

**RESOLUTION NO.**

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

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

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

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

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

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

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

21       **WHEREAS**, numerous reports and housing studies have demonstrated that  
22 larger minimum lot size requirements can perpetuate socio-economic disparities by  
23 limiting home-buying opportunities for working families; and

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

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

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

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

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

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

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

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

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

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

65 **BE IT FURTHER RESOLVED:**

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

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

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

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

96 **BE IT FURTHER RESOLVED:**

97 The City Manager is directed to propose:

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

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

106 **BE IT FURTHER RESOLVED:**

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

112 **BE IT FURTHER RESOLVED:**

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

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

117 **ADOPTED:** \_\_\_\_\_, 2023 **ATTEST:** \_\_\_\_\_

118 Myrna Rios  
119 City Clerk

DRAFT