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Tenant Relocation Cost Study

City of Austin

ECOnorthwest

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That assistance notwithstanding, ECONorthwest is responsible for the content of this report. The staff at ECONorthwest prepared this report based on their general knowledge of the economics of housing, real estate development, and the dynamics of displacement and migration. ECONorthwest staff contributing to this study included Jade Aguilar, Amanda Ufheil-Somers, Nick Chun, Willa Van Liew, Jolie Brownell, and Aditya Gadkari. ECONorthwest also relied on information derived from government agencies, private statistical services, the reports of others, interviews with service providers, and other sources believed to be reliable. ECONorthwest has not independently verified the accuracy of all such information. The recommendations in this report reflect the opinions of the authors.

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Executive Summary

Austin is one of the fastest growing metropolitan areas in the country, adding more than 190,000 people since 2010. New housing across the city is helping to accommodate this growth, but patterns of development and redevelopment are also changing Austin neighborhoods and displacing lower income renters and communities of color. When new housing replaces existing housing—such as when an older apartment building is demolished and rebuilt—the existing tenants are unlikely to be able to afford these new units. With rents rising across the city, these households may not be able to find affordable housing in their neighborhood, or even in Austin.

The City’s Tenant Notification and Relocation Assistance Ordinance established a process for tenants being displaced due to redevelopment to receive warning in advance and to receive financial assistance to relocate. In 2024, the City launched the Austin Cares: Tenant Relocation Assistance Program (TRP) to provide support for qualifying lower-income renters and mobile home residents to find new housing and pay for moving-related expenses within 50 miles of Austin. This study is intended to provide information on the supply of housing affordable to displaced residents, understand recent displacement trends, and estimate the current costs of moving.

Key findings

- ◆ **There is significant mismatch between housing costs and renter incomes within Austin.** The majority of renters have very low (under 60 percent of Area Median Income) or very high (over 120 percent of Area Median Income) incomes, while most of the rental housing supply is priced for households earning between 60 and 80 percent of Area Median Income. Much of this housing is actually occupied by renters with higher incomes. The extreme shortage of housing affordable to those with the lowest incomes (under 30 percent of Area Median Income) means that these households are paying much more than they can afford to secure housing. While there will always be some amount of “mismatch” in the rental market, these dynamics show why most renters without very high incomes have difficulty finding affordable housing in Austin.
- ◆ **Areas outside Austin have more affordable housing, but a similar mismatch contributes to limited available supply.** The housing available within 50 miles of Austin’s city limits is more affordable compared to what is inside the city. However, the majority of households outside Austin are also either renting up (paying more than they can afford) or renting down (their income allows them to afford more) rather than being matched to their income. This creates a similar dynamic of competition for affordable housing outside Austin as inside Austin.
- ◆ **Redevelopment adds needed housing, but at higher prices than the housing it replaces.** Since 2006, Austin has lost about 1,800 units to demolition. Overall these



units have been replaced with about twice as many new units, but these patterns are not even across properties. Additionally, areas with a high concentration of demolitions have seen some of the largest increases in median household income, reflecting the in-migration of higher-income households and potential direct and indirect displacement of lower-income residents.

- ◆ **Nearly 35 percent of Austin rental households qualify for the Tenant Relocation Program based on their income and where they live.** More than 102,000 of Austin's renter households would qualify for TRP assistance based on their income, the type of properties that are subject to TNRA requirements, and because they live in older properties that are more likely to redevelop. Most qualifying households have one or two people. Only 15 percent of qualifying households have children, and only 11 percent have four or more people. These statistics likely reflect the types of housing that are subject to the TNRA ordinance, which excludes properties with fewer than five units and single-family rental properties.
- ◆ **Basic relocation costs between \$3,100 to \$15,450 and unit size is the key driver of cost differences.** These estimates vary based on the size of the household, whether tenants hire professional movers, how far away they move, and whether they need any temporary accommodation. This range also includes the additional costs of relocating mobile homes. Given the allowable costs that the TRP covers, unit size is the biggest factor because it determines the cost of moving services (how many possessions there are to pack and move), the average rent of a new unit, and the security deposit.

Recommendations

The City is just starting to implement the TRP now. This is an important moment to consider how the assistance policy will affect displaced households. Based on this study, ECONorthwest recommends the City consider the following priority policy options:

- » **Offer financial assistance based on the size and type of housing.** Current plans set the maximum TRP award at \$6,000, which matches other rental assistance programs offered by the City. This amount is higher than smaller households likely need to cover allowable expenses, but far short of what is needed for larger households and mobile home residents. Adjusting relocation assistance based on the size of the unit or the household could allow a fixed annual budget to serve more households overall.
- » **Maintain the 50-mile limit at this time.** While housing outside Austin is generally more affordable to households currently living in the city, the overall housing dynamics are not dramatically different. Additionally, relocation service providers generally report that their clients try to stay as close to Austin as possible. Very few leave the metro area, and often only do so if they have strong family connections elsewhere, or are returning to a place they used to live. Tracking outcomes for households that request TRP assistance is key to ongoing evaluation of this policy.



1. Project context

Austin is growing at a rapid pace

The City of Austin is among the fastest-growing metropolitan areas in the country. Since 2010, the population of Austin has grown between 2 and 3 percent per year, adding about 190,000 new residents. Much of that growth has happened at the edges of the city, but new jobs and housing are also being added in central and established neighborhoods. According to the latest Austin “State of Downtown” report, in 2022 and 2023, downtown grew by about 9.39 million square feet of office, retail, and residential uses across 28 projects. About 7.1 million square feet of construction is in progress.¹ These developments include more than 11,000 new residences, most of them luxury living spaces with high entry costs that are out of reach for residents making less than the median family income. While several hundred affordable housing units are also on the horizon across the city, it is not enough to meet all community needs for affordable housing. This is especially true for low-income households earning less than half the median income, who face the greatest challenges finding affordable housing in Austin.

Redevelopment activity in Austin leads to displacement

Some of the new development in Austin is creating new planned areas and neighborhoods in areas that were once undeveloped. In other parts of the city, development activity is replacing current uses, including existing housing and commercial properties. The redevelopment of existing lower-density residential properties with higher-density mixed-use development can help increase the overall housing supply to meet the demand from rapid population growth. But redevelopment often causes the direct displacement of existing tenants.

The consequences of displacement from building-level redevelopment can be substantial. Direct displacement disrupts everyday patterns of life, work, school, and community. Finding new housing requires time, effort, and expenses that most renter households are not easily able to absorb, particularly on short notice. Especially for long-time residents in a building, finding replacement housing that is affordable and meets their household needs within the same area might be extremely difficult, forcing people to move farther away from community assets and ties. Direct displacement can increase housing precarity and result in homelessness. The inequitable outcomes of direct displacement disproportionately affect historically under-resourced communities and households, particularly Black, Indigenous, and other People of Color (BIPOC), lower income, disabled, and aging residents.

¹ Downtown Austin Alliance, [State of Downtown Austin](#), 2024.



Addressing and mitigating displacement pressure

To address these challenges and ensure that Austin’s growth equitably benefits both existing and new residents, the City of Austin has created multiple anti-displacement initiatives to address the impacts of displacement and mitigate the effects redevelopment projects have on under-resourced residents. The City’s Tenant Notification and Relocation Assistance (TNRA) Ordinance is one of these initiatives.

Mitigating the impact of displacement

Anti-displacement work involves addressing various types of displacement pressures and stabilizing factors. Strategies include a wide range of upstream (before displacement happens) and downstream (after displacement happens) approaches. The Ordinance sets up the Tenant Relocation Program, a downstream displacement mitigation approach focused on reducing the harm of direct displacement.

THE TNRA ORDINANCE

The City of Austin passed its Tenant Notification and Relocation Assistance (TNRA) Ordinance (Ordinance No. 20160901-050) in 2016 to address the impacts of tenant displacement resulting from the redevelopment of multifamily properties and mobile home parks.

Under the ordinance, the Tenant Relocation Assistance (TRP) program, entitles displaced tenants with incomes below 70 percent of the area median (80 percent for mobile home residents) to financial assistance if they move within 50 miles of Austin’s city limits.

Displacement mitigation refers to strategies, policies, and interventions designed to reduce the negative impacts of the forced relocation of individuals or households due to economic pressures, redevelopment, or other factors such as gentrification. Displacement mitigation strategies aim to minimize the negative social, financial, and emotional impacts of being uprooted from one's home or community, particularly for communities that have historically been disproportionately impacted by displacement.

As a harm reduction strategy, the TNRA ordinance and Tenant Relocation Program provide additional time, financial assistance, and other supports to help displaced households find new housing.

Planning for tenant relocation assistance

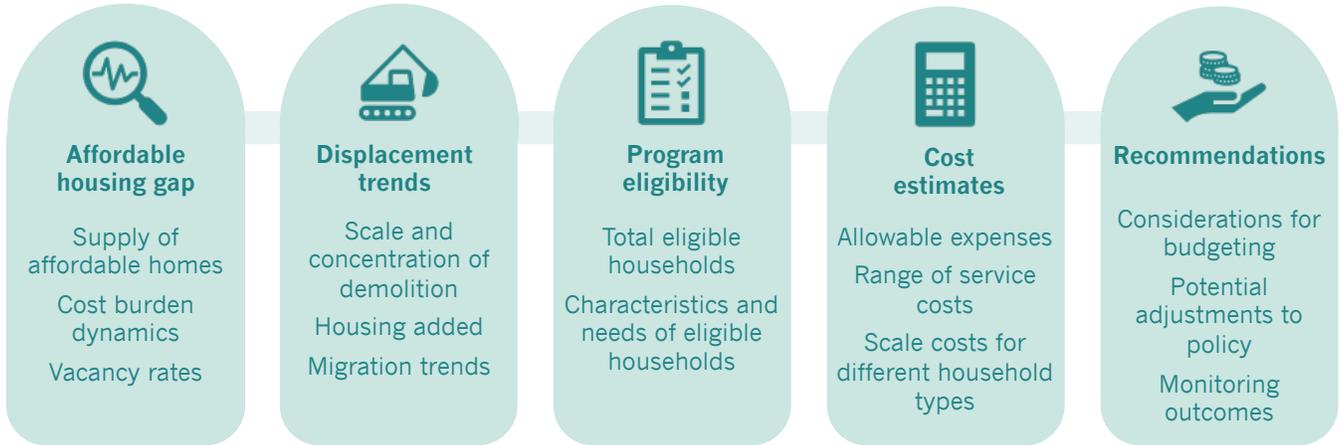
At the time the TNRA Ordinance was adopted, the City considered a joint funding strategy that would draw on City funds and impact fees assessed on redevelopment projects to provide financial support for displaced tenants. In 2017, the State of Texas passed legislation that prohibits the use of impact fees for this purpose. The City now plans to fund the implementation of the Tenant Relocation Program directly to keep lower-income residents housed and mitigate the effects of displacement across the city.



Components of this study

The City of Austin contracted ECONorthwest to understand the nexus between redevelopment and the cost to tenants of relocation. As part of this work, we considered how broader housing market dynamics, past displacement trends, and the demographics of eligible households in Austin could inform the City’s planning and potential policy or program revisions. We also looked to lessons from tenant relocation service providers and other cities that have implemented similar programs for lessons learned and best practices. The elements of this study are summarized in Exhibit 1.

Exhibit 1. Tenant relocation cost study components



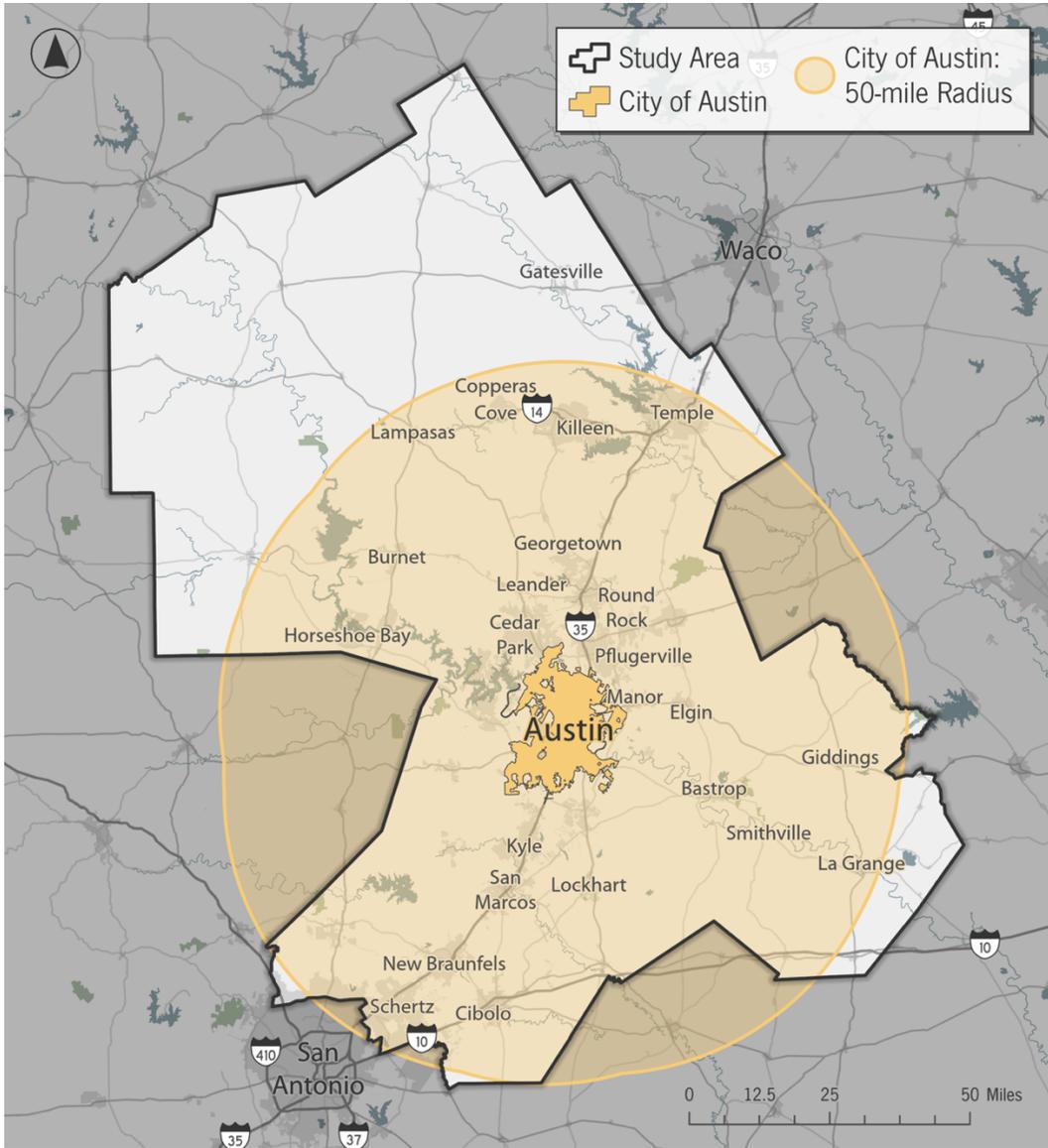
Data and geography considerations

The Tenant Relocation Program provides support for tenants displaced by redevelopment within the City of Austin who move within a 50-mile radius of the city. Policymakers, staff, and advocates have asked whether this defined boundary is an appropriate limit for implementing the program. To understand the housing market that displaced tenants must navigate and understand the implications of this limit on relocation assistance, this study evaluates housing market conditions and demographic trends within Austin city limits and within the 50-mile radius defined by the Tenant Relocation Program.

The U.S. Census Bureau’s Public Use Microdata Sample (PUMS) is the most reliable and comprehensive data source for analyzing the supply and demand for housing at a regional level. To analyze these trends for the broader Austin region, ECONorthwest used 23 Public Use Microdata Areas (PUMAs) that include the City of Austin and surrounding jurisdictions as shown in yellow in Exhibit 2. While this geography does not match the 50-mile radius exactly, 75 percent of the population within that 50-mile radius is captured within these PUMAs. Using these statistical geographies captures regional trends for the urbanized areas where displaced Austin tenants would most likely relocate.



Exhibit 2. Study Area



Source: EConorthwest



GLOSSARY

Throughout this report, we use terms to describe housing market conditions, data sources, characteristics and experiences of renter households, and terms specific to the City of Austin policies and programs. Some of these key terms are defined below.

Affordable housing

According to the Department of Housing and Urban Development (HUD), housing is considered affordable for a household if their housing costs do not exceed more than 30 percent of their income, including additional expenses such as utilities. This standard of affordability traces back to rent caps established for public housing.

Area Median Income (AMI)

This measure represents the median family income of a metropolitan area that is captured by the U.S. Census Bureau’s American Community Survey, then adjusted for household size by the federal Department of Housing and Urban Development. This threshold is based on the income distribution of all owner and renter family households. It does not include non-family renter households, such as roommates.

Cost-burdened household

A household that spends more than 30 percent of its income on housing costs and often has limited dispensable income for other essentials. A household spending more than 50 percent of its income on housing costs is considered “severely cost-burdened”.

Demolition permit

Legal authorization from the City of Austin required to tear down a building. Filing for a demolition permit that will affect five or more rental units triggers the requirements of the City’s [Tenant Notification and Relocation Assistance policy](#).

Displacement

For the purposes of this study, “displacement” means direct residential displacement of renters in [multifamily properties](#) with five or more units due to the planned redevelopment or major renovation of a property, or for mobile home residents due to site plan or land use changes.

Mobile homes (or manufactured homes)

Factory-built homes that are transported to a site. Many mobile homes, especially older ones are not easily movable after being installed at their first location without causing structural or expensive damage. A [mobile home park](#) is a site containing five or more manufactured homes.



2. Affordable housing gaps and challenges

Understanding the housing market that displaced tenants must navigate is an important first step in planning for policy responses that mitigate the effects of redevelopment activity. A tight housing supply within and around Austin will affect how easily tenants displaced by redevelopment will be able to secure new housing that is affordable and located close to work, school, family, or community amenities. For this study, ECONorthwest compared household incomes in Austin to the supply of housing that is affordable at different income levels. The differences between those distributions are one way of identifying gaps in the existing supply of housing at the city and regional levels.

Key Findings

- **There is significant mismatch between housing costs and renter incomes.** The majority of renters have very low (under 60 percent of Area Median Income) or very high (over 120 percent of Area Median Income) incomes, while most of the rental housing supply is priced for households earning between 60 and 80 percent of Area Median Income.
- **Lower-income renters compete for the same units as higher-income renters.** Greater rates of higher-income renter households rent units that are priced for lower-income households, meaning a substantial share of units affordable to low-income and moderate-income households are not available, further exacerbating affordability challenges.
- **Mobile homes provide critical affordable housing for Hispanic households as well as families with children.** Austin has a limited supply of land that can accommodate relocated mobile homes, which increases the possibility of displacement outside Austin for residents of mobile home parks that are redeveloped.
- **Areas within the 50-mile radius experience similar supply and distribution challenges.** Housing is generally more affordable outside of Austin, but even outside of Austin, there are similar dynamics of higher-income households renting units that would otherwise be affordable to low-income households, which limits what is available.



Definitions and methods

How we define affordable housing

According to the federal Department of Housing and Urban Development (HUD), housing is considered affordable for a household if their housing costs do not exceed more than 30 percent of their income, including additional expenses such as utilities. This standard of affordability traces back to rent caps established for public housing.

ECONorthwest recognizes that this standard of affordability is arbitrary and does not capture what is realistically affordable to diverse households with different basic expenses, levels of debt, and other financial burdens. We use this standard so that our analysis can be replicated and easily compared to other studies, most of which rely on HUD’s definition.

How we measure affordable housing gaps

The City of Austin has analyzed the supply of affordable housing for both renters and owners as part of its 5-Year Consolidated Plan (FY 2025–2029). ECONorthwest’s analysis considers only renter households and rental housing (including mobile homes) within Austin and the larger study area to understand the gaps that are most relevant to residents who qualify for the Tenant Relocation Program.

Census microdata includes data on household size, household income, housing size, and housing costs.² To characterize the affordability of housing within the study area, we work backward from reported housing costs. We start with self-reported data about what households paid for their housing. We then calculate the income needed to afford that rent using HUD’s standard of rental affordability, where housing costs cannot exceed 30 percent of a household’s gross income.³ Next, we adjust for different sizes of housing. By default, measures of Area Median Income assume a four-person household. To better match units to households by income, ECONorthwest adjusts the affordability of a unit based on the number of bedrooms using HUD’s adjustment factors for household size, as shown in Exhibit 3.⁴ These adjustment factors for household size have been consistent over time—they do not change from year to year. With this method, we do not overestimate the number of studio or one-bedroom units, for example, that are technically affordable to a four-person household that could not comfortably live in that unit. ECONorthwest applies these adjustment factors to each housing unit observation in the microdata to determine the income needed to afford that unit, paying no more than 30 percent of income. For a one-bedroom apartment, the

² Housing size refers to the number of bedrooms in a housing unit. Alternatively, household size refers to the number of people in a household.

³ U.S. HUD programs include utility costs in total housing costs. Our analysis considers only reported rental prices.

⁴ U.S. Department of Housing and Urban Development, [Methodology for Determining FY 2024 Section 8 Income Limits](#). Because HUD assumes 1.5-person occupancy per bedroom, its household size adjustment factors can be correlated with number of bedrooms. Exhibit only shows HUD multipliers for housing sizes up to five bedrooms. Housing units with more than five bedrooms have corresponding, higher adjustment factors generated using the same scaling formula.



household income that could afford the unit is 75 percent of the income needed to afford the reported rent. For instance, a family in a 3-bedroom unit with a household income of \$125,000 would have to pay no more than \$3,250 a month for their housing to be considered affordable.⁵

Exhibit 3. HUD Multipliers to Adjust Housing Affordability

Number of Bedrooms	0	1	2	3	4	5
Assumed Household Size	1	1.5	3	4.5	6	7.5
Income Adjustment Factor	0.70	0.75	0.90	1.04	1.16	1.32

Source: U.S. HUD

To complement Census microdata, ECONorthwest also analyzed rental housing data from CoStar to understand current market rents and rental vacancy trends in Austin. This information provides additional insight into the availability of housing that meets needs of households of various sizes and incomes.

Affordable housing challenges inside Austin

The analysis below summarizes housing market dynamics within the Public Use Microdata Areas (PUMAs) that most closely correspond to the City of Austin limits. PUMAs allow detailed analysis of household-level information, but using this geography means the data cannot be mapped at the level of Census tracts within the City. Because the TNRA ordinance applies to both renters and mobile home residents, this section includes conditions for rental housing and renter households as well as mobile home residents.

Rental market

According to the most recent Census estimates from 2023, there are approximately 285,000 renter households in the City of Austin. This figure includes people living in all types of rental housing, including single family homes, accessory units, small plexes, and larger apartment buildings. This figure also includes households living in regulated affordable housing, such as units that have rent limits or income requirements tied to the sources of funding used to build or operate them. Regulated affordable housing is a key component of the housing supply, particularly for households earning less than 60 percent of Area Median Income. Rents for regulated units are required to be affordable according to HUD standards to the households living in them.

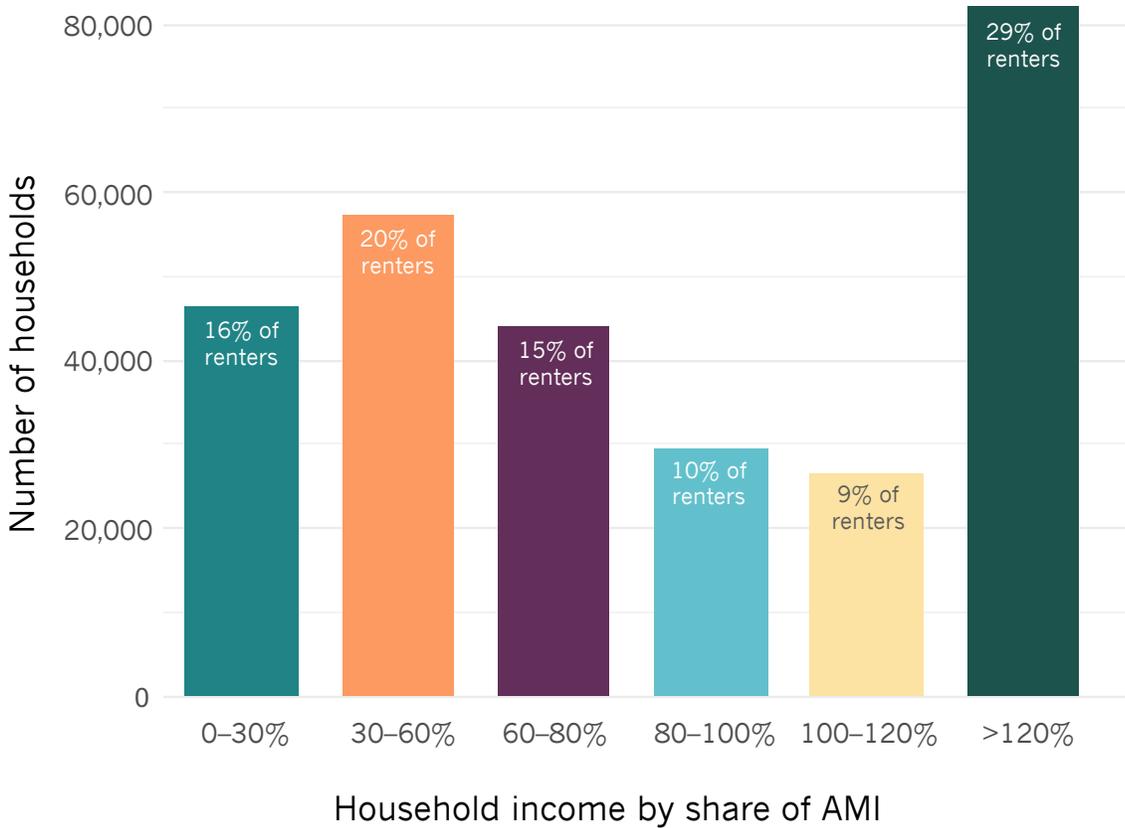
Most renter households have very low incomes or very high incomes

Thirty-six percent of renters—more than 103,300 households—have incomes between zero and 60 percent of Area Median Income, as shown in Exhibit 4. Almost 30 percent of renters—about 81,000 households—have incomes above 120 percent of Area Median Income.

⁵ \$125,000 x 30% x 1.04 = \$39,000 per year = \$3,250 per month.



Exhibit 4. Renter household income in Austin, 2023



Source: ECONorthwest analysis of ACS 1-year estimate, 2023.

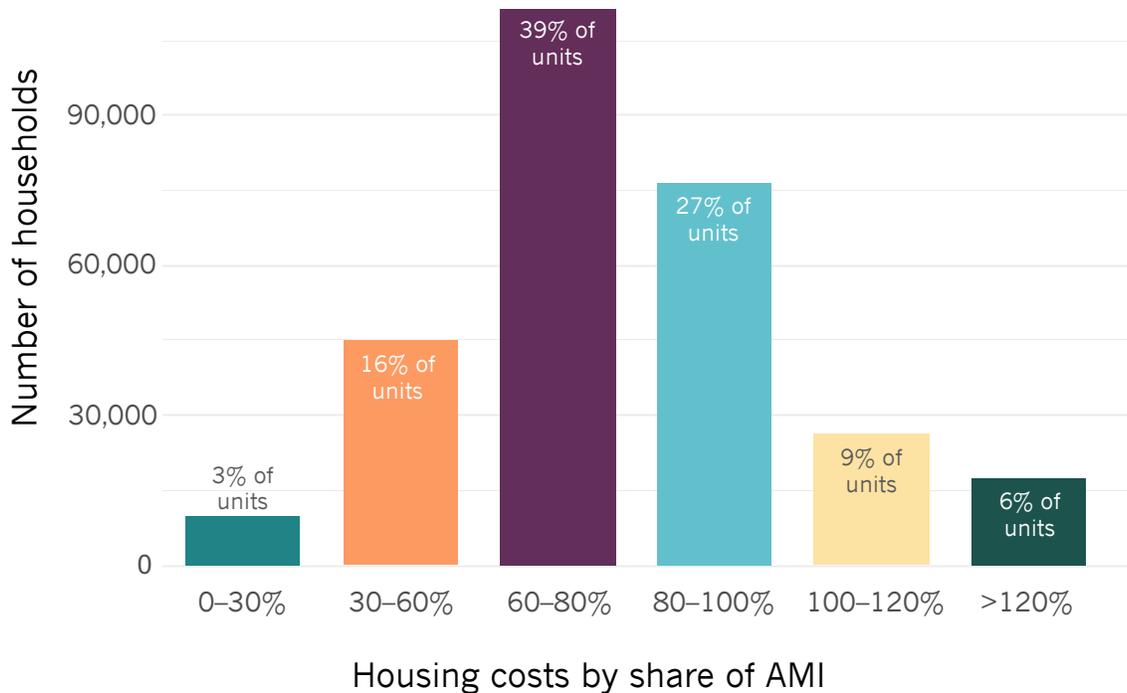
Inset percentages reflect the rounded share of all Austin renters in each income bin.

Most rental housing is affordable to households earning 60 to 80 percent of median income

The distribution of rental housing prices in Austin is not well aligned with actual incomes. As shown in Exhibit 5, the largest share of rental housing—more than 111,200 units—is currently rented at prices that are affordable—meaning rents do not exceed 30 percent of gross income—to households earning between 60 and 80 percent of Area Median Income, which far exceeds the number of renters (about 43,800 households) who have those incomes. The supply of housing affordable to households earning between zero and 30 percent of Area Median Income is less than one-third of the total number of those households in Austin. On the other end of the income spectrum, the supply of rental housing that is rented at prices that match the incomes of the highest income households is about one-fifth the total number of those households.



Exhibit 5. Rental housing costs in Austin, 2023



Source: ECONorthwest analysis of ACS 1-year estimate, 2023.

Most households do not occupy housing that is matched to their income

One way of understanding the dynamics of a rental market considers how household income compares to reported rents. Exhibit 6 illustrates the mismatch between Austin renter incomes and their self-reported rental costs. We summarize these results by considering how many households are “renting up” or “renting down.”

“Renting up” describes households who rent homes that are more expensive than what they can afford, based on their income. These households are likely cost burdened. “Renting down” describes households who rent homes that are less expensive than what they can afford, based on their income. These households may have stayed in the same housing as their incomes grew, or they may be renting a unit that is more affordable to them because there are not enough units better matched to their income. Some high-income renters may continue renting because their incomes may not be enough to buy a home. The median home value has increased in Austin by 150 percent between 2013 and 2023, while renter household incomes have only increased by 75 percent during that time.⁶

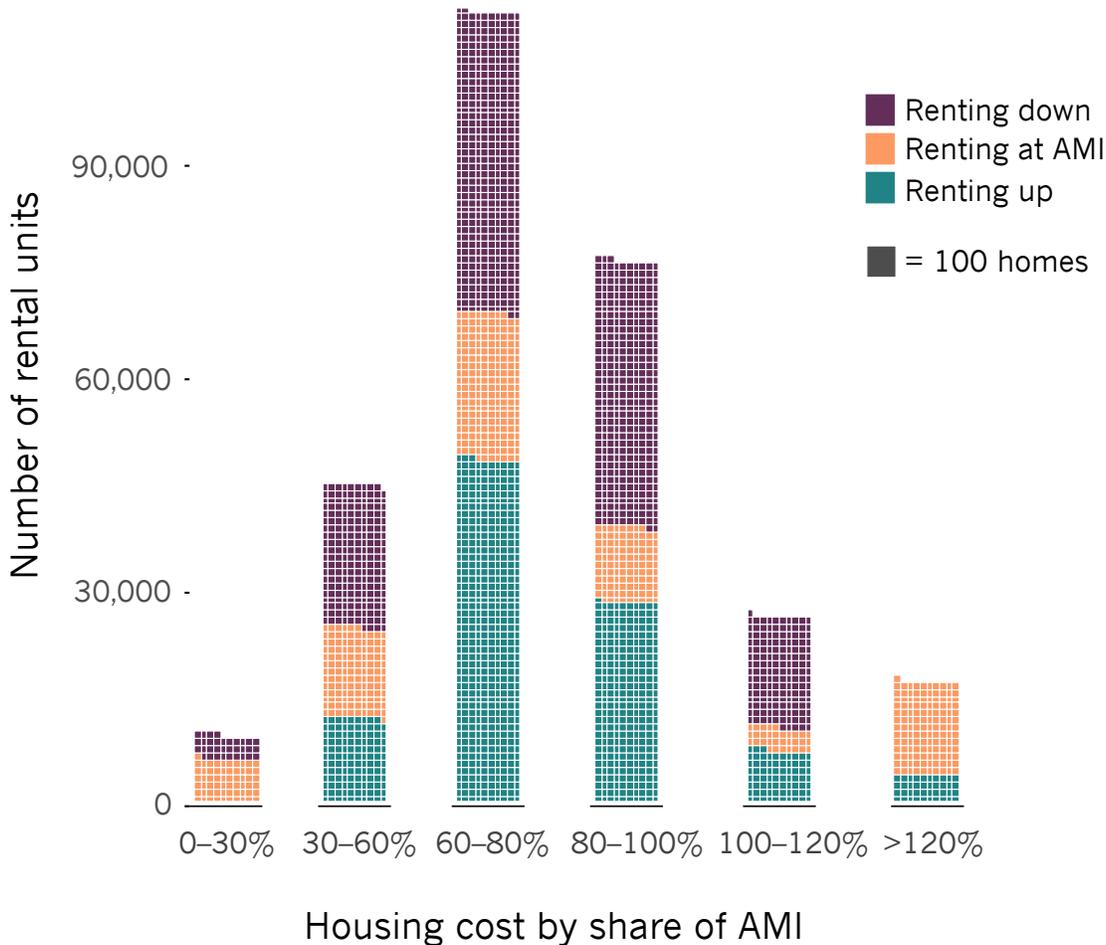
For this analysis, it is not possible to rent up for the lowest-cost units because this group includes households with no income. That is, there are no units at lower cost than what is affordable without income. Similarly, it is not possible to rent down for units that match incomes above 120 percent of the area median because there is no upper limit for those incomes.

⁶ U.S. Census Bureau American Community Survey (ACS) 1-year estimates, 2013 and 2023.



For rental costs between 30 and 120 percent of AMI, the majority of households are not “matched” to the price of their housing. Nearly half of the units affordable to low-income and moderate-income households are occupied by households with higher incomes.

Exhibit 6. Renter income compared to rental housing costs in Austin, 2023



Source: ECONorthwest analysis of ACS 1-year estimate, 2023.

Lower income renters are competing for the same units with higher income renters

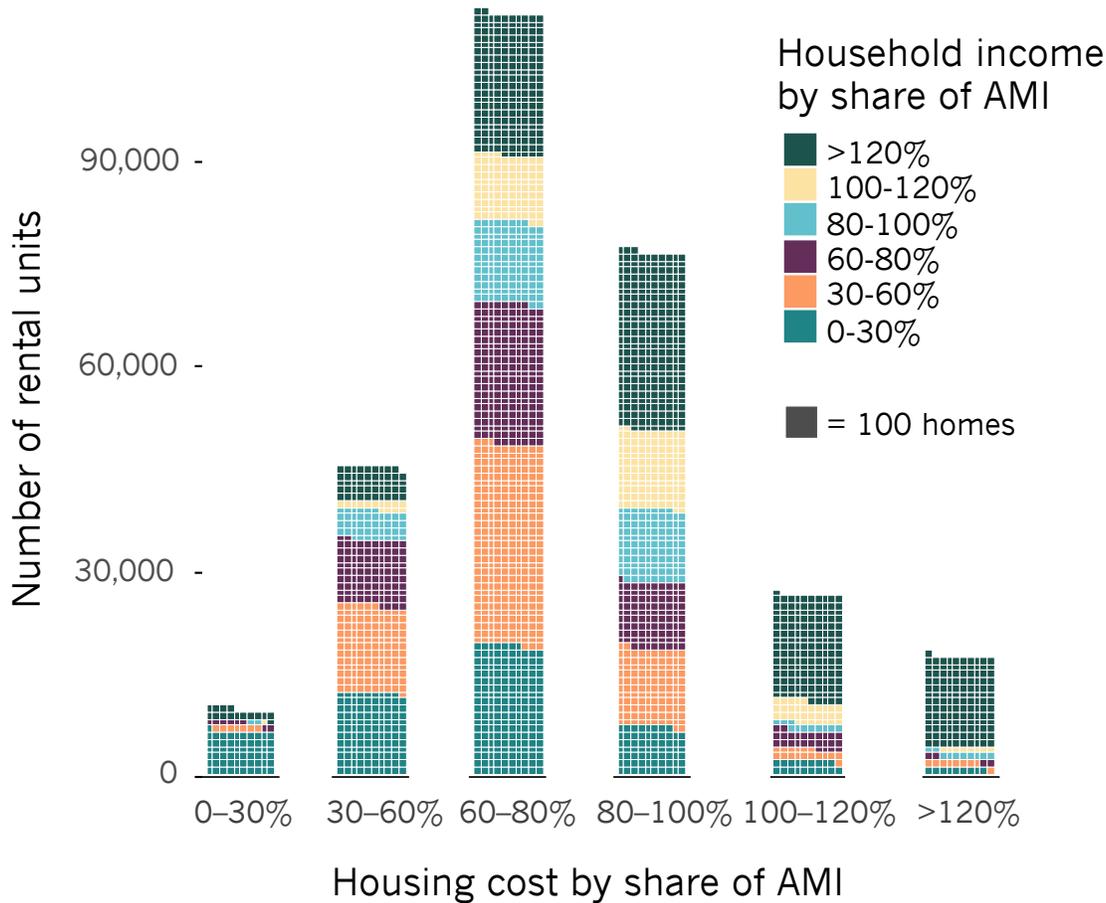
Looking at the mismatch between income and housing costs by income categories shows more clearly how the large population of high-income renters affects the rental market in Austin. Exhibit 7 shows that renters with incomes above 120 percent of the area median (shown in dark green) occupy units that are affordable to households with much lower incomes. At the same time, the very limited supply of units affordable to households with the lowest incomes is apparent in the number of extremely low-income households (shown in teal in Exhibit 7 below) who are renting homes much more expensive than what is affordable to them.

While there will always be some amount of “mismatch” in the rental market, this data helps illustrate why most renters without very high incomes may experience a shortage of units



affordable to them. This shortage is, of course, most acute and most challenging for households with the lowest incomes.

Exhibit 7. Renter income by AMI compared to housing costs in Austin, 2023



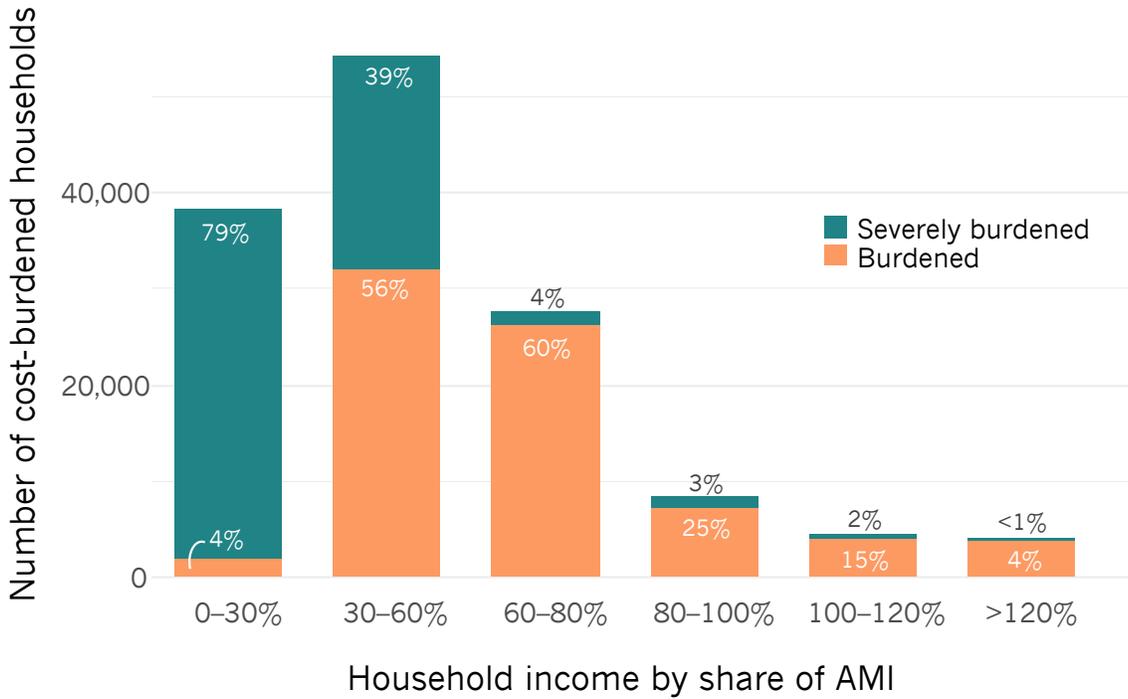
Source: ECONorthwest analysis of ACS 1-year estimate, 2023.

Renters with the lowest incomes experience the most housing cost burden

Though many households in Austin are renting up, or spending more on housing than what they can afford, renters with the lowest incomes have the highest rates of cost burden, as shown in Exhibit 8. Cost burden is calculated by the Census, and is based on a household’s self-reported income and housing costs. Overall, 49.5 percent of Austin renters are cost burdened, meaning they pay more than 30 percent of their income toward housing. Low-income renters in Austin show much higher rates of cost burdening (see Exhibit 8), with 56 percent of renters earning between 30 and 60 percent of Area Median income and 60 percent of renters earning between 60 and 80 percent of Area Median Income experiencing housing cost burden in 2023. The rates of cost burden are lower among renters earning less than 30 percent of Area Median Income only because most of these households (79 percent) are severely burdened, meaning they spend more than 50 percent of their income on housing.



Exhibit 8. Cost burdened renter households by income in Austin, 2023



Source: ECONorthwest analysis of ACS 1-year estimate, 2023.

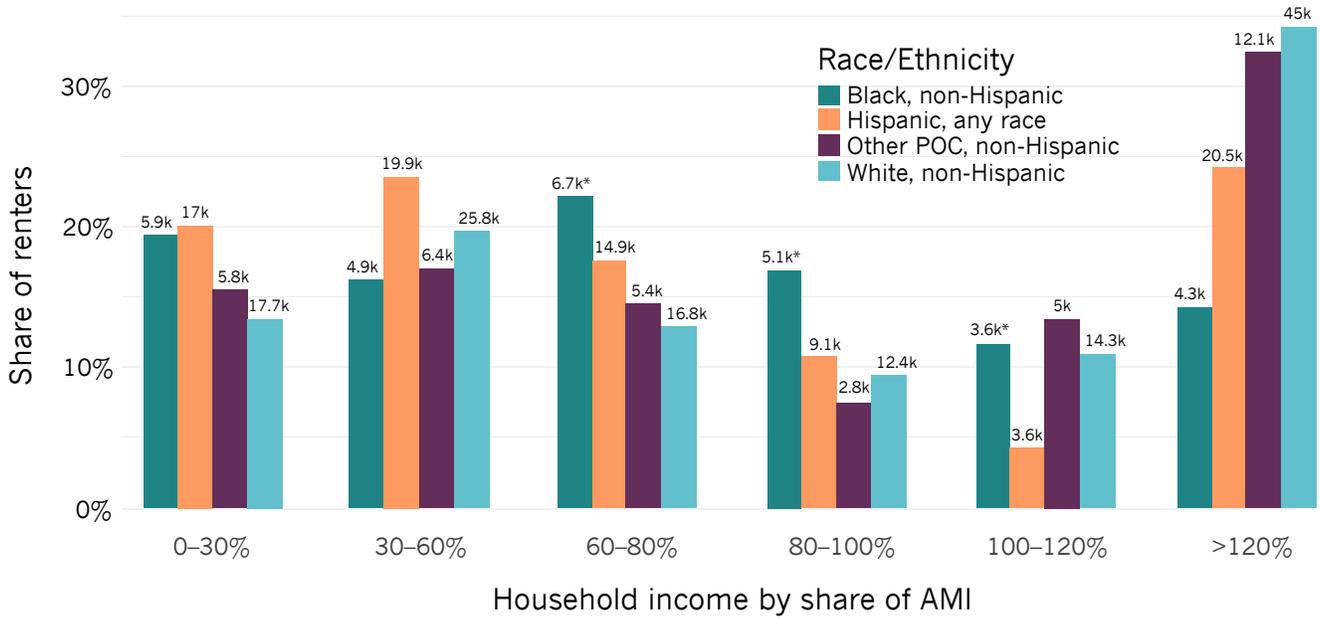
Inset numbers represent the share of renters with these incomes in each category.

Affordability challenges are more acute for households of color

When we break out household income by race and ethnicity, we see that higher shares of Black, Hispanic, and other households of color have very low incomes—below 60 percent of the area median, as shown in Exhibit 9. These households disproportionately experience the effect of the limited housing that is affordable at those incomes.



Exhibit 9. Renter household income by race and ethnicity in Austin, 2023

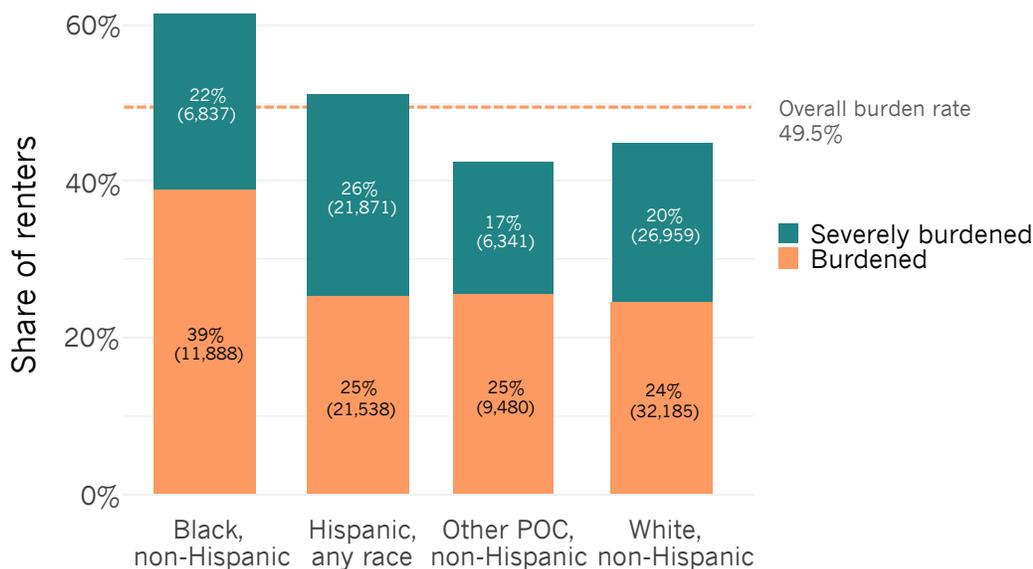


Source: ECONorthwest analysis of ACS 1-year estimate, 2023.

Inset figures represent the number of renter households in each category. Data marked with * are based on low counts and have high margins of error. These estimates are not reliable.

When we analyze cost burden by race and ethnicity, it is clear that cost burdening is disproportionately experienced by households of color, as shown in Exhibit 10. Black, non-Hispanic households have the highest shares of cost burdening (39 percent) and overall burden (61 percent) among all renters. Hispanic households have the highest rate of severe cost burden (26 percent). Taken together, 51 percent of Hispanic renters are cost burdened. Austin’s overall rate of cost burden is 49.5 percent.

Exhibit 10. Cost burdened renter households by race and ethnicity in Austin, 2023



Source: ECONorthwest analysis of ACS 1-year estimate, 2023.



Mobile home market

Mobile homes make up a small portion of the overall housing supply in Austin, at about 6,000 units out of more than 517,000 housing units.⁷

Mobile homes are an important part of the housing landscape for low-income households in Austin

Four out of five residents of mobile homes have incomes below 80 percent of the Area Median Income, as shown in

⁷ Because the number of mobile homes is small, EConorthwest used the U.S. Census Bureau's American Community Survey (ACS) 5-year estimates, which uses a 5 percent sample size to provide more reliable data on mobile homes and the income of households who live in this type of housing. Data about other renter households comes from ACS 1-year estimates, which uses a 1 percent sample size.



Exhibit 11. Nearly all manufactured homes (88 percent) in the study area are affordable to households earning 60 percent or less of Area Median Income, as shown in Exhibit 12. The lower cost to purchase manufactured homes offers an opportunity for homeownership for lower-income households. Two-thirds of mobile home residents own their own homes, as shown in Exhibit 13, though these households are still considered tenants in Texas if they rent the land underneath their homes, as is the case with mobile home parks.



Exhibit 11. Mobile home resident income in Austin, 2019–2023

INCOME AS SHARE OF AMI	HOUSEHOLDS	SHARE
0–30%	1,747	29%
30–60%	2,008	34%
60–80%	1,034	17%
80–100%	554	9%
100–120%	372*	6%*
>120%	271*	4%*

Source: ECONorthwest analysis of ACS 5-year estimates, 2019–2023.

* These estimates have margins of error that are 50 percent or more of the total size of the estimate, which makes them unreliable.

Exhibit 12. Monthly mobile home costs in Austin, 2019–2023

HOUSING COSTS AS SHARE OF AMI	HOUSEHOLDS	SHARE
0–30%	3,820	64%
30–60%	1,453	24%
60–80%	249*	4%*
80–100%	47*	<1%*
100–120%	57*	<1%*
>120%	350*	6%*

Source: ECONorthwest analysis of ACS 5-year estimates, 2019–2023.

* These estimates have margins of error that are 50 percent or more of the total size of the estimate, which makes them unreliable.

Exhibit 13. Mobile homes residents by tenure in Austin, 2019–2023

TENURE	HOUSEHOLDS	SHARE
Owner	3,993	67%
Renter	1,993	33%

Source: ECONorthwest analysis of ACS 5-year estimates, 2019–2023.

Most mobile home residents are Hispanic, and these households are more likely to have children

While Black, Hispanic, and other households of color are overrepresented among households with lower incomes, Hispanic households are more likely to live in mobile homes than other groups. Sixty-eight percent of all households living in mobile homes are Hispanic, as shown in



Exhibit 14. While overall about half of mobile housing residents have children in the household, 84 percent of the households with children are Hispanic.



Exhibit 14. Mobile home residents by race and ethnicity in Austin, 2019–2023

RACE/ETHNICITY	HOUSEHOLDS	SHARE
Black, non-Hispanic	153*	3%*
Hispanic, any race	4,041	68%
Other POC, non-Hispanic	413	7%
White, non-Hispanic	1,379	23%

Source: EConorthwest analysis of ACS 5-year estimates, 2018–2022.

* These estimates have margins of error that are 50 percent or more of the total size of the estimate, which makes them unreliable.

Austin has a very limited supply of land that can accommodate relocated manufactured homes

As we note above, there are significant logistical challenges to moving mobile homes, especially older structures, and having them remain structurally sound. Given those considerations, it can be impossible for some home owners to move their mobile homes when mobile home parks redevelop. For those with homes that can be moved, the ability to relocate those homes within Austin is further constrained by the limited supply of land that allows manufactured housing in the zoning code.

EConorthwest analyzed parcel data from the City of Austin to determine where manufactured homes currently exist and identify areas zoned as Mobile Home Residential (MH), which is for mobile home parks and mobile home subdivisions. Currently, 1,281 parcels with a total of 2,893 acres within Austin have mobile homes on site, mostly in the form of existing mobile home parks. Some of these parks have vacant spaces that could accommodate a small number of additional homes. In comparison, our analysis identified 85 parcels comprising 70 acres that would allow manufactured homes to be located there, per the zoning code. These parcels, however, are not all vacant, nor are they necessarily served by the necessary utilities or intended by their owners to be used for manufactured housing.

Affordable housing challenges outside Austin

The analysis below summarizes housing market dynamics for the Public Use Microdata Areas outside the City of Austin that best fit the 50-mile radius described in the TNRA ordinance, as shown in Exhibit 2. For this analysis, EConorthwest used the same Area Median Income as the City of Austin to better reflect how displaced Austin residents would interpret housing prices if they looked for housing within the 50-mile radius. In reality, some of these areas have a different median income as calculated by HUD.

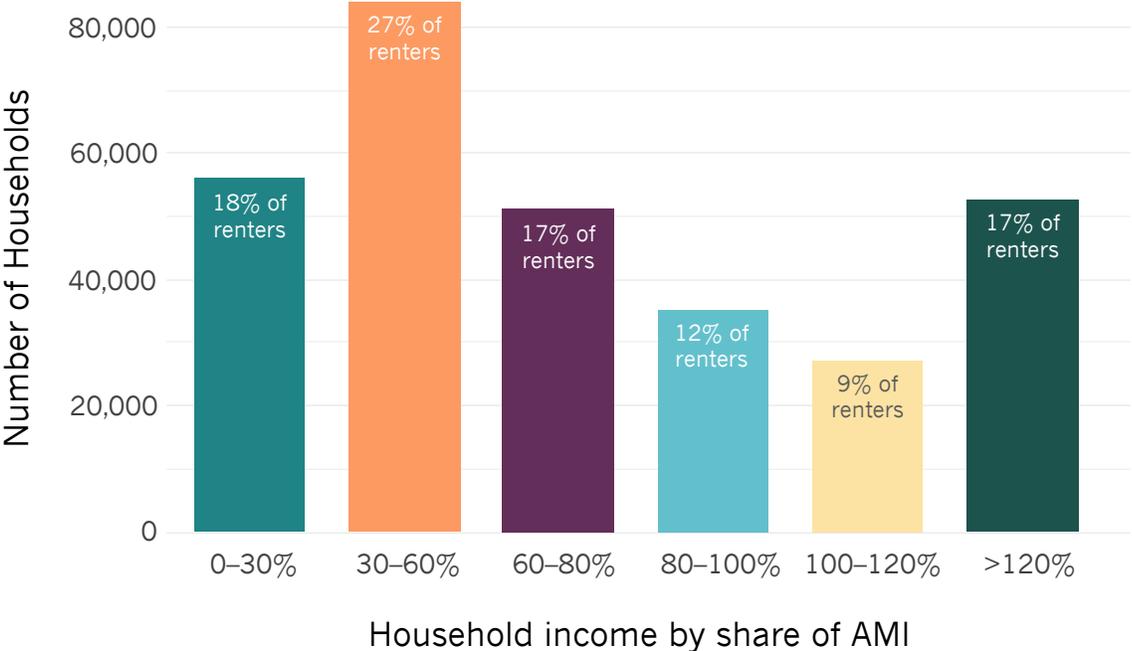
Renters outside Austin have, on average, lower incomes than Austin renter households

Renters in the study area (see Exhibit 2) living outside Austin have lower incomes overall compared to renters within the city. Almost half of the rental households outside Austin—



about 140,000 households—have incomes less than 60 percent of the Area Median Income, as shown in Exhibit 15. While 38 percent of renters (about 108,500 households) within Austin have incomes greater than the median income (see Exhibit 4), only a quarter of renters (about 80,000 households) outside the city have incomes greater than 100 percent of Austin’s Area Median Income.

Exhibit 15: Renter household income outside Austin, 2023



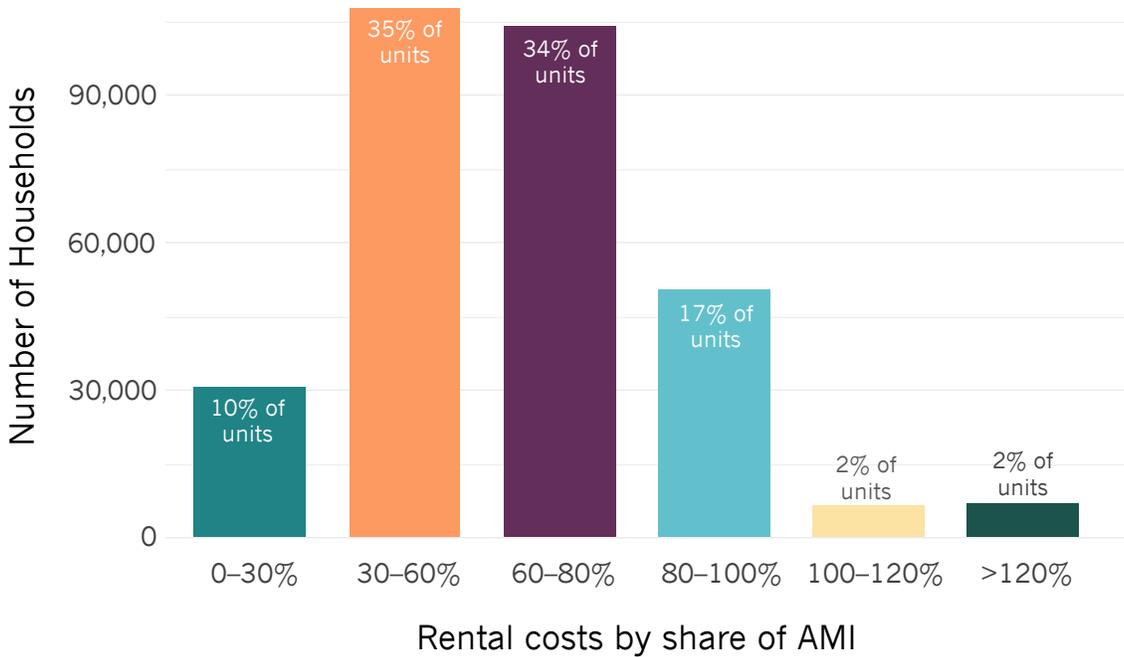
Source: ECONorthwest analysis of ACS 1-year estimate, 2023.

More rental housing outside Austin is affordable to households with very low incomes

The distribution of rental housing prices outside Austin is better aligned with incomes relative to what is seen in the city. Exhibit 16 shows that the largest share of rental units outside Austin—close to 108,000 units—are affordable to households earning between 30 and 60 percent of Area Median Income. The total number of rental units affordable to households between 30 and 100 percent of Area Median Income is more than the number of households in each of these income brackets. There is, however, a significant shortage of housing units affordable for households earning less than 30 percent of Area Median Income bracket and more than 100 percent of Area Median Income, relative to the number of households in these groups, similar to the dynamic within Austin.



Exhibit 16: Rental Housing Costs outside Austin, 2023



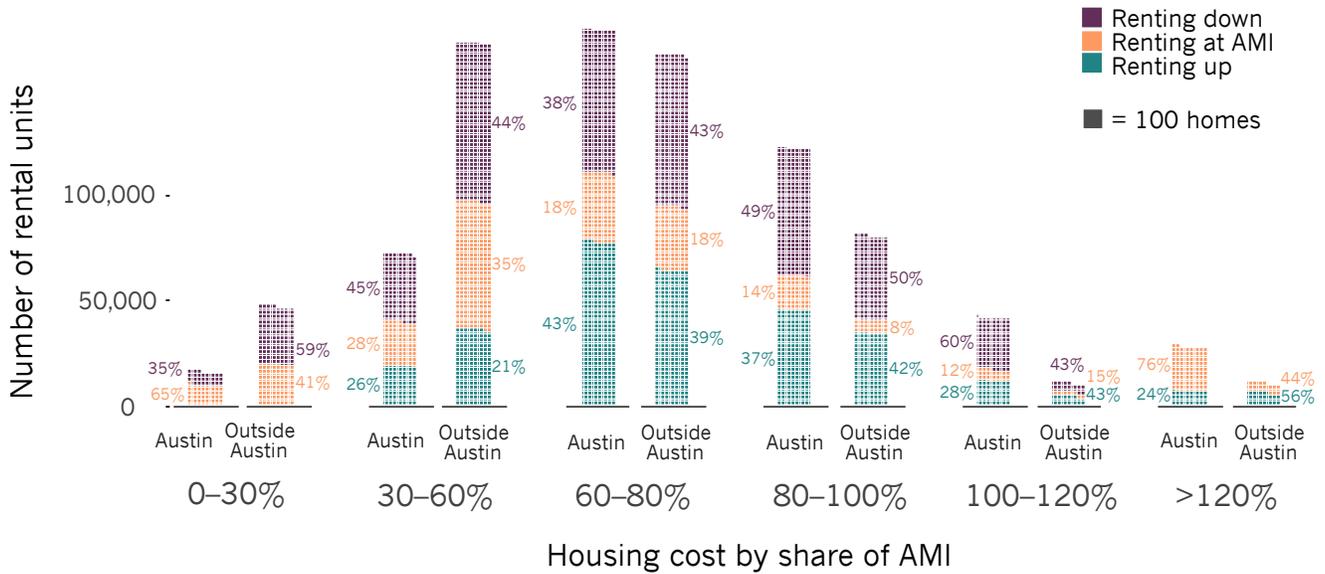
Source: ECONorthwest analysis of ACS 1-year estimates, 2022.

Most households do not occupy units that are matched to their income

Despite the different distribution of incomes and housing costs outside the city, the majority of households are renting up or down rather than being matched to their income, as shown in Exhibit 17. While larger shares of very low-income households outside Austin are renting homes that are affordable to them, across the income spectrum, households are more likely to be renting down than they are to be renting housing that matches their income. This dynamic translates to fewer affordable housing units for low-income renters and similar (or larger) shares of households that must rent up, or pay more than they can afford, to secure housing.



Exhibit 17: Renter income compared to housing costs in and outside Austin, 2023



Source: ECONorthwest analysis of ACS 1-year estimate, 2023.

Other challenges to finding affordable housing

Beyond the current dynamics of how much Austin renters earn and what they pay for housing, there are other factors that affect whether displaced tenants will be able to find affordable and adequate housing to meet their needs.

Available apartments are generally more scarce in Austin compared to the broader area

Vacancy rates—or the share of rentable, but currently unoccupied, units in an area—can indicate how tight a housing market can feel to renters looking for a new place to live. Lower vacancy rates mean there are fewer units available for rent. Higher vacancy rates mean there are more units for rent, though their prices may not align with what is affordable to many renter households.

The Austin area has seen a lot of fluctuation in the overall multi-unit vacancy rate since 2000, as shown in Exhibit 18.⁸ While vacancy rates have increased since 2021, this supply of available units is likely due to new housing that has been completed in recent years, as shown in Exhibit 19. Newer buildings can take many months to become fully leased, which contributes to higher vacancy rates in the months after construction is completed.⁹

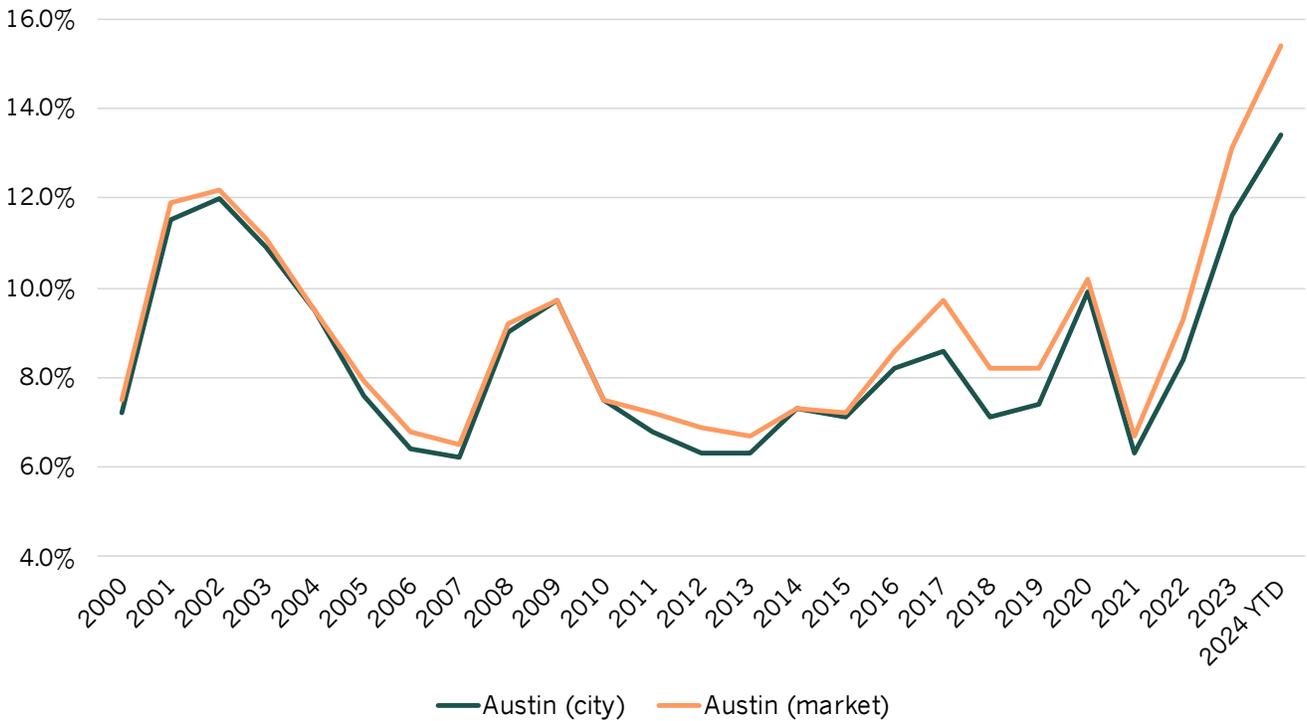
⁸ In the CoStar data, the Austin market includes nearby suburbs within a 50-mile radius of the centroid of the City of Austin. This radius is not as large as the project study area, which extends 50 miles from the City boundary.

⁹ These vacancy trends are based on CoStar data, which surveys property owners directly, multiple times per year. This data is more representative of larger rental properties; it is less accurate for small rental properties that are managed directly by small-scale property owners. These rates are generally higher than what is reported in the Census, but with a much larger sample size they better reflect the housing stock that is available to rent at any given time.



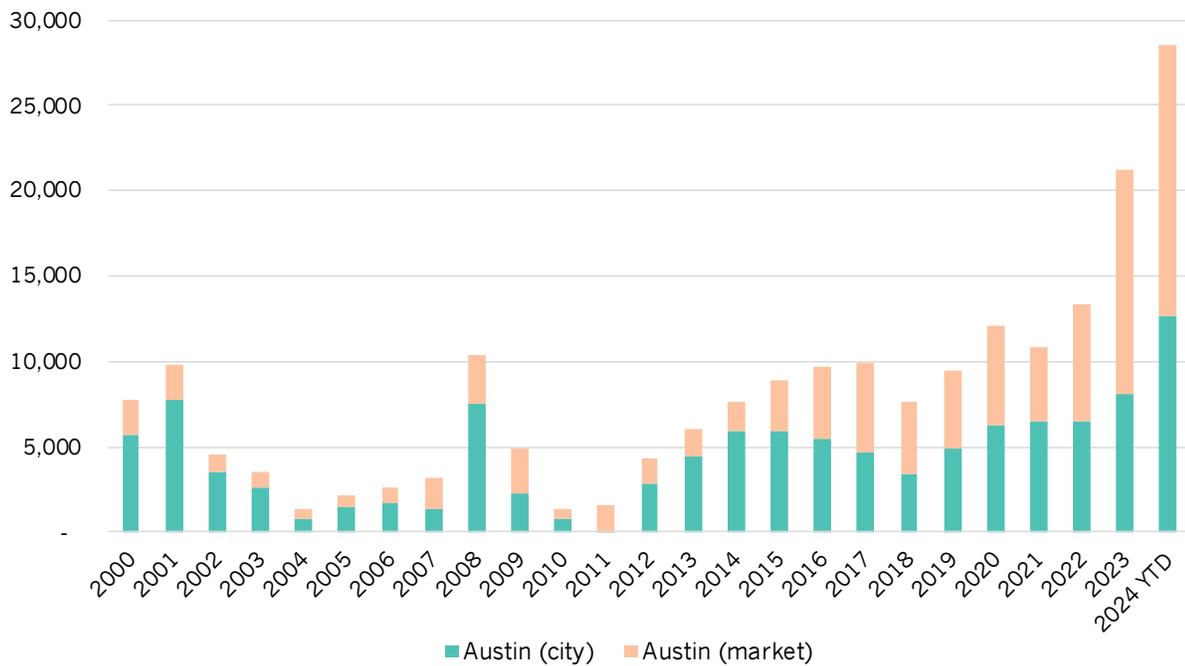
Vacancy trends within Austin and in the broader market have largely trended together since 2000. Yet the share of recent new construction outside Austin shown in Exhibit 19 likely contributes to higher vacancy in the broader market compared to Austin since 2023.

Exhibit 18. Multi-unit vacancy rate in Austin market, 2000–2024 YTD



Source: ECONorthwest analysis of CoStar data.

Exhibit 19. New multi-unit construction in Austin market, 2000–2024 YTD



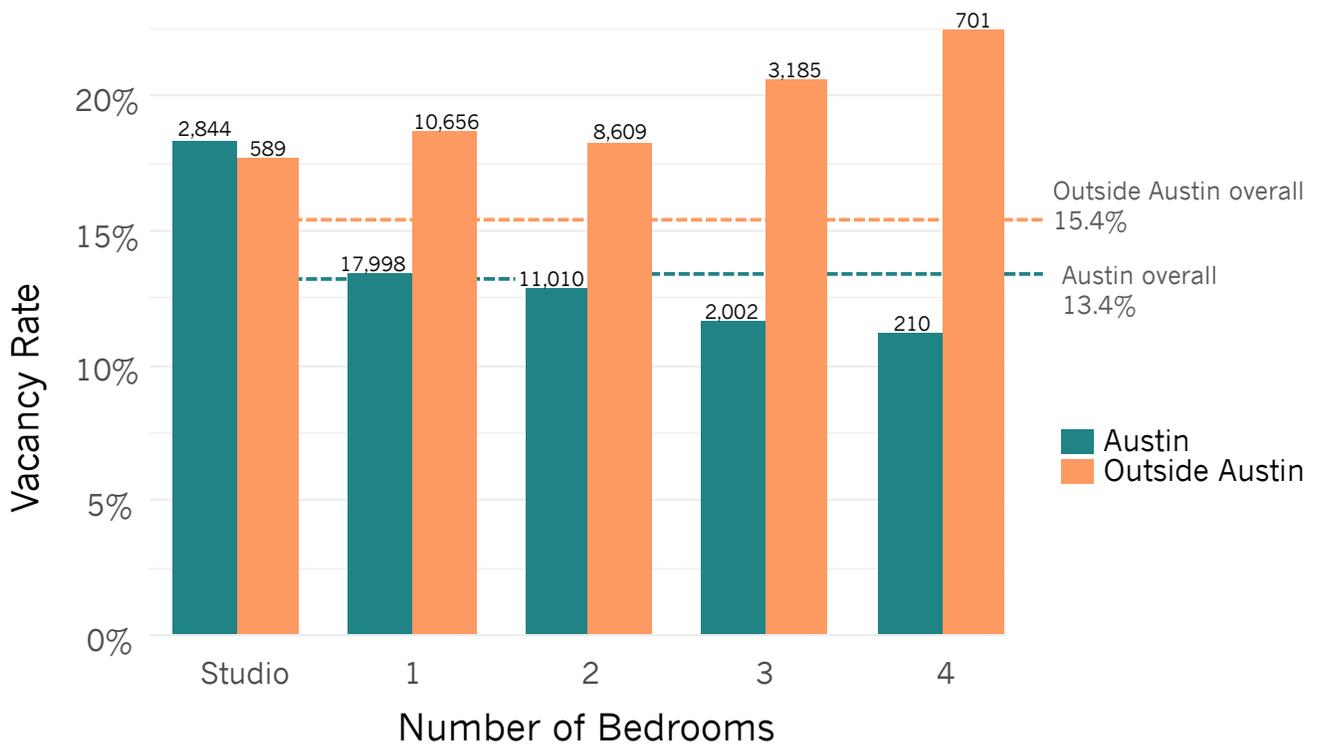
Source: ECONorthwest analysis of CoStar data.



Housing that can accommodate larger families is harder to find

Both inside and outside Austin, vacancy rates generally decline as the size of housing increases, as shown in Exhibit 20. The number of units that can accommodate larger households also declines rapidly as bedroom count increases. In October 2024, there were about 200 four-bedroom units for rent in Austin, compared to 2,000 three-bedroom units.¹⁰ Below-average vacancy rates and fewer units mean that families and other larger households may have a harder time finding housing to accommodate their needs if they are displaced from their current home.

Exhibit 20. Vacancy rate and available units by bedroom count in Austin market, 2024



Source: ECONorthwest analysis of CoStar data.

There are fewer restrictions on where mobile homes can be located outside of Austin

Jurisdictions outside of Austin have fewer restrictions on where manufactured housing is allowed, especially in unincorporated areas of the metro area counties. A more significant barrier to relocating mobile homes outside of Austin is the structural challenge of moving the home and the logistics and expense of doing so.

¹⁰ CoStar data better represents larger scale rental housing and does not fully capture smaller rental properties, including single-family rentals and small plexes. The counts of available units cited here indicate trends and relationships between different sizes of housing, but are an undercount of actually existing and available units in the rental housing market.



3. Displacement trends

Looking at past redevelopment activity can suggest patterns in the scale of displacement that might occur in Austin in the future if these trends continue. ECONorthwest also analyzed the outcomes of previous residential redevelopment to understand what kind of housing is being created in Austin through redevelopment. We also considered broader migration trends to provide insight into where displaced Austin renters may more easily find new housing that is affordable and meets their needs.

Key Findings

- **Demolitions in Austin concentrated in Central Austin.** Since 2006, about 1,800 apartments have been demolished in Austin, with more than half of these demolitions occurring in or near neighborhoods of Central and South Austin. Residents who left these areas with high demolition activity tended to move immediately south.
- **Demolition areas experienced a significant change in median income.** Areas with a high concentration of demolitions have seen some of the largest increases in median household income, likely reflecting the in-migration of higher-income households and potential direct and indirect displacement of lower-income residents.
- **For each demolished unit, Austin added about two new units overall.** Most demolitions involved multifamily properties, and most new housing that was built on redeveloped properties was also multifamily housing. About 40 percent of demolitions resulted in increased density on the same lot, though likely priced higher than the housing that was lost. Some demolished units were converted to lower-density housing, such as replacing apartments with townhomes. Some properties that have been demolished have not yet been replaced with new housing.

Definitions and methods

How we define displacement

Tracking residential displacement with accuracy is extremely challenging. A relatively small share of people who experience displacement do so in a direct and documented way, such as through an eviction notice filed with the County. Many households face displacement pressure from a variety of sources, including rent increases, owners or managers neglecting critical repairs to their rental homes, landlord harassment, or loss of local community and businesses.

While this study focuses on residential displacement due to redevelopment, we acknowledge that displacement can take many forms, including residential, commercial, and cultural.



- ◆ **Commercial displacement** describes the removal, closure, or relocation of local businesses.
- ◆ **Cultural displacement** refers to the loss of connection to a sense of place and belonging that longtime residents experience as their neighborhood changes and cultural assets and heritage disappear.

Residential displacement contributes to other forms of displacement as community networks are fragmented, local businesses lose clientele, and remaining residents experience social isolation.

How we identify displacement trends

To understand displacement trends specifically related to redevelopment, ECONorthwest looked at documented cases of demolished housing recorded in the City of Austin’s permit records. We used this data to examine where demolitions are concentrated and year-over-year trends in the number of units that are lost. To provide greater insights, we mapped this demolition data against changes in household income, and broader migration trends for areas within and near Austin using anonymized location trends based on cell phone data.

This analysis focuses on the demolition of multifamily housing and mobile homes in Austin since 2006, the period for which permit data is readily available. Because the Tenant Notification and Relocation Assistance (TNRA) Ordinance applies to multifamily developments where demolitions will affect five or more units, ECONorthwest excluded demolition permits for detached houses, and multiunit buildings where fewer than five units were demolished. We included all demolitions of mobile homes because many of these records are submitted for individual street addresses, though they are part of the same mobile home park or subdivision.¹¹ Some permit records had inconsistent or missing information that made it difficult to determine what kind of structure was demolished. In cases where it was not clear that the building was multiunit housing, we excluded the record.

Demolition patterns

Since 2006, about 1,800 apartments have been demolished in Austin

Annual trends in demolition activity have varied over time, as shown in Exhibit 21. Redevelopment activity is influenced by local market factors, such as demand for higher-rent or different types of housing or land uses, as well as macroeconomic factors, such as the availability and overall cost of financing for development. Between 2006 and 2023, Austin lost 1,845 apartments and mobile homes to demolition, or an average of 102 units per year. These are only the units that meet the TNRA criteria, meaning they involve five or more units or mobile homes.¹² Of the total demolished units, 50 were mobile homes. Permit data does not provide specificity on the sizes of units that were demolished or whether they were

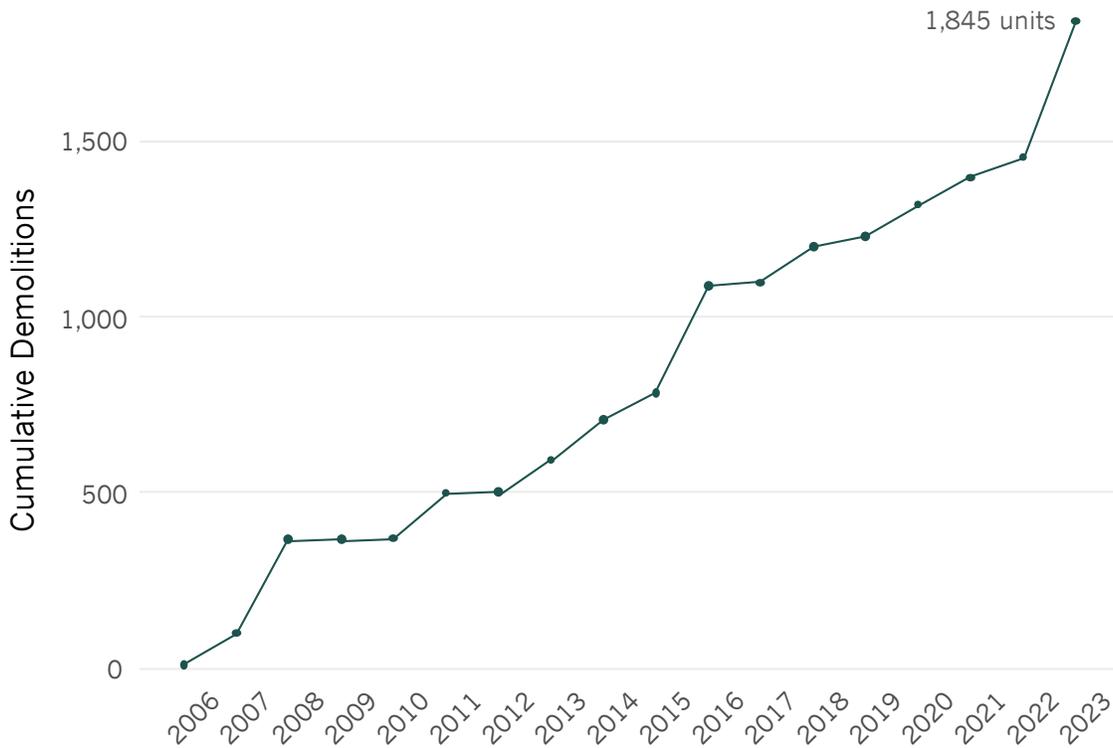
¹¹ The TNRA also applies to site plan changes for mobile home parks, this data is more difficult to determine through permit records.

¹² Most residential demolition permits in Austin each year are for single-family homes.



occupied at the time, so it is difficult to know without property-level investigation how many tenants were displaced by this demolition activity.

Exhibit 21. Demolished apartments in Austin, 2006–2023



Source: ECOnorthwest analysis of City of Austin permit data.

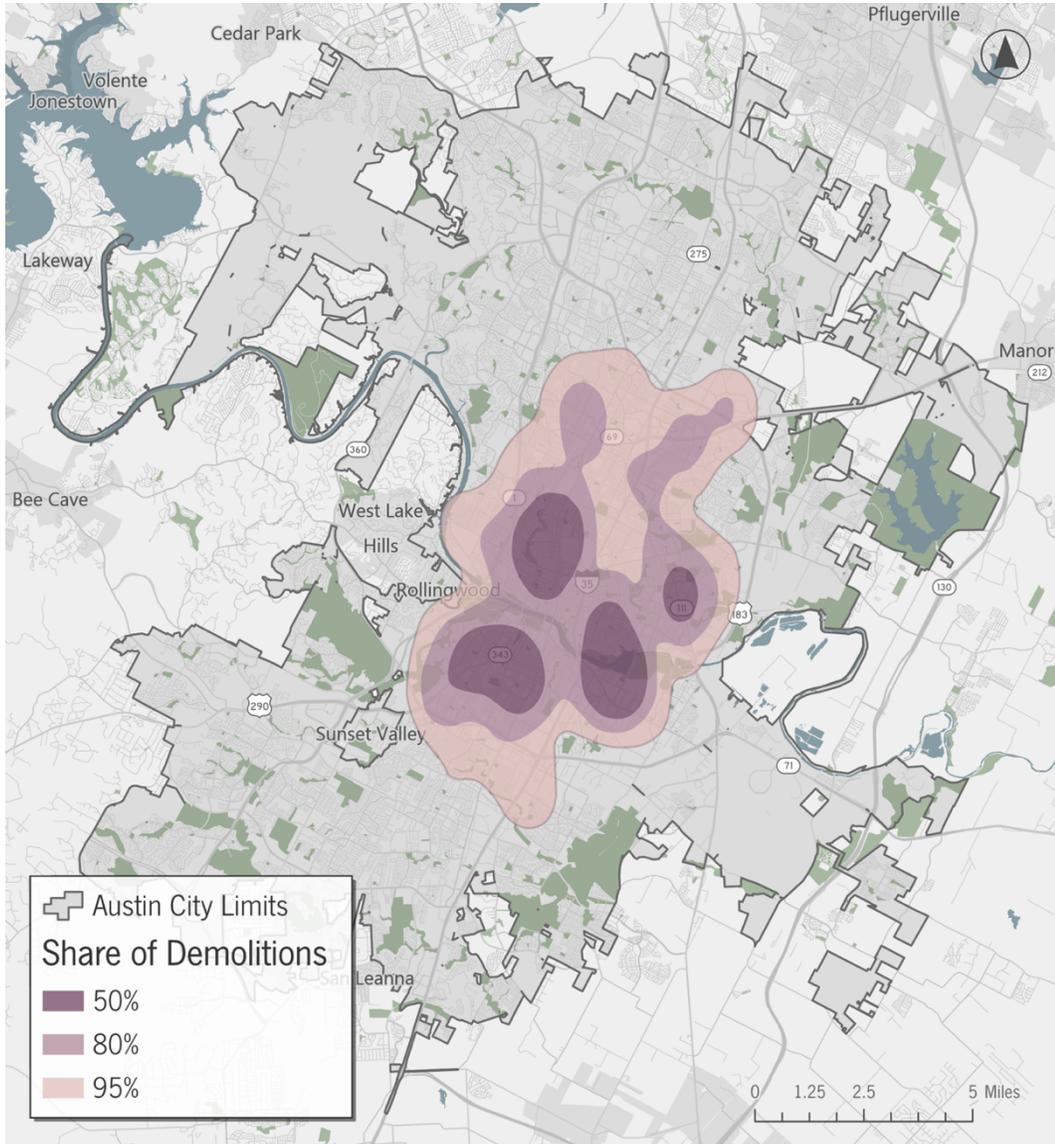
Note: Includes only demolitions that involved five or more units, or any number of mobile homes.

More than half of demolitions occurred in or near Central Austin

To compare this demolition data to other demographic shifts in the city, we focus on the period between 2012 and 2022. Mapping this subset of demolition data shows that 50 percent of all the units demolished between 2012 and 2022 occurred in neighborhoods of Central and South Austin that intersect ZIP codes 78701, 78704, 78702, and 78741, as shown in Exhibit 22. About 95 percent of apartment and mobile home demolitions are concentrated in neighborhoods within six miles of Downtown Austin.



Exhibit 22. Concentration of demolished units, 2012–2022



Source: ECONorthwest analysis of City of Austin permit data.

Areas that have seen the most demolitions have also seen some of the largest changes in median income

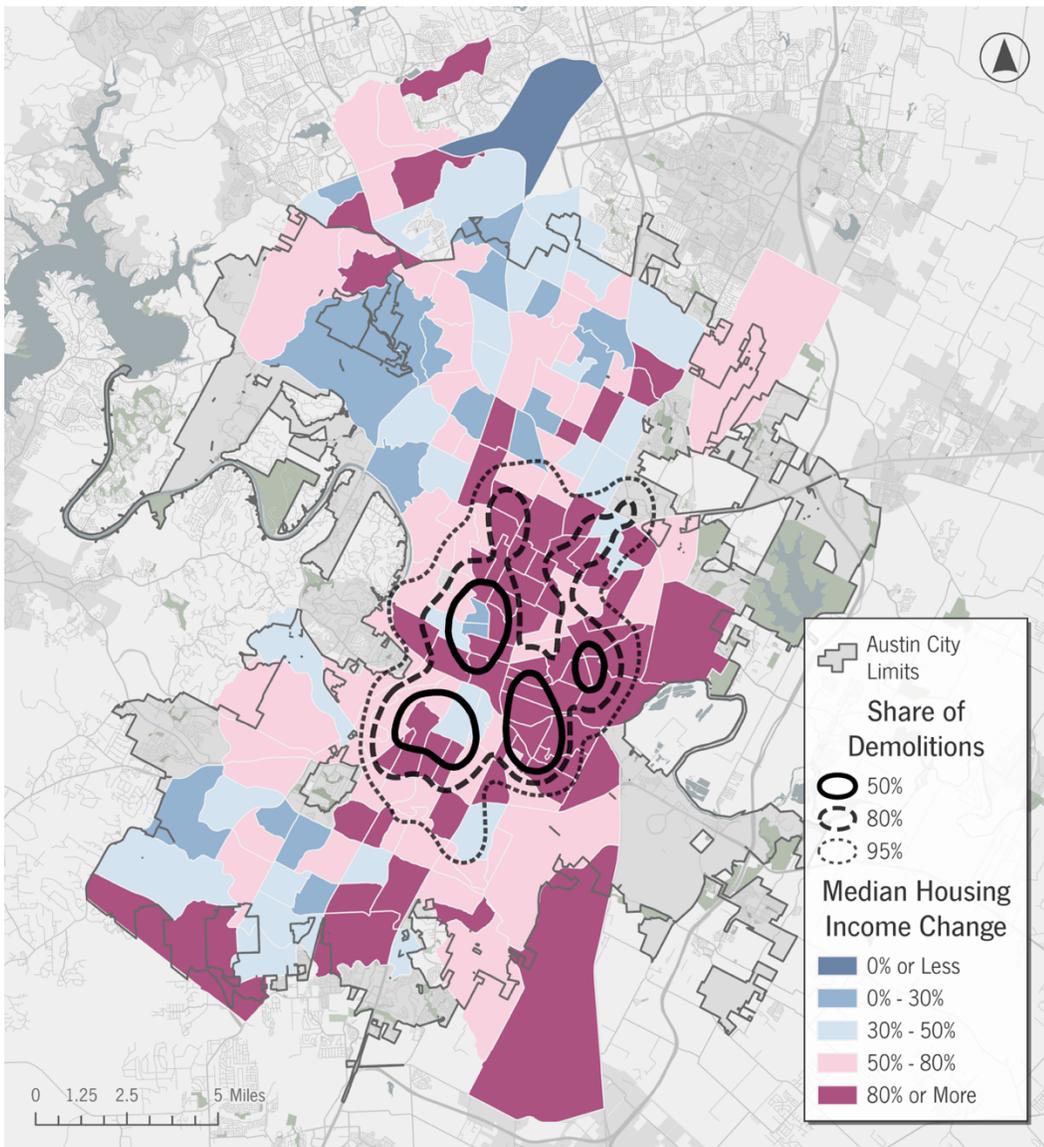
Exhibit 23 shows the relationship between Census tracts with a high share of multiunit demolitions and the change in median household income in those census tracts between 2012 and 2022. The analysis indicates that areas where the majority of demolitions have occurred have also seen some of the largest increases in median household income.

It is important to note the limits of using Census data to understand displacement. Census data provides a snapshot into the demographic and economic conditions in specific geographies between any two years, but does not account for how or why those changes occurred. If an area sees an increase in children over time, for example, it is difficult to determine whether existing families grew or whether new households with children moved



into the area. Despite these limitations, we can infer some trends from changes in income growth. For instance, we would expect to see increases in median household income over time across many areas due to wage increases and inflation. The levels of income growth shown in Exhibit 23 are broken out based on expectations for income growth over time. Areas shaded blue indicate stable growth that tracks with inflation (light blue), or overall decline (dark blue). Increases greater than 51 percent (shaded pink and purple) indicate income growth beyond what would be expected due to inflation over those five years. This level of positive income change suggests substantial in-migration of higher income households. Given the demolition trends in these areas, this in-migration may also be accompanied by out-migration of lower-income households, due to direct and indirect displacement pressures.

Exhibit 23: Concentration of demolished units and changes in median household income, 2018–2022



Source: ECONorthwest analysis of City of Austin permit data and ACS 5-year estimates, 2008–2012 and 2018–2022.



One issue to note for Austin, specifically, is the overall growth in median household income during this period. Because of the scale of in-migration, there are no clear trends when disaggregating median household income change by race and ethnicity. Higher income households in all racial and ethnic groups have moved to Austin, which makes it difficult to distinguish trends between longtime and newer residents.

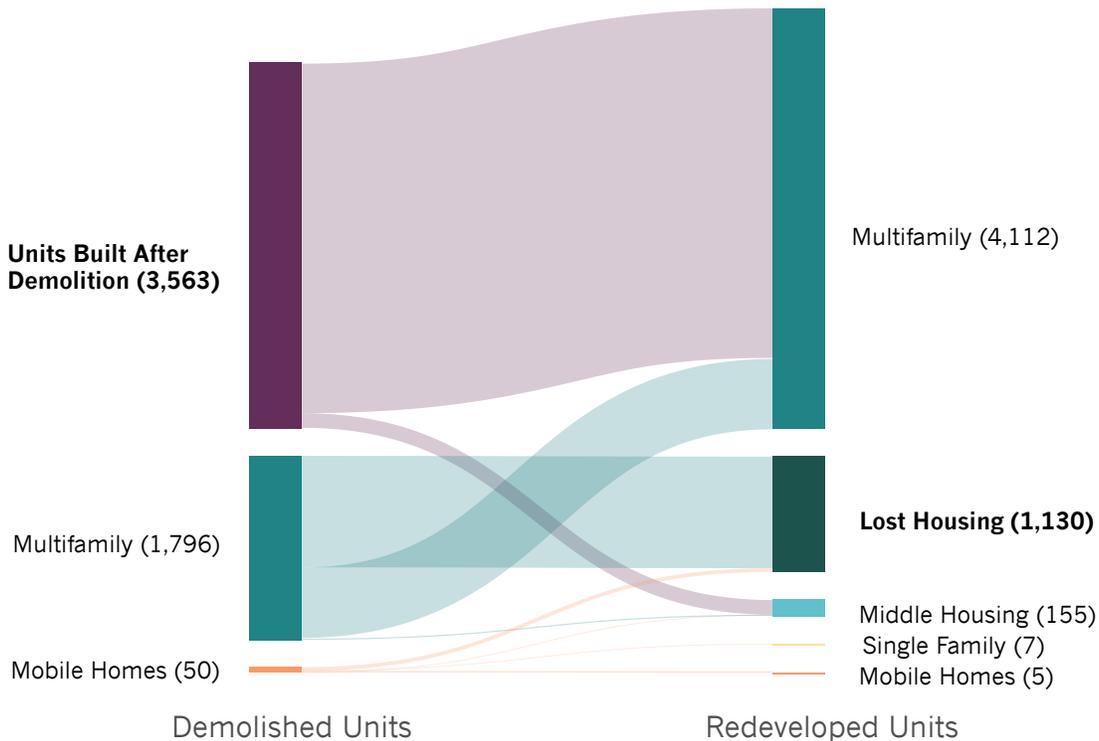
Redevelopment patterns

In addition to demolition data, ECONorthwest analyzed parcel data to determine what types of buildings (if any) replaced the demolished housing. This analysis represents a subset of total demolitions—we only include the parcels for which we could determine what happened on the site.

Austin added almost two new homes for every demolished unit

On parcels where housing was demolished and replaced by new housing, the majority were rebuilt as multiunit housing with five or more units, as shown in Exhibit 24. Overall, about two homes were added for every demolished unit. While this increase in density and housing supply can help alleviate housing shortages overall, newer multiunit housing is very likely to be more expensive than the housing that was demolished. In addition, some demolished units were converted to lower density housing or lost altogether. In total, more than 1,100 units were demolished on parcels that did not have any new housing completed or permitted by 2023. This reflects, in part, the slow pace of development as well as occasional gaps in permit record data.

Exhibit 24: Development and redevelopment trends in Austin, 2006–2023



Patterns of migration

To provide additional context for displacement and neighborhood change dynamics in areas with more concentrated demolition activity, ECONorthwest used data from Placer to understand broader trends in residential migration in the Austin area. Placer draws on anonymized cell phone location data to provide insights on short-term travel patterns (where people shop and visit) as well as long-term travel patterns (where people live and work). The data from Placer reflects migration trends for all people in specific ZIP codes, rather than residents who experienced direct displacement.

Residents who left areas with high demolition activity tended to move immediately south

Exhibit 25 shows the destination ZIP codes for residents who moved out of the ZIP codes where the most rental units have been demolished within the last four years (shown in orange). Residents who moved were most likely to relocate to the three ZIP codes immediately to the south (shown in darker purple). For residents who left the city, it was more common to relocate to areas south of the city, such as Kyle and San Marcos.

These data represent changes within the last four years, and may not capture different relocation trends that have happened in prior years. This analysis can complement other quantitative and qualitative data on residential displacement collected by the City or community-based service providers.

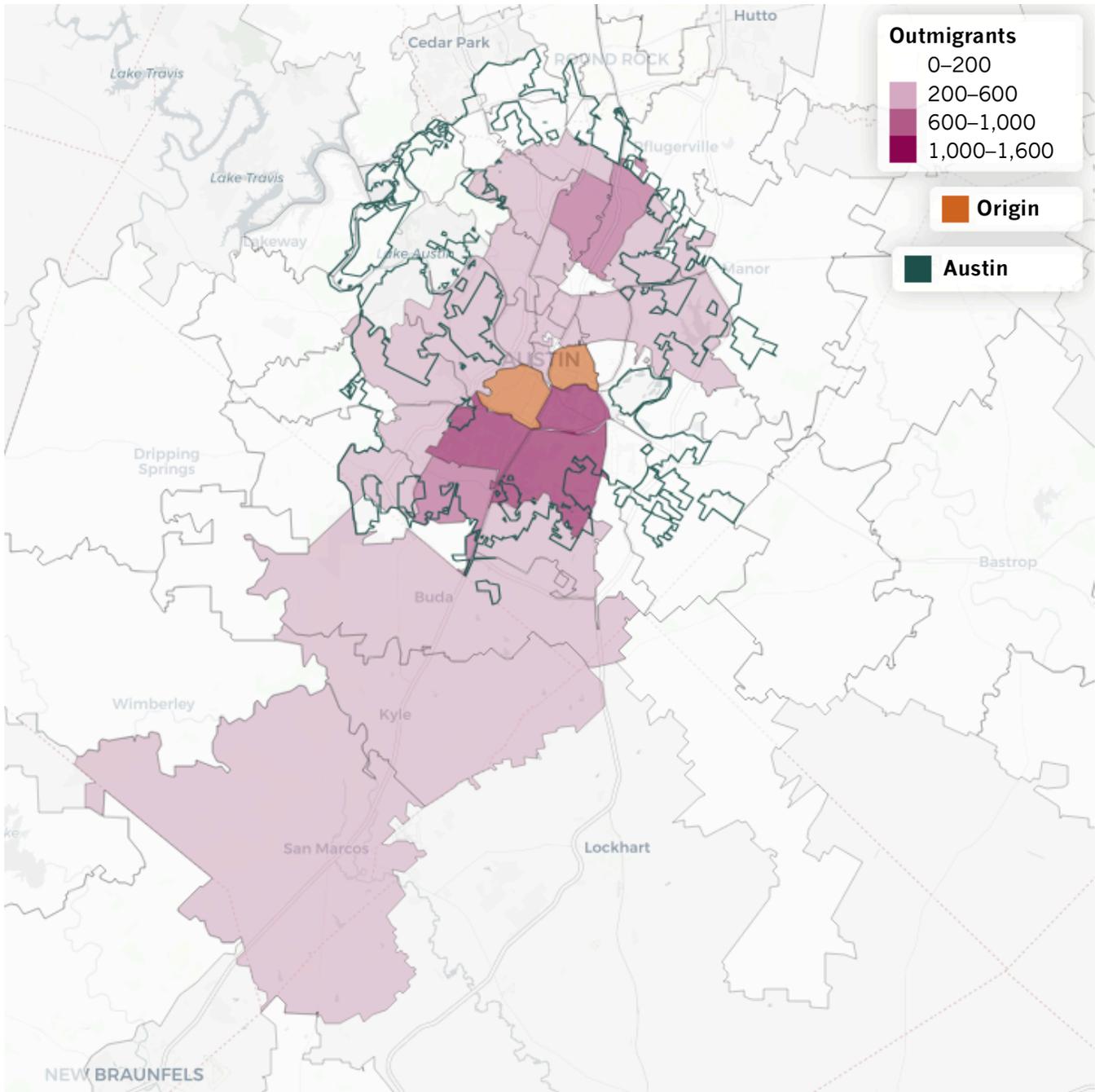
PLACER DATA

Placer captures point-in-time locations of cell phones, based on pings to cell phone towers. Using this method, Placer can determine where people are between 11 pm and 3 am. For most people, that is at home.

To detect migration, Placer notes when a home location has changed between two points in time. This is the most accurate source of sub-city migration trends. ECONorthwest uses Placer's summary data at the ZIP code level to look at migration. There is no demographic data connected with these anonymized records.



Exhibit 25: Migration trends for ZIP codes with largest shares of demolition permits



Source: EConorthwest analysis of Placer data.

Conclusion

Redevelopment trends are shaped by the local housing market, including the in-migration of higher-income households to Austin, market rental rates, and regulatory frameworks and incentives. Redevelopment is also influenced by macroeconomic factors such as the cost of financing construction. Given the complexity of these phenomena, it is not possible to predict future levels of redevelopment activity and thus the direct displacement of tenants. However, Austin could approach budgeting for TNRA support by considering past trends in demolitions



of the kinds of buildings that are subject to the TNRA ordinance. On average, about 100 units per year have received demolition permits, though there have been years—such as 2023—where the demolition of larger properties led to the loss of more than 300 apartments in one year. High-level analysis on migration patterns suggests that residents moving out of areas with more concentrated demolition activity are primarily staying within Austin, or in metro-area cities.



4. Qualifying residents

Understanding the characteristics of households in Austin that qualify for assistance provided by the Tenant Relocation Program can help the City plan for the scale of support that might be needed to address displacement due to redevelopment.

Key Findings

- **Nearly 35 percent of Austin rental households qualify for the Tenant Relocation Program.** More than 102,000 households of Austin’s renter households would qualify for TRP assistance based on their income, the type of properties that are subject to TNRA requirements, and because they live in older properties that are more likely to redevelop.
- **Most tenant households that would qualify for assistance are one-person or two-person households and live in studio or one-bedroom units.** Only 15 percent of qualifying households have children, and only 11 percent have four or more people. These results likely reflect the type of apartments that are subject to the TNRA ordinance, which excludes small plexes and single-family rental properties.

Definitions and methods

Who qualifies for tenant relocation assistance?

The Tenant Notification and Relocation Assistance (TNRA) ordinance applies to specific types of properties. Notification must be sent to residents of multifamily properties and mobile home parks when the owners apply to the City for permits to demolish, alter, or repair the interior or exterior of one or more residential units at a multi-family property that would result in the displacement of one or more tenants, including a demolition permit or a building permit or approve a site plan, change of use permit for or rezone an existing mobile home park.¹³ In order to receive financial assistance under the Tenant Relocation Program (TRP) affected renter households must earn 70 percent or less of the Area Median Income, and mobile home owners can earn up to 80 percent of Area Median Income.

ECONorthwest used Census microdata to identify renter households in Austin based on income, the type of building they live in, housing size, and other characteristics of people living in the household. For households in multifamily units, we only consider those living in buildings built before 2010—these buildings are more likely to be redeveloped in the near

¹³ See the [Tenant Notification and Relocation Assistance Ordinance](#) for more details.



future compared to newer structures. This analysis includes renters and mobile home residents.

Austin’s potential qualifying households

Almost 103,000 households in Austin could qualify for assistance based on income and where they live

A breakdown of these qualifying residents by housing type is shown in Exhibit 26. Among renters, the largest share lives in large buildings with more than 50 units.¹⁴ Of these qualifying households, 34 percent are extremely low-income, meaning they earn 30 percent or less than the Area Median Income.

Exhibit 26. Summary of program-qualifying households and population in pre-2010 buildings

PROGRAM ELIGIBLE CATEGORY	HOUSEHOLD (HH) COUNT	HH SHARE	HH MOE	POPULATION (POP) IN HH	POP SHARE	POP MOE
Mobile Home Owners	2,296	2%	1,347	9,043	5%	4,211
Mobile Home Renters	2,983	3%	1,220*	7,447	4%	4,825*
Renters in 5–9 Unit Structures	14,574	14%	4,130	23,525	13%	8,600
Renters in 10–19 Unit Structures	22,124	22%	3,646	41,165	23%	10,005
Renters in 20–50 Unit Structures	19,709	19%	4,767	36,680	21%	11,478
Renters in 50+ Unit Structures	41,060	40%	7,203	60,325	34%	13,146
Total	102,746		8,973	178,185		17,920

* Estimates with a margin of error (MOE) that are 50 percent or more than the total estimate are not reliable.

Source: ECONorthwest analysis of ACS 1-year estimates, 2023 (PUMS).

More than 80 percent of qualifying households consist of one or two adults, and no children

Among qualifying households, 81 percent are one-person or two-person households, as shown in Exhibit 27. About 10 percent of households are larger, with at least four people. Eighty-six percent of households that would qualify for the Tenant Relocation Program do not have any children, as shown in Exhibit 28. Of the households without children, less than 14

¹⁴ This ACS variable describes the number of units within a single building. The TNRA Ordinance applies to multi-family properties with at least five units. This definition includes a rental property with a duplex and a triplex, for example. Not all of those properties that would qualify under the TNRA are captured in this ACS data.



percent (about 11,900 households) are seniors, where all household members are 62 years or older.

These results do not mean that larger families and families with children are not susceptible to displacement pressure or redevelopment more broadly in Austin. Service providers that support tenants experiencing eviction cases anecdotally report that about one-third to one-half of their clients are single parents. The TNRA ordinance only applies to multifamily properties with at least five units, meaning that renters who live in smaller buildings or single-family homes are not reflected in this analysis.

Exhibit 27. Summary of program-eligible households by size

SIZE OF PROGRAM- ELIGIBLE HOUSEHOLDS	HOUSEHOLD (HH) COUNTS	HH SHARE	HH MOE
1 Person	62,442	61%	7,513
2 People	20,236	20%	3,973
3 People	9,138	9%	3,659
4 People	5,452	5%	2,564
5 People	2,529	2%	1,740*
6+ People	2,949	3%	1,905*

* Estimates with a margin of error (MOE) that are 50 percent or more than the total estimate are not reliable.

Source: EConorthwest analysis of ACS 1-year estimates, 2023 (PUMS).

Exhibit 28. Summary of program-eligible households by presence of children

NUMBER OF CHILDREN IN HOUSEHOLD	HOUSEHOLD (HH) COUNTS	HH SHARE	HH MOE
No Children	88,000	86%	8,730
1 Child	5,857	6%	2,425
2 Children	3,884	4%	2,023*
3+ Children	5,005	5%	2,393

* Estimates with a margin of error (MOE) that are 50 percent or more than the total estimate are not reliable.

Source: EConorthwest analysis of ACS 1-year estimates, 2023 (PUMS).

A majority of eligible households live in studio or one-bedroom units

More than 60 percent of all qualifying households live in studio or one-bedroom units, as shown in



Exhibit 29. Only three percent of households live in housing with four or more bedrooms, in part because this type of rental housing in multifamily buildings with five or more units is rare in Austin. These findings align with the large share of smaller households among tenants who qualify for the program.

ECONorthwest also looked at the rate of crowding to understand the extent to which households might be living in units that are too small for their needs. HUD defines crowding as having more people in a household than bedrooms. Households currently living in larger units have the highest rates of crowding. If these households are displaced from current housing, they may be looking for larger units, if available.



Exhibit 29. Distribution of qualifying households by size of unit currently occupied

BEDROOMS	HOUSEHOLD (HH) COUNTS	HH SHARE	HH MOE	CROWDED	HH SHARE CROWDED	CROWDED MOE
Studio	13,532	13%	4,277	1,391	6%	950*
1 Bedroom	50,322	49%	6,691	7,828	34%	2,654
2 Bedroom	28,199	27%	4,455	10,081	43%	3,274
3 Bedroom	8,173	8%	2,393	3,012	13%	1,611*
4 Bedroom	2,520	2%	1,401*	909	4%	984*

Source: ECONorthwest analysis of ACS 1-year estimates, 2023.

Conclusion

Renters that would qualify for the Tenant Relocation Program tend to belong to smaller households with only adult members. While this finding does not mean that larger families or households with children will not experience displacement due to redevelopment, it could inform how the City budgets for the Tenant Relocation Program. Given the overall shortage of rental housing affordable to very low-income renters and the shortage of rental housing that can accommodate larger households discussed in Chapter 2, many tenants displaced due to redevelopment may experience additional challenges finding housing that is affordable, available, and meets their needs.



5. Relocation cost estimates

The Tenant Relocation Assistance (TRA) program covers a portion of direct expenses related to finding and securing new housing. While these are essential expenses, they are only a portion of the costs incurred by households that are displaced from their current homes. We drew on the City's past engagement efforts as well as additional research with service providers to understand the range of costs and various scenarios that displaced tenants face in order to create a range of cost estimates for different households that would be eligible for relocation assistance.

Key Findings

- **In the current market, basic relocation costs between \$3,100 to \$15,450.** These estimates vary based on the size of the household, whether tenants hire professional movers, how far away they move, and whether they need any temporary accommodation. This range also includes the additional costs of relocating mobile homes.
- **Unit size is the key driver of relocation cost differences.** Given the allowable costs that the Tenant Relocation Program covers, unit size is the biggest factor because it determines the cost of moving services (how many possessions there are to pack and move), the average rent of a new unit, and the security deposit.
- **The current \$6,000 cap on per-household assistance is unlikely to meet the relocation needs of mobile home owners and larger households.** Mobile home owners face much higher relocation costs compared to renters and, therefore, are likely to need more support than the existing cap to cover basic relocation expenses.

Methods

Understanding the full range of relocation costs

Over the last decade, the City of Austin has conducted extensive outreach to a diverse range of stakeholders as part of the process for creating the Tenant Notification and Relocation Assistance (TNRA) ordinance. These engagement efforts involved tenants, advocates, developers, mobile homeowners, city agencies, and landlords. Input from these groups supported the shaping of the TNRA during its early stages of design and adoption. To build on these previous efforts, ECONorthwest interviewed Laveer Logix, who was selected by the City of Austin in 2023 as the vendor who will administer the Tenant Relocation Program. The ECONorthwest team also interviewed two community-based organizations, El Buen Samaritano and Texas RioGrande Legal Aid (TRLA), who provide services to tenants



experiencing eviction or forced relocation to better understand tenant experiences, the supports they are able to receive, and what these residents prioritize in searching for new housing. This information informed our research into needed services, interpretation of the cost estimates, and policy recommendations.

How we calculated cost estimates

To build relocation cost estimates, ECONorthwest researched current costs of Austin-area services that are covered by the Tenant Relocation Program, as well as market rents across the study area. We confirmed and augmented our data on these costs with the research that Laveer Logix has conducted with vendors for many of these services as that firm prepares to implement the Tenant Relocation Program.

We tested different scenarios to capture a range of costs for each of these services (low, medium, high, average), using professional movers or moving without professional help, the distance of the move (5 miles, 25 miles, 50 miles), whether storage was needed, and whether temporary lodging was needed. Based on data on the sizes of mobile homes in Census microdata, we modeled the relocation costs for mobile home residents as a three-bedroom, single-wide home.

What kinds of costs do tenants experience when relocating?

As with any move, being forced to relocate is an expensive and time-consuming process for tenants. The full range of costs to tenants include direct expenses related to moving and setting up a new home, and indirect costs such as lost working time to manage the relocation process, as well as profound social and emotional costs from stress and the loss of community connections.

ECONorthwest drew on testimony provided during the TNRA engagement process, as well as our additional interviews, to summarize this full range of costs as a starting point for understanding how financial assistance provided by the City's program addresses tenant needs, even if it does not cover the full range of costs.

Pre-moving costs

Tenants receiving an eviction notice due to planned redevelopment may have a different mix of costs and fees compared to other tenants that receive eviction notices. For example, some tenants may have past due rent or late rent fees that contribute to their overall costs. The TNRA ordinance does eliminate some fees, such as lease termination fees, that help reduce the cost burden on tenants that must relocate. Even so, searching for a new home incurs costs that affect tenants who are given an eviction notice.

- ◆ **House-Hunting Costs (Time and Transportation):** Stakeholders shared how the time needed to search for new housing can create a direct financial impact if tenants must take time off from work to search for, tour, or apply for new housing.



Immediate moving costs

When it is time to relocate, tenants must consider many costs, from hiring services to support relocating, using one's own time and resources, and securing temporary lodging if needed.¹⁵

- ◆ **Moving Services:** Professional movers often provide the labor needed to pack and move a whole apartment quickly. These services charge varying fees based on the number of movers needed, the size of the truck, loading and unloading services, mileage, and packaging services. Needing to move on short notice can lead to extra service fees.
- ◆ **Renting a Moving Truck:** Renting a moving truck is often necessary, even if one plans on doing most of the packaging, loading, and unloading themselves. Trucks are typically rented by the hour and often add fees based on mileage traveled.
- ◆ **Personal Car Mileage:** Tenants relying on their own vehicle for moving face gas mileage costs needed for back-and-forth trips.
- ◆ **Storage Services and Redelivery:** Stakeholders noted that storage services become necessary when a period passes between the notice date of eviction and the move-in date of the new lease. Storage services fees vary based on time, with the cost increasing the longer the items are kept in storage. Container size, container transportation services, and added movers also affect these fees. These costs can add financial strain, especially for displaced tenants needing temporary storage during relocation.
- ◆ **Temporary Lodging:** Similarly, tenants may need a temporary place to stay between leaving their existing home and the move-in date of their new lease. While tenants often rely on their support systems for temporary lodging, sometimes temporary hotel, short-term rental, or motel stays are needed. These costs are especially costly, with per-night fees that are more expensive than rent for the same period.
- ◆ **Moving (Time):** Similar to house-hunting time-related costs, the time it takes to pack, move, and unpack can require many tenants to take time off of work. Moving time can, therefore, be understood as another form of financial loss for lower-income people who may not have access to paid time off.

New housing costs

There are standard costs associated with securing a new lease, including fees, security deposits, and the first and last month's rent. While many of these costs are meant to provide the landlord with some security if the tenant defaults or fails to vacate on time, it can still be burdensome for tenants to pay them up front.¹⁶

¹⁵ [Tenant Relocation Assistance Stakeholder Meeting Summary of Stakeholder Feedback](#), January 13th, 2016, Neighborhood Housing and Community Development.

¹⁶ [Tenant Relocation Assistance Stakeholder Meeting Summary of Stakeholder Feedback](#), January 13th, 2016, Neighborhood Housing and Community Development



- ◆ **Application Fees:** These fees are standard for securing a new lease and often include costs for background checks, credit checks, and administrative processing of the lease application. Some landlords may also charge for screening, employment verification, or references.
- ◆ **Security Deposit:** A lease deposit is paid by a tenant to a landlord at the start of a lease, intended to cover potential damages, unpaid rent, or other lease violations. While the deposit is usually refundable at the end of the lease, it can still be a challenging up-front cost for tenants, particularly lower-income tenants.
- ◆ **First and Last Month's Rent:** Landlords often ask for the first and last month's rent to secure the lease agreement and ensure financial protection. The first month's rent covers the tenant's initial payment, while the last month's rent acts as a safeguard in case of unpaid rent at the end of the lease.
- ◆ **Extra Fees:** Landlords may require extra application fees for tenants with limited credit history.

Additional relocation-related costs

Stakeholders share that additional costs often go unnoticed when tenants are forced to relocate. While these costs are unique to certain case-by-case experiences, they still increase the financial strain of the relocation process.¹⁷

- ◆ **Meal Expenses:** For tenants staying in temporary lodging or otherwise in a place without a kitchen, food costs may increase during the relocation process.
- ◆ **Short-Term Debt:** Tenants may also increase their reliance upon credit card debt and payday loans to afford relocation expenses. While these costs offer short-term solutions, they may continue to financially impede tenants, particularly lower-income tenants.
- ◆ **Loss of Savings:** Displaced tenants who are not eligible for relocation support may need to use savings to cover relocation-related costs, which affects their overall financial stability.
- ◆ **Non-Refundable Security Deposit:** Some tenants who have been evicted due to redevelopment noted that their security deposits were not refunded. This is a challenging up-front cost for tenants, and when not refunded, is a form of loss of extra cash that could be put towards covering relocation expenses.
- ◆ **Increased Transportation Costs:** Depending on location, tenants who are forced to relocate may face additional transportation costs, such as parking fees, tolls, or longer public transportation routes to commute to work, school, and other daily activities.
- ◆ **Moving Pets:** Tenants with pets are often charged additional fees for rentals, temporary lodging, and even securing a new lease.

¹⁷ [Tenant Relocation Assistance Stakeholder Meeting Summary of Stakeholder Feedback](#), January 13th, 2016, Neighborhood Housing and Community Development.



Mobile home relocation-related costs

Past engagement efforts by the City of Austin elevated the unique requirements for mobile home relocation and many misconceptions around relocating mobile homes and/or buying new mobile homes.¹⁸ These differences highlight the specific financial support needed for mobile home owners and residents in lease-purchase agreements. As noted in Chapter 2, the difficulties of moving mobile homes (especially older structures) combined with the lack of mobile home park space within the City increases the challenge of helping mobile home owners and renters remain in Austin if their existing parks are redeveloped.

- ◆ **Moving a Mobile Home:** Typical moving expenses cited in testimony provided in 2016 ranged from \$1,200 to \$1,800 for a single-wide and anywhere from \$5,800 to \$10,000 for a double-wide.¹⁹ Additionally, some mobile homes cannot be relocated because they are too old—moving would cause significant and expensive structural damage.
- ◆ **Purchasing a New Mobile Home:** One challenge for relocation is that many mobile home parks require newer mobile homes (2010 and later). It is possible to buy used mobile homes, which can cost tens of thousands of dollars, in addition to moving it to a new location.²⁰ The average price of a new mobile home in the region that includes Texas is more than \$80,000.²¹
- ◆ **Temporary Lodging:** When relocating a mobile home, residents need a place to stay while the home is moved, new utilities are connected, and inspections are completed. This process can take as little as one week or as long as several weeks. The costs of hotels, food, and transportation for temporary lodging can add up quickly.
- ◆ **Permit Costs:** Permit costs for mobile home owners often include fees for setting up the mobile home, such as zoning permits, utility connections, and safety inspections. While these costs are required to ensure compliance with local regulations and safety standards before the home can be occupied, these costs vary and can pose a financial burden on mobile homeowners. The complexity of navigating the permit process also takes time, which may require time off from work.
- ◆ **Utility Connection Costs:** Utility connection costs include fees for connecting essential services like water, electricity, gas, and sewage to mobile homes. These costs can vary depending on location (approximately \$5,000) and the existing infrastructure and can also pose a financial burden on mobile homeowners and renters.²²
- ◆ **Additional Mobile Home Moving Costs:** Additional moving costs include inspections, the cost of the pad, and any new park requirements, such as updated skirting and siding.

¹⁸ [Tenant Relocation Assistance Mobile Home Tenant Stakeholder Meeting Notes](#), May 21st, 2016.

¹⁹ [Tenant Relocation Assistance Stakeholder Meeting with Mobile Home Property Owners/Managers/Developers Notes](#), May 19th, 2016.

²⁰ [Tenant Relocation Assistance Stakeholder Meeting with Mobile Home Property Owners/Managers/Developers Notes](#), May 19th, 2016.

²¹ U.S. Census Bureau [Manufactured Housing Survey](#), June 2024.

²² [Tenant Relocation Assistance Mobile Home Tenant Stakeholder Meeting Notes](#), May 21st, 2016.



Social, emotional, and community costs of relocation

Displacement also creates social and emotional costs that negatively affect tenants and their communities. Tenants experience and service providers observe many negative impacts of displacement, including the emotional turmoil of navigating the relocation process.²³

- ◆ **Disruptions to medical care** due to needing to move (being occupied with moving, traveling farther, finding a new provider, etc.)
- ◆ **Work disruption** with many needing to find new jobs when forced to relocate to a new area of town.
- ◆ **Changing schools** due to many being unaware of their children’s rights to stay at their original school under the McKinney-Vento Act. Families may incur additional transportation and time costs when students stay enrolled at their original school if they move farther away.²⁴
- ◆ **Emotional and family trauma** from the disruption and stress caused by having to find a new home, which can mean changing many or most aspects of daily life. Tenant relocation service providers witness clients struggling to navigate the process on their own and the effect of unstable housing on their clients’ ability to meet other life needs. People who are forced to relocate are at a higher risk of depression, psychological distress, anxiety, and mental health disorders for adults and children.

What costs can be covered under the Tenant Relocation Program?

The full costs of relocation include direct and indirect expenses, as well as costs that are difficult to quantify. The Tenant Relocation Program outlined in the TNRA ordinance focuses support on a subset of direct costs related to securing new housing, the moving process, and some temporary expenses, based on information learned from stakeholders as the policy was being developed. The costs eligible for financial support include:

Exhibit 30. Relocation costs covered under Austin’s Tenant Relocation Program

TYPES OF RELOCATION COSTS	COVERED BY PROGRAM
Pre-Moving Costs	
House-Hunting Costs (Time)	✗
Immediate Moving Costs	
Moving Services	✓
Renting a Moving Truck	✓

²³ [Tenant Relocation Assistance Stakeholder Meeting Summary of Stakeholder Feedback](#), January 13th, 2016, Neighborhood Housing and Community Development; interviews with El Buen Samaritano, Laveer Logix, and Texas Rio Grande Legal Aid.

²⁴ [Tenant Relocation Assistance Stakeholder Meeting Summary of Stakeholder Feedback](#), January 21st, 2016. See also, [Tenant Relocation Assistance Stakeholder Meeting Summary of Stakeholder Feedback](#), January 13th, 2016, Neighborhood Housing and Community Development.



TYPES OF RELOCATION COSTS	COVERED BY PROGRAM
Personal Car Mileage	✗
Storage Services and Redelivery	✓
Temporary Lodging	✓
Moving (Time)	✗
New Housing Costs	
Application Fees	✓
Security Deposit	✓
First and Last Month's Rent	✓
Extra Fees (e.g., pet rent)	?
Additional Relocation-Related Costs	
Meal Expenses	✗
Short-Term Debt	✗
Loss of Savings	✗
Non-Refundable Security Deposit	✗
Increased Transportation Costs	✗
Mobile Home Relocation-Related Costs	
Moving a Mobile Home	✓
Purchasing A New Mobile Home	✗
Temporary Lodging	✓
Permit Costs	✓
Utility Connection Costs	✓
Social, Emotional, and Community Costs of Relocation	
Disruption of Medical Care	✗
Work Disruption	✗
Changing Schools	✗
Emotional & Family Trauma	✗

These categories cover many of the logistical basics of moving. Additionally, the Tenant Relocation Program offers case management services to help reduce the burden on tenants to



navigate and plan their relocation process. This support helps address some of the indirect costs, including lost wages and stress, but cannot eliminate them.

The City’s assistance also cannot address the larger challenge for tenants to find housing that is affordable to them in the same area where they currently live. While displaced tenants may receive help with the first month of rent, there may be increases in overall living costs—higher rent, higher commute costs, etc.—that they will have to absorb over the long term.

Estimated range of relocation costs

Austin residents who are eligible for support from the TNRA program in the event of displacement represent a diverse range of families, incomes, housing needs, and location priorities. Modeling the nuanced variation in experiences and needs that translate into relocation costs is challenging to do with accuracy. ECONorthwest approached this fundamental challenge by creating a limited range of scenarios that capture the largest expenses and some key variations, such as household size and distance of move.

In this report, these detailed cost elements are summarized into broader categories:

- ◆ **Professional moving:** packing materials and services
- ◆ **Do-it-yourself moving:** packing materials, moving truck rental (including mileage fees and gas)
- ◆ **New housing fees, deposit, and rent:** application fee, security deposit (equal to one month of rent), first month’s rent
- ◆ **Storage and temporary fees:** one month of storage, temporary lodging for two weeks (renters) or one month (mobile home owners) in a mid-range extended-stay hotel
- ◆ **Mobile home relocation and rent:** mobile home transportation, first month of lot rental

Unit size is the key driver of cost differences

Under the current allowable costs that can be covered by the Tenant Relocation Program, the variable that has the largest effect on total costs is the size of the unit that residents currently occupy. This factor affects the cost of moving services (how many possessions there are to pack and move), the average rent of a new unit, and the security deposit.

ECONorthwest considered the cost differential between average rents within Austin and average rents within the larger study area.²⁵ We looked specifically at market-rate rents, assuming that most displaced households will be looking for replacement housing on the open market and may not be able to access regulated affordable rental housing. The variation in market-rate rents is widest for the smallest and largest units, as shown in Exhibit 31. Three-bedroom units are 28 percent more expensive—about \$560 more per month—in Austin than in cities outside Austin. In contrast, average rent for studios is 14 percent lower—or about

²⁵ For rental market data, the larger study area is a 50-mile radius from the geographic center of Austin.



\$200 less per month—in Austin than in nearby markets. Larger households that are displaced from their current housing in Austin may have a harder time finding replacement housing in the city that they can afford.

Exhibit 31. Average market-rate rent by unit type and location, Q3 2024

	STUDIO	1-BEDROOM	2-BEDROOM	3-BEDROOM
Austin	\$1,193	\$1,310	\$1,757	\$2,561
Outside Austin	\$1,394	\$1,297	\$1,635	\$2,002
Austin Price Premium	- 14%	+ 1%	+ 7%	+ 28%

Source: ECONorthwest analysis of CoStar data.

Relocation costs by unit and household size

We organize the range of relocation expenses below by the size of the current unit. We also include a sample representative household type: older adult, single parent, larger family, and mobile home owner. These household types are meant to ground this cost analysis in the lived experience of tenants who experience displacement.

The costs summarized in



Exhibit 32 start with the base costs for a self-managed and executed move (“DIY moving”) within the City of Austin, with other expenses represented as additional costs. We also include the costs associated with moving farther distances. The variation in distances includes the additional mileage, gas, and moving time associated with traveling farther, as well as the difference in average rents between Austin and nearby markets. Negative values represent the potential savings in rental costs associated with moving outside of Austin, which makes up for the increased moving-related expenses. For two-bedroom units, the savings in rents for areas 50 miles from Austin equals the costs associated with a longer move, so the effect on the total estimate is zero. The total estimates include the following costs:

- ◆ **Low estimate:** DIY moving, no storage or temporary lodging for renters, within Austin
- ◆ **High estimate:** professional moving, storage and temporary lodging for all households, maximum distance of 50 miles



Exhibit 32. Summary of average moving costs by unit size

	STUDIO/1-BEDROOM	2-BEDROOM	3-BEDROOM	3-BEDROOM MOBILE HOME
Sample Household	Older adult	Single parent	Large family	Working age couple
DIY Moving	\$480	\$760	\$950	\$950
Professional Moving	+ \$1,120	+ \$1,340	+ \$1,750	+ \$1,750
Storage & Temporary Lodging	+ \$1,800	+ \$2,000	+ \$2,100	+ \$3,300
New Housing Fees, Deposit, & Rent	+ \$2,700	+ \$3,500	+ \$5,200	
Mobile Home Relocation & Rent				+ \$4,800 (single-wide) + \$9,250 (double-wide)
25 Miles Away	+ \$100	- \$100	- \$1,100	+ \$100
50 Miles Away	+ \$200	-	- \$1,000	+ \$200
Low Estimate	\$3,100	\$4,200	\$5,000	\$9,000
High Estimate	\$6,300	\$7,600	\$10,000	\$15,450

Source: EConorthwest.

In conversation with Laveer Logix, EConorthwest learned that the planned cap for supporting residents who are eligible to receive support under the Tenant Relocation Program is \$6,000. This amount matches amounts the City provides for other emergency rental assistance, such as the I Belong in Austin eviction support program.

EConorthwest’s estimates for relocation costs suggests that smaller households would likely fall under that cap, especially if they do not need temporary lodging or storage during the relocation process. Larger households and mobile home owners are likely to need more support than the existing cap to cover basic relocation expenses.

Anecdotally, relocation service providers report that their clients generally want to stay as close to their current homes as possible to maintain commutes, routines, access to doctors and other services, and community connections. Many have been living in their homes or neighborhoods for decades. Tenants who end up moving out of Austin to find affordable housing are often moving within a roughly 25-mile radius, including Buda, Kyle, Cedar Park, Jarrell, Taylor, Bastrop, and Elgin.²⁶

Comparing estimated relocation costs to other programs

EConorthwest compared the estimates for relocation costs allowed under the TNRA ordinance to similar programs in other cities, as well as examples of developer concessions being offered for recent larger-scale redevelopment projects in Austin.

Other municipal relocation assistance programs

As part of the design process for the TNRA ordinance, staff researched relocation programs in other cities to understand the range of support, tenant eligibility, and other aspects of

²⁶ Interview with Texas RioGrande Legal Aid, November 12, 2024.



program design. ECONorthwest also surveyed other cities' programs with a focus on the total amount of support that is provided to displaced households, as shown in Exhibit 33.

Exhibit 33. Selected relocation assistance programs in other jurisdictions

CITY	TENANT ELIGIBILITY	SOURCE OF ASSISTANCE	TOTAL ASSISTANCE
San Antonio, Texas	At risk of displacement due to rent increase, redevelopment, or code enforcement At or below 100% of AMI (tiered assistance based on rent increase)	City (Risk Mitigation Fund)	Renters = \$2,250–\$3,500 Mobile home owners = \$5,250–\$7,500
Santa Barbara, California	Any renter displaced due to redevelopment or demolition Tiered assistance based on special needs: <ul style="list-style-type: none"> • Households with an older adult (62+) • Person with a permanent disability • Low income (at or below 80% of AMI) 	Property owner	\$5,000 maximum \$6,000 maximum for households with special needs
Seattle, Washington	Being displaced due to redevelopment or change of use At or below 50% of AMI	50% paid by property owner 50% paid by City	\$5,133
Portland, Oregon	Any renter who does not live with their landlord and whose tenancy is not week-to-week. Qualifying events: <ul style="list-style-type: none"> • Non-renewal of lease • Qualified landlord termination • Rent increase of 10% or more Substantial change in lease terms	Property owner	Studio: \$2,900 1-bed: \$3,300 2-bed: \$4,200 3+ bed: \$4,500
Palo Alto, California	Displaced due to demolition, renovations, redevelopment Additional \$3,515 for low income (at or below 80% AMI), older adults (60+ years), individuals with disabilities, or minors	Property owner	Studio: \$8,203 1-Bed: \$10,547 2-Bed: \$15,235 3+ Bed: \$19,922

Source: ECONorthwest.

The City of Santa Barbara and City of Seattle both offer fixed amounts of support to eligible tenants, though Santa Barbara offers a higher amount to households with additional needs



related to age, disability, or lower income. These households are able to access the same amount of support currently offered by Austin.

The City of San Antonio's program recognizes the different relocation needs between renters and mobile home owners, and has a higher cap on assistance for mobile home owners. For both types of tenants, however, the total assistance amounts are far below our analysis of relocation costs as of 2024.

The City of Portland scales the available support based on the size of the currently occupied unit. These dollar limits were established by ordinance in 2018 and have not increased since then.

The City of Palo Alto also scales the required payment to tenants based on the size of the currently occupied unit. The total assistance available to tenants is much higher than other municipal programs, ranging from a minimum of \$8,200 to almost \$20,000 for larger units. Low-income households (earning 80 percent or less than the Area Median Income), older households, or those with children or a disabled person are eligible for an additional \$3,500.



CASE STUDY: CITY-FUNDED ASSISTANCE PROGRAM

San Antonio, Texas

Overview: The Resident Relocation Assistance Program (RRAP) provides a flat assistance amount of up to \$3,000 for households at or below 80 percent of Area Median Income who must relocate due to eviction. This program replaced the Risk Mitigation Fund which provided emergency rental assistance to prevent, mitigate, and minimize displacement.

Funding sources: The Risk Mitigation Fund was created in 2020 with the help of federal COVID-related relief which allowed emergency rental assistance to keep tenants housed and provide relocation assistance. RRAP is now partially funded by a grant from the Texas Department of Housing and Community Affairs, which does not allow rent payments as an allowable expense. In an interview with ECONorthwest, staff shared that the program received \$3.2 million from the City's General Fund and Council approved an additional \$1.4 million; this budget is estimated to support 1,483 households.

Program focus: RRAP covers direct moving-related costs, deposits, and fees for tenants who are evicted. It does not provide relocation assistance for households displaced by fire, flooding, or redevelopment, though Housing staff work closely with the Development Services to identify tenants living in properties under investigation for serious code violations to connect them with other resources.

Setting assistance limits: For the Risk Mitigation Fund, the average award amounts were determined by research done on rental assistance, as well as community input in response to a mobile home park redevelopment in 2019.¹ City staff also researched and contacted vendors to get quotes for the cost of moving services.

Tenant experience: About 50–60 applicants receive assistance each month. It can be challenging for tenants to find housing with property owners who are willing to wait additional time for assisted tenants to receive funds to put toward the deposit. On average, applicants who receive assistance are three-person households that earn about 30 percent of Area Median Income. Tenants with pets often need more than the \$3,000 limit to cover pet deposits.

Lessons for Austin

- » Staff would like to be a one-stop shop that provides financial assistance and relocation case management. With current City capacity and funding, staff work with many partners that help tenants find new housing.
- » It is essential to broadly educate property owners about RRAP, what it means to work with the City to receive payment, and to identify owners who are willing to work with tenants receiving this assistance. It is also important to create a straightforward payment process for relocation services and property owners.



CASE STUDY: PROPERTY OWNER-FUNDED ASSISTANCE PROGRAM

Portland, Oregon

Overview: The Tenant Relocation Assistance policy, adopted in March 2018, requires property owners to pay relocation assistance directly to tenants if the owner: 1) declines to renew a lease, 2) increases the rent by 10 percent or more within one year, or 3) terminates the rental agreement without cause. Assistance amounts are based on the size of the rental unit: \$2,900 for a studio or single-room occupancy unit, \$3,300 for a one-bedroom unit, \$4,200 for a two-bedroom unit, and \$4,500 for a unit with three or more bedrooms.

Funding sources: This policy requires that property owners pay tenants directly the full amount stipulated in City code, based on the size of the unit. The Oregon Supreme Court found the City's policy to be in compliance with a statewide ban on local rent control policies in 2021.

Program focus: Portland's program focuses on direct displacement caused by steep rent increases and no-cause evictions. The program does not focus specifically on redevelopment, but could cover such cases where leases are not renewed. Property owners are also subject to state-level policy about tenant assistance.

Setting assistance limits: Staff researched average costs among local moving service vendors for households of various sizes. The average of these estimates formed the basis for the scaled relocation assistance. These dollar limits were established by ordinance in 2018; amending the amounts would require a code revision.

Tenant experience: Relocation assistance is provided directly by property owners. While the policy requires that owners submit a Notice of Relocation Payment form to the city when they make a relocation payment, reporting is not consistent.

Lessons for Austin

- » Tiered relocation assistance by unit size provides assistance that meets the varying needs of different-sized households.
- » Code language or program rules that adjust assistance amounts automatically (such as linked to inflation) would allow the program to keep pace with cost changes without requiring a code amendment process.
- » Educating property owners and tenants about the program should make clear any differences between the City ordinance and any other relevant ordinances, such as county or state requirements.



Voluntary developer concessions

Since the ordinance went into effect in 2017, the City has certified at least 10 notifications. Relocation assistance was not available for residents in these buildings as the City worked to establish the City-funded Tenant Relocation Program (TRP). There have been no demolition permits that trigger the Ordinance since the Austin Cares: Tenant Relocation Assistance Program has been established. There have, however, been voluntary assistance packages offered by developers in two recent applications for zoning changes related to redevelopment, summarized in Exhibit 34. In addition to the flat relocation amount offered by the developers, EConorthwest used CoStar data to estimate the value of the rental assistance based on the effective rents of units in these buildings.

Exhibit 34. Sample developer relocation concessions in Austin

PROJECT	DEVELOPER	RENT ASSISTANCE	RELOCATION ASSISTANCE	TOTAL ESTIMATED ASSISTANCE PER UNIT
Barstow Apartments – Lincoln Oaks (11700 Metric Blvd)	Drenner Group	Last 3 months of rent before demolition \$3,000 average for 1-bed \$4,200 average for 2-bed	\$3,000	\$6,000 – \$7,200
2207 Wickersham Lane & 2239 Cromwell Circle	Wildhorn Capital	Last 3 months of rent before demolition \$3,400 average for 1-bed \$4,300 average for 2-bed \$2,000 cap for first-month’s rent at new location	\$500 + \$250 in admin fees	\$6,150 – \$7,050

Source: EConorthwest analysis of data from City of Austin and CoStar.

While these offers are structured differently from one another, the maximum value of each are roughly equivalent, given the average rents at each location. These offers also match or slightly exceed the City’s current capped assistance of \$6,000. It is possible that these packages were designed with the City’s current emergency rental assistance policy in mind. One detail to note is that the offer from Wildhorn Capital offers assistance with the first month of rent at a new location. This cap is well below the average rents currently charged to tenants, and tenants may not be able to access that full amount of assistance if they relocate to housing that is less than \$2,000 per month.

Conclusion

Current plans to match TRP financial assistance limits to other City programs that provide emergency assistance are generally aligned with voluntary offers from property owners for major redevelopment projects in the City, as well several comparable programs in other cities. This \$6,000 cap can meet the relocation needs of smaller households that are displaced, but is likely not adequate to cover basic relocation costs for larger households or mobile home



residents. This amount also does not account for the long-term cost increases that many displaced tenants will face when they lose their current housing, given the overall shortage of units affordable and available for lower income renters.



6. Policy recommendations

Implications of the housing, displacement, and cost analysis

- ◆ **Households of different sizes have different relocation costs.** The costs to relocate a studio or one-bedroom apartment are typically much less than moving a larger household. Adjusting relocation assistance based on the size of the unit or the household could allow a fixed budget to serve more households overall.
- ◆ **Mobile home owners face much higher relocation costs compared to renters.** For mobile home owners that are able to relocate their homes, the basic logistics of moving a single-wide home, storing possessions and reconnecting the home to utilities in a new location exceeds the maximum support that is currently available under City policy.
- ◆ **Mobile home tenants who are in rent-to-own agreements may not be able to move their homes.** Without voluntary concessions from the owners of the mobile home parks to help rent-to-own tenants purchase their homes outright, the TRP would likely not be enough for these tenants to keep their homes. These households may have to transition to conventional rental housing and could increase their monthly housing costs. Depending on the rent-to-own agreement, these tenants may lose some or all of the equity investment they made in their mobile homes.
- ◆ **These cost estimates do not account for the challenge of finding affordable rental housing.** As discussed in the Chapter 2 of this report, there is a gap between the supply of housing affordable at lower incomes and the demand from Austin tenants. These cost estimates are based on average rents but the cost model does not account for the dynamic availability of units at those prices, or the additional time it may take for a household to find replacement housing that meets their budget and location needs. Service providers report that finding new affordable housing is one of the biggest challenges for their clients, especially if they are trying to stay close to work, schools, doctors, or other community ties.
- ◆ **Some households may have additional needs that make finding new housing more challenging.** For people who are dependent on walking or public transit for their daily or weekly needs, displacement may place additional burdens in having to find new housing that is within the same neighborhood or maintains access to a specific transit line.
- ◆ **Extremely low-income households may need additional support to access regulated affordable housing.** Properties with below-market rents located in neighborhoods where rents are rising are particularly at risk for redevelopment. For tenants with extremely low incomes—such as older residents on fixed incomes, or people living on Social Security Insurance—finding new housing on the open market that they can afford may not be possible. These residents may need extra time or support to access housing vouchers or apply for regulated affordable housing.



Recommendations

Based on the findings of this study, ECONorthwest recommends the City consider the following adjustments, expansions, or programmatic requirements as it implements the Tenant Relocation Program.

Recommendations for implementing the Tenant Relocation Program



Adjust the current TRP compensation cap by size and type of housing.

Given that unit size is the main driver of relocation costs, the City of Austin should consider adjusting its relocation assistance based on the size of the unit or the household to allow a fixed budget to serve more households overall. The current \$6,000 assistance cap, while congruent with sampled developer relocation concessions in Austin and other cities, falls short of meeting the low-end estimated needs for tenants relocating from larger units.



Maintain the 50-mile limit at this time. While housing in the broader study area is generally more affordable to households currently living in Austin, the overall housing dynamics (including mismatch) are not dramatically different. Additionally, service providers generally report that clients try to stay as close to Austin as possible to maintain connections to work and community. Very few leave the metro area, and often only do so if they have strong family connections elsewhere, or are returning to a place they used to live.

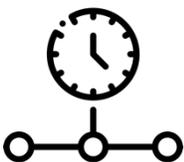


Track relocation outcomes by location, new rental costs, and length of lease.

Tracking and documenting various outcomes related to tenant relocation will help the city better understand the impacts of the TNRA. For instance, monitoring location over the long term can provide insights whether revising the 50-mile radius makes sense in the future. Tracking data will require sufficient city capacity to record why someone who did an intake process under the TRP did NOT receive benefits and whether that is because they moved outside the limits or some other reason.



Audit and revise cost estimates annually. As new housing is developed and population and housing dynamics in Austin change, the City should conduct annual audits to ensure TRP assistance amounts are meeting the changing relocation needs of tenants facing displacement due to redevelopment.



Extend the required timeline for property owners to give notifications to vacate.

Currently the TNRA has a tenant notification timeline of 120 days for multifamily buildings (5 or more units) and 270 days for mobile homes. However, service providers report that four months is often not enough time to find adequate and affordable replacement housing, especially for people



that might be looking for regulated units. Mobile home owners often require at least a year's notice.

Options for additional tenant support



Ensure increased flexibility in fund eligibility used to support tenants in meeting additional needs. Several comparable city programs offer extra assistance (e.g., an additional \$500 or an additional 25 percent) for tenants with circumstances that affect their ability to find accessible housing, including older tenants and individuals with disabilities.



Allow tenants to spend their last month in the apartment rent-free. Existing examples of developer agreements offered for recent redevelopment projects in Austin waived the last three months of rent before the planned demolition. Linking this benefit to regulatory incentives for redevelopment or rezoning applications may be allowable under Texas law and provide additional resources for tenants to put toward relocation.



Require landlords to return security deposits to tenants. The anticipated demolition of the property no longer warrants the safeguarding of a security deposit. Tenants given a notice to vacate should be released from their leases without penalty and with their deposit returned. Such a provision seems consistent with Texas law, which requires a written description and itemized list of deductions made for specific repairs for any amounts withheld from a security deposit. Returned security deposits are a requirement of other City programs, such as Density Bonus 90.

Options for additional service provider support



Consider offering a pre-billing option for the TRP administrator to increase the choices that tenants have for new housing and relocation services. Covering tenant expenses on a reimbursement model can delay payments and limit the number of property owners and professional services (such as moving companies) who are willing to work with tenants that need relocation support. The City currently allows pre-billing by community-based service providers that distribute emergency assistance for tenants who are vulnerable to eviction. This payment policy was approved to help prevent eviction and homelessness, particularly during the COVID-19 emergency. The Displacement Prevention Division should work with the City's finance department to explore a structure and ground rules for TRP assistance that meet the City's goals for fiscal management and responsibility while also ensuring that the TRP payment policy does not unfairly restrict options for displaced tenants who need assistance.