

RESOLUTION NO.

WHEREAS, the purpose of the Austin Housing Finance Corporation is to generate and implement strategic housing solutions for the benefit of low- and moderate-income Austinites; and

WHEREAS, Council adopted the Austin Strategic Housing Blueprint in 2017 as part of a multifaceted, integrated approach to creating and preserving affordable housing; and

WHEREAS, the Rental Housing Development Assistance (RHDA) Program was designed to implement the Austin Strategic Housing Blueprint by providing financing for the acquisition, rehabilitation, and new construction of affordable rental housing developments; and

WHEREAS, as a condition of obtaining RHDA financing for affordable rental housing developments, the City requires developers to adhere to a number of conditions, including requirements that RHDA Program units must be rented to households with annual incomes at or below 50 percent of the median family income for the Austin-Round Rock metropolitan area; that RHDA Program units be made available to households with federal Housing Choice Vouchers; and that developments using RHDA funds be operated in accordance with RHDA Program Guidelines and other requirements of federal, state, and local law; and

WHEREAS, one of the most important RHDA Program requirements is the requirement that borrowers must follow the provisions laid out in the RHDA Lease Addendum, which contains a number of protections for Austin tenants, including protections against unfair lease terms, protections against unjust evictions, requirements of notice and an opportunity to cure before any eviction proceeding, requirements to remediate hazardous health conditions, protections against unfair

charges, requirements for relocation assistance in certain conditions, protections for participation in a tenant association, and other important and beneficial provisions to the benefit of Austin tenants; and

WHEREAS, the RHDA Lease Addendum must be incorporated into all tenant leases at applicable developments and must be executed by the borrower (or their designee) and the tenant prior to move in; and

WHEREAS, there are over 150 RHDA-supported properties located within Austin; and

WHEREAS, as part of the annual review process to evaluate RHDA program successes and failures, the City published a Housing Finance Assessment on April 23, 2025 (April 2025 Assessment), which contained a candid assessment of program successes and weaknesses, including the need to improve RHDA monitoring, compliance processes, and communication with property managers, as well as an Austin Housing finding that “current gaps in capacity and lack of clear guidelines delay timely and effective enforcement”; and

WHEREAS, effective RHDA monitoring, compliance processes, and communication with property managers are essential programmatic activities to ensure that the RHDA program is fulfilling City goals and objectives, including advancement of the Austin Strategic Housing Blueprint and protection of renters at City-funded properties; **NOW, THEREFORE**,

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

To ensure that City-funded RHDA properties are operating in compliance with RHDA Program requirements related to tenant and applicant policies and procedures, the City Manager is directed to prioritize the following activities:

1. Creating a summary of current RHDA compliance at City-funded properties -- including successes and failures -- utilizing the data underlying the April 2025 Assessment, including information on the properties monitored and the findings of the monitoring by no later than April 30, 2026;
2. Establishing a compliance plan that includes the following elements by no later than August 1, 2026;
 - a. Maintaining accurate and up-to-date lists of property owner and manager contact information at City-funded RHDA properties;
 - b. Providing a training program for property management staff that covers tenant and applicant policies and procedures, including assessing completion of training programs for RHDA applicants;
 - c. Confirming whether RHDA Lease Addendums are executed and provided to tenants at City-funded RHDA properties;
 - d. Confirming that other RHDA Program requirements related to tenant and applicant policies and procedures are being followed at City-funded RHDA properties;
 - e. Ensuring, via the City's website, public access to information that connects RHDA-supported properties with specific RHDA requirements, including the Lease Addendum, and information that describes how a tenant can find out if they live in a RHDA-supported unit if not all units at a property are RHDA-supported;

- f. Providing regular updates and reports to Council, the Housing and Planning Committee, and the public related to compliance and monitoring efforts; and
- g. Taking action to address noncompliance with RHDA Program requirements.

BE IT FURTHER RESOLVED:

The City Manager is directed to establish a standard for Borrower compliance and a process to monitor and investigate compliance with RHDA Program requirements by August 1, 2026. As part of this work, the City Manager is encouraged to research how peer cities approach this work. This process should allow for data reporting that supports financial and operational sustainability for RHDA owners and property managers and should include:

- 1. a process for providing notice of borrower noncompliance;
- 2. an opportunity for borrowers to cure noncompliance;
- 3. timelines for noncompliant properties to come into compliance; and
- 4. any consequences for continued noncompliance.

BE IT FURTHER RESOLVED:

In developing the compliance plan, the City Manager should consult with a variety of stakeholders including, but not limited to:

- a. advocates who represent applicants and tenants at properties that may not be complying with RHDA program requirements;
- b. relevant City staff and officials;
- c. case managers working with applicants;
- d. case managers working with applicants;
- e. property owners; and
- f. property managers

The stakeholder process should conclude no later than May 31, 2026.

BE IT FURTHER RESOLVED:

The City Manager is directed to develop a comprehensive compliance staffing and procedural plan for all properties that must use the RHDA Lease Addendum. This plan should address the need for future City financial and staffing resources.

BE IT FURTHER RESOLVED:

The City Manager is directed to establish and implement a program that will test whether RHDA-supported properties are complying with applicant and tenant screening policies and procedures by October 1, 2026. An example of this kind of program would be a compliance verification strategy such as a “secret shopper program”.

ADOPTED: _____, 2025 **ATTEST:** _____
Erika Brady
City Clerk