



AFFORDABILITY IMPACT STATEMENT

NEIGHBORHOOD HOUSING AND COMMUNITY DEVELOPMENT

CITY COUNCIL AGENDA: 10-17-2013 CASE No:

PROPOSED CODE AMENDMENT:	<p>AUSTIN WATER IS RECOMMENDING OPTION 4I:</p> <p>ELIMINATES 7 DEVELOPMENT ZONES BUT RETAINS DESIRED DEVELOPMENT ZONE (DDZ) AND DRINKING WATER PROTECTION ZONE (DWPZ). FEES INCLUDE 85% OF MAXIMUM ALLOWABLE IN DWPZ, 60% IN DDZ, AND 50% IN IMAGINE AUSTIN INCENTIVE AREAS, USES AUSTIN-SPECIFIC RATE REVENUE CREDIT.</p>
IMPACT ON REGULATORY BARRIERS TO HOUSING DEVELOPMENT	<input type="checkbox"/> INCREASE <input type="checkbox"/> DECREASE <input checked="" type="checkbox"/> NEUTRAL
LAND USE / ZONING OPPORTUNITIES FOR AFFORDABLE HOUSING DEVELOPMENT	<input type="checkbox"/> INCREASE <input type="checkbox"/> DECREASE <input checked="" type="checkbox"/> NEUTRAL
IMPACT ON COST OF DEVELOPMENT	<input checked="" type="checkbox"/> INCREASE <input type="checkbox"/> DECREASE <input type="checkbox"/> NEUTRAL <p>PROPOSED IMPACT FEE INCREASES WILL INCREASE THE OVERALL COST OF DEVELOPMENT.</p> <p>THE "WATER AND WASTEWATER IMPACT FEES COMPARISON TOP 15 TEXAS CITIES BY POPULATION" GRAPH PROVIDED BY THE AUSTIN WATER UTILITY SHOWS THAT WITH THE PROPOSED FEE INCREASES THE CITY OF AUSTIN WILL HAVE THE HIGHEST WATER AND WASTEWATER IMPACT FEES OF ALL 15 CITIES STUDIED.</p> <p>LARGER CITIES GENERALLY HAVE MUCH LOWER IMPACT FEES THAN SMALL GROWING CITIES AND MUNICIPALITIES BECAUSE CAPITAL IMPROVEMENT COSTS RELATED TO NEW DEVELOPMENT ARE LOWER.</p>
IMPACT ON PRODUCTION OF AFFORDABLE HOUSING	<input type="checkbox"/> INCREASE <input type="checkbox"/> DECREASE <input checked="" type="checkbox"/> NEUTRAL <p>PROJECTS THAT ARE CERTIFIED AS S.M.A.R.T HOUSING ARE ELIGIBLE FOR IMPACT FEE WAIVERS UNDER THE S.M.A.R.T. HOUSING ORDINANCE (25-1-704 FEE WAIVERS) BASED ON THE FOLLOWING FORMULA:</p>

A BUILDER PROVIDES:

10% S.M.A.R.T.™ REASONABLY PRICED
20% S.M.A.R.T.™ REASONABLY PRICED
30% S.M.A.R.T.™ REASONABLY PRICED
40% S.M.A.R.T.™ REASONABLY PRICED

THE CITY OF AUSTIN PROVIDES:

25% FEE WAIVERS & FAST-TRACK REVIEW
50% FEE WAIVERS & FAST-TRACK REVIEW
75% FEE WAIVERS & FAST-TRACK REVIEW
100% FEE WAIVERS & FAST-TRACK REVIEW

IN ADDITION, DEVELOPMENT IN WHICH AT LEAST 5-10% OF THE DWELLING UNITS ARE REASONABLY-PRICED AND ARE TRANSFERRED TO A CITY-APPROVED HOUSING LAND TRUST ARE ELIGIBLE FOR 100% FEE WAIVERS.

THE INCREASES IN IMPACT FEES COULD POSSIBLY ENCOURAGE PARTICIPATION IN THE S.M.A.R.T HOUSING PROGRAM. THE INCREASED IMPACT FEES PROPORTIONATELY INCREASE THE S.M.A.R.T HOUSING PROGRAM FEE WAIVER BENEFIT TO DEVELOPERS.

NHCD IS CAUTIOUS OF ANY IMPEDIMENTS TO THE DEVELOPMENT OF AFFORDABLE HOUSING WITHIN THE CITY LIMITS. THE PROPOSED WATER UTILITY FEES REMAIN COMPETITIVE WITH THOSE OF OTHER LOCAL JURISDICTIONS IN THE DDZ AREAS, HOWEVER, THERE ARE CONCERNS RELATED TO THE CUMULATIVE EFFECT OF INCREASED FEES, REGULATIONS, REVIEW PROCESS, AND OVERALL EFFORT REQUIRED TO DEVELOP WITHIN AUSTIN VERSUS SUBURBAN COMMUNITIES.

PROPOSED
CHANGES
IMPACTING
HOUSING
AFFORDABILITY:

INCREASED COST TO DEVELOPERS WILL ALMOST CERTAINLY BE PASSED DOWN TO RENTERS AND BUYERS THEREFORE INCREASING THE COST OF HOUSING AND ADVERSELY AFFECTING OVERALL HOUSING AFFORDABILITY IN AUSTIN. WATER RATES WILL INCREASE PROPORTIONATELY LESS BASED ON THE INCREASE IN TOTAL IMPACT FEE REVENUE COLLECTED, HOWEVER THIS POTENTIAL BENEFIT TO RATE PAYERS IS CAPRICIOUS AND NHCD IS NOT ABLE TO PROJECT THE IMPACT ON HOUSEHOLD AFFORDABILITY.

ALTERNATIVE
LANGUAGE TO
MAXIMIZE
AFFORDABLE
HOUSING
OPPORTUNITIES:

N/A

OTHER HOUSING
POLICY
CONSIDERATIONS:

DATE PREPARED:

OCTOBER 9, 2013

DIRECTOR'S SIGNATURE:

