

**RESOLUTION NO. 20231214-071**

**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:**

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

- (1) including a restriction whereby recipients of the downpayment assistance and / or fee grants do not use the property as a short-term rental to create long-term affordable housing; and
- (2) ensuring that the program compliments existing Project Connect anti-displacement initiatives.

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

**BE IT FURTHER RESOLVED:**

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

**BE IT FURTHER RESOLVED:**

As part of this financial assistance program, the City Manager is directed to explore creating one or more Development Services Department ombudsperson positions to assist residents who want to add housing units to their properties. Ideally, this position would assist with the permitting process, including application submittal, review, and inspection; and facilitate connections with appropriate staff or resources in other City departments when requested.

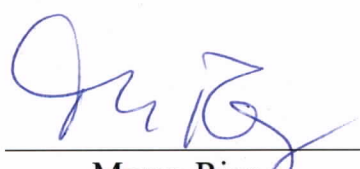
**BE IT FURTHER RESOLVED:**

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

- (1) consider the impacts of increased density on Austin Water and Austin Energy capacity and condition assessment processes and Capital 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 come back to Council by March 18, 2024, with updates on progress made on Resolutions No. 20211209-064 and 20200409-080 that were passed by previous councils and explore how they can be incorporated, and or compliment this latest direction to explore financial tools.

**ADOPTED:** December 14, 2023 **ATTEST:**   
Myrna Rios  
City Clerk