

RESOLUTION NO.

WHEREAS, since 2005 the City of Austin has worked to institute Homestead Preservation Districts that could help address affordability issues for homeowners;

WHEREAS, in 2007, Council approved Ordinance No. 20070111-053 that established the original Homestead Preservation District (HPD) located in Central East Austin (called “District A” in the attached exhibit”) but no funding tools have been utilized to date;

WHEREAS, after state legislative changes were made, a staff response to Council Resolution 20130627-072 outlined the legislative changes as they relate to the City of Austin and the staff response also provided an analysis that determined that there were five potential HPDs that could be created, noted as District A, District B, District C, District D, and District E in the attached exhibit;

WHEREAS, the criteria that an area must meet to be eligible as an HPD are the following: each census tract must have a median family income (MFI) less than 80% of the City of Austin MFI, the area must be composed of contiguous census tracts that form a spatially compact area, the potential district must have fewer than 75,000 residents, and the overall poverty rate for the HPD must be at least two times that of the City of Austin poverty rate;

WHEREAS, in response to Council Resolution 20140213-044, City staff produced a report that outlines an analysis of affordable housing programs, funding alternatives, eligibility requirements for HPD Districts, as well as a real estate assessment of the districts, including property valuations;

WHEREAS, the HPD legislation allows the City to utilize a Tax Increment Financing model to provide a dedicated funding stream to be reinvested in the

Homestead Preservation District to finance the creation and preservation of affordable housing;

WHEREAS, the Housing and Community Development Committee received a briefing on HPD's at their meeting on March 25, 2015 with further discussions at two subsequent Committee Meetings ; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Manager is directed to proceed with establishing Homestead Preservation Districts in the areas designated as District B, District C, and District D as referenced in the attached Exhibit A. This process shall include holding public information meetings in each proposed Homestead Preservation District and presenting a draft ordinance to the Housing and Community Development Committee by August 26, 2015.

BE IT FURTHER RESOLVED:

The City Manager is directed to develop a work plan and timeline to create a Homestead Preservation District Tax Increment Reinvestment Zone (TIRZ) under Chapter 373A of the Local Government Code in Homestead Preservation District A. The work plan shall include a schedule and steps to create a financing plan, a governance plan, and an outreach plan. The report shall also include options regarding the amount or percentage of tax increment that would be included in the fund. Per state law, all revenue must be dedicated to the development, construction, and preservation of affordable housing within the zone. This plan shall be presented to the Housing and Community Development Committee by August 26.

ADOPTED: _____, 2015

ATTEST: _____
Jannette S. Goodall
City Clerk