

RESOLUTION NO.

WHEREAS, the City of Austin is dedicated to increasing the supply of affordable housing in conformity with Imagine Austin and the Affordable Housing Blueprint; and

WHEREAS, density bonus programs incentivize the development of affordable units for 40 or 99-year terms along with the creation of larger mixed use, pedestrian-friendly growth; and

WHEREAS, it will be extremely difficult for Austin to build its way out of the affordable housing challenges faced by Austinites earning at or below 50% Median Family Income (MFI) set annually for the Austin-Round Rock Metro Service Area by the Department for Housing and Urban Development; and

WHEREAS, the preservation of existing affordable housing stock is critical not only to a comprehensive housing strategy but also to achieving the goals set out in Austin's Climate Equity Plan; and

WHEREAS, the level of investment required to bring aging multifamily properties with ongoing capital investment needs up to standard can make it difficult for existing owners to continue to offer it as naturally occurring affordable housing (NOAH) without a dedicated source of capital to make the requisite improvements; and

WHEREAS, the sale, demolition and redevelopment of properties that had been offering NOAH can often be the only economically feasible option for property owners; and

23 **WHEREAS**, both income-restricted and NOAH units provide housing in
24 the Austin area for essential workers including teachers, first responders, nurses,
25 technicians, and service workers; and

26 **WHEREAS**, preserving affordable housing stock in all areas of Austin
27 protects diversity, retains existing community fabric, and supports working
28 families central to Austin’s vitality; and

29 **WHEREAS**, housing preservation is typically less complex than new
30 development or redevelopment since it requires no permitting, zoning, site plans,
31 etc., and is more sustainable since it can reuse or extend the life of existing
32 structures; and

33 **WHEREAS**, local models and partners with a demonstrated track record of
34 success in housing preservation exist, but are limited by resources, partners, and
35 private and philanthropic capital; and

36 **WHEREAS**, the local multifamily market is temporarily overbuilt creating
37 opportunities for a greater focus on housing preservation to be feasible; and

38 **WHEREAS**, peer cities and the City have alleviated the burdens of
39 redevelopment through community benefits, direct relocation benefits, and
40 investment in affordable housing; and

41 **WHEREAS**, peer cities have also developed creative programs to extend
42 the life of NOAH such as the Dallas Housing Opportunity Fund, Bay’s Future
43 Fund, Charlotte Housing Opportunity Investment Fund, and the Detroit Housing
44 For the Future Fund; and

45 **WHEREAS**, public-private investment funds leveraged appropriately can
46 effectively address insufficiencies in the housing market; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Manager is directed to explore any and all opportunities to create new, or enhance existing, housing preservation programs and funding mechanisms with the aim of investing in and preserving naturally occurring affordable housing. These opportunities should, at a minimum, include:

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

BE IT FURTHER RESOLVED:

To further guide development of a proactive approach to NOAH with the intention of preventing any net loss of affordable housing in Austin, especially near transit, the City Manager is directed to:

- (1) conduct a geographical analysis of NOAH properties in Austin with the intent of identifying development patterns, areas of greatest need, areas of NOAH concentration and pipeline creation; and
- (2) identify NOAH properties with existing and ongoing City Code compliance issues, particularly properties that have been identified by Development Services Department as repeat offenders; and
- (3) provide an annual report detailing the use of funds allocated to preserving naturally occurring affordable housing units; and
- (4) include in future Housing Bond Reports the use of bond dollars to preserve existing affordable units, including both dollars used, their sources, and the number of units preserved; and
- (5) as part of any proposed zoning change, review, to the extent feasible, the number of existing housing units renting below the current year's 50 percent MFI level and the number of such housing units that would be lost as a result of redevelopment; and
- (6) present recommendations on additional methods to preserve and develop deeply affordable (i.e., 50 percent MFI and below) housing as is feasible.

BE IT FURTHER RESOLVED:

The City Manager is directed to prepare an amendment to City Code that applies to density bonus and incentive programs. The goals of the amendment are to:

- (1) adjust both relocation benefits and fixed benefits; and

- (2) require an on-site professional relocation specialist during extended hours (e.g. into the evening or on a weekend day) that do not include overnight hours.

ADOPTED: _____, 2025 **ATTEST:** _____

Erika Brady
City Clerk