

RESOLUTION NO.

WHEREAS, tax increment financing (TIF) can be used to fund or to incentivize the construction of affordable housing;

WHEREAS, Austin's Housing Trust Fund currently receives incremental tax revenues from former publicly owned land, but these revenues are not captured by a formal TIF;

WHEREAS, the City of Austin's current TIF Policy allows up to 5% of the City's tax base to be in a TIF zone; but less than this assessed valuation is currently in existing TIF zones;

WHEREAS, Austin has successfully used a TIF to create 1,248 units of affordable housing, with a total of 1,550 units at completion, in the Mueller Redevelopment TIF;

WHEREAS, other cities in Texas, such as San Antonio and Dallas, and cities through the country, such as Atlanta and Portland, have succeeded in using TIFs to create affordable housing;

WHEREAS, Austin City Council created a Homestead Preservation Reinvestment Zone (HPRZ) for Homestead Preservation District A, and created three new Homestead Preservation Districts in December 2015 to fund affordable housing, but Texas state statutes prohibit Austin from financing the newly formed districts directly through a HPRZ, but Texas state statutes leave open the possibility of creating affordable housing through TIFs;

WHEREAS, the future development of Austin's Mobility Corridors creates an opportunity to leverage approximately \$483 million in planned investment, and the contract

with the voters for the 2016 Mobility Bond commits the City to pursuing affordable housing opportunities along the corridors;

WHEREAS, the Housing and Planning Committee at its January 23, 2018, meeting voted unanimously to recommend to the full Council the study and proposal of potential updates to the City's TIF policy and aligning the TIF policy with the Strategic Housing Blueprint and mobility bond goals; **NOW, THEREFORE**,

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

The City Manager is directed to bring back recommendations to expand the use of TIFs for affordable housing, whether through direct subsidy or by other means, and to update Austin's TIF Policy to create or incentivize more affordable housing, including in the gentrifying portions of unfunded Homestead Preservation Districts and along the Mobility Corridors. The recommendations shall consider at least the following:

- An overall assessment of the City's existing TIF Policy;
- General Fund revenue and requirements;
- Use of TIF supported debt for housing;
- Use of TIF funds or debt to support the infrastructure required for affordable housing
- Legislative perspective;
- Other potential uses for TIFs;
- Review of financial and legal frameworks; and
- Development of goals and programs in line with the Austin Strategic Housing Blueprint.

ADOPTED: _____, 2018 **ATTEST:** _____

Jannette S. Goodall
City Clerk