

**To:** Mayor and Members of the Austin City Council  
**From:** Austin Community Development Commission  
**Date:** March 10, 2026

**Re:** Completion of Council Charge Regarding Equity/Anti-Displacement Overlay Study

Dear Mayor and Council Members,

The Austin Community Development Commission (CDC) appreciates the opportunity to review the final presentation of the Austin Equity Overlay Study delivered to our Commission on February 10, 2026. We recognize the significant work undertaken to analyze displacement risk, community concerns, and potential anti-displacement strategies related to the HOME Phase 2 Ordinance.

However, after careful review, the Commission finds that the original Council charge has not been fully satisfied.

Council directed staff to “study the feasibility, merits, and risks of applying an equity/anti-displacement overlay and the impacts that such an overlay could have on affordability, displacement, and property values.” While the presentation reiterates this charge (see Project Understanding, p.3), the analysis seems to have focused on an analysis of existing policies, displacement risk and programmatic recommendations to displace risk. While these may be valuable analyses, they do not encompass the original directive to specifically explore an overlay to the ordinance, focused on mitigating displacement. At no point does the report analyze the feasibility, legal considerations, implementation mechanics, fiscal implications, or property value impacts of establishing a geographic equity overlay.

The omission is particularly significant given the study’s own findings:

- “H.O.M.E. permits are more frequent in lower-value submarkets, generally east of I-35” (p.16).
- “Approximately 70% of H.O.M.E. permits on properties without homestead exemptions show development indicators, mostly concentrated east of downtown, in primarily Active Displacement Risk census tracts” (p.16)
- The displacement risk typology identifies areas classified as Vulnerable, Active Risk, and Chronic Risk (p.15)

These findings underscore the importance of evaluating targeted mitigation tools. Yet the report does not assess whether an equity overlay could serve as such a tool, nor does it examine its potential impacts.

The Commission is concerned that without completing the feasibility component of the charge:

1. Council’s directive remains unfulfilled;
2. The City’s equity commitments risk appearing incomplete; and
3. Community trust may be further eroded, particularly in neighborhoods historically affected by gentrification and displacement.

This concern is procedural as well as substantive. The presentation does not acknowledge that the scope was narrowed, nor does it explain that the overlay feasibility analysis was not undertaken. Given the public interest surrounding HOME Phase 2 and its impacts, transparency regarding the scope and limits of analysis is essential.

Accordingly, the CDC formally recommends that Council direct staff to complete the feasibility, merits, and risk analysis of an equity/anti-displacement overlay as originally charged. At minimum, such analysis should include:

- Legal authority and regulatory design options;
- Geographic targeting criteria tied to displacement risk typology;
- Potential impacts on affordability, displacement trends, and property values;
- Administrative and fiscal implications; and
- Interaction with existing preservation and anti-displacement tools.

The Commission supports the broader goals of housing production and equitable development. Ensuring that Council's original directive is fully executed strengthens implementation. Completing the feasibility study will allow Council to make informed decisions grounded in both displacement data and a clear understanding of available policy tools.

We stand ready to continue advising Council on housing and anti-displacement strategies and appreciate your leadership in advancing equitable growth for Austin.

Respectfully,  
Austin Community Development Commission