



Tenant Relocation Cost Study

Presentation to Housing and Planning
Committee

September 2025



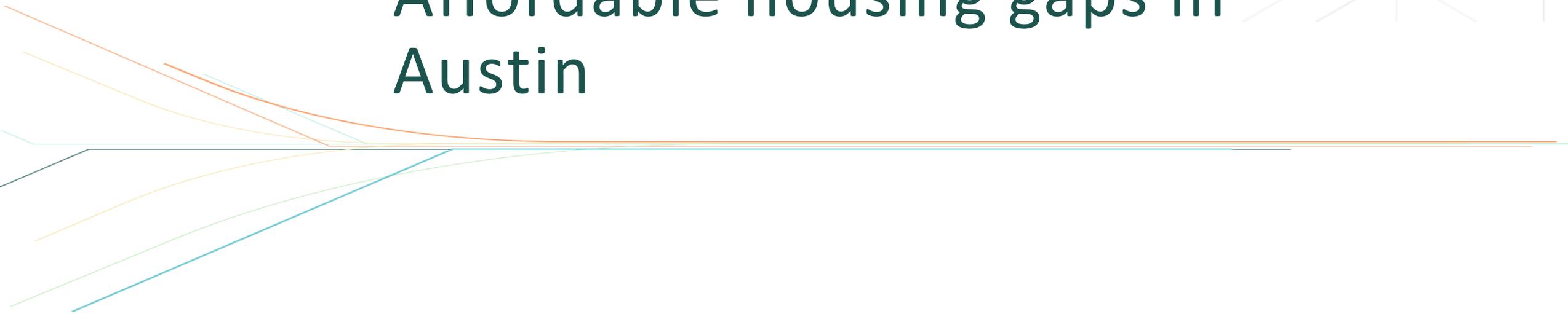
Study goals

1. Gather more specific information about the rental market that displaced tenants must navigate
2. Understand past redevelopment trends to inform future program planning
3. Estimate the costs of services covered by the assistance program
4. Determine whether the ordinance geography is adequate to needs of displaced tenants



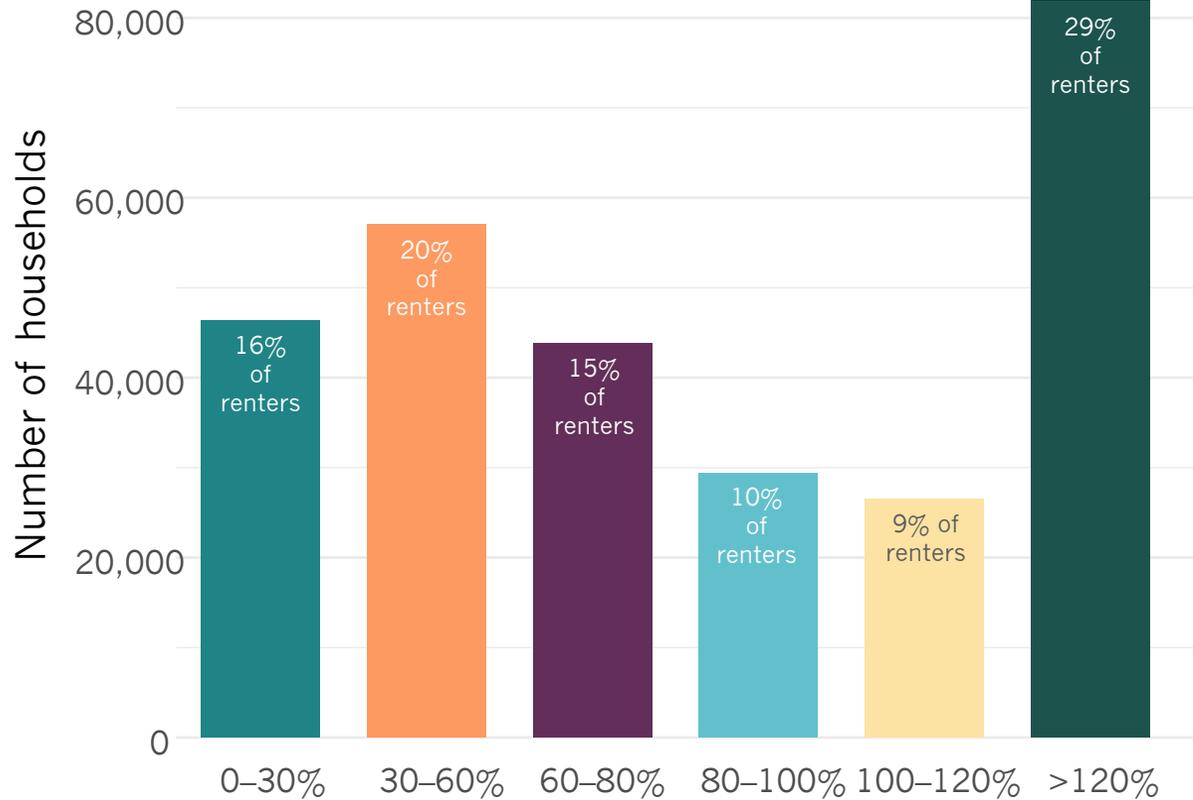
Source: City of Austin

Affordable housing gaps in Austin



Comparing household incomes and rental housing costs

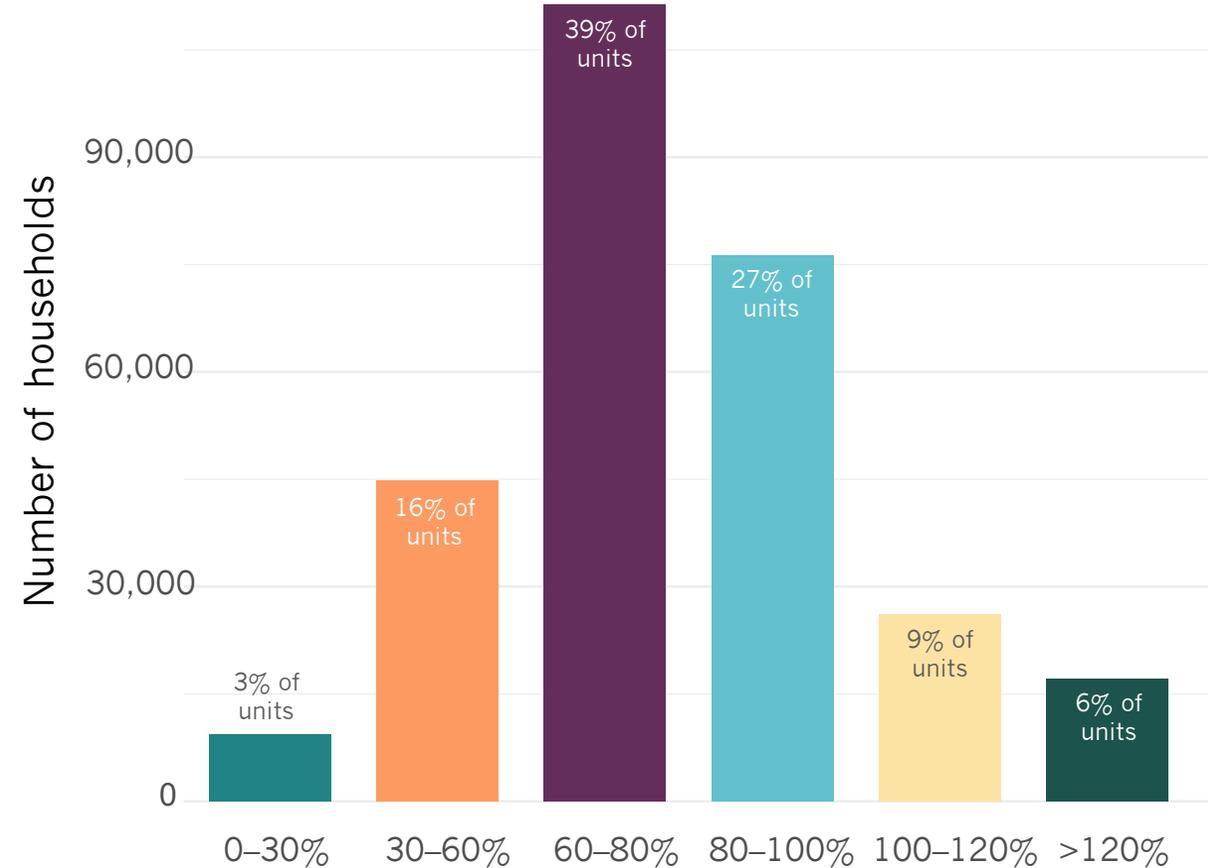
Renter household income, 2023



Household income by share of AMI

Source: ECONorthwest analysis of ACS 1-year estimate.

Rental housing costs, 2023

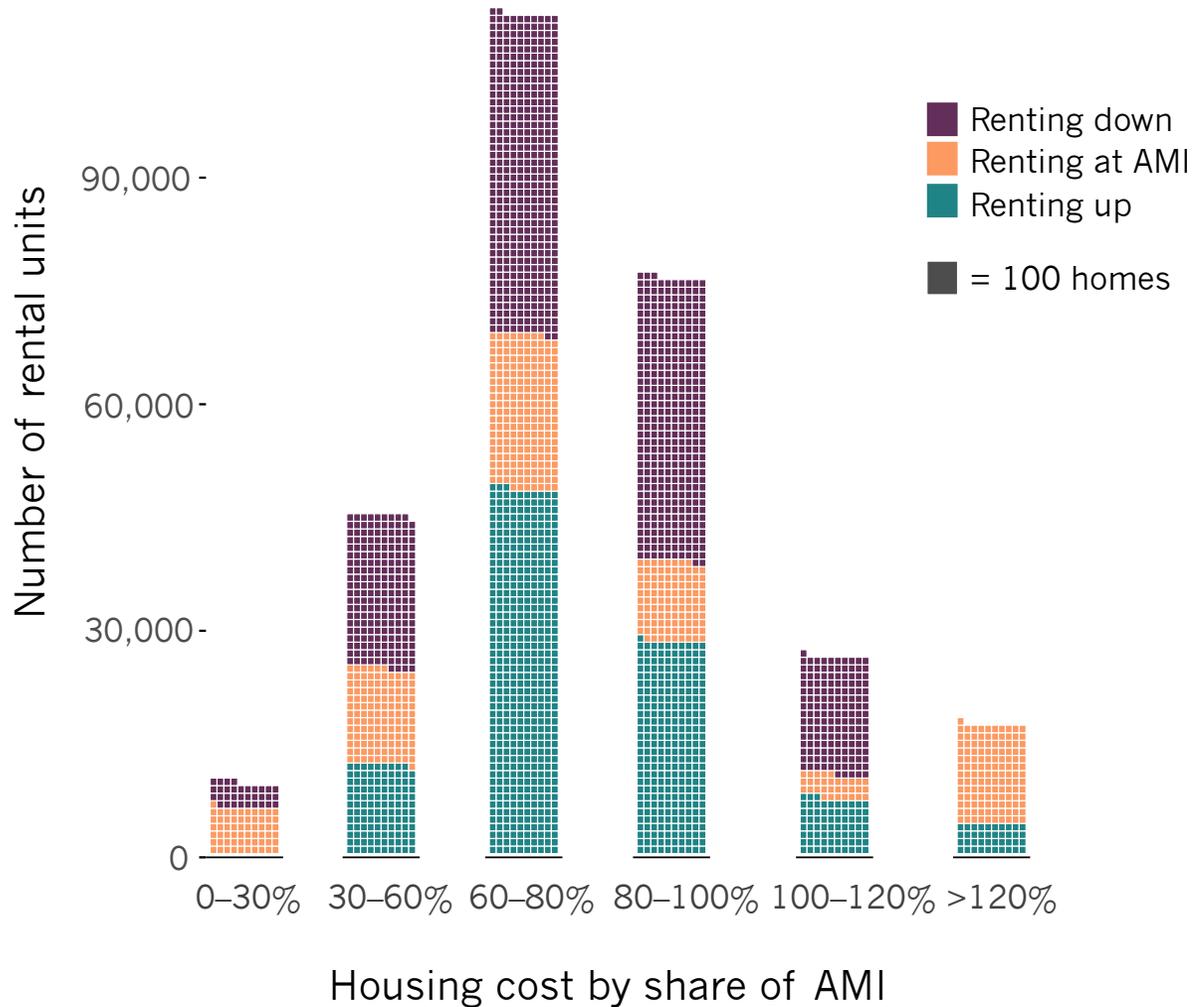


Housing costs by share of AMI

Source: ECONorthwest analysis of ACS 1-year estimate.

Understanding the “mismatch” between incomes and rents

Renter household income compared to rental housing costs, 2023

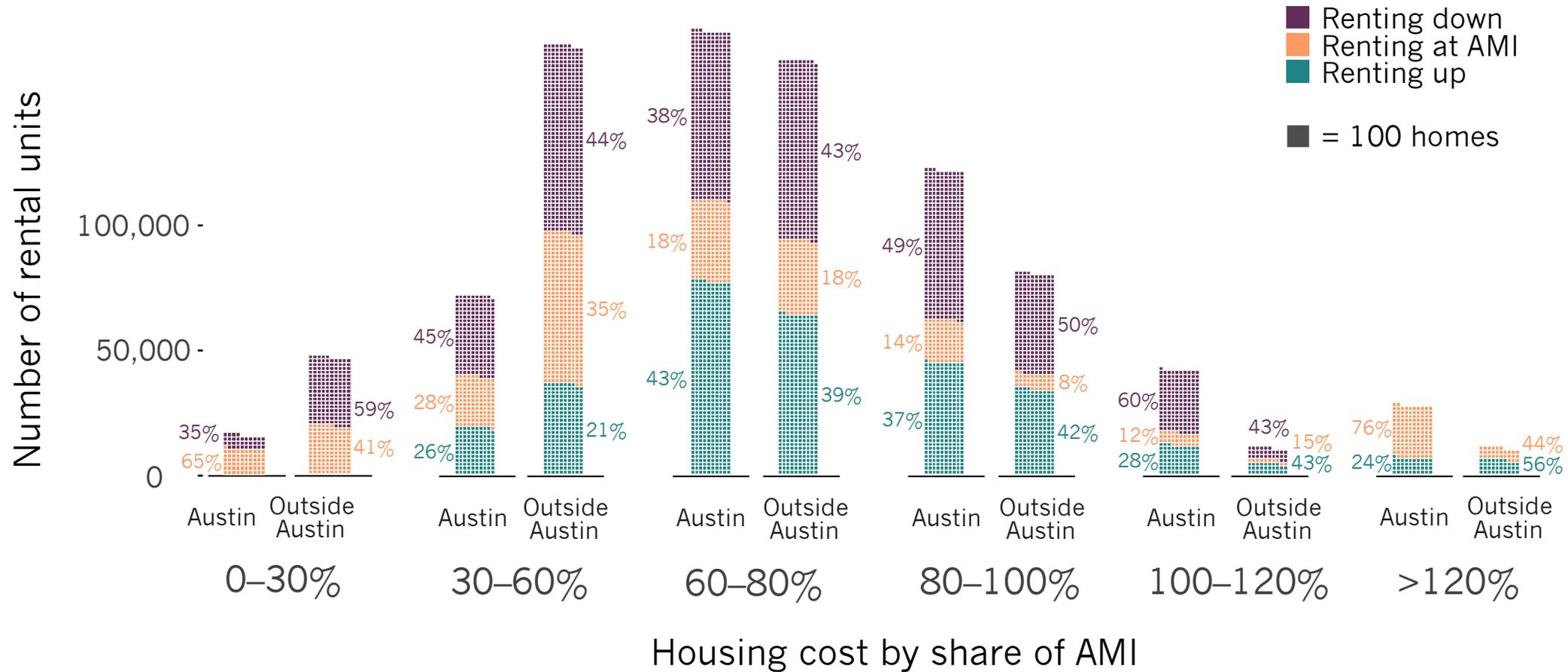


“Renting up” describes households who rent homes that are **more expensive than what they can afford**, based on their income.

“Renting down” describes households who rent homes that are **less expensive than what they can afford**, based on their income.

Regional dynamic is similar to Austin

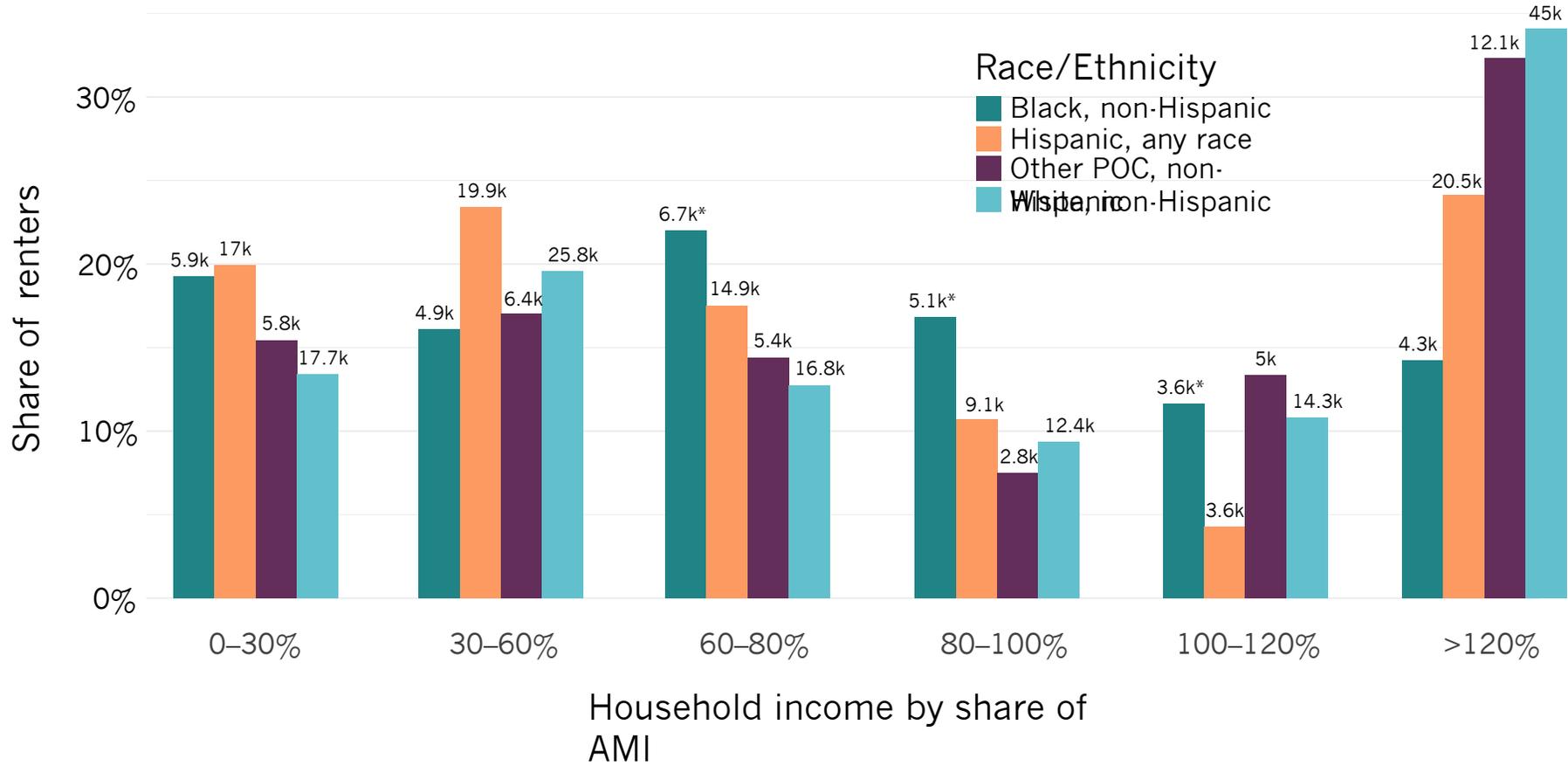
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Source: ECONorthwest analysis of ACS 1-year estimate.

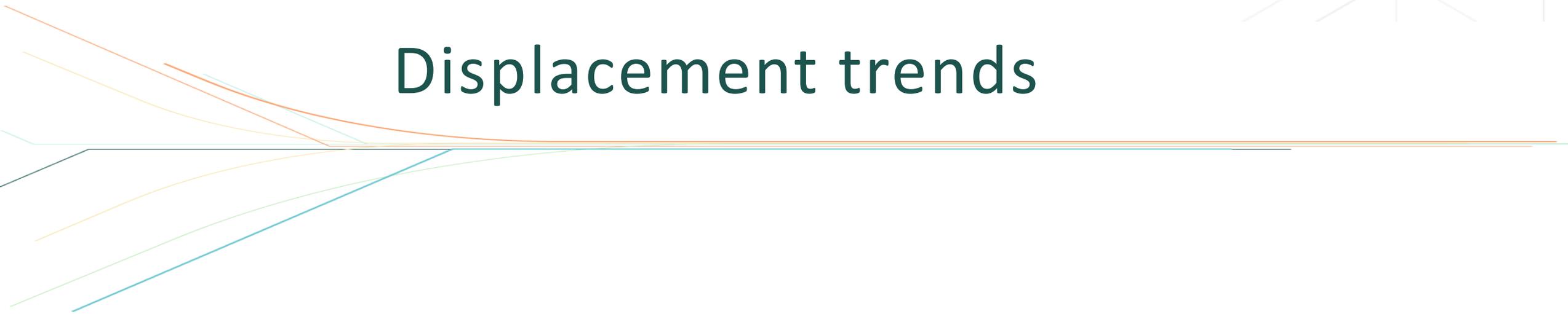
Disparate impacts of affordable housing gaps

Renter household income by race and ethnicity, 2023



Source: ECONorthwest analysis of ACS 1-year estimate.

Displacement trends



How do we define displacement?

A relatively small share of people who experience displacement do so in a direct and documented way.

To understand displacement trends related to redevelopment, we are looking at **documented cases of demolished rental units** recorded in the City of Austin's permit records.

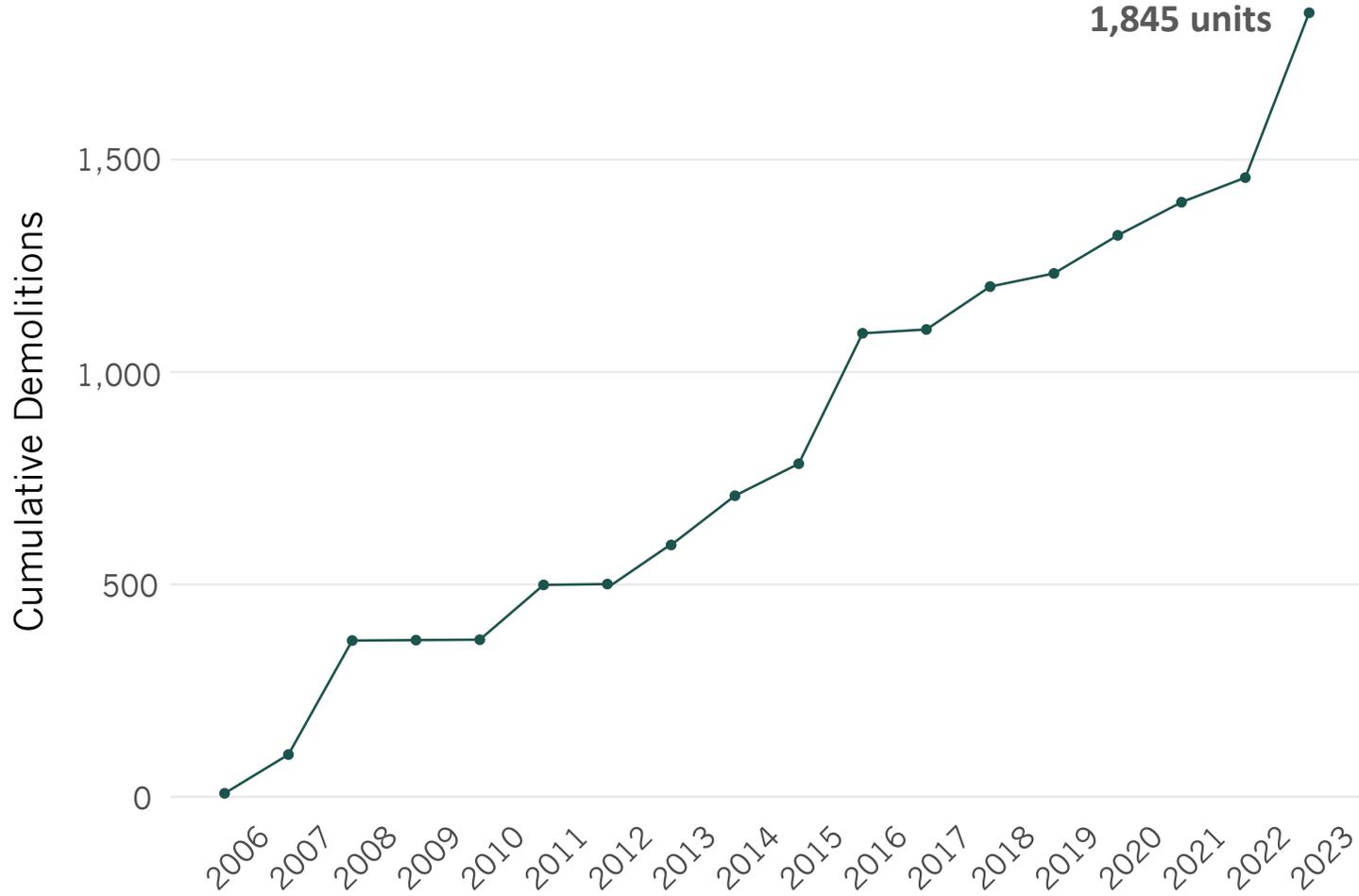
To provide greater insights, **we map this demolition data against changes in household income, and broader migration trends** for areas within and near Austin.



Source: City of Austin

Demolition trends

Demolished housing units, 2006–2023



Represents demolition permits of 5 or more units, or mobile homes

Average loss of 102 units per year.

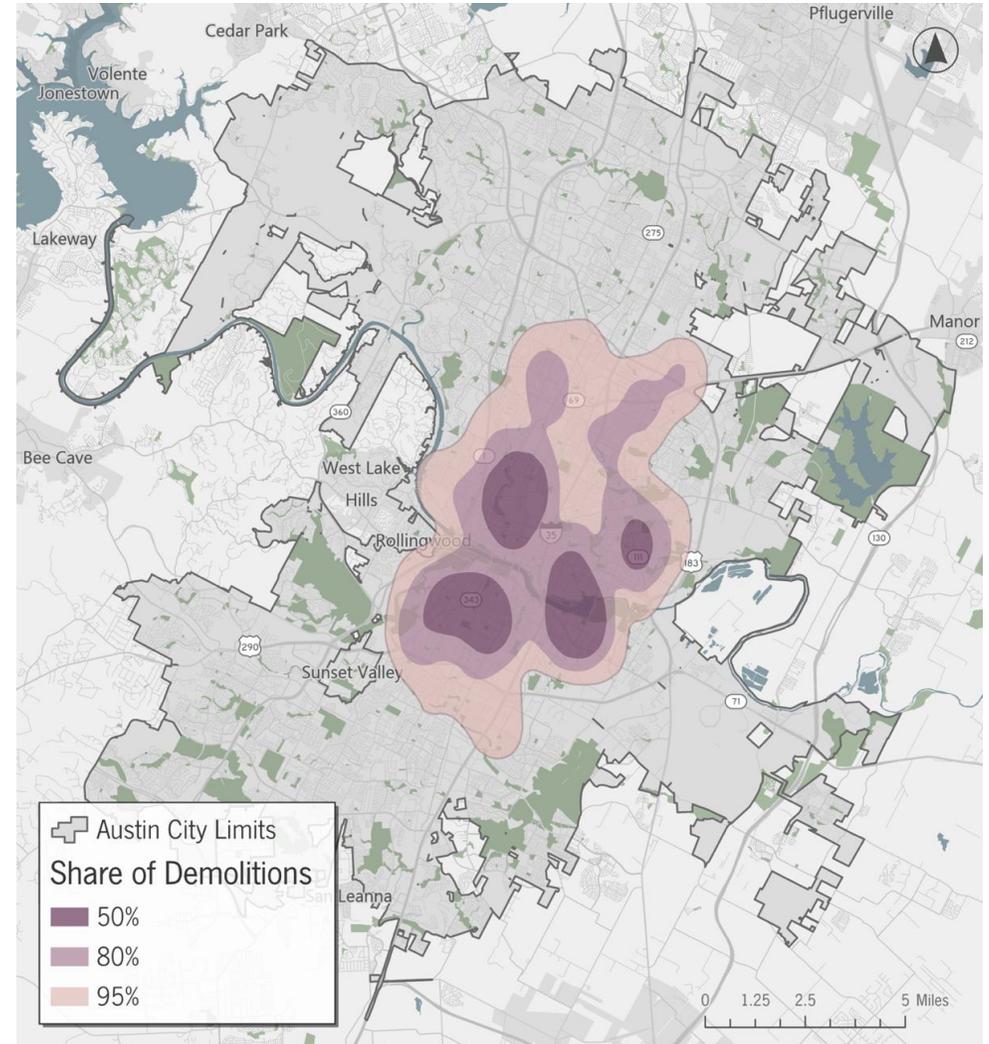
Cannot know from permit data alone how many tenants were displaced by this activity.

Where are demolitions happening?

50 percent of all the units lost between 2012 and 2022 occurred in neighborhoods that intersect ZIP codes 78702, 78741, 78704, and 78705. (Council Districts 1, 3, and 9).

95 percent of apartment and mobile home demolitions are concentrated in neighborhoods within six miles of Downtown Austin.

Concentration of demolished units, 2012–2022



Source: ECONorthwest analysis of City of Austin permit data.

Where are demolitions happening?

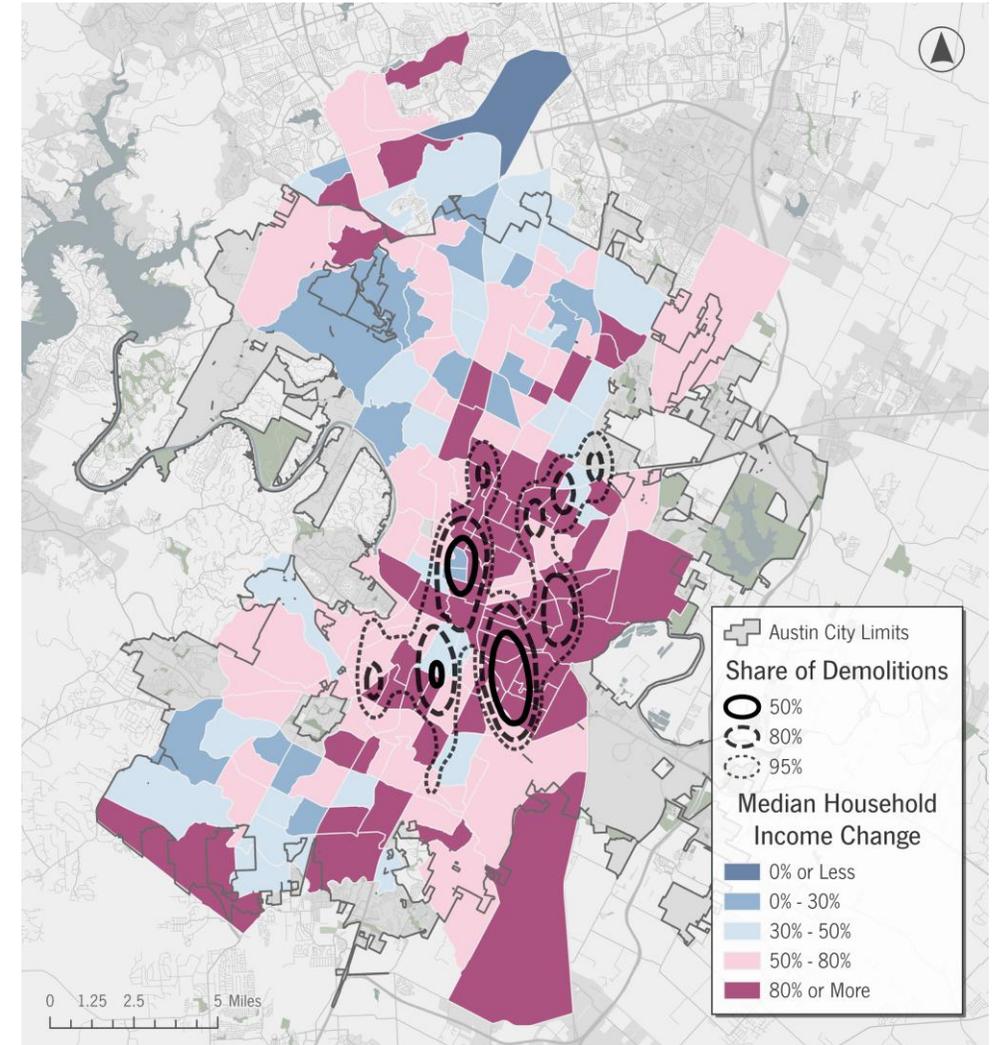
Areas that have lost the most rental units have also seen some of the largest positive changes in median income.

Increases in Median Household Income greater than 51 percent indicate income growth beyond what would be expected due to inflation over these 10 years.

- Suggests substantial in-migration of higher income households.

Higher income households of all racial and ethnic groups have moved to Austin, so there are no clear trends when disaggregating by race and ethnicity.

Concentration of demolished units and changes in median household income, 2012–2022



Source: ECONorthwest analysis of City of Austin permit data and ACS.

What is being rebuilt after demolition?

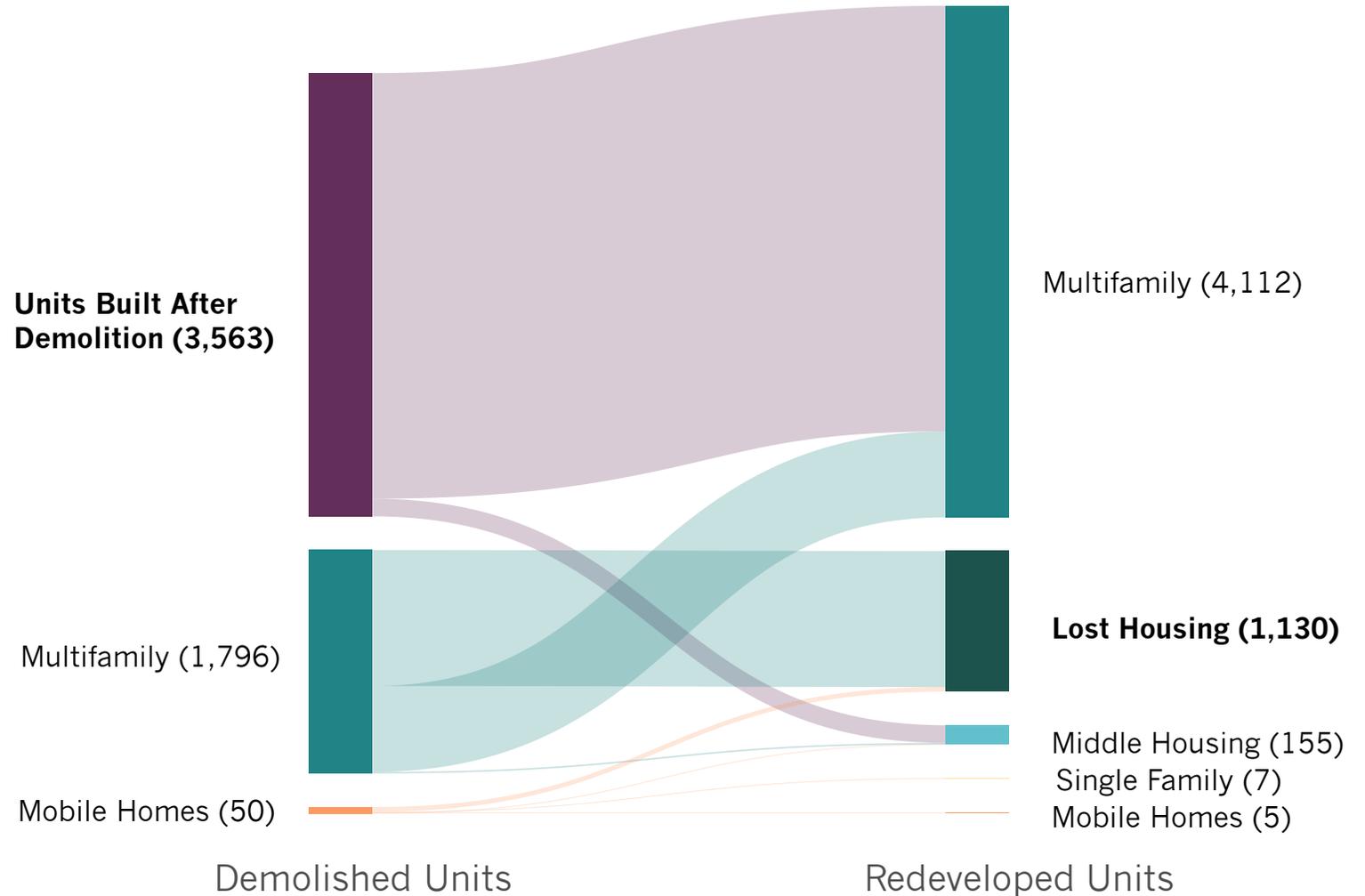
About 63 percent of demolished units were “lost,” meaning those parcels had no record of new construction by 2023.

A small share of sites replaced demolished housing with middle housing types, such as townhouses.

Where housing was rebuilt, the majority became multifamily housing, and the number of units increased by a factor of 6.

- Overall, 2 homes were added for every demolished unit.

Redevelopment outcomes, 2006–2023



Source: EConorthwest analysis of City of Austin permit data.

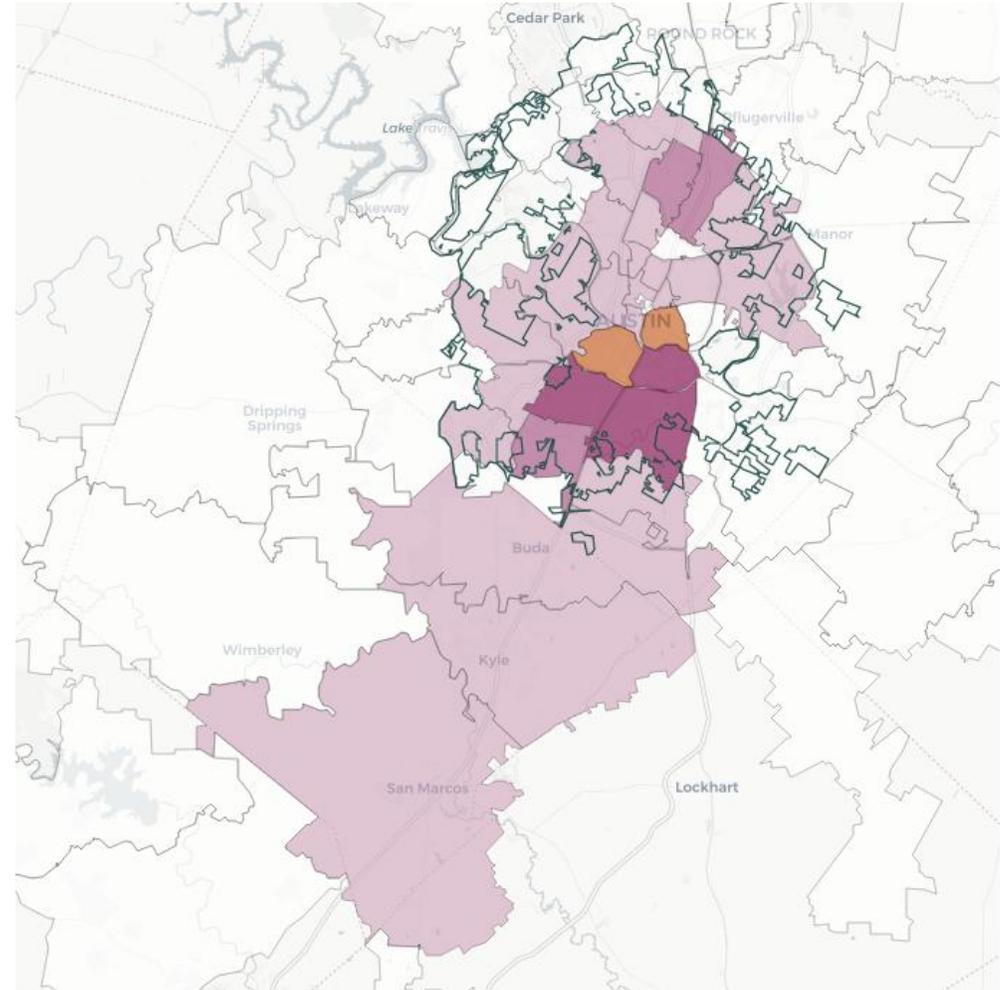
Where are people moving?

Overall trends show that residents who moved out of the ZIP codes where the most rental units have been demolished **tended to relocate to the three ZIP codes immediately to the south.**

- Most residents relocated within Austin.
- For residents who left the city, it was more common to relocate to areas south of the city, such as San Marcos and Kyle.

These migration trends represent all residents of these ZIP codes, rather than residents who experienced direct displacement.

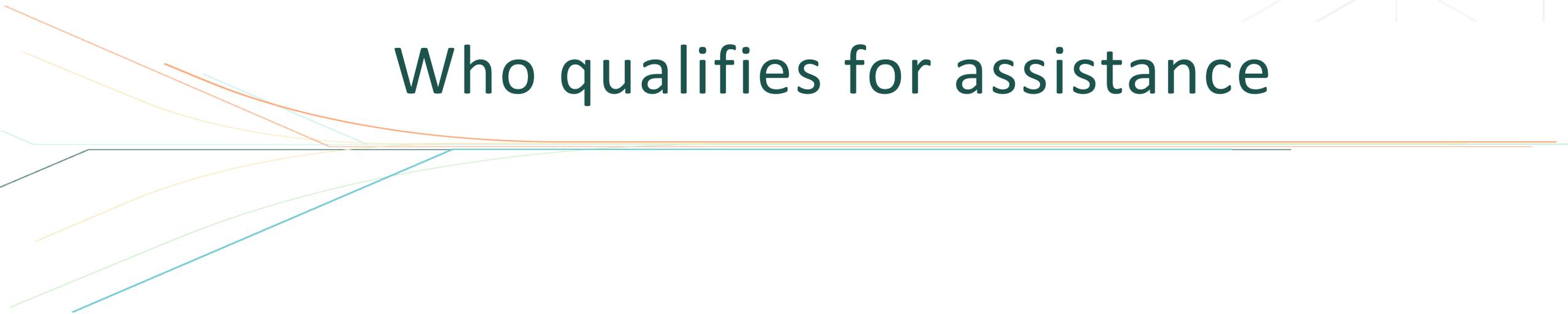
Migration trends for ZIP codes with largest shares of demolition permits



Source: ECONorthwest analysis of Placer data.



Who qualifies for assistance



What do qualifying households look like?

Earning up to 70% of Area Median Income (up to 80% for mobile home residents)

Living in a multifamily property with at least 5 units

Nearly 35 percent of Austin rental households—over 102,000—would qualify for the tenant relocation program based on their income and the type of housing they live in.

More than one third of qualifying households are extremely low-income—meaning they earn 30 percent or less of Area Median Income.

Summary of program-eligible households

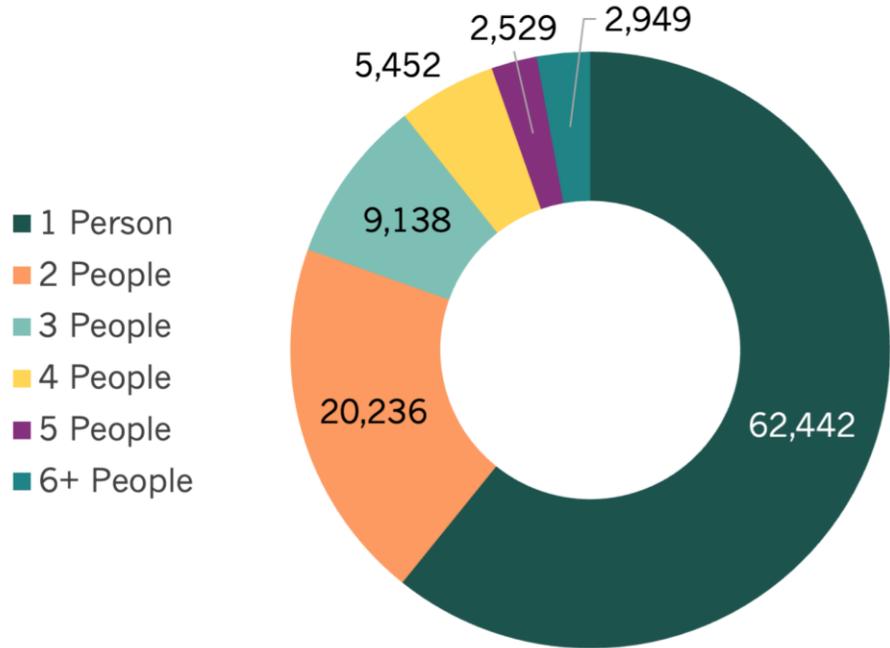
ELIGIBLE STRUCTURE	HOUSEHOLD (HH) COUNT	HH SHARE	POPULATION (POP) IN HH	POP SHARE
Mobile Home Owners	2,296	2%	9,043	5%
Mobile Home Renters*	2,983	3%	7,447	4%
Renters in 5–9 Unit Structures	14,574	14%	23,525	13%
Renters in 10–19 Unit Structures	22,124	22%	41,165	23%
Renters in 20–50 Unit Structures	19,709	19%	36,680	21%
Renters in 50+ Unit Structures	41,060	40%	60,325	34%
Total	102,746		178,185	

* This estimate has a margin of error that is 50 percent or more than the total estimate and is not reliable.

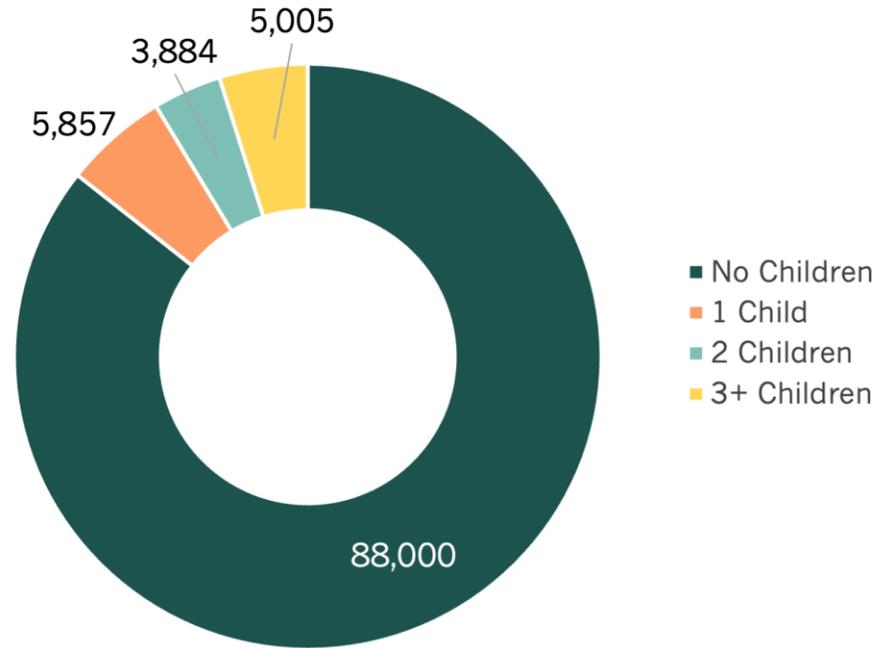
Source: EConorthwest analysis of ACS 1-year and 5-year estimates.

What do eligible households look like?

Program-eligible households by size



Program-eligible households by presence of children



Source: ECONorthwest analysis of ACS 1-year and 5-year estimates.

Source: ECONorthwest analysis of ACS 1-year and 5-year estimates.

Among eligible households, **81 percent are single or two-person households.**

86 percent of eligible households **do not have children.**

Relocation cost estimates



What costs are included in our analysis?

Professional moving

Packing materials, packing time, moving time

DIY moving

Packing materials, moving truck rental (including mileage fees and gas)

Storage (mobile home only) and temporary costs

1 month of storage for 3-bedroom home, temporary lodging for 1 month

New housing fees, deposit, rent

Application fee, security deposit (equal to 1-month of rent), first month of rent

Mobile home relocation and rent

Relocation services, first month of lot rental

Moving Scenario

Average cost for each service
(from multiple quotes)

Moves between 5 and 25 miles,
for example:

- Within Austin
- Central Austin to Bastrop
- South Austin to San Marcos
- North Austin to Georgetown

Bedroom count is the most important variable for determining total relocation costs.

What is the range of relocation costs across these households?

Summary of relocation costs by unit type

	STUDIO/1-BEDROOM	2-BEDROOM	3-BEDROOM	3-BEDROOM MOBILE HOME
Sample Household	Older adult	Single parent	Large family	Working age couple
Low Estimate	\$3,100	\$4,200	\$5,000	\$9,000
High Estimate	\$6,300	\$7,600	\$10,000	\$15,450

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Unit size is the key driver of relocation cost differences as it determines the cost of moving expenses, the rent of a new unit, and the security deposit needed.

The current \$6,000 cap on per-household assistance is unlikely to meet the relocation needs of mobile home owners and larger households.

Smaller units/households—the majority of households that are eligible for assistance—may need less than \$6,000 to cover relocation expenses.

How do these costs compare to support offered by developers?

Some developers have offered assistance packages to tenants in past cases of demolition and redevelopment.

These offers vary, but have included:

- Free rent for the last three months before demolition
- First month's rent at a new location (up to a \$ cap)
- Moving assistance (from \$500–\$3,000)

These packages have totaled between \$6,000 and \$7,000 per unit. In future, such offers may affect whether tenants would participate in the Tenant Relocation Program.



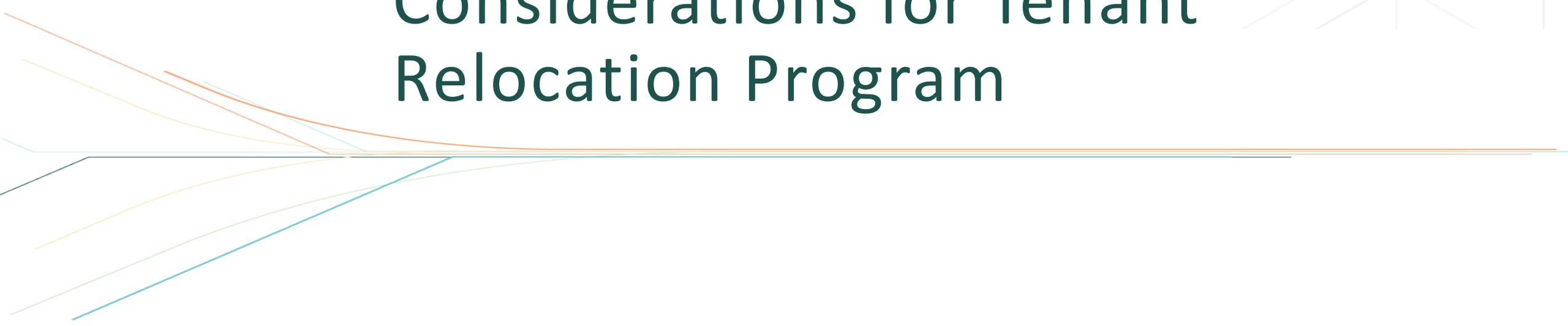
Source: Google Maps

How do these costs compare to other cities' relocation programs?

Example relocation assistance programs in other jurisdictions

CITY	TENANT ELIGIBILITY	SOURCE OF ASSISTANCE	TOTAL ASSISTANCE
Seattle WA	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
San Antonio TX	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 CA	Any renter displaced due to redevelopment or demolition Additional assistance for households with special needs, such as low income (at or below 80% of AMI), older adult (62+), people with a permanent disability	Property owner	\$5,000 \$6,000 maximum for households with special needs
Palo Alto CA	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 households with children	Property owner	Studio: \$8,203 1-Bed: \$10,547 2-Bed: \$15,235 3+ Bed: \$19,922

Considerations for Tenant Relocation Program



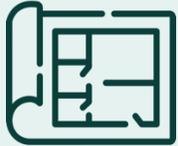
Key implications

- Households of different sizes have different relocation costs.
- Mobile home owners face much higher relocation costs compared to renters.
- These cost estimates do not account for the challenge of finding affordable rental housing.
- Some households may have additional needs that make finding new housing more challenging.
- Extremely low-income households may need additional support to access regulated affordable housing.



Source: City of Austin

Key recommendations



Adjust the current compensation award by size and type of housing



Maintain the 50-mile limit at this time



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



Audit and revise costs annually



Extend the notification timeline

Discussion and questions





Thank you

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