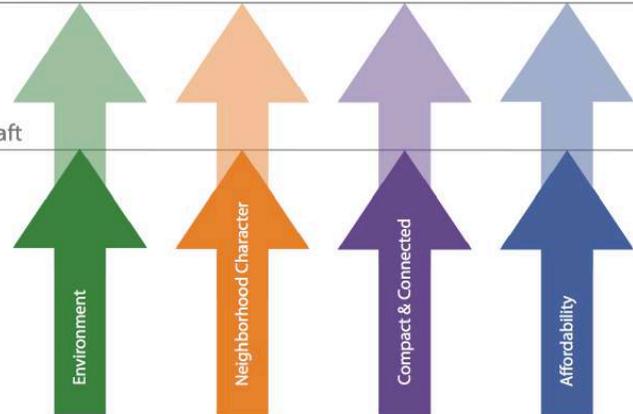


CodeNEXT and the Program Priorities in Imagine Austin

An analysis of the CodeNEXT 1.0 draft, and an action plan to align the new code with the Imagine Austin Comprehensive Plan.

Imagine Austin Goal

Current Code Draft





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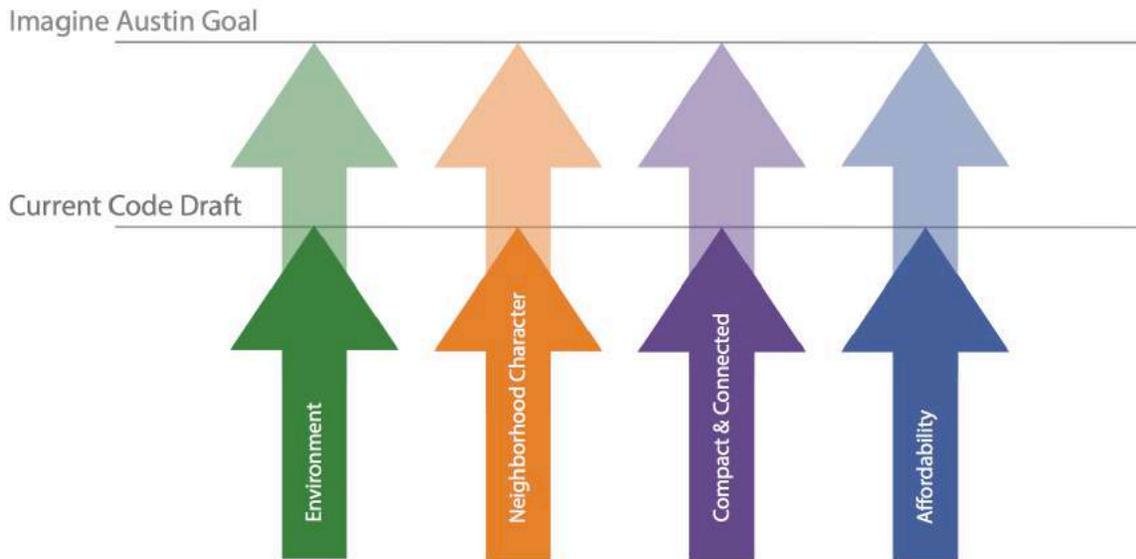
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Overview



The **Imagine Austin Comprehensive Plan**, adopted on June 15, 2012, provides a framework for the management and growth of the Austin community. The plan includes eight “Priority Programs” to implement the plan. Of these eight priority programs, four are impacted by CodeNext and important to guiding the establishment of land development policy regulations:

- **Environment:** All efforts should be made to preserve and protect Austin’s natural environment, especially water resources, through the installation of ‘green’ infrastructure.
- **Neighborhood Character:** Austin’s neighborhoods are unique and require careful, community-driven management as they evolve.
- **Compact and Connected:** Land development in Austin should promote high-density projects along transportation corridors, to reduce sprawl and the reliance on automobiles.
- **Affordability:** As Austin grows, it is critical to maintain affordable housing and services. One of the best methods is to increase the available housing stock through zoning and land development regulations geared towards increasing density, especially in central Austin and around transportation corridors.

The primary method to implement these principals was to “Revise Austin’s Development Regulations and Processes to Promote a Compact and Connected City” (Imagine Austin Priority Program 8). This priority has evolved into ‘CodeNEXT’, which is the City of Austin initiative to revise the Land Development Code. The first draft of the new code was released on January 30, 2017 (CodeNEXT 1.0), and a public engagement period was launched to give the Austin community a chance to provide feedback on the draft code.

The purpose of the following analysis is to demonstrate that ‘CodeNEXT 1.0’ does not meet the standard for implementation of the Priority Programs outlined in the Imagine Austin Comprehensive Plan. This paper quantifies the problems inherent in the draft code, and offers an action plan to align CodeNEXT with the goals of Imagine Austin.

About ULI Austin

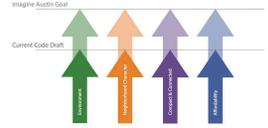
As the preeminent, interdisciplinary real estate forum, the Urban Land Institute (ULI) facilitates the open exchange of ideas, information and experience among local, national and international industry leaders and policy makers who are dedicated to creating better places. ULI has long been recognized as one of the world's most respected and widely quoted sources of objective information on urban planning, growth, and development.

Established locally in 1999, ULI Austin is a district council of the Urban Land Institute where real estate professionals from across Central Texas exchange ideas and best practices to serve community needs. ULI Austin brings together leaders from both private and public sectors who share a common interest in responsible land use strategies and a commitment to excellence in development practice.

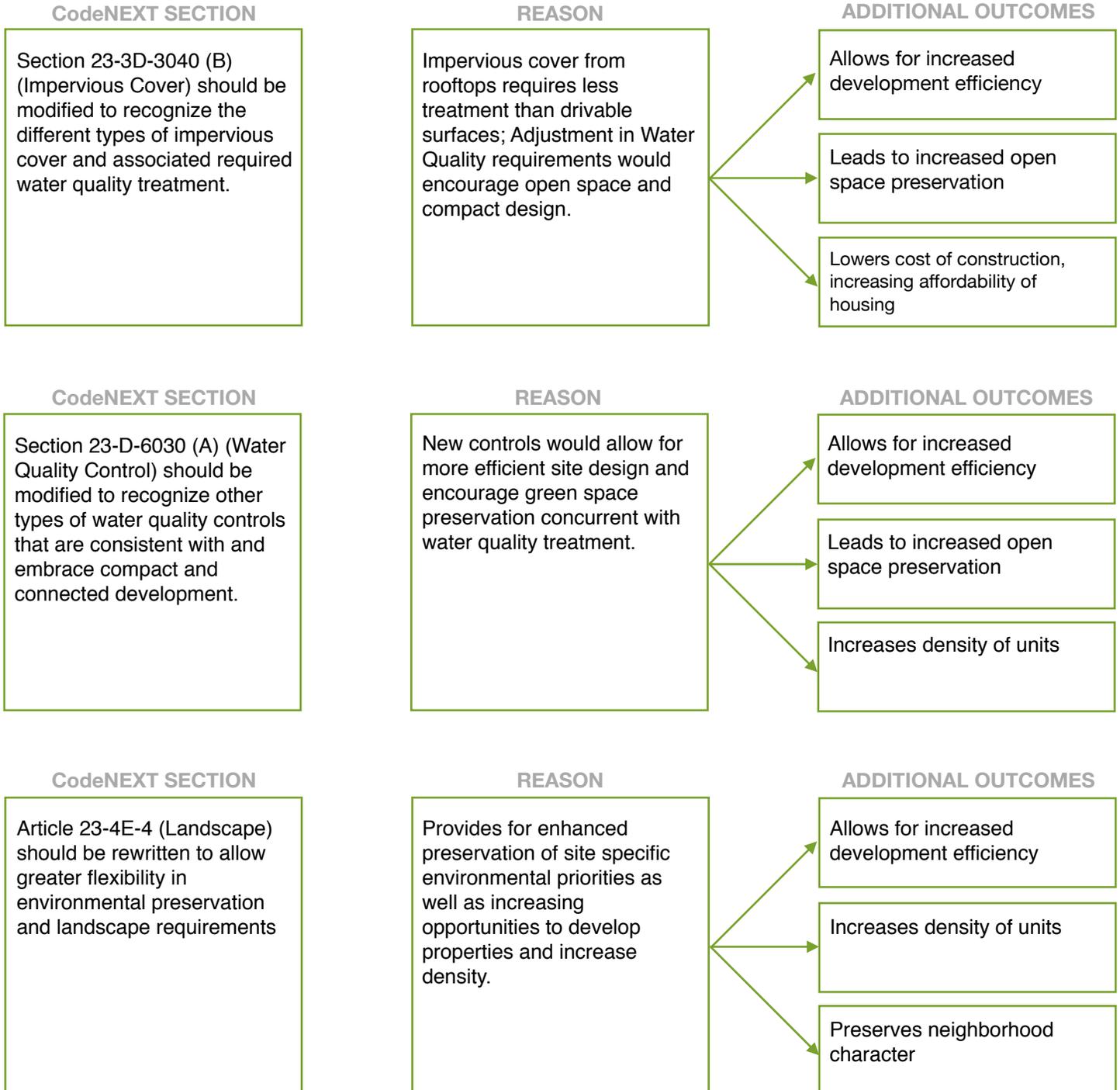
ULI Austin does not advocate; we offer fact-based information through research, education and publishing. ULI Austin collaborates with other industry-leading organizations on a number of land use initiatives, including but not limited to workforce housing, high-capacity transit and roadways, the reuse of existing infrastructure, and planning healthier environments.

Learn more about ULI: <http://austin.uli.org/about-us/>



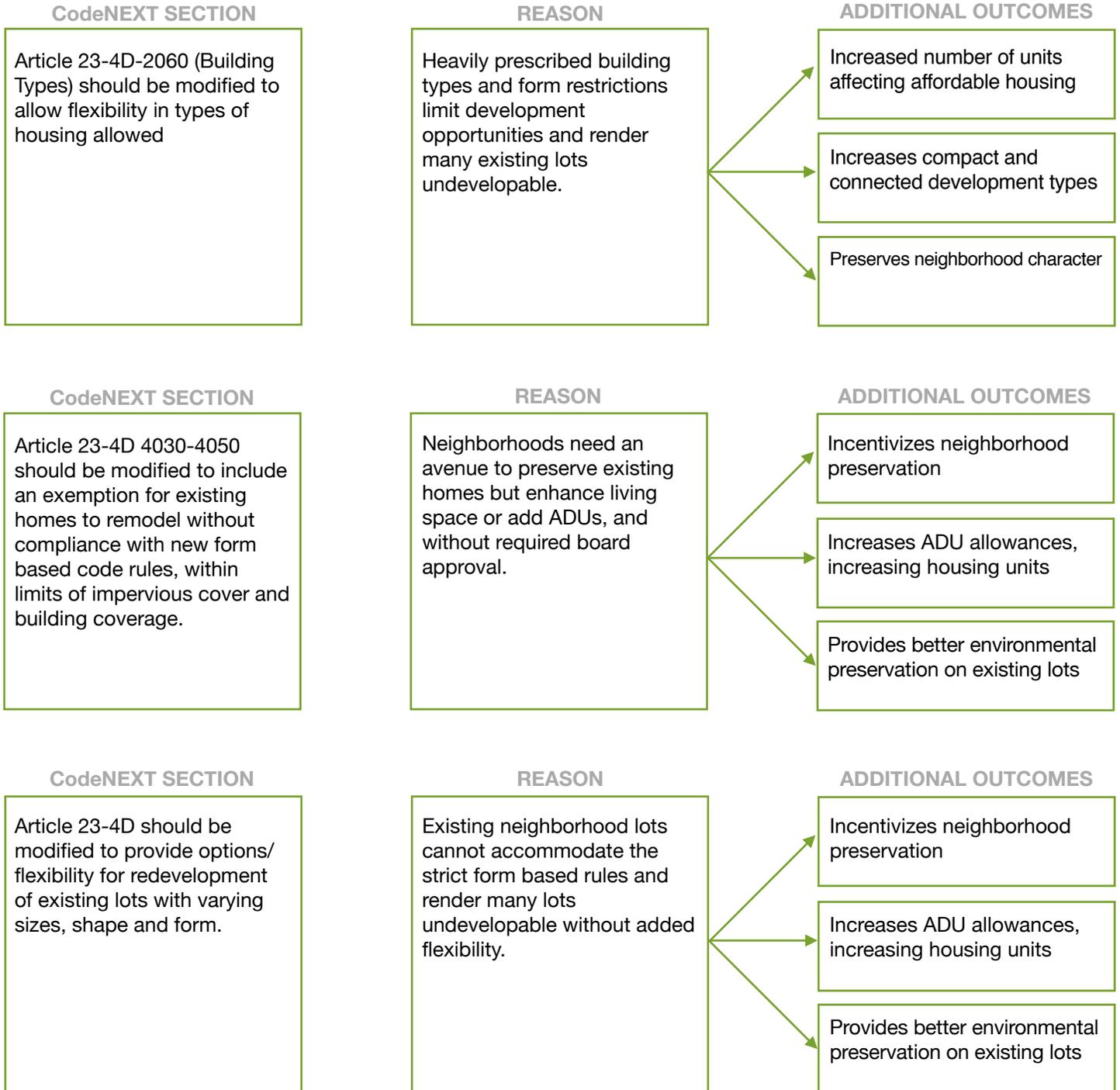


Goals: Environment



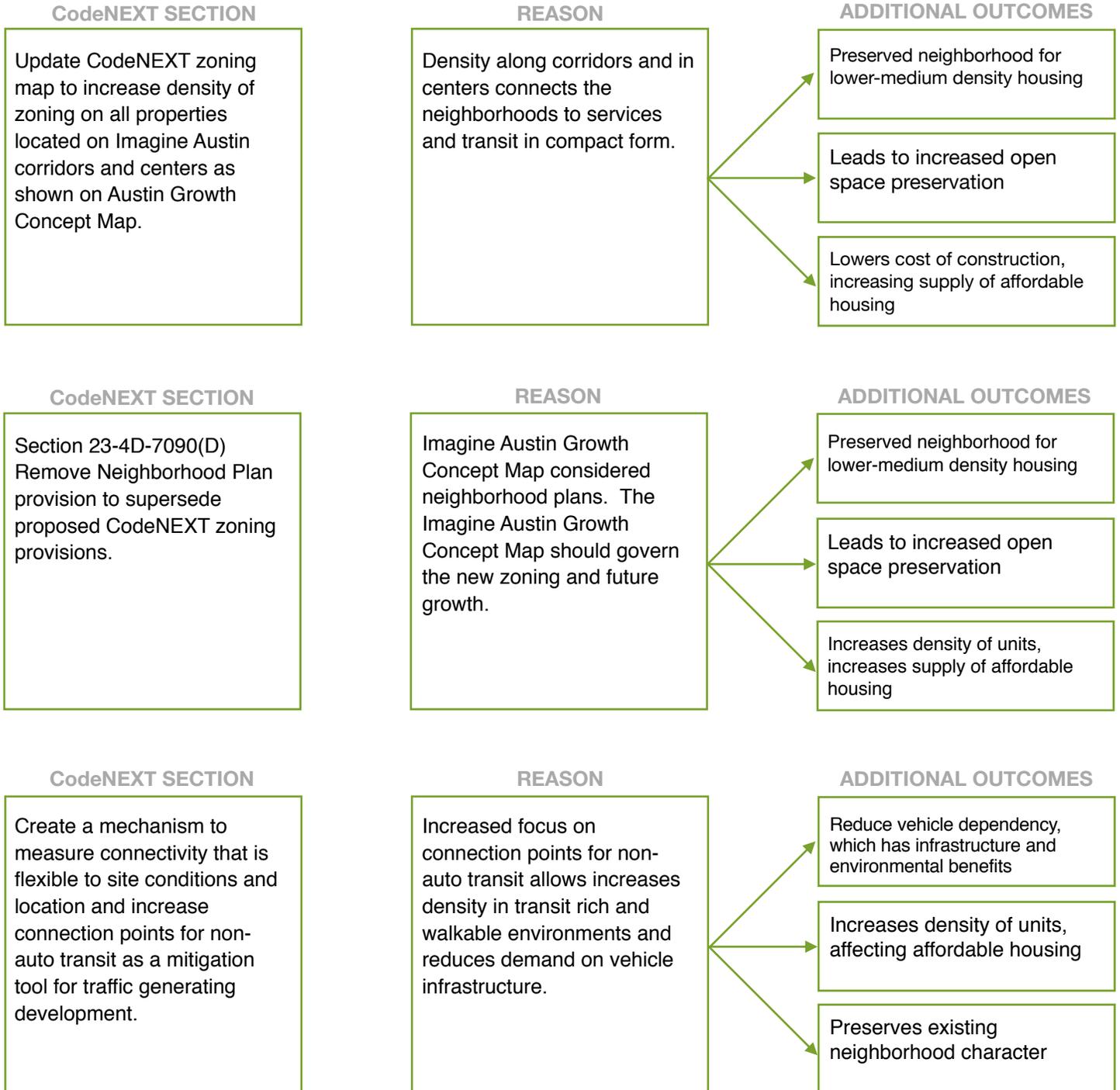
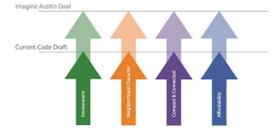
For a detailed analysis of the **Environment** goals, see page 7 of this document.

Goals: Neighborhood Character

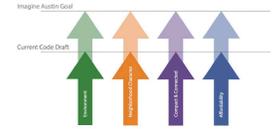


For a detailed analysis of the **Neighborhood Character** goals, see page 9 of this document.

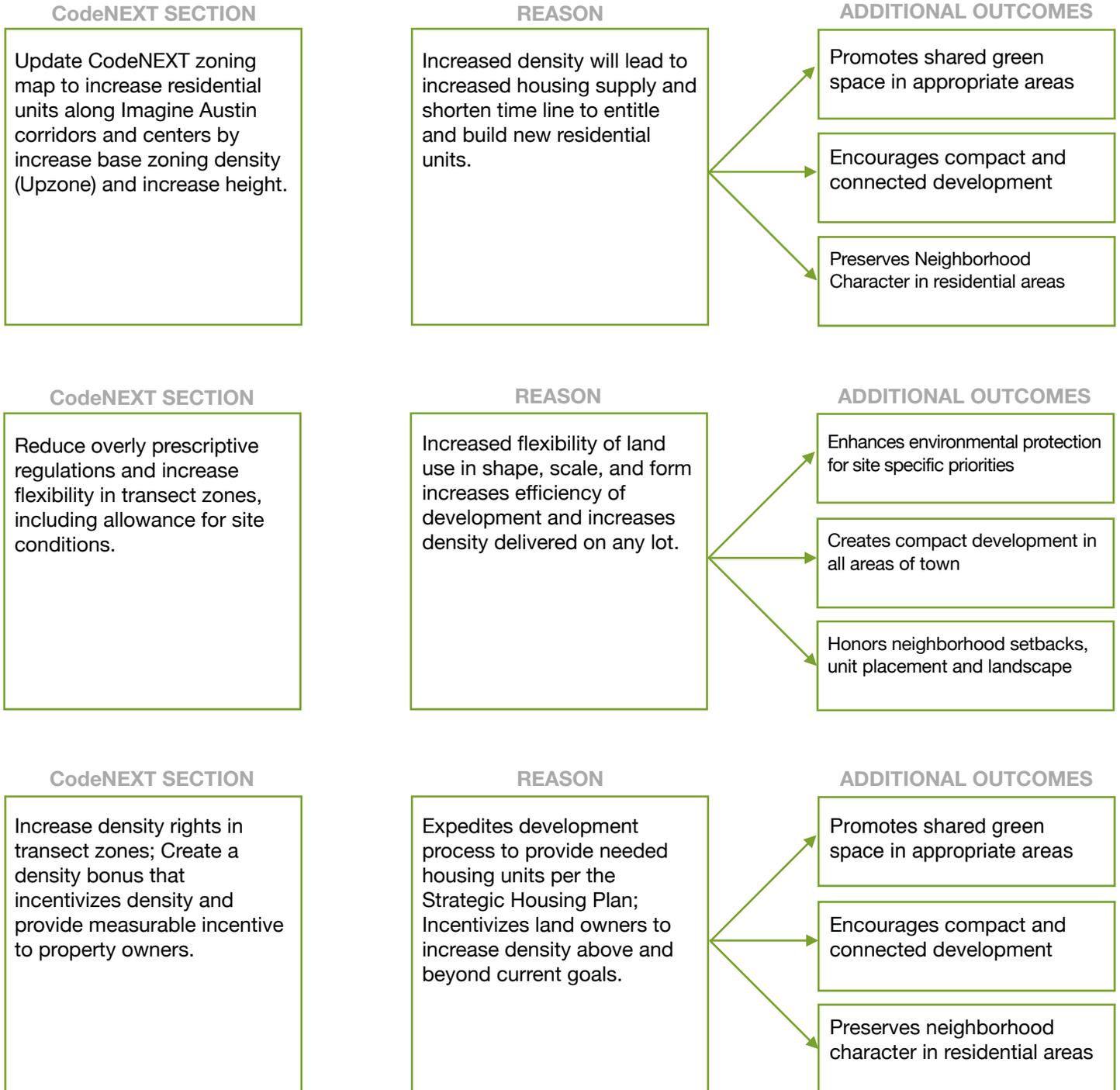
Goals: Compact & Connected



For a detailed analysis of the **Compact & Connected** goals, see page 11 of this document.



Goals: Affordability



For a detailed analysis of the **Affordability** goals, see page 14 of this document.

Analysis: Environment



A work group of Urban Land Institute (ULI) members have reviewed the proposed CodeNEXT draft ordinances to determine if the proposed ordinances promote the four major goals of the Imagine Austin Comprehensive Plan: Environmental Protection and Sustainability, Compact and Connected City, Neighborhood Character, and Affordability.

For Environmental Protection and Sustainability, ULI identified the following needed amendments in order to align CodeNEXT with the Imagine Austin Comprehensive Plan.

Amendment 1: Expand Code to Recognize Varying Types of Impervious Cover: Section 23-3D-3040(B)

As Austin grows, it is important to maintain impervious cover limits and include proper treatment of stormwater runoff to preserve our green spaces and urban parks, however too much regulation could result in severe limitations to growth and urbanism of the city. One way to safely expand the urban footprint is to track and treat impervious cover based on the type of or use of impervious cover. There are high-pollutant loaded impervious cover (such as drivable surfaces) and low-pollutant loaded impervious cover (such as sidewalks and rooftops) and the impact of each on the environment is different. Distinguishing between the two allows denser and more urban development, as well as more preservation of existing green spaces or use of such spaces for low-pollutant treatment of stormwater.

CodeNEXT must distinguish between low-pollutant loaded and high-pollutant loaded impervious cover and provide for appropriate water quality treatment for each type. Including clear definition between the varying types of impervious cover in the code would allow the City to maintain our rich urban forest without underutilizing parcels for unneeded water quality controls. Expansion of the determination and treatment requirements for impervious cover will allow and incentivize compact and connected development which in turn increases housing supply impacting affordability. The lowered cost of water quality will also impact affordability of housing in Austin. The code clarification also allows for further preservation of green space and expanded water quality options that are appropriate for an urban environment.



Environment, Continued...

Amendment 2: Modify Code to Allow New/Innovative Water Quality Controls Section 23-D-6030(A)

Just as tracking impervious cover is an important part of urban growth and preservation of green space, so is treatment of stormier runoff to remove pollutants. In addition to recognition of low- pollutant loaded impervious cover, CodeNEXT must allow for green and urban types of water quality treatment that can more efficiently be built and effectively be utilized and maintained within a compact and connected/urban setting.

CodeNEXT must expand allowed water quality mechanisms based on varying pollutant-load runoff. Expanding the allowed types of water quality controls will allow more efficient site design and encourage compact and connected development. The adjustment also allows for site design that can better protect existing environmental features and protect neighborhood character.

Amendment 3: Provide Flexibility in Environmental Preservation and Landscape Requirements Section 23-4E

CodeNEXT regulates preservation of green spaces through both setbacks from existing environmental features as well as required buffers for new landscapes and green spaces. Although important, the current code draft proposes a very one-size-fits-all solution to preservation. This approach in Austin's unique urban green spaces and neighborhoods results in poor preservation of the truly special environmental features of our City and limits compact and connected development.

CodeNEXT must create a flexible system to provide site-specific environmental preservation. Considering the uniqueness of many different areas and neighborhoods of Austin, as well as the array of existing lots sizes and types, a flexible system needs to be

included in CodeNEXT that allows preservation of the highest priority features of a property while allowing connected urban development. Pre-design conferences are a commonly used best practice that would allow for joint City and development team review of and prioritize site characteristics, neighborhood patterns, and existing environmental conditions. Another tool that could be included would be a landscape/environmental preservation plan that guides the top environmental priorities by area. The use of these tools allow creativity of design while insuring minimum standards for buffering, shading, tree protection, and similar items. This approach also encourages compact and connected development and neighborhood character without giving up our important green spaces.

Analysis: Neighborhood Character



A work group of Urban Land Institute (ULI) members have reviewed the proposed CodeNEXT draft ordinances to determine if the proposed ordinances promote the four major goals of the Imagine Austin comprehensive plan: Environmental Protection and Sustainability, a Compact and Connected City, Neighborhood Character, and Affordability.

For Neighborhood Character, the following items have been considered:

1. Preservation of existing housing.
2. Guidelines for construction of new housing.
3. Individual character of each Austin neighborhood.
4. Compatibility of commercial and residential uses.

For Neighborhood Character, ULI identified the following needed amendments in order to align CodeNEXT with the Imagine Austin Comprehensive Plan.

Amendment 1: Allow Flexibility in Types of Housing Allowed in all Zones Section 23-4D-2060

CodeNEXT provides for many new types of “missing middle” housing within the City of Austin, however the limitation on where that housing can be placed, based on zone and lot size, are confusing and unnecessary. The strict limitations do not work for many site features or existing lot sizes, making them unusable except in rare cases. To preserve Austin’s Neighborhood Character, the regulations on types of housing units need to be loosened to allow for types of units that fit within a site shape while preserving the features that make it unique.



CodeNEXT must allow flexibility in building types and allow all types of multi-unit buildings in all neighborhoods. Encouraging any type of multi-unit dwelling within a lot will allow for more efficient use of the land and increase housing supply. Not only will this positively impact affordability and discourage only single family development within neighborhoods, it will encourage compact development and mixed use. The allowance of flexibility in dwelling types and therefore building footprint also allows for better preservation of neighborhood and environmental features specific to a particular property.

Neighborhood Character, Continued...

Amendment 2: Include Exemption Option for Existing Home Remodels Section 23-4D 4030, 4040, & 4050

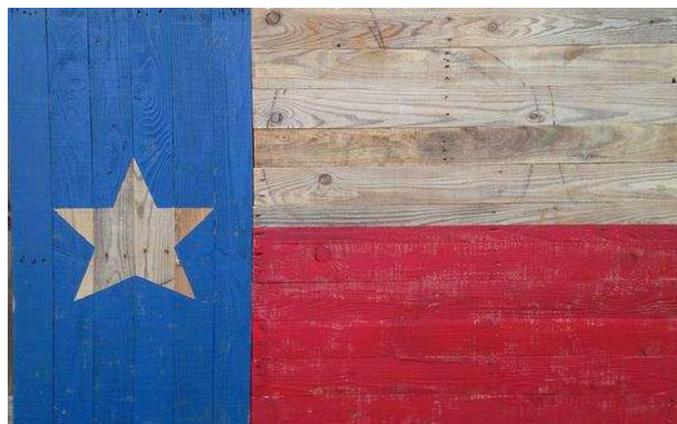
The current draft of CodeNEXT has very strict regulations about development and remodeling within transect zones. As currently drafted, many residential remodels would require approval from the Board of Adjustments, adding time and money to the process, and potentially resulting in encouraging tear downs for new development. Preservation of Neighborhood Character cannot be achieved without flexibility to remodel old, existing homes within our Austin neighborhoods.

CodeNEXT must include specific guidelines for additions and renovations to existing structures that allow administrative approval and are separate from the form based requirements. Remodeling existing homes into single or multi-unit housing allows for true preservation of old Austin neighborhood character while still increasing housing supply at an affordable rate (compared with new development). In many cases, this method of preserving existing site features creates the least impact to the environment.

Amendment 3: Allow for Flexibility in Redevelopment on Existing Irregular Lots Section 23-4D-2060

Preserving existing neighbors starts with preserving existing lots and street layouts. CodeNEXT introduces form based "transect zones", which can be beneficial for urban design and growth, however the current terms of the transect zones are rigid and greatly limit development on existing, odd shaped, or steep graded lots, or lots with natural features such as trees that would interfere with the required building envelope. The impact of these strict requirements results in reduced efficiency and redevelopments that do not properly fit a given neighborhood.

CodeNEXT must allow more flexibility in building forms, setbacks, step backs, and buffers to better suit existing lot sizes and shapes. Increasing the flexibility of development on an existing lot provides efficient use of existing lots within Austin neighborhoods and allows environmental preservation of existing tree canopy and water ways that are part of the unique draw of our City. Restricting effective development on these properties will damage the character of Austin's neighborhoods.



Analysis: Compact & Connected



A work group of Urban Land Institute (ULI) members have reviewed the proposed CodeNEXT draft ordinances to determine if the proposed ordinances promote the four major goals of the Imagine Austin Comprehensive Plan: Environmental Protection and Sustainability, a Compact and Connected City, Neighborhood Character, and Affordability.

The first Core Principal of the Imagine Austin Comprehensive Plan is that Austin should grow as a Compact and Connected City. Growth as a Compact and Connected City has economic, social, and demographic benefits that are critical to the future continued success of Austin. The Growth Concept Map, Figure 4.5 of the Imagine Austin Comprehensive Plan, provides a guide by which the City's development should be planned.

For Compact and Connected development, ULI identified the following needed amendments in order to align CodeNEXT with the Imagine Austin Comprehensive Plan.

Amendment 1: Increase Density of zones along Imagine Austin Corridors and Regional Centers

In order to grow as a compact and connected City and avoid sprawling development, CodeNEXT must allow for denser housing within the City limits, primarily along Corridors and in Regional and Town Centers. The current draft code drastically limits height and density within all areas of the City, pushing residents farther away from employment centers, and increasing traffic and transit needs. CodeNEXT instead needs to promote compact and connected development in the center City; This opportunity is created with appropriate zoning/mapping of all land in the City as guided by the Imagine Austin Growth Concept Map (Ref. Figure 4.5 of the Imagine Austin Comprehensive Plan).

Along the Imagine Austin Corridors and in Regional and Town Centers, properties shall be zoned with high density transect zones (T4, T5, and T6). An increase to the entitled density as contemplated in the Imagine Austin Growth Concept Map is necessary to allow for density to be added as the need of the City requires. The proper zoning map encourages density along the corridors rather than in other areas of town that are better suited for low density development or preserve land/parkland. If the City's base zoning is increased along the City's corridors, it will encourage preservation of neighborhoods rather than redevelopment within them. Increasing the density allowed on properties along the corridors will also create a positive impact on the affordable housing needs by both increasing the supply of housing and the rate at which this supply can be built resided within.



Compact & Connected, Continued...

Amendment 2: Prioritize Imagine Austin over Neighborhood Plans

The existing Austin Neighborhood Plans create an additional layer of density restriction over the current zoning in the City of Austin. Although the character of Austin neighborhoods and associated attributes of the Neighborhood Plans are important, the plans should prioritize the needs of a city as a whole above those of an individual neighborhood. The Imagine Austin Plan Growth Concept Map considered this, and as noted in Chapter 4 of the Imagine Austin Comprehensive Plan, *“The Growth Concept Map was compared to and adjusted for consistency with the Future Land Use Maps [(FLUMs)] in the adopted neighborhood plans.”* If the Growth Concept Plan is the guide for the CodeNEXT map, Neighborhood Plans or associated FLUMs would be secondary in CodeNEXT.

CodeNEXT must prioritize the density of Imagine Austin ahead of the density maps (FLUMs) and the Neighborhood Plans. Imagine Austin prioritized density near and around neighborhoods based on community and neighborhood feedback, and allocated for existing Neighborhood Plans and FLUMs. Prioritizing the Imagine Austin Comprehensive Plan will result in higher density along corridors, and will ultimately preserve the lower density of many of Austin neighborhoods by encouraging development in the appropriate locations. The increase in density provided for in Imagine Austin also allow better preservation of green space within each neighborhood, as well as additional tax revenue to fund and maintain public green spaces and neighborhood infrastructure. Honoring the Imagine Austin Comprehensive Plan will increase housing supply which directly impacts affordability goals of the Strategic Housing Plan.



The Neighborhood Plans shall be consulted to consider and preserve neighborhood character; This can be accomplished by reviewing design provisions of neighborhood plans compared with form based restrictions and/or adopting aesthetic recommendations for various neighborhoods.

Compact & Connected, Continued...

Amendment 3: Establish a Connectivity Plan

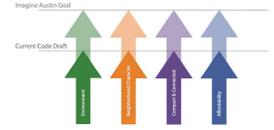
In order to achieve a Compact and Connected Austin, CodeNEXT should encourage varying types of connectivity and connection points. The current draft of CodeNEXT discusses only connectivity to sidewalks and roadway connections, and does little to encourage connection to other modes of transportation. There is also little incentive provided to encourage development near or utilize alternative transit options and connections. Compact and Connected cities maximize on connections to all type of transportation options.

Establish a Connectivity Plan that encourages transit oriented development and incentivizes development that provides non-automobile connectivity.

CodeNEXT can encourage Compact and Connected development by establishing a plan that incentivizes development near Regional and Town Centers and allows connectivity improvements, as an alternative mitigation to traffic generating developments. Placing density in the right locations near transit options and encouraging spending on connectivity to transit will decrease the demand on automobile use as well as parking needs. Reduction on auto use and parking demands creates additional density opportunity, combating affordability issues, and reduces environmental concerns from parking related storm water runoff. The reduction in automobile dependency can also encourage preservation of existing neighborhoods by lessening the street parking and driveway needs.



Analysis: Affordability



A work group of Urban Land Institute (ULI) members have reviewed the proposed CodeNEXT draft ordinances to determine if the proposed ordinances promote the four major goals of the Imagine Austin Comprehensive Plan: Environmental Protection and Sustainability, a Compact and Connected City, Neighborhood Character, and Affordability.

A critical Imagine Austin Core Principal is to develop as an Affordable and Healthy Community by keeping Austin's cost of living down and increasing job growth and wages. Although the City's development code cannot affect job growth or wages, it does have a major impact on the affordability of housing in the City; CodeNEXT can affect affordable living by affecting the allowed supply (density) and delivery of supply (process).

For Affordability, ULI identified the following needed amendments in order to align CodeNEXT with the Imagine Austin Comprehensive Plan.

Amendment 1: Increase Density of Zones along Imagine Austin Corridors and Regional Centers

The first key to increasing affordable housing options in the City of Austin is increasing the supply of all types of housing available. Much like the cost of any consumer product, prices of residential housing are directly impacted by the available options to choose from. The current City code limits density in many parts of Austin, limiting the housing supply and driving up the cost of available supply to those who can or are willing to pay. CodeNEXT can combat this issue by creating opportunities to increase the housing supply: This opportunity is created by appropriate zoning/mapping of all land in the City and following the Imagine Austin Growth Concept Map.

Along the Imagine Austin Corridors and in Regional and Town Centers, properties must be zoned with high density transect zones (T4, T5, and T6). An increase in the zoning of the properties as planned for the Imagine Austin Growth Concept Map will present additional opportunities for denser development as the demand exists within the population of the City. In some areas, that demand may be in existing today along a specific corridor, or in others it may be decades away, but appropriate zoning will provide opportunities to supply housing in all areas of town over the future of the City of Austin. An additional benefit of increasing zoning along Corridors and in Regional and Town Centers is that it pushes density to the designated areas and it allows for preservation of a neighborhoods character and green spaces.



Affordability, Continued...

Amendment 2: Reduce Prescriptions within Form-Based Regulations

Housing supply is directly affected by the ability to efficiently develop a property to maximize density. The current CodeNEXT draft regulates density with the addition of overly prescriptive form-based development regulations that reduce the efficiency of the use of land. In order for Austin to reach the goals of the Strategic Housing Plan, CodeNEXT must allow the community to plan and build more efficiently while continuing to preserve our important green spaces.

CodeNEXT must reduce prescriptions from the form-based regulations and create flexibility for efficient development. Form-based codes provide a great

opportunity to allow a city to grow while preserving the uniqueness that makes it special, but with too many regulations the code can stifle that opportunity. CodeNEXT can encourage the opportunities created with the new map and code regulations by allowing enough flexibility that they can be applied to the characteristics of all lots, existing and proposed. Reducing the number of form-based regulations will allow for better efficiency on existing lots, including those that may be irregular in shape, and therefore increasing the Compact and Connected Austin vision. The flexibility provided with fewer regulations also allows for enhanced environmental protection by aligning the layout of a site with its environmental features.

Amendment 3: Increase Base Density Rights and Create an Incentive Density Bonus

Affordability in Austin is a challenge of supply in the right location and a failing Density Bonus system. In order to realign incomes and housing costs, Austin needs to add housing supply at all income levels by incentivizing the addition of variable supply. Reducing the density cap in many zones will increase the ability to develop housing units and keep costs of units down, which results in more affordable housing for all Austin residents.

CodeNEXT can further increase the affordable housing options in Austin by increasing base density in all zoning categories and creating an incentive Density Bonus. Increasing base density rights encourages development of the housing supply in all parts of town and for all product levels. Added supply in

each income level will offset the demand and allow rent levels to more closely align with income levels. Increasing density also encourages Compact and Connected goals such as walkability, connection to transit and services, and removes income barriers. Density in the appropriate locations will also benefit neighborhoods by allowing preservation of neighborhood character and in neighborhood green spaces.



Participants

ULI Austin thanks the workgroup Member participants who spent many hours researching the variations between Imagine Austin and CodeNEXT, and writing this white paper. ULI Members who participated in the development of this white paper are listed alphabetically by last name.

Greg Anderson

Greg joined the Austin Habitat team in January 2015 after spending five years at City Hall as Policy Director for Austin Mayor Pro Tem Sheryl Cole. He has more than 15 years of experience in real estate development. He currently plays an active role in the Dawson Neighborhood Association and serves on the City of Austin's Planning Commission. Greg received both his MBA and his undergraduate degrees in Urban Studies and Geography and the Environment from the University of Texas in Austin.

Margie Burciaga

Margie is a Business Development Representative for Independence Title Company. She has been a Commissioner for the City of Austin MBE/WBE small business procurement board from 2015-2017. Margie is also active in the Austin community as a member of ULI, CTCAR, and RECA. Margie has a BA in Finance and Banking from the University of Arkansas.

Ted McConaghy, MA

Ted is a Senior Project Manager and the Sustainability Program Director at Doucet & Associates, Inc. D&A first opened in 1992 and has become a leader in Central Texas land development consulting, with services including civil engineering, surveying, planning, construction administration, and related fields.

Chris Riley

Chris is an independent consultant supporting various organizations throughout Austin. He was a Council Member for the City of Austin from 2009 to 2015. Chris holds a JD from the University of Texas at Austin, an MS in Urban Placemaking and Management from Pratt Institute and a BA in economics from Harvard University.

Chong Shin

Chong is a licensed Architect with at Carson Design having over 20 years' experience in commercial and residential architecture including retail, multifamily, mixed use, office, and institutional projects ranging in size from several thousand to several million square feet. He is a graduate from Texas A&M University.

Megan Wanek, PE

Megan Wanek is a Development Associate at Endeavor Real Estate Group. She has a Bachelor of Science in Architectural Engineer from The University of Texas, Austin. Megan has worked in commercial real estate in Austin since 2006, starting her career as a civil engineer at Bury before joining the development team at Endeavor in 2015. Megan has worked on a wide range of project types from urban mixed use developments to suburban retail centers and garden apartments, including most notably the Plaza Saltillo redevelopment and The Domain.