

RESOLUTION NO.

WHEREAS, in 2020, Council approved Resolution No. 20200409-080, directing the City Manager to:

- explore eligible funding sources for low-interest loans and devise program and income eligibility guidelines for Council consideration;
- explore partnerships with Community Powered Workshop and other organizations that could develop a menu of pre-approved ADU models as part of a streamlined permitting process;
- explore the viability of a tax abatement or grants for property owners who construct income-restricted ADUs to offset increases in property valuations; and
- initiate conversations with local taxing authorities to explore the potential to minimize property taxes for property owners who construct income-restricted ADUs; and

WHEREAS, staff's June 2021 memo in response to Resolution No. 20200409-080 recommended, among other initiatives, allocating sufficient staff time and resources from all relevant departments to:

- Engage with low- and moderate-income homeowners and renters as well as design professionals to develop criteria and priorities for ADU designs;
- Issue a public call for ADU plans from local design professionals or organizations;

- Review and approve qualifying plan submissions;
- Partner with selected design professionals or organizations to establish pre-approved ADU plan guidelines and processes; and
- Use affirmative marketing to inform eligible homeowners facing displacement pressures of the ADU building plan options.

WHEREAS, the staff memo also found that low- and moderate-income households identified potential property tax increases as the top concern; and

WHEREAS, in response, city staff recommended that the City Council develop a new Chapter 380 policy and/or program to provide a tax incentive for the construction or preservation of income-restricted housing, including ADUs; **NOW, THEREFORE:**

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

The City Manager is directed to estimate the amount of staff time and resources that would be required to create a menu of pre-approved building plans for detached ADUs, as described in the June 2021 staff memo. The City Manager is directed to report back to Council via memorandum no later than February 1, 2022.

BE IT FURTHER RESOLVED:

The City Manager is directed to propose a new Chapter 380 policy and/or program focused on affordable housing development and preservation that includes income-restricted ADUs. The City Manager is directed to conduct stakeholder feedback among ADU and affordable housing developers and to recommend

guidelines for eligibility and the application evaluation process. The City Manager shall present Council with this work no later than April 1, 2022.

BE IT FURTHER RESOLVED:

That City Council initiates an amendment to City Code that would permit an internal or external Accessory Dwelling Unit (ADU) in Single Family 1 and Single Family 2 residential zones (zoning categories where ADUs are not currently allowed) with the **substantial*** preservation of an existing single-family dwelling of any age as long as the principal dwelling and the ADU remain within the allowed watershed impervious cover and FAR limits.

*The preservation requirement must be substantially more meaningful than those provisions included within previously proposed Land Development Code rewrite.

In the course of constructing this amendment, the City Manager shall also do the following:

1. consider options for scaling the size of ADUs based on lot size, and review examples including in [Honolulu-Hawaii](#), [Santa Cruz](#), Seattle, and Santa Barbara;
2. propose regulations ~~designed~~ to restrict use of ADUs as short-term rentals in these expanded areas;
3. consider expedited permitting, fee waivers, and other incentives for property owners who construct income-restricted ADUs; and

BE IT FURTHER RESOLVED:

The City Manager shall review case studies from Chicago and other relevant information and evaluate whether the above provisions should be applied to Single Family 3 and other residential zoning categories.

BE IT FURTHER RESOLVED:

That City Council initiates a code amendment to remove the prohibition in City Code against including converted garage space within an ADU.

BE IT FURTHER RESOLVED:

The City Manager returns to Council with options for a streamlined definition of “Accessory Dwelling” that eliminates distinctions among different types identified in the code (including internal and external units) and would also thus remove requirements related to age, -ability, occupation, or family status. This work shall be completed no later than February 1, 2022. The City Manager shall also provide information about how different amendment options would impact the maximum number of units that could be constructed on Single Family 3-zoned properties.

BE IT FURTHER RESOLVED:

Prior to consideration of code amendments by the Planning Commission,
The City Manager shall engage Neighborhood Planning Areas or Neighborhood Conservation Combining Districts (NCCD) where ADUs are not currently allowed in considering amendments that would enable broader opportunities for this housing type.

BE IT FURTHER RESOLVED:

The City Manager shall engage financing entities to encourage the development of third-party loans for qualifying applicants. The City Manager shall report back on initial progress no later than March 1, 2022.

ADOPTED: _____, 2021 **ATTEST:** _____
 Myrna Rios
 Interim City Clerk

DRAFT