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Sent: Tuesday, November 30, 2021, 9:37 AM
To: David Glenn
Cc: [REDACTED]; Taylor Jackson
Subject: HBA comments on City of Austin's Housing Affordability Work Session

*** External Email - Exercise Caution ***

Good morning Mayor Adler and Austin City Council Members,

On behalf of our 700+ Members companies and their 6,000+ employees, the Home Builders Association of Greater Austin (HBAGA) is looking forward to today's special work session on housing affordability. We believe housing attainability is a top priority for the City and together we are eager to partner with the Council and be part of the solution.

Many housing-related policy items have been discussed at Council meetings, work sessions, and on the message board. Below are HBAGA's position for Council's consideration.

Outcome based solutions

The Council should identify outcome-based solutions to the City's permitting and development process. We would recommend that the Council ask City Staff what it would take to approve a site plan, subdivision, or building permit in a reasonable number of days. Let Staff work backwards to self-identify bottlenecks in the process and then offer policy solutions to fix them. As an example, the Council could direct City Staff to find a way to approve a site plan in 90 days and allow them to identify any barriers that would prevent a 90-day approval. Attached to this email is the HousingWorks' most recent Strategic Housing Blueprint Scorecard from 2020 that can serve as a guide to work towards outcome-based goals and solutions.

Review the rulemaking process

The rulemaking process has the potential to quietly subvert any positive policy action the Council make take in support of housing affordability. The process is broken, with each department operating in siloes, making rules without regard to how it might affect other city departments. What might seem like a well-intended rule will often have significant unintended consequences, such as Austin Energy's new 15' clearances around all overhead powerlines, which the HBAGA appealed and lost (see the attached appeal to understand the impact this rule has on missing middle housing). The City needs to take a more holistic approach to writing rules that better incorporates feedback from affected stakeholders and other City departments.

Create a site plan light program

The City should liberalize its site plan approval process that accounts for key housing types that are bigger than single family projects, but smaller than multifamily projects. These missing middle projects are often subject to the same rules of large multifamily and commercial projects but do not benefit from the same economies of scale that larger projects do. A "site plan light" program could serve as a middle ground for these types of projects that takes into consideration important aspects of development like flood mitigation and environmental concerns without sacrificing affordability during the process

Decrease the minimum lot size

Even a small decrease in the City's minimum lot size could have a dramatic impact on the City's housing supply. A smaller lot size will allow land that is currently undevelopable to be developed, bolstering the City's housing supply. It will also allow for more subdivisions of land, allowing for properties to be sold fee-simple, which is the most preferred type of real estate transaction.

Support accessory dwelling units (ADUs)

The Council should implement policies that remove barriers to building ADUs. We worked closely with the Austin Board of Realtors on their suggested policy changes to encourage ADU, including:

- Allow for more creative placement of ADUs on the lot.
- Allow two ADUs on a corner lot by right.
- Remove parking requirements.
- Allow for submetering for utilities.
- Reverse Austin Energy's new rule increasing overhead power lines to 15'.

Reconsider the City's current compatibility rules

During the land development code rewrite discussion, the City's consultants identified compatibility as one of the biggest restrictions on housing. The Council should relax its compatibility rules, specifically for smaller missing middle projects that are two and three stories tall. These smaller projects will better fit into the neighborhood character and have the smallest impact on neighboring properties.

Implement a substantial preservation bonus

The City should consider a preservation bonus that both preserves existing housing while encouraging additional housing on the lot. The City should allow for one additional unit to be built on any lot that preserves the existing house, with additional allowable floor to area ratio (FAR) as an incentive to preserve historically contributing structures.

Allowing vertical mixed use (VMU) everywhere

We support allowing VMU everywhere as a piece of the housing puzzle, but this policy must be accompanied by other policies that improve the development process in order to strengthen our housing supply.

Calibrate and regularly update City regulations

Each of these policies can play a role in mitigating the City's housing crisis. However, we cannot expect that they all will be created perfectly or will work as intended over time. The City should consider establishing clear metrics and undergo regular calibration of its policies to ensure that they are achieving the City's stated housing goals.

The HBAGA will be watching tomorrow's work session and will be following up with your offices to discuss how we can best partner with the Council to develop and implement meaningful solutions to address the City's housing crisis. If you have any questions, you can reach me via email or on my cell at 903 819-7666. Thanks!

Best,

David W. Glenn

Senior Director of Government Relations



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