

RESOLUTION NO.

WHEREAS, the City of Austin is dedicated to increasing the supply of affordable housing in conformity with Imagine Austin and the Affordable Housing Blueprint; and

WHEREAS, density bonus programs incentivize the development of affordable units for 40 or 99-year terms along with the creation of larger mixed use, pedestrian-friendly growth; and

WHEREAS, it will be difficult for Austin solely to build its way out of the affordable housing challenges faced by Austinites earning at or below 50% Median Family Income (MFI) set annually for the Austin-Round Rock Metro Service Area by the Department for Housing and Urban Development; and

WHEREAS, naturally occurring affordable housing (NOAH) rental prices reflect aging infrastructure that often result in code violations and deferred maintenance; and

WHEREAS, the sale, demolition and redevelopment of properties that had been offering NOAH can often be the only economically feasible option for property owners; and

WHEREAS, the level of investment required to bring aging multifamily properties with ongoing capital investment needs up to standard can make it difficult for existing owners to continue to offer it as naturally occurring affordable housing (NOAH) without a dedicated source of capital to make the requisite improvements; and

23 **WHEREAS**, the preservation of existing affordable housing stock is not
24 only used as a tool to address our comprehensive housing strategy but also to
25 achieve the goals set out in Austin's Climate Equity Plan; and

26 **WHEREAS**, both income-restricted and NOAH units provide housing in
27 the Austin area for essential workers including teachers, first responders, nurses,
28 technicians, and service workers; and

29 **WHEREAS**, preserving affordable housing stock in all areas of Austin
30 protects diversity, retains existing community fabric, and supports working
31 families central to Austin's vitality; and

32 **WHEREAS**, housing preservation is typically less complex than new
33 development or redevelopment since it requires no permitting, zoning, site plans,
34 etc., and is more sustainable since it can reuse or extend the life of existing
35 structures; and

36 **WHEREAS**, local models and partners with a demonstrated track record of
37 success in housing preservation exist, but are limited by resources, partners, and
38 private and philanthropic capital; and

39 **WHEREAS**, the local multifamily market is temporarily overbuilt creating
40 opportunities for a greater focus on housing preservation to be feasible; and

41 **WHEREAS**, peer cities and the City have alleviated some of the burdens of
42 redevelopment through community benefits, direct relocation benefits, and
43 investment in affordable housing; and

44 **WHEREAS**, peer cities have also developed creative programs to extend
45 the life of NOAH such as the Dallas Housing Opportunity Fund, Bay's Future

46 Fund, Charlotte Housing Opportunity Investment Fund, and the Detroit Housing
47 For the Future Fund; and

48 **WHEREAS**, public-private investment funds leveraged appropriately can
49 effectively address insufficiencies in the housing market; **NOW, THEREFORE**,

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

51 The City Manager is directed to explore any and all opportunities to create
52 new, or enhance existing, housing preservation programs and funding mechanisms
53 with the aim of investing in and preserving naturally occurring affordable housing
54 that is safe and a sound investment. These opportunities should, at a minimum,
55 include:

- 56 (1) access to affordable and flexible capital for NOAH preservation with a
57 focus on leveraging existing programs and resources to serve low-
58 income households (at or below 50% Median Family Income);
- 59 (2) tax incentives and apportionments designed to support investment in the
60 preservation of NOAH properties by funding or incentivizing the
61 lifespan extension of existing units; and
- 62 (3) explore funding mechanisms including, but not limited to, grant-based
63 funding, low-cost loans, and philanthropic investment, to support the
64 growing need for affordable housing for a variety of household
65 incomes; and
- 66 (4) other strategies that can magnify the impact of investment from the
67 Affordable Housing Bond, Project Connect Anti-Displacement fund,
68 future bond dollars, and any other identified appropriate funding
69 sources.

70 **BE IT FURTHER RESOLVED:**

71 To further guide development of a proactive approach to NOAH with the
72 intention of preventing a net loss of affordable housing in Austin, especially near
73 transit, the City Manager is directed to:

74 (1) conduct a geographical analysis of NOAH properties in Austin with
75 the intent of identifying development patterns, areas of greatest need,
76 areas of NOAH concentration, the relative age of identified properties,
77 and pipeline creation;

78 (2) identify NOAH properties with existing and ongoing City Code
79 compliance issues, particularly properties that have been identified by
80 Development Services Department as repeat offenders; and

81 (3) provide an annual report detailing the use of funds allocated to
82 preserving naturally occurring affordable housing units; and

83 (4) include in future Housing Bond Reports the use of bond dollars to
84 preserve existing affordable units, including both dollars used, their
85 sources, and the number of units preserved; and

86 (5) as part of any proposed zoning change, review, to the extent feasible,
87 the number of existing housing units renting below the current year's
88 50 percent MFI level and the number of such housing units that would
89 be lost as a result of redevelopment

90 (6) present recommendations on additional methods to preserve and
91 develop deeply affordable (i.e., 50 percent MFI and below) housing as
92 is feasible; and

93 (7) present recommendations for evaluating the functionality, safety, and
94 quality of NOAH housing.

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BE IT FURTHER RESOLVED:

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The City Manager is directed to prepare an amendment to City Code that
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applies to density bonus and incentive programs. The goals of the amendment are
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to:

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(1) adjust both relocation benefits and fixed benefits; and
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(2) require an on-site professional relocation specialist during extended
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hours (e.g. into the evening or on a weekend day) that do not include
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overnight hours.

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ADOPTED: _____, 2025 **ATTEST:** _____

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Erika Brady
City Clerk