



MEMORANDUM

TO: Mayor and Council

FROM: Betsy Spencer, Director
Neighborhood Housing and Community Development

DATE: June 29, 2016

SUBJECT: Response to question during discussion of Resolution 20160421-035 regarding the use of voter-approved bonds to fund income restricted homeownership opportunities above 80% of the median family income

The purpose of this memorandum is to provide an answer to a question posed by Council Member Garza following a presentation on Resolution 20160421-035 regarding homeownership options at the Council Work Session on June 15, 2016, about whether other cities have used General Obligation Bond funds to support homeownership opportunities for residents making more than 80 percent of the median family income. It provides information about other cities that have used or are planning to use these types of mechanisms to create homeownership opportunities, the amounts of money that those cities set aside through such bonds, and the packages through which these initiatives were funded in part.

The following cities represent examples of how bonds have been used to fund homeownership opportunities for residents with incomes higher than 80 percent of the median family income.

New York City, NY

Housing New York focuses on long-term affordability and preservation of units with expiring affordability. To secure more units affordable to middle income households, the city plans to rely on numerous tools, including city-issued bonds.

- The city plans to create and preserve 22,000 units affordable to moderate income households (80 – 120% AMI) and 22,000 units affordable to middle income households (121 – 165% AMI) over 10 years.
- This will be partially financed through the use of a 501(c)(3) charitable organization created with City's assistance to develop and provide middle income affordable housing on city-owned land.

San Francisco, CA

In 2015, San Francisco voters approved propositions to support the production of housing affordable for low to middle income households.

- Proposition A authorized the city to issue up to \$310 million in bonds to fund affordable housing programs. Proposition A is expected to support the renovation and construction of 30,000 affordable units over the next four years.
- Proposition K expanded the target income levels of housing developments allowed on surplus lands to include households earning up to **150 percent area median income**.
- Proposition D authorized increased building height for a mixed-income development called Mission Rock, which is expected to produce 1,500 housing units, 33 percent of which will serve low to middle-income households.

If you have questions, please contact Erica Leak, Planning and Policy Manager, Neighborhood Housing and Community Development, at erica.leak@austintexas.gov.