
LAND DEVELOPMENT CODE REVISION

AUSTIN CITY COUNCIL SPECIAL CALLED WORK SESSION &
COUNCIL HOUSING & PLANNING COMMITTEE

October 8, 2019

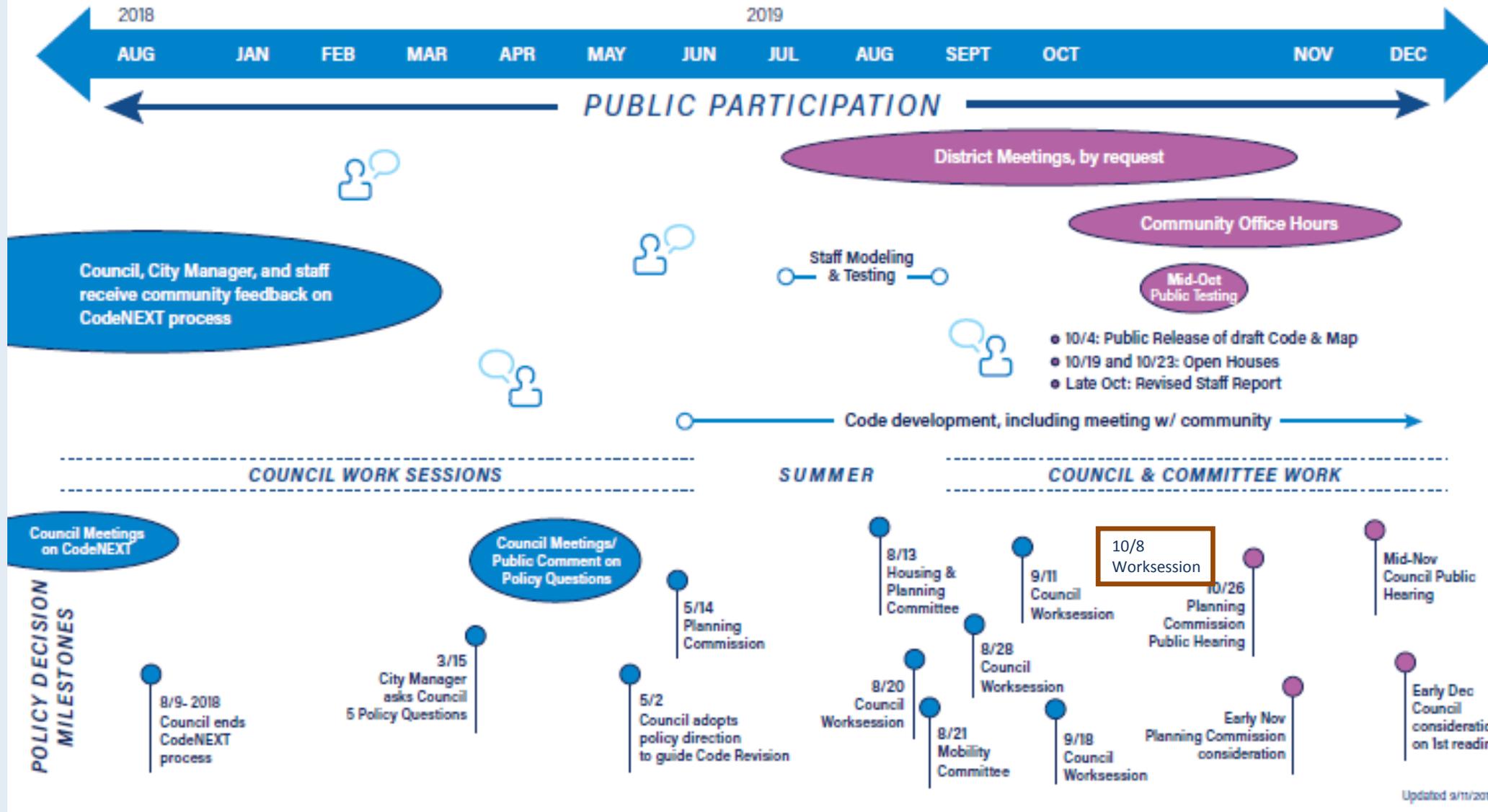
AGENDA

- Timeline
- Housing Capacity
- Affordable Unit Capacity
- Affordable Housing Bonus Program (AHBP) Development
- City Council District Capacity
- Housing Capacity Report Card
- Next Steps



Land Development Code Revision: Proposed Timeline*

*Proposed dates, subject to change based on Council direction & outcome of public process



HOUSING CAPACITY

Council Direction

*“The new code and map should allow for housing capacity equivalent to **at least three times the Austin Strategic Housing Blueprint (ASHB) goal of 135,000 new housing units...**”*

*“In general, within activity centers, along activity corridors, along the transit priority network, and in transition areas, **additional entitlements beyond current zoning** should only be provided:*

- i. to **increase the supply of missing middle housing**, which shall include an affordable housing bonus program where economically viable or,*
- ii. through a density bonus that requires some measure of affordable housing.”*

*“The granting of **new entitlements in areas currently or susceptible to gentrification should be limited** so as to reduce displacement and dis-incentivize the redevelopment of multi-family residential development, unless substantial increases in long-term affordable housing will be otherwise achieved. **Existing market rate affordable multifamily shall not be mapped to be upzoned.**”*

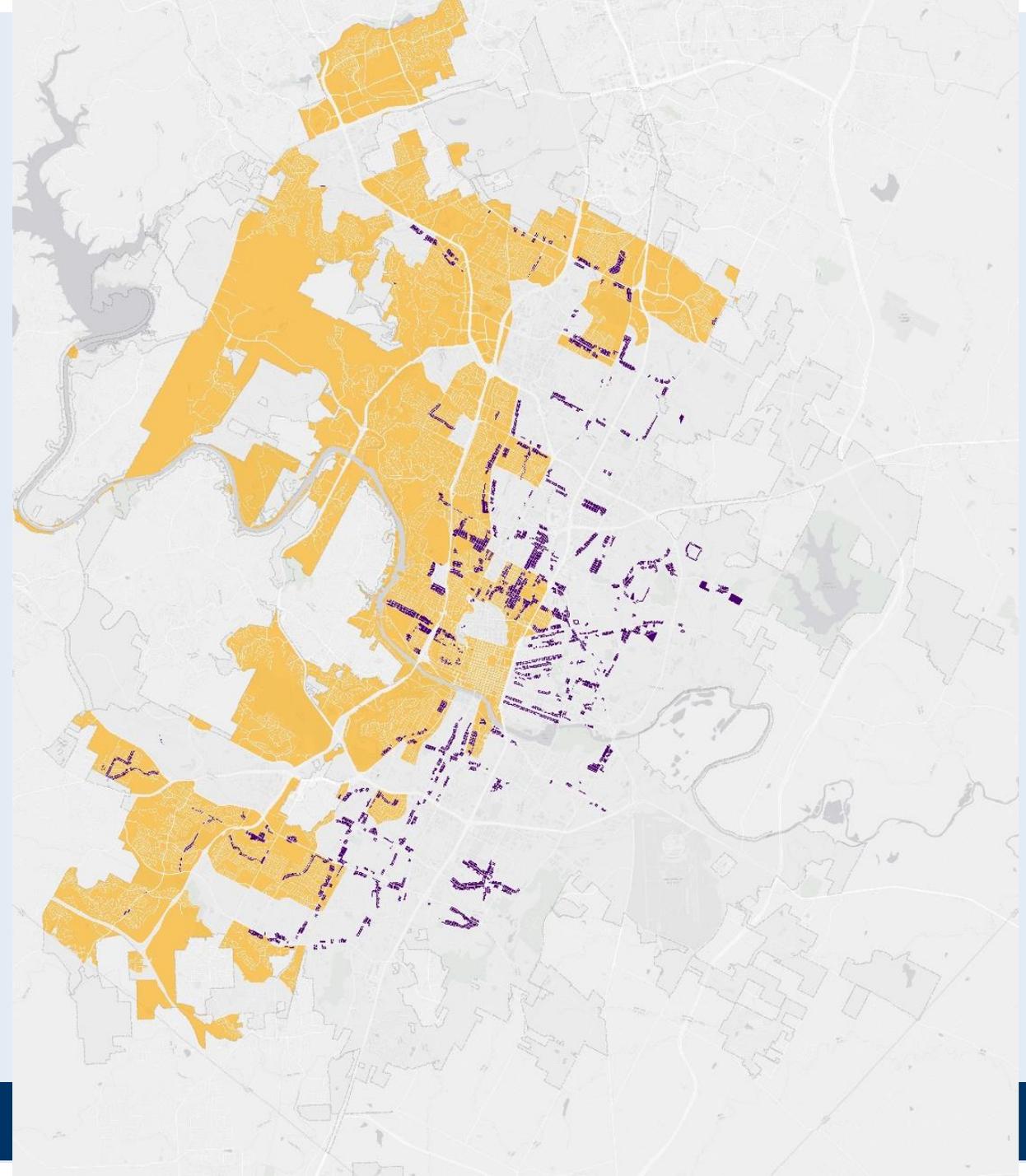
*“Staff will consider **mapping missing middle areas in high opportunity areas** not impacted by environmental concerns in order to help achieve goals related to housing throughout the city.”*

HOUSING CAPACITY

Current Code	LDC Revision	Effect of Change
<ul style="list-style-type: none">• 145,000 total unit capacity	<ul style="list-style-type: none">• Increases capacity for missing middle housing in transition areas and high opportunity areas• Increases capacity through inclusion of affordable housing bonus in more zones & areas of the city• Maintains comparable base zoning except in transition areas• 397,000 total unit capacity	<ul style="list-style-type: none">• Nearly reaches Council goal of 135,000 units x 3 = 405,000 total units

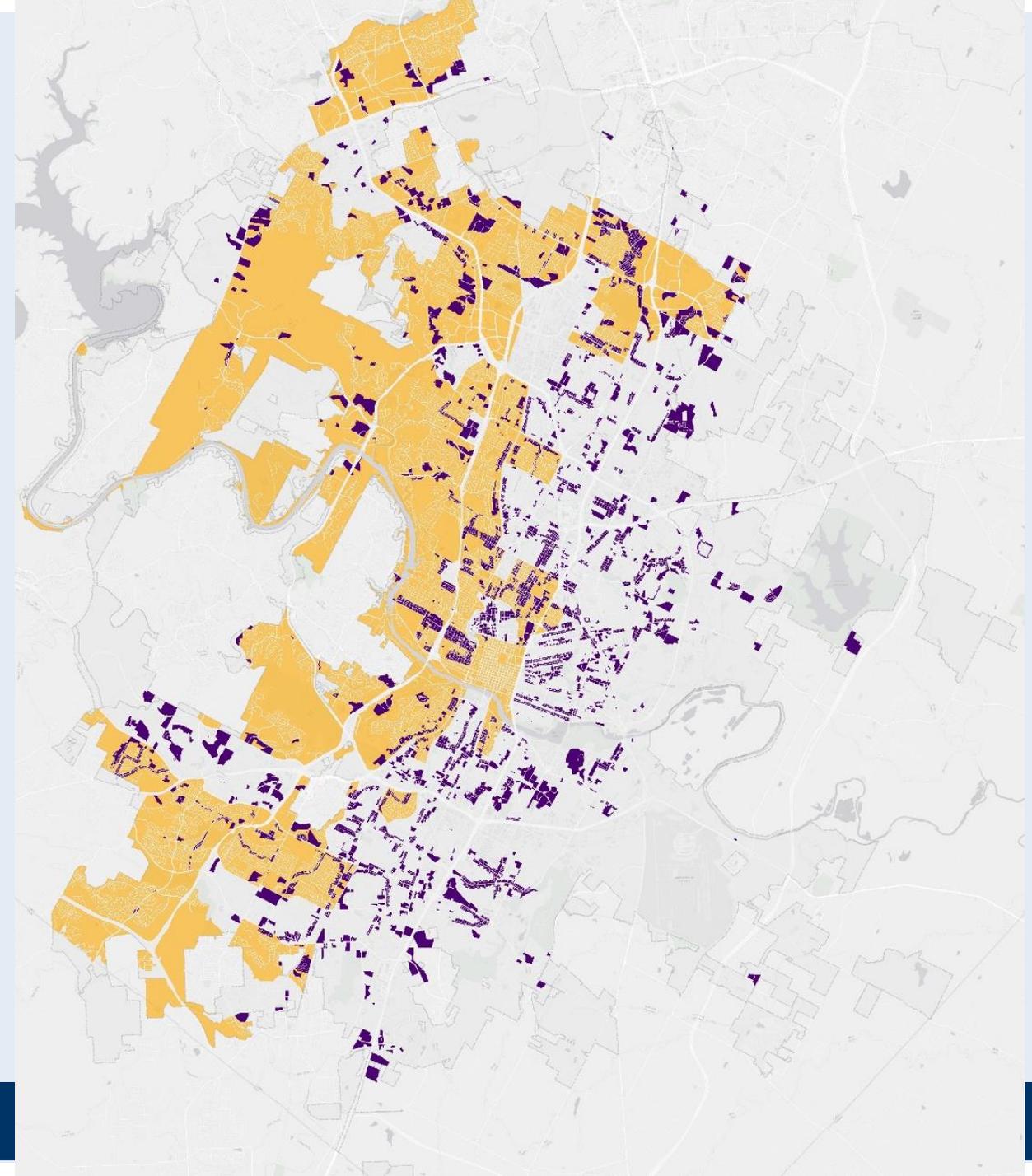
INCREASES CAPACITY FOR MISSING MIDDLE HOUSING IN TRANSITION AREAS AND HIGH OPPORTUNITY AREAS

- Transition Areas & High Opportunity Missing Middle
- Transition areas shallower along corridors in areas vulnerable to displacement



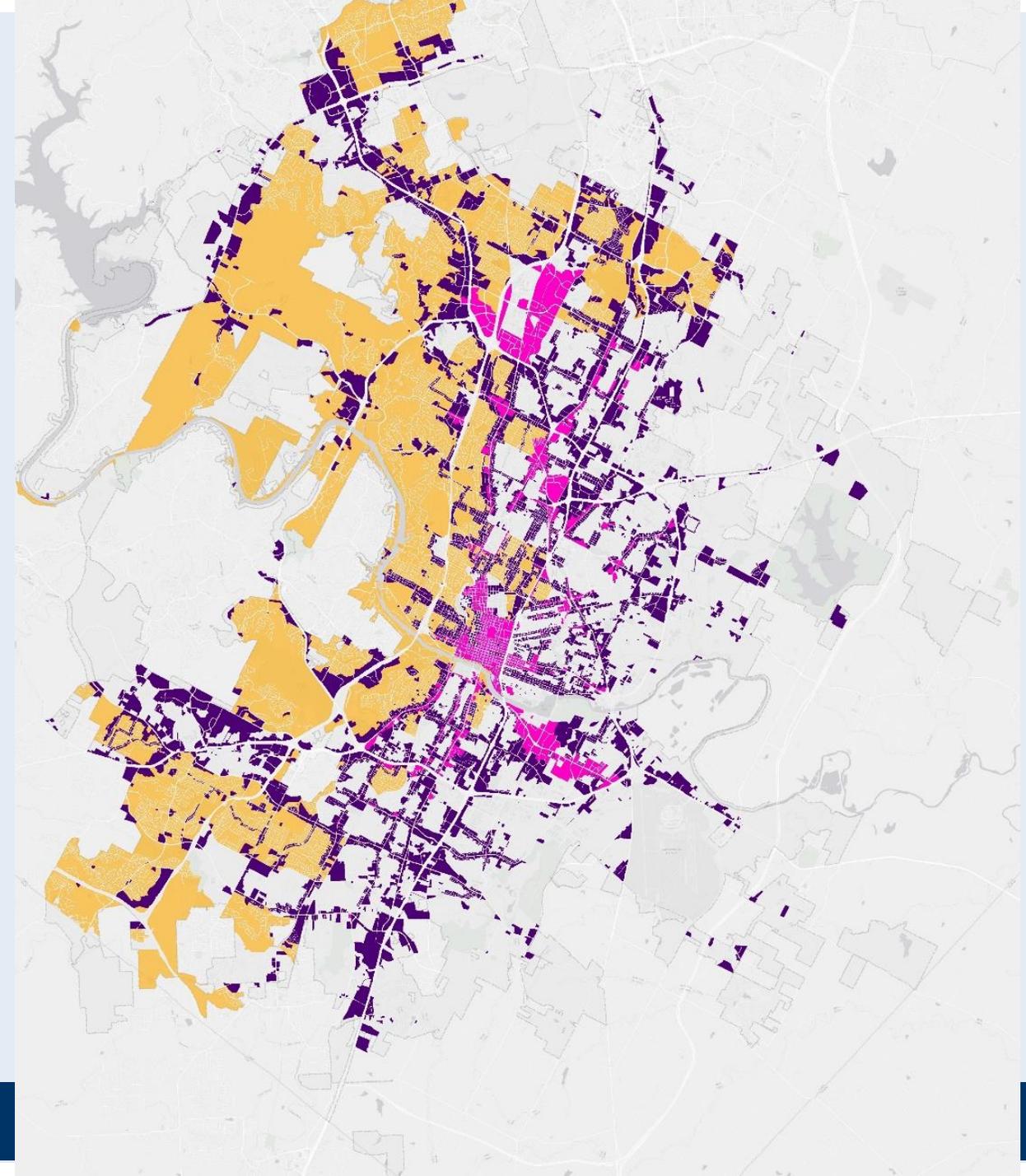
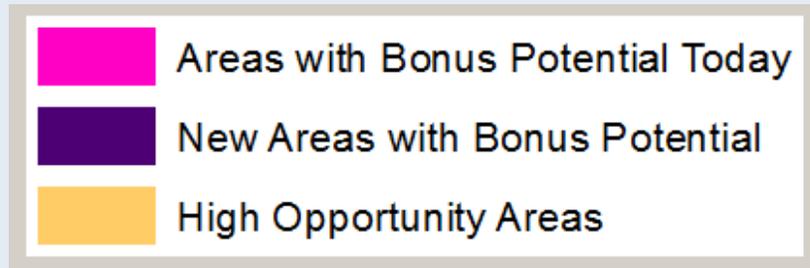
HIGH OPPORTUNITY AREAS, MISSING MIDDLE/HOUSE SCALE MULTI UNIT, AND MULTIFAMILY

- All transition areas, high opportunity missing middle (multi-unit), and multi-family zoning



MORE AREAS WITH BONUS POTENTIAL

- Existing and expanded areas with affordable housing bonus programs
- Current Code: 5,600 acres
- LDC Revision: 30,600 acres



MODELING HOUSING CAPACITY

Council Direction

“Determinations about mapping should also be informed by appropriate analyses available to staff, including but not limited to the “Zoning Capacity and Redevelopment Analysis” completed by city staff and the Fregonese study.”

“The City Manager shall provide to Council an **analysis of the affordable housing and housing capacity yield when presenting the proposed mapping and potential for redevelopment using the Envision Tomorrow tool.**

- Overall capacity***
- Income-restricted (Affordable) capacity”***

City-wide Housing Capacity

Envision Tomorrow provides an economically-constrained capacity estimate.

INCLUDES:

VACANT, BUILDABLE LAND

Primarily, feasible development on vacant, buildable land

EXISTING DEVELOPED LAND

To a lesser extent, feasible redevelopment of existing developed land

EXCLUDES:

CONSTRAINED LAND

- FEMA Floodway and Floodplain
- Publicly accessible open space
- Educational Institutions
- Zoned Conservation Land
- Steep slopes
- Critical Water Quality Zones

How Do We Estimate Housing Capacity in the Revised LDC?

IDENTIFY ZONE ON PARCEL

PERFORM FEASIBILITY TEST

**LDC
Revised
Map**



Could a developer build on this site?
Based on local market conditions and land cost.

Yes.

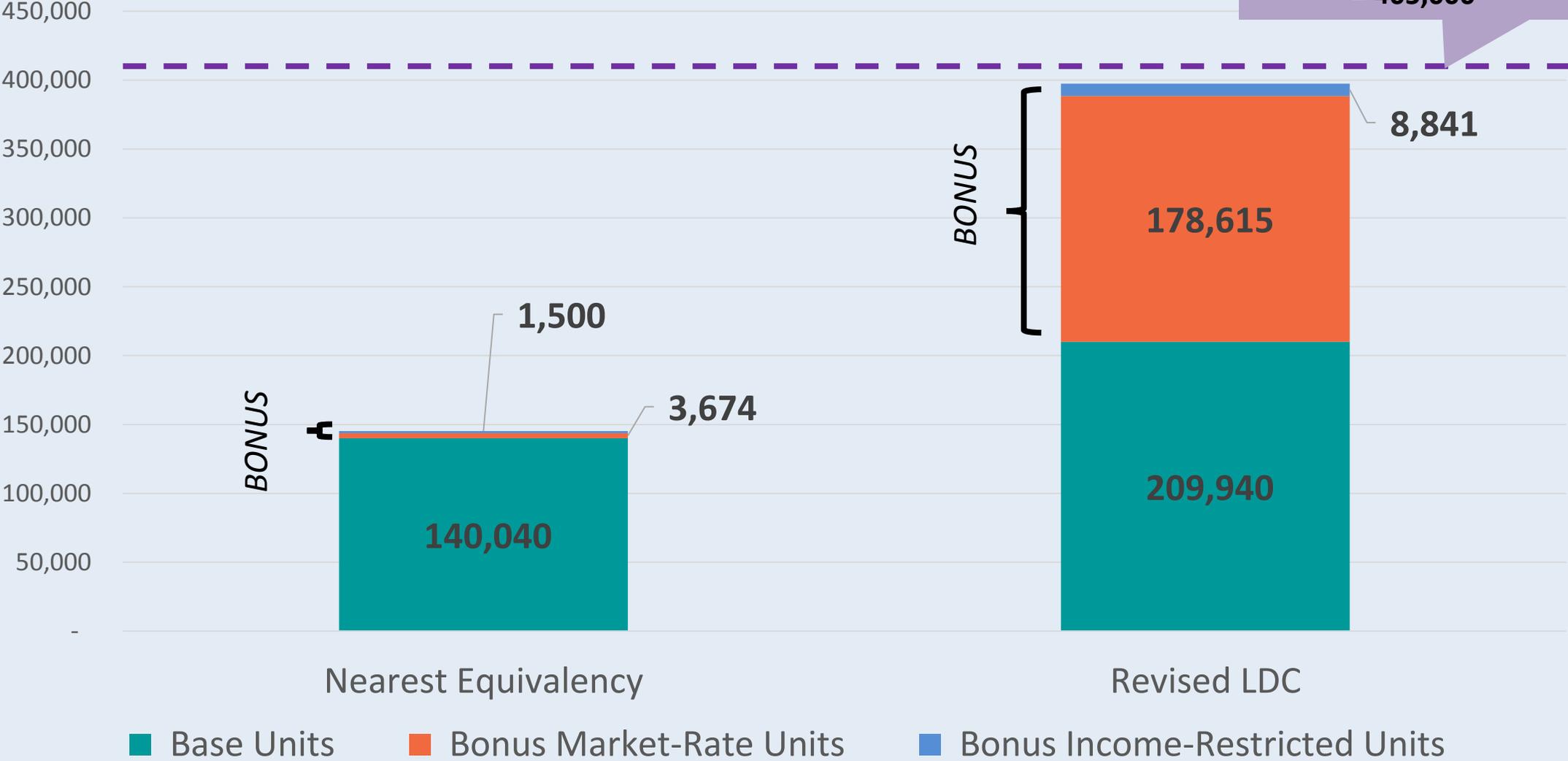
No.

PARCEL INCLUDED IN CAPACITY ESTIMATES

PARCEL NOT INCLUDED IN CAPACITY ESTIMATES

Overall Capacity

Council Direction:
 135,000 (ASHB Goal) x 3
 = 405,000



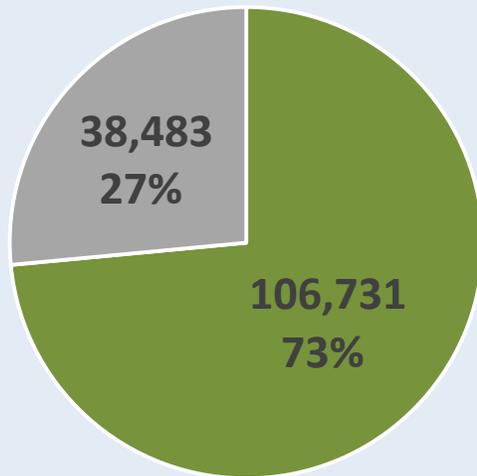
ADDITIONAL HOUSING CAPACITY DIRECTION

Council Direction

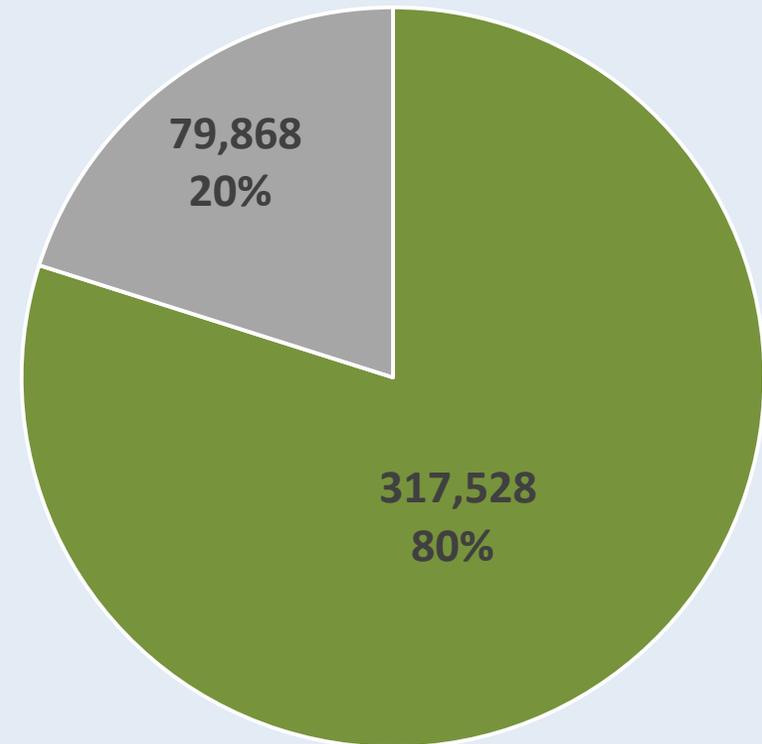
- *75% of new housing capacity should be within ½ mile of transit priority networks as identified by the Austin Strategic Mobility Plan and Imagine Austin activity centers and corridors.*
- *At least 25% of new income-restricted affordable housing should be in high opportunity areas.*
- *At least 30% of new housing should be a range of housing types from small-lot single-family to eight-plexes to help address Austin's need for multi-generational housing.*

Council Direction: 75% of new housing capacity should be within ½ mile of transit priority networks as identified by the Austin Strategic Mobility Plan and Imagine Austin activity centers and corridors.

Nearest Equivalency



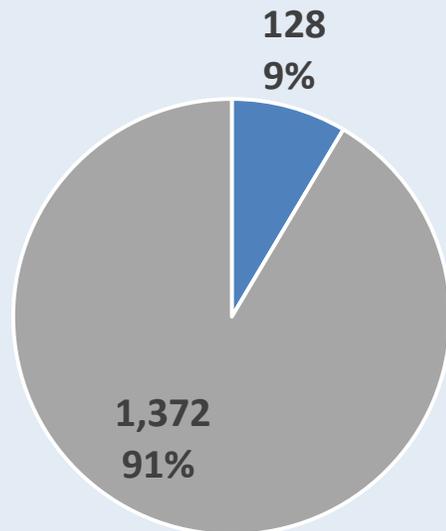
Revised LDC



- Total w/in 1/2 Mile
- Total not w/in 1/2 mile

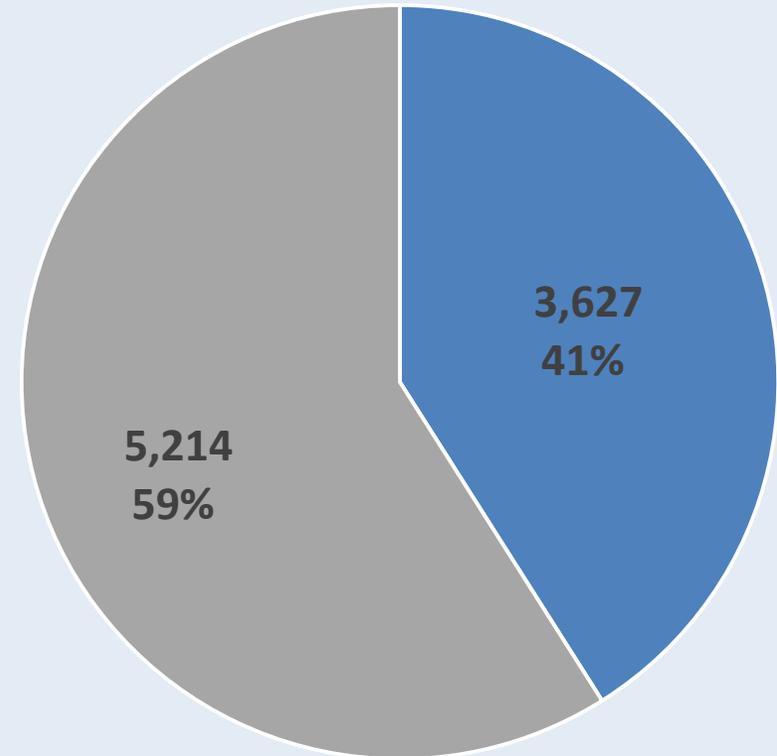
Council Direction: At least 25% of new income-restricted affordable housing should be in high opportunity areas.

Nearest Equivalency

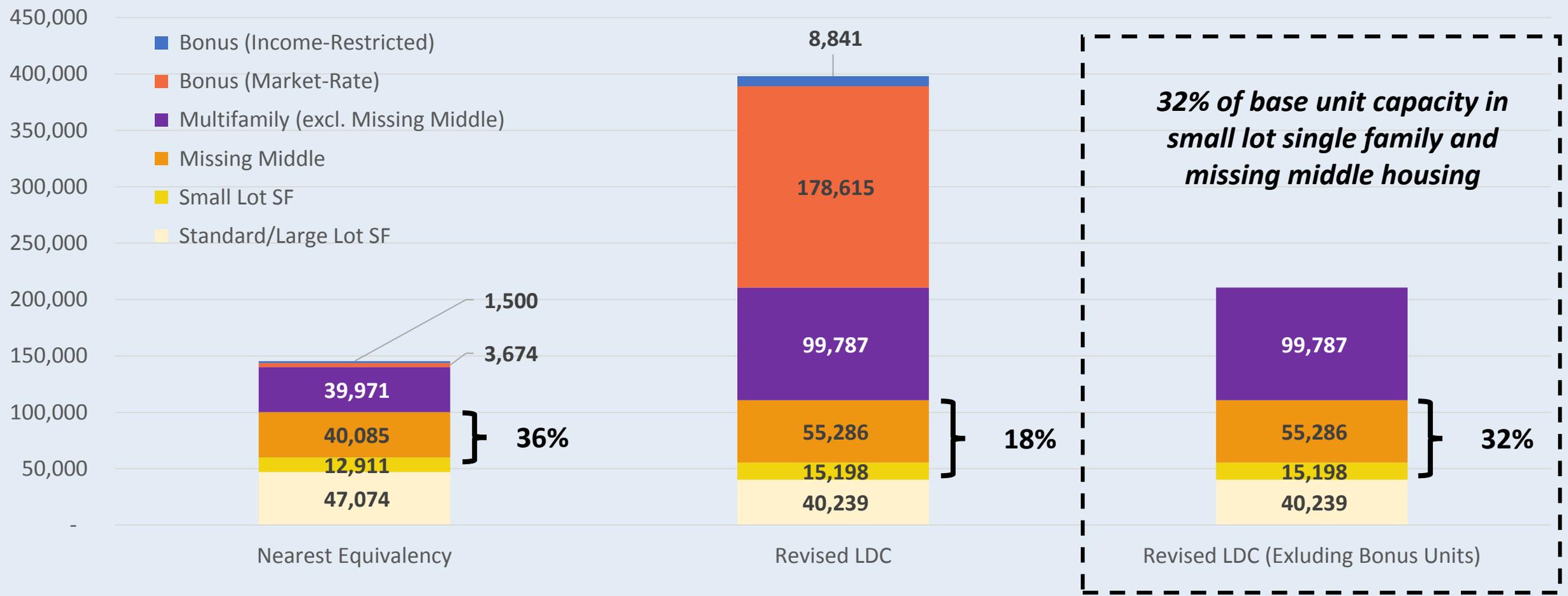


- Bonus Income-Restricted Units w/in High Opportunity Areas
- Bonus Income-Restricted Units Not w/in High Opportunity Areas

Revised LDC



Council Direction: At least 30% of new housing should be a range of housing types from small-lot single-family to eight-plexes to help address Austin’s need for multi-generational housing.



32% of base unit capacity in small lot single family and missing middle housing

AFFORDABLE UNIT HOUSING CAPACITY

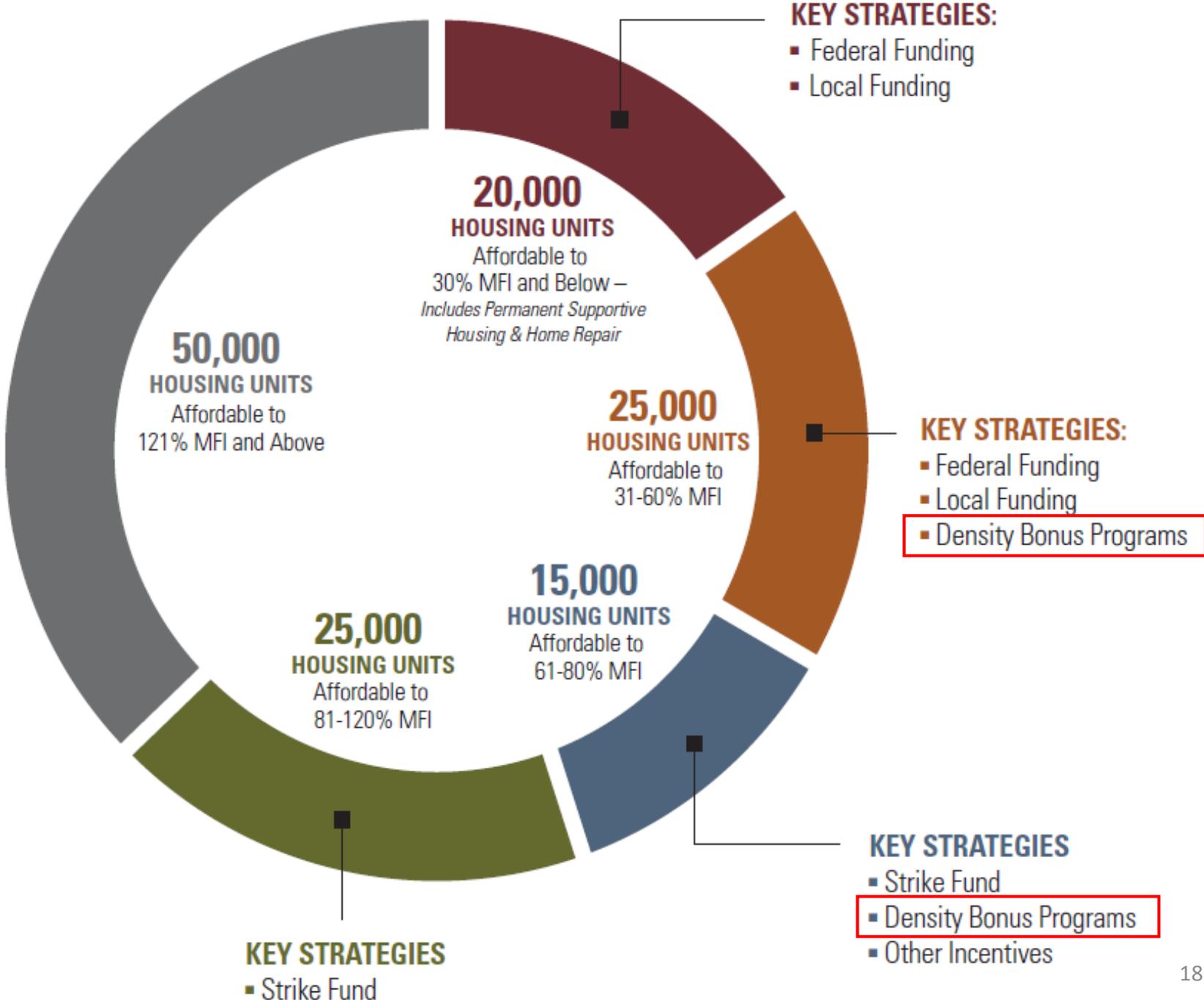
Council Direction

*“The new code and map should allow for housing capacity equivalent to at least three times the Austin Strategic Housing Blueprint (ASHB) goal of 135,000 new housing units, as well as for **ASHB goals of 60,000 affordable housing units, preservation of 10,000 affordable housing units, production of sufficient numbers of Permanent Supportive Housing (PSH) units each year sufficient to address needs and 30% Missing Middle Housing, and be achieved in a manner consistent with direction provided throughout this document.**”*

Current Code	LDC Revision	Effect of Change
<ul style="list-style-type: none"> • 140,000 base units • 5,000 bonus units <ul style="list-style-type: none"> • 3,500 market rate • 1,500 income-restricted • 145,000 total unit capacity 	<ul style="list-style-type: none"> • 210,000 base units • 187,000 bonus units <ul style="list-style-type: none"> • 178,000 market rate • 9,000 income-restricted • 397,000 total unit capacity • Maintained comparable base zoning for identified market-rate affordable housing 	<ul style="list-style-type: none"> • Six-fold increase in the capacity of income-restricted affordable bonus units • Greater opportunity for affordable housing throughout city due to increased multi-family capacity

AFFORDABLE HOUSING GOALS

10-Year Community Affordable Housing Goal: 60,000 units at 80% MFI and below

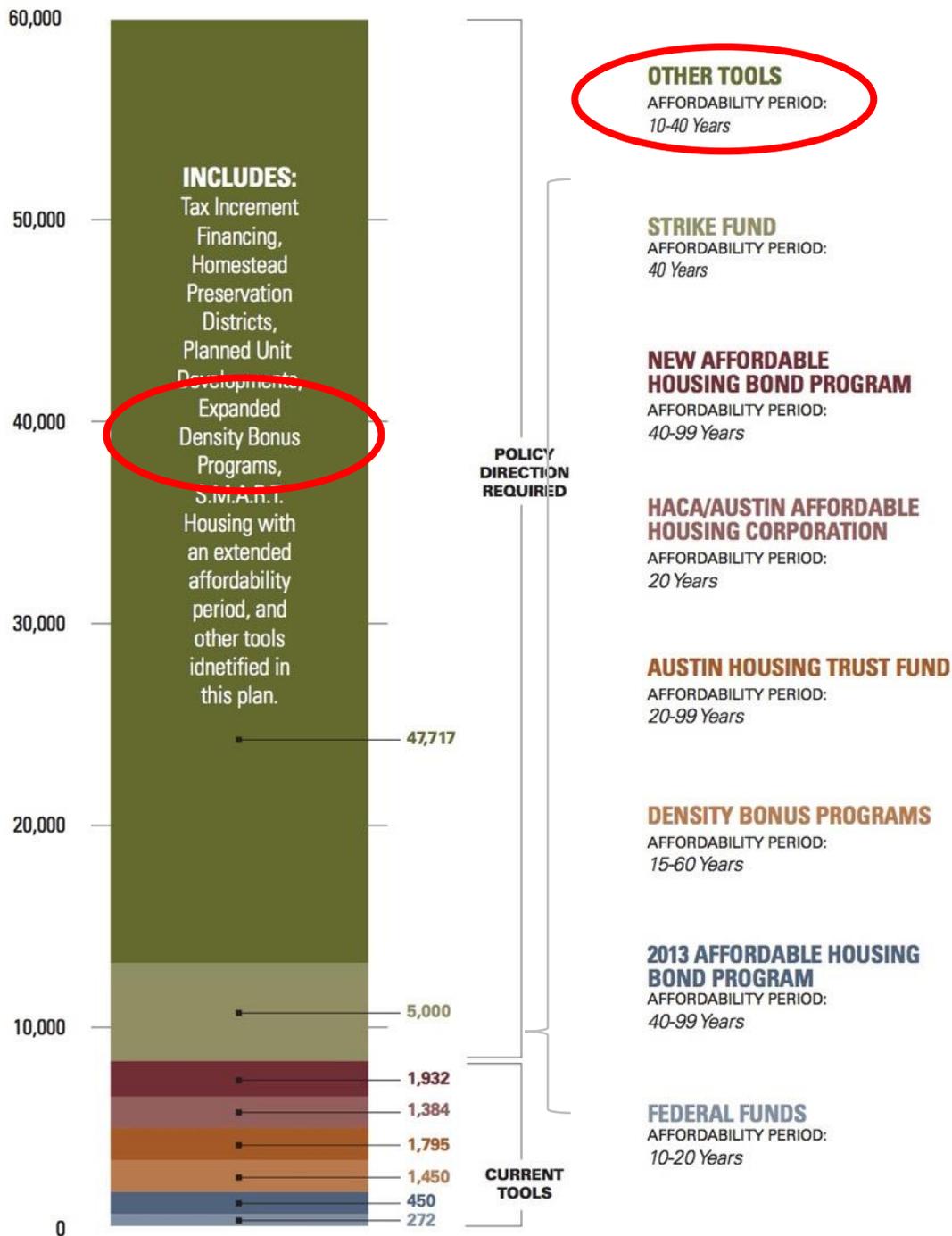


- KEY STRATEGIES:**
- Federal Funding
 - Local Funding

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- Federal Funding
 - Local Funding
 - Density Bonus Programs

- KEY STRATEGIES**
- Strike Fund
 - Density Bonus Programs
 - Other Incentives

- KEY STRATEGIES**
- Strike Fund



Most current density bonus programs will continue to exist in their present forms:

- Downtown (included in Land Development Code Revision)
- UNO (included in Land Development Code Revision)
- ERC (remains)
- NBG (remains)
- TODs (remain)
- VMUs with COs (remain)

LDC revision incorporates new Affordable Housing Bonus Program to achieve a portion of the ASHB goals



Affordable Housing Bonus Program (AHBP) Development



Developing the AHBP

POLICY DEVELOPMENT INPUTS

- Relied on City Council direction
- Organized market data from national and local sources
 - CoStar, Real Estate Transaction Standard, Capitol Market Research
 - Determined achievable prices and rents across Austin submarkets and sought feedback from local stakeholders
- Sought inputs on methods
 - Developer roundtables with market-rate and affordable developers;
 - Stakeholder meetings with neighborhood reps, policy advocates, and real estate experts
 - Prior reports and analyses
- Gathered policy feedback
 - Council, PC, ZAP, CDC
 - Developers, housing operators, neighborhood stakeholders, and experts

Calibrating the AHBP

ZONE CALIBRATION PROCESS OVERVIEW

- Land Development Code Revision team created an internal draft code based on council direction
- ECONorthwest proposed bonus enhancements for each draft zone
- NHCD defined detailed policy principles and implementation guidelines
- ECONorthwest conducted draft policy calibration for capacity testing
- Code, policy, and mapping changes made based on capacity insights
- Calibration and capacity testing were repeated

Implementing the AHBP

ZONE CALIBRATION PROCESS OVERVIEW

Zones

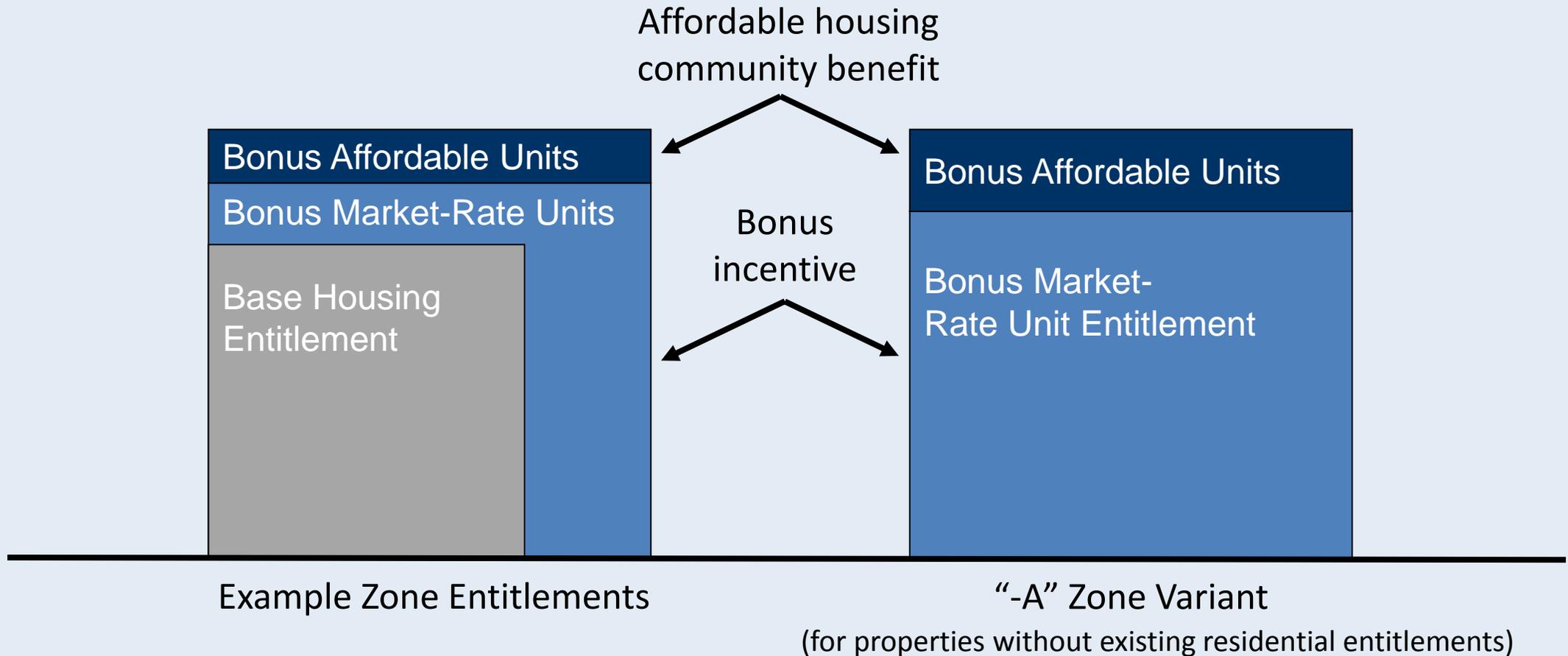
- Incorporated bonuses into more zones
- Maximized scale of bonuses relative to base capacity

Mapping

- Minimized depth and intensity of transition zones within areas vulnerable to displacement
- Identified and maintained comparable base zoning for market-rate affordable multifamily housing

AFFORDABLE HOUSING BONUS PROGRAM

How Does a Bonus Program Work?

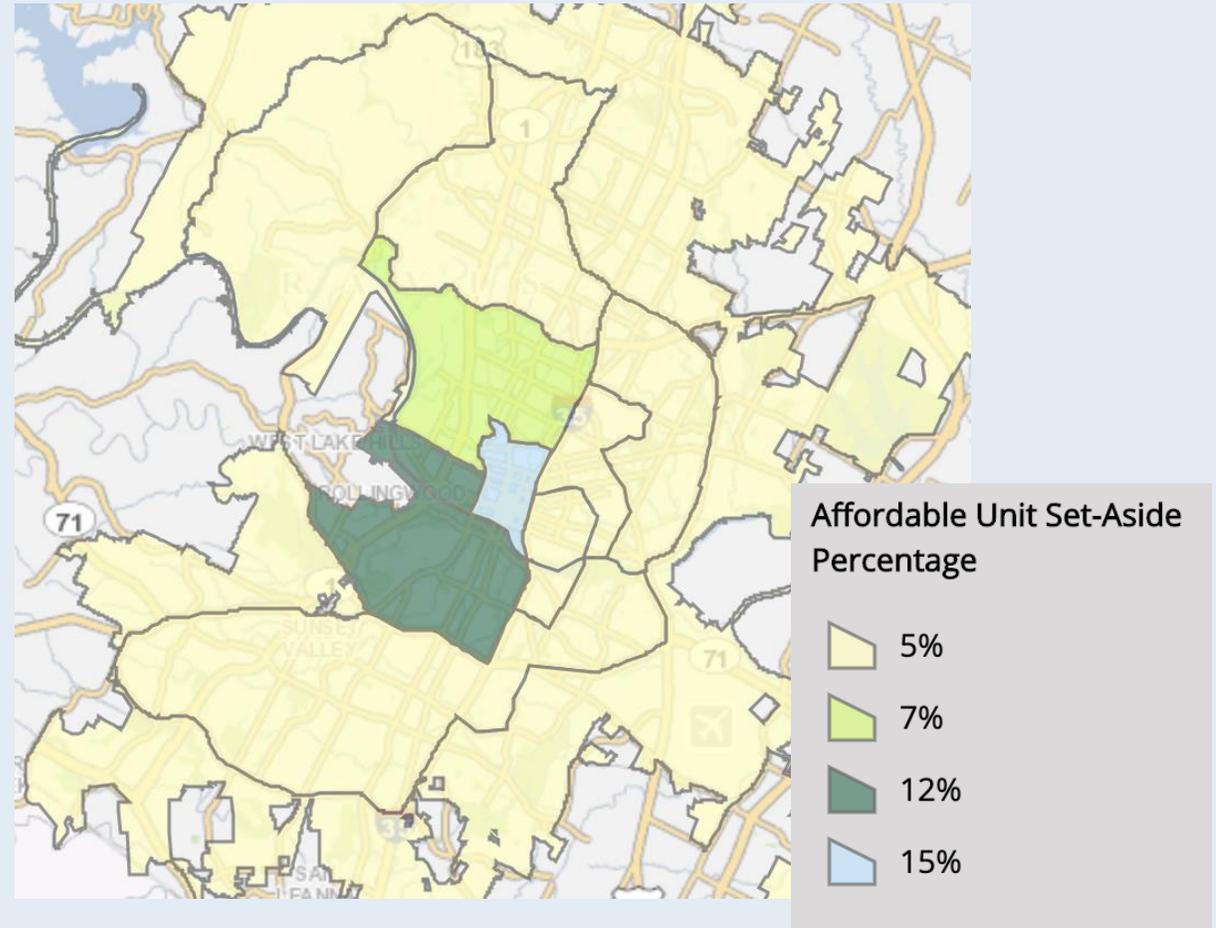


Calibrating the AHBP

Why do the AHBP requirements vary by geography?

- Clustered submarkets into simplified policy geographies based on market dynamics
- Refined policy geographies to reflect “natural” boundaries
- AHBP requirements set by geography to maximize affordable unit delivery

Example NHCD Affordable Unit Requirement Map (MU3-A)



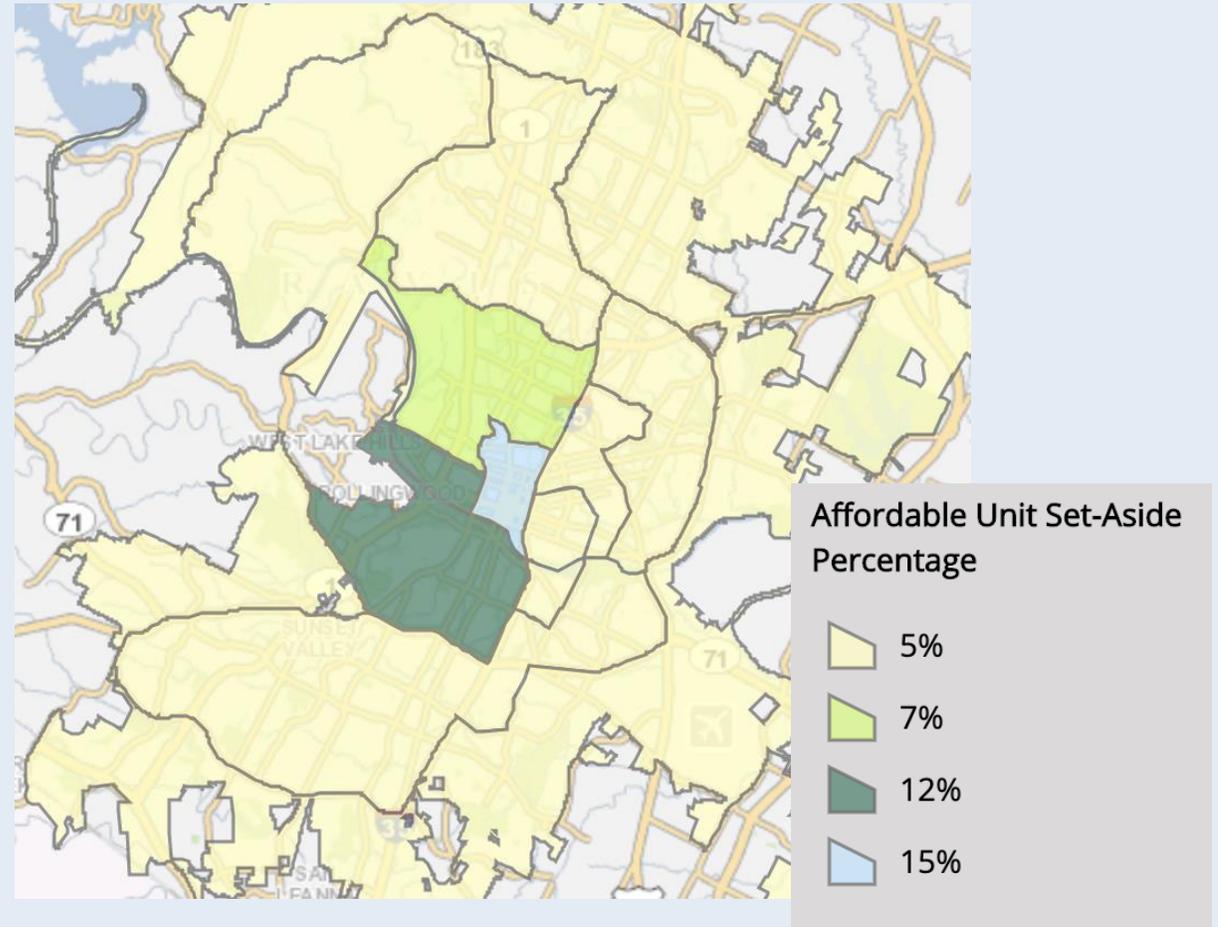
Look for a link to the Affordable Housing Bonus Program Guide on the Land Development Code Revision website: <http://www.austintexas.gov/department/resources>

Calibrating the AHBP

How many affordable units are required by the AHBP?

- It takes anywhere from 3 to 20 market-rate units to cross-subsidize an affordable unit depending on:
 - Zone-specific entitlements
 - Housing tenure
 - Market geography
- Affordable requirements were right-sized to maximize bonus uptake and delivery of bonus affordable units

Example NHCD Affordable Unit Requirement Map (MU3-A)



Look for a link to the Affordable Housing Bonus Program Guide on the Land Development Code Revision website: <http://www.austintexas.gov/department/resources>

Calibrating the AHBP

FEE IN LIEU OF ON-SITE AFFORDABLE UNITS

AHBP Calibration Principle:

- Fees in-lieu of delivering on-site units will be allowed in some cases
- Fees-in-lieu should be set based on the cost of subsidizing affordable units in central Austin*, which will make delivering on-site units more attractive than paying fees in most parts of Austin

Per-unit Fees in Lieu of on-site affordable units

Studio	1-Bed	2-Bed	3-Bed
\$135,000	\$180,000	\$335,000	\$440,000

This information can be found in the “Affordable Housing Bonus Program Guide” on the Land Development Code Revision

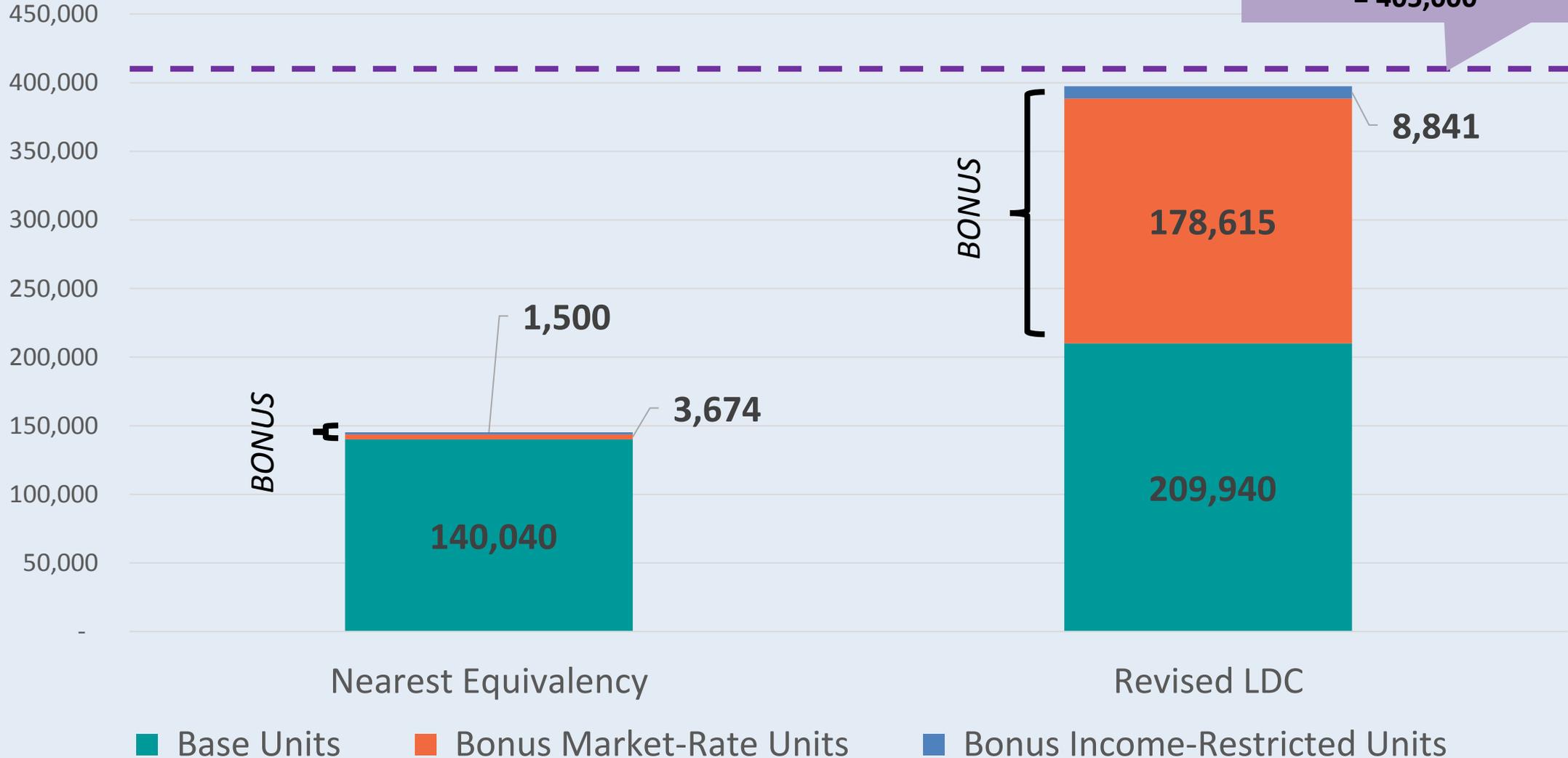
Note (*): NHCD defined “central Austin” as the three downtown-adjacent zip codes (78702, 78703,78704); Previous Downtown fee calibrations set fees at approximately 33% of the bonus upside



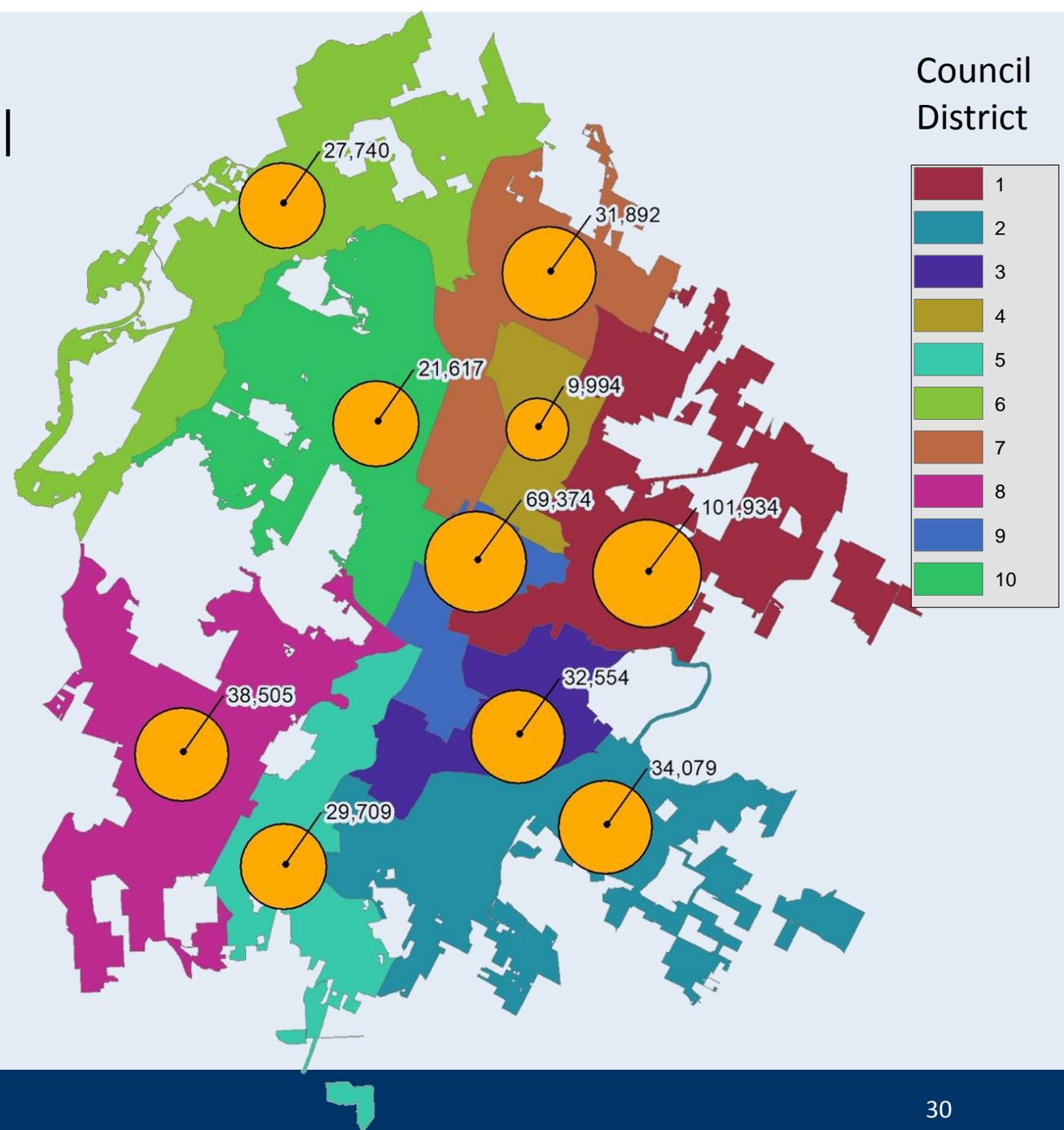
COUNCIL DISTRICT CAPACITY



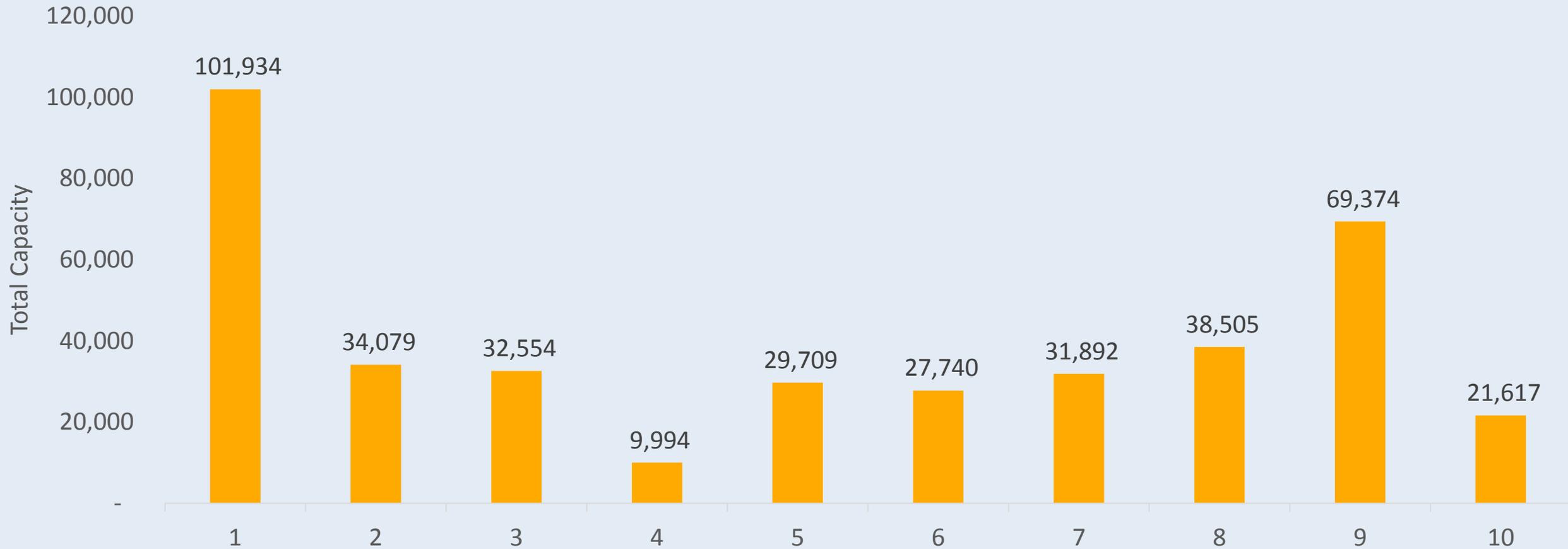
Overall Capacity



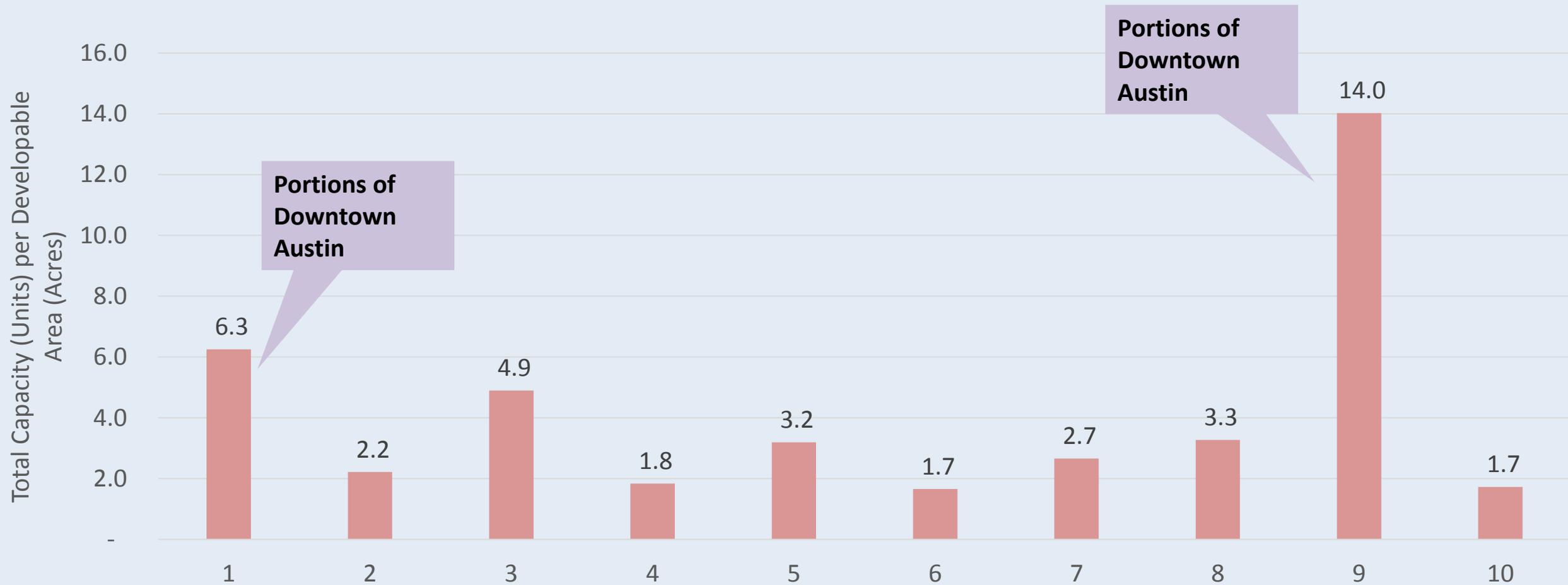
Total Unit Capacity by Council District



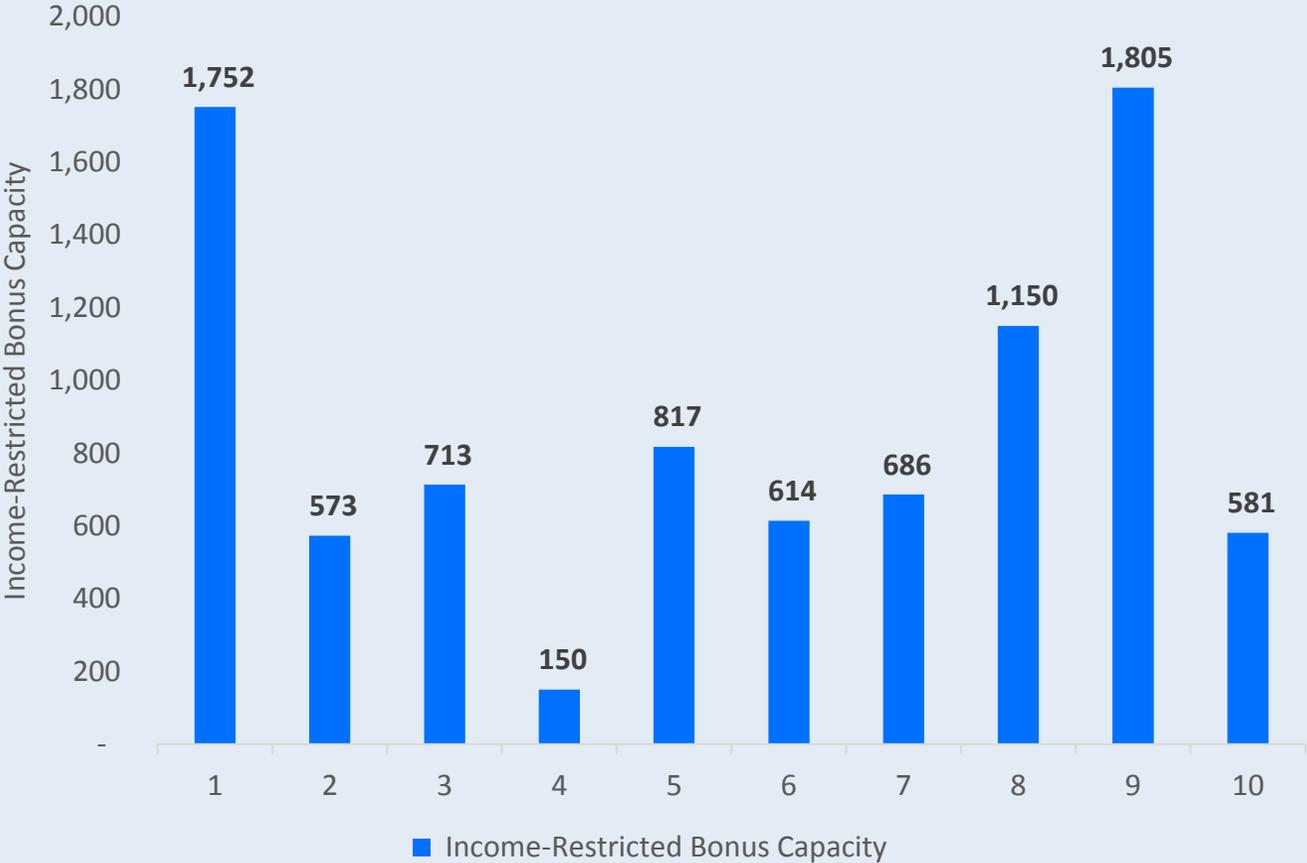
Total Unit Capacity by Council District



Total Unit Capacity normalized by Acre by Council District



Income-Restricted Affordable Bonus Unit Capacity by Council District



Overall Council District Affordable Housing Goals (From All Sources)

District	Affordable Housing Goal
1	7,086 units
2	4,492 units
3	6,295 units
4	3,105 units
5	4,473 units
6	8,590 units
7	6,651 units
8	7,217 units
9	3,635 units
10	8,456 units

NEXT STEPS

Office Hours

- Sign up online: <http://austintexas.gov/ldc-participate>

Public Testing

- Friday, October 18 – 1 PM to 8 PM Austin City Hall, 3rd Floor

Open Houses

- Saturday, October 19 – 10 AM to 2 PM Conley-Guerrero Senior Activity Center
- Wednesday, October 23 – 6 PM to 9 PM Austin Central Library

Stakeholder Input on Zoning Maps

- Guiding information on website; additional information available next week