

FY 2019-20 Budget Amendment Form

Budget Amendment Description

Reduce Board of Adjustment (BOA) Residential Variance Fee from \$2,905 to \$500 and Residential Exception Fee from \$2,146 to \$500.

Strategic Outcome Alignment (Which of the 6 Strategic Outcomes does this support?)

Economic Opportunity and Affordability

Lead Sponsor

CM Kitchen

Cosponsors (optional)

Amount and Source of Funding

Ongoing	One-Time	FTEs	Source of Funds
\$ 153,453.08			

Additional Information

This is a recommendation passed unanimously (11-0) by the BOA on April 8, 2019. From the resolution:
 "Whereas the Board of Adjustment would like to give a fair hearing to all citizens that believe they deserve a special exception to, or a hardship variance from, the land development code; and
 Whereas, unfortunately, today's fee structure represents more than 5% of the 60% median family income for four person households, and the BOA would prefer to see a significantly lower fee, so that families experiencing issues with our complex land development code can come to our board for relief."

This also aligns with CM Garza's Council Resolution No. 20171109-048 (Family Homestead Initiative) passed by Council on November 9, 2017. From the resolution:
 "Whereas, another barrier for homeowners who want to stay in place is the cost of fees associated with Development Services Department (DSD) costs to enforce Land Development Code regulations and other Building and environmental regulations for any home upgrade or expansion due to growing family need; and
 Whereas, with the DSD becoming an enterprise fund, even small projects like a family trying to remodel a home are required to pay rising development services fees to fund the department. This creates a barrier for homeowners trying to improve thier homes, and many have chosen to simply move out of Austin to accommodate growing families." **(continues on back)**

Kitchen #1

Additionally, Council Adopted Policy Direction for the Land Development Code Revision (May 2, 2019) recommends regarding "Question 2 - Housing Capacity" that:

"In general, housing affordability should be the primary policy driver of code and mapping revisions and the Manager should explore:

i. options to allow some level of administrative variances for some building form regulations (setbacks, height, building cover, etc.) to help maximize the shared community values of housing, tree preservation, parks, and mitigating flood risk"

Below presents the cost (in unrealized revenue) of setting the Residential Fees at different amounts based on a 5 year average annual volume of applications (63.58 variances/year; 8.67 exceptions/year)

	Residential Fees set at \$500	Residential Fees set at \$750	Residential Fees set at \$1,000	Residential Fees set at \$1,250	Residential Fees set at \$1,500	Residential Fees set at \$1,750	Residential Fees set at \$2,000
FY20 Proposed Variance Fee	\$2,905.00	\$2,905.00	\$2,905.00	\$2,905.00	\$2,905.00	\$2,905.00	\$2,905.00
Adjusted Variance Fee	\$500.00	\$750.00	\$1,000.00	\$1,250.00	\$1,500.00	\$1,750.00	\$2,000.00
Deficit per application	(\$2,405.00)	(\$2,155.00)	(\$1,905.00)	(\$1,655.00)	(\$1,405.00)	(\$1,155.00)	(\$905.00)
FY20 Proposed Exception Fee	\$2,146.00	\$2,146.00	\$2,146.00	\$2,146.00	\$2,146.00	\$2,146.00	\$2,146.00
Adjusted Exception Fee	\$500.00	\$750.00	\$1,000.00	\$1,250.00	\$1,500.00	\$1,750.00	\$2,000.00
Deficit per application	(\$1,646.00)	(\$1,396.00)	(\$1,146.00)	(\$896.00)	(\$646.00)	(\$396.00)	(\$146.00)
Total Deficit (Cost)	(\$153,453.08)	(\$137,475.58)	(\$121,498.08)	(\$105,520.58)	(\$89,543.08)	(\$73,565.58)	(\$57,588.08)