



City of Austin

Recommendation for Action

File #: 25-2342, **Agenda Item #:** 44.

11/20/2025

Posting Language

Approve an ordinance designating Homestead Preservation District D in West Campus, generally bounded by Martin Luther King Jr. Boulevard on the south, West 29th Street on the north, North Lamar Boulevard on the east, and a western boundary running from Guadalupe Street along West 24th Street, San Gabriel Street, and Rio Grande Street and repealing Ordinance No. 20151217-028 related to a previous attempt to create a Homestead Preservation District D. Funding: approval of this item establishes the district and does not have an immediate fiscal impact. Any future financial impact will be determined as necessary and be presented for Council approval at that time.

Lead Department

Austin Housing.

Fiscal Note

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

Prior Council Action:

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

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

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

For More Information:

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Additional Backup Information:

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

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

Homestead Land Banks.

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

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

Directed by Resolution No. 20250911-047, City staff completed a feasibility study evaluating the eligibility of the proposed HPD D as outlined in the resolution as to whether it meets the statutory criteria in Chapter 373A. Median Family Income data was unavailable from ACS in these census tracts and was calculated by City staff using Table B19101. The margin of error for MFI in these tracts is significant, and the data is much less reliable than the other proposed HPD districts B and C. While parts of the area do meet the statutory criteria when MFI was manually calculated, only three of the four census tracts qualify, and the margin of error for MFI is significant. Based on the manual calculation using Table B19101, eligible census tracts in this area include: 6.08, 6.07, and 6.05. Ineligible census tracts in this area include: 6.06. Therefore, the HPD District that is included in this item for Council consideration is composed of the three census tracts found to meet the statutory criteria using the available data by the City's feasibility study.