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# AN AFFORDABLE TRAVIS COUNTY

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James Nortey's plan to tackle our affordability crisis



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## **INTRODUCTION**

Travis County is blessed with a booming economy, diversified business industries, impressive natural resources, a high quality of life, and world-class educational opportunities. Yet across our community, thousands of low and moderate-income families are struggling to meet their most basic need: a place to call home.

We have an affordability crisis characterized by too many people spending too much of their income on the necessities of life, like healthcare, family care, transportation, and housing in particular. The rising cost of living has affected the pocketbooks of nearly everyone in our community, but it has placed a particular burden on African Americans, Latinos, low-income households and people with fixed incomes like seniors and people with disabilities.

Combined with income inequality, this affordability crisis has forced many people to leave areas of high opportunity – near job centers, healthy food options, public transportation options, and better-funded schools – to areas of relatively low opportunity where the cost of living is lower.

Though the pain of the affordability crisis affects those on the bottom rung of the economic ladder most severely, our affordability crisis hurts everyone. When more people live further from their jobs and public transportation options, all of us spend more time in our cars and exacerbate community problems like traffic congestion and poor air quality. Even our community's economic competitiveness may be threatened if employers cannot attract workers because the cost of housing is too high.

We must meet the affordability challenge head-on. The current situation is costly, unfair, and unsustainable. Travis County has the ability and the responsibility to move aggressively to solve the affordability crisis. We must work with public and private partners to expand affordable housing options, preserve existing affordable housing stock, increase economic opportunity, strive for fair and affordable tax bills, and create new resources for residents seeking housing.

It's time for Travis County to lead with a renewed energy and sense of purpose to finally solve our affordability crisis in Central Texas.

## **JAMES NORTEY'S PLAN TO TO EXPAND AFFORDABLE HOUSING OPTIONS**

### **Set community goals for affordable housing**

Travis County took an important first step in establishing affordable housing goals when it asked County Staff to draft an Affordable Housing policy in 2015. James Nortey will work to ensure the final Affordable Housing Policy establishes aggressive, achievable goals and that it is fully funded. Travis County must not work towards affordable housing goals in a vacuum, though. The County should collaborate with other local governments to identify and measure progress towards achieving our community's housing needs. One way to begin this collaboration would be for the County to participate in and expand the scope of the City of Austin's Comprehensive Housing Market Analysis. We should not wait for an updated Comprehensive Housing Market Analysis to take action, though. The need for affordable and deeply-affordable housing in Travis County is well-documented. James Nortey believes a range of policy mechanisms can increase the availability of affordable housing and preserve the affordability of existing homes.

### **Establish a sustainable, substantial revenue stream for affordable housing**

James Nortey believes Travis County should encourage new investment in affordable housing by establishing a sustainable, substantial source of funding for affordable housing construction, affordable housing preservation, public amenities and infrastructure improvements through tax increment financing (TIF) and other revenue sources.

### **Explore affordability requirements in the County's Public Improvement District policy**

As Travis County crafts a new Public Improvement District policy, James Nortey believes we should explore attaching onsite affordability requirements for developments utilizing Public Improvement Districts.

### **Create affordable housing on surplus publicly-owned land**

James Nortey believes we should identify and maintain an inventory of underdeveloped publicly-owned properties in high-opportunity areas near transit and explore the feasibility of development for affordable housing. Local governments like Travis County and the City of Austin control a portfolio of properties such as parking lots and vacant land with residential development potential. An example of area like this is the parcel of county-owned land on Airport Boulevard for which Travis County recently approved an affordable housing development.

### **Make more efficient use of Travis County Housing Finance Corporation dollars to maximize impact**

James Nortey believes Travis County should look for ways to more efficiently use Travis County Housing Finance Corporation capital to facilitate the construction of new housing in parts of Precinct 1. The Housing Finance Corporation can issue tax-exempt bonds to finance the construction or acquisition of multifamily apartments that must provide rental units to certain low and moderate-income families. The County may be able to achieve the construction of more affordable housing units for Travis County families by partnering with Travis County's Strategic

Housing Finance Corporation, the Housing Authority of Travis County, and the Housing Authority of the City of Austin.

**Explore opportunities for affordable housing through land banking**

Travis County can create long-term opportunities for development of affordable housing by providing funding to support the acquisition and preservation of vacant tracts and existing rental housing and repurposing those properties – particularly those near transit – for a range of affordable housing options in partnership with neighbors, nonprofits, community organizations, and other local governments. By allowing public and non-profit entities to have the first right to purchase foreclosed homes, we can preserve affordable housing before homes are flipped to market rates.

**JAMES NORTEY’S PLAN TO PRESERVE EXISTING AFFORDABLE HOUSING**

**Create a dedicated funding stream to preserve existing affordable housing**

James Nortey believes Travis County should encourage affordable housing preservation by establishing a sustainable, substantial source of funding for affordable housing preservation, public amenities and infrastructure improvements through tax increment financing (TIF) and other revenue sources.

**Explore the creation of community land trusts to permanently preserve affordable housing**

Community land trusts can permanently preserve the affordability of housing. Supported by community advocates such as Housing Works, People Trust, Habitat for Humanity, the Texas Association of Community Development Corporations, the Texas Association of Local Housing Finance Agencies and the Texas Municipal League, community land trusts are nonprofit, community-based organizations designed to ensure community stewardship of land. The trust, managed by a Board of Directors from the community, acquires land and maintains ownership of it permanently. With prospective homeowners, it enters into a long-term, renewable lease instead of a traditional sale. When the homeowner sells, the family earns only a portion of the increased property value of the improvement, not the land. The remainder is kept by the trust, preserving the affordability for future low- to moderate-income families.

**Support Existing Homestead Preservation Districts**

Travis County should support the recently created Homestead Preservation Districts to prevent the involuntary loss of homesteads by low and moderate-income homeowners. This would involve a partnership with cities and local non-profit organizations to operate a combination of land banks, TIF zones, and community land trusts.

## **JAMES NORTEY'S PLAN TO INCREASE ECONOMIC OPPORTUNITY**

### **Create good jobs and invest in proven worker-training programs**

James Nortey believes Travis County should use its economic development efforts to create jobs for working-class residents and those who struggle to find employment, not just white-collar professionals. Nortey also believes that we should expand investment in workforce training programs that work, like Capital IDEA, to help residents have more, better, and better-paying job options.

### **Help First-time homebuyers by expanding the Down Payment Assistance Program**

James Nortey believes Travis County's Down Payment Assistance Program should be expanded so that more credit-worthy homeowners can purchase homes. Because the fund for the program replenishes as homeowners pay off their loans, Travis County may be able to expand the program without impacting Travis County's budget through philanthropy. Many families with good credit and the ability to pay a mortgage are precluded from homeownership by their inability to accumulate the funds necessary for the down payment and closing costs. Travis County has a Down Payment Assistance Program to help remove barriers to housing for low to moderate income first-time homebuyers, but its funding is minimal.

### **Increase opportunities in low and moderate-income areas**

James Nortey believes we need to increase opportunity in low- to moderate-income areas by working to eliminate food deserts and expanding public transportation services that connect low-income areas to employment centers, social and health networks and facilities, and other opportunities. Travis County opted to pay to extend Capital Metro bus service to Community First village homeless center in Precinct 1 in 2014. Travis County should expand public transportation options to other areas of need.

### **Encourage Affordable Housing in areas of high opportunity**

Develop an opportunity map identifying high and low opportunity areas for affordable housing development and encourage new construction of affordable housing in those areas.

**JAMES NORTEY'S PLAN TO  
STRIVE FOR AFFORDABLE, FAIR TAX BILLS**

**Maintain the value of the senior and disabled homestead exemption and consider increasing it annually**

In 2015, the Commissioners Court approved a \$5,000 increase in the over-65 or disabled homestead exemption, from \$70,000 to \$75,000. Travis County should regularly examine its property tax policy in order to increase equity, and it should regularly consider increasing the homestead exemption for seniors and people with disabilities. Increasing the homestead exemption by a flat dollar amount means that a greater portion of relief will go to low- and moderate-income families who need it most. This is better than a percentage-based increase that benefits higher value homes more.

**Continue pushing for the authority to implement a fairer, flat dollar homestead exemption**

Travis County must continue to work toward getting the authority from the legislature to do the Homestead Exemption as a flat dollar amount. A flat exemption is fairer than a percentage-based increase that benefits higher value homes more.

**Keep taxes as affordable and fairly distributed as possible**

One of the few direct tools the County has to impact affordability is the property tax rate. James Nortey believes Travis County should strive for an affordable tax bill that fairly balances taxes between residential and commercial properties. To better assure accurate appraisals on commercial properties, and a fair balance between residential and commercial property taxes, James Nortey believes we should push to require sales price disclosure. If sales price disclosure is mandatory, appraisers will have the tools they need to establish a property's market value.

**Lead joint tax planning efforts**

In addition to being careful with its own spending, James Nortey believes that Travis County must take the lead to help all taxing jurisdictions (the cities, the school districts, ACC and Central Health, as well as the county) work and plan together to contain the combined tax bill and collaborate on the services, equipment, and infrastructure we need. All of our taxing jurisdictions should discuss their long-term plans for bond propositions and collaborate on the appropriate time to take an issue before the voters.

**Regularly evaluate county programs for efficiency and effectiveness.**

Once the county takes in taxes, it should budget those finances responsibly. James Nortey believes the County should regularly evaluate the efficiency and effectiveness of all programs and departments and make data-driven decisions about how to get the most out of every tax dollar and increase equity in its tax policy.

**JAMES NORTEY'S PLAN TO  
ESTABLISH A COUNTYWIDE HOUSING RESOURCE CENTER**

Travis County should work with other local governments, non-profit, and community organizations to establish a Housing Resource Center. The Housing Resource Center would be a centralized one-stop shop to help residents find safe, quality, and affordable housing that fits their family's needs. Some of the services could include neighborhood stabilization assistance, foreclosure prevention, flood, fire, and emergency preparation, and home repair information. Property providers in Travis County would be invited to list and register available housing units on the Housing Resource Center website.

**CONCLUSION**

Even with limited powers, Travis County can do a lot to help eliminate the affordability crisis. But the County cannot act alone. We need elected officials at all levels to act on this crisis.

Travis County must continue to advocate for broader land-use authority from the Legislature to adequately plan for and sustainable guide growth outside of our cities. We must also ensure every member of our community, regardless of income, has an opportunity to live, work, and play here.

Finally, we need all of our residents to be fully engaged in the political process. We need voters to prioritize eliminating barriers to affordability and elect candidates who will do so. We need to consistently keep affordability solutions at the top of every policymaker's agenda and keep our community leaders accountable to these solutions.

There is no single silver bullet that can defeat our affordability crisis. Rather, this proposal calls for a silver buckshot of solutions from residents, government officials, and business leaders from every part of our community. By working together, our community can defeat the affordability crisis and raise our collective quality of life.