



HOUSING & PLANNING

Affordability Impact Statement

Eliminate Parking Requirements

Case number: C20-2023-010

Initiated by: Resolution No. 20230504-022

Date: September 27, 2023

Proposed Regulation

The proposed amendments to the Land Development Code would remove minimum parking requirements from Titles 25 and 30 and modify language that references minimum parking requirements in those sections.

Land Use/Zoning Impacts on Housing Costs

Positive Negative Neutral

Parking spaces occupy the developable area of a given parcel and add to its impervious cover, reducing its capacity to provide housing units. Eliminating parking minimums will allow home builders to build less parking where appropriate and use more of a property for housing units or other land uses required in residential projects, such as onsite detention ponds.

Impact on Development Cost

Positive Negative Neutral

Minimum parking requirements increase development costs, particularly when parking is provided through aboveground or subterranean parking structures. The Transportation and Public Works department estimates the cost of parking spaces at \$5,000 - \$10,000 per space in surface lots and \$20,000 - \$60,000 per space in parking structures, depending on the type of parking structure and number of spaces. This expense is reflected in the cost of housing; analysis from the Austin Strategic Housing Blueprint estimates that requiring one additional parking space per unit increases rent by up to \$200/month and reduces the amount of units developers can build on a parcel.

	<p>Eliminating parking minimums will reduce these costs and give developers greater flexibility in choosing building typologies, as well as in choosing to provide rental or for-sale units.</p>
<p>Impact on Affordable Housing</p>	<p><input checked="" type="checkbox"/> Positive <input type="checkbox"/> Negative <input type="checkbox"/> Neutral</p> <p>Market-rate housing</p> <p>Eliminating parking minimums will lower the cost of building housing. Parking minimums lower developer profit, which they often recuperate through increased rent/sale price. In the absence of minimum parking requirements, developers can more easily achieve their desired profits and charge lower market rents when compared to current regulatory conditions.</p> <p>Income-restricted housing</p> <p>Eliminating parking minimums will also lower the cost of building income-restricted housing. This will result in a greater unit yield of income-restricted housing relative to what is possible under current conditions.</p> <p>Naturally Occurring Affordable Housing (NOAH)</p> <p>Code amendments that increase development capacity relative to current conditions can increase development pressure on naturally occurring affordable housing (NOAH). NOAH is housing without any government subsidies or interventions, affordable to low and moderate-income individuals and families due to market forces, location, age, or condition. The Austin Strategic Housing Blueprint identified both preservation and increasing supply as vital components of a holistic approach to affordable housing. Staff will continue monitoring the relationship between code amendments that will increase supply and Austin’s stock of existing market-rate affordable housing.</p> <p>Note on development bonus programs</p>

	<p>Several incentive programs, including Affordability Unlocked, already provide relaxed parking requirements as a bonus. Parking is one bonus out of several in each of these programs. As a result, it is unlikely that these programs' usage rates withdraw as a result of the proposed code change. Incentive programs that do not offer parking reductions as a bonus will also benefit from the proposed code change.</p>
<p>City Policies Implemented <i>(e.g. Imagine Austin, Housing Blueprint, SD23)</i></p>	<p>The proposal aligns with the Parking section of the Austin Strategic Mobility Plan, the Austin Strategic Housing Blueprint (Comprehensive Parking Reform, Preserve and Create Ownership Options for Households at 80% to 120% MFI).</p>
<p>Other Policy Considerations</p>	<p>Black households have the lowest rates of automobile access in the United States. Consequently, parking minimums functionally require Black households to subsidize parking for other households. Eliminating parking minimums would mitigate this inequity in future development.</p> <p>Americans Disabled for Attendant Programs Today (ADAPT) reviewed the proposed code amendment and found that it would lead to no change or a positive change in the amount of accessible parking spaces required.</p>
<p>Manager's Signature <u>Marla Torrado</u></p>	