

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 (TIRZs); 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 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 Austin 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, City Council adopted Resolution No. 20230223-043 directing staff to examine the need and availability of affordable housing for post- secondary students and to establish a target for qualified student housing in the Austin Housing Blueprint or any successive housing plan included in the Imagine Austin Comprehensive Plan; and

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

28 • Census tracts with a median family income (MFI) below 80 percent of the
29 citywide MFI;
30 • A spatially compact and contiguous geographic area;
31 • A population below 75,000;
32 • A poverty rate at least double the citywide poverty rate; **NOW**,

33 **THEREFORE**,

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

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

41 These areas include:

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

48 **BE IT FURTHER RESOLVED:**

49 The City Manager is further directed to study the feasibility of designating
50 other areas of the City as homestead preservation districts, including the West

Campus area generally south of West 29th Street, north of Martin Luther King Jr. Boulevard, east of North Lamar Boulevard, and west of Guadalupe Street, and report to the Council with the results of that study. If the feasibility study indicates the West Campus area is eligible, the manager is directed to include this area in the draft ordinance or ordinances for Council consideration no later than December 1, 2025.

BE IT FURTHER RESOLVED:

The City Manager is further directed to study the feasibility of establishing one or more homestead preservation reinvestment zones within 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