



Agency Members

Accessible Housing Austin!
Atlantic Housing Foundation, Inc.
Austin Community Design & Development Center
Austin Habitat for Humanity
BCL of Texas
Caritas of Austin
Chestnut Neighborhood Revitalization Corporation
College Houses
Foundation Communities
Frameworks Community Development Corporation
Greater Austin Neighborhoods
Guadalupe Neighborhood Development Corporation
HousingWorks Austin
Jeremiah Program
LifeWorks
Meals on Wheels Central Texas
National Church Residences
Saint Louise House
Triple Bottom Line Foundation (ICAST)

To: CodeNEXT Staff and Consultants

Re: CodeNEXT Draft 2.0 Affordability comments

November 2, 2017

Dear CodeNEXT Staff and Consultants,

The Austin Housing Coalition (formerly the CHDO Roundtable) has represented the community of “housers” across Austin and Central Texas since its founding in 2003. We are nonprofit housing developers, housing and policy experts, and other interested organizations, businesses, and residents who support the development of safe, affordable housing for Austin residents. Our members work to house people experiencing homelessness, repair the houses of low-income homeowners, provide quality affordable rental housing, and empower low-income households to become successful, first-time homebuyers.

We have reviewed the second draft land development code text and maps through the lens of affordability and appreciate the opportunity to provide feedback in addition to our previous comments provided to you on July 14, 2017 (available here: http://austinhousingcoalition.org/wp-content/uploads/2016/01/AHC_CodeNEXT-Affordability-Comments.pdf). As the majority of our comments and questions were not addressed in version 2.0, you will find many of them reiterated here.

The members of the Austin Housing Coalition value this opportunity to craft a new land development code that supports development of affordable housing of all kinds in all parts of Austin. We strongly urge affordable housing proponents to not accept the status quo regulations we have today, which conflict with our community’s housing needs. Furthermore, we also recognize that the land development code is only one of the tools necessary to promote affordable housing retention and development across the city. This land development code must also be complemented by policies and investments in achieving the goals set out in the Strategic Housing Blueprint.

CodeNEXT Affordable Housing Programs comments:

The Austin Housing Coalition supports a variety of important provisions included within the incentive program, including:

- Expansion of the density bonus program to a broader segment of the city.
- Source of Income Protection across all density bonuses, thereby ensuring that lower-income households have access to affordable housing across the City of Austin.
- 60% MFI (rental) and 80% MFI (owner) income targeting, which is lower than some previous programs.
- Efforts to ensure legally-restricted affordable units mirror the unit mix, dispersion, and access of the non-affordable units.
- Proportional bedroom count provisions to encourage a greater amount of family-sized affordable units.

However, the Austin Housing Coalition would like to see the following changes to further expand availability of affordable housing:

Associate Members

AURA
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- Increased parking reductions for affordable housing.
- Reconsideration of various regulating plans (including EROC, North Burnet Gateway, and TODs), which are being excluded from the proposed programs.
- Increased opportunities for legally-restricted affordability west of Mopac.
- Incentives for affordability in greenfield areas that are aligned with Imagine Austin's Growth Concept map.
- Relaxation of compatibility and form restrictions in areas targeted for density bonuses. Currently, these restrictions limit the ability to maximize the affordability through the density bonus program. Regulatory waivers should be considered in order to increase affordability.
- Minimal exceptions to on-site affordability while raising the bar for off-site or fee-in-lieu options.
- Calculation of the affordable units should be based on the method that produces the maximum feasible number of affordable units. .
- Reduce lot size requirements for affordable developments.
- The definition of High Opportunity should be consistent with other policies and programs as well as take into consideration how rapid demographic changes impacts an area's qualification as high opportunity.
- Target off-site units and fee-in-lieu specifically for families.
- Affordability Impact Statements should also include the estimated impact on demolition and preservation of existing affordable housing.

S.M.A.R.T. Housing

While S.M.A.R.T. Housing was a nationally lauded program for years, the value of the fee waivers and expedited review has not kept pace with the cost of providing affordable housing. The Austin Housing Coalition supports aligning affordability requirements (both MFI level and affordability terms) with the density bonus programs. However, **the incentives offered are not commensurate with the requirements or suitable for a diversity of project scales.**

Nonprofit and mission-driven developers only provide a small portion of the affordable housing on the ground. If the community wants to make a meaningful impact on affordability, it will be incumbent upon policymakers to provide meaningful incentives for private developers and individual property owners to produce on-site affordability. Accordingly, the Austin Housing Coalition recommends that fee waivers **include "all current and future fees."** In order to provide meaningful incentives, the fee waivers should be provided on a sliding scale, depending on the level of affordability. Additionally, **expedited review should be provided at no cost to all S.M.A.R.T. Housing developments.**

The incentives currently under consideration (permit fee waivers) should also be supplemented with additional items such as **infrastructure cost participation** and access to **low interest loans for construction**. These costs often prevent property owners from engaging in S.M.A.R.T. Housing in its current form and are not addressed in the current draft.

Infill Housing

Draft 2.0 does include incentives for income-restricted units in developments of 4 units or more. However, these density bonus areas are geographically limited. These areas should be represented throughout a greater portion of the city and should be paired with additional incentives including deeper parking reductions and exclusion from the 80' two story setback requirement.

Specifically, R4 zones should be mapped in more places as it is the most targeted towards “missing middle” infill housing types and greater consideration should be given to their role in the density bonus program.

For the most part, the proposed affordable housing development incentives seem to be calibrated more for larger, multifamily developments. If policymakers want to incentivize infill and smaller scale housing development, the incentives will need to be appropriately calibrated. Additionally, zones where smaller infill housing is allowed are largely absent from the zones being considered for density bonuses. If infill development and missing middle housing is not intended to be served by this program, then a suitable program for this housing type must be created.

Accessory Dwelling Units

In 2014, City Council provided policy direction to increase the ability to develop Accessory Dwelling Units throughout the city. It is promising to see ADUs allowed in more parts of the city in Draft 2.0 than currently allowed today. The flexibility of the ADU being located in various positions on the site and its coexistence with duplexes and accessory apartments will make it easier to preserve existing structures while providing additional housing on one lot.

However, Draft 2.0 appears to move backwards with regard to parking and still does not fully consider ADUs’ potential value as income-restricted affordable housing. The parking reductions available in the land development code today are absent in version 2.0 in direct contradiction to recent council direction. All ADUs built within ¼ mile of a transit corridor should require no additional parking as the current code allows.

The current code contains provisions for attached ADUs (also known as “internal ADUs”), provided one of the occupants is 60 years of age or older and/or physically disabled. Those provisions have been carried forward verbatim in the new draft code (23-4E-6040). Internal ADUs could provide additional affordability, without changing the character or form of existing housing. We believe removing such age and disability restrictions from this section would greatly enhance the availability of affordable housing across our city.

Although ADUs are referenced in the additional affordable housing incentives, the incentive provided is not sufficient. Detached ADUs and attached Accessory Apartments that meet S.M.A.R.T. Housing Program criteria should receive the following incentives:

- Waiver from the 80’ front property line height restriction to allow for more flexibility in building form.
- No additional parking required regardless of proximity to transit corridors.
- Extend the 5’ rear setback allowance for accessory structures to accessory dwelling units.
- Exclude ADUs from the total square footage limit on a site, allowing for it to be determined by building coverage and impervious cover.
- Remove the requirement to add sidewalks in right-of-way for a new ADU where a primary residence already exists.
- Remove occupancy restrictions including unrelated occupancy limits, on-site employment, age, and ability for any unit on site in addition to the ADU.

In order to facilitate construction of ADUs as a homeownership stabilization mechanism in rapidly gentrifying areas, the city should consider a loan program or a loan guarantee program for low- and moderate-income homeowners to make it more financially feasible for them to participate in this type of development without being displaced.

Tenant Notification & Relocation

The Austin Housing Coalition supports retaining the per day/per unit penalty for offenses, but recommends striking the requirement for proof of a culpable mental state.

We look forward to continuing to improve the affordability aspects of CodeNEXT and will continue to be engaged and provide feedback throughout the process. Thank you for your commitment to making Austin a more affordable community.

Sincerely,

A handwritten signature in black ink that reads "Nicole Joslin". The signature is fluid and cursive, with the first name "Nicole" written in a larger, more prominent script than the last name "Joslin".

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Executive Director, Austin Community Design and Development Center
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CC: Members of the Austin City Council
Members of the Planning Commission
Members of the Zoning and Platting Commission
Members of the Code Advisory Group
Elaine Hart, Interim City Manager