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**WHEREAS**, the City’s Demographer also reports that 50 percent of people living in Austin have a low or moderate income; and

**WHEREAS**, additional residential units can provide a vital income stream to help people afford to stay in their homes, facilitate multi-generational living and family support, or provide housing that is affordable for early career or low to moderate income people; and

**WHEREAS**, in October 2023 the U.S Department of Housing and Urban Development, through the Federal Housing Administration, expanded mortgage access to include dwellings commonly known as Accessory Dwelling Units;

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

25 The City Manager is directed to explore options that would enable access to  
26 down payment assistance to help people with low or moderate incomes build or  
27 renovate their homes to include an additional residential unit. When exploring  
28 options, the City Manager should also consider the following goals:

- 29 (1) including a restriction whereby recipients of the down payment  
30 assistance and/or fee grants do not use the property as a short-term  
31 rental to create long-term affordable housing; and
- 32 (2) ensuring that the options complement existing Project Connect anti-  
33 displacement initiatives.

34 **BE IT FURTHER RESOLVED:**

35 To ensure the program is publicized to the communities who would benefit  
36 most, the City Manager is directed to develop communications and marketing  
37 materials targeted towards homeowners in areas of gentrification and displacement  
38 to ensure equitable access to information about down payment assistance.

39 **BE IT FURTHER RESOLVED:**

40 As increasing density in existing neighborhoods has the potential to  
41 accelerate the need for infrastructure improvements, the City Manager is directed  
42 to:

- 43 (1) consider the impacts of increased density on Austin Water and Austin  
44 Energy capacity and condition assessment processes and Capital  
45 Improvements Programs; and

(2) evaluate a potential economic development grant program for qualifying residential homestead applicants to pay for City fees associated with developing an additional residential unit on their homestead property.

**BE IT FURTHER RESOLVED:**

The City Manager is directed to bring proposals, implementation plans, and costs and funding sources to Council for its consideration by the April 2, 2024, meeting.

**ADOPTED:** \_\_\_\_\_, 2023 **ATTEST:** \_\_\_\_\_

Myrna Rios  
City Clerk