

Micro Units Code Amendment

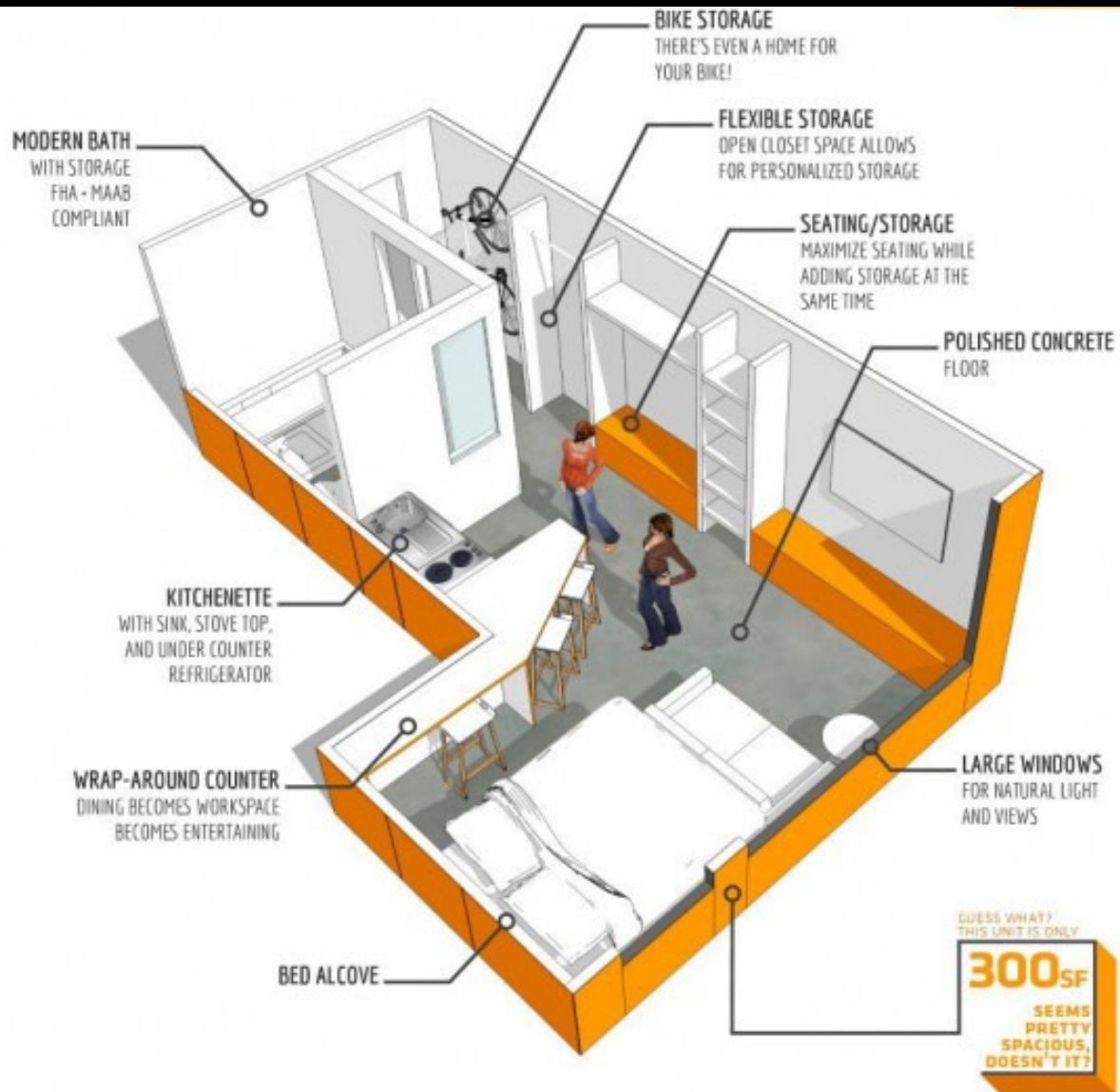
August 19, 2014

What is a Micro Unit?

- A small efficiency, with bathroom and kitchen.
- Typically in a building with reduced parking and more amenities, compared to standard apartment building.

Why Micro Units?

- Affordability.
 - In Austin, the median rental rate has increased 49% since 2003, while median incomes have barely improved.
- Demographics (singles).
 - 34% of the Austin's households are comprised of single individuals.









- Seattle



- Seattle



- San Francisco



- San Francisco



- Seattle



- Seattle



- Columbus, Ohio

Issues in Other Cities

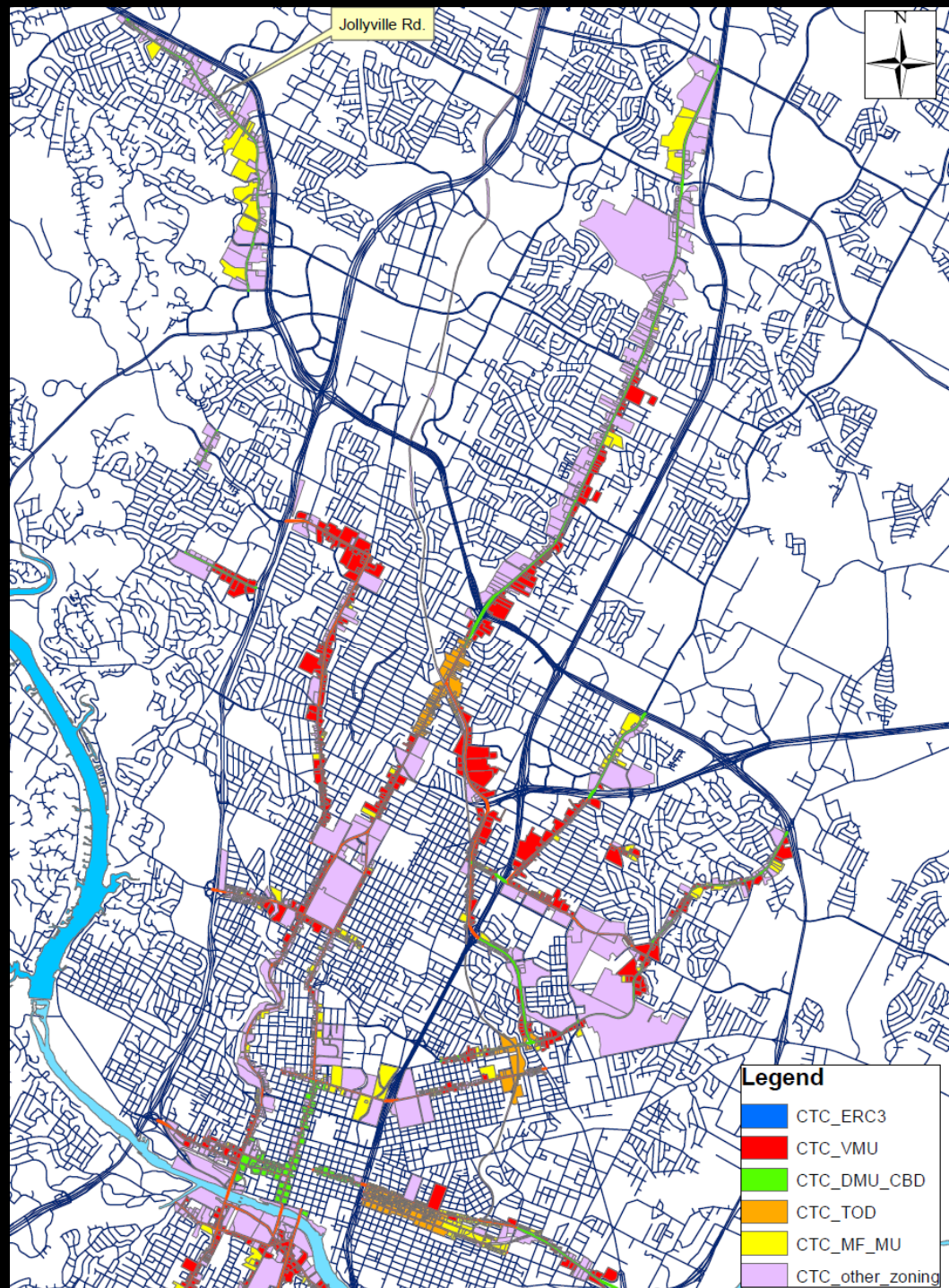
- Parking:
 - 20-70% of tenants still own a car
 - On-site parking ranges from 0-1 spaces/unit
 - Overflow parking on adjacent public streets or pay-to-park lots
- Pricing:
 - Cost per sq ft – higher (~1.5 – 3X)
 - Cost per unit – lower (~20%)

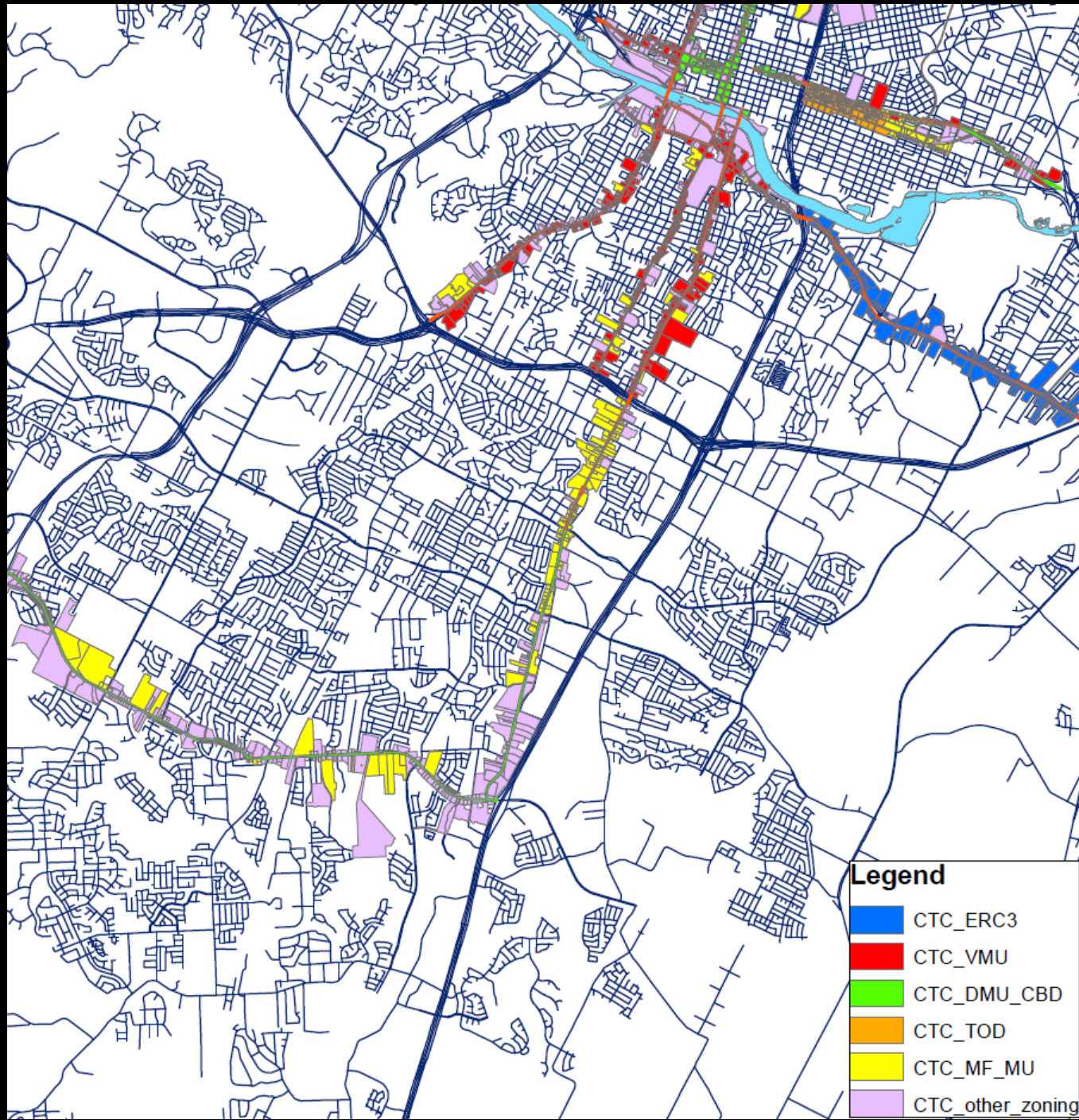
Proposed Standards

- Efficiency unit ~220 – 400 sq ft in size.
- 400 sq ft of site area required per micro unit.
- 0.6 parking spaces required per micro unit.
- Building containing 1 or more micro units must:
 - Be on a CTC or Future CTC
 - Must provide on-site affordability as a % of total building square footage

Zoning

- Micro units permitted as a multifamily use in:
 - Mixed Use (MU) combining district
 - MF-1 to MF-5 multifamily districts
- Not permitted in districts that already have density bonus and affordability requirements:
 - CBD, DMU, ERC, VMU, TOD





CODES AND ORDINANCES SUBCOMMITTEE

August 19, 2014

Micro Units Code Amendment Update

Initiated per Council Resolution 20140327-040

Proposed code changes for micro units

- 400 sq ft site area requirement for each dwelling unit
- 0.6 on-site parking spaces required per dwelling
- Permitted on Core Transit Corridors and Future Core Transit Corridors
- Permitted in the following zoning districts: MF-1, MF-2, MF-3, MF-4, MF-5; MU combining district
- Not applicable in VMU, TOD, ERC, CBD, DMU (all of which have their own density bonuses, parking reductions, affordability requirements)
- No changes to other base district site development standards, aside from parking
- Affordability required:
 - 10% of square footage of total development must be reserved as affordable for a minimum of 99 years for rental and occupancy by a household earning not more than 60 percent of the median family income for the Austin metropolitan statistical area; OR
 - 10% of square footage of total development must be reserved as affordable for a minimum of 99 years for ownership and occupancy by a household earning not more than 80 percent of the median family income for the Austin metropolitan statistical area.

Community Development Commission Action (July 8)

- Voted 6-3 to recommend the above changes (vote failed, 8 votes required for action)

Tentative schedule

- July 15: Planning Commission Codes and Ordinances (potential action)
- August 19: Planning Commission Codes and Ordinances (potential action)
- August 26: Planning Commission (potential action)
- August 28 or September 25: City Council (potential action)

ORDINANCE NO.

AN ORDINANCE AMENDING CITY CODE TITLE 25 RELATING TO MICRO UNITS

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. City Code Section 25-1-21 is amended to add a new definition to read:

§25-1-21 DEFINITIONS.

Micro Unit means a dwelling unit containing not more than 400 square feet of floor area, and not having a bedroom or sleeping area separate from principal living area. A building containing a micro unit must be located along a Core Transit Corridor or a Future Core Transit Corridor, and must provide on-site affordability.

PART 2. City Code Chapter 25-2, Subchapter E (*Design Standards And Mixed Use*) is amended to add a new Article 6: *MICRO UNITS*:

ARTICLE 6: MICRO UNITS

A. Purpose. The purpose of a micro unit is to provide an efficiency dwelling unit that meets affordability requirements, and allows increased density, reduced parking, and promotes affordability along Core Transit Corridors and Future Core Transit Corridors. A building may contain any mixture of micro units and other types of apartments, or may contain entirely micro units.

B. Applicability

The following table summarizes the applicability of this section:

| Standard | Applies if the Principal Street Is: | Applies to the Following: |
|-------------|---|--|
| Micro Units | Core Transit Corridor, Future Core Transit Corridor | - multifamily zoning districts (MF-1, MF-2, MF-3, MF-4, MF-5) - mixed use (MU) combining district |

C. Where Allowed.

1. A micro unit is permitted within the following base districts:

a. multifamily residence limited density (MF-1) district

- b. multifamily residence low density (MF-2) district
- c. multifamily residence medium density (MF-3) district
- d. multifamily residence moderate-high density (MF-4) district
- e. multifamily residence high density (MF-5) district

- 2. A micro unit is permitted within the following combining districts:
 - mixed use (MU) combining district

D. Compatibility and Neighborhood Standards. All buildings containing micro units are subject to the compatibility standards of Chapter 25-2, Article 10 if applicable.

If there is a conflict between the compatibility standards and this Subchapter, the compatibility standards shall control.

A building containing micro units that is located on a site that is adjacent to an urban family residence (SF-5) district or more restrictive zoning district, or is adjacent to a property which contains a use permitted in an SF-5 or more restrictive zoning district, other than a dwelling permitted by Section 25-2-894 (*Accessory Uses for a Principal Commercial Use*), must comply with Section 4.3.3, Table D (*Neighborhood Design Standards*).

E. Affordability Requirements. To be eligible for the dimensional or parking standards in Subsection F of this section, a building containing micro units shall meet the following affordability requirements, which shall run with the land.

1. Affordability Requirements for Owner-Occupied Units.

Ten percent of the square footage of the micro unit building shall be reserved as affordable, for not less than 99 years from the date the first certificate of occupancy is issued, for ownership and occupancy by households earning no more than 80 percent of the current Annual Median Family Income for the City of Austin Metropolitan Statistical Area.

2. Affordability Requirements for Rental Units.

Ten percent of the square footage of the micro unit building shall be reserved as affordable, for not less than 99 years from the date the first certificate of occupancy is issued, for ownership and occupancy by households earning no more than 60 percent of the current Annual Median Family Income for the City of Austin Metropolitan Statistical Area.

F. Dimensional and Parking Requirements.

1. Buildings containing one or more micro units must comply with the site development regulations prescribed by Section 25-2-492 (*Site Development Regulations*).
2. A building containing micro units that meets the affordability requirements in subsection E above is not subject to certain dimensional and parking standards applicable in the base zoning district or Multifamily Residential Use. These standards include the following:
 - a. The minimum site area requirement for a micro unit shall be 400 square feet. The minimum site area for all other unit types shall remain unchanged.
 - b. For each micro unit in a building, the minimum off-street parking requirement shall be 0.6 parking spaces per micro unit. This reduction may not be used in combination with any other parking reduction. The off-street parking requirement for all other unit types shall remain unchanged.

PART 3. This ordinance takes effect on _____, 2014.

PASSED AND APPROVED

_____, 2014 § _____
Lee Leffingwell
Mayor

APPROVED: _____
Karen M. Kennard
City Attorney

ATTEST: _____
Jannette S. Goodall
City Clerk

RESOLUTION NO. 20140327-040

WHEREAS, the Imagine Austin Comprehensive Plan calls out Austin's limited housing choices and rising housing costs, and recognizes the need for a variety of housing types to meet the financial and lifestyle needs of Austin's diverse population; and

WHEREAS, Imagine Austin also identifies the need to retain the character of Austin's neighborhoods by accommodating growth along corridors and major roadways; and

WHEREAS, micro-unit housing is an efficient and cost-effective housing choice developed and utilized in many of Austin's peer cities; and

WHEREAS, micro-unit housing most often appeals to single people, who make up over a third of Austin's population; and

WHEREAS, decoupling parking from housing costs – i.e., renting or selling parking separately, rather than automatically including it in the price of the living space – typically results in a demand reduction of up to 30%; and

WHEREAS, micro-unit development offers the potential of placing more affordable dwelling units within reach of those who want to live an urban lifestyle, often accompanied by reduced car ownership; and

WHEREAS, Council passed Resolution No. 20140123-059 asking the City Manager to identify best practices and code amendments that would encourage micro-unit development; and

WHEREAS, the March 18, 2014 City staff memo identified the primary zoning code constraints that may be inhibiting micro-unit

development in Austin as minimum site area requirements and parking requirements; and

WHEREAS, initial staff research suggests that Portland's reduced parking requirements for micro-units has led to tenants parking on the streets of adjacent neighborhoods; and

WHEREAS, site area requirements are waived in the Vertical Mixed Use Combining District under 25-2, Subchapter E, Section 4.3.3 for projects that meet affordability requirements, thus providing programs that incentivize affordable housing and an increase in density of dwelling units; and

WHEREAS, because the VMU Combining District is generally available on Core Transit Corridors (CTC) and future CTCs, there is a risk reducing or eliminating site area requirements on CTCs and future CTCs could decrease the effectiveness of VMU as a tool for housing affordability in Austin; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Council initiates amendments to Title 25 of the City Code and directs the City Manager to develop an ordinance that reduces or eliminates parking requirements and reduces or eliminates site area requirements for dwelling units less than 500 square feet in size and that are located on core transit corridors, future core transit corridors, or within a Transit Oriented Development District.

BE IT FURTHER RESOLVED:

The amendment process should include consideration of how the provisions allowing micro-units should be integrated with current provisions

for Vertical Mixed Use and Transit Oriented development, particularly in regard to affordable housing requirements.

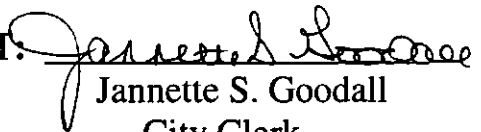
BE IT FURTHER RESOLVED:

The City Manager is further directed to compile detailed information and best practices from other cities about the relationship between micro-units and affordability, car ownership, parking, and adjacent neighborhoods.

BE IT FURTHER RESOLVED:

The City Manager is directed to seek input from housing stakeholders and the Community Development Commission; and to include a status on the effort in the Housing/Transit/Jobs Action Team report to the Comprehensive Planning and Transportation Council Committee by June 15, 2014; and to return this ordinance to the City Council within 120 days.

ADOPTED: March 27, 2014

ATTEST: 
Jannette S. Goodall
City Clerk