

# PART 5

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Policy Drilldown: A Framework for  
Evaluating Anti-Displacement Policies

# Introduction to Framework for Evaluating Anti-Displacement Policies

In order to understand the ways that particular tools and strategies can be used to address the needs of particular gentrifying neighborhoods or vulnerable groups impacted by displacement, it is helpful to consider their relative strengths and weaknesses. To guide this discussion, we have developed a set of criteria, which are described below. To illustrate how these criteria work in practice, we then apply them to a short list of specific tools and strategies for mitigating displacement.

It is important to keep in mind that no tool or strategy will score well on all measures. The criteria are meant to help policymakers consider which tools best further the city’s goals and best match the needs of particular places and groups. The criteria also allow policymakers to weigh the effectiveness and impact of specific tools and consider which ones the city has the resources to implement or capacity to develop.

It is important to acknowledge here that our application of these criteria is meant to highlight tradeoffs and to raise issues for consideration when policymakers explore adopting specific strategies to address the needs of particular neighborhoods or groups. Our application is not precise and quantitative, as that is beyond the scope of our project. The criteria application is instead qualitative and based on our review of existing research (although the research in this field is very limited), our own case study research, and experiences working with these tools.

## Criteria for Assessing and Comparing Anti-Displacement Policy Strategies and Tools

These criteria help reveal the relative strengths and weaknesses of each tool/strategy. None will do well on all items. The criteria used highlight both the goals of anti-displacement efforts and their feasibility.

CRITERIA	RATIONALE	OPERATIONALIZATION
<i>Dimensions of need addressed</i>		
<b>Vulnerable populations targeted.</b> <i>Which group does this strategy/tool assist the most?</i>	Certain populations are especially vulnerable to displacement and likely to face difficulties finding housing they can afford once displaced.	<b>Vulnerable groups targeted:</b> Includes: Low-income renters, low-income homeowners, people/communities of color, low-income families with children, low-income seniors
<b>Stage of gentrification targeted.</b> <i>At what stage is this strategy/tool most effective?</i>	Since conditions and challenges vary greatly according to the development pressure a neighborhood is experiencing, it is important to match strategies to these conditions.	<b>Early-stage strategies:</b> For use in areas mapped as susceptible or early-type 1 and early-type 2. <b>Mid-stage strategies:</b> For dynamic areas. <b>Late-stage strategies:</b> For late or continued loss areas.

CRITERIA	RATIONALE	OPERATIONALIZATION
<i>Normative dimensions</i>		
<b>Place-based.</b> <i>Does this strategy/tool focus on specific gentrifying neighborhoods?</i>	To address change that is affecting entire vulnerable neighborhoods will require an intentional focus on those areas.	Yes: Designed to serve vulnerable residents of one or more gentrifying neighborhoods. No: Not targeted to specific gentrifying neighborhoods.
<b>Sustainability.</b> <i>How long will the effects of this strategy/tool last?</i>	To preserve cultural communities and ensure ongoing income and racial diversity in vulnerable neighborhoods, it is important to consider whether the proposed tools/strategies will have effects beyond those served initially and for how long.	Good: Creates an on-going (40+ years) stock of housing for current and future residents from vulnerable groups. Fair: Creates housing for current and future residents for < 40 years. Poor: No plans for future residents.
<b>Inclusivity.</b> <i>How will the voices of vulnerable residents be represented?</i>	To ensure that strategies incorporate features that best serve vulnerable residents, it is important that residents have a meaningful voice in the design, governance, and ongoing monitoring of the strategy.	Good: Includes an active role for vulnerable residents in the design, governance, and ongoing implementation of the strategy. Fair: Includes some roles for vulnerable residents. Poor: No role for vulnerable residents.
<i>Implementation dimensions</i>		
<b>Financial resources required.</b> <i>What level of funding or foregone revenue will be required?</i>	Successful implementation and the ability to achieve the desired scale of impact will depend on the availability of financial resources from city tax dollars or other city funds or resources.	Low: Minimal start-up and operational costs to the city. Medium: Moderate start-up and operational costs to the city. High: Either high start-up costs, high operational costs, or both.
<b>Capacity required.</b> <i>How well do city and nonprofit staff and community roles match current capacity?</i>	Successful implementation of strategies requires that city and nonprofit staff and community members are able to carry out the roles envisioned for them.	Good: Staff and community capacity currently exist to perform the envisioned roles. Fair: Moderate levels of capacity exist but additional capacity building required. Poor: Skills currently lacking or capacity very limited.

The first two criteria focus on the dimension of need that is addressed by a particular tool, the next three criteria are *normative*, meaning they are linked to value-based goals derived from the City of Austin's current policies and from the intent of the City Council resolutions guiding this study. The final two criteria focus on considerations important to the successful implementation of each tool. Together, application of these criteria to the possible displacement mitigation tools and strategies will give city policymakers a great deal of information to consider and help inform discussion of which tools and strategies Austin should adopt.

**Vulnerable populations targeted.** This criterion considers which vulnerable population a particular strategy or tool is likely to assist the most. We focus here on groups that are known to be most vulnerable to displacement as housing costs rise, that have the fewest housing options once displaced, and that can be targeted by particular programs. These are also the characteristics used to map particular neighborhoods containing populations most vulnerable to displacement (step 1 in our mapping process).

**Stage of gentrification targeted.** The second criterion considers at which stage of gentrification a particular tool or strategy will be the most effective. Since conditions and challenges vary according to the amount of displacement pressures in a neighborhood, it is important to be aware of which strategies are most easily implemented at various stages. To the extent possible, we apply the stages of gentrification defined in Part 2 of the report (based on evidence of demographic changes and changes in housing costs). Of course, most strategies will be easier to implement when neighborhoods are in the earliest stages of change.

**Place-based.** Place-based strategies are addressed to specific gentrifying neighborhoods. This criterion recognizes the overlapping dimensions of vulnerability represented in specific neighborhoods and the need to consider their needs as place-based communities. Other strategies may focus on vulnerable groups but without linking them to particular gentrifying neighborhoods.

**Sustainability.** Displacement has two time dimensions that are important to consider. First, displacement refers to the loss of existing vulnerable groups of residents. Second, displacement pressures impact the ability of persons from similar demographic groups to return or move into the neighborhood. Some policies are well matched to the needs of current residents but may not extend to future residents, while other policies address both current and future residents' needs. This dimension also speaks to the longevity of city investments: Will an investment remain when the current residents move? How long will the city's investment in the affordability of a unit last?

**Inclusivity.** Displacement-mitigation tools and strategies vary in terms of the involvement of vulnerable residents in their design, implementation, and oversight. To ensure that strategies are designed to address the concerns of these residents, it is important to consider to what extent such involvement is a feature of each approach.

**Financial resources required.** While it is not possible to precisely detail the likely costs of particular tools or strategies, our goal here is to give a sense of which are the most or least costly. We attempt to do this by considering the amount of funding required for initial implementation or investment and the ongoing cost to the city beyond start up. Initial costs might range from those associated with passage of an ordinance to allocation of funds for construction of housing. Ongoing costs might include funding for staff at agencies charged with implementation.

**Capacity required.** A key feature of a strategy's successful implementation is the ability of city staff, local nonprofits, and community organizations to carry out the roles envisioned for them by each strategy. We attempt to consider here whether the required capacities currently exist, whether there are key gaps that would require attention, and the extent to which any existing deficiencies in capacity could be easily addressed.

## Policy Drilldown Table: Analysis of Anti-Displacement Policies for Austin

Policy	Vulnerable populations targeted	Stage of gentrification targeted	Place-based	Sustainability	Inclusivity	Financial resources required	Capacity required
<b>Local Housing Voucher Programs</b>	Low-income renter households	Middle to late	No	Poor to fair	Poor to fair	Medium to high	Fair
<b>Homestead Preservation Center</b>	Low-income homeowners, including seniors and persons of color	All	Yes	Poor	Good	Medium	Fair
<b>Neighborhood Stabilization Overlays</b>	Current homeowners and renters	Early and mid-stage	Yes	Poor to fair	Fair	Low	Fair
<b>Affordable Housing Preservation Network and Inventory</b>	Current and future low-income renters of apartments	Early and mid-stage	No	Good	Good	Low to medium	Fair
<b>Neighborhood-Jobs Pipeline Program</b>	Working-age low-income residents	Early and mid-stage	Yes	Poor to fair	Good	Medium	Fair
<b>Preservation Investment Funds</b>	Low-to-moderate-income renters	Early and mid-stage	No	Poor	Poor	Low to medium	Fair to good
<b>Community Capacity Building</b>	Low-income residents in vulnerable neighborhoods	Early and mid-stage	Yes	Poor	Good	Medium	Poor to Fair
<b>Adding Internal Accessory Dwelling Units to Existing Homes</b>	Current homeowners, including elderly and persons with disabilities	All	No	Good	Poor to fair	Low	Low

# Local Housing Voucher Programs

## Overview

In cities facing an affordable housing crisis due to a hot housing market and high construction costs, building new units will be costly, and progress toward meeting needs will be slow. Housing vouchers have been funded by the federal government since 1974 and are regarded as a more efficient way to meet local housing needs in cities where vacant units are available.<sup>1</sup> Under this program, voucher holders pay rent equivalent to 30 percent of their income, and the voucher covers the difference between this amount and the maximum allowed rent. Typically, voucher holders have extremely low incomes—below 30 percent of the regional median.

Research has documented several challenges to the effective use of vouchers—particularly in hot markets. First, federal funds for vouchers are in short supply and, as rents rise in a region, the number of vouchers that the region’s voucher allocation from the federal government can support declines. Second, the value of each federal Housing Choice Voucher (commonly known as Section 8) is capped—usually below the rents charged in high opportunity areas or in the new high-end buildings where vacant units are often concentrated in hot markets. Third, many landlords are reluctant to accept vouchers and voucher holders are often concentrated in poorer neighborhoods.<sup>2</sup> Vouchers are often used in affordable housing developments produced under other programs, to open up housing opportunities for households with incomes below the development’s affordable rent levels.

To increase the supply of vouchers and target them to local needs, several cities have developed locally-funded voucher programs. Washington, D.C.’s Local Rent Supplement Program, funded by the city government and managed by the D.C. Housing Authority, was created in 2007 with a goal of creating 14,600 vouchers by 2021 for residents with incomes below 30 percent of the regional median income. Priority is given to applicants on the local wait list for federal housing vouchers. The D.C. program also provides vouchers tied to specific units in affordable housing buildings (called project-based vouchers) and sets aside some vouchers for residents transitioning out of permanent supportive housing. As of 2016, the program was serving 3,300 households with annual funding from the local government of \$48 million, including administrative costs and related services.<sup>3</sup>

The City of Denver recently approved a two-year pilot program<sup>4</sup> that attempts to take advantage of vacancies in high-end rental units in the market to provide housing for local workers with household incomes between 40 and 80 percent of regional median income. Participants pay 35 percent of their income for rent, with the gap between this and a “reasonable market rent” covered by the voucher for two years. The program is to be funded by the City, local foundations, and employers. Some concerns have been raised about the program propping up rents in luxury buildings whose owners might otherwise adjust rents downward.<sup>5</sup> The program is paired with financial counseling and sets aside 5 percent of rent payments in an escrow account to be returned to tenants at the end of the two years. As of February, five employers were participating, as were property owners both downtown and in outlying neighborhoods. With initial funding of \$1.2 million from the City of Denver, the goal is to support 125 households over a two-year period.

To better match local vouchers to renters vulnerable to displacement in particular neighborhoods would require targeted outreach to landlords in these areas—including owners of small rental properties and single-family homes. These landlords would likely require greater incentives for participation. Acceptance of local vouchers might also be made a condition of rezoning—although this would not ensure their use at resulting developments.

## Assessment

### **Vulnerable populations targeted**

Low-income renter households, with income levels set by local government.

### **Stage of neighborhood change**

**Middle to Late.** If calibrated properly, vouchers can help residents stay in or return to neighborhoods where housing market change is in process or already advanced.

### **Place-based**

**No.** Vouchers are meant to give holders greater choice in where they live. There are many impediments to neighborhood-level targeting.

### **Sustainability**

**Poor to Fair.** Vouchers give current holders access to housing. Long-term affordability requires that they be re-funded annually.

### **Inclusivity**

**Poor to Fair.** Program development and oversight unlikely to include tenants themselves. Inclusivity could be improved by incorporating tenants and tenant advocacy organization representatives on an advisory group.

### **Financial Resources**

**Medium to High.** Cost per unit to the city would depend on income targeting and whether vouchers are used to reduce already affordable rents (as in D.C.) or much higher market rents (as in Denver).

### **Capacity Required**

**Fair.** The Housing Authority of the City of Austin is already administering a large voucher program and would likely have capacity to administer a city program—with additional staff. Tailoring the program to particular neighborhoods and conducting outreach to landlords would require new capacity and partnerships.

## Resources

DC Fiscal Policy Institute, "The Local Rent Supplement Program," Apr. 11, 2016, <https://www.dcfpi.org/wp-content/uploads/2016/04/16-04-LRSP-Brief.pdf>

City and County of Denver, "Lower Income Voucher Equity (LIVE) Pilot Program – Program Facts," [https://www.denvergov.org/content/dam/denvergov/Portals/728/documents/Documents/Lower%20Income%20Voucher%20Equity%20Initiative%20Fact%20Sheet\\_08092017.pdf](https://www.denvergov.org/content/dam/denvergov/Portals/728/documents/Documents/Lower%20Income%20Voucher%20Equity%20Initiative%20Fact%20Sheet_08092017.pdf)

# Homestead Preservation Center

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## Overview

As a neighborhood gentrifies, low-income homeowners face mounting financial pressures in the form of recurring property tax increases and inability to cover other housing expenses such as repairs. In Austin, 956 homeowners with a homestead exemption have two or more years of delinquent taxes; close to one-third of these homeowners are seniors. It is likely that a far larger number of homeowners, while not in default, are contemplating selling their home or otherwise experiencing financial hardship as a direct result of their property tax burden. While rising property taxes impose a heavy burden on many homeowners in Austin, homeowners who are the most vulnerable to displacement are those with the lowest incomes living in the most rapidly appreciating neighborhoods. Owners with multiple years of property tax delinquencies are concentrated most heavily in Austin's gentrifying zip codes, with the greatest percentage residing in Central East Austin. See below for a map of neighborhoods where these households are located.

Many low-income homeowners qualify for but have not obtained constitutionally-mandated property tax exemptions, which bring valuable tax relief. Those most likely to not have a property tax exemption include owners of mobile homes and persons of color who have held property in their family for multiple generations without using wills ("heirs-property owners"). The practice of the Travis Central Appraisal District (TCAD) is to tell owners who have inherited their property to seek legal assistance for help qualifying for the exemption. For owners of mobile homes to obtain an exemption, the household must have proof of ownership for the manufactured home, but titles to older manufactured homes are often clouded and require legal counsel to help clear.

A Homestead Preservation Center would provide targeted assistance to vulnerable households in gentrifying neighborhoods who do not have an exemption or are delinquent on their taxes or mortgages, to help them stay in their homes. The Center, which the city could fund through a partnership with a nonprofit or university, would assist homeowners with obtaining the homestead exemptions they are eligible for, and provide legal assistance needed to help eligible owners (such as heirs-property owners and owners of mobile homes) qualify. Additional functions of the Center could include education about homeowner's property rights and responsibilities, financial counseling to help homeowners reduce debt and make their property tax payments, and assistance negotiating payment plans with the tax collector and mortgage modifications with their lenders.

Short of creating a Homestead Preservation Center, the City of Austin could provide funding to a community-based nonprofit, such as Meals on Wheels Central Texas, to conduct in-person outreach to homeowners without a tax exemption and provide on-the-spot assistance signing up for the homestead exemptions they qualify for—for those homeowners who do not need legal assistance. About a decade ago, the nonprofit PODER partnered with TCAD to provide targeted, door-to-door outreach to assist homeowners without homestead exemptions, after close to 800 homeowners were identified as not having an exemption. The City of Austin currently funds income tax and health insurance enrollment programs that could serve as a model for a homestead exemption enrollment program.

Around the country, a number of cities provide services targeted towards helping vulnerable residents with financial stability, including helping homeowners stay in their homes. None of these programs include the exact same scope as the Homestead Preservation Center discussed here, but they have different components that would be useful for Austin to consider.

For example, Cleveland's Empowering and Strengthening Ohio's People (ESOP) Program specializes in providing aging residents with financial stability. In 2014, the organization launched a Senior Financial Empowerment Initiative, which provides one-on-one financial counseling,



financial education workshops, and foreclosure prevention assistance to seniors. ESOP's Senior Property Tax Loan program provides property tax loans to seniors of up to \$6,500, coupled with comprehensive financial counseling and ongoing financial coaching. Pennsylvania's Affordable Housing Centers offer a number of services related to supporting homeownership by low-income families, including a foreclosure counseling program, which helps homeowners who are struggling to make their mortgage or property tax payments. New York City's Financial Empowerment Centers, with 20 neighborhood locations, provide financial education and counseling to help tackle debt, budgeting, and other financial stabilization services.

## Assessment

### **Vulnerable populations targeted**

Low-income homeowners, including seniors and persons with disabilities; communities of color (where heirs property issues are the greatest).

### **Stage of neighborhood change**

**All**, although low-income homeowners in late-stage gentrifying neighborhoods face the largest property tax burdens and will thus receive the greatest benefit from a Homestead Preservation Center.

### **Place-based**

**Yes**. Assistance from a Homestead Preservation Center can be targeted to residents of vulnerable neighborhoods.

### **Sustainability**

**Poor**. Does not create affordability for future residents.

### **Inclusivity**

**Good**. Vulnerable residents can serve on an advisory board for the Center and, through the Center, can play an active role in educating and reaching out to their neighbors about homestead exemption enrollment and other services of the Center.

### **Financial Resources**

**Medium**. Would require some initial investment to create the center and support for ongoing operations. The price tag for this ongoing support would depend on services provided. Funding can be leveraged from philanthropic institutions.

### **Capacity Required**

**Fair**. Contracting with a nonprofit agency to set up and run the Center would be required.

# Neighborhood Stabilization Overlays

## Overview

A concern raised in many neighborhoods with rising housing costs in Austin is the demolition of older, smaller single-family homes and replacement with much larger and more expensive homes, often referred to as “McMansions.” According to one report, the size of the average home being demolished in Austin is 1,430 square feet, while the average replacement home is 3,544 square feet.<sup>6</sup> The older homes are typically much more affordable due to their size and poorer condition. Cities across the United States have deployed different policies for slowing down this market phenomenon in neighborhoods with increasing redevelopment pressures.

One such tool is the neighborhood stabilization overlay (NSO), also called a neighborhood conservation district, which requires new development in a neighborhood to meet standards more stringent than the zoning baseline (such as setbacks, building height, floor-to-ratio, etc.). While this tool is more often used in higher-end neighborhoods, some cities have applied this tool to lower-income, gentrifying neighborhoods with the specific goal of slowing down displacement of vulnerable residents. For example, Dallas’s neighborhood stabilization overlay ordinance was used in the La Bajada neighborhood, a low-income, gentrifying area of Dallas, to restrict building heights, with the goal of preserving the affordable single-family homes in the neighborhood. The residents mobilized to advocate and vote for the overlay, which was then given final approval by the Dallas City Council.

Austin has adopted a variation of NSOs with a set of design standards (both restrictions, such as limits on garage placement, and incentives, such as small lot development) available to individual neighborhoods through Neighborhood Plan Combining Districts (NPCD).<sup>7</sup> Austin also restricts super-sized single-family homes through its McMansion ordinance. Unlike the Dallas NSO ordinance, Austin’s McMansion ordinance’s development standards cannot be adjusted to fit the context of a particular neighborhood.

Another variation of NSOs is the Residential Infill Project concept under consideration in Portland. The goals of the Portland program include addressing the city’s increasing housing costs and loss of older, affordable homes. The proposed regulations would reduce the maximum size of new single-family homes, which is currently 6,750 square feet, to 2,500 square feet. At the same time, the ordinance would loosen restrictions on internal subdivisions and accessory dwelling units (ADUs) with the intention of increasing the number of less expensive housing options in the city. A variation of the Portland Residential Infill Project was recently promoted by a group of Austin Planning Commissioners; their proposal called on changing the impervious cover limits from 40 to 30 percent of lot area, unless multiple housing units were built on the lot.<sup>8</sup>

## Considerations

When structured the right way, enacting redevelopment restrictions in neighborhoods with accelerating tear-downs and housing costs can help slow down redevelopment pressures in the short-term, depending on the conditions of the neighborhood. In Dallas’s La Bajada neighborhood, while it is unclear what direct impacts the height limits have had, active resident engagement in creating the NSO enhanced the political capital of neighborhood homeowners and created a strong political statement that preservation of the low-income neighborhood is a priority. Since its adoption the NSO in La Bajada has been used to defeat rezoning requests that threatened existing affordable single-family units.

There is no evidence of neighborhood stabilization ordinances 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, although more research in

general is needed on their long-term impact. Two years after the passage of Austin's McMansion ordinance, median prices of homes and home construction permits still increased in three neighborhoods that were studied, but this assessment covered a short period and did not cover lower-income neighborhoods.<sup>9</sup> And perhaps the median prices and construction permits would have increased even more without the ordinance; that is unknown.

A downside of an NSO-type ordinance is that the regulations can make it more difficult to build new rent-restricted affordable housing, unless exceptions for affordable housing are built into the ordinance. Depending on how development restrictions are structured and where they apply, the restrictions can also limit a city's overall supply of housing, thus fueling city-wide acceleration of median housing prices.

A final consideration of an NSO-type ordinance is that slowing down teardowns and rebuilds on single-family lots in a neighborhood where they are currently widespread could result in decreases in property values for existing residents. While some homeowners and community leaders would welcome the lower property taxes and possible reduction in resident turnover, others would object to the loss of home equity which, depending on the specific location, regulatory scope, and individual circumstances, could run in the tens or even hundreds of thousands of dollars.

## Assessment

### **Vulnerable populations targeted**

Current homeowners and renters.

### **Stage of neighborhood change**

**Early and mid-stage gentrification**, before major housing appreciation and displacement have occurred.

### **Place-based**

**Yes.** Designed to serve an entire neighborhood.

### **Sustainability**

**Poor to Fair.** There is no evidence of neighborhood stabilization ordinances reducing displacement of vulnerable residents in the long term. If exceptions for ADUs and other smaller units were included, as with Portland's proposed Residential Infill Project, an NSO would likely have a longer-term impact.

### **Inclusivity**

**Fair.** Dallas's NSO program gives residents a role in how the restrictions are structured, but no involvement in on-going implementation of the strategy.

### **Financial Resources**

**Low.** Primarily the cost of developing and passing an ordinance. Restrictions could also result in a slower rise in property taxes collected.

### **Capacity Required**

**Fair.** City staff is already administering an array of development restrictions, but additional staff would be required to work with neighborhoods to develop overlays, administer the program, and enforce the requirements.

## Resources

City of Dallas, Neighborhood Stabilization Overlay Website, <https://dallascityhall.com/departments/sustainabledevelopment/planning/Pages/NSO.aspx>

City of Portland, Residential Infill Project Website, <https://www.portlandoregon.gov/bps/67728>  
City of Portland, Residential Infill Project: City Council Final Project Report, Jan. 2017, <https://www.portlandoregon.gov/bps/article/623488>

# Affordable Housing Preservation Network and Inventory

## Overview

While Austin has more than 16,000 units of privately-owned subsidized rental housing, the city has no comprehensive inventory for identifying which properties are at risk of losing their rent restrictions, and no program for engaging in the preservation of at-risk properties.

The largest subsidy program for affordable housing in Austin is the federal Low Income Housing Tax Credit (LIHTC) program, which is responsible for close to 17,000 affordable rental units in Austin, including publicly-owned units. At least three LIHTC properties in East Austin are currently in the process of phasing out of the LIHTC program, which will result in the loss of 750 affordable rental housing units. To subsidize the new development of this many units would require at least \$70 million in public funding.

Two essential strategies for preserving at-risk multifamily properties are creating a database identifying which properties are most at risk of losing their affordable rent restrictions, and a preservation network to closely monitor the properties and collaborate on preservation interventions.<sup>10</sup> Preservation databases give city staff, advocates, and tenant organizations the opportunity to track properties as they near the end of their affordability periods and take proactive steps to ensure that the properties remain affordable. The databases rely on a range of sources to incorporate detailed information about properties' expiring subsidies, habitability and code violations, and other indicators of vulnerability, including stakeholders working on the ground, such as members of a preservation network. As the National Housing Preservation Network notes, "[w]ithout sufficient data to understand which properties are most at risk, it's impossible to target resources effectively or be prepared to act when a property is threatened."<sup>11</sup>

Preservation networks bring key stakeholders together on a regular basis to monitor the inventory of at-risk multi-family properties, engage with property owners early on before the property is exiting an affordable housing program, and collaborate on proactive preservation strategies. The types of stakeholders included depend on the network, but local networks typically include, at a minimum, city staff and local housing organizations.

One highly successful model for a preservation network is the D.C. Preservation Network, which monitors D.C.'s inventory of at-risk, affordable multifamily properties. The D.C. Preservation Network tracks not only properties with expiring subsidies but also those in disrepair and in need of rehabilitation. The focal point of the Network is a monthly meeting where participants review housing that is in danger of losing affordability or in major disrepair and develop strategies for preserving the units. The Network's database guides prioritization during monthly meetings and focuses conversations productively around properties at most immediate risk. Network meetings are open to anyone doing work in affordable housing in the D.C. area. The openness and inclusiveness of both non-governmental and governmental participants have generated successful collaborations and been valuable aspects of the Network. The Network has been most successful in coordinating the preservation of privately-owned, subsidized affordable housing.

A city can play a key role in these efforts by operating the preservation database or funding another organization to do so, and by dedicating city staff to run the preservation network or help support its operations. The District of Columbia recently created a special affordable housing preservation unit led by an affordable housing preservation officer to maintain the city's data on at-risk properties and to lead its affordable housing preservation efforts.

There are many examples from around the country of cities operating preservation databases and networks similar to D.C.'s, including Los Angeles and Portland, Oregon. The Preservation

Compact in Chicago brings together stakeholders once a month to update information about at-risk properties and track progress on preservation strategies. The compact is focused on the preservation of government-subsidized affordable in non-distressed neighborhoods of Chicago.

In structuring a preservation network and database, the following considerations need to be addressed: who will have access to the database, how and when the database will be updated, who will be responsible for updating it, how information from the database will be distributed, and who will be included in the preservation network. Preservation networks differ in the amount of access they give private organizations to their preservation database and in the composition of their networks.

## Assessment

### **Vulnerable populations targeted**

Current low-income renters in apartments, as well as future low-income renters.

### **Stage of neighborhood change**

Multifamily preservation interventions are most successful in **early-stage and mid-stage** gentrifying neighborhoods, where landlords are typically more responsive to incentives to preserve the rent restrictions on their properties.

### **Place-based**

**No.** Preservation networks typically track all properties across the city, although interventions can be targeted to particular neighborhoods.

### **Sustainability**

**Good.** Focused on preserving a long-term stock of safe and affordable housing for current and future residents from vulnerable groups.

### **Inclusivity**

**Good.** Preservation networks can include tenant organizations as members.

### **Financial Resources**

**Low to Medium.** Would require moderate ongoing support for a staff person to coordinate the creation and maintenance of the inventory and regularly convene the preservation network.

### **Capacity Required**

**Fair.** City staff has the know-how but not the time to do a lot of this work; additional staff would be required to help create and maintain the database and oversee the preservation network, unless the city funded a third-party organization to lead these efforts.

## Resources

National Housing Trust, <http://www.nationalhousingtrust.org/state-and-local-preservation-initiatives>

The Preservation Compact, <http://www.preservationcompact.org/whats-the-story/>

D.C. Preservation Catalog Online, <http://dcpres.urban.org/dcp/>

# Neighborhood-Jobs Pipeline Programs

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## Overview

Connecting low-income residents of vulnerable communities to living wage jobs is another strategy for enabling residents to remain in their communities. But many residents face challenges securing and keeping good jobs, including access to training opportunities, race-based hiring discrepancies, and disconnection from supportive social networks.<sup>12</sup> One policy tool for helping low-income residents successfully secure and retain living wage jobs is the neighborhood-jobs pipeline approach.

The neighborhood-jobs pipeline is a neighborhood-centered approach that brings together support services, community-based organizations, and workforce intermediaries to connect residents in a specific geographic area to training that will lead to jobs with strong career ladders. Traditional workforce development efforts do not typically focus on particular neighborhoods, and it is this aspect of a neighborhood-jobs pipeline that can be most challenging.

Key components of a pipeline program include offering residents the formal and informal supports they need to find jobs, stay employed, and increase their earnings and assets over time. Such supports can range from early-stage preparatory training to child care and transportation assistance. The particular supports needed will vary according to neighborhood context. A report on past efforts funded by the Annie E. Casey Foundation recommends beginning with a pilot project to work out these specifics.<sup>13</sup> Additional key components are funding and bringing on the right organizations and partnerships to develop the pipeline.

The Annie E. Casey Foundation's pipeline initiative found that the factors important to successful community engagement include: 1) a core of organizations with sufficient capacity and political savvy to work with residents and build a fully functional pipeline of services, 2) identification of effective community leaders; 3) willingness to see employers as customers in this work; and 4) a shared vision of success that motivates participation in building the pipeline. Residents must also be actively involved in the formation and governance of whichever strategy is chosen.<sup>14</sup> Neighborhood-based partners are especially important when vulnerable populations are distrustful of formal organizations or government. Such groups may include immigrant and refugee families; people with limited education, literacy, and English language skills; and residents who have been in prison.

A pipeline program must understand and respond to the specific needs of regional employers that can provide jobs paying good wages and with opportunities for career advancement. This is ideally the focus of a "workforce intermediary"—an organization that works to identify growing sectors and occupations in the region and works with employers to identify specific training needed to fill these jobs. Austin's Capital IDEA is a local organization with a strong record of supporting participants in preparing for and placement in jobs offering good wages and opportunities for career advancement.<sup>15</sup>

## Assessment

### **Vulnerable populations targeted**

Working-age low-income residents.

### **Stage of neighborhood change**

**Early to Mid-Stage.** As housing prices rise in neighborhoods, whether during training or after placement, it will be important to pair workforce efforts with housing assistance. At late stages, housing costs more likely to outpace incomes.

### **Place-based**

**Yes.** This approach is intended to be implemented in vulnerable neighborhoods.

### **Sustainability**

**Poor to Fair.** This strategy serves current residents by providing them with higher incomes and—depending on stage of gentrification—the ability to remain in place and build household wealth (depending on the resident’s housing options).

### **Inclusivity**

**Good.** If designed to follow best practices, this strategy would incorporate residents in the design and governance of the program.

### **Financial resources**

**Medium.** Start-up and ongoing costs will depend on existing capacity and the mix of services provided.

### **Capacity required**

**Fair.** Capital IDEA is a local workforce intermediary, which partners with ACC and local employers and has a strong track record of lifting adults out of poverty through its innovative workforce program. Linking its model to specific neighborhoods would require additional capacity building of neighborhood organizations and additional financial support to expand Capital IDEA’s capacity to serve more residents or build capacity of new partners.

## Resources

Connecting People to Jobs: Neighborhood Workforce Pipelines, Annie E. Casey Foundation, 2008, <http://www.aecf.org/m/resourcedoc/aecf-connectionpeopletojobs-2008.pdf#page=4>

Westside Education & Training Center (San Antonio), <http://www.alamo.edu/ewd/wetc/>  
Capital Idea, <http://www.capitalidea.org/>

## Preservation Investment Funds

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### Overview

While affordable housing advocates have long focused on preservation of existing subsidized rental housing using public funds or tax credits, in recent years private investors have become interested in the segment of the housing market serving low-income renters without subsidy. As the high end of the rental market has become saturated, investor interest has risen in the market segment serving the more than 70 percent of renters with incomes between \$30,000 and \$70,000 per year.<sup>16</sup> Investors range from financial institutions to public sector pension funds, university endowments, high-net-worth individuals, and foundations.<sup>17</sup> Investors may also participate in state and local debt funds offering tax credits or bond guarantees to support affordable housing development or acquisition.<sup>18</sup> Austin now has such a private preservation investment fund, which is commonly referred to as the “Mayor’s Strike Fund.”

The benefits of such private equity funds for affordable housing preservation include their ability to “act at market speed” and to raise substantial amounts of capital.<sup>19</sup> Funds and investors may act as developers and owners, or may jointly venture with other developers and assist with the sale of properties to new owners committed to the goals of their funds.<sup>20</sup> Funds profiled in an Urban Land Institute report had capitalization targets of between \$35 million and \$1 billion, acquisition targets of between 1,300 and 10,000 units, and promised leveraged returns between 6 and 12 percent on cash investments. Some funds partnered with mission-driven groups that brought broader goals to their projects and lower-income targeting.<sup>21</sup> It is important to note that these private funds have a more limited capacity than public-supported funds (see below) to serve households making less than 60 percent of the median family income and thus will likely play a very limited role in reducing displacement of the most vulnerable residents in our city.

As an alternative approach, some mission-driven nonprofits and local governments have created funds designed to attract private investment and allow for more nimble acquisition of affordable housing at risk of loss while providing for deeper income targeting and meeting certain local requirements (such as location near transit or in high opportunity areas). New York City, Chicago, Los Angeles, Seattle, and San Francisco have all created public funds that leverage private investment. For example, Chicago recently created the Opportunity Investment Fund to provide low cost loans to buyers of multifamily buildings in targeted areas in exchange for maintaining affordability for at least 15 years for households making up to 50 percent of area median income.<sup>22</sup>

Such efforts (both private and private-public preservation investment funds) are fairly new, and little information exists on their performance. However, recent reports on these efforts reveal some of the challenges of relying on private investor-driven funds to keep rental housing affordable. For example, funds vary in their commitment to long-term affordability and often lack transparency in structure and returns.<sup>23</sup> There is a tension between the shorter-term time horizon of investors (5 to 7 years is common) and the need for long-term affordability for tenants. The mix of funders involved will shape the approach: Public or philanthropic partners are more comfortable with lower returns in exchange for deeper income targeting and alignment with other social goals. While income targeting varies, most funds are labelled as preserving “workforce housing” and are aimed at income levels above those served by federal programs and—potentially—above those most vulnerable to displacement.



## Assessment

### **Vulnerable populations targeted**

Low- to moderate-income renters. Depth of targeting depends on sources of funds; funds drawing mostly from private equity are likely to target renters closer to median income, while funds that include public dollars can serve renters with lower incomes. Depending on income targeting, may not help current residents of properties targeted.

### **Stage of neighborhood change**

**Early to Mid-Stage.** Funds can be used at any stage but will have a greater impact in early stage areas where land and property prices are just beginning to rise. During mid-stage, purchases can moderate rent increases for future residents.

### **Place-based**

**No.** Private funds are not typically targeted at specific neighborhoods. Some publicly-supported funds have targeted areas near transit.

### **Sustainability**

**Poor.** Funds vary, with those dominated by private investors more likely to commit to shorter affordability periods.

### **Inclusivity**

**Poor.** Modelled on traditional private equity investment funds, with boards that are dominated by finance experts and usually exclude impacted residents.

### **Financial Resources**

**Low to Medium.** Funds vary widely in structure, but most aim to leverage additional public and foundation resources. However, Austin's fund aims to avoid the use of any public funds.

### **Capacity Required**

**Fair to Good.** Austin's private preservation fund has spent the past two years developing its internal capacity. Aligning the work of this fund with anti-displacement goals would require new partnerships.

## Resources

Austin Housing Conservancy website, <https://affordabletx.org/about-2/>

Williams, Stockton, "Preserving Multifamily Workforce and Affordable Housing," Urban Land Institute, 2015, at 6, <https://uli.org/wp-content/uploads/ULI-Documents/Preserving-Multifamily-Workforce-and-Affordable-Housing.pdf>

Becker, Ian, "Evaluating a New Model: The Participation of Private Equity in the Preservation of Multifamily 'Affordable' Housing for Middle-Income Renters in Austin," Master's Thesis, Community and Regional Planning, UT Austin, Aug. 2018

# Community Capacity Building

## Overview

Community development corporations (CDCs) and other community-based organizations can play important roles in helping vulnerable neighborhoods implement anti-displacement strategies. These roles can range from assistance with community engagement and planning efforts to development of affordable housing. Yet many local organizations have very limited capacity to fulfill these tasks. Community capacity building initiatives support leadership development, organizational development, community organizing, and fostering collaborative relationships among local organizations. Building strong local organizations and participation can be especially challenging in gentrifying neighborhoods, where displacement of long-term residents may be undermining existing community organizations.

Cities can support community development organizations in several ways. They can provide their own funding to CDCs, use some of their federal block grants to provide operating support to CDCs, or participate in funding collaboratives like those that have formed in some cities to channel technical assistance and funds to CDCs. Collaboratives bring together foundations, banks, CDCs, and sometimes city government to fund, develop, and support new programs and advocate for community development priorities. For example, local funding collaborative Cleveland Neighborhood Progress was formed in 1988 by philanthropic, civic, and corporate leaders. It supports comprehensive community development, including through grant making to provide operating support to CDCs. CNP currently supports 12 CDCs in the city's well-regarded CD network.

Living Cities, a national funding collaborative with local partners, has supported community planning and organizing efforts. Chicago's New Communities Program supported comprehensive community planning processes. Boston's Ricanne Hadrian Initiative for Community Organizing supported by foundations such as C.S. Mott, and in partnership with the state's CDC association, funded organizer salaries and provided technical assistance to CDCs to enable them to link their development work to local engagement.<sup>24</sup> In New York City, a consortium of corporate and philanthropic organizations and foundations collaborated with the city's CDC coalition to create the Initiative for Neighborhood and Citywide Organizing.<sup>25</sup> Seattle's Equitable Development Initiative (EDI) is an example of a city-funded initiative. The EDI recently awarded \$5.5 million to a wide range of community organizations working to prevent displacement and support community cultural anchors. The fund, which was created through the sale of a downtown city-owned property (for \$15.5 million), receives an annual allocation of Community Development Block Grant funds (\$430,000 in 2016).

Cities and other funders also partner with groups educating the public on planning and displacement issues. Examples include the People's Planning Schools run by the Los Angeles tenant advocacy group SAJE, and campaign materials developed by the Center for Urban Pedagogy.

## Assessment

### **Vulnerable populations targeted**

Low-income residents in vulnerable neighborhoods. The specific populations targeted will vary according to the capacity building program.

### **Stage of neighborhood change**

**Early to Mid-Stage.** Capacity building will be most effective in earlier stages before the significant loss of vulnerable residents.

### **Place-based**

**Yes.** Capacity building initiatives are typically targeted to organizations based in vulnerable communities.

### **Sustainability**

**Poor.** Grants are typically made for short periods and supporting long-term organizational capacity will require ongoing fundraising. While many local CDCs are able to support staff for housing development from their own revenue, expanding their work beyond housing will require additional resources.

### **Inclusivity**

**Good.** Capacity building efforts are aimed at community-based organizations and often require that such organizations have a board that represents the community it serves.

### **Financial Resources**

**Medium.** Scale of funding would depend on the initiative. Need for funding would be ongoing.

### **Capacity Required**

**Poor to Fair.** Austin currently lacks a local funding collaborative but it does have an active CDC coalition and tenant organizing group.

## Resources

Seattle—Equitable Development Initiative, <http://www.seattle.gov/opcd/ongoing-initiatives/equitable-development-initiative>

Cleveland Neighborhood Progress—CDC grantmaking, <http://www.clevelandnp.org/cdcgrantmaking/>

Center for Urban Pedagogy—Community Education: Making Policy Public, <http://welcometocup.org/Projects/MakingPolicyPublic>

# Adding Internal Accessory Dwelling Units to Existing Homes

## Overview

In November 2015, Austin’s City Council took a major step towards easing restrictions on the construction of Accessory Dwelling Units (ADUs). ADUs, variously known as granny flats, mother-in-law apartments, casitas, and other names, are small, independent housing units that share a residential lot with one or more larger units (in Austin, most often a detached single-family house). The 2015 ordinance, in various ways, eased restrictions on building ADUs. Whereas prior to 2015 a registered neighborhood group could vote to ban ADUs from within its neighborhood, ADUs are now allowed by right on parcels zoned SF-3, that are at least 5,750 square feet in size, and that meet several other requirements. Before, ADUs needed to be at least 15 feet from the nearest building; they can now lie just 10 feet away. The result has been a sharp increase in ADU production, with a 34% jump from 2015 to 2016, the first full year with the ordinance in place.<sup>26</sup>

Homeowners value ADUs for the flexibility they provide: They can be used for added living space, or as a way to accommodate a family member or friend in need of housing at reduced or free rent, while maintaining a sense of privacy and separation. Crucially—from the standpoint of helping homeowners resist displacement pressures—ADUs can help them cope with increased costs, such as property taxes, or life events that result in reductions in income, such as unemployment or retirement.

There is, however, a major caveat to the promise of ADUs: Under current regulations, building one is an expensive proposition for a low- or moderate-income homeowner in Austin. Although the cost—often in the range of \$150,000 to \$200,000—of building an ADU as a free-standing structure in Central Austin is considerably lower than the per-unit cost of building a typical new apartment building in the urban core, it is still out of reach for most homeowners. Furthermore, adding a new detached ADU will typically result in an increase in property taxes for the homeowner, partially offsetting its financial benefit. Experience from Pacific Northwest cities suggests that legally-permitted ADUs are disproportionately pursued by affluent homeowners living in high-income neighborhoods.<sup>27</sup>

There is a promising alternative: the internal ADU, or an ADU that is carved out of the interior of an existing house, with its own independent entrance provided to the exterior. At present, Austin effectively bans internal ADUs as income generators for their owners by restricting their legal occupancy to relatives or caretakers who pay no rent. Internal ADUs typically cost considerably less than external ADUs. In some cases they can be built for as little as \$50,000 or less—a cost that is feasible for a much wider range of homeowners than detached ADUs. Furthermore, because an internal ADU adds no net new square footage, increases to property taxes should be dampened. Ending the de-facto ban on internal ADUs is a low-cost, “low hanging fruit” policy that could be enacted in Austin. It has at least the possibility of helping homeowners stave off displacement in gentrifying neighborhoods, while also adding rare, relatively inexpensive rentals in single-family neighborhoods.

## Considerations

There are various regulatory parameters that would have to be addressed in any internal ADU ordinance. For instance, policymakers would have to decide whether an internal ADU would trigger an off-street parking requirement; whether or not legal occupancy of the ADU would require the owner to live on the property, as is the case in most cities in the US (with the notable exception of Portland, Oregon);<sup>28</sup> and whether an internal ADU could be used as a short-term rental (i.e., rented on a nightly basis to visitors via platforms such as Airbnb and HomeAway). In general, the less restrictive the regulation on construction and use, the more development of internal ADUs will occur.

While removing regulatory barriers to internal ADUs would be a valuable step on its own, more far-reaching steps would need to be taken by the city to bring their benefits to the widest possible pool of homeowners. Even with the simpler construction and lower costs of internal ADUs, there are homeowners who could benefit from such projects but who lack the know-how or financial strength to undertake them. Technical and financial assistance from the city, or delivered in tandem with local lending institutions and nonprofits,<sup>29</sup> could bridge this gap. In addition, active intervention from the city could further other objectives, such as ensuring that internal ADUs are fully ADA-compliant, thus allowing frail elderly homeowners and homeowners with disabilities to move into them while drawing robust income from renting the main portion of the house. Finally, such interventions could be geographically targeted to gentrifying neighborhoods as an explicit anti-displacement strategy, perhaps with a particular emphasis on elderly homeowners.

## Assessment

### **Vulnerable populations targeted**

Current homeowners in single-family houses or duplexes citywide, including vulnerable neighborhoods. Could target financial and technical assistance for building ADUs to low-income senior homeowners and homeowners with disabilities.

### **Stage of neighborhood change** **Any stage of gentrification.**

### **Place-based**

**No.** However, financial or technical assistance to help low-income homeowners create ADUs could be focused on gentrifying neighborhoods as an explicit anti-displacement strategy.

### **Sustainability**

**Good.** Regulatory reform, on its own, is permanent and will be helpful to future generations of homeowners.

### **Inclusivity**

**Poor to Fair.** Development of such regulations would involve citywide input. Targeting to vulnerable homeowners would require specific outreach and a dedicated stakeholder group.

### **Financial Resources**

**Low.** Primarily the cost of developing and passing an ordinance (administration of permits could be covered by permit fees). Medium if the city also creates a program to technically and financially assist homeowners in targeted neighborhoods.

### **Capacity Required**

**Low.** City staff is already accustomed to administering ADU permits; these changes would simply change how they do their work. Creating a program to actively assist homeowners would require more capacity, but could be done in partnership with local lending institutions and nonprofits.

## Resources

Accessory Dwelling Units Draft Environmental Impact Statement (Seattle), <http://www.seattle.gov/council/adu-eis>

Peterson, Kol, Backdoor Revolution: The Definitive Guide to ADU Development (Accessory Dwelling Strategies 2018).

## Endnotes

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<sup>1</sup> McClure, Kirk, "The allocation of rental assistance resources: the paradox of high housing costs and high vacancy rates," *International Journal of Housing Policy*, May 2018.

<sup>2</sup> Turner, Margaret A., "Strengths and weaknesses of the Housing Voucher Program," in J.R. Tighe and E. J. Mueller, eds., *The Affordable Housing Reader*, Routledge, 2013, pp. 288-294.

<sup>3</sup> The Local Rent Supplement Program. DC Fiscal Policy institute, Apr. 11, 2016, <https://www.dcfpi.org/wp-content/uploads/2016/04/16-04-LRSP-Brief.pdf>.

<sup>4</sup> "Denver rent 'buy-down' program that will subsidize market-rate apartments receives green light from council," *Denver Post*, July 10, 2018, <https://www.denverpost.com/2018/07/10/denver-rent-buy-down-program-green-light/>.

<sup>5</sup> "Denver's lower-income residents will soon be able to move into luxury apartments," *Rent Café Blog*, Jan. 18, 2018 (quote from Chris Herbert, Managing Director of the Harvard Joint Center for Housing Studies), <https://www.rentcafe.com/blog/apartment-search-2/money/denver-will-subsidize-vacant-luxury-rentals-lower-income-residents/>.

<sup>6</sup> Craver, Jack, "Planning commissioners propose 'anti-McMansion ordinance' for Code Next," *Austin Monitor*, May 15, 2018, <https://www.austinmonitor.com/stories/2018/05/planning-commissioners-propose-anti-mcmansion-ordinance-for-codenext/>.

<sup>7</sup> City of Austin, *Special Use Options and Design Tools Available Through the Neighborhood Plan Combing District (NPCD)*, May 2017, [ftp://ftp.ci.austin.tx.us/npzd/Austingo/infill\\_tools.pdf](ftp://ftp.ci.austin.tx.us/npzd/Austingo/infill_tools.pdf).

<sup>8</sup> Craver, Jack, *supra*.

<sup>9</sup> Morton, Kate, "Home building strong despite new size limits," *Austin American-Statesman*, Feb. 18, 2006.

<sup>10</sup> Jordan, Reed, and Poethig, Erika C., Urban Institute, "How to keep affordable housing in high-opportunity neighborhoods," <https://www.urban.org/urban-wire/how-keep-affordable-housing-high-opportunity-neighborhoods>; National Housing Trust, "Components to a Successful Local Preservation Strategy," <http://www.nationalhousingtrust.org/state-and-local-preservation-initiatives>.

<sup>11</sup> National Housing Trust, "Data Collection and Analysis," <http://www.nationalhousingtrust.org/data-collection-and-analysis>.

<sup>12</sup> *Connecting People to Jobs: Neighborhood Jobs Pipelines*, Annie E. Casey Foundation, 2008, at 4.

<sup>13</sup> *Ibid.*

<sup>14</sup> *Ibid.*

<sup>15</sup> Capital Idea, *Studies and Financial Reports*, <http://www.capitalidea.org/studies-financials/> (accessed July 31, 2018).

<sup>16</sup> Williams, John R. "Why private and institutional investment is the future of affordable housing preservation," *Multifamily Executive*, Mar. 7, 2018, [http://www.multifamilyexecutive.com/business-finance/why-private-and-institutional-investment-is-the-future-of-affordable-housing-preservation\\_o](http://www.multifamilyexecutive.com/business-finance/why-private-and-institutional-investment-is-the-future-of-affordable-housing-preservation_o).

<sup>17</sup> Williams, Stockton, "Preserving Multifamily Workforce and Affordable Housing," *Urban Land Institute*, 2015, at 6, <https://uli.org/wp-content/uploads/ULI-Documents/Preserving-Multifamily-Workforce-and-Affordable-Housing.pdf>.

<sup>18</sup> Jacobius, Arleen, "Workforce housing catches eye of managers investors," *Pensions and Investments*, Oct. 2, 2017, <http://www.pionline.com/article/20171002/PRINT/171009979/workforce-housing-catches-eye-of-managers-investors>.

<sup>19</sup> Williams, Stockton, at 6.

<sup>20</sup> *Ibid.*

<sup>21</sup> Becker, Ian, "Evaluating a New Model: The Participation of Private Equity in the Preservation of Multifamily 'Affordable' Housing for Middle-Income Renters in Austin," *Master's Thesis, Community and Regional Planning, UT Austin*, Aug. 2018, at 48-50.

<sup>22</sup> *Ibid.* at 55.

<sup>23</sup> *Ibid.* at 57.

<sup>24</sup> Auspos, P., P. Brown, S. Sutton, and A. Kubisch, *Living Cities and Civic Capacity: Leadership, Leverage, and Legitimacy*, Aspen Institute, Roundtable on Community Change, 2008.

<sup>25</sup> Association for Neighborhood and Housing Development, Inc., *From Collaboration to Transformation: the Initiative for neighborhood and citywide organizing and the power of grassroots community development*, 2012, New York.

<sup>26</sup> Menez, Gene, "What you need to know about Accessory Dwelling Units," Austin Monthly, Apr. 17, 2017.

<sup>27</sup> Chapple, Karen, et al. "Jumpstarting the market for Accessory Dwelling Units: lessons learned from Portland, Seattle, and Vancouver," Urban Land Institute (San Francisco chapter), July 6, 2017. [turnercenter.berkeley.edu/uploads/ADU\\_report\\_4.18.pdf](https://turnercenter.berkeley.edu/uploads/ADU_report_4.18.pdf).

<sup>28</sup> Existing research is inconclusive as to whether houses with internal ADUs have similar, higher, or lower property values vis-à-vis the same interior space lying entirely within one dwelling. Owner-occupancy requirements represent attempts to repel absentee owners from separately renting single-family houses and their ADUs.

<sup>29</sup> By way of full disclosure, at the time of writing this report two of the authors of this report, Mueller and Wegmann, are volunteer board members of a nonprofit, Austin Community Design and Development Corporation, that provides services to homeowners seeking to add ADUs to their properties.