

RESOLUTION NO. 20180510-051

WHEREAS, private activity bonds are a financing mechanism that assists with the development of housing for low-income households; and

WHEREAS, before private activity bonds may be issued, public notice, a public hearing, and approval from the local governing jurisdiction where a qualified residential rental project will be situated (Tax Equity and Fiscal Responsibility Act Approval – “TEFRA”) is required; and

WHEREAS, Resolution No. 20170615-067 directed the City Manager to research the ability of the City to include protections for existing residents from displacement in the TEFRA Approval process and report back to Council with recommendations within 90 days; and

WHEREAS, in response to Resolution No. 20170615-067, Neighborhood Housing and Community Development issued a memorandum on October 11, 2017; and

WHEREAS, the memorandum concluded that when development includes Low Income Housing Tax Credits (LIHTC), the Texas Property Code and Internal Revenue Code provide tenants protection from displacement; and

WHEREAS, when affordable housing is developed using LIHTC and private activity bonds, the developer must comply with state-mandated tenant protection requirements; and

WHEREAS, if a development is acquired or rehabilitated with only private activity bonds, state-mandated tenant protections do not exist, specifically eviction protections; and

WHEREAS, one requirement of the City's Rental Housing Development Assistance Program is a lease addendum that includes many tenant protections, such as good cause eviction protections, notice prior to entry, and the prohibition of lease provisions that excuse the landlord from legal responsibility for actions or failure to act, whether intentional or negligent; **NOW, THEREFORE:**

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

The Council desires to reduce the occurrence of tenant displacement at a residential property acquired or rehabilitated with private activity bonds or any other source of funding in which robust tenant protections are not required. To achieve this objective, Council will condition its TEFRA Approval on an agreement that the applicant will incorporate the lease addendum required in the RHDA Program. This condition will apply to any request for TEFRA Approval received after the date Council adopts this Resolution.

BE IT FURTHER RESOLVED:

The Council directs the City Manager to take steps necessary to implement this condition into the application processes.

ADOPTED: May 10, 2018 **ATTEST:** Erika Brady for
Jannette S. Goodall
City Clerk