|  |  |
| --- | --- |
| Date: | April 6th, 2018 |
| To: | City of Austin, Planning and Zoning Department |
| From: | Alex Steinberger, Fregonese Associates |
| Re: | Housing Capacity Calculation Corrections |

## Background

The purpose of this memorandum is to document proposed alterations to housing capacity estimates for the CodeNEXT Draft 3 (D3) zoning map. Through conversations with staff and consultants during the week of March 26th, a calculation error was discovered in the Draft 3 housing capacity estimates that were provided by Fregonese Associates. This error concerns how bonus and base unit capacity was allocated in mixed use zones where a “-A” was applied.

## Summary of Reporting Error

Where “-A” is applied, residential is not allowed by right in the base entitlement but is allowed as a bonus. As such, any residential units produced by -A zones should be characterized as bonus units. In the version of D3 that was released to the public in March, this was mischaracterized as follows: an “artificial” base was applied to -A zones to calculate the total bonus, but base units were never re-classified as bonus units. Thus, the number of bonus units was underrepresented, and the number of base units was overrepresented.

## Implications of Reporting Error

In addition to an internal shift from base to bonus, there will be an impact on affordable unit production. If more bonus units are being produced than previously thought, the affordable unit production was understated for “-A” zones and the total will increase. The overall unit capacity (inclusive of base and bonus) was not impacted by this calculation error.

Implications for key reporting statistics are summarized below:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Base HU Capacity** | **Bonus HU Capacity** | **Affordable HU Capacity** | **Total HU Capacity** |
| Public Draft 3 | 199,363 | 87,497 | 5,971 | 286,860 |
| D3 Revision | 160,789 | 126,071 | 6,604 | 286,860 |

The recalculated values above will have no impact on any Envision Tomorrow indicators other than those that show the share of Base vs Bonus units impacted by proximity to certain points of interest (i.e. in the D3 Report Card).

## Proposed Revision Actions

Fregonese Associates proposes the following revisions be made to existing publicly-available documents:

### Draft 3 Report Card:

* [Report Card](https://www.austintexas.gov/sites/default/files/files/Planning/CodeNEXT/CodeNEXT_D3_Report_Card_031418.pdf)
* [Report Card Indicators Workbook](https://www.austintexas.gov/sites/default/files/files/Planning/CodeNEXT/CodeNEXT_Draft_3_Report_Card_-_Indicators_31218.zip)

### Envision Tomorrow Data

* [Draft 3 Housing Capacity Analysis](http://austintexas.app.box.com/s/ejtkzv1xohl1dyzkvi4jkf31i09xq5fs)