



Developing Complete Communities for all Austinites:

Household Affordability Code Prescription

Affordability affects everyone directly or indirectly including seniors, those on a fixed income or in the low and middle income brackets, musicians and artists, service workers, and families with children. A revised Land Development Code can provide flexibility to build more affordable housing options and reduce regulatory barriers so more resources can go toward providing housing that is affordable to more people.



CODENEXT

SHAPING THE AUSTIN WE IMAGINE



What is a code prescription?

CodeNEXT is the process of aligning Austin’s land use standards and regulations (the Land Development Code, or LDC) with “Imagine Austin,” the city’s comprehensive plan. CodeNEXT progressed through several phases during 2013 and 2014:

- Listening and Understanding: “Listening to the Community Report” and “Community Character Manual.”
- Diagnosis: “Land Development Code Diagnosis.”

The City of Austin’s CodeNEXT team, which includes staff from multiple departments and consultants, is busy drafting and refining code elements. Virtually the entire LDC will be re-written or revised, including chapters relating to requirements and procedures, zoning, subdivision, site plan, transportation, drainage, environment, and others. The draft code will be released for public review and comment in January 2017. After an extensive review and comment period, the draft code will be revised in accordance with the feedback received, and delivered for City Council potential adoption. Once the code is adopted, the city will adopt a new Zoning Map to implement the zoning elements of the code.

During 2016 – while the CodeNEXT team is drafting and reviewing code – the project team will issue and organize community conversations and feedback on some of the most challenging and important topics that the code will address:

- Natural and Built Environment.
- Household Affordability.
- Mobility.
- Fiscal Health.

This is being accomplished through four “Code Prescription” papers. These Code Prescriptions represent a preview of the specific direction being taken in the new code as well as “conversation starters” to gather community feedback on whether these Prescriptions accurately reflect community values expressed in Imagine Austin. While the Code Prescription papers will not be revised based on feedback received, the feedback will be used to shape the new code. Feedback can be provided several ways including:

- Through your participation in the work of the Council-appointed Code Advisory Group.
- By providing feedback directly at SpeakUp Austin.
- By joining a CodeWalk or a Reddit/AMA (Ask Me Anything).
- Additional information about all of means to get involved can be found at the project website: www.austintexas.gov/codenext.



Executive Summary

Read the entire prescription at
www.austintexas.gov/department/codenext

Household affordability is a growing concern to more and more Austinites. This code prescription discusses the affordability challenges Austinites face in housing and transportation costs as well as commercial space for small businesses, cultural organizations, and venues. As CodeNEXT is focused on revising the land development code, this prescription identifies needed changes to Austin's Land Development Code that can help promote affordability. It must be noted that many other actions outside of land development regulations are needed in order to comprehensively address our affordability challenge. Thus, CodeNEXT alone cannot resolve all of Austin's affordability problems.

In order to make the necessary regulatory changes, tradeoffs will need to be made. The tradeoffs identified in the prescription are recommended because they are seen as beneficial to the community in light of best practices, best available information, and alignment with the goals of Imagine Austin. These tradeoffs include:

1. How might we increase housing supply and diversity to increase affordability while preserving what is unique and special about Austin?

In order to achieve a diversity of price points to accommodate a wider range of Austinites, a diversity of building types and unit sizes are needed. Concerns about development issues including the changing built environment, parking and traffic patterns, and exacerbated flooding can be mitigated through built form and design; examples include promoting more Missing Middle housing options near mass transit and bike facilities, and through improved environmental regulations. Missing Middle readily fits into neighborhoods and can add to the character as seen in neighborhoods like Bouldin, Clarksville, and Hyde Park when calibrated to respect the existing scale and proportion of existing housing stock. Missing Middle housing can be developed to provide a price point that is more affordable than single-family units.

Increasing the supply of housing where appropriate could increase the amount and diversity of available housing, which could then slow Austin's increasing housing prices. Form-based standards can help address the concerns about the size and scale of a building while applying more permissive parking and density standards near mobility infrastructure such as transit stops. Trading proximity to transit for car ownership can increase affordability. The prescriptions focus on:

- Refining and expanding the application Density Bonus programs.
- Promoting housing diversity in targeted areas such as Imagine Austin Activity Centers and Corridors.
- Providing more flexible development standards to promote housing diversity.
- Simplifying the permitting process.

2. How might we promote mobility choices to ensure affordability while enhancing and maintaining neighborhood character?

- Having access to various transportation options (transit, walking, biking) provides opportunities for people to reduce household costs associated with owning a vehicle. Placing more and diverse housing near transit, safe and consistent sidewalks, bike lanes, retail, and offices allows more people to consider riding a bike, walking, or taking transit to their daily destinations. Adding density and diversity can cause concern about large development near single-family neighborhoods, additional traffic, and parking problems. The form-based standards will ensure appropriate building scale and compatible structures. Prescriptions include:
- Integrating transit-oriented development standards into form-based code standards and applying the standards near high-capacity transition stations.

- Development standards into form-based code standards that support transportation choices such as local transit, bike infrastructure and walking.
- Reducing parking minimums in areas targeted for compact development.

3. How might we have an efficient development review process while ensuring development meets all code requirements?

A lengthy process with complex regulations does not guarantee better development results for Austin. A more clear, simple, predictable, and efficient administrative process for the code will allow for greater certainty in development, and a faster determination on whether a project is approved or rejected. This review process can be more efficient and still allow a public voice. It will enable and enhance enforceability of the code, and contribute to reduced regulatory costs, which could be passed to the owner or renter. Prescriptions include revising the organization of the Land Development Code and eliminating conflicting code prescriptions.

4. How might we create affordability while supporting environmental regulations?

Public health and safety is essential to the City of Austin. Ensuring that Austinites are safe and comfortable is of utmost importance. In areas that have known hazards such as flooding, protecting public health and safety is the City's top priority. The same is true for those parts of Austin that have known critical environmental features such as aquifer recharge zones. Given these constraints, our community discussion centers on how to strike a balance with other public benefits such as affordable, attainable housing and commercial space. Prescriptions include maintaining the environmental regulations as identified in the Natural and Built Environment Code Prescription.

5. How might we promote affordable housing, and venues for small business and cultural arts while supporting the character of our existing neighborhoods?

Incentivizing more affordable housing and commercial space will help retain and attract musicians, artists, and small business. There will be concerns by some Austinites about providing the supply and diversity of development needed to provide opportunities for affordability, but there are regulatory changes that can help address these concerns. Failing to address the regulatory costs of development could cause a loss of not only people such as musicians, artists and service workers, but also of places we gather such as small business and cultural venues. Prescriptions include:

- Allowing for retail and commercial uses by right, including culture and creative uses, in areas where form-based zones have been applied.
- Revising the Density Bonus Program in targeted areas by adding preservation of an existing creative venue or business as a Community Benefit.
- Expand the opportunity for live/work units in form-based code districts.





Developing Complete Communities for all Austinites Household Affordability

List of Code Prescriptions

Based on the goals of *Imagine Austin* and best practice research, this Prescription recommends addressing affordability through CodeNEXT by:

- Improving the alignment between land use and transportation, including placing more diverse housing options in and around *Imagine Austin* Centers and Corridors; near transit, bike, and pedestrian infrastructure; and developing a comprehensive and coordinated approach to addressing parking needs.
- Promoting opportunities to increase the housing supply with different types, sizes, and diversity of product throughout Austin in a manner that supports existing communities and provides households with more choices.
- Improving the development review process so that it is more efficient and less costly for projects that provide increased housing types and choices to receive expeditious approval by the City.
- Balancing the needs of affordability with other public needs and values.

DIVERSITY OF PEOPLE AND BUILDINGS

Density Bonus Programs

1. The proposed revised code will retain the aspects of the city’s existing density bonus programs that work well, bring added consistency to the programs, and supplement them with a new program to cover *Imagine Austin* Centers and Corridors where larger buildings are deemed acceptable.
2. A second type of density bonus program will be available in and around *Imagine Austin* Activity Centers and Corridors with access to transit where smaller buildings with height and bulk appropriate to their neighborhood context are more appropriate. This “density bonus” could take the form of allowing more units within the same size building height and bulk.

Diversity of Housing Choice

3. Promote diversity of housing options in targeted areas such as *Imagine Austin* Activity Corridors and Centers that have more transportation choices. During the mapping phase, Missing Middle will likely be focused within Activity Centers and Activity Corridors, and in “transition zones” near them.
4. Provide a more diverse set of housing options within most form-based code districts; some will include a range of Missing Middle types that correspond with building forms appropriate for the walkable context.
5. Adjust lot size minimums and maximums in the form-based code districts to accommodate a diversity of housing options including Missing Middle building types.

6. Simplify the permitting process for Missing Middle projects between 3 and 10 units when they adhere to the form-base standards in the code. The new code may be applied in a manner that takes account of the physical form and character of a neighborhood, rather than applying a one-size-fits-all approach uniformly across all residential neighborhoods.
7. Provide additional opportunities for flexible housing: cooperatives, prefabricated housing, group homes, mobile and manufactured homes, RVs, tiny homes, temporary and permanent shelters.

Fair Housing

8. Pursuant to the City of Austin’s Fair Housing Action Plan, the revised code will maintain, expand, and revise density bonus programs to:
 - Align bonus programs and formulas for calculating the number of units, accessibility requirements, the affordability periods, and on-site requirements.
 - Incentivize and provide additional opportunities for housing units with two bedrooms or more, particularly in high opportunity areas.
9. Pursuant to the City of Austin’s Fair Housing Action Plan, land use and regulatory requirements will be modified to expand housing choice and reduce housing access barriers:
 - Provide a more refined set of zoning districts, transect and use-based, that replace the complicated “opt-in, opt-out” regulations and process in order to affirmatively further fair housing choice throughout Austin.
 - Provide additional housing choices.

Prescriptions that are beyond the reach of the Land Development Code and require collaboration with others include:

- *Strengthen policies that provide incentives for the development of affordable housing for households below 30%, 50%, and 80% median family income (MFI).*
- *Create policies that require longer affordability periods for Vertical Mixed Use (VMU) and other programs that are successful in providing affordable housing.*
- *Work with public and private partners to create affordable housing, both subsidized and unsubsidized, that is equitably distributed throughout the city and serves protected classes.*

COMPACT COMMUNITIES AND AFFORDABILITY

Density Limits

10. In the form-based districts, density will be addressed by the form standards contained within each district.
11. Reduce the minimum lot size requirement to promote Missing Middle housing. New lot size standards will be incorporated into each form-based district that is supportive of the various neighborhood contexts. Rather than minimum lot size standards, the form-based code districts will include minimum and maximum lot width and depths, build-to areas, and building placement standards. In the use-based Single-Family and Multifamily zoning districts, the lot sizes will be reduced in certain contexts to promote Missing Middle residential uses as well as fit within the context of the neighborhood.
12. Maintain the Minimum Site Area requirements. These requirements, found at Sections 25-2-560 through - 563 of the Land Development Code, limit the number of dwelling units on a site by requiring a certain

amount of square footage of site area for each type of unit. The presence of this requirement has proven to be a significant incentive for projects to participate in the Vertical Mixed Use (VMU) density bonus program. The requirements should be evaluated, however, to determine whether the application of the requirements is adversely impacting the development of housing with two or more bedrooms.

Compatibility and Transitions

13. See the Code Prescriptions identified in the Natural and Built Environment Code Prescription on pages 22-23.
14. Evaluate the impacts of compatibility standards in the use-based districts on household affordability especially affordable housing.

MOBILITY, LAND USE, CONNECTIVITY, AND AFFORDABILITY

Transit-Oriented Development

15. Integrate transit-oriented development standards into form-based code standards and apply these standards near high-capacity transit stations. The CodeNEXT team will recommend that these standards be applied in the higher intensity form-based districts such as T4 and T5, applied to centers and corridors and areas that are within a ½ mile of high-capacity transit stations, rail, and bus rapid transit stations, and will consider the context of the adjacent community. This decision will ultimately rest with the City Council during the “mapping” of the zoning code.
16. As stated in the Density Bonus section, a revised density bonus program will be available in and around *Imagine Austin* Activity Centers and Corridors to promote housing near transit. It may, in some cases, be appropriate to build residential units in place of some ground floor commercial to address the City’s unmet demand for more affordable housing units, particularly beyond ½ mile from a station.
17. In addition to the standards for transit-oriented development, T3 zones and higher will have development standards and uses that support transportation choices including local and express bus, bike infrastructure, and walking.

Parking and Affordability

18. Reduced Parking Minimums: The revised code will have reduced parking minimums in areas of the city targeted for compact development, especially when those areas have public transit and other mobility choices. Parking reductions in these areas will happen within the local context, taking into account the type of street and street network available as well as surrounding development and uses. In order to further incentivize reduced parking where appropriate:
 - Include a bonus system where, in exchange for providing a public benefit such as affordable housing or community open space, a developer could choose the next most restrictive level of parking for their zoning category and provide fewer spaces than would otherwise be required.
 - Reduce parking minimums near high-frequency transit stops.
 - Waive minimum parking requirements for developments that build all of their units as affordable housing near transit stops including local bus.

19. There is a need to rethink and refine the City's shared parking and Residential Permit Parking (RPP) Program with an eye toward balancing neighborhood, business, environmental, and affordability needs.

QUALITY, SAFE AND AFFORDABLE NEIGHBORHOODS

Development Review Process

20. CodeNEXT will re-organize and re-format the Land Development Code to make code requirements clear and understandable.
21. CodeNEXT will, to the greatest extent possible, eliminate, consolidate, or restructure conflicting code provisions to increase the simplicity of applying the new code.
22. CodeNEXT will provide a more refined set of zoning districts, (form-based and conventional) that replaces the complicated "opt-in, opt-out" regulations and process.

Environmental Regulations

23. Maintain the context-sensitive prescriptions identified in the Natural and Built Environment Code Prescription on pages 10-12 and 15-17.

Affordability Impacts to Small Businesses and the Cultural Arts

24. Allow for compatible retail and commercial uses by right including arts, culture and creative uses such as rehearsal, gallery, studio, performance or exhibit spaces and offices in areas where form-based zones have been applied and a diversity of uses is desired. This includes adequate commercial space allowances in corridors, centers, and in between these areas and neighborhoods.
25. Revise the density bonus program in targeted areas such as cultural districts by adding the preservation or creation of an existing creative venue or business as a Community Benefit.
26. The opportunity to expand live/work units will be found in all form-based code districts in order to promote the opportunity for the small businesses, including artists to be able to work where they live. The allowance of live/work units will be both within the uses regulated by the different form-based code districts but also in the regulation of building types to ensure the proper form to allow for live-work units.