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**RESOLUTION NO.**

**WHEREAS**, Council recognizes the challenges faced by long-time, low- and moderate-income homeowners in maintaining their homes and affording any necessary expansions or modifications to their properties; and

**WHEREAS**, Austin’s low- and moderate-income homeowners are integral to the cultural and historical fabric of our city and should be supported to age-in-place among their community, empowered to embrace multi-generational living, and free to generate rental income that can help offset the rising cost of living in Austin; and

**WHEREAS**, low- and moderate-income homeowners currently face the threat of displacement and yet also struggle to leverage their properties to access the capital needed to make critical home repairs, subdivide, or build an extra dwelling unit for rent; and

**WHEREAS**, Council approved Resolution No. 20231214-071 to provide financial assistance for qualifying homeowners who desire to add additional homes to their properties to help with housing family members, caregivers, or for rental income to stay in place; and

**WHEREAS**, this policy aligns with a recent move by the U.S. Department of Housing and Urban Development which is extending Federal Housing Assistance (FHA) loans to qualifying households seeking loans to add secondary homes to their properties as a means to afford to stay in place; and

24           **WHEREAS**, teachers, nurses, and other civil servants increasingly struggle  
25 to afford to live in the Austin community they serve, impacting their ability to vote  
26 on policies that affect their livelihood; and

27           **WHEREAS**, City Code regulations, such as large minimum lot size  
28 requirements, stringent site development standards, and extensive environmental  
29 protections in historically exclusionary areas of the city have all contributed to  
30 limiting housing affordability and perpetuating socioeconomic disparities within  
31 our community; and

32           **WHEREAS**, regulations that restrict housing in more exclusionary areas  
33 have resulted in an inequitable distribution of income-restricted affordable housing  
34 and greater development pressures on historically underserved areas where  
35 gentrification and displacement persist under the current Code; and

36           **WHEREAS**, Council has taken steps to ease restrictions on land use across  
37 the city to promote more housing choice, and recognizes the need for financial  
38 equity and assistance to ensure the recently adopted amendments to City Code  
39 Title 25 regarding regulations for housing units (also known as the Home Options  
40 for Middle-Income Empowerment “HOME” Initiative) are accessible to  
41 households of low- and moderate-incomes to stay in place or to buy an affordable  
42 starter home in Austin; and

43           **WHEREAS**, the Planning Commission approved recommendations on  
44 April 23, 2024 related to the empowerment of low- and moderate-income  
45 households to access the HOME program through proactive community outreach,  
46 education, and financial tools; and

48           **WHEREAS**, building on the goals of Resolution No. 20231214-071,  
49 Council supports expanding accessibility to City housing and financial programs  
50 and seeks to partner with members of the financial community to stabilize  
51 communities and promote housing that is broadly affordable; **NOW**,  
52 **THEREFORE**,

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

54           The City Manager is directed to provide analysis to Council on the following  
55 ways to improve low- and moderate-income homeowners' accessibility to the  
56 HOME program through financial tools, program expansion, and reduced fees with  
57 a particular focus on permitting, infrastructure fees, subdivision process, and  
58 building costs associated with design, architecture, and professional services:

- 59           • **Access to Private Financing.** Identify and partner with community-focused  
60 lending institutions on the creation of a Special Purpose Credit Program  
61 (SPCP) aimed at increasing the availability of capital for Austin's low- and  
62 moderate-income homeowners particularly in under-served communities.
- 63           • **Tax Rebates.** Assess the feasibility of tax rebates to support low- and  
64 moderate-income homeowners with particular focus on offsetting upfront  
65 costs.
- 66           • **Low-Interest and Forgivable Loans.** Identify best practices related to  
67 program structure, eligibility criteria, and funding mechanisms through a  
68 benchmark analysis of peer cities with low-interest and forgivable loan  
69 programs for homeowners who want to add a housing unit or subdivide their  
70 properties.

- 71 • **Downpayment Assistance Program Expansion.** Initiated by Resolution  
72 No. 20231214-071, the City Manager is directed to continue exploring the  
73 expansion of the Downpayment Assistance Program for low- and moderate-  
74 income homeowners, specifically to include support for constructing  
75 additional dwelling units (ADUs) in alignment with the U.S. Department of  
76 Housing and Urban Development’s FHA loan expansion to include ADUs.
- 77 • **Reduce Fees or Modify Terms of Upfront Costs.** Building on Resolution  
78 No. 20231214-071, the City Manager is directed to evaluate potential  
79 financial assistance for eligible applicants, including fee waivers or  
80 reductions and payment installment plans for the upfront expenses  
81 associated with infrastructure and utility connections.

82 The results of this analysis and recommendations for action should be  
83 reported to Council by October 24, 2024.

84 **BE IT FURTHER RESOLVED:**

85 The City Manager is directed to establish a HOME Interdepartmental Task  
86 Force comprising subject matter experts with decision-making authority from the  
87 Development Services Department, the Housing Department, Austin Energy,  
88 Austin Water, the Austin Fire Department, Watershed Protection, and any other  
89 relevant department or division, to accomplish the goals of both this resolution and  
90 Resolution No. 20231214-071. The task force shall perform the following work,  
91 providing an initial work plan for review by August 29, 2024, and report findings  
92 to Council by January 30, 2025:

- 93 • Identify ways to streamline processes and cut costs for processes for adding  
94 a home or subdividing a property.

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- Scale processes, fees, and procedures to meet the needs of low- and moderate-income homeowners.
  - Review existing programs serving low- and moderate-income homeowners, evaluate their efficacy, and recommend areas where collaboration between programs could yield improved outcomes.
  - Convene a working group of subject-matter experts to review, evaluate, and suggest improvements to current Development Services Department processes, with input from stakeholders.
  - Provide regular progress updates and recommendations for policy changes to the Housing and Planning Committee.

105 To the greatest extent possible, the HOME Interdepartmental Task Force  
106 report should incorporate input from stakeholders when reporting to Council,  
107 identifying policy or budget needs to accomplish recommendations.

108 **BE IT FURTHER RESOLVED:**

109 The City Manager is directed to expand educational resources and technical  
110 assistance provided to low- and moderate-income homeowners at risk of  
111 displacement in areas identified as vulnerable to gentrification by the Displacement  
112 Prevention Office and provide these resources and assistance as soon as is feasible:

- 113 1. **Expand and Refine the Anti-Displacement Navigator Program.** Evaluate the  
114 effectiveness of the existing anti-displacement navigator pilot program and  
115 develop a comprehensive program for an enhanced anti-displacement outreach  
116 strategy including, but not limited to, the following:

- 117 • Define a clear scope of responsibilities for navigators, including proactive  
118 methods for identifying existing low- and moderate-income homeowners at  
119 risk of displacement. The proposal should outline clear key performance  
120 indicators to ensure the program meets its goals of preventing displacement.
- 121 • Transform the navigator role from an informational resource to active case  
122 management, ensuring that at-risk low-income homeowners receive timely  
123 and effective assistance to stay in their homes.

124 2. **Estate Planning and Financial Education.** Identify estate planning and  
125 financial education programs aimed at assisting low- and moderate-income  
126 homeowners and partner with community experts to empower homeowners to  
127 fully leverage HOME and other housing programs.

128 3. **Homeowner Rights and Protections.** Create a community outreach and public  
129 information campaign to inform homeowners about the HOME program, their  
130 rights, and access to City tools such as the Downpayment Assistance Program.  
131 Expand the current public information on protection from predatory practices to  
132 include proactive outreach.

- 133 • Create easy-to-understand materials that cover common predatory tactics,  
134 legal rights of homeowners, and steps to take if targeted.
- 135 • Provide resources and materials from community partners on estate planning  
136 and financial education.
- 137 • Identify methods and partnerships for reaching at-risk households.

138 Proposed programs and public information campaigns should be presented to  
139 Council on October 24, 2024.

140 **BE IT FUTHER RESOLVED:**

141 The City Manager is directed to identify any resources needed to complete  
142 these initiatives and programs to Council as early as possible and provide regular  
143 updates to the Housing and Planning Committee.  
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145 **ADOPTED:** \_\_\_\_\_, 2024 **ATTEST:** \_\_\_\_\_

147 Myrna Rios  
148 City Clerk  
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DRAFT