



**Agency Members**

July 14, 2017

- Accessible Housing Austin!
- Austin Community Design & Development Center
- Austin Habitat for Humanity
- Caritas of Austin
- Chestnut Neighborhood Revitalization Corporation
- Foundation Communities
- Greater Austin Neighborhoods
- Guadalupe Neighborhood Development Corporation
- HousingWorks Austin
- Jeremiah Program
- LifeWorks
- Meals on Wheels Central Texas
- National Church Residences
- Triple Bottom Line Foundation (ICAST)
  
- Associate Members**
- AURA
- Austin Senior CoHousing
- BETCO Consulting, LLC.
- Community Wheelhouse, Inc.
- Neighbors United for Progress

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 draft land development code text and maps through the lens of affordability and appreciate the opportunity to provide some preliminary feedback. Because the affordable housing incentives section of the draft code has only been available for a limited time, please note that these comments are preliminary and based on the information we have gathered to date.

**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 of the non-affordable units.
- Parking reductions. Excessive on-site parking requirements hinder affordability. The proposed .6 parking reduction for affordable units will provide much needed relief (particularly when coupled with additional parking reductions).

However, the Austin Housing Coalition would like to see the following **changes** to further expand availability of 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 form-based requirements in transect zones 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.
- Increased entitlements for affordable units that will allow for more family-friendly design.
  - At present, the form-based restrictions of multiplex developments would likely only produce small units, which will only serve a small portion of our affordable housing needs. Allowing for additional height and considering bedroom counts

in developments using the bonus would enable greater flexibility in serving diverse household types.

- Minimal exceptions to on-site affordability while raising the bar for off-site or fee-in-lieu options.
  - Alternatives to on-site affordability should result in affordable housing built within one-mile of the development location and/or a designated high opportunity area.
- Calculation of the affordable units should be based on the entire development, not just the bonus area provided. Calculations generally need greater transparency and clarity.
- Reduce lot size requirements for affordable developments.

#### *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*

The proposed affordable housing development incentives seem to be calibrated for larger, multifamily developments. If policymakers want to incentivize infill development and smaller scale housing, 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.

#### **General CodeNEXT comments:**

##### *Accessory Dwelling Units*

In 2014, City Council provided policy direction to increase the ability to develop Accessory Dwelling Units throughout the city. The current draft of CodeNEXT appears to move backwards. The ADU dimensions in transect zones are particularly proscriptive. The rear setbacks required under transect zoning designations render most potential sites infeasible for ADUs without complete redevelopment. Because of concerns about demolitions, the land development code should provide flexibility regarding massing between existing homes and ADUs. For example, a smaller home could be preserved on the front of the lot (thereby keeping the street front neighborhood character) with a larger ADU in the rear of the property. The draft code also does

not provide clarity regarding whether ADUs are allowed in the LDR zones (formerly SF-2). If they are not allowed, or only allowed provisionally, this likely constitutes a fair housing issue.

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.

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.

#### *Cooperatives*

Cooperatives provide an important opportunity for diverse housing types and increased affordability. The definition of a cooperative should be reflective of the local cooperative style housing. Both occupancy limits and parking reductions should accompany cooperative housing in order to facilitate affordability.

#### **Additional concerns:**

The following questions emerged in our review, which we would like further clarification on:

- How is public land designated in CodeNEXT? Are residential uses permitted? Is this an opportunity to embed affordability?
- How is development within the ETJ being addressed by the proposed code?
- How do deed restrictions factor into zoning designations?
- How will neighborhood plans be required to incorporate and address affordability?
- What measures will be taken to sufficiently calibrate incentives to ensure family-friendly affordable housing (including multi-bedroom units) will be developed?
- Should the City consider incorporating a modest per-unit fee on larger-scale developments with longer-term affordability periods to offset the increased cost of compliance and monitoring over the affordability period?

We understand that the second draft of the CodeNEXT text and maps will be available at the end of the summer for the Land Use Commissions to consider. We look forward to continuing to improve the affordability aspects of CodeNEXT and will continue to be engaged and provide feedback throughout the process.

Sincerely,



Nicole Joslin, RA, LEED AP  
2017 Chair, Austin Housing Coalition  
Executive Director, Austin Community Design and Development Center

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