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HousingWorks
AUSTIN

March 6, 2024

Dear Mayor and City Council,

HousingWorks Austin respectfully requests postponement of items 3, 4, and 29 related to the reclaimed water connections and onsite water reuse requirements program, until such time as the Planning Commission has finalized their recommendations on the proposed ordinances and further discussions with stakeholders regarding the potential impact of these changes on the production of income restricted affordable housing can be concluded.

HousingWorks has serious concerns regarding the potential impact of these proposed new requirements on the future development and redevelopment of income restricted affordable housing units, including those subsidized by City of Austin funding. With funding for programs like Rental Housing Development Assistance increasingly scarce, as well as increasingly diminished in purchasing power due to inflation in construction costs, we believe moving forward with changes that may add up to \$7,100 per unit in development costs for such units may not be wise without further discussion and deliberation.

While the current proposal includes an exemption for projects utilizing the Affordability Unlocked program and/or those utilizing Low Income Housing Tax Credits, these exemptions would not fully cover the universe of developments that may include income restricted units, including those that may be partially financed with City of Austin affordable housing funds.

*HousingWorks Austin · www.housingworksaustin.org · (512) 454-1444
1023 Springdale Road, Building 13, Suite F, Austin, TX 78721*

Should the Council decide to move forward with these changes this week, HousingWorks urges the Council to:

- Expand income-restricted affordable housing exemptions from these new requirements, including, without limitation, any project receiving City of Austin or other public subsidy for development of income restricted units
- Provide one hundred percent City cost participation for the additional capital and operational costs of new on-site and off-site infrastructure required by these changes for projects that utilize public subsidy for development of income- restricted units
- Consider the impact of these requirements on participation in the City of Austin affordable housing bonus programs by developers and meaningfully address such impacts to maintain the effectiveness of these programs
- Create a pilot program to study impacts or require staff to provide an update after 6 months, followed by any necessary action, that quantifies the impact of these requirements on housing construction costs, affordability impacts, and implementation of the cost participation program

Additionally, HousingWorks Austin has previously joined with other community organizations and advocates in the past to ask the Austin City Council to balance the impact of such policies that advance critical city priorities against the impact on housing affordability and development costs. The potential unintended consequences of these requirements on housing costs and affordability appear to be a glaring example of why otherwise well-intentioned code amendments should be thoroughly considered before adoption.

Thank you for your consideration of this recommendation.

Best Regards,



Nora Linares-Moeller
Executive Director
HousingWorks Austin