





MEMORANDUM

TO: Mayor and Council Members

FROM: Rosie Truelove, Director, Housing Department 
Lauren Middleton-Pratt, Director, Planning Department 

DATE: June 21, 2023

SUBJECT: Update to Resolution No. 20221027-042 Regarding Balancing Development Requirements

The purpose of this memo is to provide a response to [Resolution No. 20221027-042](#) relating to balancing development requirements that reduce development capacity or affordability with options that offset those requirements.

This resolution directed staff to:

1. Create a framework or policy for City staff to follow when Council or the Planning Commission initiates amendments to Title 25 or Title 30 that provides “a systematic approach and efficient process to balancing development requirements that reduce development capacity or affordability with entitlements or other changes...that offset such requirements...” and provide a report about the framework/policy to Council no later than April 2023.
2. Analyze requirements enacted or initiated in the last two years to determine which requirements reduce development capacity or affordability and propose ways to offset those impacts. If any of those proposals requires an amendment to Title 25 or Title 30 of the City Code, the City Manager shall return to Council by July 2023 with any recommendations to initiate code amendments necessary to implement the proposed offsets.

Developed with contributions from Development Services Department and Planning Department staff, the attached implementation framework provides a summary of steps staff intends to use to implement Resolution No. 20221027-042.

If you have any questions, please contact Rosie Truelove at 512-974-3064 or rosie.truelove@austintexas.gov or Lauren Middleton-Pratt at 512-974-1827 or lauren.middleton-pratt@austintexas.gov.

cc: Jesús Garza, Interim City Manager
Veronica Briseño, Assistant City Manager

Attachment

Implementation Framework for Resolution No. 20221027-042

Intent

In general, the purpose of the resolution is to:

- a. Identify options for offsetting reductions to development capacity or affordability that may result from future amendments to the Land Development Code (“LDC”) initiated by Council or Planning Commission, as well as all LDC amendments initiated during the last two years; and
- b. To the greatest extent possible, ensure that potential offsets are presented concurrently with any LDC amendment that would otherwise result in a reduction to development capacity or affordability.

Implementation

Below is a summary of steps staff will take in response to this resolution:

1. Determine whether a proposed amendment reduces development capacity.

When Council or Planning Commission initiates an LDC amendment, staff from multiple City departments will work collaboratively to determine whether the amendment is likely to reduce development capacity or affordability. (Per the resolution, an amendment is deemed to “reduce development capacity or affordability” if it is likely to reduce developable land area or unit yield or materially increase the cost of development, including substantially increasing the time for permitting or site plan review.)

Housing staff already conduct Affordability Impact Statements, required by [Ordinance No 20071129-100](#), for all proposed city code amendments, ordinances, and other proposed changes to identify any potential impacts on housing affordability. To the extent feasible, staff recommends aligning the implementation of [Resolution No. 20221027-042](#) with the development of Affordability Impact Statements to reduce redundancy and streamline staff resources. Staff believes the effort to assess potential impacts to development capacity will strengthen the conclusions of the Affordability Impact Statements.

Limitations: It’s feasible for staff to provide a broad, planning-level assessment on the capacity impacts of proposed amendments. However, given the timeframe for adopting amendments and resource limitations, it is unlikely that staff will be able to provide precise quantitative analysis on the extent to which an amendment affects development capacity or affordability.

2. Identify potential offsets to reduce impacts of proposed amendment.

Where an amendment is determined to reduce development potential and/or affordability, staff will identify potential steps for reducing the impacts of the amendment. These steps may include changes to:

- *Other LDC provisions, including site development standards or other provisions necessary to offset impacts to the proposed amendment.*
- *Administratively adopted criteria manuals or review procedures.*
- *Development fees.*

Limitations: In some cases, potential offsets will be clear enough that staff will be able to describe them with a high level of specificity. However, depending on the nature and complexity of a proposed amendment, staff may be limited to providing a more conceptual description of potential offsets that would require further review. Additional time, stakeholder engagement, and/or Council direction may be required before staff can prepare a recommendation on LDC amendments required to implement the offsets. This may in some cases prevent offsets from being considered concurrent with the original amendment for which offsets were identified.

Additionally, while staff may identify potential offsets that require amending site development standards (e.g., height, impervious cover, compatibility standards, etc.) or land use regulations, further direction from Council or Planning Commission should be provided before staff prepares detailed recommendations on such changes.

3. Incorporate a stakeholder process as an element of the framework/policy.

When Council or Planning Commission initiates an LDC amendment, staff will determine the appropriate stakeholder engagement to analyze capacity impacts and identify potential offsets. The stakeholder approach will vary depending on the nature of the proposed amendment and who will be directly and indirectly impacted.

In addition to the stakeholder process, a summary of the development capacity and affordability analysis, as well as any potential offsets, will be shared on the [Land Development Code Amendments](#) website, which can be viewed in multiple languages. The complete report will be made available as supporting material for all actions undertaken by the Council, boards, and commissions.

Limitations: In some cases, the timeline to conduct a stakeholder engagement process will increase the overall code amendment adoption timeline.

4. Conduct a “look back” analysis to identify potential LDC amendments or other measures to needed offset impacts of previously initiated amendments.

Staff will provide an update to Mayor & Council by the end of July 2023, related to identifying reductions in development capacity or affordability resulting from LDC amendments initiated since October 27, 2020, along with potential amendments or other measures to offset the identified impacts.

Limitations: Potential offsets will be presented in as much detail as possible but will not include detailed amendments to site development standards or land use regulations.