



City of Austin

Recommendation for Action

File #: 25-0946, **Agenda Item #:** 15.

6/5/2025

Posting Language

Approve a resolution authorizing amendments to Austin Water's Fiscal Year 2024-2025 GoPurple pilot incentive program for alternative onsite water reuse systems and reclaimed water connections for new commercial, mixed use and multi-family developments in the total aggregate amount of \$4,000,000, not to exceed \$1,500,000 per project for affordable housing projects exempt from the GoPurple reuse requirements and not to exceed \$500,000 per project for all other projects. Funding: \$4,000,000 is available in the Fiscal Year 2024-2025 Operating Budget of Austin Water.

Lead Department

Austin Water.

Fiscal Note

Funding in the amount of \$4,000,000 is available in the Fiscal Year 2024-2025 Operating Budget of Austin Water.

Prior Council Action:

November 29, 2018 - City Council approved the Water Forward Plan on a 10-0 vote.

December 11, 2019 - City Council voted to approve the Land Development Code Revision directing Austin Water to establish a regulatory program and an incentive program for Onsite Water Reuse Systems on first reading, on a 7-4 vote.

February 13, 2020 - City Council voted to approve the Land Development Code Revision directing Austin Water to establish a regulatory program and an incentive program for Onsite Water Reuse Systems on second reading, on a 7-4 vote.

December 10, 2020 - City Council approved an ordinance establishing City Code Chapter 15-13 relating to treatment, monitoring and reporting regulations for Onsite Water Reuse Systems, on a 10-0 vote.

April 22, 2021 - City Council voted to initially approve the Pilot Incentive Program for Onsite Water Reuse Systems for Fiscal Year 2021 for the installation of alternative Onsite Water Reuse Systems up to a total aggregate amount of \$1,000,000 and not to exceed \$500,000 for each project on a 10-1 vote.

September 30, 2021 - City Council voted to reauthorize the Pilot Incentive Program for Onsite Water Reuse Systems for Fiscal Year 2022 for the installation of alternative Onsite Water Reuse Systems up to a total aggregate amount of \$1,000,000 and not to exceed \$500,000 for each project on a 10-1 vote.

September 29, 2022 - City Council voted to reauthorize the Pilot Incentive Program for Onsite Water Reuse Systems for Fiscal Year 2023 for the installation of alternative Onsite Water Reuse Systems up to a total aggregate amount of \$1,000,000 and not to exceed \$500,000 for each project on a 10-1 vote.

March 7, 2024 - City Council voted to reauthorize the Pilot Incentive Program for onsite water reuse systems and reclaimed water connections for Fiscal Year 2024 up to a total aggregate amount of \$5,600,000 and not to exceed \$500,000 for each project on a 11-0 vote.

March 7, 2024 - City Council approved an ordinance amending City Code Chapter 25-9 (Water and

Wastewater) relating to clarifying requirements for water conservation in the implementation of the Water Forward Plan, including distances for the Reclaimed Water Connection requirement, clarifying definitions, and modifying variances, including adding certain affordable housing exemptions for Reclaimed Water Connections and Onsite Water Reuse requirements.

September 26, 2024 - City Council approved reauthorization of the Pilot Incentive Program for onsite water reuse systems and reclaimed water connections for Fiscal Year 2024-2025 up to a total aggregate amount of \$4,000,000 and not to exceed \$500,000 for each project.

For More Information:

Heather Cooke, Austin Water Chief Administrative Officer, at 512-972-0083 or heather.cooke@austintexas.gov.

Council Committee, Boards and Commission Action:

May 20, 2025 - Recommended by the Resource Management Commission on a 7-2 vote, with Commissioners Gary and Sasaridis voting against, Commissioner Luecke absent, and one vacancy.

May 21, 2025 - Recommended by the Water and Wastewater Commission on an 8-0 vote with three vacancies.

Additional Backup Information:

This action is to amend Austin Water's "GoPurple Program" authorized by Council on March 7, 2024 to accelerate the expansion of Austin's centralized reclaimed water system and onsite water reuse for affordable housing. These strategies are essential in Water Forward, Austin's 100-Year integrated water resources plan, to meet the long-term needs for a secure and sustainable future.

The GoPurple Program ordinance approved by Council on March 7, 2024 provided an exemption from the water reuse code requirements for specific affordable housing projects. Additionally, it instructed the City Manager to investigate the possibility of establishing a program to fully subsidize the costs associated with reclaimed connections, dual-use plumbing, and onsite water reuse systems for these exempt projects. The goal was to implement this program by April 1, 2025. Exempt development projects provide the City with 50% on-site affordable housing units that are income-restricted at 60% of the median family income for rental units or 80% of the median family income for ownership units. Austin Water (AW) estimates these projects will require up to \$1,500,000 per project to fully subsidize water reuse systems.

The existing FY 2024-2025 GoPurple Pilot Incentive Program caps incentives at \$500,000 for each project. The requested authorization amendment will allow AW to increase the program incentive cap to \$1,500,000 for affordable housing projects that are exempt from the reuse requirements, while maintaining the \$500,000 cap for other projects. The incentives will be paid out over multiple years if projects can meet program guidelines and deadlines for the design, construction, and operation of the onsite water reuse systems or connection to the City's reclaimed water system.

The purpose of this incentive program amendment is to help promote affordable development and gather additional information on the design, engineering, installation, operation, maintenance, cost, permitting and application of the regulatory guidance needed for the successful implementation of these onsite systems and reclaimed water system connections.

AW staff will provide quarterly reports to the Water and Wastewater Commission and Resource Management Commission summarizing AW's water conservation, rebate, and other incentive programs, including incentives for the installation of alternative water reuse systems for large new commercial, mixed use and multi-family development under this program. For all projects for which the incentive amount will exceed \$72,000, the reports will also include measures installed, expected savings, potable water offsets, and other relevant data.