





MEMORANDUM

TO: Mayor and City Council

THROUGH: Dr. Eric A. Johnson, Assistant City Manager 

FROM: Mandy DeMayo, Interim Director, Housing Department 

DATE: June 23, 2025

SUBJECT: **Staff Response to Community Land Trusts, Land Banking, and Long-Term Affordable Housing in Austin- (Resolution No. 20240404-067)**

The purpose of this memorandum is to respond to City Council Resolution No. [20240404-067](#) which directed the City Manager to report back with findings and recommendations for expanding the City of Austin's land banking, community land trust (CLT) programs, and any complementary efforts to enhance them. The following attachments include a more detailed response to each prompt of the Resolution, as well as additional supplementary information on land banking and CLTs in Austin. Considering the findings in the included attachments, the following recommendations highlight keyways to help expand the City of Austin's land banking efforts, CLTs, and complementary efforts.

1. **Ensure Continued Funding for Land and Property Acquisition:** The City of Austin and AHFC's current land banking activities are critical for anti-displacement, as well as stabilizing land and existing housing for ongoing affordability. Project Connect anti-displacement funds and previous affordable housing General Obligation (GO) bond funds are resulting in important investments in the public interest, and ongoing funding is the bedrock of future land banking for housing affordability in Austin.
2. **Develop More ACLT homes:** Though land banking and property acquisition are clear priorities, the development of long-term affordable homes is equally important. As such, the City of Austin should continue creating new homes through the Austin CLT (ACLT) program, which is administered by Austin Housing Finance Corporation (AHFC). CLTs and affordable ownership housing in general have historically required greater subsidy per unit than rental developments, however, so significantly expanding CLT homes in the future will require more resources.
3. **Continue Supporting the CLT Accelerator Program to Educate and Prepare New CLT Developers:** The CLT Accelerator program, which is currently funded through Project Connect Anti-Displacement funding, is a valuable capacity building venue that the City of Austin should continue to expand and support. The current cohort is building networks and knowledge to expand CLT capacity and prevalence, and the program is also helping educate community members on the CLT model of long-term affordable housing, elevating CLT work

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in Austin, and building trust with the community. The City of Austin can continue to support the program with sustained funding and resources.

4. **Convene Stakeholders Regularly to Expand CLTs and Long-term Affordable Housing Throughout Austin:** Convene CLTs, regional partners (such as Travis County, TDHCA, and TSAHC), and local community-based developers, on an annual basis to coordinate efforts and collaborate to expand long-term affordable housing throughout Austin. The City of Austin should also continue to find ways to ensure that down payment assistance (DPA) programs can layer with each other and can work for CLT homebuyers.
5. **Increase community knowledge of CLTs while supporting prospective homebuyers with financial education.** Host regular workshops and forums to increase knowledge and embrace of CLTs in the community. Many prospective homebuyers lack familiarity with homeownership that separates a building from the land and maintains limited value appreciation in the interest of long-term affordability. This lack of familiarity hinders wider embrace and advocacy for expanding CLT housing in Austin. The City can also target forums and other engagement to financial institutions to encourage greater openness to lending for CLT homes.

Land banking and CLTs are critical for continuing to increase Austin's supply of stabilized and long-term affordable homes. The attached report provides further information about each directive in Resolution No. 20240404-067 and offers suggestions for how to continue to support these important initiatives. Most housing in Austin is completely subject to the speculative market, including nearly all ownership housing. The limited amount of stabilized housing that exists outside the speculative market typically has affordability periods that expire. This speaks to the value and importance of increasing the amount of CLTs and other long-term income-restricted housing with renewable terms, especially for ownership.

Housing Department staff are working to coordinate a presentation of these findings and recommendations at a future Housing and Planning Committee meeting. With the presentation to the Housing and Planning Committee, the directives outlined in Resolution No. 202404-067 will be fulfilled.

Should you have any questions or concerns, please contact Mandy DeMayo, Interim Director of the Housing Department, at Mandy.DeMayo@austintexas.gov or 512-974-1091.

cc: T.C. Broadnax, City Manager
Erika Brady, City Clerk
Corrie Stokes, City Auditor
Mary Jane Grubb, Municipal Court Clerk
Judge Sherry Statman, Municipal Court
CMO Executive Team
Department Directors

Attachments:

- A. Response to Resolution No. 20240404-067
- B. Current Land Banking for Affordable Housing in Austin
- C. Urban Land Bank Programs and Acquiring Foreclosed Land in Texas
- D. Comparison of Applicable Urban Land Bank Statutes

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- E. Understanding Community Land Trusts in Austin
- F. References and Resources

Attachment A: Response to Resolution No. 20240404-067

This report responds to the requests of City Council Resolution No. [20240404-067](#) which directed the City Manager to report back with findings and recommendations for expanding the City of Austin's land banking, community land trust (CLT) programs, and any complementary efforts to enhance them. Housing Department staff developed the report in consultation with the Financial Services Department, the Law Department, Rally Austin, and community stakeholders involved with CLTs. This report first contextualizes land banking and CLTs within the City of Austin's housing plans, then it answers the specific directions from the City Council Resolution.

As Resolution No. 20240404-067 states, land banking generally "is the practice of buying land as an investment, holding it for a potential future municipal purpose;" affordable housing in this case. Staff's response distinguishes between (a) land banking as the general practice of acquiring land for affordable housing, and (b) establishing an Urban Land Bank Program (urban land bank) which serves as a special program under State law that may acquire properties pursuant to foreclosure of a tax lien before auction.

Contextualizing CLTs and Land Banking in City Housing Plans

Key guiding plans for the City of Austin's housing include the *Austin Strategic Housing Blueprint (ASHB)*, *Imagine Austin*, and *Displacement Mitigation Strategy*. Each of these documents cites land banking and CLTs as important tools to improve housing affordability and mitigate displacement. *Imagine Austin* supports using CLTs and land banking (in the general sense of acquiring land for future development or preservation of affordable housing) to promote long-term housing affordability throughout Austin (*Imagine Austin*, 2018, pp. 202, 235). The *ASHB* identifies strategic land banking and CLTs as effective methods to "foster equitable, integrated, and diverse communities," and to "prevent households from being priced out of Austin," respectively (*Austin Strategic Housing Blueprint*, 2017, pp. 2, 21). Action 9 of the *Displacement Mitigation Strategy* reinforces the *ASHB* by further detailing how land banking practices can secure affordable housing in gentrifying areas (*Displacement Mitigation Strategy*, 2018, p. 65). Additionally, Austin's *Citywide Strategic Plan* references the *ASHB* to include CLTs and land banking as key strategies to increase the city's affordable housing inventory (*Citywide Strategic Plan*, 2024, p. 129).

Land banking is critical for continuing to increase Austin's supply of stabilized and long-term affordable homes. CLTs are valuable for their long-term affordability models, and often their stronger stewardship and participatory governance. The City of Austin has primarily understood

CLTs as single-family or similarly low-density ownership housing, and this is what they are generally best known for. However, CLTs can also provide multi-family ownership, as well as single and multi-family rental opportunities. CLTs in other parts of the country have additionally facilitated “mixed-income and mixed-use developments, community-oriented commercial spaces, community gardens, and much more” (National League of Cities & Grounded Solutions Network, 2021, p. 6). Future planning in Austin may reflect this inclusive understanding of CLTs as housing and land held in public trust and for community benefit for generations.

Responses to Direction from Resolution No. 20240404-067

The Resolution directed the City Manager to:

- 1) ***Determine viable land acquisition opportunities that would allow the development of long-term affordable home ownership and rental city-wide.***

The City of Austin currently uses land acquisition strategies for long-term affordable housing throughout Austin, primarily by dedicating funds to acquire land for affordable housing through the Austin Housing Finance Corporation (AHFC). AHFC considers factors such as geographic dispersion, development and financing potential, proximity to public transit, and proximity to job centers when using General Obligation (GO) bond money and Project Connect funds for affordable housing land acquisition. AHFC has acquired roughly 147 acres of land over the past 25 years, with most land acquisition activities occurring after 2018. See Attachment B for more details on current land acquisition activities and status.

Despite current land acquisition strategies, AHFC has struggled to acquire land in some parts of Austin, particularly in the more historically exclusionary western neighborhoods and districts of the city. Land in the west of Austin is often the most expensive and frequently has significant development restrictions. Such factors limit new acquisition possibilities in the parts of the city that have some of the least affordable housing and most [high opportunity areas](#). High opportunity areas have amenities and community attributes that appear to facilitate increased economic mobility and quality of life outcomes, which makes them desirable areas for more affordable housing ([Freddie Mac Multifamily](#), 2022). Since 2023, much of AHFC’s land acquisition funding comes from the Project Connect Anti-Displacement Fund, which limits spending geographically to areas experiencing displacement pressures along Project Connect routes. However, for the most expensive and exclusionary areas in the west of Austin, the most effective use of public resources may be to partner with other public entities such as the State of Texas,

the University of Texas, or otherwise mission-driven nonprofits with land in high opportunity neighborhoods.

- 2) ***Work with the Financial Services Department, Rally Austin, Austin Housing Finance Corporation [...] to explore best practices and propose any new strategies or systems to expand land banking for future development as CLTs, including but not limited to reviewing tax delinquent properties scheduled for auction and homes at risk of foreclosure.***

Housing Department staff met with the Financial Services Department (FSD), Rally Austin (formerly Austin Economic Development Corporation), and the Law Department to discuss expanding land banking for future development as CLTs. These meetings highlighted that the City of Austin currently engages in effective land banking through direct purchase, and should continue to do this to strategically stabilize and expand affordable housing throughout the city. Other strategies, such as urban land banking pursuant to foreclosure of a tax lien, do not appear to be as promising within Austin's current context.

Texas law significantly restricts the tax delinquent properties that urban land bank programs may acquire, and the current housing market in Austin does not produce many foreclosures. Urban land banks are limited to acquiring (1) unimproved real property (i.e., land without buildings), (2) property that has delinquent property taxes for at least five years, and (3) property with an assessed value that is less than the amount due in the judgement of foreclosure. Additionally, the urban land bank would need to enter an interlocal agreement with all other relevant taxing units before buying the land.

A staff analysis (Attachment C) found that no tax foreclosed parcels were eligible for a hypothetical urban land bank in Austin to buy in the online record from June 2024 to February 2025. If the City of Austin does create an urban land bank program to buy foreclosed properties, it must operate equitably to prevent predatory practices. The current statutory limit to buying unimproved real property seems to limit this risk. But the City of Austin should keep this in mind if the applicable statutes change in the future to include existing homes. It is critical to note that urban land banks can risk promoting gentrification and displacement if they lack community participation and appropriate affordability requirements. If a vulnerable homeowner falls into foreclosure and is unable to keep their home, the next best outcome may be for the property to become affordable long term through a CLT or other legal structure, which is a transfer that an urban land bank program would ideally be able to facilitate if needed.

Conversations with FSD, Rally Austin, and the Law Department also highlighted potentially expanding the use of Homestead Preservation Districts (HPDs) to facilitate land trust and/or land bank efforts while offering new dedicated funding streams through Tax Increment Reinvestment Zones (TIRZ). In 2015, Council created the City of Austin Homestead Preservation Reinvestment Zone One (HPRZ1) that encompasses the area north of Lady Bird Lake, east of IH 35, and as far north as the intersection of 38 ½ Street and Airport Boulevard. HPRZ1 collects a portion of the increase in property taxes from within the zone and deploys the funds on programs like Rental Housing Development Assistance (RHDA) loans, Ownership Housing Development Assistance (OHDA) loans, and acquisition in accordance with [Chapter 373A](#) of the Texas Local Government Code. HPRZ1 has funded three projects to date: (1) [The Ivory](#) (condominium-style ownership); (2) [The Rebekah](#) (affordable senior rental housing); and (3) [The Works III](#) (permanent supportive housing). Both The Ivory and The Rebecca are under construction, and The Works III is in site plan review as of March 2025. The City of Austin can designate other areas as HPDs as long as they meet the demographic requirements of Chapter 373A. HPDs allow the City to create Homestead Preservation Reinvestment Zones (like a tax increment reinvestment zone, or TIRZ) and Homestead Land Trusts (like CLTs) within the districts' boundaries.

In terms of general best practices, entities that acquire land for affordable housing, such as AHFC, may form partnerships with CLTs (National League of Cities & Grounded Solutions Network, 2021). AHFC develops and manages its ownership homes under the Austin Community Land Trust (ACLT), but AHFC can also partner with other CLTs to achieve common goals. For example, AHFC might offer another CLT the right of first refusal on land that it decides not to keep and develop itself. AHFC has conveyed land to other CLTs in the past as well. Other best practices for land banking include ensuring that the program's disposition prioritizes long-term affordability, including community representation in the governing board, and adapting policies to acquire land in well-resourced neighborhoods whenever possible. A land bank may also consider as key priorities community benefits beyond the monetary profit of a sale, including anti-displacement and racial justice. Regarding community representation, the classic CLT model is known for a "tripartite" governing board that includes a mixture of community, private sector (nonprofit and for-profit), and public sector members. Urban land banks may benefit from a similar governance model for greater equity, inclusion, and transparency. Further information on best practices is included in Attachments C and E.

3) ***Identify needed resources including staffing, funding, or otherwise currently unavailable tools for expanding land banking and CLT development in areas at risk of displacement.***

For reasons outlined above and in Attachment C, creating an urban land bank may not be an ideal strategy for Austin at this time. If the City does initiate one, however, the Cities of Fort Worth, Dallas, and Houston provide reference points for the costs to establish an Urban Land Bank Program (urban land bank) under the Texas Local Government Code. In October 2023, the City of Fort Worth requested \$400,000 from HUD to initiate a new urban land bank for the city ([City of Fort Worth PRO Housing Grant Application, 2023](#)). Dallas' urban land bank shared that they have five employees and spent approximately \$500,000 in FY23-24 on data management system improvement, property acquisition, property maintenance, board meetings, and salaries. Houston's urban land bank, the largest and most active in Texas, has eight employees and its FY23-24 budget was \$3.25 million ([Houston Land Bank 2023 Annual Report](#)).

More important than the hypothetical urban land bank strategy is the continued acquisition of land for anti-displacement and affordable housing development through AHFC's and the City's current land banking efforts. AHFC requires ongoing funding for future property purchases and gap financing available for future development of land banked property. For example, AHFC must respond to the displacement pressures that future transit infrastructure may present. Project Connect will expand transit infrastructure, and the light rail stations will likely increase surrounding property values if they provide robust service in highly desirable neighborhoods (D.B. Hess & Alameida, 2007; Zuk et al., 2018).

The City of Austin and AHFC have already strategically land banked in areas aligned with Project Connect, including more than 80 acres of vacant land near the planned Grove Station on East Riverside. AHFC has also protected properties in Hyde Park near the planned 38th Street Station, as well as the priority extension areas on North Lamar and South Congress. AHFC has invested in preservation and land banking in other station areas with displacement risks, too, but acknowledges that some areas remain vulnerable with little land or housing protected from speculation. Funding anti-displacement land acquisition, CLTs, and affordable housing development and preservation in such areas is critical.

Though land banking/acquisition is a clear priority, the development of long-term affordable homes is equally important. As such, the City of Austin should continue creating new homes through the ACLT program. It is worth noting, however, that CLTs and affordable ownership housing in general have historically required greater subsidy

per unit than rental developments. The two ACLT communities that are currently being developed, which are both mostly town homes with some stacked duplexes/fourplexes, require a range of \$182,000-\$230,000 in subsidy per unit. Significantly expanding CLT homes in the future will require more resources.

Additional key opportunities to expand CLT development include education on the housing model for community members and financial institutions, coordinating with regional partners such as Texas State Affordable Housing Corporation [TSAHC], Texas Department of Housing and Community Affairs [TDHCA], and Travis County to combine funding for CLT homebuyers, and setting preferential policies toward CLTs in City of Austin/AHFC land disposition strategies and funding programs.

Lastly, the City of Austin should continue supporting the [CLT Accelerator program](#), which is training a cohort of nonprofits to grow and scale their capacity to increase the availability of CLT homes. This program receives funding from the Project Connect Community Initiated Solutions (CIS) program, and the contract with the facilitating vendor currently concludes in August of 2026. The goal is to establish long-term affordable homeownership opportunities along Project Connect routes, while helping households to stabilize their finances and avoid displacement. Three of the eight organizations that participated in the 2024 training sessions plan to develop CLT homes, with some construction planned to break ground in the summer of 2025 and targeting affordability below 60% and 80% of area median family income. Other than tangible long-term affordable homeownership development, the CLT Accelerator emphasizes the importance of long-term stewardships dynamics between CLTs and residents. For example, financial education programs can help residents manage their debt and remain stable in their homes. The program is also helping to educate community members who are new to the CLT ownership model.

4) *Determine best practices to ensure that CLT initiatives receive necessary resources and capacity. Identify any developers (both for-profit and non-profit) that may help expand CLT capacity.*

Some local nonprofit developers that may help expand CLTs in Austin include Blackland CDC, Chestnut CRC, Frameworks CDC, Clarksville CDC. These are nonprofit developers or Community Housing Development Organizations (CHDOs) that have expressed interest in CLTs in the past, currently participate in the CLT Accelerator, or appear to have missions aligned with CLTs. There are currently three CLTs in Austin, including ACLT and two nonprofit developers, Austin Revitalization Authority (ARA) and Guadalupe Neighborhood Development Corporation (GNDC). Staff are not currently aware of for-

profit developers that are pursuing the CLT model in Austin, as a for-profit entity may not be eligible for the tax-exemption necessary to support a CLT.

On November 14, 2024, the Housing Department hosted a forum with CHDOs, CLTs, and small developers to discuss their resource needs. This was also an opportunity to identify both challenges and possibilities for future resources and capacity building. Key challenges included lack of understanding or willingness to finance CLTs by banks, lack of resources for staffing capacity (which affects stewardship, compliance, and long-term capital expenditures), and lack of land availability in a CLT's service area (some developers focus on specific geographic areas, like GNDC). Forum participants expressed that helpful resources and capacity-building measures may include financing for CLT expansion; elevation of shared equity ownership housing in general (including models such as limited-equity cooperatives and deed-restricted housing, in addition to CLTs), particularly targeting awareness for banks and other financing entities to increase their familiarity and comfort with it; and leveraging publicly owned land for CLT development.

The National League of Cities and Grounded Solutions Network recommend numerous [best practices](#) for municipalities to support CLTs, from start-up initiatives to ensuring long-term success (The Grounded Solutions Network has also previously helped to update and refine ACLT's policies and practices). Supportive actions for cities to take to establish new CLTs include educational initiatives to introduce the community to the housing model, convening stakeholders, assisting in the start-up planning process, and helping to staff a CLT during the start-up phase, contracting consultants, providing start-up funding, and prioritizing funding for CLTs and other housing that ensures long-term affordability (National League of Cities & Grounded Solutions Network, 2021).

Certain best practices for ensuring long-term success of CLTs in Austin might include prioritizing CLTs when deciding what to do with public land, discounting public land when/if selling to an entity that ensures long-term affordability if allowed by State law, and establishing a collaborative partnership between CLTs and an urban land bank if it exists (National League of Cities & Grounded Solutions Network, 2021). Cities can also prioritize CLTs in affordable housing subsidy programs. For example, Baltimore, Maryland has earmarked large portions of its Affordable Housing Trust Fund specifically for CLTs. Other cities might not explicitly fund CLTs, but their subsidies have long-term affordability requirements that make them more competitive. For example, Seattle, Washington requires that all projects receiving funding from its affordable housing levy maintain affordability restrictions for at least 50 years (National League of Cities & Grounded Solutions Network, 2021). The City of Austin has similar policies to Seattle in

place for its Housing Development Assistance (HDA) gap financing, requiring affordability restrictions for at least 40 years for rental developments and 99 years for ownership.

5) *Identify and address any limitations CLTs may have for acquisition, rehabilitation, and subsidization of land-banked properties and recommend additional strategies to develop quality, affordable communities in targeted geographic areas, such as the Northeast Planning District.*

The November 14, 2024, forum that the Housing Department hosted with Community Housing Development Organizations (CHDOs), CLTs, and small developers revealed possible limitations in acquiring, rehabilitating, and subsidizing land-banked properties to develop affordable housing. Some key challenges are that banks sometimes lack understanding or willingness to finance CLT housing, and CLTs lack financial capacity in general. Best practices outlined in 4) above also help to address these challenges, including education initiatives, prioritization in subsidy programs, and other capacity building measures.

In addition to the takeaways from the CLT forum, staff reviewed the limitations CLTs would face in working with urban land bank programs that repurpose tax-foreclosed real estate. As previously stated, current law limits urban land bank sales to unimproved real property (i.e., land without buildings), which significantly limits the eligible properties in Austin (Texas Local Government Code, [Chapter 379E](#)). Additionally, tax-lien foreclosed property is only eligible for purchase by an urban land bank when it has been delinquent for at least five years and the amount due in the judgement of foreclosure exceeds the assessed property value. These restrictions significantly limit the land that enters an urban land bank in the first place while providing virtually no land in exclusionary, high opportunity areas. See Attachment C for more detail on estimates. The City of Austin could explore possible changes to Texas' urban land bank statutes to make them more useful for land banking.

To acquire land that does enter an urban land bank, a CLT must meet the requirements of a "Qualified Participating Developer." These include having developed three or more housing units within the three-year period preceding the submission of a proposal, having a development plan approved by the municipality, and meeting any other requirements that the municipality decides to set. Qualified Participating Developers also need to close on construction financing within two years of receiving the property, otherwise the land reverts to the urban land bank. Additionally, a CLT that acquires property from an urban land bank must meet any restrictions on occupancy and use that the municipality decides to set in its urban land bank Plan, and the median family

income levels meet the minimums in the State statute (Texas Local Government Code, [Chapter 379E](#)). The baseline requirements for such a Qualified Participating Developer are not especially burdensome – more significant limitations would depend on any additional requirements that the City may decide to create.

Regarding “additional strategies to develop quality, affordable communities in targeted geographic areas,” AHFC may continue to directly purchase more land and work with other public and private entities that own land in desirable locations. The City of Austin may also continue to provide development incentives for the private sector to develop quality, affordable housing in targeted areas (e.g., density bonuses programs and overlays).

6) ***Develop a program that ensures that CLTs can collaborate with regional partners such as Travis County and local CHDOs, leveraging combined resources as much as possible.***

The Housing Department intends to continue convening CLTs, regional partners, and local CHDOs on at least an annual basis to share resources and collaborate to expand Austin’s stock of long-term affordable housing. The ongoing CLT Accelerator program is also a valuable venue for connecting CLTs with resources.

7) ***Report back with findings and recommendations for expanding the City’s land banking and CLT programs, as well as any complementary efforts such as down payment assistance.***

Considering the above findings, the following recommendations may help expand the City of Austin’s land banking efforts and local CLT programs. Further recommendations for CLTs in particular can be found in [Community Land Trusts: A Guide for Local Governments \(2021\)](#) from the National League of Cities (NLC) and Grounded Solutions Network with the caveat that some recommendations may not be allowed in the State of Texas. The Lincoln Institute of Land Policy also recently published a helpful report on municipal partnerships with CLTs, [Preserving Affordable Homeownership](#) (2024).

1. **Ensure Continued Funding for Land and Property Acquisition.** The City of Austin and AHFC’s current land banking activities are critical for anti-displacement, as well as stabilizing land and existing housing for ongoing affordability. Project Connect anti-displacement funds and previous GO bond funds are resulting in important investments in the public interest, and ongoing funding is the bedrock of future land banking for housing affordability in Austin.
2. **Develop more ACLT homes.** Though land banking and property acquisition are clear priorities, the development of long-term affordable homes is equally important. As

such, the City of Austin should continue creating new homes through the ACLT program. It is worth noting, however, that CLTs and affordable ownership housing in general have historically required greater subsidy per unit than rental developments. The two ACLT communities that are currently being developed, which are both mostly town homes with some stacked duplexes/fourplexes, require a range of \$182,000-\$230,000 in subsidy per unit. Significantly expanding CLT homes in the future will require more resources.

3. **Continue supporting the CLT Accelerator program to educate and prepare new CLT developers.** The CLT Accelerator program is a valuable capacity building venue that the City of Austin should continue to expand and support. The current cohort is building networks and knowledge to expand CLT capacity and prevalence, and the program is also helping educate community members on the CLT model of long-term affordable housing, elevating CLT work in Austin, and building trust with the community. The City of Austin can continue to support the program with sustained funding. The City can also ensure that participants know about various public resources that can support CLT development, such as the AHFC-supported [Equitable Development Initiative](#) (formerly the [Small Developer Training Program](#)), [Anti-Displacement Community Acquisition Program](#) (ADCAP), and [Ownership Housing Development Assistance](#) (OHDA). Austin's private sector CLTs also choose to develop rental CLT homes on certain projects, so they should understand how to use Rental Housing Development Assistance (RHDA) as well.
4. **Convene stakeholders regularly to expand CLTs and long-term affordable housing throughout Austin.** Convene CLTs, regional partners (such as Travis County, TDHCA, and TSAHC), and local CHDOs on an annual basis to coordinate efforts and collaborate to expand long-term affordable housing throughout Austin. The City of Austin should also continue to find ways to ensure that down payment assistance (DPA) programs can layer with each other and can work for CLT homebuyers. The City of Austin's DPA program currently funds 25-30 down payments each year utilizing federal funds.
5. **Increase community knowledge of CLTs while supporting prospective homebuyers with financial education.** Host regular workshops and forums to increase knowledge and embrace of CLTs in the community. Many prospective homebuyers lack familiarity with homeownership that separates a building from the land and maintains limited value appreciation in the interest of long-term affordability. This lack of familiarity hinders wider embrace and advocacy for expanding CLT housing in Austin. The City can also target forums and other engagement to financial institutions to encourage greater openness to lending for CLT proposals. Workshops can also help prospective CLT buyers assemble their application materials. Housing Department program staff observe that income-restricted ownership housing

programs, including CLT housing ownership, often take extra effort to prepare prospective homebuyers. Dedicating more resources to education on financial readiness and the homebuying process will help reduce the time it takes to sell CLT homes and other income-restricted ownership housing.

Conclusion

Most housing in Austin is subject to the speculative market. Only roughly 3% of homes in Austin are stabilized through income-restriction for households earning less than 80% median family income (MFI), including nearly all ownership homes. The City of Austin's Affordable Housing Inventory (AHI), which tracks developments that have received subsidies or development incentives from the City, shows roughly 500 income-restricted ownership housing units affordable at or below 80% MFI in the City of Austin, and roughly 14,000 such rental units as of April 2025. Though the AHI dataset only shows housing that received funding or development incentives from the City of Austin, this constitutes most income-restricted housing within the city. Additionally, ACLT has 41 ownership homes affordable at or below 80% MFI that the AHI does not tally. Together these roughly 14,500 homes constitute 3% of the estimated 506,000 total housing units in the City of Austin (ACS 1-Year, 2023). Furthermore, most of Austin's current income-restricted housing is only temporarily protected because most affordability periods expire. These figures speak to the value and importance of increasing the number of CLT homes and other long-term income-restricted housing with renewable terms, especially for ownership. Expansion of this housing requires continued land banking to stabilize strategic locations against speculative market pressures.

This report includes suggestions for how to continue to support and expand land banking, CLTs, and other long-term affordable housing. Housing staff are working to coordinate a presentation of these findings and recommendations at a future Housing and Planning Committee meeting. With the presentation to the Housing and Planning Committee, the directives outlined in Resolution No. 202404-067 will be fulfilled. Attachments B, C, D, and E provide further information about land banking, urban land bank programs, and CLTs.

Attachment B: Current Land Banking for Affordable Housing in Austin

City Council Resolution [20240404-067](#) defines land banking appropriately as “the practice of buying land as an investment, holding it for a potential future municipal purpose.” Staff’s response distinguishes between (a) land banking as the general practice of acquiring land for affordable housing, and (b) establishing an Urban Land Bank Program (urban land bank) which allows municipalities to convert tax-lien foreclosed, unimproved real property (i.e., land with no buildings) into affordable housing under Texas Local Government Code.

The City of Austin has a long history of land banking for affordable housing. Today the Austin Housing Finance Corporation (AHFC) and Financial Services Department’s (FSD) Real Estate Division regularly acquire land throughout the city for the future development of affordable housing. Land acquisition allows the City of Austin to require robust community benefits and maximize affordability through tax abatement and restrictive covenants. Public sector land acquisition in strategic areas can stabilize housing prices, protect residents from private market speculation, and help ensure housing affordability in all parts of the city.

AHFC seeks to maximize investments in property acquisition for affordable housing, but balancing acquisition throughout the city is challenging due to higher land costs in certain areas. AHFC uses the following priorities and filters when spending General Obligation (GO) Bond funds or Project Connect Anti-Displacement funds on land acquisition:

- **Geographic dispersion of affordable housing throughout Austin.** AHFC measures geographic dispersion based on proximity to other affordable housing developments and by considering the amount of affordable housing in the property’s City Council district. The *Austin Strategic Housing Blueprint* assigns affordable housing production goals for each City Council district.
- **Development potential.** AHFC prioritizes sites that result in more affordable units, are best situated to achieve deeper affordability, or attract additional funding sources outside of the City’s gap financing program. AHFC considers factors like the number of units the site can support; the property’s acreage, environmental restrictions, and base entitlements; and whether the site is competitive as a 4% or 9% Low Income Housing Tax Credit development.
- **Proximity to:**
 - Capital Metro or Project Connect transit network;
 - Major job centers, and
 - Community amenities such as grocery stores, schools, and parks.

- **Other factors.** Certain factors will lower AHFC's interest in a site, such as proximity to a pollution source/environmental hazard (e.g., a major highway), deed restrictions that impact development potential, a street network with low connectivity, or high concentration of income-restricted housing.

The following table shows the land that AHFC has acquired for affordable housing to date. This list does not include acquisitions of existing multi-family properties, just undeveloped land.

Address	Council District	Acquisition Date	Acres	*Status
1127 Tillery St, Austin, TX 78702	3	1999/2001	2.62	Under Construction; Completion ETA March 2025
900 Gardner Rd, Austin, TX 78721	3	2014	6.61	Under Construction; Completion ETA Summer 2025
800 Gardner Rd, Austin, TX 78721	3	2022	1.67	In Pre-Development; Construction anticipated to begin March 2025, Completion ETA 2027
5712 Jackie Robinson St, Austin, TX 78721	1	2018	6.92	Under Construction; Completion ETA Late 2025
3801 Tannehill Ln, Austin, TX 78721	1	2018	1.95	In Pre-Development; Construction anticipated to begin Late 2025
2200 Doris Dr, Austin, TX 78757	4	2018	1.23	In Pre-development; Construction anticipated to begin Summer/Fall 2025
11225 Pecan Park Blvd, Cedar Park, TX 78613	6	2020	3.94	Future Development
1114 & 1108 Kramer Lane	4	2020	3.16	Future Development
1212-1218 W Slaughter Ln, Austin, TX 78748	5	2020	4.57	Future Development
8908, 8916, 9006 Cullen Ln, Austin, TX 78748	2	2020	8.74	Future Development
6200 Menchaca Rd, Austin, TX 78745	5	2021	4.78	Future Development

Address	Council District	Acquisition Date	Acres	*Status
5900 S Pleasant Valley Rd, Austin, TX 78744	2	2021	2.5	In Pre-development; Construction anticipated to begin Summer/Fall 2025
5901 Drowsy Willow Trl, Austin, TX 78744	2	2021	2.73	In Pre-development; Construction anticipated to begin Summer/Fall 2025
4003, 4009 1/2, 4011 Convict Hill Rd, Austin, TX 78749	8	2022	5.76	Future Development
3511-3515 Manor Rd	1	2021/2022	3	Under Construction; Completion for Phase 1 Estimated Late 2025, Phase 2 Estimated Late 2025
2201 Grove Blvd, Austin, TX 78741	3	2023	18	Future Development
6909 Ryan Dr, Austin, TX 78757	7	2023	5.5	In Pre-development; Construction anticipated to begin Spring 2026
2400 Grove Blvd, Austin TX 78741	3	2024	66	Future Development
312, 400 E. Wonsley Dr, Austin, TX 78753	4	2024	0.3	Future Development

Table 1: AHFC Land Acquisitions

**Construction and development timelines subject to change.*

Attachment C: Urban Land Bank Programs and Acquiring Foreclosed Land in Texas

The Texas Local Government Code allows certain municipalities to establish what are called Urban Land Bank Programs (urban land banks), which can acquire unimproved real property (i.e., land with no buildings) that is ordered sold pursuant to foreclosure of a tax lien for affordable housing under certain conditions. There are four primary versions of urban land bank that municipalities may establish based on their population and size, stated in Chapters 373A, 379C, 379E, 379H. The City of Austin has never established an urban land bank but is eligible to do so under two of these statutes, Chapter 373A and Chapter 379E. Under these statutes, tax-lien foreclosed property may be sold to an urban land bank if:

- 1) The market value of the property *(i) as appraised by the local appraisal district and as specified in the judgment of foreclosure [373A.208(a)(1)] or (ii) as specified in the judgment of foreclosure [379E.008(a)(1)]* is less than the total amount due under the tax judgment, including all taxes, penalties, interests, value of nontax liens held by the taxing units and awarded in judgment, court costs, and costs of sale [373A.208(a)(1) and 379E.008(a)(1)];
- 2) The property is not improved with a building or buildings [373A.208(a)(2) and 379E.008(a)(2)];
- 3) There are delinquent taxes on the property for at least five years [373A.208(a)(3) and 379E.008(a)(3)]; and
- 4) The City has executed an interlocal agreement with the other taxing units [373A.208(a)(4) and 379E.008(a)(4)].

Urban land bank statutes in Texas primarily originate from 2007, around the time of the Great Recession. This indicates that the tool was primarily designed to respond to down-market conditions. Indeed, preliminary analysis of properties in Travis County that would be eligible for an urban land bank to acquire reveals very little opportunity under Austin's current "strong" market conditions.

It is difficult to estimate precisely how much land a hypothetical urban land bank in Austin would be working with, but staff used two methods to approximate. One is using Tavis County tax delinquency data to identify properties with a total amount due that is greater than the appraised value, no buildings, and the first year delinquent over five years ago. Data from January 10, 2025 showed that of approximately 3,200 tax delinquent properties in the City of Austin, just six met the above criteria ([Travis County](#), 2025). Of these six, two appear to be database errors. Another three of the properties appear to be undevelopable, including a 0.0024-acre fraction of a lot, an active power line easement, and land that appears to be

stormwater infrastructure for a subdivision. One of the delinquent properties does appear to be developable, but it is next to one of Austin's landfills and is located on the city's margins, far from services and amenities.

Another measure for properties that an urban land bank in Austin might purchase is to identify any undeveloped parcels that have gone up for sale in the Travis County foreclosed property auction, then filtering for any delinquent for over five years and with a total amount due under a judgement of foreclosure greater than the appraised property value. Between June 2024 and January 2025, seventeen parcels were auctioned in foreclosure. Three of these seventeen had no buildings, and two of these were adjacent properties in the City of Austin (owned by the same individual). Neither of these two vacant lots in the City of Austin had a total due greater than the appraised value, though they were tax delinquent for over five years. In short, no parcels were eligible for a hypothetical urban land bank in Austin to buy in the online record (available from June 2024 to present).

Urban land banks can operate in strong markets, but it appears to be relatively uncommon (Lowe et al., 2022). Albany, NY tried to facilitate more property acquisition in strong market neighborhoods for its urban land bank, but the amount of eligible property is much more limited; Albany is perhaps the best case study for a CLT/urban land bank partnership and they only produced one home in a high opportunity area between 2019-2022. Even in down-market conditions, the applicable statutes for urban land banks in Texas are relatively rigid. Texas law restricts urban land banks to acquiring properties with total delinquent taxes due that exceed the assessed property value, that have been delinquent for at least 5 years, and that are unimproved with any buildings. The few properties that are eligible under these restrictions are often not ideal for housing. Additionally, the urban land bank must come to an agreement with all other relevant taxing units before it buys land, which means that the City of Austin would need to coordinate with Travis County, Travis Central Appraisal District, Travis County Healthcare District, Austin Community College District, and the school district in which the property is located.

In terms of other best practices for urban land bank programs, it is ideal for them to explicitly state that CLTs and long-term housing affordability are a priority in their land disposition strategy. It is also ideal for urban land bank governance to be well-rounded and democratic, with leadership coming from community members, private sector (nonprofit and for-profit), and public sector (Lowe et al. 2022). Figure 1 shows governing board representation between a sample of urban land banks (and CLTs), illustrating how infrequent community member participation can be. Albany, New York is seen as the most well-rounded representation in both entities.

	Albany		Columbus		Houston	
	<i>CLT</i>	<i>LB</i>	<i>CLT*</i>	<i>LB</i>	<i>CLT</i>	<i>LB</i>
Community members	3	1	1	0	2	0
Nonprofit sector	8	0	5	0	2	2
Public sector	1	5	4	7	0	0
Private sector	1	2	5	2	4	11

**Advisory committee only*

Figure 1. Decision-making power concentration: Governing board representation by personal and professional affiliation. "CLT" is Community Land Trust and "LB" is Land Bank (i.e., urban land bank). (Source: Lowe et al., 2022)

One cautionary note for any urban land bank program is that the ability to acquire foreclosed land in distressed neighborhoods presents the real risk of initiating or facilitating displacement and gentrification. For example, an urban land bank in Detroit, Michigan facilitated gentrification and created resentment in a predominantly African American neighborhood because Black homeowners who bought their homes at market rate years ago were being foreclosed and the homes turned around by the land bank to be resold predominantly to White people at prices severely below market rate (Heil, 2018). This racist outcome demonstrates how a community can be destabilized by an urban land bank. However, Texas' statutes currently limit a hypothetical urban land bank in Austin to buying unimproved real property, which appears to limit the risk demonstrated in the Detroit example at this time (while also greatly limiting the utility of the tool). In any case, urban land banks should operate reparatively and with racial justice as a core goal.

Attachment D includes a comparative summary from the Law Department that further details the urban land bank statutes applicable to Austin.

Attachment D: Comparison of Applicable Urban Land Bank Statutes

Law Department staff provided the following comparative summary of the two State of Texas statutes under which the City of Austin could establish an urban land bank. This summary, drawn from publicly available information, shows which actions the City has taken in the past, details the urban land bank statutes, and highlights their differences. This may serve as a reference to help determine whether the City should create an urban land bank, and which statute to use if so.

Possible City of Austin Urban Land Banks

Chapter 373A or 379E of the Texas Local Government Code

Council has the option to create an urban land bank under either Chapter 373A or Chapter 379E of the Texas Local Government Code.

Chapter 373A:

[Chapter 373A](#) applies only to municipalities that have designated a homestead preservation district. (373A.202). Council designated the Homestead Preservation District in 2007 under Ordinance [No. 20070111-053](#) and designated The City of Austin Homestead Preservation Reinvestment Zone Number One” in 2015 under Ordinance [No. 20151217-099](#). Accordingly, Chapter 373A applies to the City and the City can create an urban land bank under this chapter.

Per the Housing Department Report dated 11/20/2013, staff determined in 2008 and 2010 that due to the requirements of Chapter 373A, there we no developable properties in the original Homestead Preservation Reinvestment Zone ([City of Austin 2013](#)).

Chapter 379E:

[Chapter 379E](#) applies only to municipalities (1) to which Chapters 379C or 379H do not apply and (2) that has not adopted a homestead urban land bank program under Chapter 373A of the Texas Local Government Code. (379E.002 (1&2)).

Chapter 379C of the Texas Local Government Code applies only to municipalities (1) with a population of 1.18 million or more and (2) predominately located in a county that has an area of less than 1,300 square miles. (379C.001 (1&2)).

And Chapter 379H of the Texas Local Government Code applies only to a municipality with a population of two million or more. (379H.002).

Currently, the City of Austin has a population of approximately 979,882 (<https://www.austintexas.gov/news/austin-slips-top-10-list-largest-us-cities>). As such, neither Chapter 379C nor Chapter 379H applies to the City.

Council has not adopted a homestead urban land bank program under Chapter 373A of the Texas Local Government Code. Therefore, Chapter 379E also applies to the City and the City can create an urban land bank under this chapter as well. The urban land bank programs under Chapter 373A and 379E are mostly identical, with a few notable exceptions. The exceptions are noted with italicized font and (i) for language from 373A and (ii) for language from 379E.

Urban Land Bank Program

Council may adopt an urban land bank program in which the officer charged with selling real property ordered sold pursuant to a foreclosure of a tax lien may sell eligible real property by private sale for purposes of affordable housing development. (373A.204(a) and 379E.004(a)).

If Council adopts an urban land bank program, it must establish or approve an urban land bank for the purpose of acquiring, holding, and transferring unimproved real property under the urban land bank program. (373A.204(b) and 379E.004(b)).

Urban Land Bank Plan

The urban land bank must operate the urban land bank program in conformance with the urban land bank plan. (373A.206(a) and 379E.006(a)).

Once an urban land bank program is adopted, the City must adopt an urban land bank plan annually. (373A.206(b) and 379E.006(b)). The urban land bank plan may be amended from time to time. (373A.206(b) and 379E.006(b)).

In developing the urban land bank plan, the City must consider other housing plans adopted by the City, including the comprehensive plan submitted to the U.S. Department of Housing and Urban Development and all fair housing plans and policies adopted by or agreed to by the City. (373A.206(c) and 379E.006(c)).

The urban land bank plan must include the following:

- 1) A list of community housing development organizations eligible to participate in the urban land bank program's right of first refusal;
- 2) A list of the parcels of real property that may become eligible for sale to the urban land bank during the next year;
- 3) The City's plan for affordable housing development on those parcels of real property; and
- 4) The sources and amounts of funds anticipated to be available from the City for subsidies for development of affordable housing in the City, including any money specifically

available for housing developed under the urban land bank program, as approved by Council at the time the urban land bank plan is adopted.

(373A.206(d)(1-4) and 379E.006(d)(1-4)).

The plan must specify the period that a qualified organization can exercise a right of first refusal *(i) to be at least 90 days and begin at least three months but not more than 26 months (373A.211(d)) or (ii) to be at least nine months but not more than 26 months (379E.011(d))* following the date of conveyance of the property to the urban land bank.

The City must establish the amount of additional time, if any, that a property may be held in the urban land bank once an offer has been received and accepted from a qualified organization or qualified participating developer. (373A.211(g) and 379E.011(g)).

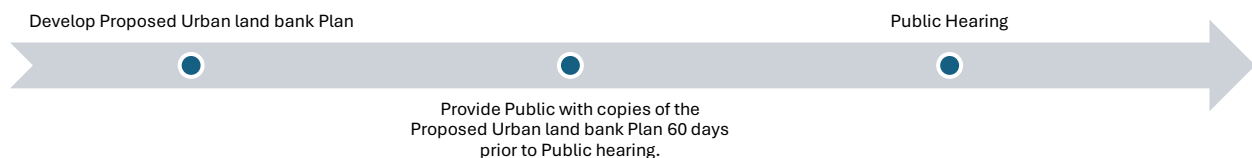
The City may provide for other rights of first refusal for any other nonprofit corporation exempted from federal income tax under Section 501(c)(3) of the Internal Revenue Code, provided that the preeminent right of first refusal is provided to a qualified organization. (373A.211(i) and 379E.011(i)).

Public Hearing on Proposed Plan

Before adopting an urban land bank plan, the City must hold a public hearing on the proposed urban land bank plan. (373A.207(a) and 379E.007(a)).

Notice of the public hearing must be provided to all community housing development organizations and to neighborhood associations identified by the City as serving the neighborhoods in which properties anticipated to be available for sale to the urban land bank are located. (373A.207(b) and 379E.007(b)).

Copies of the proposed urban land bank plan must be made available to the public not later than 60 days before the date of the public hearing. (373A.207(c) and 379E.007(c)).



Interlocal Agreement with Taxing Units

Both programs require the urban land bank to enter into interlocal agreements with the local taxing units – the City of Austin, Travis County, Austin Independent School District (or other local school district), Travis County Healthcare District, and Austin Community College District. (373A.208(a)(4) and 379E.008(a)(4)). In the interlocal agreement, the taxing units will agree to

participate in the urban land bank program while retaining the right to withhold consent to the sale of specific properties to the urban land bank. (373A.208(a)(4) and 379E.008(a)(4)).

If the urban land bank conveys the property to a qualified organization before the expiration of the right of first refusal period, the interlocal agreement *(i) may provide a tax abatement (373A.211(e)) or (ii) must provide a tax abatement (379E.011(e))* for the property until the expiration of right of first refusal period.

Private Sale of Land to a Urban Land Bank

Property that is ordered sold pursuant to a foreclosure of a tax lien may be sold in a private sale to an urban land bank if:

- 1) The market value of the property *(i) as appraised by the local appraisal district and as specified in the judgment of foreclosure (373A.208(a)(1) or (ii) as specified in the judgment of foreclosure (379E.008(a)(1))* is less than the total amount due under the tax judgment, including all taxes, penalties, interests, value of nontax liens held by the taxing units and awarded in judgment, court costs, and costs of sale. (373A.208(a)(1) and 379E.008(a)(1);
- 2) The property is not improved with a building or buildings. (373A.208(a)(2) and 379E.008(a)(2);
- 3) There are delinquent taxes on the property for at least five years. (373A.208(a)(3) and 379E.008(a)(3); and
- 4) The City has executed an interlocal agreement with the other taxing units (373A.208(a)(4) and 379E.008(a)(4);

The urban land bank must provide written notice of the sale of the property to each person who was a defendant to the tax foreclosure judgment by the officer charged with the sale of the property no later than either *(i) 60 days (373A.208(d) or 90 days (379E.008(d))* before the date of sale (373A.208(d) and 379E.008(d));

The owner of the property may file a written request that the property not be sold to the urban land bank. (373A.208(e) and 379E.008(e)).

If consent is given by the taxing units that are a part to the tax foreclosure judgment, the property may be sold to the urban land bank for less than the market value specified in the judgment or less than the total of all taxes, penalties, and interest, plus the value of nontax liens held by a taxing unit and awarded by the judgment, courts costs, and costs of sale. (373A.208(h) and 379E.008(h)).

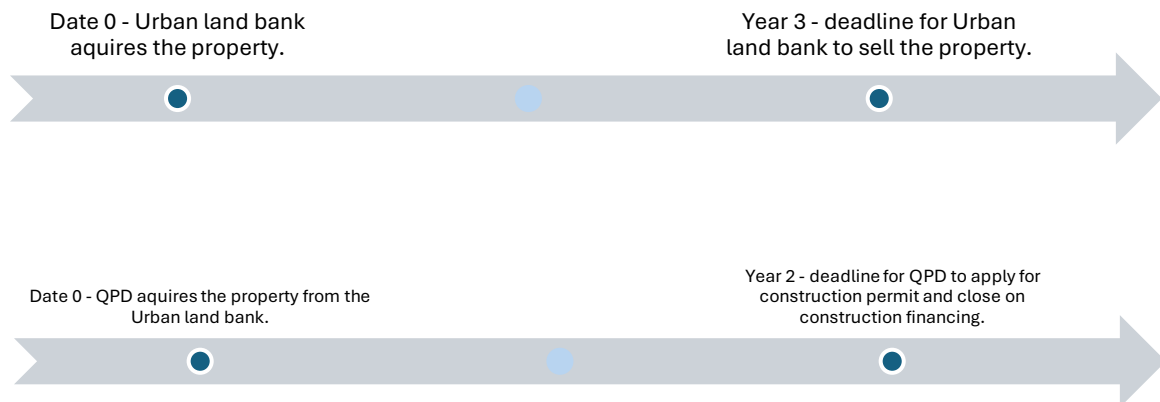
Property sold to and held by the urban land bank for subsequent resale is eligible for an exemption from ad valorem taxation for a period not to exceed 3 years from the date of acquisition. (373A.208(j)). Property is eligible for an exemption only during the period the property is held by the urban land bank. (373A.208(j)).

Resale by Urban Land Bank

The urban land bank must sell the property to a qualified participating developer within 3 years of the date it acquired the property. (373A.209(b) and 379E.009(b)). If a qualified participating developer has not acquired the property within the 3-year period, then the urban land bank is required to transfer the property to the taxing units who were a party to the tax judgment for disposition allowed by law. (373A.209(b) and 379E.009(b)).

Unless the City increases the amount in the plan, the number of properties acquired by a qualified participating developer on which development has not been completed may not exceed 3 times the annual average residential production completed by the qualified participating developer during the preceding two-year period as determined by the City. (373A.209(c) and 379E.009(c)).

If the qualified participating developer does not apply for a construction permit *and* close on construction financing within two years from the date of acquisition, the property reverts back to the urban land bank to be sold to another qualified participating developer or to the taxing units who were parties to the tax judgment. (373A.209(d) and 379E.009(d)).



Right of First Refusal

Once the urban land bank acquires property through the urban land bank program, it is required to first offer the property for sale to a qualified organization. (373A.211(b) & 379E.011(b)).

A qualified organization is a community housing development organization that (1) contains in its designated geographical boundaries of operation a portion of the property being offered for sale; (2) (i) *has developed or rehabilitated* (373A.211(a)(2)) **or** (ii) *has built* (379E.011(a)(2)) at least three single-family homes or duplexes or one multifamily residential dwelling of four or more units in compliance with all applicable building codes within the preceding (i) *10 year* (373A.211(a)(2)) **or** (ii) *two-year* (379E.011(a)(2)) period within the organization's designated geographical boundaries of operation; and (3) within the preceding three-year period has developed or rehabilitated housing units within a two-mile radius of the property the urban land bank is offering for sale.

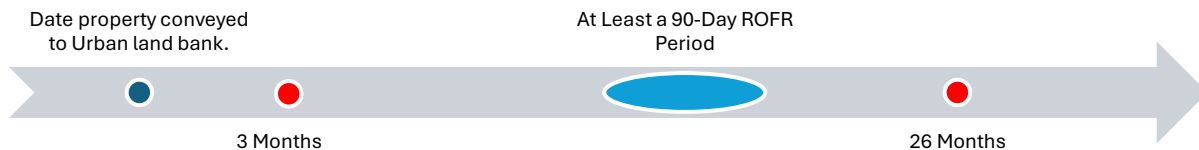
The period that a qualified organization can exercise a right of first refusal (i) *must be at least 90 days and begin at least three months but not more than 26 months (373A.211(d))* **or** (ii) *must be at least nine months but not more than 26 months (379E.011(d))* following the date of conveyance of the property to the urban land bank.

During the right of first refusal period, the urban land bank may not sell the property to a qualified participating developer other than a qualified organization. If no qualified organization exercises its right of first refusal or if the urban land bank receives notices from all qualified organizations declining to exercise their right of first refusal, then the urban land bank may sell the property to any other qualified participating developer at the same price that the urban land bank offered the property to the qualified organizations. (373A.211(f) and 379E.011(f)).

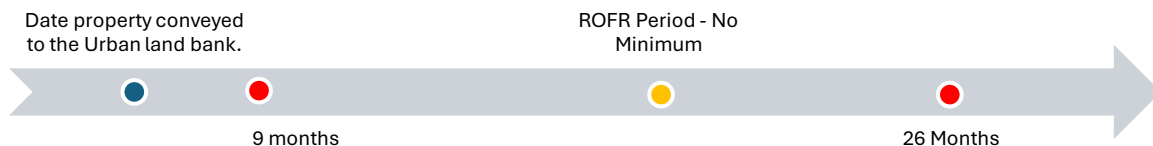
If established in the land plan, the urban land bank may provide for other rights of first refusal for any other nonprofit corporation exempted from federal income tax under Section 501(c)(3) of the Internal Revenue Code, provided that the preeminent right of first refusal is provided to a qualified organization. (373A.211(i) and 379E.011(i)).

The right of first refusal does not apply if the urban land bank is selling property that reverted to the urban land bank. (373A.211(j) and 379E.011(j)).

373A



379E



Restrictions on Occupancy and Use

Each property sold by the urban land bank to a qualified participating developer must be encumbered by a deed restriction requiring the sale or rental of the property to low-income households. (373A.210(a) and 379E.010(a)).

For Ownership Developments -

At least 25% of the urban land bank properties sold during a given fiscal year to be developed for sale must be deed restricted for sale to households with gross incomes not greater than 60% area median family income for the Austin-Round Rock metropolitan statistical area. (373A.210(b) and 379E.010(b)).

For Rental Developments -

For rental housing, the deed restrictions must be for a period not less than 20 years and require that:

- (1) 100% of the units be occupied and affordable to households with gross incomes not greater than 60% area median family income for the Austin-Round Rock metropolitan statistical area (373A.210(c)(1) and 379E.010(c)(1));
- (2) 40% of the units be occupied and affordable to households with gross incomes not greater than 50% area median family income for the Austin-Round Rock metropolitan statistical area (373A.210(c)(2) and 379E.010(c)(2)); or
- (3) 20% of the units be occupied and affordable to households with gross incomes not greater than 30% area median family income for the Austin-Round Rock metropolitan statistical area (373A.210(c)(3) and 379E.010(c)(3)).

The owner of the rental development must file annual occupancy reports with the City. (373A.210(d) and 379E.010(d)). And the deed restrictions must prohibit any exclusion of an individual or family from admission to the development based solely on the participation of the individual or family in the Housing Choice Voucher Program. (373A.210(d) and 379E.010(d)).

For both Ownership and Rental Developments –

If the deed restrictions are for a term of years, the deed restrictions renew automatically. (373A.210(e) and 379E.010(e)).

The City may modify or add to the deed restrictions as long as the modifications or additions are adopted as part of the Land Plan and comply with restrictions set for above. (373A.210(f) and 379E.010(f))

Open Records and Meetings

The urban land bank must comply with the Texas Open Meetings Act and the Texas Public Information Act. (373A.212 and 379E.012).

Records, Audits, and Reports

The urban land bank must keep accurate minutes of its meetings and keep accurate records and books of account that conform with generally accepted principles of accounting and that clearly reflect income, expenses, and property transactions. (373A.213(a) and 379E.013(a)).

The urban land bank must file with the City by December 29th (90 days after the close of the fiscal year) each year annual audited financial statements prepared by a certified public accountant. All financial transactions are subject to being audited by the City. (373A.213(b) and 379E.013(b)).

The urban land bank must submit annual performance reports to the City no later than November 1st of each year in which the urban land bank acquires or sells property under the urban land bank program. (373A.213(c) and 379E.013(c)).

The performance report must include:

- 1) A detailed accounting of all money and properties received and disbursed by the urban land bank during the preceding fiscal year (373A.213(c)(1) and 379E.013(c)(1)).
- 2) For each property acquired during the preceding fiscal year:
 - (A) The property's street address;
 - (B) The property's legal description;
 - (C) The date the urban land bank took title to the property;
 - (D) The name and address of the property owner of record at the time of the foreclosure;
 - (E) The amount of taxes and other costs owed at the time of the foreclosure; and
 - (F) The assessed value of the property on the tax roll at the time of foreclosure. (373A.213(c)(2)(A-F) and 379E.013(c)(2)(A-F)).
- 3) For each property sold to a qualified participating developer during the preceding fiscal year:
 - (A) The property's street address;
 - (B) The property's legal description;
 - (C) The name and address of the qualified participating developer;
 - (D) The purchase price paid by the qualified participating developer;
 - (E) The maximum incomes allowed for the households by the terms of the sale; and
 - (F) The sources and amounts of any public subsidy provided by the City to facilitate the sale or rental of the property to a household within the targeted income levels. (373A.213(c)(3)(A-F) and 379E.013(c)(3)(A-F))
- 4) For each property sold by a qualified participating developer during the preceding fiscal year, the buyer's household income and a description of all use and sale restrictions. (373A.213(c)(4) and 379E.013(c)(2)(4)).
- 5) For each property developed for rental housing with an active deed restriction, a copy of the most recent annual report filed by the owner with the urban land bank. (373A.213(c)(5) and 379E.013(c)(2)(5)).

The urban land bank must maintain in its records for inspection a copy of the sale settlement statement for each property sold by a qualified participating developer and a copy of the first page of the mortgage note with the interest rate and indicating the volume and page of the instrument recorded in the public records. (373A.213(d) and 379E.013(d)).

The urban land bank must provide copies of the performance reports to the taxing units who were parties to the judgment of foreclosure and must provide notice of availability of the performance report for review by organizations and neighborhood associations identified by the City as serving the neighborhoods in which properties sold to the urban land bank under the urban land bank program are located. (373A.213(e) and 379E.013(e)).

The urban land bank and the City must maintain copies of the performance reports for public view. (373A.213(f) and 379E.013(f)).



Qualified Participating Developer

To qualify to participate in the urban land bank program, a developer must:

- 1) Have developed three or more housing units within the *(i) 10-year period (373A.205) or (ii) three-year period (379E.005)* preceding the submission of the proposal to the urban land bank seeking to acquire the property.
- 2) Have a development plan approved by the City for the urban land bank property; and
- 3) Meet all other requirements adopted by the City in the urban land bank plan.

(373A.205(1-3) and 379E.005(1-3)).

Definition of Community Housing Development Organization

“Community housing development organization” or “organization” means an organization that:

(A) meets the definition of a community housing development organization in 24 C.F.R. Section 92.2;

(B) is certified by the municipality as a community housing development organization;

(C) *is governed exclusively by a board of at least five members unrelated by blood, or business interest; and*

(D) *is not controlled, directly or indirectly, by any other party through any contract, arrangement, understanding, relationship, voting power, affiliation, trust, proxy, power of attorney, pooling arrangement, security warranty, partnership, option, discretionary account, joint venture, interlocking directors, or other device, as evidenced by a notarized affidavit signed by each board member.*

(373A.003(2)).

“Community housing development organization” or “organization” means an organization that:

- (A) meets the definition of a community housing development organization in 24 C.F.R. Section 92.2; and
 - (B) is certified by the municipality as a community housing development organization.
- (379E.003)(2).

Attachment E: Understanding Community Land Trusts in Austin

Community Land Trusts (CLTs) in the US are heterogenous, but there are some unifying characteristics that help distinguish them as a limited-equity housing model. They can include ownership and rental units, and they separate the value of land from the value of a home to make it more affordable. The homeowner pays a nominal ground lease to the CLT, that is the public or nonprofit entity that maintains ownership of the land. The CLT ensures that the home remains affordable by conditioning the sale on a limited property value appreciation. The ground lease is typically for 99-years, renewable, and the CLT typically has the right of first refusal during the term of the lease. CLTs also traditionally have had a tripartite governing board, consisting of CLT residents, other community stakeholders, and public sector stakeholders.

Austin currently has three organizations that maintain CLTs, including Guadalupe Neighborhood Development Corporation (GNDC), Austin Revitalization Authority (ARA), and AHFC. AHFC's CLT is marketed as the Austin Community Land Trust (ACLТ). GNDC constructed the first CLT homes in Texas in 2011. CLT homes currently exist in City Council Districts 1, 2, 3, 4, 6, and 7. AHFC only has public sector board representatives, consisting of Austin's City Council members and Mayor.

CLTs have inherent community benefits that can make them a strong investment for public resources. They protect homes from speculative market pressures that drive displacement. The long-term renewable ground leases also make them a more financially sustainable allocation of public funds than some other housing programs because the home can remain almost perpetually stabilized and affordable. CLTs offer a stable and efficient allocation of public funds to benefit housing affordability.

Attachment F: References and Resources

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