



City of Austin

Recommendation for Action

File #: 25-2340, **Agenda Item #:** 42.

11/20/2025

Posting Language

Approve an ordinance establishing Homestead Preservation District B in southeast Austin, generally bounded by Interstate 35 to the west, East Ben White Boulevard to the south, Pleasant Valley Road to the east, and the Colorado River and City of Austin boundary to the north and repealing Ordinance No. 20151217-026 related to a previous attempt to create a District B. Fiscal Note: Approval of this item establishes the district and does not have an immediate fiscal impact. Any future financial impact will be determined as necessary and be presented for Council approval at that time.

Lead Department

Austin Housing.

Fiscal Note

Approval of this item establishes the district and does not have an immediate fiscal impact. Any future financial impact will be determined as necessary and be presented for Council approval at that time..

Prior Council Action:

September 11, 2025 - Council adopted Resolution No. 20250911-047 directing the preparation of a draft ordinance or ordinances for Council consideration to designate new Homestead Preservation Districts in two areas identified as meeting eligibility criteria under Chapter 373A of the Texas Local Government Code. These areas include Southeast Austin and North Austin. The resolution also calls for a study exploring the feasibility of designating the West Campus area as an HPD and including this area in the draft ordinance for council consideration if found to be eligible.

December 17, 2015 - Council passed three ordinances (Ordinance Nos. 20151217-026, 027, and 028) to create new Homestead Preservation Districts in the City, including Homestead Preservation District B. However, they were later found to be invalid because state law allowing cities to create HPDs no longer applied to the City based on 2010 census data.

January 11, 2007 - Council approved Ordinance No. 20070111-053 establishing Homestead Preservation District A, the City's first HPD under Chapter 373A of the Texas Local Government Code.

For More Information:

Deletta Dean, Director, Austin Housing, (512) 978-1410

Additional Backup Information:

In 2023, House Bill 4559 updated the population and housing unit brackets in the state statute, making the City once again eligible to create new Homestead Preservation Districts (HPDs). This change reversed previous limitations that had excluded the City.

HPDs are intended to support affordable homeownership and prevent the involuntary displacement of low- and moderate-income households. Once established, an HPD enables the use of three regulatory tools to achieve these goals: Homestead Preservation Reinvestment Zones (HPRZs), Homestead Land Trusts, and

Homestead Land Banks.

The Austin Strategic Housing Blueprint adopted in 2018 recommended continued use and expansion of HPD tools to promote affordable housing. Now that the City is again eligible to establish HPDs, Council has an opportunity to expand the use of these tools to promote affordable homeownership and prevent displacement of low- and moderate-income households.

To be eligible for designation as an HPD, an area must meet specific statutory criteria: it must have an overall poverty rate at least twice the citywide rate, median family incomes in each census tract must be below 80 percent of the citywide median, and the total population must be under 75,000.

Directed by Resolution No. 20250911-047, City staff completed a feasibility study evaluating the eligibility of the proposed HPD B as outlined in the resolution, finding it to be eligible for designation as an HPD based on the statutory criteria established in Chapter 373A using the most recent available data from the American Community Survey (ACS) 5-Year Estimates for the City where available. Median family income data was unavailable for census tracts 23.16, 24.13, 23.24, 23.25, and 23.26; those values were calculated manually using table B19101, as outlined in the feasibility study.

City staff recommend establishing HPD B, as it is one of the few areas in the City that still meets all statutory criteria in Chapter 373A. Once an HPD is designated, it does not need to be recertified, meaning the district retains its status even if demographics change over time.