Austin

MEMORANDUM

To: Mayor and City Council

Through: Dr. Eric Anthony Johnson, Assistant City Manager EAJ

From: Deletta Dean, Austin Housing Director DD

Date: October 13, 2026

Subject: **NOAH Preservation – Staff Response (Resolution No. 20250911-041)**

The purpose of this memorandum is to respond to Resolution No. 20250911-041, which directs the City Manager to explore opportunities to create new, or enhance existing, housing preservation programs and funding mechanisms with the aim of investing in and preserving naturally occurring affordable housing (NOAH) that is safe and a sound investment. The resolution further states that these opportunities should include:

(1) access to affordable and flexible capital for NOAH preservation with a focus on leveraging existing programs and resources to serve low-income households (at or below 50% Area Median Income);
(2) tax incentives and apportionments designed to support investment in the preservation of NOAH properties by funding or incentivizing the lifespan extension of existing units;
(3) exploring funding mechanisms including, but not limited to, grant-based funding, low-cost loans, and philanthropic investment, to support the growing need for affordable housing for a variety of household incomes; and
(4) other strategies that can magnify the impact of investment from the Affordable Housing Bond, Project Connect Anti-Displacement fund, future bond dollars, and any other identified appropriate funding sources.

The following sections respond to each item requested in the resolution. Please refer to the attached staff report for additional details and analysis.

Geographical analysis of NOAH properties in Austin

- NOAH properties were defined as multifamily properties with rents affordable to households earning at or below 50% of the Area Median Income (AMI) that are not subject to deed restrictions, income requirements, or other affordability regulations.

- Out of the 1,384 multifamily properties in Austin with sufficient rental data to be evaluated, staff identified 556 properties that meet the City's definition of NOAH. Since NOAH is identified at the property level, these properties collectively contain approximately 68,311 housing units, out of 243,393 total units located on properties with reported rental data citywide.
- NOAH properties tend to be older than Austin's multifamily inventory overall and are generally smaller in scale.
- Zoning patterns show that NOAH is largely situated within areas planned for multifamily development.
- The largest concentration of NOAH units is located on East Riverside Dr., followed by North Austin (particularly North Lamar and Georgian Acres).
- The analysis shows that units on NOAH properties are disproportionately located in areas facing displacement pressure compared to multifamily housing overall.
- Austin Housing will work on the following recommendations:
    - Exploring options to track residential displacement through existing development and permitting workflows.
    - Exploring ways to incorporate Austin's median renter income into future City rental housing programs so that these programs better reflect the incomes of renter households rather than relying solely on total AMI.
    - Assess the use of the Displacement Early Warning System tool currently being developed in collaboration with University of Texas researchers and expected in February 2027, to identify NOAH properties facing increased displacement risk and help prioritize preservation and tenant-support efforts.

Identifying NOAH properties with existing and ongoing City Code compliance issues, also known as repeat offenders

- When compared to the broader multifamily inventory, NOAH and income-restricted affordable properties make up a large share of the repeat offenders list, while market (non-NOAH) properties represent a much smaller share.
- The repeat offender list is a relatively small dataset, containing only 80 properties.

Provide an annual report detailing the use of funds allocated to preserving naturally occurring affordable housing units

- Austin Housing staff will develop an annual reporting process to share, in detail, the funds allocated to preserving NOAH. The report will be completed at the end of each fiscal year.

Include in future Housing Bond Reports the use of bond dollars to preserve existing affordable units, including both dollars used, their sources, and the number of units preserved

- Austin Housing will include this information in future Housing Bond Reports.

Reviewing, as part of any proposed zoning changes, the number of existing housing units renting below the current year's 50 percent AMI level and the number of such housing units that would be lost because of redevelopment, to the extent feasible

- Austin Planning will add a field to the zoning application which requests an applicant to indicate whether existing multifamily units exist on the subject property. For cases with existing multifamily units, Planning staff will coordinate with or notify Housing staff. Housing staff can then determine if there are any housing units renting at or below 50 percent of the current year's AMI that could be potentially lost.

Additional Methods to Preserve and Develop Deeply Affordable Housing

- To date, the Austin Housing Finance Corporation has acquired and preserved 12 existing multifamily properties, which include 842 total units, 237 of which are income restricted to 50 percent AMI and below.
- Financing tools utilized in previous acquisitions include GO Bonds, private equity, and agency financing.
- Austin Housing is exploring additional financing structures through tax-exempt bond issuances such as 501(c)(3) bonds and Essential Function Bonds for future preservation acquisitions and the creation of a public-private fund.
- Austin Housing also recommends exploring creating a grant program or other funding mechanism to support critical capital improvements for NOAH properties with 20 units or more renting at certain AMI levels in exchange for long-term affordability.
- Austin Housing will launch a Small Landlord Home Repair program to help preserve one-to-four-unit properties along the Project Connect corridor.

Evaluating the Functionality, Safety, and Quality of NOAH Housing

- The ability to anticipate capital expenses with NOAH acquisitions is critical to a preservation strategy.
- Austin Housing is creating an evidence-based assessment tool for consideration of the City's own acquisitions or gap financing requests from outside entities. This tool will consider the documented history of ownership, developer qualifications, a property condition assessment, current property financials, and a financial proposal aimed at extending the useful life of the property at the current or deeper affordability level.

Prepare an amendment to City Code that applies to density bonus and incentive programs

- Staff in both Austin Planning and Austin Housing collaborated on amendments to City Code Chapter 4-18 that were adopted by City Council at its May 21, 2026, meeting. The amendments clarified existing expectations and updated tenant protections to include a requirement for the applicant to provide an on-site relocation specialist. At the same meeting, City Council also approved Resolution No. 20260521-080 directing staff to continue discussions related to Chapter 4-18 by convening stakeholders and exploring additional amendments holistically, returning with any recommendations and next steps by the end of 2026. Staff has begun scoping this process and expects to be engaging stakeholders this fall.

Should you have any questions or concerns, please contact Deletta Dean, Director of Austin Housing at Deletta.Dean@austintexas.gov or 512-978-1410.

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

Attachments: Naturally Occurring Affordable Housing (NOAH) Preservation Staff Report October 2026

Naturally Occurring Affordable Housing (NOAH) Preservation Staff Report October 2026

This report provides in-depth details to the items listed on Resolution No. 20250911-041, which directs the City Manager to explore opportunities to create new, or enhance existing, housing preservation programs and funding mechanisms with the aim of investing in and preserving naturally affordable housing (NOAH).

Geographical analysis of NOAH properties in Austin

To begin, the analysis defines NOAHs as multifamily properties with rents affordable to households earning at or below 50% of the Area Median Income for Austin (AMI) that are not subject to deed restrictions, income requirements, or other affordability regulations. Properties participating in affordability programs, such as density bonus programs or other initiatives that require restricted rents or tenant income eligibility, are not considered NOAH for the purposes of this analysis, as their affordability is programmatic rather than market driven. For FY26, a one-person household earning 50% AMI has an annual income of $47,050. The table below shows the corresponding maximum affordable monthly rents at this income level for different bedroom types, consistent with standard affordability assumptions.

	1 BR	2 BR	3 BR
FY26 50% AMI Rent Limit	$1,260	$1,512	$1,747

Staff analyzed rental data[1] for 1,384 multifamily properties in Austin. As with most market-based rental datasets, a key limitation is incomplete reporting of rents by unit type. Since many properties do not publicly report rental information for all bedroom categories, methodology adjustments were made for accurate analysis. To this end, staff applied a tiered approach based on data availability. For properties which only reported rental data for a single bedroom type, the analysis considered the property NOAH if:

1) reported rent is equal to or below the FY26 affordability threshold of 50% AMI for the corresponding unit size, and
2) the property was not known to participate in an affordability program with rent or income restrictions.

For properties with rental data available for multiple bedroom types, staff applied a more stringent criterion: rents for multiple unit types that fall below the 50% AMI threshold. This approach minimizes data limitations while balancing inclusivity with rigor by allowing properties with limited data to be evaluated while applying to a higher standard where more complete data is available (Figure 1)[2].

[1] CoStar multifamily market data collected in September 2026 was used for this analysis.
[2] Staff considers this approach (examining properties with reported rental data rather than the entire multifamily inventory) to be a conservative and reasonable method for characterizing NOAH conditions in Austin's current housing market.

Out of the 1,384 multifamily properties in Austin with sufficient rental data to be evaluated, staff identified 556 properties that meet the City's definition of NOAH. Since NOAH is identified at the property level, these properties collectively contain approximately 68,311 housing units, out of 243,393 total units located on properties with reported rental data citywide. Staff refers to these as units on NOAH properties rather than "NOAH units," since affordability is not known for every individual unit within a property.

Building age and size

NOAH properties tend to be older and smaller than Austin's multifamily inventory overall and are generally smaller in scale. The median year built for NOAH properties is 1977, compared to 1985 for all multifamily properties citywide (See Figure 6). NOAH properties have a median size of 49 units, compared to a median of 154 units across all multifamily properties with rental data.

Zoning and geographic distribution

Zoning patterns show that NOAH is largely situated within areas planned for multifamily development (Figure 2). By base zoning, 62% of units on NOAH properties are located on parcels with MF zoning (Figure 3). Within the subset of units on NOAH properties located in MF zones, the majority are concentrated in moderate-intensity multifamily districts (MF-2 and MF-3 zones).

Figure 4 shows the geographic distribution of NOAH properties. The largest concentration of NOAH units is located on East Riverside Dr., followed by North Austin (particularly North Lamar and Georgian Acres). Figure 5 shows the total units on NOAH properties across Austin Council Districts. Districts 4, 3, 7, and 5 contain the largest concentrations of units on NOAH properties, reflecting major multifamily corridors in North Austin, Northwest Austin, and the East Riverside area where older apartment developments remain prevalent. In contrast, District 8 contains relatively little multifamily housing overall and correspondingly fewer units on NOAH properties, while District 9 has a sizable multifamily inventory but comparatively limited NOAH, indicating that multifamily presence alone does not determine NOAH concentration.

Council Districts with more NOAH tend to be characterized by older multifamily development (Figure 6). District 4 combines a high concentration of NOAH with some of the oldest median construction dates, while districts with newer median building ages generally contain fewer NOAH properties (Figure 7). Overall, naturally occurring affordability in Austin reflects long-standing development patterns rather than recent construction alone. As a result, the potential impacts of market pressure, redevelopment, or policy changes are likely to vary by district, with Districts 3, 4, 5, and 7 facing the greatest potential risk of NOAH loss over time.

Displacement Risk Areas and Project Connect

The analysis shows that units on NOAH properties are disproportionately located in Displacement Risk Areas (Figure 8) and higher concentrations of vulnerable populations (Figure 9). About half of all multifamily units[3] are located in Displacement Risk Areas, compared to roughly 61% of units on NOAH properties. A similar pattern appears for vulnerable population areas, where just over 35% of all multifamily units are located, compared 48% of units on NOAH properties. Taken together with

[3] Out of the multifamily units that included rent data.

earlier findings on building age, zoning, and geographic concentration, these patterns indicate that naturally occurring affordability in Austin is more heavily concentrated in areas where vulnerable households are already present and displacement risk is elevated.

Project Connect's planned light rail alignment passes through the Riverside corridor, one of Austin's largest concentrations of units on NOAH properties and an area with elevated displacement vulnerability (Figure 10). Although NOAH properties are located at a similar median distance to existing CapMetro stops as the broader multifamily inventory (517 feet compared to 548 feet), many naturally occurring affordable units are situated in transit-rich areas slated for additional investment. The City's voter-approved $300 million Project Connect Anti-Displacement Fund prioritizes residents near planned corridors, and given this overlap, preservation strategies should be deployed where feasible to help ensure that expanded transit access does not accelerate the loss of naturally occurring affordability or the displacement of lower-income households. Two City-led efforts—the East Riverside Corridor Planning Initiative and the Grove-Riverside Site redevelopment —are currently underway. The planning initiative is guided by the City's Equitable Transit-Oriented Development policy framework which aims to preserve and increase housing opportunities that are affordable and accessible. The Grove Riverside site encompasses over 100 acres of land near Grove Boulevard and East Riverside Drive purchased partially with Project Connect Anti-Displacement funding that the City wants to turn into a lively neighborhood with homes, local shops, safe public spaces and access to public transit including the future Austin Light Rail.

Recommendations

Austin's housing affordability programs are largely calibrated to the region's overall median household income, regardless of whether households rent or own their homes. However, homeowner and renter incomes in Austin reflect two distinct trends (Figure 11). Although both have generally increased over time, the widening gap presents challenges when targeting renter-focused policies using a combined metric. Recent data illustrate this clearly: between 2022 and 2023, renter household income declined by about 1% while owner income increased by more than 5%, resulting in an increase in overall median household income despite worsening renter conditions. This demonstrates how renter households can experience income decline even as the regional median rises.

Year	Total AMI for Austin MSA	Austin MSA Median Renter Income	Austin MSA Median Owner Income
2023	$98,508 (+4%)	$65,380 (-1%)	$129,560 (+6%)
2022	$94,604	$66,100	$122,713

One option for City-managed renter and multifamily programs is to anchor income thresholds to renter incomes rather than the overall median. If the goal is to serve households around a given income bracket, such as the income implied by 50% AMI, that target could be preserved by defining eligibility as the equivalent percentile of Austin's renter income distribution. This would allow thresholds to move with renter wages over time instead of being driven upward by higher homeowner incomes, improving alignment with the target population. Federally funded and

regulated programs would continue to use federally defined income limits as required, while local rental programs would be more closely aligned with the households they are intended to serve.

In addition to refining program targeting, staff recommends establishing a consistent, Citywide method for tracking residential displacement within existing development and permitting workflows. Currently, there is no standard data point in City processes that captures whether redevelopment results in the displacement of residents, and no reliable way to link tenant displacement to site plans, permits, or utility activity. This limits the City's ability to evaluate the real-world impacts of redevelopment and to target prevention and relocation resources effectively. The need is heightened under SB 840, which expands the share of development that can occur by-right and reduces opportunities to identify potential displacement during rezoning and other discretionary review stages. Prior to SB 840, cases were identified during rezoning, allowing residents and the broader community to engage and raise concerns before Council; under a by-right framework, similar properties could move forward without that earlier visibility. Creating a displacement tracking mechanism would improve accountability, strengthen early identification of at-risk properties, and support more effective deployment of both preservation tools and tenant assistance programs.

The City should also explore the use of the Displacement Early Warning System currently being developed by researchers at the University of Texas to support future NOAH monitoring and preservation efforts. Scheduled for completion by February 2027, the system will use real-time data[4] and is being designed to identify areas experiencing current displacement pressures and forecast areas likely to face increased risk in the future. Used alongside property-level NOAH data, its findings could help prioritize areas for further analysis, owner outreach, preservation strategies, and tenant-focused interventions.

Finally, it is important to recognize that not all NOAH redevelopments can be prevented. Preservation strategies should therefore be paired with clear and accessible support for households who experience displacement, building on existing tools such as Tenant Relocation Assistance requirements and other tenant-facing stabilization resources. Framing relocation support as a complementary measure, rather than a substitute for preservation, acknowledges market realities while helping reduce harm when naturally occurring affordability is lost.

Identifying NOAH properties with existing and ongoing City Code compliance issues, also known as repeat offenders

The City's repeat offender list identifies multifamily properties associated with a high volume of code violations. It is important to note that the repeat offender list is a relatively small dataset, containing only 80 properties, compared to the much larger affordability typology dataset of 1,384 multifamily properties (Figure 13). As a result, the proportions shown for repeat offenders are more

[4] Potential inputs include eviction and code-enforcement records; property sales, ownership changes, rents, and redevelopment activity; expiring affordability restrictions; Census indicators of household vulnerability and housing-market conditions; and resident and community reports of displacement pressures.

sensitive to the characteristics of a limited number of properties and should be interpreted accordingly.

When compared to the broader multifamily inventory, NOAH and income-restricted affordable properties make up a large share of the repeat offenders list, while market (non-NOAH) properties represent a much smaller share (Figure 14). This analysis indicates that code compliance challenges are more concentrated among lower-rent properties, including NOAH, rather than being evenly distributed across all affordability types. These findings are consistent with earlier geographic analysis showing that naturally occurring affordability in Austin is closely tied to older multifamily development. Older properties are more likely to face ongoing maintenance needs, which can translate into higher rates of code violations if not adequately addressed.

From a policy perspective, these results underscore the importance of pairing any NOAH preservation or rehabilitation efforts with strong accountability and compliance safeguards. If City resources are used to support repairs or long-term preservation, program design should ensure that assistance is tied to demonstrated improvements in property conditions and code compliance outcomes, so that investments benefit residents without reinforcing patterns of chronic noncompliance.

Provide an annual report detailing the use of funds allocated to preserving naturally occurring affordable housing units

Austin Housing staff will develop an annual reporting process to share, in detail, the funds allocated to preserving NOAH. Since 2002, Austin Housing has allocated a total of $185 million toward the preservation of NOAH units and properties. Of the total amount allocated:

- $41,798,085 has been invested in the acquisition of NOAH properties, ensuring these units remain affordable and are protected from market-rate conversion.
- $71,974,349 has been directed toward the rehabilitation of existing NOAH properties, improving the quality, safety, and longevity of these affordable homes.
- $71,434,013 has been allocated to home repair, including both individual rental units and homes.

The table below provides a detailed breakdown of resources allocated by funding source, including bond allocations and the specific amounts on both acquisition and rehabilitation activities.

Fund Source	Acquisition	Rehabilitation	Home Repair	Grand Total
CDBG	$ -	$ 3,007,378	$ 24,712,493	**$ 27,719,871**
CIP	$ -	$ 739,100	$ -	**$ 739,100**
GO Bonds 2006	$ 10,567,454	$ 19,242,267	$ 4,575,756	**$ 34,385,477**
GO Bonds 2013	$ -	$ 5,799,445	$ 7,326,721	**$ 13,126,166**
GO Bonds 2018	$ 12,250,784	$ 6,010,359	$ 28,000,000	**$ 46,261,143**
GO Bonds 2022	$ 8,658,129	$ 15,227,000	$ 5,000,000	**$ 28,885,129**
HOME	$ -	$ 6,711,179	$ 1,819,040	**$ 8,530,219**

Fund Source	Acquisition	Rehabilitation	Home Repair	Grand Total
HTF	$ -	$ 6,037,621	$ -	**$ 6,037,621**
Project Connect	$ 10,321,718	$ 9,200,000	$ -	**$ 19,521,718**
Grand Total	**$ 41,798,085**	**$ 71,974,349**	**$ 71,434, 013**	**$ 185,206,444**

Include in future Housing Bond Reports the use of bond dollars to preserve existing affordable units, including both dollars used, their sources, and the number of units preserved

Austin Housing will include this information in future Housing Bond Reports. The breakdown by AMI is in the table below. These are rental preservations:

Values	Rehabilitated	Acquired	Grand Total
20%	0	0	**0**
30%	243	36	**279**
40%	100	0	**100**
50%	1,531	195	**1,726**
60%	738	247	**985**
65%	0	0	**0**
70%	0	0	**0**
80%	41	145	**186**
100%	0	81	**81**
120%	0	79	**79**
Total	**2,653**	**783**	**3,436**

Reviewing, as part of any proposed zoning changes, the number of existing housing units renting below the current year's 50 percent AMI level and the number of such housing units that would be lost because of redevelopment, to the extent feasible

Austin Planning will add a field to the zoning application which requests an applicant to indicate whether existing multifamily units exist on the subject property. For cases with existing multifamily units, Planning staff will coordinate with or notify Housing staff. Housing staff can then determine if there are any housing units renting at or below 50 percent of the current year's AMI that could be potentially lost. While Austin Planning maintains an inventory of rezoning cases, there is no mechanism to precisely determine the number of existing housing units below 50% AMI that could be lost because of redevelopment. Planning Staff cannot require an applicant to provide this information as part of an application for rezoning, and if the information is voluntarily provided it should not be considered in staff's recommendation for the request.

Additional Methods to Preserve and Develop Deeply Affordable Housing

As of October 2026, the Austin Housing Finance Corporation (AHFC), an instrumentality of the City of Austin, has acquired 12 existing multifamily properties with the goal of preserving affordability and extending the life of the existing development. These properties receive a full property tax exemption under Chapter 394 of the Texas Local Government Code. These acquisitions have preserved both naturally-occurring affordability through implementation of formal income restrictions and preserved affordability from previously rent- and income-restricted units at risk of expiring affordability periods. There are 842 units across this portfolio, 237 of which are income restricted at or below 50% AMI. These properties range in age with the oldest properties dating back to 1965 and the newest built in 2008. AHFC and its partners have invested heavily in several of the older properties in this portfolio to address issues including aging infrastructure, deferred maintenance from previous owners, and renovations required to meet functional housing needs such as accessibility.

AHFC has used a variety of financing and partnership approaches for these acquisitions. AHFC purchased four properties as the sole owner with a mix of financing strategies including cash acquisitions and agency financing; AHFC partnered with the Texas Housing Conservancy (TxHC) and Civicap Partners for the other acquisitions and utilized traditional debt/equity financing.

NOAH acquisitions may also benefit from additional financing structures not-yet deployed by AHFC. Tax-exempt bond financing (such as 501(c)(3) bonds and essential function bonds) has been used throughout the country to support middle-income affordability. These bonds offer 100% financing with tax-exempt interest rates, favorable underwriting terms, and some unique requirements:

- **501(c)(3) bonds** are issued by a state or local governmental entity and loan the proceeds to a registered 501(c)(3) nonprofit corporation that acquires or constructs an affordable housing development. A public partner may be involved to convey a full property tax exemption to the development as well, but the 501(c)(3) would lease and own the property. Federal rules for acquisitions with 501(c)(3) bonds require at least:
    - 75% of units must be restricted to households at or below 80% AMI; and
    - 20% of units be restricted to households at or below 50% AMI, or 40% of units at or below 60% AMI.
    - 25% of units may be unrestricted.

  If partnering with a local entity for a property tax exemption, acquisitions would also need to comply with Texas Local Government Code affordability requirements.

- **Essential function bonds**, also referred to as governmental bonds, involve a state or local governmental entity issuing tax-exempt bonds to finance their own acquisition or development of capital assets in furtherance of a governmental purpose, such as affordable housing. The governmental entity may hire a third party to provide services for the property (such as asset management services), but for-profit entities are prohibited from having ownership or leasehold interest in tax-exempt governmental bond-financed facilities. Federal rules do not provide any affordability minimums for this type of financing.

According to the "Tax-Exempt Bond Financing for Middle-Income Housing" by Justin Cooper with Orrick (2023), "[g]overnmental and 501(c)(3) bonds both require that no for-profit entity have an ownership or possessory interest in any portion of the tax-exempt bond-financed facilities or an interest that is too similar to an ownership interest… The government or 501(c)(3) may, however, put its own equity into projects in the form of a cash contribution or by contribution of surplus land or other items or incentives of value" (p. 16).[5]

Given that these tax-exempt bonds finance 100% of the acquisition or development with lower projected debt service coverage ratios than conventional financing (per Orrick, as low as 1.10 to 1.0), debt repayment can be more vulnerable to changes in property income or expenses. Favorable financing rates may also require credit enhancements from a rated governmental entity. Fannie Mae and Freddie Mac may provide a credit enhancement for a fee but typically require shorter financing terms (such as 10 years).

Affordable housing groups with credit ratings, such as BRIDGE Housing and the NHP Foundation, have also issued taxable bonds (Social Bonds) to finance affordable housing activities.[6] Additional financing resources commonly utilized for affordable housing preservation include Fannie Mae and Freddie Mac loans, HUD 207/223(f) loans for multifamily acquisitions, and HUD 221(d)(4) loans for substantial rehabilitations.[7]

To complement the other tools listed in this section, Austin Housing recommends exploring creating a grant program or other funding mechanisms to support critical capital improvements for NOAH properties with 20 units or more renting at certain AMI levels in exchange for long-term affordability. Such a program would support existing owners and operators that lack the resources needed to maintain safe, affordable, and healthy housing—without rewarding owner and operator negligence or mismanagement. This program might also need to include resources to support owner and operator capacity in addition to financial tools.

Lastly, Austin Housing will launch a Small Landlord Home Repair program to help preserve one-to-four-unit properties along the Project Connect corridor.

Evaluating the Functionality, Safety, and Quality of NOAH Housing

When considering acquisitions of existing multifamily properties, AHFC has adopted a standard practice of obtaining property condition assessments (PCAs) that include market-specific replacement costs which can be used to evaluate an appropriate purchase price for the property. The PCA should be used to anticipate capital needs to address functional and safety repairs in

[5] Visit https://www.orrick.com/en/Insights/2024/01/Tax-Exempt-Bond-Financing-for-Middle-Income-Housing for more information.

[6] Learn more at https://bridgehousing.com/press_releases/bridge-housing-bond-issue-exceeds-expectations-raising-175-million-to-accelerate-development-and-acquisition-of-affordable-housing/ and https://nhpfoundation.org/wp-content/uploads/2024/11/RatingsDirect_TheNHPFoundationDistrictOfColumbiaGeneralObligation_59807454_Oct-30-2024.pdf.

[7] Visit https://www.novoco.com/resource-centers/housing-and-urban-development/hud-affordable-rental-housing-programs for more information.

addition to the acquisition cost. Prominent challenges with recent AHFC NOAH acquisitions have been with systems (HVAC, roof, windows) or equipment (non-central HVAC units) which are within five years of the end of their useful life. Items which are flagged as such on a PCA should have repair and replacement quotes for consideration in acquisition pricing.

To better anticipate capital expenses with NOAH acquisitions, AHFC recommends creating an evidence-based assessment tool to utilize when considering preservation acquisitions and evaluating potential gap financing requests for acquisition/rehab project proposals. This tool should at minimum include:

1. Documented history of ownership that includes level of professional property management throughout the property's lifespan, ownership investment in regular property maintenance, and history of code violations and complaints.
2. Resume of developer requesting financing or public partnership including acquisition history, rehab experience, and operations plan.
3. Property Condition Assessment that includes life expectancy of building components and replacement costs for capital planning as well as third-party review to verify assessment findings.
4. Current property financials including capital expenditures, occupancy, operational budgets, any existing affordability requirements, and current rent roll and affordability levels.
5. Financial proposal including costs to extend the life of the development at current or deeper affordability levels versus cost to redevelop at current or deeper affordability levels.

Prepare an amendment to City Code that applies to density bonus and incentive programs

Staff in both Austin Planning and Austin Housing collaborated on amendments to City Code Chapter 4-18 that were adopted by City Council at its May 21, 2026, meeting. The amendments clarified existing expectations and updated tenant protections to include a requirement for the applicant to provide an on-site relocation specialist. At the same meeting, City Council also approved Resolution No. 20260521-080 directing staff to continue discussion related to Chapter 4018 by convening stakeholders and exploring additional amendments holistically, returning with any recommendations and next steps by the end of 2026. Staff has begun scoping this process and anticipates engaging with stakeholders this fall.

Should you have any questions or concerns, please contact Deletta Dean, Director of Austin Housing at Deletta.Dean@austintexas.gov or 512-978-1410.

Appendix with Figures

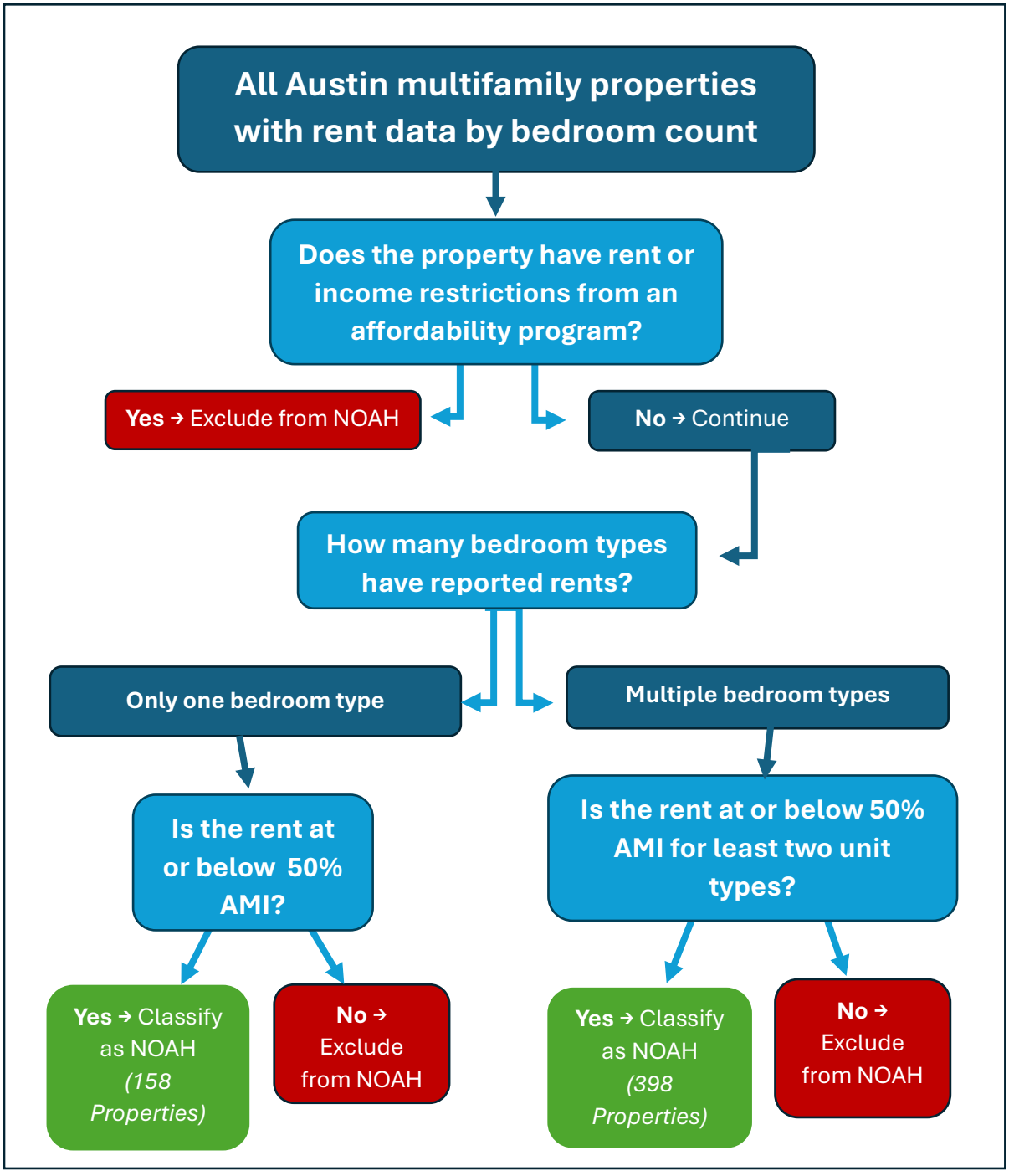


Figure 1. NOAH methodology flowchart

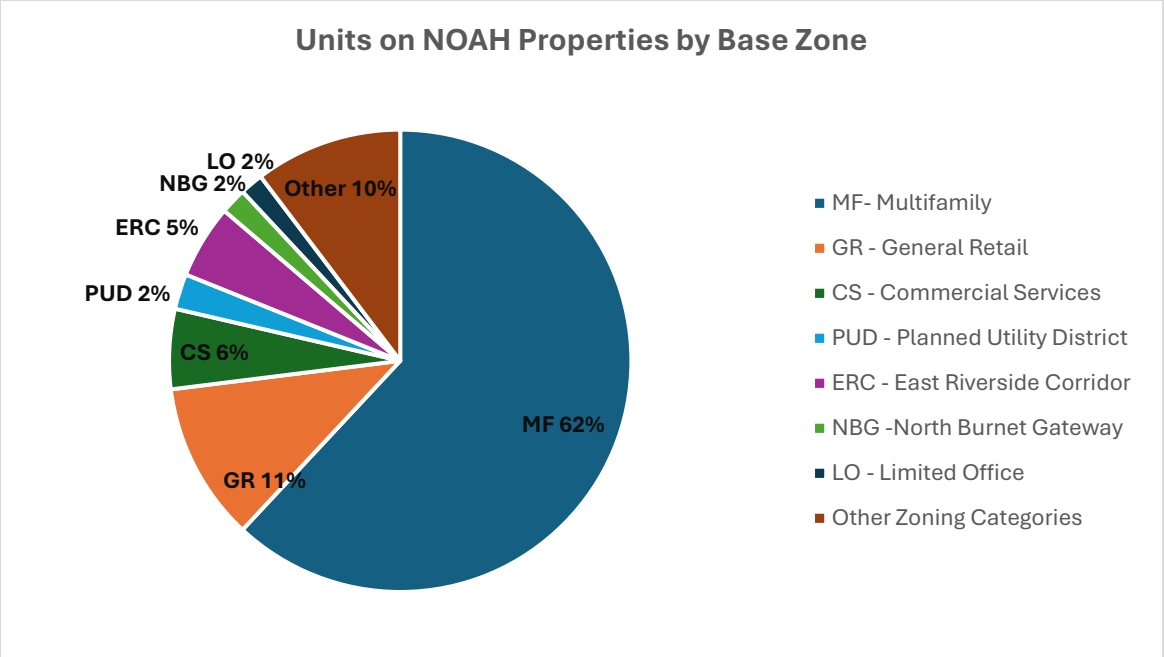


Figure 2. Units on NOAH properties by zoning category

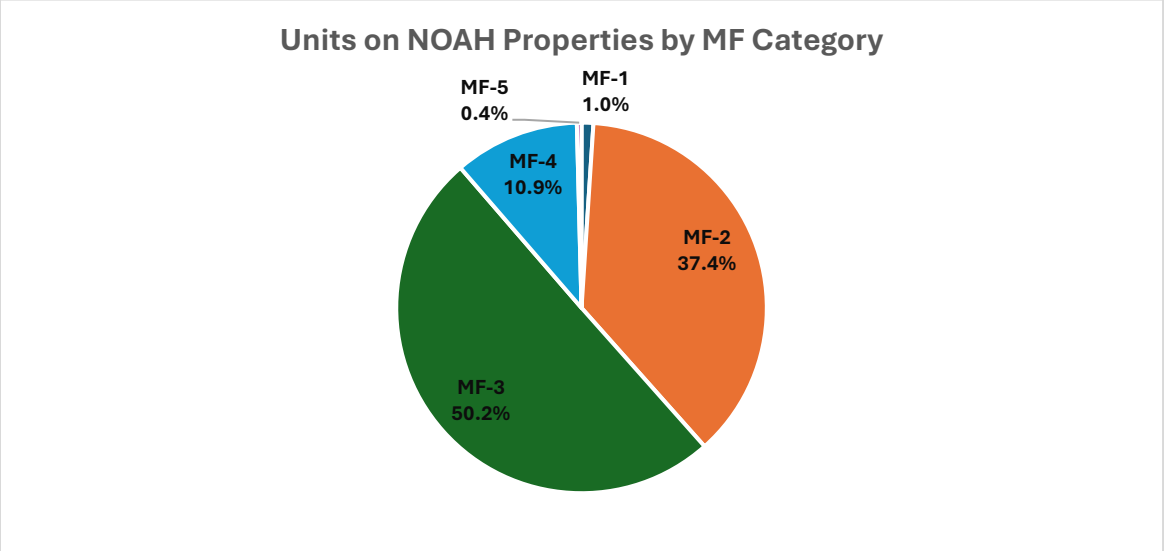


Figure 3. Units on NOAH properties by multifamily category

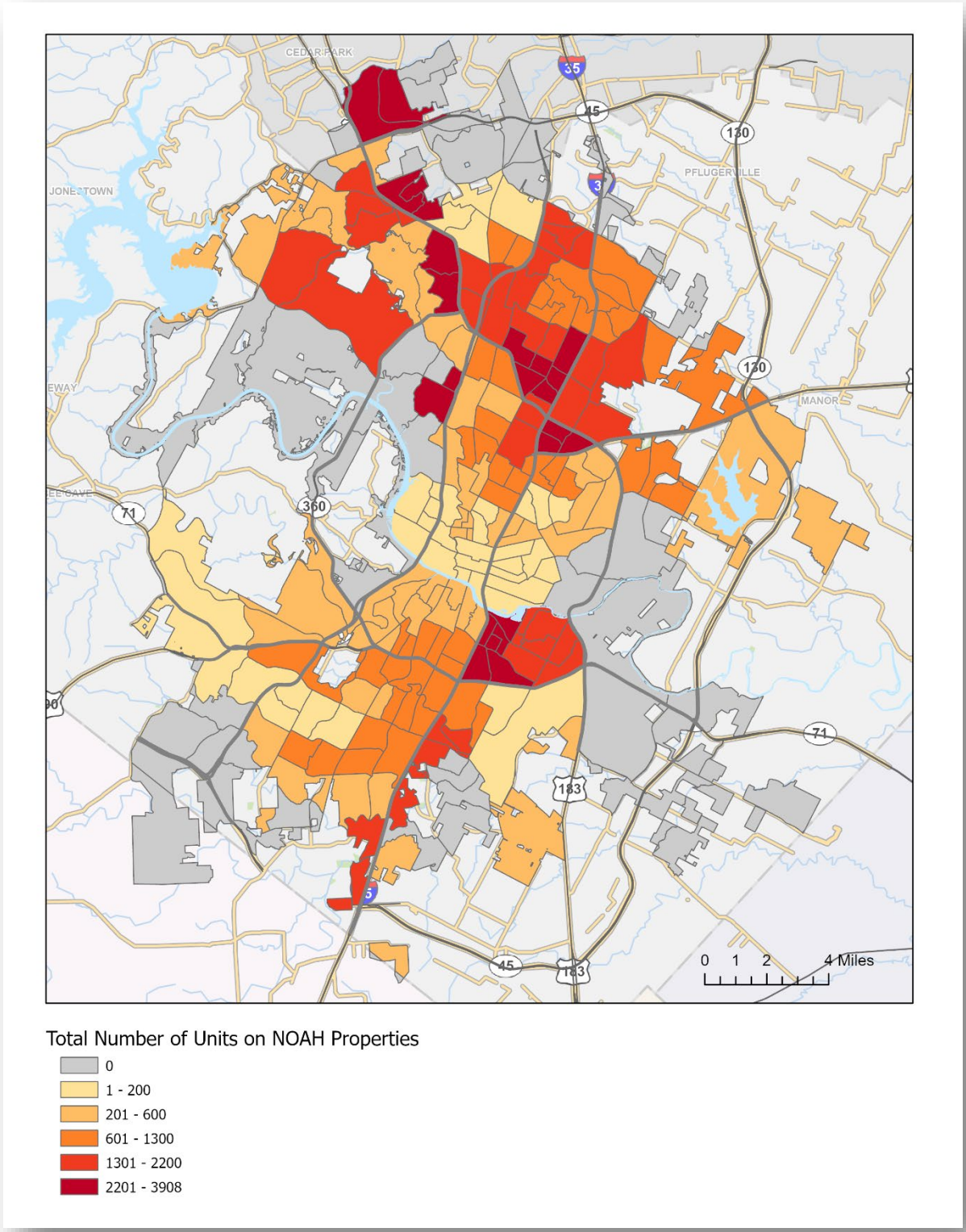
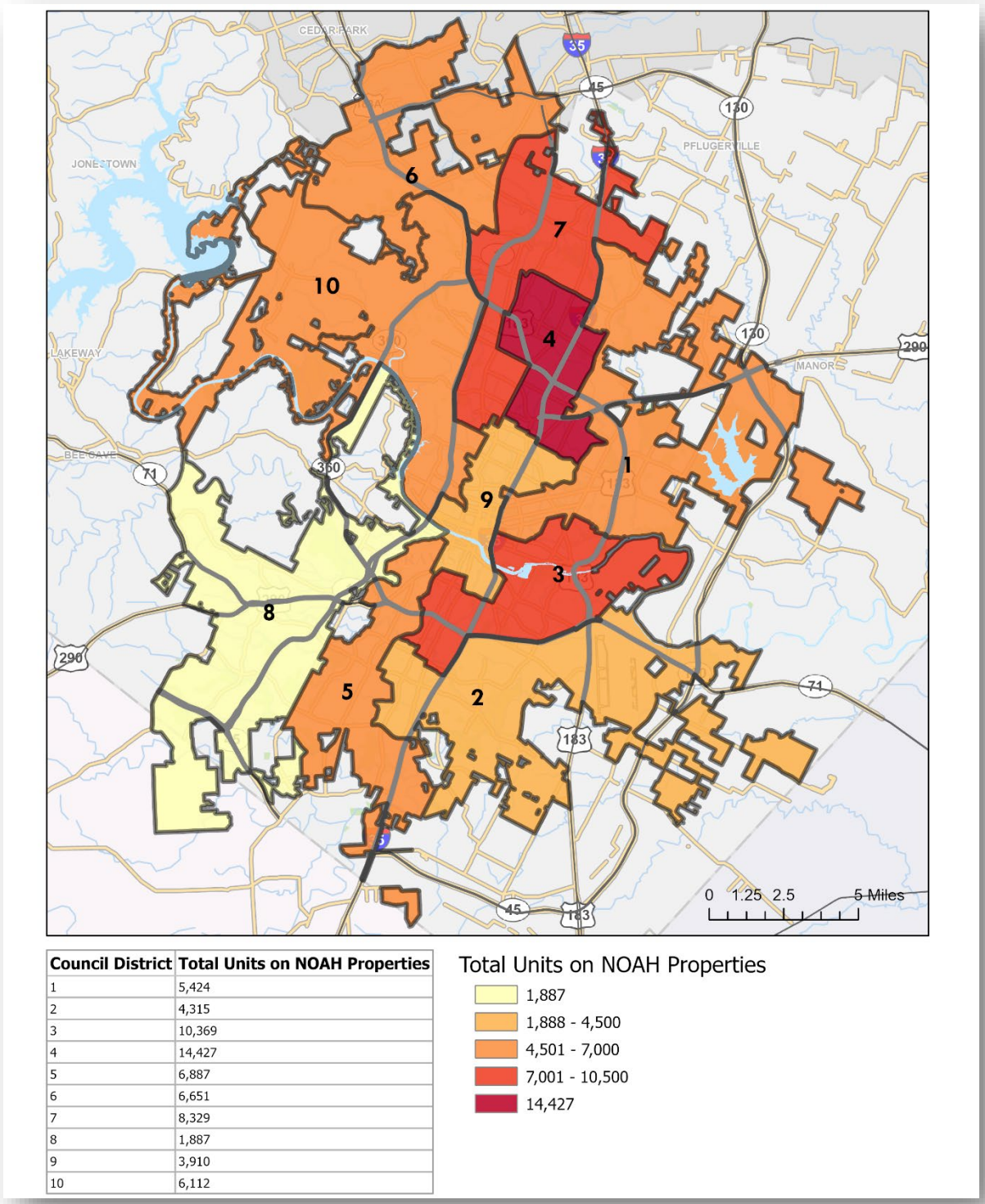


Figure 4. Units on NOAH properties in Austin by Census Tract



Council District	Total Units on NOAH Properties
1	5,424
2	4,315
3	10,369
4	14,427
5	6,887
6	6,651
7	8,329
8	1,887
9	3,910
10	6,112

Figure 5. Total units on NOAH properties by Council District

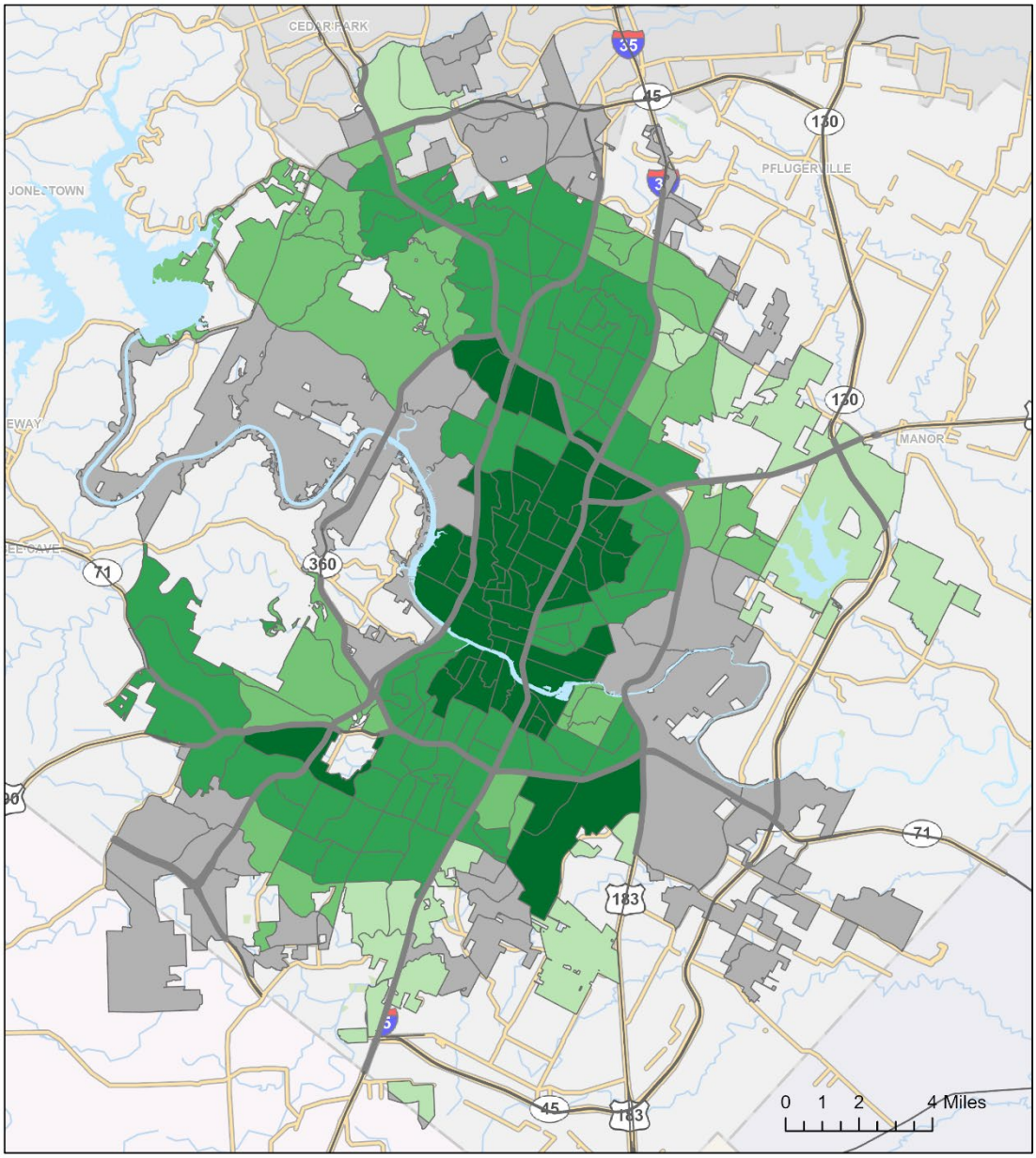


Figure 6. NOAH in Austin by year built.

	Total Units on NOAH Properties	Total Units of all Multifamily Properties w/Rent Data	% of Multifamily units that are on NOAH Properties	Median Year Built of NOAH Properties
District 1	5,424	23,961	23%	1984
District 2	4,315	17,984	24%	1984
District 3	10,369	37,234	28%	1979
District 4	14,427	27,236	53%	1973
District 5	6,887	20,767	33%	1983
District 6	6,651	21,188	31%	1985
District 7	8,329	32,196	26%	1982
District 8	1,887	13,750	14%	1983
District 9	3,910	29,080	13%	1969
District 10	6,112	19,997	31%	1978
Total	**68,311**	**243,393**	**28%**	**1977**

Figure 7. Distribution of Units on NOAH properties by Council District.

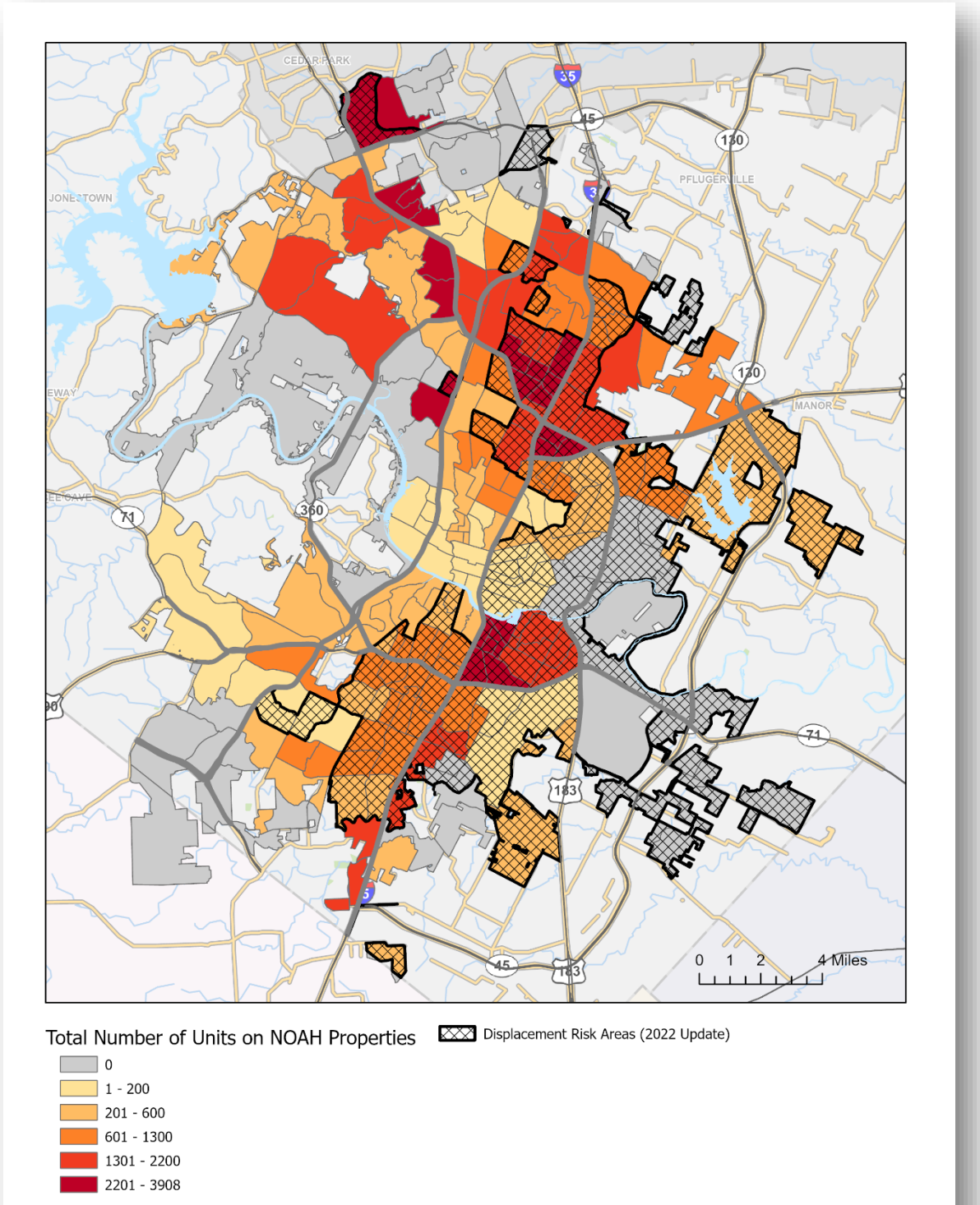


Figure 8. Total units on NOAH properties and Displacement Risk Areas in Austin

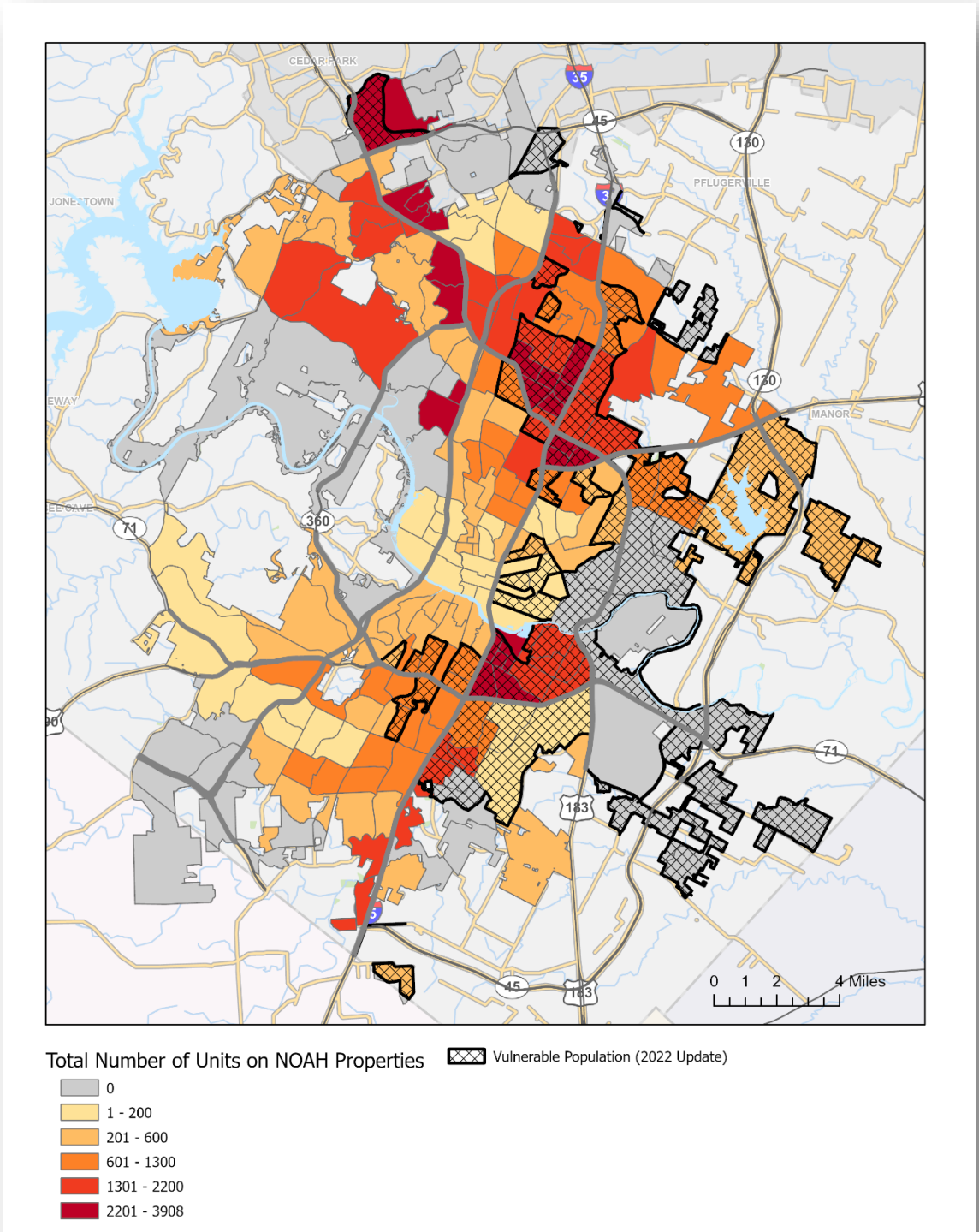


Figure 9. Units on NOAH properties and Vulnerable Population Areas in Austin. (Based on the Uprooted report methodology)

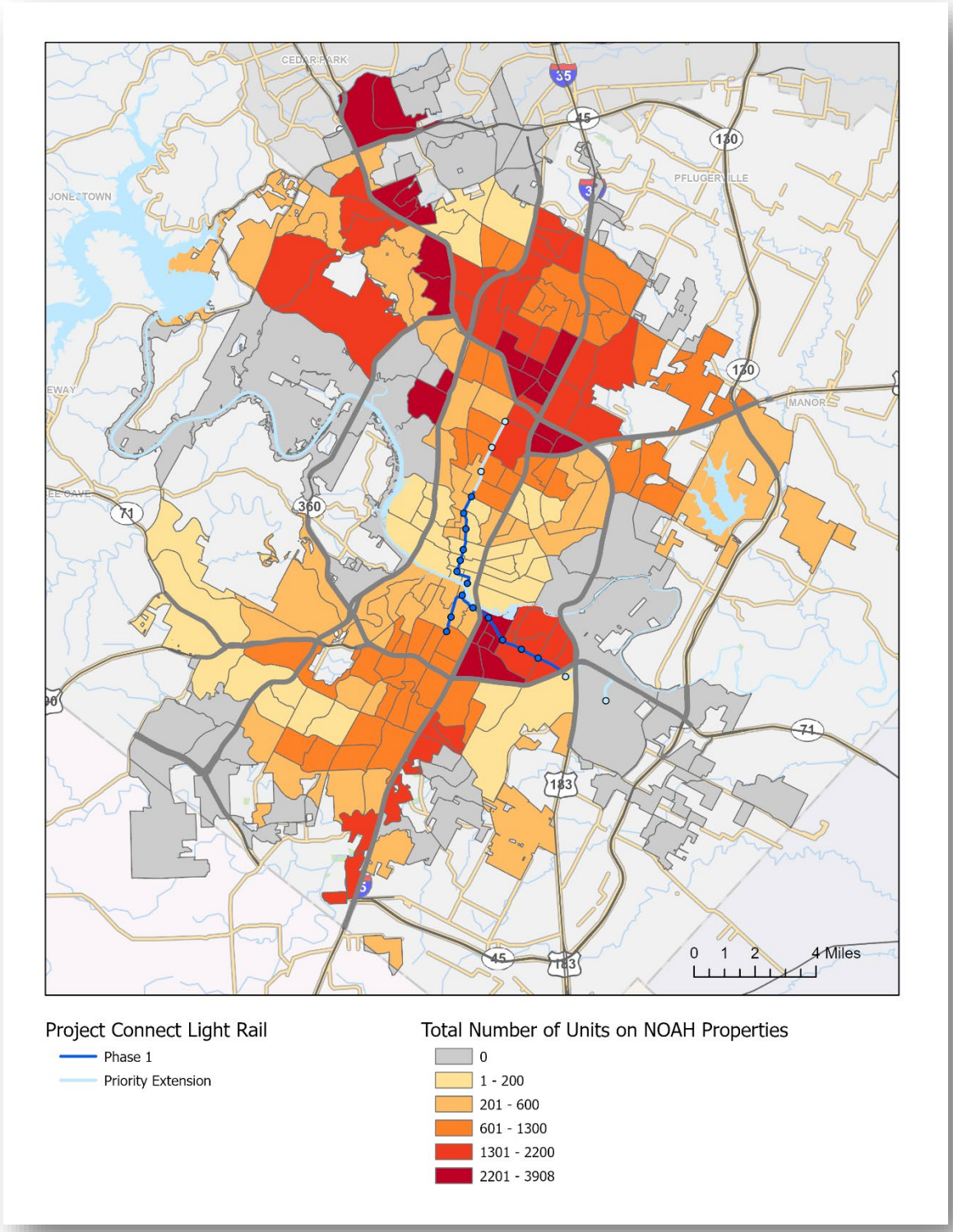


Figure 10. NOAH Proximity to Project Connect Light Rail

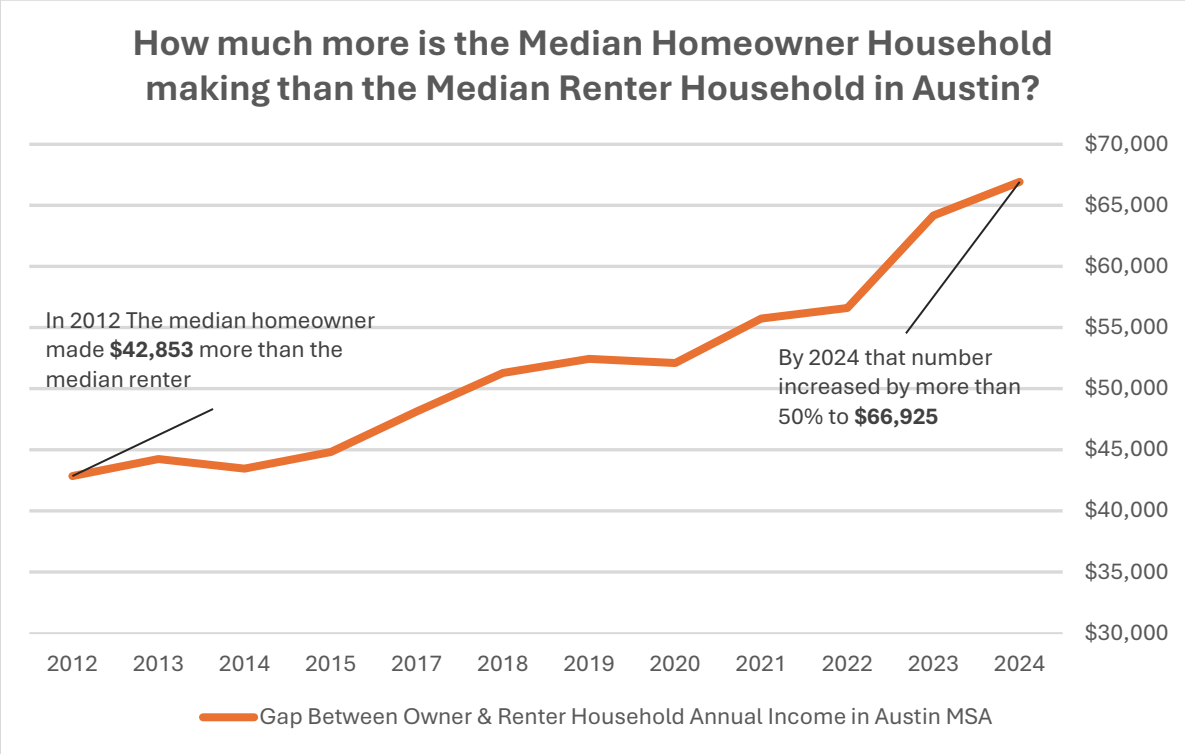


Figure 11. Difference between homeowner and renter median income, Austin MSA.

This chart uses 1-Year ACS Samples from 2012-2024 with one gap in 2016 due to data unavailability. Income measured at the household level using ACS Variable B25119.

Market NOAH Analysis

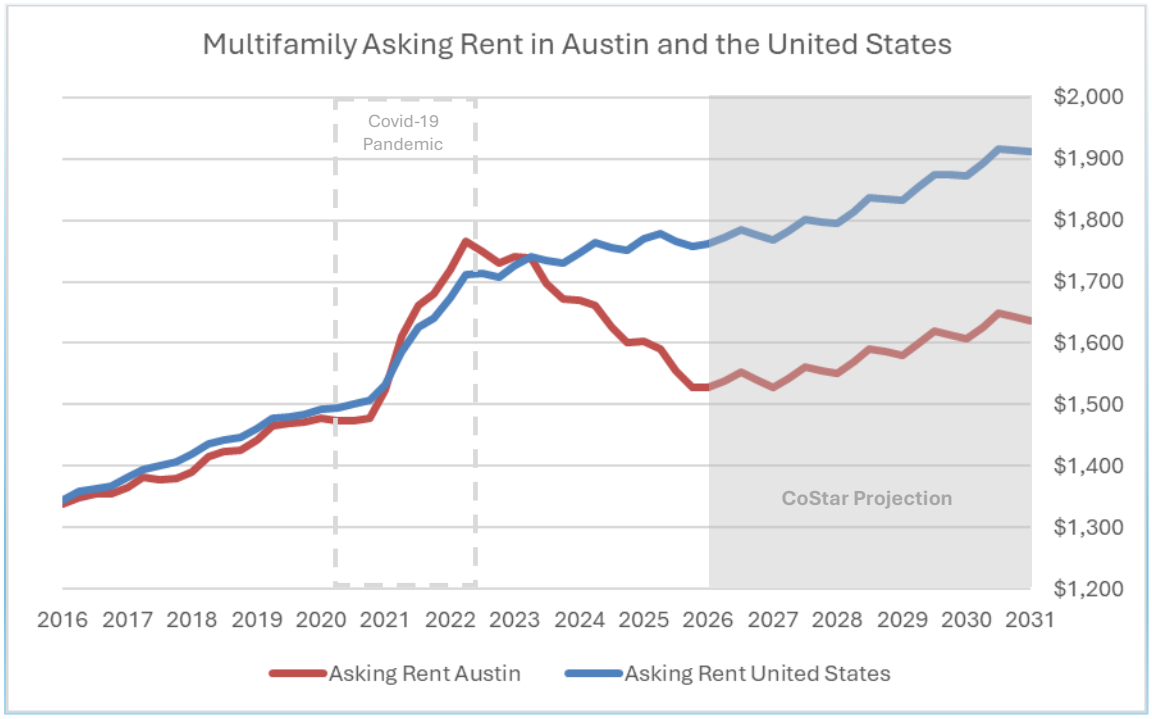
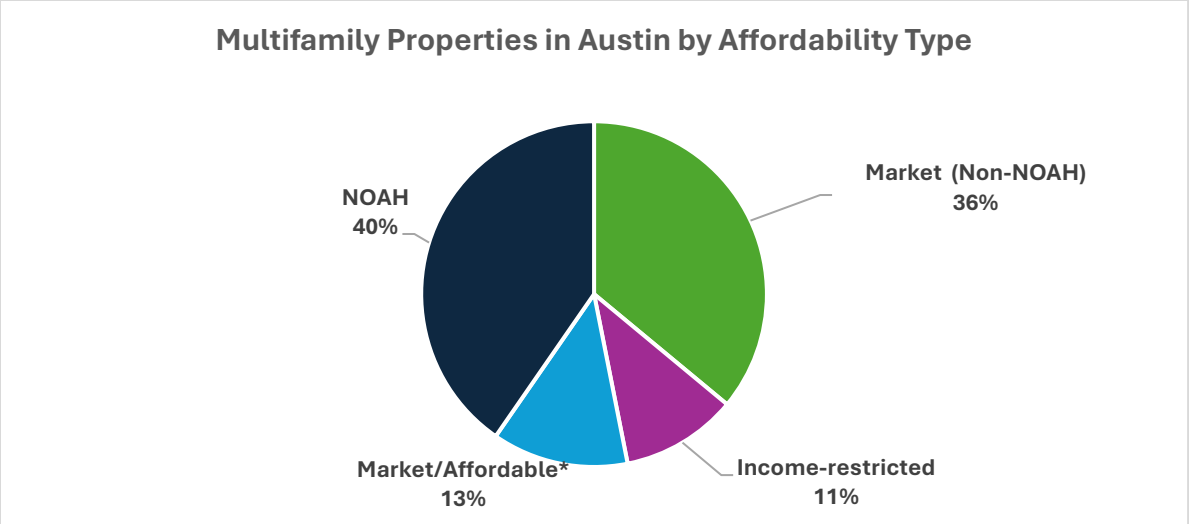


Figure 12. Quarterly multifamily asking rent per unit from 2016-2026 and CoStar projections

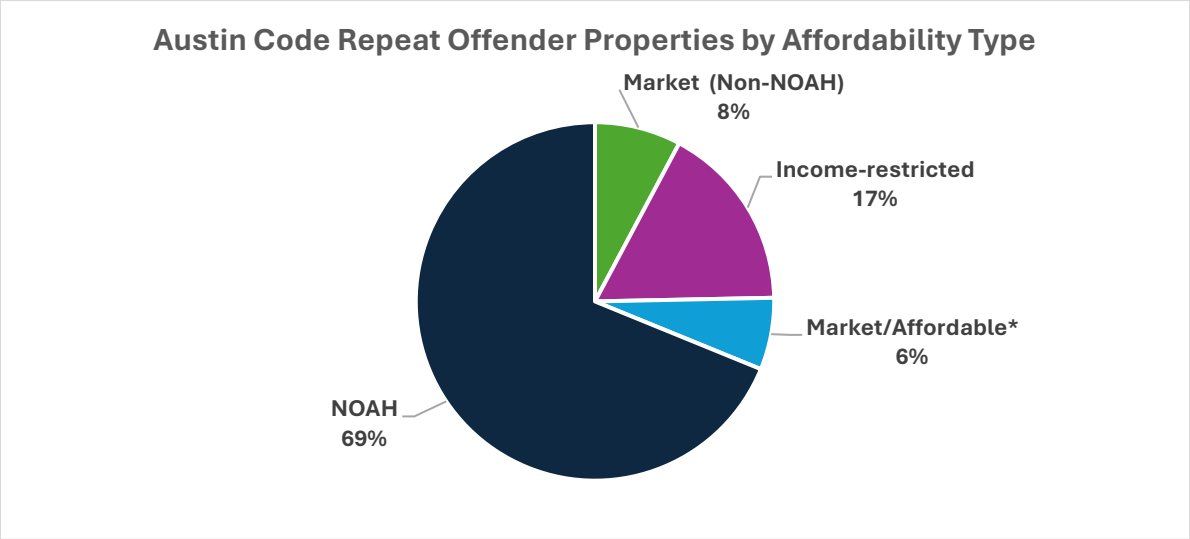
Austin's recent rent decline is largely the result of several years of rapid apartment construction that significantly increased supply and pushed vacancy higher across the city. After new deliveries outpaced demand, property owners lowered rents and relied heavily on concessions to fill units. At the same time, changes outside the housing market have also affected demand. Population growth has slowed from its pandemic peak while outgrowth has increased, job growth has moderated, and recent layoffs in the tech sector have reduced demand pressure in some higher-rent areas. Together, these factors have contributed to one of the steepest rent declines among major U.S. cities, even as leasing activity has begun to improve.

For NOAH, this environment creates both short-term relief and longer-term risk. Falling rents and concessions have temporarily improved affordability for many renters, but these conditions are driven by market cycles rather than lasting protections. As vacant units are absorbed and new construction slows, rent pressure is likely to return, particularly in high-demand corridors. At the same time, older lower-rent properties may be financially strained during the downturn, increasing the risk of deferred maintenance and declining conditions. These dynamics highlight that today's affordability is not guaranteed to last and reinforce the need for proactive strategies to preserve NOAH and reduce displacement as the market tightens again.



*Properties that have a mixture of market rate units and income-restricted units

Figure 13. Affordable Multifamily Properties in Austin



* Properties that have a mixture of market rate units and income-restricted units

Figure 14. Affordable Multifamily Properties Repeat Offenders