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RESOLUTION NO.

WHEREAS, the City of Austin is committed to promoting attainable and diverse housing opportunities for residents of all income levels; and

WHEREAS, with the rapid rise in housing and land costs, fewer middle-income families can afford home ownership in Austin; and

WHEREAS, from 2010 to 2020, homes prices in Austin increased 55 percent, driven by a 20 percent population growth over the same period; and

WHEREAS, in 2020, a City analysis found that smaller house-scale forms such as townhomes, row houses, tri- and four-plexes, are more attainable for middle-income earners but make up only 12 percent of Austin’s housing stock; and

WHEREAS, the City’s analysis found that “Preserving relative affordability of and adding attached homes to the for-sale market will be important for maintaining homeownership opportunities among middle-income households”; and

WHEREAS, in 2022, the Austin Board of Realtors reported that homeownership for middle-income earners in Austin dropped to 28 percent of that group, from nearly 50 percent in 2012, meaning it is increasingly difficult for these families to build equity and remain in Austin; and

WHEREAS, larger lot size requirements have been identified by Paul Boudreaux in *Lotting Large: The Phenomenon of Minimum Lot Size Laws*, as obstructing affordable housing and exacerbating social segregation; and

WHEREAS, numerous housing studies, including from Mercatus Center at George Mason University, have demonstrated that larger minimum lot size

23 requirements can perpetuate socio-economic disparities by limiting home-buying
24 opportunities for working families; and

25 **WHEREAS**, Austin’s current Land Development Code is not conducive to
26 smaller scaled homes, allowing only one to two housing units per lot in most
27 single-family zoning districts, and maintaining a standard minimum lot size
28 starting at 5,750 square feet; and

29 **WHEREAS**, many peer cities, such as San Diego, Philadelphia, and San
30 Antonio, offer a range of more modest lot sizes to enable families of all incomes to
31 participate in home ownership; and

32 **WHEREAS**, the City Council recognizes the city’s housing affordability
33 challenges and has adopted proactive measures such as adjustments to
34 compatibility and parking requirements to enable more sustainable and equitable
35 housing development; and

36 **WHEREAS**, smaller lot sizes encourage compact development and can
37 optimize the use of existing infrastructure such as roads, water supply, and sewage
38 systems, minimize resource consumption and associated environmental impacts
39 through smaller structures, and allow clustered developments that preserve more
40 tree canopy and environmental features; and

41 **WHEREAS**, incremental increases in the number of units allowed inside
42 neighborhoods and smaller lot sizes create more diverse housing for working
43 families and the flexibility to meet their needs; and

44 **WHEREAS**, City Council supports the goals of making homeownership
45 more attainable for middle-income earners, as well as giving families the flexibility
46 to have multi-generational options and generate income on their properties; and

47 **WHEREAS**, City Council understands these goals are fundamental to
48 meeting the affordability challenges of our City and the needs of our working
49 families; **NOW, THEREFORE**,

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

51 The City Council initiates amendments to Title 25 (*Land Development*) to
52 facilitate the availability of smaller, more diverse housing types, and to allow more
53 housing units on single-family lots. The City Manager is directed to propose
54 amendments that achieve the following goals:

- 55 1. reduce the minimum lot size in single-family zoning districts to 2,500
56 square feet or less so that existing standard-size lots can be
57 subdivided, and be developed with a variety of housing types such as
58 row houses, townhomes, tri-and four-plexes, garden homes, and
59 cottage courts;
- 60 2. amend the maximum number of housing units to allow at least three
61 units per lot in single-family zoning districts without requiring
62 existing structures to be preserved; and
- 63 3. create a new use for three-family residential that allows for flexible
64 housing configurations in SF-1, SF-2, SF-3, and SF-4A/4B zoning
65 districts.

66 **BE IT FURTHER RESOLVED:**

67 To assist with achieving the goals in this Resolution, City Council initiates
68 amendments to Title 25 (*Land Development*) to adjust and streamline site
69 development regulations for single-family zoning districts that will allow up to
70 three dwelling units on smaller lots that are created by subdividing a single-family

71 lot; and will allow two or more dwelling units to be constructed on a single-family
72 lot. The City Manager is encouraged to propose changes that are informed by the
73 design principles developed in the Mueller Plan and other similar resources. At a
74 minimum, the City Manager is directed to propose amendments that will:

- 75 1. adjust:
 - 76 a. setbacks, height, impervious cover, and floor-to-area ratio
77 (FAR);
 - 78 b. regulations that impact the re-development of existing
79 substandard lots; and
- 80 2. limit the applicability of Chapter 25-2, Subchapter F: Residential
81 Design and Compatibility Standards (also known as the “McMansion
82 Ordinance”) so that it applies only when one dwelling unit is proposed
83 to be constructed on a lot; and
- 84 3. eliminate minimum site area and building coverage requirements; and
- 85 4. if legally feasible, allow for innovative:
 - 86 a. methods to mitigate potential runoff from additional impervious
87 cover;
 - 88 b. utility layouts and connections to support multiple units on
89 smaller lots; and
- 90 5. preserve trees or other natural features, and mitigate floodplain areas
91 by allowing for alternative equivalent compliance and administrative
92 modifications for single-family developments that will be developed:

- 94 a. with two or more dwelling units per lot; and
95 b. on a lot created by subdividing an existing standard-size single-
96 family lot.

97 **BE IT FURTHER RESOLVED:**

98 The City Manager is directed to propose:

- 99 1. any additional site development regulations necessary to facilitate the
100 creation and development of smaller lots and more housing units in
101 single-family zoning districts consistent with this Resolution; and
102 2. strategies to mitigate unintended consequences, including conflicts
103 with City Code and other laws.

104 To the extent that the direction in this Resolution conflicts with prior
105 resolutions, this Resolution controls, and its directions should be incorporated into
106 any Title 25 (*Land Development*) amendments initiated within the last two years.

107 **BE IT FURTHER RESOLVED:**

108 The City Manager is directed to process these code changes, provide
109 Council with briefings or memorandums that explain community stakeholder input
110 plans, and give a progress briefing at the earlier of November 2023 Housing &
111 Planning Committee meeting or a Council work session that precedes the
112 November 23rd Housing & Planning Committee.

113 **BE IT FURTHER RESOLVED:**

114 Since this Resolution initiates multiple amendments, the City Council encourages
115 the City Manager to bring amendments initiated by this Resolution as they are

116 ready. One or more of the amendments initiated by this Resolution should be to the
117 full Council for approval beginning December 14, 2023.
118

119 **ADOPTED:** _____, 2023 **ATTEST:** _____
120
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Myrna Rios
City Clerk

DRAFT