

The Missing Middle: Implications for Affordability



HousingWorks
AUSTIN

HousingWorks Austin

May 16, 2015

What is the Missing Middle?



MissingMiddleHousing.com is powered by Opticos Design
Illustration © 2015 Opticos Design, Inc.



THIS IMAGE MAY ONLY BE USED WITH ACCOMPANYING ILLUSTRATION ATTRIBUTION TO OPTICOS DESIGN, INC.

Why Do We Care?

“Economically mixed and diverse neighborhoods across all parts of the city have a range of affordable housing options.”

... Imagine Austin Vision Statement
June 2012

“Household Affordability ‘Gap’ Continues to Grow”

“Lack of Appropriate Zoning Tools Limits Housing Choices”

“Lack of Household Affordability and Choice”

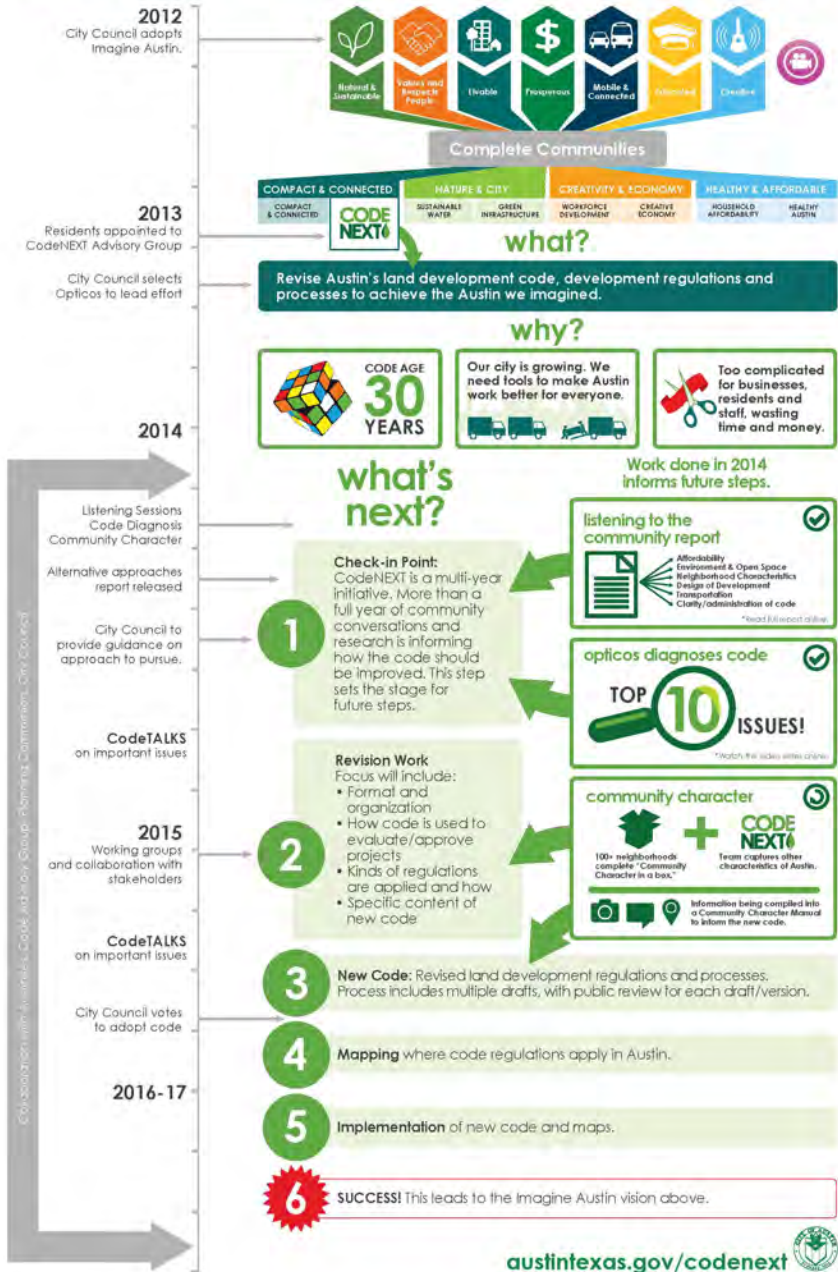
... Land Development Code Diagnosis
May 2014

Key Issues and Trends

- Growth
- Changing Demographics
 - Elderly
 - Smaller Households
 - Loss of Families
- Rising Housing Costs
 - Rental
 - Homeownership
- Increased Income Disparity and Economic Segregation



CodeNEXT Timeline



Existing Missing Middle in Austin

3.4 Lack of Household Affordability and Choice

Household Affordability “Gap” Continues to Grow

Household Affordability

The City of Austin faces a significant challenge in meeting the growing demand for affordable housing to a large segment of its residents. Though the city and its private and nonprofit partners have made considerable progress on a number of fronts, the Land Development Code (LDC) could better assist in reducing costs and enabling the creation and preservation of more quality affordable housing units.

The current regulations and processes could be revised to help lower development costs, encourage density and diversity, and promote the development of affordable housing in more areas. These changes include streamlining the permitting and approval systems, allowing more housing by good infill development, and adaptive re-use that incorporates affordable housing in the city's neighborhoods. The following aspects of the existing LDC present barriers to household affordability.

“Density Cap” Unduly Impacts Construction Costs
As currently codified, the “Density Cap” limits affordable housing by reducing the potential number of dwelling units on a particular site and driving up per-unit land cost. For all housing development, each dwelling unit must bear a portion of the cost of the land, which in Austin is one of the most significant challenges to the provision of affordable housing. The LDC, however, has strict density limitations on dwelling units per acre that reduce the development feasibility of affordable housing in the MF-4, MF-5, and MU districts.

Existing Housing Choices in Austin



Carriage House



Fourplex



Live/Work



Duplex



Mansion Apartment/Apartment House



Townhouse



Duplex



Large Multiplex (6 – 8 units)



Townhouse

Current Barriers

- **Lot Size.** Multifamily Zoning Districts require minimum 8,000 sf lots.
- **Height Limits.** No MF Zoning District limits heights to just two stories.
- **Parking Requirements.** Off street requirements do not reflect walkable context.
- **Site Plan Requirements.** Current LDC requires full site plan at three units.



Urban Land
Institute

Austin

Technical Assistance Panel

- TAP - March 31st & April 1st
- Panelists
 - David Knoll, Ryan Companies
 - Bryan Kaminski, Red Leaf Properties
 - Kelly Weiss, Austin Habitat for Humanity
 - Terry Mitchell, Momark Development
 - Abe Farkas, ECONorthwest
- Assignment
 - Identify challenges to creating “missing middle”
 - Focus on form and function (middle income households)
 - Develop recommendations to guide City and partners
- Final Report – Late May

ULI TAP Recommendations

- Policy and Regulation
- Financing
- Community Engagement
- Design, Scale, and Placemaking
- Partnerships and Collaborations
- Data, Demographics, and Measuring Success





Questions?