

RESOLUTION NO.

WHEREAS, the City’s Demographer reports that the median home sale price in Austin is currently \$590,000 and the average monthly rent is over \$1,700; and

WHEREAS, the City’s Demographer also reports that 50 percent of people living in Austin have a low or moderate income; and

WHEREAS, the Urban Displacement Project and the University of Texas at Austin’s Uprooted Project both report high levels of property tax affordability hardship and displacement, particularly throughout Austin’s historically lower-income eastern crescent; and

WHEREAS, additional residential units can provide a vital income stream to help people afford to stay in their homes, facilitate multi-generational living and family support, or provide housing that is affordable for early career or low to moderate income people; and

WHEREAS, the City currently offers down payment assistance to income-eligible first-time buyers as well as home repair grants and loans to income-eligible Austinites; and

WHEREAS, in October 2023 the U.S Department of Housing and Urban Development, through the Federal Housing Administration, expanded mortgage access to include dwellings commonly known as Accessory Dwelling Units;

NOW, THEREFORE,

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

25 The City Manager is directed to explore options that would enable access to
26 down payment assistance to help people with low or moderate incomes build or
27 renovate their homes to include an additional residential unit. When exploring
28 options, the City Manager should also consider the following goals:

- 29 (1) including a restriction whereby recipients of the down payment
30 assistance and/or fee grants do not use the property as a short-term
31 rental to create long-term affordable housing; and
- 32 (2) ensuring that the options complement existing Project Connect anti-
33 displacement initiatives.

34 **BE IT FURTHER RESOLVED:**

35 To ensure the program is publicized to the communities who would benefit
36 most, the City Manager is directed to develop communications and marketing
37 materials targeted towards homeowners in areas of gentrification and displacement
38 to ensure equitable access to information about down payment assistance.

39 **BE IT FURTHER RESOLVED:**

40 As increasing density in existing neighborhoods has the potential to
41 accelerate the need for infrastructure improvements, the City Manager is directed
42 to:

- 43 (1) consider the impacts of increased density on Austin Water and Austin
44 Energy capacity and condition assessment processes and Capital
45 Improvements Programs; and

(2) evaluate a potential economic development grant program for qualifying residential homestead applicants to pay for City fees associated with developing an additional residential unit on their homestead property.

BE IT FURTHER RESOLVED:

The City Manager is directed to bring proposals, implementation plans, and costs and funding sources to Council for its consideration by the April 2, 2024, meeting.

ADOPTED: _____, 2023 **ATTEST:** _____

Myrna Rios
City Clerk