



## RECOMMENDATION TO COUNCIL

### Joint Inclusion Committee

Recommendation Number: [20260325-033]: FY 2026-2027 Budget for the Family Stabilization Program

#### **Date of Approval:**

#### **Recommendation:**

Affordability remains one of the most pressing concerns expressed by Austin residents. The Family Stabilization Grant Program offers flexible access to housing support, accords greater choice and dignity, reduces discrimination, and provides more efficient and cost-effective housing assistance. The program has consistently served people of color, including Hispanic or Latino/a/x families, with over half of participants identifying as African American or Latina women. The Hispanic/Latino Quality of Life Resource Advisory Commission has expressed strong support to expand program funding. Despite this, the FY 2025–2026 budget allocated only \$1.3 million for the Family Stabilization Grant. The funding was subsequently eliminated after Austin voters rejected the Proposition Q tax rate increase in November 2025. The revised budget that followed cut the \$1.3 million for Family Stabilization Program grants entirely. At the Joint Inclusion Committee FY27 Budget Input Session, residents made clear that the elimination of the Family Stabilization Grant Program from the FY26 base budget was a significant setback for Austin families. Community support for the program has only grown stronger in its absence.

#### **Description of Recommendation to Council**

- Provide \$3 million ongoing funding for the Family Stabilization Grants

#### **Rationale**

Housing affordability is one of the defining challenges facing Austin families. Federal housing programs have limited reach, and even residents who receive federal housing assistance continue to struggle. Approximately 40% of households nationally that receive a voucher never successfully lease a unit. In Austin, most voucher holders have only been able to move to less desirable housing on the outskirts of the city, compounding burdens related to transportation, food access, healthcare, and employment. Other forms of affordable housing assistance similarly fall short: units are only required to maintain affordability for a set period, rents are calibrated to Area Median Income levels that do not reflect the deep affordability residents actually need, and participants remain responsible for full rent even during periods of job insecurity.

Research from the Urban Institute confirms that strategically applied cash relief can offer renters facing housing shocks more flexible support, accord more dignity and choice to renters in need,

reduce exposure to voucher discrimination, provide housing access to excluded workers, and deliver more efficient and cost-effective help to those in urgent need.

Austin's own experience bears this out. Roughly 60% of the money went toward housing, 20% toward basic needs, and 10% to other bills, with the remainder invested or given to others. The Urban Institute's final research report on Austin's Guaranteed Income Pilot shows that participants increased their income, improved housing stability and food security, and secured better jobs. Roughly 60% of the money went toward housing, 20% toward basic needs, and 10% to other bills, with the remainder invested or given to others. Median household income rose during the pilot and continued to grow six months afterward, often linked to investments in education and skills training, and 30% of participants secured better jobs or higher wages. Housing security improved significantly. The share of participants that caught up on rent rose from 48% at the start of the pilot to 67% six months after the pilot ended.

The Family Stabilization Grant has helped hundreds of families avoid eviction, pay down debt, and secure upward mobility through new, better-paying jobs, according to Mayor Pro Tem Vanessa Fuentes. Program participants have testified directly to these impacts. One beneficiary with five children shared that the cash assistance helped her pay rent and hospital bills while she completed a leasing-agent course that led to a full-time job. The program helped stabilize her family's housing while enabling her to become employed by her own apartment complex.<sup>1</sup>

The City of Austin and Austin City Council continue to recognize the Family Stabilization Program's meaningful impact on individuals and the broader community. Given the elimination of FY26 funding, rising affordability pressures, and an increasingly constrained social services budget, ongoing funding of \$3 million in FY27 is essential to sustain and expand this proven program.

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<sup>1</sup> Austin Free Press *Fate uncertain: Family Stabilization Grants move from city budget to special election* - <https://austinfreepress.org/fate-uncertain/>

**Date of Approval:** March 25, 2026

**Motioned By:** Commissioner Chang

**Seconded By:** Commissioner Laake-Stanfield

**Vote:** 9-0

**For:** Vice Chair Bondi, Commissioners Alvizo, Benson, Castaneda, Chang, Kanawati, Oliva-Martínez, Parsons, Thakkar

**Against:** None

**Abstain:** Commissioner Laake-Stanfield

**Recuse:** None

**Off the dais:** None

**Absent:** Chair Afifi, Commissioners Bullard, McNary, Melendez

**Attest:** *Ryan Sperling*  
(Ryan Sperling, Staff Liaison)