

# City of Austin Community Development Commission

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To: Planning and Zoning Department (PAZ) Director Greg Guernsey  
and CodeNEXT Code Advisory Group (CAG)

From: Gilbert Rivera, Community Development Commission (CDC) Chair

Date: April 24, 2017

Subject: Housing Concerns in CodeNEXT

Dear Mr. Guernsey and CAG members,

I am writing on behalf of the CDC to express the Commission's concerns over sections of CodeNEXT related to affordable housing. Our concerns involve the draft code and hopes for remaining sections yet to be released. We request answers in writing, and a presentation to discuss the answers.

As the city commission charged with advising the City Council on housing and community development matters related to low-income Austinites, our members are very concerned with affordability. At a workshop for boards and commissions graciously hosted by the CodeNEXT Advisory Group and from knowledge of the communities we represent, we hear critical aspects of the draft code, which seem to give away affordability. In our effort to work *with* the City, we want to review these issues before preparing our formal response to portions of the code.

We list the specific issues that we are aware of below.

1. FAR: It is our understanding that the draft code does not recognize Floor-to-Area Ratio or FAR. Eliminating FAR would give away one of the city's most successful incentives for creating housing affordable for low-income Austinites, the Vertical Mixed Use (VMU) overlay. FAR is key to the incentives used in VMU. We count 28 developments, which used VMU incentives to provide 549 units below market rents in rapidly growing parts of town where it would otherwise be difficult to create affordable housing. Nearly all VMU units are within a quarter mile of transit, the majority are in high opportunity areas, and many are affordable to people at 60% of Median Family Income (MFI), making this a strong tool for serving individuals in low-wage jobs such as office support staff or fixed income seniors. With the elimination of FAR, where would the incentive of VMU be recaptured in CodeNEXT?
2. Compatibility: We have heard that the new code would retain current compatibility standards unless and until a property is re-zoned. At that time, a different compatibility standard would apply. Compatibility has been very important to neighborhood integrity. If compatibility standards change, what benefits to neighborhood integrity, including affordability, would offset the change in the compatibility standard? What role would different neighborhoods have in making these determinations?


3. Parking: We have heard that parking requirements would be reduced. Again, we would like to consider how to incentivize affordability under a new standard. What do neighborhoods gain from reducing parking? What incentives could be crafted from reduced parking to create affordability at specific low-income levels?
4. “Middle Housing” or “Corner quads”: We have heard that the draft code proposes allowing single family corner lots to be redeveloped with up to four units. While theoretically the additional units could be offered at lower prices, the experience of our commissioners is that where usage increased from a single unit to duplex or more units, the new homes were way beyond what long-time residents could afford. Only by attaching specific affordability benefits can we assure the result of allowing additional units to be designated as affordable for low-income people. What specific affordability standards are proposed to guarantee that these increases in units are affordable to low-income people?
5. Affordability level: CodeNEXT promises to “streamline” differing programs with uniform standards. While not discussed in the draft information available to the public, we have heard that the affordability levels in differing bonus incentives will be adjusted to have uniform standards. We are crystal clear that uniform standards should be set at 60% or 50% MFI for rental and 70% for homeownership.
6. CodeNEXT is supposed to update city development standards to be more consistent with contemporary standards. We are concerned that in administering the current code, the City has been more likely to grant variances in many of the high poverty areas represented by the Community Development Commission rather than in other areas. How can variances be handled more equitably?
7. We have heard that the minimum lot size for a duplex would be reduced, perhaps to 6,000 square feet, in East Austin. However, the minimum lot size for duplexes would be higher or non-existent in other areas within the Drinking Water Protection zone. Similarly front yard setbacks would increase in some areas but decrease in others. What is the rationale for these differences?
8. Our commissioners have expressed concerns that SMART Housing is not geared to current needs. For example, we are concerned with a one-year affordability period on homeownership units in the SMART program. How is the Planning Department working with Neighborhood Housing to improve the benefits of SMART Housing such as the affordability level and the affordability period?
9. We have heard that the Strategic Housing Plan will be tied to Imagine Austin. What does tying Imagine Austin and the strategic plan together accomplish?
10. Considering that roughly one-third of Austinites are not proficient in English, what can the City of Austin do to increase the availability of information, presentations for, and participation of those of Limited English Proficiency in CodeNEXT?

11. We have not found consideration of mobile home/manufactured home park residents in CodeNEXT. How will CodeNEXT address their unique needs and concerns?
12. Several efforts involve attempts to increase equity and overcome impediments to fair housing in Austin. How will CodeNEXT align with the equity tool currently being developed? How will recommendations from the Mayor's Task Force on Undoing Institutional Racism be reflected in CodeNEXT? How does CodeNEXT reflect the Fair Housing Action Plan in the City's Analysis of Impediments to Fair Housing?
13. Current housing production seems to favor units for households of one and two members. However, we know from the communities we represent on the CDC that we are losing lower income families to suburban areas outside of Austin. A tremendous need for affordable units of a size appropriate for families remains. Many families are lower income. What will CodeNEXT realistically provide to meet the needs of low-income families?
14. It is anticipated that CodeNEXT will change the land use development process substantially; we are concerned that the city should track indicators of involuntary residential displacement such as evictions and act accordingly to mitigate its negative consequences.

Given the length of the draft code, there are probably similar issues of which we are not yet aware. We would appreciate your reviewing similar issues with us as well.

We look forward to reading your responses and discussing the answers with you at a future commission meeting.

Thank you,



Gilbert Rivera  
Community Development Commission Chair