

Housing and Planning Committee Meeting Transcript – 10/05/2021

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that means we're all here. I'm Greg Casar, chair of the housing and planning committee. We're joined by all members. Including councilmember Ellis on the dais, councilmember kitchen and Renteria and the mayor pro tem. We're also joined by councilmember toe voe as well. It is 3:07 P.M. It's Tuesday, October 5th. We're doing a hybrid meeting. Our first order of business is approval of the minutes. Do I have a motion to approve the minutes. Motion by councilmember Ellis. Seconded by vice chair Renteria. All in favor, raise your hands. And that looks unanimous here on the dais and virtually. Today's meeting is short in that we have one briefing item. But it's an important item as it relates to accessory apartments

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and dwellings. We all know and talked about all over the city and in this committee especially, just how expensive our city has gotten, especially for housing. We've seen the median sales price over double in the last ten years. Before the pandemic, the median sale price was about \$400,000. Already way too high. As of recently, that median sales price is approaching \$550,000, which is just far too expensive for most families to afford. It makes it hard for people to stay in the city and makes it nearly impossible for an everyday family to own a home. We know more options and accessories to smaller dwelling units can keep families together, create multigenerational housing and can make it a more affordable city. I appreciate that we're all coming together to discuss this and I appreciate the resolutions

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that have been put forward by multiple members here. Most recently, a resolution by councilmember tovo, I'm glad you're able to join us, I think everybody here has worked hard on this issue. We're going to have the staff provide a presentation about the status of some of the regulatory environment on accessory dwellings. I want us to be able to have that staff presentation sort of in whole, in full before questions. We also don't have a virtual testimony option set up yet in our committees. And we had requests from a couple of folks that actually

provide these dwelling units in our community to speak. So I've created the option for both of them to chime in briefly, one nonprofit, one more affordable pre-fabricated provider in our community. We'll have them briefly talk and then we can ask questions of them and then of the staff.

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Do y'all hear that beeping? I'm going to see if that's coming from my microphone. Oh, no. It's gone. Hold tight. I'm going to move to another microphone. I'm hearing static come back to me. Every time I bring it up, it goes away. Now it's gone. >> Chair? >> Chair: Yes, councilmember. >> If I could while you're resolving your microphone, thanks for allowing me to join you all. When I saw what you were talking about, I wanted to join. Councilmember Casar mentioned the resolution that I brought in April where several of you were co-sponsors on. I have been drafting a resolution following up on the memo suggestions that our staff brought forward in August. When I saw that y'all were having the meeting today, I quickly posted on the message board some of the areas our resolution will address. That is on the message board for

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your information. Included within that resolution will be next steps for the pre-approved plans, which we may hear more about today, using our chapter 380 program to do financial incentives and probably a couple other areas. >> Chair: Thank you, councilmember. I think all of that will be relevant for the conversation today. I'm really glad that you were able to make it. To be clear, as the staff makes the presentation on the regulatory environment as it relates to this, you know, I think what we're going to be looking for are consensus places where we can make progress on -- across the board as we look for what those small changes or small programs can - - small changes or small programs can exist that can provide big wins for the community. So I'll hand it on over to the staff for y'all to make the presentation all the way through of the we'll take the two speakers and go into

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questions. >>> Good afternoon members of the committee. I'm Brent Lloyd. Dsd development officer and also one of the members of the ldc revision team. And also joining us today are members of the ldc revision team from housing and planning as well as dsd who also have background on these regulations, as well as the 2020 council resolution that councilmember tovo referenced. We also have Susan Barr who is the lead zoning reviewer for residential. So we're here today to -- get this to work. Excuse me. Technical

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difficulties. Yep. So we're here today mainly to just provide an overview of how current code treats various types of accessory residential structures. And we have, as I mentioned, ldc team members present so we can speak to that as a point of reference as well as to what the regular

liations were that were proposed during that process. Just to kind of set the stage, current title 25 provides for several types of accessory residential structures. And we're going to talk in detail about each category. The first I think is the one used the most. It's the one that people refer to as ads, which is really the two family residential use, as we'll talk about in a second, council substantially amended those provisions in 2015 and 2016. Additionally, we have secondary amounts, which are infill special use that are allowed through the neighborhood planning process and then we have guest houses and on-site

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employee housing which are allowed as part of the general accessory use residential standards and finally, we have accessory apartments as well that are also folded into the general accessory residential use provisions. We're going to talk about again, as I mentioned, just the high points of the ldc revision and how it treated accessory residential structures and give an overview as well of the 2020 Adu resolution and staff's response to that. Thank you. So to start out, most accessory just kind of a broad overview, most accessory residential structures are two-family residential uses. Those are the structures most commonly referred to as ads or accessory dwelling units under the regulations that were adopted in 2015. The land development code also

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provides for accessory apartments, guest houses and on-site employee housing, which have been allowed since 1984 under regulations that are substantially similar to today's code with a few differences. Secondary apartments were added as a neighborhood planning tool in 2000. So to just kind of walk through what the basic development standards are and I think a lot of you are familiar with most of these. Especially for ads or two-family. The two-family residential uses permitted in sf-3, sf 5 and sf 6 and the multifamily Zones as well as CBD central business district or downtown or dmU Zones. The lot size, until 2015, the minimum lot size for a two-family residential use was 7,000. In 2015, that was lowered to 5750. The unit size for this type of

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Adu is the smaller of 1100 square feet for .15 floor to area ratio. With respect to far, or floor to area ratio, it's important to keep in mind as well that the sub chapter F, sometimes referred to as mcmansion, bar limit of .4. Also applies across the entire site. In this particular .15, far limit is specific to individual units. Additionally, the code regulates the second story size and limits that to 550 square feet. Parking requirements for the principal unit is two spaces. For the secondary unit, it's one space. If it's more than a quarter mile from an activity corridor, otherwise, no spaces are required. That's established in appendix a of 25.6. Which is the parking standards. Secondary apartments, this is a

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neighborhood plan tool so it's only allowed if a neighborhood plan is opted into it. These are permitted in sf-1, sf-2 and the nu zoning districts. And the development standards are identical to the two-family residential use standards. It essentially provides in practical terms a way for neighborhoods to opt into the two-family residential use in zoning districts that otherwise wouldn't provide for it. It appears that I think -- I wrote this down. I think 21 out of 60 neighborhood planning areas have opted into secondary apartments. So guest houses are accessory residential use that's established just in the general accessory use provisions of the code. An accessory use is in essence a use that is customary and incidental to a principal use.

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And our code provides for -- has a general provisions related to accessory uses and those provisions include detailed requirements for particular kinds of residential accessory uses and guest houses are specifically authorized on lots that are 10,000 square feet or larger. And the code intends these to be used for nonpaying guests only. There are no specific requirements called out for unit size or parking requirements. With respect to unit size, though, as I mentioned, the -- within the sub chapter F area, the mcmansion boundaries, there are limits that would apply with respect to floor to area ratio. Additionally, although there are no parking requirements, there is within the general accessory use provisions a trip limitation on the number of daily trips that can be generated by an accessory use and I believe that

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limit is ten trips pr day. And then another provision, which is also in the general accessory use provisions for residential is on-site employee housing. And this is limited to lots that are 15,000 square feet or more. And as with guest houses, there's no specific unit size. But subchapter F or mcmansion would apply within those boundaries. This is intended for residents employed on site. Accessory apartments are the last of the dwelling unit types that are authorized as part of the accessory residential provisions. And they are not subject to a particular lot size, but in general the lot size that applies for the zoning district would be applicable. There's no -- again, no unit size limitation, but other standards, development standards would apply.

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One on-site space is required and additionally, accessory apartments must be contained within a principal structure, no garage conversions or street facing entrances are permitted. These are intended for residents over 60 or with disabilities. So we won't dwell on this, but if at any point during councilmembers' questioning you'd like to see a comparison, we've prepared a comparison table that walks through the different requirements and puts them all on one slide. Just at a high level to talk about the ldc revision and the requirements and changes that it made with respect to ads. So under the ldc revision, ads were permitted in every residential house scale zone and they were -- it's a consolidated specialized accessory and secondary apartment uses were consolidated from current code

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into a single Adu use category. Rather than having sort of a patchwork of code provisions that all speak to different variations of an accessory residential unit, as part of the Idc revision and consistent with its goal of simplifying there's a general consolidated provision that deals with ads in one place. The regulations are -- were also streamlined and so no additional parking was required. They were allowed anywhere on the property subject to setbacks and other site development standards and they were allowed to be external, detached, external attached or internal. I'm sorry. External detached, external attached or internal. The maximum size was 1100 square feet. So in 2020, council passed a resolution that directed staff to provide a recommendation

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really focused on programmatic issues and identifying barriers to entry for ads and really just delving into the things that the city could potentially do to facilitate Adu construction. You know, including potentially regulatory issues, but also more broadly. Programmatic measures as well. Staff issued a report that responds to the council resolution and some of the specific measures and findings in that report were that homeowners most at risk of displacement prefer alternative strategies other than ads to remain in place. Additionally, even with streamline permitting, financing obstacles can make Adu construction difficult for many low and moderate income homeowners and removing barriers to internal and attached ads would reduce construction costs. So there were, I think, a number of helpful measures and we have

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staff here who can elaborate on some of these that were proposed in this memo. But there are no easy fixes to the difficulties that are presented by trying to construct an Adu. So that is -- those are the points we wanted to cover. I hope that was a helpful reintroduction to this topic. I'm available for questions. And so are other team members that are here today as well. >> Chair: Thank you, Mr. Lloyd. Because we have our two invited speakers on, if it's okay with the committee, I would have them both present briefly. We can ask questions of them. And then we can come back to Mr. Lloyd, if that's okay. So I want to make sure we move them over. But our first people that have been brought in are Thomas Medina from the ally flight initiative. After them Eric Preston from villa.

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So Marla and Thomas, why don't you guys go first. Tell us a little bit about what you've done, any thoughts you have on the presentation and any words of wisdom for us as we try to work on this issue. >> Sure. So thank you for inviting us to talk about this. Good afternoon everyone. Councilmembers. My name is Marla -- I am the acting executive director at community pilot workshop. We're a local nonprofit with a mission to connect and amplify the voices of the

systemically -- to create powerful places. Our organization has been operating the initiative over the last 15 years. So this initiative is a collaboration between our organization, the university of Texas center for sustainable development and the Guadalupe development corporation. Through this program, we help homeowners navigate the process of building a second home in their backyard, an Adu, that can

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provide affordable rental housing in their neighborhood and provide a source of income for the homeowner. Our organization has historically provided architectural services and helped homeowners access incentives to make development less costly. After a unit is filled through our program, it has at least five years of affordable rent through affordable housing development incentives that's provided through the city of Austin known as smart housing. We have seen firsthand that Adu development enables homeowners to build wealth and increase their household stability while also row vieding new affordable family friendly rental housing throughout the city. To date, we have built 18 flats, but what this number does not reflect is the amount of interested homeowners that we have talked to and discussed the potential of building unit in their property and end up not pursuing this opportunity because of barriers. I want to briefly speak to three

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main points based on our experience. So we believe that there needs to be more flexibility and options to build ads or secondary apartments throughout the city, especially since housing costs are increase. Not just the core. This can mean allowing ads to be -- in any lot that qualifies for it. Especially in terms of this size. Second, having more regulatory flexibility could mean that lower income families have more options for building an Adu depending on the needs and financing abilities. Lastly, an attached or internal Adu that we just heard a description about, it's also a great option for existing households, particularly those who are lower and moderate income for the regions that were explained. It seems to be more of a cost effective way of developing.

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-- Manager of the initiative. I'll give a few examples. Kind of on the ground of what he's heard. He has heard from homeowners specifically. >> Yes. Thomas speaking. During my time with the workshop operating the initiative for the past two years, I've gone through the process of developing an Adu with the city and have spoken to many homeowners interested in building Adu. So these are a few examples of the ways in which that the development process and regulations have been a barrier for some folks. So for one, spoken with families that live on sf-2 lots specifically that are very interested in building an Adu for their family members. But they can't because their neighborhood has not adopted the infill tool itself. Secondly, we've spoken with households interested in building internal or attached

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ads for a friend or family member. But they can't because they won't qualify to live there based on current regulation for accessory apartments. There's also no follow-up process under that -- under the accessory apartment regulations. One homeowner explained that they went through the process of applying for an Adu under this age qualification with their elderly mother in mind. But eventually, they rented the unit out to a friend instead. That's one example in which they went through the process that's -- kind of a fal-through process making sure the person qualified to live in the unit is actually living in the unit. Thirdly, we've also talked to moderate income households who

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want to do an internal Adu through a garage conversion specifically. But they can't because of the current regulations. We want to note this may be a cost effective way to -- on the same property. A garage conversion is one housing type that could be taking advantage -- taken advantage of by homeowners to really increase their income through rent or by housing another family member. Fourthly, the existing conditions on the property may make it too difficult to design around and the development regulations might be too inflexible to allow alternative design solutions. So this can come up in a variety of ways, including slope and trees that exist on the

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property. The last bullet point I have, the development process itself from permitting to construction to the certification of occupancy can be unpredictable and time consuming for some folks. Many of the homeowners have I've spoken to have expressed that simply understanding what can be built on their property is a confusing process. One homeowner explained to me that a homeowner should be able to figure out what they can build, the system and resources that are currently available as they are now. Is not user friendly and then a few months ago, another homeowner called and explained that they went to the city's development services department and asked about the process to building an Adu and they were told they needed more plans and they came to our organization and asked to purchase floor

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plans. I think more communication about the overall development process is needed and could be provided by the city to homeowners that's a little more holistic about the process of what it means to go to. And that contract services for plans. And then find a contractor to do the work. What that might entail as a big picture for building something like this. >> In closing, we know that we've seen these come in in other parts of the country, they're seen as valuable housing types. We're not alone in these challenges. But we still want to do something to overcome this

in order for ads to be better benefit for homeowners, we believe. It's important to point out if some if not all of the barriers and we have now in place restrict the use and benefits of

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ads to mostly higher income households. If we really want to make them a more equitable option to benefit the community at large, regulations need to change. It's all about being able to provide options for homeowners. Thank you. >> Thank you. To wrap up our presentations and we'll definitely have questions, we have Mr. Preston here from villa homes and welcome. I've asked Mr. Preston to focus in particularly on sort of what the costs are looking like out there and what it would take to -- this were to scale. Thank you for joining us. >> Thank you, councilmembers for having me. Honor to be here. I'm representing villa homes. We are a turnkey provider of Adu development for homeowners. Started in California with the goal of directly impacting the housing crisis by building more housing. We've expanded to Austin over the last several months. Very excited to be there. We really just do one thing.

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We try to do it as simply and conveniently as possible for customers. Build prefabricated, detached ads and to do so in a simple, convenient turnkey fashion. Our mission is really to help homeowners build ads, simply and conveniently as possible while also making it a accessible, approachable and by driving the cost down as low as possible for homeowners to be able to build ads. I wanted to sort of mostly make two points. The first is that we spoke with 331 very interested Austin homeowners just last month who were interested in building an Adu either for rental housing or bringing families closer to home, making a multigenerational household and about 50% of the interested homeowners we spoke with were effectively, immediately disqualified being able to build based on zoning. They were in sf-1 or 2 or didn't

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feel as comfortable or as familiar with the provisions and were immediately were disinterested because of their base zone and unable to build an Adu. The second point I wanted to make is that over the last year, 12 to 18 months, there's been a pretty significant proliferation of new financing types, both folks like Fannie Mae and the conventional financing realm, as well as other financing types, like home equity. When the alternative financing types are taken into combination with pre-fabricated building technologies which can help drive the cost of Adu construction down significantly for detached structures, you really do start to open up the opportunity for Adu construction to much more moderate and lower income homeowners, which is a great way to build wealth and add much-needed housing to the community.

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Pretty much all I have on those points. Although, I'm very happy to take questions as it relates to the economics of either renting ads or construction. >> Chair: Thank you. I think it might be

useful if you laid out to us, as you've sent over to me, you know, if somebody has as so many people have bought their house for \$150,000 not long ago, now it's worth \$500,000 and when that person comes to you, if they're able to do this to actually just laying out for us the economics of how could potentially work is useful if you have numbers. >> Sure. Happy to give a couple different sort of financial points. The first is cost of construction. Obviously, this can vary pretty dramatically depending on things like site conditions, the type of foundation that's needed, the utilities needed or what's required by the city in terms of utility connection. The other point worth making is that actually thought Thomas had

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a great point about garage conversions. That's can be a great way to drive cost down as well if the homeowner is able to reuse a foundation. What we focus on is ground up new construction for detached ads only. If you're looking into stick building, a detached Adu, not only is the cost controllable and can runaway from you halfway through a construction project, but it tends to be much higher. I don't know anyone that wants to build a Toyota corolla in their driveway with spare parts over 18 months. It just becomes a very inefficient and not cost effective process. So pre-fabric and do everything off site and keep everything predictable and controllable, labor costs tend to be much lower, machines helping with the work and able to file the materials up front in bulk. To do the starting price as one data point for a 450 square foot detached structure, all inclusive of permanent costs,

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utility connections, the structure itself, appliance, finishes, fixtures, warranty, that would start at about 159,000 all in. Which if you compare apples to apples for a similar detached structure, stick built and include permits and appliances and warranties, would be 25,000 to \$75,000 more expensive. That's an example of an overall price point for a complete budget at \$159,000 for a detached Adu. Financing for someone looking to add, say, \$159,000 to their existing mortgage, I just plugged it into a calculator. If you're adding that to your existing mortgage balance on a 30-year fixed rate at 3.25 interest rate is a \$700 monthly payment. For \$700 additional per month, you could easily find cash flow positive ads if you're in an area the rental income you can

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accrue would exceed \$700 for a one or two-bedroom, which would apply in this day and age in many, many parts of Austin. The last point to make on the financial side is that while there has been sort of a huge home appreciation over the last decade in Austin as councilmember Casar pointed out at the beginning, there is a silver lining to that. If when you have massive home appreciation, what it means is that existing homeowners of any income level now have a lot more equity in their homes and actually even more so than income available equity to borrow against has really been the biggest limiting factor in Adu finance. Getting those loan to value ratios up by having more available equity that you can borrow against is probably the single-

based barrier. When you've had massive appreciation, you've increased your equity to borrow against or use alternative home equity --

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and can actually open up Adu development to moderate to lower income people that happen to own property that's now appreciated much more so than you would anticipate. >> Chair: Thank you for that. Members of the committee, are there any questions for Ms. Tore add owe, Mr. Medina, Mr. Preston and after that, we can get back to Mr. Lloyd. Vice chair Renteria and councilmember Ellis and councilmember kitchen. Councilmember Renteria. I think we might be having trouble hearing you. I'm going to kick it over to -- there you are. You're good. Go for it. >> Renteria: As someone who has gone through the process of building an Adu on my lot, one

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of the first in my district here in my neighborhood, our team was one of the first that adopted the Adu and going through the process, my big concern is that people that already own their house has to pay all that up front fees to connect to all the utilities. Once we added up the numbers, it was going to be close to 25 to \$28,000 just to attach your utility to the service. That's a big concern. I fought that and we -- luckily, we had people that were on the staff in the city that worked with us and we were allowed to just use the existing meters that we had. That's really concerning for me. Because my gas meter didn't cost

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a dime. I got a brand new gas meter and just wanted my service. So I didn't pay anything. But this was just for water, electric services and it's just outrageous. I'm wondering, have you had any experience going through the permitting process here recently? This was almost -- in 2005 when I went through it. So it's been a while. I'm just wondering if any of you all have gone through that process or have talked to people that have gone through that process, how expensive is it? If anybody can tell me that knows if it's still higher or did it go down lower? That was the big concern of mine. >> I'm happy to chime in briefly. Although I think the other guests may have better empirical

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data than I do. We're pretty new to Austin. We haven't completed any projects or been all the way through a permitting process yet. But I did spend several weeks camped out at the development services office. One of the things that was surprising to me was that Austin water, if you build an Adu requires a new service to the street. That is very expensive. These utility costs will definitely add up. Certainly, into the tens of thousands of dollars. That's an unexpected increase to the budget for homeowners. What I would say comparing to California where we have completed 50-plus projects is that to be required to add a new water service to the street and oftentimes update and upgrade the city's infrastructure is very unnecessary to

add an Adu. You could simply just connect to the primary home's water and do so much more cost effectively. >> Renteria: Thank you. I think it's pretty expensive. I don't know.

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It's been a while since I've talked to someone that's gone through the process. I'll be very interested to hear from our staff to see if the costs have gone down any. I know we were very concerned when we were discussing ads earlier during my terms that the cost itself of adding that much to building an Adu. Very restrictive, especially on low-income people. Because couldn't afford to come up with that added value that -- that added money that you had to come up with to get the permitting, just the permitting part of it. >> Just to add to that, the homeowners I should state too, did mention that added utilities and utility costs, they -- that has been a barrier for them as they move forward and consider

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developing another unit. A simple communication might also help in terms of understanding, helping homeowners understand their options. In some cases, I believe, it depend on the -- their existing utility hookup. If it can have the capacity to hold another unit. That's an option. But in some cases that's not an option. So for aught homeowner to know that ahead of time is great. >> The majority of folks that we've worked with, it works out so that the water -- the size of the water, it's big enough that it would be able to hold whatever new bathrooms are adding to the new Adu. So that's not -- it doesn't increase the cost as much as it would be if you need to increase the tap size so that it can serve the back house.

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Which I agree with you, it is about -- it can add \$20,000 to \$30,000 which is a no-go for a lot of people. But if it does allow the size of the current structure to be able to use that -- to the back house, that's an option. That's my understanding and I love to hear from the staff if that has changed. >> So you have to experience -- where you could have used existing utility. If it has capacity. Thank you. >> Thank you, councilmember Ellis. >> Ellis: Thank you, chair Casar. That was a really good question, councilmember representatively a. I was thinking the same thing. What about the utilities and what that means in this conversation. It reminds me of when I got a tour of the community first village. The city manager unveiled his budget, we were fortunate to go on a tour of the community first

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village. I believe all that of is outside the city limits. It's baffling to me, in order to provide housing for folks who need it, sometimes people have to turn outside the city limits to make that happen. But this conversation about the prefab houses is really interesting to me. My last apartment was 423 square feet. I don't see a lot of housing stock like that as an option. It was affordable to me in a time that when I was looking at where to move a decade ago. The cost did

just keep going up and up and up each year. Even when you find housing stock at that size, it's not always going to stay that way if we don't find ways to create more housing and things of that nature. I found that to be very interesting talking about trying to accommodate that size structure and more places in town. I think that's a conversation that we should certainly be looking at and really appreciated that y'all are out

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there doing work exactly like this to try to make it simpler for folks to understand our current rules and try to assist them in putting something like this in place. Thanks for being here today.

>> Chair: Thank you, councilmember Ellis. I'm sure tlerp charging you more than 700 bucks a month. So that is -- anyway, you can confirm that if you want. But it's just really -- it's really great information to see that you're able to drive the costs that low if we aren't adding too many more costs. Councilmember kitchen? >> Kitchen: I have two questions. One is about finance and I know that that's one of the areas that councilmember tovo was paying attention to in her previous resolution. But my question is specific to the assistance that community workshop provides. I'm wondering if you all -- I imagine you do. But I just wanted to ask if you

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all provide assistance for homeowners in financing the home being wit loans are not -- equity loans are not the easiest to maneuver as everybody knows. I'm sure I'm not telling you anything you don't know. They can also trip people up because it's essentially a mortgage. Even if you get a heloc, which is a line of credit, you have to jump through hoops. I don't know if they take up-front money to be able to do them. I don't think so. But anyway, my first question is to ask you what you all provide in terms of assistance with financing and what kind of difficulties have you seen people encounter even though they may have equity in a home. What are you seeing in terms of the difficulty in terms of financing construction, either freestanding that may not be as expensive, a prefab one as Erik is talking about or not. So could you speak to that?

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>> Yeah. So we are a -- we don't offer financing. That is not -- >> Kitchen: I'm asking do you help them navigate it? >> We don't want to provide -- we can't really provide advice on, you know, like specifically what type of mortgage they can access or anything like that because that's not our area of expertise. That's not what we do. So we do, you know, kind of offer them -- or explain to them that they can go to the bank where they have a business and they can speak about this type of development and check with them what would be the best route for them. And so Thomas, I don't know if you have more specific in terms of the -- some of the barriers that you've encountered in terms of financing. >> So we do inform them very

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basically about their options and what homeowners have done before and they have gone through the options as you mentioned the heloc and home equity line of credit. Maybe the biggest barrier is though larger than life here. Basically, the main problem is that rental income or income that you want to have in the future coming from the rental unit that you will eventually build, that rental income you cannot use that as a qualification to apply for a loan. That's maybe one of the biggest issues that a homeowner themselves cannot do that. And we kind of explored that idea with lenders before, with community development financial

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institutions. So it's a larger kind of issue. >> Kitchen: Thank you go for speaking to that. I'll leave further questions to councilmember to Vo. She was asking for -- I think that's a key issue and it's really can be difficult even though people have this equity in their home. Being able to access it can require up-front dollars and also can be difficult to get. So my second question and last question is I wanted to explore a little bit more the garage conversion. I was wondering if you could drill down or perhaps our staff could drill down -- let me know exactly what kinds of barriers there are to doing an Adu with the garage conversion. I don't know if our staff is still on. Maybe they're there in person.

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But I'd like to understand in more detail what the barriers are to doing garage conversions from a regulatory standpoint. >> Chair: I'll have Mr. Lloyd speak to that. >> Kitchen: Okay. >> Councilmember kitchen, the provision on two-family residential uses, 25 to 774 explicitly prohibits garage conversions. So I think that is the principal obstacle that I don't believe that provision exists with respect to internal accessory apartments. But it does with respect to two-family residential use. >> Kitchen: So does that mean that -- you said it doesn't exist for -- say that again. Does it exist for internal? >> The accessory apartments, one of the residential accessory structure types that we

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discussed, I'm sorry. I reversed it. I exactly flipped it around. The accessory apartment provision, it does -- it is an accessory apartment. Prohibits garage conversion and Susan Barr can speak authoritatively to this and clear up any confusion I created. >> Kitchen: Okay. >> Good afternoon. Susan Barr. Residential plans examiner manager. So in regards to 252774, explicitly indicates that it has to be a detached structure and cannot be part of the house. It can be attached by a covered walkway. But it does specifically have to be a detached structure. In regards to an accessory apartment, it has a stipulations of someone who is 60 years of age or older or has disabilities. It specifically indicates it cannot be a garage conversion.

[3:56:41 PM]

>> Kitchen: Okay. So maybe you could send me that. I'm still a little bit confused. I know that these are, can be complicated. Can you repeat that one more time so, garage -- let's do it a different way that might help. Garage conversions are allowed in what circumstances, if any? >> With a single family use. They're allowed residential property .. The stipulation is it cannot be a garage. It cannot be a converted garage. It cannot have an entrance that faces the street. And it has to be used by someone who is 60 years or older or has disabilities. >> Kitchen: Okay. So it is very limitedness very limited use. So are there similar

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restrictions if there is a building on top of a garage? >> No. I mean, you could have an accessory apartment on top of a detached -- or on top of an attached garage. >> Kitchen: Okay. >> Uh-huh. >> Kitchen: Okay. Can I just ask you all to, if you don't mind, sending me that description that you just provided? I would like to have it in -- >> Not at all. I will get that extent over. >> Kitchen: Okay. >> And councilmember kitchen, just because you and I have worked together for so many years now I think I have a sense of what you are asking, which is that the question is, when can an accessory dwelling unit be a garage conversion? >> Kitchen: Right. >> And I think from this presentation, because in most cases it has to be a separate building and in most cases that's not possible, and in the cases when it is allowed to be a part of the same building, there is a line that explicitly bans it from being the garage. >> Kitchen: Okay.

[3:58:41 PM]

>> So that knocks it out in most cases. Is that about right? >> Yes. That is correct and I apologize forgetting the nomenclature wrong but basically the accessory apartment provision during the Adu Revis process we talked about internal Adu it is and accessory apartment provision is really the closing analog we have in our code to that and explicitly prohibits the two key requirements are that you can't have an entrance facing the street and then as you touched on, councilmember kitchen, it can't involved a garage conversion. I do want to add that the restrictions with respect to age and disability were not included in the ldc revision, and there are questions surrounding those provisions in terms of their enforceability that I am not prepared to get into but those are in the code and the staff does require the affidavit called for as part of that. >> Kitchen: Thank you.

[3:59:44 PM]

>> I am going to kitchen kick it over to more questions. I did want so see if we have questions for the presenters so that we can let them go and then turn, drill in with the staff. Are there any more questions for any of the presenters? Councilmember tovo? >> Tovo: Yes, thank you. Mr. Preston, I didn't know if you -- there was a point where there was a conversation in, and exchange about financing and I didn't know if you wanted to jump in on that. You looked as though you might have information you wanted to share. >> Thank you, councilmember. I did have an additional comment there which was mostly to say that those sort of conventional and alternative financing is very pro Adu right now and there are a lot of updates on a quarterly

basis, making financing options more readily available for most people. I am a part of Fannie Mae and they are considering future rental income when going toward the dti considerations, not yet

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but it is a good sign and also private banks or credit unions in our network of lenders we refer customers to that will consider future rental income in a dti calculation and also nondebt solutions. So there are some new alternative financing companies out there that we refer customers to that can do home equity coinvestments, where there is no income or dti requirements whatsoever. It is not there yet but still a significant hurdle for many Adu units but each quarter gets a lot better for more homeowners with more options coming on on to the market. >> Kitchen: It is interesting the last alternative you discussed, a coequity investment, are those products available in this --? >> I believe so. I actually haven't looked into it too deeply yet, but there are companies like point or unison or unlock that offer financing for renovation or development

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projects -- stlo is no monthly payment, no interest rate. They don't even consider your income or credit score in any meaningful way, but they invest alongside you in the development of your home and share in the upside just the same way a company can raise equity on a stock market as alternative option for homeowners that are having financial requirements on a traditional -- >> Thank you. Missed the name of your company when you were introduced. >> My company is named villa homes, a pre-fab detached turnkey providers of ads for homeowners and communities that badly need more housing. >> Kitchen: Villa homes? And is it for profit company? >> Yes. We are a for profit enterprise. >> Kitchen: How long have you been in Austin? >> Just about a quarter. We launched the in sort of July, August, in terms of our expansion from California to Austin. But very excited to help contribute directly to building more housing.

[4:02:48 PM]

>> Kitchen: Okay. Great. Thank you very much. Thank you, councilmember. >> Thank you. Any last questions here for the presenters? >> Well, I appreciate -- oh councilmember Renteria, did you have something? Renteria okay. >> There you are. About as soon as I am about to give up on you. >> Renteria: I am using my iPad so it is totally different. It is on the bottom. But my whole take, you know, I ended up going through the equity loan through my credit union so I was able to borrow that money on the wealth of my

[4:03:50 PM]

property. And I always tell people they should just go out, over in case of unforeseen costs because at the end we ran -- and had to use outdoor -- indoor material on the outside, which I had not prepared, I had to repair seven years later but it did give me an opportunity to get my

occupy city permit. Another struggle that I had that you don't want to go through is if you have to pull out a permit and then before you can proceed they have to come and inspect to make sure all of the work is done right. And that usually takes two years for it to, to complete a whole home, which is very hard. That's why a lot of people prefer to just go and get a contractor and pay them to go ahead and go through the whole process, which is saving you a lot of time and maybe sometimes money. But I am very curious because I saw what -- the first time I

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have ever seen an advertisement, I don't know if that is villa homes, but it is -- we can build you a brand new house on your property and if you give us control of building the house in the back and we rent it out. Is that sort of how you all work it out when you work with property owners or how can they do that without any -- I am just curious. >> Well, councilmember, if that was a question for me, the last model you mentioned, I am not entirely sure I followed completely but it is definitely not us. We are a service provider and practitioner on behalf of homeowners, so we are building Adu's for customers. At the end, they own it completely and can use it for their family multigenerational households or they can rent it out at their discretion.

[4:05:52 PM]

We are not involved in sort of any subsequent portion or rental income or debt or anything like that. You also had a comment about the unpredictability of traditional side build or stick build construction and I think that is a very common pain for a lot of customers. You sign up for X price and six months in, the price has jumped on you 20 or 30,000 and then another six months later, you get a delay in your property and then your price jumps again. It is something that we certainly wouldn't wish upon any homeowner looking to build an Adu and I think that is one of the inherent benefits of pre-fabricated construction, your whole process is much more controllable and predictable. We are in a climate controlled environment, all of your materials are already there on-site. You have got machines helping move the labor through or the home through with very specialized labor with machine like precision so reducing delays, reducing cost over runs, very much core to our ethos as a

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business. >> Renteria: Well, I am really curious because I have people come to ask me how I was able to do mine, and I did reveal my frustration and I always joke with the guys saying oh how many times do you want to go through a divorce process, you know. And it is so frustrating, because I always tell people, well, we almost got divorced three times because the frustration that dealing with the city's code, it just -- I mean it is so frustrating. And you wonder why you even bother going through the pr process. So it is really exciting to hear that there are other alternatives, especially the pre-fab. I have seen some of these prefans are, prefans are getting .. Put together recently, I think it just might be the

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solution of not having to go through that process. How do you deal with the zoning and the O code inspectors? Do they have to come in there and inspect every little piece you put in there? >> So there are sort of two parts to permitting and inspections. Just to over simplify, you have your use or your planning department, zoning and you have your building inspection. The planning department, I agree is a complicated process and the way we solve that for customers is largely just by an strabting it away from them so they don't have to deal with it. I would imagine my sort of coguest here has a similar process where they just apply manpower and expertise to manage that complicated process of permitting and the planning department on behalf of the customers so that the customer doesn't have to deal with all of the complications as a result. The building department is is a different matter, and we take a unique approach to

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prefabrication in that we are building manufactured homes to hud code so they are actually stamped at the factory and the approved from certainly the building department in advance and therefore can sort of expedite through or bypass a lot of the cumbersome either local, city or county building inspections and building permitting process because it already has been approved in advance at the factory on that level. >> Generally we have tried to create an efficient and ebbs competent indicted process that is very turnkey and convenient for customers and I imagine my copanelist have a similar sort of process as well for their customers. >> Renteria: Thank you for that information. That is very valuable. >> Well, thank you so much to our panel, councilmember Ellis. >> >> Ellis: Sorry to jump back in in for to that is. The are there like preapproved plans or things that can be shared to make sense for

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different properties so that people aren't having to start from scratch each time? I know there have been some sites I have seen in the past and I don't know the names of them, but it was basically for people who wanted to build a catalog of floor plans and either use those as your floor plan or use that as a starting point. Is that a service that you are offering or do you know if those are available anywhere? >> So we have, as a program we created designed to help streamline our own process and in speaking to homeowners and providing our services as architect, that being said we sill need to actually be on-site and create and design that is specific to each property and that is a pretty inherent process for each -- each development as I understand it,

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and we have worked with the city on the aforementioned resolution before on the 2020 resolution, and I believe the city of Austin staff helped them to understand design plans as a product that can be offered to homeowners if that is something that can exist and as we understand it and believe the city of Austin can talk to their legal department and be, they came to the conclusion that perhaps the liability of that being designed plans that the city owns

or is able to say that these plans are safe and anybody can use them, that is maybe something that the city doesn't want to do in a legal way and it is in that same way, but also we are not interested in providing design plans that anybody can use and

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that type of easy way. There are other programs such as the state of Seattle, they do have an Adu program in which they -- they work with local architects and they ask them to provide examples about the projects they do on the city's website so if somebody is a homeowner interested in Adu, in addition to looking at the regulations that they would have to go through and the process they would have to go through, they also see the architects that are operating in the area that do that type of work and at the same time they will see plans that they can contact -- have contact for and purchase or work with that architect or purchase the plans out right and take them on their own.

[4:13:02 PM]

And so -- as a designer and Seattle has a slightly different development process, so I think that is one way that design plans could be used here. >> Ellis: That makes sense to me so it sounds like you as architects can use components that work for you internally but you know, a nonarchitect person would still need to hire someone like you or in another way get architectural services to be able to do that? >> Okay. Thank you. >> I am happy to chime in, if helpful on what I have seen in California, both Los Angeles and San Jose, pretty significant preapproved programs. And it is interesting. They really -- they are almost more of like a marketing tool to help homeowners feel more comfortable and confident that there is a simple pathway forward. It is less they will actually use the plans verbatim and

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submit them without the help of an architect. It is more that it just gets you know, local homeowners the cities very familiar with, and comfortable with the idea that there will be a streamlined process and pathway forward and assistance to get them through. So it is absolutely worth to help spur Adu development although a little bit in the direct way that you would think. >> Ellis: Thank you. That is helpful. >> Thank you for that. Well, I really appreciate our panelists. I am going to call the staff up here, but I certainly -- I have spoken with each of you but I learned from this presentation, I didn't know the fact that amongst the folks you all have been talking to about half of the people that were interested in Adu up front were already disqualified by our rules and I know we will be talking about those rules here shortly with the staff. And I just appreciate what you have done over time in our communities, especially on the eastside, by just given what it is we are experiencing you know, somebody being able to finance

[4:15:04 PM]

having their parents move back in to their property and their own house financed at \$700 a month is just so much cheaper than what I know and hear from people all the time, that they are trying to move their parents into an apartment or another kind of community and that might be 1,700, 1,800, \$1,900 a month, much more expensive or if they were renting that you know, you certainly could pay for that financing if we can overcome so the challenge is listed here so thank you all for what you have laid out here. I have some questions for the staff but I also want to defer to committee members if you have burning questions at this point. >> All right. Councilmember kitchen, why don't you go first and I will go second and then councilmember Ellis after me. >> Kitchen: I think it is really helpful to understand the Mexico and he scope of the issue in the sense that what I mean is, I think it is important to understand exactly what the

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issues are, you know, what exactly is causing the barriers -- in the regulations and to what extent and then how many people will it impact? And I know a lot of that analysis was done as part of our lec conversations previously. I just need a refresh of those and so maybe the staff can provide that to us. So for example, chair, I hear you talking in terms of half of the people are not able to pursue Adu's because of regulations, and so I just need drill, a drill-down on that to understand which regulations -- which regulations contribute to that figure, so that I can understand exactly what we need to do to you know, reduce those barriers, so I am hoping that maybe staff can provide that to us or maybe there was -- I don't know, chair, I don't know if there is another source that you

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are citing from there. >> Chair: I was just mentioning that from the testimony of -- >> Okay. >> >> Chair: -- Of the panelist it is what I was referring to. But I noted some of the issues noted by the panelists. Of course they are not representative of everyone, but I thought it was interesting to have a nonprofit and for-profit stick built and pre-fab, but what was listed was homeowners and single-family 1 and single-family 2 having specific barriers there, homeowners wanting attached options and not just detached the garage conversions being cheaper as you noted. The issues with age qualification, because we have specific age restrictions the staff went over. Along with questions around guesthouse or worker housing, that you are allowed to build these if it is a guest in some cases rather than say a family member or a resident or renter

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or -- and sometimes it is regulated by occupation of the person. And that that was listed as confusing so those are some of the issues. Of course we can talk about impervious cover, building cover and setbacks and that is all important but I thought it was interesting for us to focus on the areas where there seems to be less controversy in the city where it seems to be a little bit more -- where there might be some things that small changes that could cash that panelists were noting were significant barriers. >> I would like -- maybe staff can -- that's a

great list, chair, so maybe we could follow up with sharing that with us, because I didn't write it all down but I think that's a great list. And then to the extent that our staff has any data around you know, around those particular barriers and the extent to which there are barriers. Intuitively, no barriers, I am not suggesting I need data, I

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mean there are obviously barriers and if there are barriers we can do something about, I think that is important. I just thought if there was data that the staff had that they as part of the analysis they did on a recommended Adu changes that would be helpful to chair with us again. Staff. >> Chair: Staff do you have anything responsive to that? When we made changes in 2015 and 2016 did you see an uptick at that point that you tracked any data Orr Idc revision did you have any data points that could be useful? >> Yes. Following, there definitely was you know, an uptick in Adu construction following the amendments to the two family residential use provisions in 2015. The number of Adu's has increased on average by a 60 per year and it reached 370 in 2019, and it dripped -- dropped slightly to 340 new Adu's in

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2020. So the regulatory changes adopted in 2015 definitely had an impact. >> Chair: I am sorry. You were saying used to be 60 per year before 2015, 2016, and now we are at 340, 370? >> Yes. >> Chair: So about six times more? >> Yes. Additionally I mean, just some high points in terms of restraints or factors that can impede ads, some of which are not within the city's purview to address. But you know, the location of existing structures on the site, that can create impediments with respect to setbacks, oftentimes even when a lot is you know, of ample side to the accommodate this structure there are practical matters there are, it is difficult to do. Parking configurations can have impacts. Trees, flood plain, erosion hazard, grading and drainage. And additionally deed restrictions, which are private

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deed restrictions that call for the mandate only one unit per lot. That is something the city does not enforce but it is something that is a, as a practical matter can depending on the neighborhood be an impediment to construction of Adu's. And additionally as I think has been touched on, utility issues are also a factor, depending on you know, an Austin water has provided fairly clear guidance as to how they implement utility meter requirements, but it can be utility meters can be required to be increased in size. New meters can be required to be added and there are also, on the Austin energy front can be issues with power lines and required cleans clearances. And there are not any easy solutions to any of those problems and some of them are not ones for which there is any regulatory solution, but in process a few cases, a few of the issues I mentioned, there

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are you know, regulatory ideas that were discussed during the ldc revision process that could be considered. And with respect to kind of some of the broader issues around -- do you have anything you want to add in response to councilmember, Laura, in response to councilmember kitchen's question? >> Chair: I think -- >> I think those are the main factors we would identify and if there are further questions, councilmember kitchen or councilmember Casar, we can the certainly follow up with a list of items. >> Casar: Thank you. In councilmember Renteria, I will shoot it over to you, I will ask questions and councilmember Ellis and I will kitchen it over to you. >> I think if I remember right from the testimony again, it is an neck dolt, anecdotal but I think it is a good survey .. About half of the people were disqualified not when they looked at the lot but just from the very start based on the

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zoning, and when I look at S f-2 and S f-1, and even sf-3, across all of those categories .. You are almost always allowed to add something, but the it is pretty restricted based on age or tenant status or the job occupation of the person living there that is allowed to have and in your presentation, you say that, these units are intended for example for somebody who works on site or intended for somebody over the age of 60 but when I read the code it seems it says that is a requirement is that right? It is required for the person that lived there to work on the site or required them to be over 60? >> Absolutely, that is what the code says, I think to some of those requirements more than others there are issues with respect to enforceability and those are not recommended to be carried forward in the ldc re--

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revision, but notwithstanding those questions which I am not prepared to get into today, the -- I think the presence of those restrictions in the code is an impediment to the use of those provisions, also people when talk about ads it is focused on the two family resident can July and I think these other provisions are not as widely known and not as widely used for the reasons we touched on. >> Casar: But just to give folks a sense because I think we are all trying to work together on how to add more housing in the city and how to make this easier to do, but also you know, find consensus, and to make it clear what we are talking about, say somebody has a large S f-2 lot and they live in their house, they could add, currently today, as long as you know, it fits and deed restrictions and all of that they could under the code add today a secondary unit,

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attached to their house but my understanding under the code is, if they are moving say their parents who are over six any they would be allowed to do that, right? >> That is correct. >> Casar: But let's say the next-door neighbor, has a house built in the same subdivision, big lot, S f-2, say next door they say, oh I want to build the same thing but let's say in that case it is the grandparents that live in the house and just like with so many people my age I know during the pandemic they want to have their kids move in or their grandkids move in, or even their kids

with their grandkids move in and they are under the age of 60, they would not be allowed to build the exact same attachment to their house with a B unit as their next door neighbors because it has to be moving in the people that are over 60. It couldn't be you know, parents having their kids and their grandkids move in; is that

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right? >> That's what the code states, correct. >> Casar: Right so you couldn't build the exact same thing, really what we are regulating is the age of the people that are allowed to live in the unit? >> Yes. Councilmember Casar, those provisions are in the code, definitely, enforceability questions have been raised legitimately they were not proposed for carrying forward in Idc revision, but as I mentioned, it is our understanding that you know, those restrictions, having those restrictions in the code does discourage people are exploring those possibilities. Possibilities. >> Casar: Ca right. And 15 we are not talking about doing a whole revision here, that would be a totally different meeting, that would involve all of our colleagues but generally as we are looking for within our current code where we might make improvements we might say, it might make sense for us to have intergenerational housing and let people have their parents move in or let parents have their kids move in and for us to not look at age but more just in

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making this as family friendly and inclusive as possible. So that is one issue that I would just raise here for the group is for us to take a look at those provisions because it wouldn't change the number of buildings that can get built for shape or size of those buildings. It would just being more flexible about the age you know, what -- whether you can have your parents focus or your parents can have younger people move in. The same issue as it relates to guesthouses or on-site worker housing, so you could have a lot where somebody build as back house and they build the back house because the person live there works on the property, but then if the people next door wanted to build that same back house but the people in the back house are their family members they wouldn't be allowed to do it because their family members aren't working on the property. Is that right? >> That is correct. >> And I think we actually -- and I first became wear aware of this stone provision when we had a zoning case where there was a community member who wanted to

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build a house for his son and he came and asked us for a zoning change because he didn't want to use the code provision saying his son worked on the property, he just wanted to do it straight up so we came in and went through the zoning process with us. So again these might be just some provisions that are low hanging fruit for us all to take a look at and I would be interested in whether we could get you know, consensus in the community and broad support for saying look this doesn't even change the number of units on the property, it just allows for more people to have these flexible options whether they need rental income or whether they

just want to live together with family members or close friends. The same thing with guesthouses, rights? I won't make you go through the whole thing but somebody could build a second unit and behind their house in S f-2 or say sf-3 their names could look and want to do the same thing but if they want to rent it out for income because they can't afford to have guests but are just trying to stay in the neighborhood they

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may have trouble with the S on that front so that is something for us to all take a look at, because that might be a way we can help more people stay in their community and that would address the ability for people to have attached units, just to have attached units with somebody living at any age they could address the issues in S f-1 and S f-2 for people to be able to have back houses regardless of whether the person back there works for them or works for somebody else or is actually their nonworking family member who just needs a place to stay. But I think there are just really some low-hanging fruit we should all take a look at in addition to everything we talked about here today. Councilmember Casar, if I can just add that obviously any amendments to the code require legal review, consultation with a lot of the departments on the substances as well as the process. And other departments as well but these are definitely existing provisions of the code you know, that subject to that further review could potentially be modified to address some of

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the concerns that council has raised. I want to point out one feature of these provisions is they can be aggregated so if all of the stars align and the property is the right size and setbacks and impervious cover lineup in theory and this has happened honorary occasion, you could have the structure referred to as the guesthouse, the on site worker housing, accessory apartments those can all be aggregated and I point that out just for informational steak. >> Casar: The. >> The idea being you could have access I am attached apartment attached to your house that a family members stays in and have a back house you have for rental income, of course your lot would have to be able to accommodate all of that, but that's a possibility. >> Yes. And this has happened honorary occasions we have had instances where the am cans tried to combine those structure types

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and it hasn't worked out for other reasons but in principle the code allows that and it has happened on occasion. >> So again we are not talking about new units or additional units what is in the current code but you could do an A and B unit but again you run into all of the restrictions of what occupation the person has or the age of the person. Okay. Thank you. Council Ellis and councilmember Renteria. >> Thank you, I would think you would probably be thinking the same thing about age and occupation I was so I won't rehash that conversation, but I am curious about enforcement. Is this the type of thing you know, say you are in compliance and you have an aging parent that is living in a unit on your property and then

maybe they move into assisted living and you have a college student that may want that Independence. Are people expected to deny a college student that housing or their neighbors calling code? How does this work in real life?

[4:32:26 PM]

>> Councilmember Ellis, I think your questions are all really good ones, and ones that everybody should be asking. It is my understanding you know, from having spoken briefly with our code compliance department that they are not aware of instances where these provisions at least in recent memory have been enforced, and I think again some of them more than others would definitely raise concerns, and so regarding you know, those provisions, I really don't have anything more I can say but I I think your questions are good ones and obviously should council want to consider changing these provisions those would be obvious, obvious things to focus on more closely, I appreciate that, I have never really had to think about it in that way before but it did seem like it would be difficult to enforce something like that,s, where it is based on your occupation, your relationship status to the homeowner and your age. >> Ellis: It just seems like

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that is probably not something we should be doing right now, in my opinion. Thank you. >> Thank you, councilmember Casar ca councilmember Renteria. >> Renteria: Thank you, chair. And I remember that case because I think we stayed two hours discussing that. I remember the neighbors fighting about that zoning, he was zoned single family -- had over 1,500 -- 15,000 square feet on his lot and he couldn't build an additional house for his son on it, and so we had to spend that time granting the sf-3 he needed to get that secondary unit there. And my whole question was just like what you asked, chair, to our staff, you know, and it is a zoning that is causing a lot of that -- as one of the panel members said over 50 percent dropped out because they were either living in S f-1 or S f-2, which was just highly

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restrictive. You know, we went through that process. We fought very hard, your Austin neighborhood council came out and fought us, and we compromised on -- single-family 3 in your district, in your neighborhood -- and that's what we did, and we were able to have secondary units because a lot of our people here in east Austin at that time had a secondary unit in layer lap but they couldn't pull the permit on it because it wasn't built the right way and it didn't meet the code. So that is what we went through, but we also, when we are looking at that, we need to be very careful also, because Texas does have a condo routine, and you can end up with two condos on your lot, and they can sell it

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and it will be the affordability out of it. So when we do look into this kind of change that we need, we also need to be very careful to say, hey, this is for -- and I know that is short-term

rental under the regulations but we really need to be careful to make sure also that people that have the intention of building affordable housing, that doesn't get to that point where it just becomes short-term rental. >> Thank you. >> Thank you, councilmember. >> Casar: Any further questions for the staff? >> Councilmember tovo? >> Tovo: Just a quick question. Can I understand where the statistic of 50 percent came from? Was that something the staff had said that 50 percent of the individuals who reached out about -- because I thought what I was hearing from Brent was

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that those who were not able to go forward, it was really for a range of tissues, including utility hookups and costs and other kinds of things. Is that -- >> Councilmember tovo, that was my dab that was me repeating something that I learned in the presentation from one of the presenters. So it was one of the presenters who said just from a scan of this last month worth of interest there were about 330 homeowners interested that had contacted this one company, one of many in the city and of those 330, half were -- they didn't move forward just from -- just straight up from their zoning requirements, not the particulars on their lot. >> Casar: So again -- >> Tovo: Okay. Thanks. That was villa homes, I guess. And that was the number he offered? I think he said they just have been here a couple of months. That was the number he offered for the Austin area? >> Casar: Correct.

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Yes. And again, I wasn't inserting and I don't think he was either. I hadn't heard that number until today. I wasn't asserting or are was he that you should take that scientifically for what is happening across the city, but I thought it was an disinteresting point of fact that of course from that other half you are going to have further challenges where there is sufficient space, making sure we immediate ought of our environmental requirements et cetera but there was potentially half of the people as he stated that would be disqualified from the beginning and I think he listed things like not wanting to deal with the house guest provisions or other provisions like that. >> Tovo: Right. He mentioned S f-1 and they were in sf 1 or S f-2 I will have to look at a map to see where that is because that is just a very high number given the prevalence of sf-3 in most of our neighborhoods, so anyway. Thank you for that clarification. >> Casar: Thank you for asking

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councilmember tovo toe and I think having some consistency and standardization around having multiple different kinds of categories, I think is not -- is not useful so having some standardization and eliminating the distinction among these different categories I think makes good sense. >> Casar: Thank you for saying that. I think size of the chart itself is daunting for us, that was presented at the end of the presentation. So again, members I am not proposing we take any immediate action on this, I just had heard from multiple members of the committee that they want to talk about it over time. Councilmember tovo had her resolution, the staff had

thoughts so I think that today is just a really useful moment for us to all talk about this and I think that there is generally some consensus there are some low hanging fruit we can all work on together .. But you know, we are not necessarily presenting exactly what that might be but just wanted to start the conversation and of course it is useful we have councilmember tovo's ideas post

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posted on the message board for your upcoming resolution. Councilmember tovo. >> Tovo: May I ask one more quick question? Do we have time? >> Casar: We sure do. >> Tovo: Can you talk about the garage issue for. Just a minute? That was kind of curious. >> Sure. Just basically the provision of our code, of our current code that is called accessory apartments is 25901 is sort of an analog to internal ads that was talked about in the ldc revision, not prohibits using a garage conversion to establish an accessory apartment. >> Tovo: I am trying understand the rationale for it. Was it just -- was any part of it based in health and safety issue? I ask that because at one point long ago councilmember Houston and I were driving around the code department looking at what

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is the term we ought to use? Nonregulated boarding homes, some of which are converted garages to be used for residences for patients who were staying in those unregulated boardinghouses for people with health conditions. And I understood the concern there to be one about the structure of the garage and how it -- how it may not offer the kind of safety provisions that other kinds of residential areas do .. Or is that just completely -- I mean, so was there ever -- I guess that's what I am trying to understand. Is there something about the way that garages are constructed that presents health and safety challenges or is it just kind of a relic of the code that is kind of wacky? >> >> Casar: Councilmember tovo,

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I can't speak authoritatively to the origin of those provisions. But I will say in order to be habitable space the provision would have to -- a garage provision were it allowed would have to result in a space that meets all of the health and safety standards. So, you know, if garage conversions were allowed, any issues with respect to the garage would have to be remedied and it would have to be brought up to full code compliance with the international residential code as the city has adopted it, so I think those issues could be dealt with through the permitting and inspection process. My understanding and I am not positive that this is correct, is that it was really born out of a concern that it would affect parking and that it would ultimately result in more parking on the streets. >> Tovo: I see. Okay. That is really helpful to know and as you said it, it doesn't really matter, even if some of it had originated from health and safety concern that would have to be remedied to make it

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habitable space anyway. >> Casar: That is correct. >> Tovo: Okay. Thank you for that. >> Casar: I would also like to add, just in the interest of putting all of the issues on the table that our lead residential reviewer who who is here today pointed out the me one of the impediments to Adu construction and she may jump up if I misspeak, but one of the impediments is that the code requires that Adu be added to the rear or the back of the site, and that that regulation sometimes discourages and lips the ability to add ad ups. And so just in the interest of helping council understand the regulatory impediments I think that is one that bears mention. >> But that does not apply for example to the guesthouse. >> Casar: That is correct. It doesn't apply. >> So for example, if somebody could build a house to the side if their lot is say wider and

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has you know, trees in the back, they could build a guesthouse inside, the challenge is that that guesthouse is really for those folks that can afford to build the guesthouse for nonpaying guests, but then if somebody moved in that couldn't afford that and wanted to rent it out they would technically be in violation of city code if they wanted to rent it, but as councilmember Ellis mentioned there are all sorts of questions of enforcement in showing up in asking for somebody's age or asking if they pay rent, et cetera. >> Casar: That is correct, the low educational requirement I mentioned is .. Part of the two part residential use, 252744 question is the primarily regulatory vehicle for permitting Adu's. The other type of accessory structures that have the problems that you have highlighted, councilmember Casar, don't have as manager site development standards associated with them other than lot size, so that particular issue of location of the

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structure is one that only arises with the two family residential use. >> Casar: Thank you for that. Any other questions? Councilmember Renteria. >> Renteria:ly make a comment. You know, when we built ours, we were required to put in two-car parking garage on the bottom, and when you do that, also the requirement was that you could not put any kind of plumbing in there where you could put a shower in there. So you would prohibit da, you were prohibited from putting a shower in. There you couldn't put arabing in there. So you could put a vent in there but you couldn't use it for liveable purposes to convert it into a living space. So that's what we are going to be facing if we ever deregulate those -- the added intense is going to be required just to make it into a habitable place

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by putting arabing in there and heating is going to be very expensive. >> Casar: Thank you for that, councilmember. I think we probably should look into the utilities issues and see if those can be shared and cheaper and I think we address them in parking issues you had in 2005 about ten years later, I think we no longer require a whole driveway back there and for many folks near the bus line don't require all of the extra parking so that -- we know that helps. Any other -

- any other last questions or comments? I know we usually have multiple items but I knew this one would have deep discussion, but I thought this was really useful discussion because I think our whole group on the dais and in this committee understand we want to help folks get things like this done for the people that might live in the back house, that tends to be more affordable than just one house on a lot and for families being able to stay together in the

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city, which is becoming so hard. So that is why I think we wantn'ted to spend this much time on to issue. I think everybody add add lot so I really appreciate each of you joining us and spending the time together and the staff and the panelists. So thank you all very much. If there is no objection, that's -- oh. Mayor pro tem. >> Thank you, I appreciate that. Know I didn't contribute a whole lot this afternoon but the questions I have are being answered and the presentations were good for me. For future items I know that wasn't something you tossed out there for something for us to consider but for future items I know is an organization that has successfully executed a couple of projects and they do these plug-in houses. I would like for us to explore that as well. Cacao that's great. If you can tell us more about that. We haven't heard much about that. >> You bet. I will pull it up so I don't

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misspeak. Just give me a second and un unmute. >> Yes, sorry for not raising the future items questions here before closing this out. >> Renteria: Chair, while the mayor pro people is looking up that, I would like to quickly say that we also should have on the agenda coming up a discussion on the sustainable housing and displacement along our rail lines that we are going to have money that we are going to have that we are going to invest and really start early on looking at being able to purchase something along those lines so we can be ready when we start building. >> Casar: Thank you for raising that, councilmember Renteria, and we will -- we have the benefit of having folks here from -- councilmember tovo, thank you for -- we have the benefit of having you here from mobility so we can talk about

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how to best coordinate that, but, yes, I think this month we are going to bid with some of the -- money 0 and it would be great to hear more about that. Mayor pro tem. >> Harper-madison: Yes. So it says essentially information about our -- what I will do is send all of the members of the committee this information. 200 square foot office, we can also make 100 square foot or 120 square foot version. 480 square foot studio, 640 square foot one bedroom or 1,100 square foot three bedroom, and there are some more information here about costs associated with -- it looks to me like the smaller ones are in the ten to \$15,000 range, the larger, the 200 square foot rages are in the 20 to \$25,000 range, and then --

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it doesn't have a cost -- 600 -- it doesn't have doors for 640-foot but I am sure we can find it. It is a collaboration between social impacted minded developers and architect Dave Chen at the university, da, da, da, and they give a bunch of other information and talk about this is a way to tackle the housing crisis facing many cities. It is a low cost house to be deployed in scale in existing -- in existing communities as an accessory building unit but also institutional as disaster relief and transitional housing. The plug-in house is a small scale housing option that fits into a wide range of urban and rural conditions. It uses pre-fabricated parts that consist of insulation, structure interior and exterior finishes molded into one modular panel, the entire house can be installed by four people in four to six hours with nothing more than a with housing wrench.

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So yes, I will forward all of this information because it -- time lapse video is here, three minute of the plug in house install, installation at Boston city hall and three minute video of the plug in house installation at -- it sounds like actually one more option for us to consider to me. >>

Casar: Thank you for sharing that and those prices are really low. It is just not obtainable and I think it is really clear from today that our back house rules are outdated and not meeting the needs of all families that want to stay together and I think all of us working together on consensus ways to ensure we have family friendly multigenerational housing is really important task for us and I think that we can do it as we

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try to become a more affordable city again. So thank you all, thanks for everybody's time. And with without Oxley adjourn us here at 4:50 P.M. Thank you very much. Without objection I will adjourn us here at 4:50 P.M. Thank you very much.