretion) for real property acquisition
- Rolling application with a relatively quick award timeline
- Available to 501(c)3 nonprofit developers
- Small sites (1 acre or less)
- May only be used within a Displacement Risk Census Tract and within 1 mile of a Project Connect bus or rail line
- Income requirements:
 - At least half of the housing units must be affordable to households earning 50%MFI (rental) or 80%MFI (owner)
 - Affordability periods are 40 years for rental and 99 years for ownership







ADCAP Awards to Date

\$8 million allocated

\$3,600,000 awarded

* \$4,400,000 remaining

Project	Owners + Partners	Affordable (income- restricted) Units	Award Amount	Lot Size (acres)	Year of Acquisition
8402 Garcreek Cir.	Austin Revitalization Authority	4 units, rental, (4) 2- bed	\$458,000	0.36	2022
3306 Vintage Hills	Austin Revitalization Authority	4 units, rental, (4) 2- bed	\$780,000	0.23	2023
300 Carmen Court	Austin Revitalization Authority	4 units, rental, (2) 2- bed, (2) 1-bed	\$650,000	0.21	2023
302 Carmen Court	Austin Revitalization Authority	4 units, rental, (2) 2- bed, (2) 1-bed	\$650,000	0.22	2023
8301 Riverstone Dr.	Austin Revitalization Authority + Equidad ATX	3 units, ownership, (4) 3-bed	\$150,163	0.31	2024
806 Vargas Rd.	Guadalupe Neighborhood Development Corporation	2 units, ownership, (1) 2-bed, (1) 3-bed	\$240,000	0.15	2024
8418 Riverstone Dr.	Austin Revitalization Authority	4 units, rental, (4) 2- bed	\$674,000	0.23	2024



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Causes for Program Review

- Relatively few awards to a few organizations
- Few homes created and preserved relative to other programs
- Program paused in October 2024 to evaluate and identify opportunities for improvement

Fiscal Year	Number of Awards	Number of Units
2022	1	4
2023	3	12
2024	3	9

Projects	Total Units	Preserved Units	New Units*	Ownership	Rental Units	ADCAP Funding	Family-sized Units
Awarded				Units		per Unit	
7	25	20	5	5	20	\$111,120	21

^{*} Proposed new units are not yet constructed.



Evaluation Process

- Reviewed the intent and vision behind ADCAP
- Reviewed documentation on the program
- Interviewed stakeholders
- Reviewed funding awards
- Reviewed program performance by key metrics
- Compared with similar funding programs in other cities



Stakeholders Interviewed

- Small Nonprofit Developers
 - Austin Revitalization Authority (ARA)
 - Guadalupe Neighborhood
 Development Corporation (GNDC)
 - Blackland CDC
- City of Austin Staff
 - Housing Department/AHFC
 - Equity Office
 - Law Department

- Other Program Leaders
 - Seattle Equitable Development
 Initiative
 - Texas Community Capital (TCC)

Findings from Staff Report



Findings

- Lack of program awareness
- Inconsistent understanding of ADCAP requirements and intent
- Timeline pressures
- Lack of small nonprofit developers in Austin
- Low spending threshold for AHFC administrative approval
- Lack of program flexibility

Recommendations from the Staff Report



Recommendations

Housing Department/AHFC Actions

- 1. Clarify program guidelines
- 2. Adjust application intake schedule
- Improve awareness among small community-oriented developers and integrate with EDI Training
- 4. Expand site size eligibility for multifamily preservation
- Report outcomes on Project Connect Anti-Displacement Funding <u>Dashboard</u>
- 6. Enhance capacity to manage the program



Recommendations

City Council Actions

- 1. Expand ADCAP applicant eligibility
- 2. Amend AHFC procurement policy to increase the administrative approval threshold for land acquisition

Implementation and Next Steps



Implementation and Next Steps

Shorter term changes:

- Update program guidelines
- Website improvements
- Equitable Development Initiative (EDI) training
- Site size eligibility for multifamily acquisition
- Intake schedule

Longer term changes/lessons learned:

- Increase administrative capacity
- Funding eligibility
- Administrative Approval threshold

Discussion and Questions



Thank You

Chase Bryan - chase.bryan@austintexas.gov