The Missing Middle: Implications for Affordability



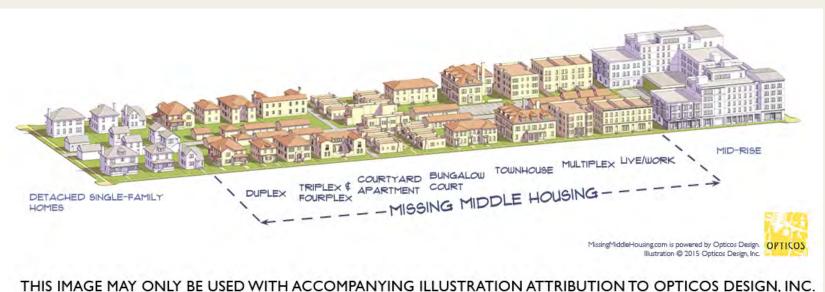






HousingWorks Austin
May 16, 2015

What is the Missing Middle?



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



Journey 2012 City Council adopts Imagine Austin. CREATIVITY & ECONOMY | HEALTHY & AFFORDABLE CREATIVE HOUSEHOLD HEALTHY ECONOMY APPORDABLEY AUSTIN 2013 Residents appointed to **NEXT** what? CodeNEXT Advisory Group Revise Austin's land development code, development regulations and processes to achieve the Austin we imagined. City Council selects Opticos to lead effort why? CODE AGE Our city is growing. We Too complicated need tools to make Austin for businesses, work beffer for everyone. residents and staff, wasting YEARS 2014 time and money Work done in 2014 what's informs future steps. Listening Sessions 0 listening to the Code Diagnosis Community Character community report Check-in Point: Alternative approaches CodeNEXT is a multi-year report released initiative. More than a full year of community conversations and City Council to research is informing provide guidance on (how the code should opticos diagnoses code approach to pursue. be improved. This step sets the stage for future steps. SSUES! CodeTALKS on important issues **Revision Work** Focus will include: • Formal and 0 community character organization How code is used to 2015 evaluate/approve **NEXT** Working groups projects and collaboration with Kinds of regulations stakeholders are applied and how · Specific content of Information being compiled into a Community Character Manual to inform the new code. new code CodeTALKS on important issues New Code: Revised land development regulations and processes. Process includes multiple drafts, with public review for each draft/version. City Council votes to adopt code Mapping where code regulations apply in Austin. 2016-17

Implementation of new code and maps.

SUCCESS! This leads to the Imagine Austin vision above.

austintexas.gov/codenext

CodeNEXT Timeline

Existing Missing Middle in Austin

Chapter 3: Content-Specific Findings

=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



















Duplex

Duplex

Large Multiplex (6 – 8 units)

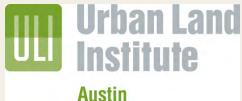
Townhouse

54 I LAND DEVELOPMENT CODE DIAGNOSIS

Public Draft: May 5, 2014

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.



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?