Austin

MEMORANDUM

To: Mayor and City Council

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

From: Deletta Dean, Austin Housing Director DD

Date: November 10, 2026

Subject: **Home Repair Program Expansion to Small-Scale Landlords - Staff Response (Resolution No. 20250605-082)**

The purpose of this memorandum is to respond to Resolution 20250605-082 directing the City Manager to explore options for expanding eligibility for the City's home repair programs to include qualifying small-scale landlords who own no more than four rental units and rent to low-income households, including:

- Post-repair protection of the affordability period to align with the total investment made by the City and prioritization of landlords currently renting to tenants with a qualifying income of 50 percent of Area Median Family Income or less.
- Home repair policies and solutions that address housing quality, as well as housing affordability issues in Austin.

Background

In Austin, some small-scale landlords who own single units and missing middle housing types, such as duplexes, triplexes, quadplexes, townhomes, and cottage courts – may provide housing options below market rate. These properties are often older and in short supply and the landlords may lack access to capital needed for repairs.

According to Travis Central Appraisal District (TCAD) data, in Austin, there are an estimated 43,724 residential rentals with four units or fewer (no homestead exemption). Even after excluding 2,413 short-term rentals, more than 40,000 small rental properties remain—meaning thousands of landlords could reasonably be expected to benefit from the City's home repair programs. Most importantly, an estimated 80,000 people (based on Austin's 2024 average household size of two persons/household) who live in those units could benefit from the City's programs. The most recent American Community Survey 5-Year Estimates (2019-2023) determined that the typical renter household in the Austin Metropolitan Statistical Area (MSA) earns $49,052 per year, reinforcing how many tenants could benefit from a program that helps to preserve healthy, safe, and affordable homes.

The City currently offers a variety of home repair programs that support eligible low-income homeowners with plumbing, sewer, accessibility, and safety repairs. Expanding Austin's home repair programs to include small-scale landlords could help preserve Naturally Occurring Affordable Housing (NOAH), prevent displacement, and improve housing quality for renters who are often excluded from direct repair assistance.

Home Repair Program Analysis and Expansion Opportunities

Currently, Austin Housing's Home Repair programs are funded by varying sources that come with respective requirements. Because federal funds require owner-occupants, any program expansion to small-scale landlords would need to be supported with non-federal funds. To expand eligibility, the City can use local funding sources, including GO Bonds, Austin Water (private lateral), and Project Connect funds to support expanded program offerings, as well as consider other viable funding options. Currently, all home repair programs administered by Austin Housing require the homeowner to live on the property.

PROGRAM NAME	FUNDING SOURCE	TARGET POPULATION	PRIMARY SERVICE	MAXIMUM AWARD AMOUNT
Architectural Barrier Removal (ABR) – Owner	Federally funded (CDBG)	Homeowners with disabilities & senior Austinites	Accessibility modifications for owner-occupied homes	$20,000
GO REPAIR! Grant Program*	Locally funded (2022 GO Bonds)	Low-income homeowners	Repairs for serious structural issues	$40,000
Minor Home Repair Grant Program	Federally funded (CDBG)	Low-income homeowners	Minor repairs to improve home safety	$15,000
Plumbing Program*	Locally funded (Austin Water)	Homeowners	Repairs for interior plumbing lines and fixtures	$15,000
Home Rehabilitation Loan Program	Federally funded (CDBG)	Low-income homeowners	0% interest loans for major home safety repairs	$75,000 for interior and exterior repairs, up to $350,000 for demolish and reconstruct
Private Lateral*	Locally funded (Austin Water)	Homeowners	Repairs for private lateral plumbing lines	$10,000

In accordance with funding guidelines, three of the existing programs could expand eligibility to include small-scale landlords. Staff reviewed the existing eligibility criteria in the program guidelines for the City's home repair programs and outlined potential expansion criteria to small-scale landlords to potentially include:

Go Repair! Program Eligibility Criteria Expansion

- *Who is currently eligible?*
  - Austin homeowners living within Austin's full-purpose city limits, and
  - Must have a gross annual income at/below 80% MFI.
- *Who would be eligible under program expansion?*
  - The eligibility for this program could be expanded to include small-scale landlords who rent to households at 80% or less of the area median income, with a prioritization for those who rent to tenants at 50% or less of the median income. This expansion would include updated guidelines for necessary verification of landlords and their renters. It is important to note that any updates to the GO Repair program would require consultation with bond counsel.

Plumbing Program Eligibility Criteria Expansion

- *Who is currently eligible?*
  - Austin homeowners living within Austin's full-purpose city limits with a gross annual income at/below 100% MFI.
  - The property must be:
    - A single-family home or owner-occupied duplex.
    - An Austin Water customer
- *Who would be eligible under program expansion?*
  - Because the current criteria require the home to be the applicant's principal place of residence, the eligibility criteria would need to be adapted for small-scale landlords. A separate set of program guidelines outlining program eligibility, application process, and reporting requirements for small-scale landlords may be the most appropriate approach for program expansion.

Private Lateral Grant Eligibility Criteria Expansion

- *Who is currently eligible?*
  - A household which received a notice from Austin Water Utility about their private lateral line.
  - A household within the Austin city limits, Limited Purpose Annexed (LPA), or Extra Territorial Jurisdictions (ETJ) areas.
  - A household that lives in a single-family home or owner-occupied duplex.
  - Household income is 100% or less than the Median Family Income (MFI).
- *Who would be eligible under program expansion?*
  - Like the Plumbing Program, this program requires that the residence be the primary place of residence. A separate set of program guidelines outlining program eligibility, application process, and reporting requirements for small-scale landlords may be the most appropriate approach for program expansion.

Affordability Period Options

To address the intent of aligning the post-repair protection of the affordability period with the total investment made by the City, staff reviewed the current affordability period frameworks:

- **New Construction: Minimum Affordability Periods**
  - The minimum affordability period for affordable rental units is 40 years following the last certificate of occupancy required for the development.
  - The minimum affordability period for affordable ownership units is 99 years following the issuance of a certificate of occupancy for the dwelling unit.

S.M.A.R.T. Housing

- Unless a longer term is required by law, private agreement, or another provision of this Code, to be eligible for the S.M.A.R.T. Housing program, all reasonably priced dwelling units in a S.M.A.R.T. Housing development must remain reasonably priced starting on the date of initial occupancy:
  - If the unit is owner-occupied, a period of at least one year, or if the owner is receiving federal housing assistance, a period of at least five years; or
  - If the unit is a rental unit, a period of at least five years.
  - Longer affordability periods apply when other affordable housing programs are utilized.

Based on these established requirements, a new option for small-scale landlords may be appropriate such as a structure like the example outlined below:

- *A 5-year affordability period for repairs under $15,000*
- *A 10-year affordability period for investments between $15,000–$30,000*
- *A 15-year affordability period for investments over $30,000*

During the affordability period, landlords would be required to maintain rents affordable to households earning 50% of the Area Median Family Income (AMFI) or less and continue renting to tenants at or below that income level. These requirements could be formalized through a Repair Assistance Agreement, including a recorded deed restriction or affordability covenant, and annual compliance certifications. Penalties for non-compliance may include repayment of prorated repair costs.

Staff Recommendations and Next Steps

Based on research, and analyses of existing programs, staff recommend expanding eligibility to small-scale landlords to address affordability and housing quality concerns. The FY27 Austin Housing Work Plan focuses on enhancing the utilization of home repair programs to better meet established needs. Addressing affordability remains a high City priority and expanding opportunities for small-scale landlords to participate in home repair programs helps the City address the challenges with preservation of NOAH. As such, staff will establish a small-scale landlord home repair program in Project Connect eligible areas with a tiered affordability structure. This response serves as the close-out to Resolution No. 20250605-082.

Should you have any questions or concerns, please contact Nefertitti Jackmon, Community Displacement Prevention Officer of Austin Housing at Nefertitti.Jackmon@austintexas.gov or 512-974-3196.

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