

**AUSTIN CITY COUNCIL
MINUTES****SPECIAL CALLED MEETING
THURSDAY, DECEMBER 7, 2023**

The City Council of Austin, Texas, convened in a Special Called Meeting on Thursday, December 7, 2023, at Austin City Hall 301 W. 2nd Street, Austin, TX and via videoconference.

Mayor Watson called the Council Meeting to order at 10:00 a.m. Council Member Ryan Alter appeared via videoconference.

DISCUSSION ITEM

1. Conduct a public hearing and consider an ordinance amending City Code Title 25 (Land Development) that would allow up to three housing units, including tiny homes, on single-family (SF) zoned property; revise regulations that apply to a property with two housing units; and remove restrictions on the number of unrelated adults living in a housing unit.
The public hearing was conducted and a motion to close the public hearing and approve the ordinance was made by Council Member Pool and seconded by Council Member Vela.

The following amendment was made by Council Member Pool and seconded by Mayor Pro Tem Ellis.

The amendment was to modify the effective date to read:

“This ordinance takes effect on December 18, 2023. This ordinance applies only to an application filed on or after February 5, 2024.”

Council Member Pool’s amendment was approved on an 11-0 vote.

The following amendment was made by Council Member Vela and seconded by Mayor Pro Tem Ellis.

The amendment was to revise Part 8 (E) of the ordinance to read:

“(E) This subsection applies to the area established in Subsection 1.2.1 of Chapter 25-2, Subchapter F (*Residential Design and Compatibility Standards*).

(1) In this subsection,

(a) EXISTING DWELLING UNIT means a dwelling unit that is:

(i) legally permitted and occupied before December 7, 2023; or

(ii) described in an application for a residential permit that was submitted on or before December 7, 2023.

(b) **GROSS FLOOR AREA** means the total enclosed area of all floors in a building with a clear height of more than six feet, measured to the outside surface of the exterior walls, except as provided in this subsection (2) Gross Floor Area Exclusions.

(2) Gross Floor Area Exclusions.

(a) For a property that includes an existing dwelling unit that was constructed on or before December 31, 1960, the property owner may exclude the preserved square footage from the gross floor area if the requirements in Subsection (F) are met.

(b) For a property that includes an existing dwelling unit that was constructed on or after January 1, 1961, and is at least 20 years old, the property owner may exclude the preserved square footage from the gross floor area if the requirements in Subsection (F) are met.

(3) Floor-to-area ratio for a duplex or two-unit residential use.

(a) The maximum floor-to-area ratio for the site is the greater of 0.55 or 3,200 square feet.

(b) Except for an existing dwelling unit, a dwelling unit may not exceed the greater of 0.4 or 2,300 square feet.

(4) Floor-to-area ratio for three-unit residential use.

(a) The maximum floor-to-area ratio for the site is the greater of 0.65 or 4,350 square feet.

(b) Except for an existing dwelling unit, a dwelling unit may not exceed the greater of 0.4 or 2,300 square feet.

(c) Except for two existing dwelling units, two dwelling units may not exceed the greater of 0.55 or 3,200 square feet”

A substitute motion was made by Council Member Alison Alter and failed for lack of a second.

Council Member Vela’s amendment was approved on a 9-2 vote. Those voting aye were: Mayor Watson, Mayor Pro Tem Ellis, Council Members Ryan Alter, Fuentes, Harper-Madison, Pool, Qadri, Vela, and Velásquez. Those voting nay were: Council Members Alison Alter and Kelly.

AFTER 10:00 PM

The motion to waive the rules and allow Council to meet after 10 p.m. was approved on Council Member Pool’s motion, Council Member Qadri’s second on an 8-3 vote. Those voting aye were: Mayor Watson, Mayor Pro Tem Ellis, Council Members Ryan Alter,

Fuentes, Pool, Qadri, Vela, and Velásquez. Those voting nay were: Council Members Alison Alter, Harper-Madison, and Kelly.

The following amendment was made by Council Member Vela and seconded by Council Member Harper-Madison.

The amendment was to revise Part 8 (B) (2) to read:

“(2) minimum front yard setback is 15 feet;”

The amendment was also to remove Part 8 (D).

A substitute motion was made by Council Member Alison Alter and failed for lack of a second.

Council Member Vela’s amendment was approved on a 9-2 vote. Those voting aye were: Mayor Watson, Mayor Pro Tem Ellis, Council Members Ryan Alter, Fuentes, Harper-Madison, Pool, Qadri, Vela, and Velásquez. Those voting nay were: Council Members Alison Alter and Kelly.

The following amendment was made by Council Member Vela and seconded by Council Member Harper-Madison.

The amendment was to revise Part 8 (B) (4) to read:

“(4) minimum street-side yard setback for a lot located on a corner and:

(a) on a Level 1 street is the greater of five feet from the property line or 10 feet from curb, or in the absence of curbs, from the edge of the pavement; or

(b) on a Level 2, Level 3, or Level 4 street is 10 feet from the property line;”

Council Member Vela’s amendment was approved on a 9-2 vote. Those voting aye were: Mayor Watson, Mayor Pro Tem Ellis, Council Members Ryan Alter, Fuentes, Harper-Madison, Pool, Qadri, Vela, and Velásquez. Those voting nay were: Council Members Alison Alter and Kelly.

The following amendment was made by Council Member Qadri and seconded by Council Member Velásquez.

The amendment was to revise Part 8 (F) (1) (c) to read:

“(c) The building official may adopt requirements for administering and enforcing this subsection. Because this program includes preserving existing dwelling units, the building official’s requirements should incorporate the historic preservation officer’s feedback as needed.”

Council Member Qadri’s amendment was approved on an 11-0 vote.

The following amendment was made by Council Member Alison Alter and seconded by Council Member Fuentes.

The amendment was to add a Section G to Part 8 to read:

“(G) Short-term rental use.

(1) This subsection applies to a two-residential use constructed after October 1, 2015, and to a duplex use constructed after December 7, 2023.

(2) One dwelling unit in a duplex or two-unit residential use may not be used as a short-term rental for more than 30 days in a calendar year.”

The amendment was also to revise Part 11 (B) (4) to read:

“(4) include a dwelling unit in a duplex or two-unit except as provided by Section 25-2-773(G) or secondary apartment except as provided by 25-2-1463(C)(6) (*Secondary Apartment Regulations*)”

A friendly amendment was made by Council Member Pool, seconded by Council Member Velásquez, and approved on an 11-0 vote.

The amendment was to include the following direction:

“As part of these changes, the Law Department recommended removing short-term rental limitations specific to two-unit residential use so that the City Manager can propose, and City Council can consider changes to short-term rental regulations using a holistic approach. Therefore, the City Manager is directed to continue working on a proposal to regulate short-term rentals with particular focus on the changes adopted in this ordinance, and to bring back the proposed holistic changes when they are ready.”

An additional amendment was made by Council Member Alison Alter, seconded by Council Member Pool, and approved on an 11-0 vote.

The amendment was to revise Part 11 (B) (4) to read:

“(4) include a dwelling unit in a duplex or two-unit residential use as described in Section 25-2-773(G) or secondary apartment except as provided by 25-2-1463(C)(6) (*Secondary Apartment Regulations*)”

Council Member Alison Alter’s amendment as amended was approved on an 11-0 vote.

The following amendment was made by Council Member Ryan Alter, seconded by Mayor Pro Tem Ellis, and approved on a 10-0 vote. Council Member Alison Alter abstained.

The amendment was to provide the following direction:

“1. Preserve trees or other natural features, and mitigate flood plain areas by allowing for alternative equivalent compliance and administrative modifications for single-family developments that will be developed:

a. with two or more dwelling units per lot; and

b. on a lot created by subdividing an existing standard-size single family lot;

2. Explore gaps in tree planting requirements;

3. Promote additional tree planting for future development;
4. Explore opportunities to incentivize protection of non-regulated trees; and
5. Explore opportunities to incentivize protection of trees in or near setback areas.

The City Manager is directed to report back to Council by March 21, 2024 with the recommendations listed above.”

The following amendment was made by Mayor Watson and seconded by Council Member Velásquez.

The amendment was to add a new part to read:

“ANNUAL IMPACT REPORT

The City Manager is directed to present a report to City Council on the impact and outcomes of the Home Ownership for Middle-income Empowerment (HOME) Initiative. The report shall analyze the impacts and outcomes of the HOME initiative in the context of the city’s infrastructure, housing stock, affordability (including other affordability tools utilized by the City), and climate goals. The report shall, at a minimum, include or address the following:

(A) Data metrics from enacting of the HOME Initiative including:

- (1) The number of permits applications applied for single family homes, single family, two-unit, duplex, three-unit, and tiny homes;
- (2) The number of permits requested under the Preservation Bonus program. Data presented on the Preservation program shall include:
 - (a) The number of developments utilizing the FAR exemption;
 - (b) The average percentage of preservation of the original structure; and
 - (c) Area where the Preservation Bonus is most utilized.
- (3) Number of demolitions permits submitted after the enactment of this ordinance; and
- (4) Housing market analysis on the impact of HOME, including but not limited to market prices for single family, two-unit, duplex, three-unit, and tiny homes, the median home sale price, and any other appropriate factors.

(B) To better understand the geographical impact of the HOME ordinance, the City Manager shall include the following:

- (1) The number of units built within a half-mile of current and future transit corridors;
- (2) The number of units built by council district;
- (3) The number of units completed under the preservation and sustainability bonus;
- (4) The number of units completed under any density bonus program or other affordability tool utilized by the city to create more affordable housing;
- (5) The number and types of units built in, flash flood zones, FEMA identified flood risk areas and areas identified as high-risk areas in the Atlas 14.

(C) The report shall include an analysis of the HOME Initiative’s impact on displacement of communities of color. Data shall include:

- (1) Demographic information including or related to the Uprooted characteristics of vulnerability for the population in households by census tract compared to years prior;

- (2) The number of units constructed in historically low-income neighborhoods;**
- (3) The number of units constructed for rental purposes;**
- (4) The number of newly constructed units that are associated with short-term rental license applications.**

(D)The report shall provide impact analysis on our current infrastructure, including but not limited to

- (1) Water, wastewater, stormwater and drainage capacity;**
- (2) Austin Resource Recovery infrastructures;**
- (3) Demands for Austin energy electrical supply;**
- (4) Traffic infrastructure including but not limited to;**
 - a) Sidewalks and curb management;**
 - b) Parking capacity; and**
 - c) Traffic impact analysis on highly impacted areas.**

(E) Environmental impact such as

- (1) The City's tree canopy; and**
- (2) Impacts on Impervious cover;**
- (3) Any environmental preservation strategies adopted by council.**

(F) The report shall consider the Austin Climate Equity Plan, Water Forward, Strategic Housing Blueprint and the Austin Strategic Mobility Plan when providing impact analysis.

(G)The report shall include a comparison of the aforementioned data metrics, as far as is practicable, up to 3 years prior to the enactment of HOME.

(H)The comprehensive analysis may include other impacts of the ordinance or unintended consequences not described in this part.

(I) The City Manager is directed to provide a report on Section A at six months after the implementation of the HOME ordinance. Further, the City Manager is directed to provide a full report twelve months and eighteen months after the implementation and, thereafter, an annual report."

The following amendment was made to Mayor Watson's amendment by Council Member Alison Alter, seconded by Mayor Watson, and approved on an 11-0 vote.

The amendment was to revise Section (A) to read:

"(1) The number of permits applications applied for single family homes, single family, two-unit, duplex, three-unit, and tiny homes;

(2) The number of permits requested under the Preservation Bonus program. Data presented on the Preservation program shall include: (a) The number of developments utilizing the FAR exemption; (b) The average percentage of preservation of the original structure; and (c) Area where the Preservation Bonus is most utilized.

(3) Number of demolitions permits submitted after the enactment of this ordinance;

(4) Housing market analysis on the impact of HOME, including but not limited to market prices for single family, two-unit, duplex, three-unit, and tiny homes, the median home sale price, and any other appropriate factors; and

(5) Mean and median measures of gross floor area, floor to area ratio, and impervious cover, the number of units falling under different gross floor area ranges, and any other related metrics identified by staff.”

Mayor Watson’s amendment as amended was approved on an 11-0 vote.

Ordinance No. 20231207-001 was approved as amended on Council Member Pool’s motion, Council Member Vela’s second on a 9-2 vote. Those voting aye were: Mayor Watson, Mayor Pro Tem Ellis, Council Members Ryan Alter, Fuentes, Harper-Madison, Pool, Qadri, Vela, and Velásquez. Those voting nay were: Council Members Alison Alter and Kelly.

Mayor Watson adjourned the Council Meeting at 11:16 p.m. without objection.

The minutes were approved on this the 14th day of December 2023 on consent on a 10-0 vote. Council Member Ryan Alter was absent.