

1 **RESOLUTION NO.**

2 **WHEREAS**, the City Council recognizes that the City of Austin is facing an
3 unprecedented housing crisis and is committed to taking action to address the
4 many causes contributing to this crisis; and

5 **WHEREAS**, the Council-adopted *Strategic Housing Blueprint* established
6 that “there is a need for the construction of a minimum of 135,000 additional
7 housing units in the City of Austin over the next decade,” including:

- 8 • 20,000 housing units affordable to households earning 30 percent of
9 Median Family Income (MFI) and below;
- 10 • 25,000 housing units affordable at or between 31 percent and 60
11 percent of MFI;
- 12 • 15,000 housing units affordable at or between 61 percent and 80
13 percent of MFI; and
- 14 • 25,000 housing units affordable at or between 81 percent and 120
15 percent of MFI; and

16 **WHEREAS**, the *Strategic Housing Blueprint* also established a goal that “at
17 least 30% of new housing should be a range of housing types from small-lot
18 single-family to eightplexes to help address Austin’s need for multi-generational
19 housing”; and

20 **WHEREAS**, the Biden Administration has called for policies that “identify

21 the most powerful levers to produce more affordable housing and [incentivize] new
22 land-use and zoning policies to remove those barriers” in recognition that
23 “empirical literature finds a relationship between restrictive land use regulations
24 and higher housing prices”; and

25 **WHEREAS**, the *Strategic Housing Blueprint* identified “regulatory
26 changes” to land use policies as a strategy to “achieve both market rate and
27 affordable housing goals” and called for the City to, among other things,
28 “Streamline City Codes and Permit Processes” identified as a “Highest Impact”
29 action and “Relax Regulations on More Affordable Housing Products” within a
30 timeframe of three to five years; and

31 **WHEREAS**, different housing submarkets in Austin feature important
32 differences impacting housing costs, such as differing land values and differing
33 regulatory environments, including which zoning districts allow which housing
34 types within a given submarket and whether additional requirements and reviews
35 are required, among other things; and

36 **WHEREAS**, according to a recent HousingWorks Austin analysis, over the
37 first three years of tracking progress toward the *Strategic Housing Blueprint*
38 housing production goals, the City has fallen over 14,500 units short, including
39 over 2,600 units short for households making between 31 percent and 60 percent of
40 MFI and over 2,600 units short for households making between 61 percent and 80

41 percent of MFI; and

42 **WHEREAS**, in addition to increasing the number of income-restricted units,
43 increasing the number of market-affordable housing units produced in Austin is
44 critical to the ultimate success of Austin’s housing strategies; and

45 **WHEREAS**, the City Council recognizes that progress is needed in order to
46 meet the City’s housing goals and to meet Austin residents’ housing needs; and

47 **WHEREAS**, an analysis of the key drivers of housing production costs
48 across Austin is needed to identify high-impact strategies for addressing this
49 housing crisis; **NOW, THEREFORE**,

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

51 The Council directs the City Manager to perform an analysis of the cost of
52 producing housing in Austin and to identify potential options for reducing this cost.

53 **BE IT FURTHER RESOLVED:**

54 In recognition that different housing submarkets in Austin feature important
55 differences that affect housing costs, this study should divide Austin’s housing
56 markets into submarkets and produce housing submarket models (“Housing
57 Submarket Models”) that are broadly representative of each grouping.

58 **BE IT FURTHER RESOLVED:**

59 For each of the five Housing Submarket Models, this study should analyze
60 the cost components for different types of housing (“Housing Model Types”),

61 including at least the following:

- 62 • Single-family detached;
- 63 • Duplex;
- 64 • Townhome;
- 65 • Small multiplex; and
- 66 • Mid-rise multi-family.

67 **BE IT FURTHER RESOLVED:**

68 This analysis should determine the total housing cost borne by a renter
69 (estimated median monthly rent) or a homebuyer (estimated median sale price)
70 for each Housing Model Type, considering, at a minimum, the following costs as
71 shown on Exhibit A:

- 72 • land costs;
- 73 • design and construction costs, including labor and materials;
- 74 • financing costs, including interest and profit costs;
- 75 • City costs (described below); and
- 76 • any other relevant cost components, such as time associated with completing
77 the permitting process.

78 **BE IT FURTHER RESOLVED:**

79 The analysis of City costs should incorporate all typical costs for the
80 development of each Housing Model Type, including, but not limited to, costs and

81 associated time for:

- 82 • rezoning for Housing Model Types for which zoning entitlements are not
- 83 prevalent within the Housing Submarket Model;
- 84 • subdivision for Housing Model Types for which subdivision is likely
- 85 required within the Housing Submarket Model;
- 86 • site plan review and associated permitting and inspections;
- 87 • compliance with applicable land use regulations, including parkland
- 88 dedication, tree mitigation, right-of-way dedication, Transportation Impact
- 89 Analyses, rough proportionality, Street Impact Fees, and utility costs;
- 90 • Housing Submarket Model-specific costs related to additional approvals or
- 91 reviews; and
- 92 • any other expected City-imposed costs across all reviewing departments.

93 **BE IT FURTHER RESOLVED:**

94 The City Council directs the City Manager to present the findings of this
95 study by December 1, 2022, with an interim update to be presented by May 1,
96 2022.

98 **ADOPTED:** _____, 2021 **ATTEST:** _____

99 Jannette S. Goodall
100 City Clerk
101

102 **Exhibit A**

103 **Example Matrix for Each Housing Submarket Model**

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	Single-Family Detached	Duplex	Townhome	Small Multiplex	Mid-Rise Multi-Family
Land Cost					
Design and Construction Costs					
Financing Costs					
City Costs					
Other Costs					
<hr/> Total Housing Cost					

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