

**RESOLUTION NO.**

**WHEREAS**, in 2005, the 79th Texas Legislature passed House Bill 525, adding Chapter 373A to the Texas Local Government Code, thereby establishing the legal framework for the creation and operation of homestead preservation districts (HPDs) and related tax increment reinvestment zones; and

**WHEREAS**, in January of 2007, the City Council approved Ordinance No. 20070111-053, which, with the subsequent passage of House Bill 470 by the 80th Texas Legislature, created the City’s first HPD, located in Central East Austin, and which is labeled as “District A” in Exhibit A attached to this Resolution; and

**WHEREAS**, between 2010 and 2023, the population and housing unit thresholds in Chapter 373A to the Texas Local Government Code prevented the City from designating new HPDs, an issue which was not corrected until the passage of House Bill 4559 in June of 2023; and

**WHEREAS**, the Austin Strategic Housing Blueprint adopted in 2018 recommended continued use and expansion of HPD tools to promote affordable housing; and

**WHEREAS**, 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; and

**WHEREAS**, the criteria for establishing an HPD under Chapter 373A include:

- Census tracts with a median family income (MFI) below 80 percent of the citywide MFI; and

- A spatially compact and contiguous geographic area; and
- A population below 75,000; and
- A poverty rate at least double the citywide poverty rate; **NOW,**

**THEREFORE,**

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

The City Manager is directed to prepare and bring a draft ordinance or ordinances for Council consideration no later than December 1, 2025, to designate new homestead preservation districts in the areas identified by City staff as meeting the eligibility criteria under Chapter 373A of the Texas Local Government Code, based on 2023 American Community Survey data (see Exhibit A).

These areas include:

- **Southeast Austin:** generally bounded by Interstate 35 to the west, East Ben White Boulevard to the south, Pleasant Valley Road to the east, and the Colorado River and City of Austin boundary to the north; and
- **North Austin:** generally bounded by Interstate 35 to the east, Burnet Road to the west, U.S. Highway 290 and Research Boulevard to the south, and Kramer Lane and Rundberg Lane to the north.

**BE IT FURTHER RESOLVED:**

The City Manager is further directed to study the feasibility of establishing one or more homestead preservation reinvestment zones within the proposed homestead preservation districts, if Council adopts the new districts. This study should include projected tax increment revenues, administrative requirements, governance options, and alignment with the City's affordable housing goals and

should be presented to Council no later than May 30, 2026, if the new districts are adopted before then.

**ADOPTED:** \_\_\_\_\_, 2025    **ATTEST:** \_\_\_\_\_

Erika Brady  
City Clerk

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