

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% 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 downpayment 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 (FHA), expanded mortgage access to include dwellings commonly known as Accessory Dwelling Units; **NOW, THEREFORE,**

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

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

27 (1) including a restriction whereby recipients of the downpayment
28 assistance and / or fee grants do not use the property as a short-term
29 rental to create long-term affordable housing; and

30 (2) ensuring that the program compliments existing Project Connect anti-
31 displacement initiatives.

32 As part of this process, the City Manager is directed to gather input from
33 residents, especially those in areas where people are at risk of displacement, to
34 ensure the program aligns with their needs and concerns.

35 **BE IT FURTHER RESOLVED:**

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

41 **BE IT FURTHER RESOLVED:**

42 The City Manager is directed to consider exploring partnerships with local
43 nonprofit organizations to facilitate outreach, application assistance, and
44 educational programs related to the down payment assistance initiative.

45 **BE IT FURTHER RESOLVED:**

46 As increasing density in existing neighborhoods has the potential to
47 accelerate the need for infrastructure improvements, the City Manager is directed
48 to:

- 49 (1) consider the impacts of increased density on Austin Water and Austin
50 Energy capacity and condition assessment processes and Capital
51 Improvements Programs; and
- 52 (2) evaluate a potential economic development grant program for
53 qualifying residential homestead applicants to pay for City fees
54 associated with developing an additional residential unit on their
55 homestead property.

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57 **BE IT FURTHER RESOLVED:**

58 Council directs the City Manager to bring the proposed programs,
59 implementation plan, and costs and funding sources to Council for its
60 consideration by the April 2, 2024 meeting.

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

63 Myrna Rios
64 City Clerk
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