

RESOLUTION NO.

WHEREAS, the Tax Equity and Fiscal Responsibility Act (TEFRA) in 26 U.S. Code Section 147 requires public notice, a public hearing, and approval from the local governing jurisdiction where a qualified residential rental project will be situated (TEFRA Approval) in order to issue private activity bonds, including qualified residential rental projects to acquire and rehabilitate existing residential structures, to a borrower; and

WHEREAS, these types of bonds are typically used to acquire and rehabilitate existing residential structures; and

WHEREAS, approving the issuance of these bonds does not constitute any obligation of the City in regard to the repayment of the bonds, nor does it constitute any zoning approval, approval of any building permit, or any other approval required by the City in regard to the development in question; and

WHEREAS, when these TEFRA Approvals come to City Council, the information provided to Council typically includes information about the borrower, the project's potential development characteristics, as well as the estimated median family incomes for the future population served; and

WHEREAS, the information provided to Council does not provide information about the existing median family income of the development's current households, nor does it provide information about the building's current occupancy; and

WHEREAS, typically when private activity bonds for qualified residential rental projects to acquire and rehabilitate existing residential structures are issued the transaction documents do not contain any policies or regulations that provide

legal protection to existing residents from the displacement that may occur due to the acquisition and rehabilitation of the property; **NOW, THEREFORE,**

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

When the City Council is requested to approve or disapprove the issuance of private activity bonds for qualified residential rental projects to acquire and rehabilitate existing residential structures, the City Council directs the City Manager to provide information to the Council regarding existing rental prices and the median family income of households currently living at the property in which the bonds are intended to be utilized.

BE IT FURTHER RESOLVED:

The City Council directs the City Manager to research the ability of the City to include in the TEFRA Approval process protections for existing residents from displacement and report back to Council with recommendations within 90 days.

ADOPTED: _____, 2017 **ATTEST:** _____
Jannette S. Goodall
City Clerk