



AIA Austin

August 8, 2016

The Honorable Mayor Adler
Honorable City Council members
Code Advisory Group Members
City of Austin CodeNEXT Staff

RE: CodeNEXT Code Prescription Paper #2 - Household Affordability

Dear CAG Members and CodeNEXT Staff,

AIA Austin's membership represents over one thousand local architects, designers, and allied industry members that result in unmatched experience and expertise in issues related to the built environment. Our members care deeply about the community and are very knowledgeable of the housing problems we are facing. To this end, we offer the following responses to the Household Affordability code prescriptions, including items we felt weren't addressed in this paper:

EXECUTIVE SUMMARY

• Tradeoffs

How might we increase housing supply and diversity to increase affordability while preserving what is unique and special about Austin?

- Prescription: Refining and expanding the application [of] Density Bonus programs.

Response: It is necessary to increase both the by-right density and the incentivized additional density of new development throughout the city. Only expanding density bonus programs without also increasing the "base zoning" won't go far enough toward addressing our housing shortage. Additionally, preservation should only be considered when a structure is culturally or architecturally significant. Age alone should not justify preservation.

- Prescription: Promoting housing diversity in targeted areas such as Imagine Austin Activity Centers and Corridors.

Response: Promoting diversity in a few select areas is discriminatory and counterproductive. Centers and corridors are a good start, but to adequately accommodate our growth, housing diversity should be promoted throughout the entire city.



- Prescription: Simplifying the permitting process.
Response: The new permitting process should result in a dramatic increase of by-right development. This could be accomplished with the creation of a streamlined site plan review process for small residential properties (ten units or less).
- How might we promote mobility choices to ensure affordability while enhancing and maintaining neighborhood character?
- Prescription: Integrating transit-oriented development standards into form-based code standards and applying the standards near high-capacity transition stations.
Response: There needs to be consistent TOD development standards instead of customizing them for each TOD.
- Prescription: Development standards into form-based code standards that support transportation choices such as local transit, bike infrastructure and walking.
Response: Austinites won't have real transportation choices until they have an effective public transit system. A public transit system isn't a practical choice for most people unless it's both frequent (short wait times) and useful (goes where people need to go). The transit authority will have a hard time providing frequent and useful transit service to areas that don't have transit-supportive densities, both residential and commercial. To this end, it would be appropriate to apply minimum density requirements for new development along identified Core and Future-Core Transit Corridors. Development standards would need to be written in a way that offer flexibility in meeting this minimum density, including allowing more fine-grained, small lot development, and discouraging huge "megablock" projects.
- Prescription: Reducing parking minimums in areas targeted for compact development.
Response: It would also be beneficial to reduce parking minimums city-wide. This mass-reduction in parking requirements would allow areas to naturally and gradually evolve into compact and connected areas over time, whereas maintaining current parking minimums will only perpetuate car-oriented development. This will also encourage citizens to use public transit.
- How might we have an efficient development review process while ensuring development meets all code requirements?
- Prescription: [Revising] the organization of the Land Development Code and eliminating conflicting code prescriptions.
Response: In addition to eliminating conflicting codes, it will be important to eliminate subjective requirements. Design professionals should not be put in a position that could be interpreted as lobbying in order to navigate an unpredictable review process.



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- How might we create affordability while supporting environmental regulations?
- Prescription: [Maintaining] the environmental regulations as identified in the Natural and Built Environment Code Prescription.
Response: It's unclear how any of the environmental regulations in the NBE paper addressed, let alone "created", affordability. In fact, many of the proposed requirements placed additional financial burdens on new urban infill developments, of which these costs would typically be passed on to the resident; this would lead to developments becoming increasingly less affordable.

- How might we promote affordable housing, and venues for small business and cultural arts while supporting the character of our existing neighborhoods?
- Prescription: Allowing for retail and commercial uses by right, including culture and creative uses, in areas where form-based zones have been applied.
Response: Agreed, except to say that all areas of the city would benefit from by-right development of cultural and creative uses. This should not be limited to the few form-based zones.

- Prescription: Revising the Density Bonus Program in targeted areas by adding preservation of an existing creative venue or business as a Community Benefit.
Response: While the intent is clear, it is not evident how this prescription will be implemented. What entity would be in charge of assessing/determining the existing creative venues or businesses? Why would the city want to get into the business of selecting which venues are "good" or worth preserving? This prescription sets up a slippery slope.

- Prescription: Expand the opportunity for live/work units in form-based code districts.
Response: Live/work units are a very efficient use of land and have the greatest reduction of VMT; commuting is almost eliminated entirely. They will be a critical part of Austin's transformation into a compact and connected city, and we should embrace this typology throughout the city not just in Centers and Corridors.

INTRODUCTION

"Based on the goals of Imagine Austin and best practice research, this Code Prescription recommends addressing affordability through CodeNEXT by":

- Prescription: Improving the alignment between land use and transportation, including placing more diverse housing options in and around Imagine Austin Centers and Corridors; near transit, bike, and pedestrian infrastructure; and developing a comprehensive and coordinated approach to addressing parking needs.
Response: Agree, but we should also allow these community benefits throughout the city.



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- **Prescription:** Promoting opportunities to increase the housing supply with different types, sizes, and diversity of product throughout Austin in a manner that supports existing communities and provides households with more choices.
Response: It is encouraging to see this prescription talk about diversity of housing choice throughout Austin, and not just limit it to Centers and Corridors. What are these opportunities?
- **Prescription:** Improve the development review process so that it is more efficient and less costly for projects that provide increased housing types and choices to receive expeditious approval by the City.
Response: This prescription should essentially create by-right development standards. Projects permitted through this process would simply check off the boxes and avoid all subjective requirements. A big step in the right direction would be to implement a “site plan light” review process for smaller residential projects.
- **Prescription:** Balancing the needs of affordability with other public needs and values.
Response: This needs clarification - it suggests we might compromise affordability for unknown “needs and values”.

The Tools

- Density Bonus
- Form-Based Code
- Land Development Standards
- Missing Middle Housing
- Parking Requirements

Response: MISSING: “Mapping” - City of Austin has authority to map the new LDC on parcels which, in addition to the items above, has the most direct impact on household affordability when viewing H+T cost at a macro scale. It is for this reason that we strongly urge the CodeNEXT team, in conjunction with city staff, to map the new form-based transects across the entire urban core. Household affordability is a big problem, and we don’t have time to wait for all corners of the city to “opt-in” to a solution.

DIVERSITY OF PEOPLE AND BUILDINGS

Tradeoffs

Response: Overall, this is a great summary of the argument for Missing Middle housing, the ways it can help with affordability, and how it can fit within existing neighborhoods. However, there doesn’t seem to be any true tradeoffs proposed here. The CodeNEXT team need not be so apologetic about introducing Missing Middle at a decisively higher intensity development pattern than the existing neighborhood context, especially when a neighborhood is within the urban core of Austin.



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The fact that there are still low-density zoning categories such as SF-2 parcels in a central neighborhood like Allandale is an anomaly, and it would be inappropriate for a new LDC to mandate new construction that fits into this outdated built environment. There is a clear tradeoff that must occur: trade the quaint, existing neighborhood aesthetic for abundant housing.

Density Bonus Program

- **Prescription:** The revised code will replace the existing inconsistent density bonus programs with a new program to cover Imagine Austin Centers and Corridors where larger buildings are deemed acceptable. This should align with Federal Transportation Agency (FTA) criteria, which contemplates both the existing stock of affordable housing and the policies and programs to increase and sustain the supply at specific affordability levels. This is important because alignment with FTA criteria is essential should Austin seek federal funding to support future transit investments. The testing conducted at the Sound Check utilizing Envision Tomorrow preliminarily indicated that such programs would be feasible (allowing projects to be financially feasible while also producing affordable housing benefits) in a number of corridors and centers throughout Austin.

Response: A consistent application of density bonus programs is a positive goal. More clarity is needed to understand how the new programs will be implemented; i.e. will UNO be replaced in its entirety, or only within a certain distance of Guadalupe Street?

- **Prescription:** A second type of density bonus program will be available in and around Imagine Austin Activity Centers and Corridors with access to transit where smaller buildings with height and bulk appropriate to their neighborhood context are more appropriate. This “density bonus” could take the form of allowing more units within the same size building height and bulk.

Response: This secondary density bonus program will be unsuccessful if there isn't first an across-the-board up zoning of the base zoning district. The current housing shortage demands more market-rate housing, by-right, in all areas of Austin, including along Centers and Corridors, and within existing single-family neighborhoods. For example, to illustrate this point, the new code should not mandate single-family homes in a certain district, and only allow Missing Middle scaled housing as a “bonus”. Existing single-family districts in the urban core should be effectively upzoned to allow Missing Middle housing by-right, and allow even higher intensity with incentives.

Diversity of Housing Choice

- **Prescription:** Promote diversity of housing options in targeted areas such as Imagine Austin Activity Corridors and Centers that have more transportation choices. During the mapping phase, Missing Middle will likely be focused within, and in “transition zones” along Activity Centers, along Activity Corridors. When considering appropriate zoning categories during the mapping phase, consideration will be given to the local context such as the type of neighborhood and other characteristics such as natural features.



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Response: It isn't sufficient to diversify housing options in a narrow slice of "transition zones" along Centers and Corridors. The entire city is suffering from a lack of housing options, and Imagine Austin calls for these diverse neighborhoods across all parts of the city; the Missing Middle housing options must be available throughout the urban core. Austin's Strategic Housing Plan also clearly indicates that low-income communities are being displaced throughout the city. This is not a localized problem, so why a localized solution?

- Prescription: Provide a more diverse set of housing options within most form-based code districts; some will include a range of Missing Middle types that correspond with building forms appropriate for the walkable context.

Response: *Missing Middle housing types should be an available option in even the least intense form-based district. Missing Middle housing should also be made available outside of form-based districts by way of Euclidean development standards.*

- Prescription: Adjust lot size minimums and maximums in the form-based code districts to accommodate a diversity of housing options including Missing Middle building types.

Response: *Consider the other development standards that need to be adjusted to accommodate Missing Middle housing: lot area per unit, setbacks, parking minimums, FAR, impervious cover, etc.*

- Prescription: Simplify the permitting process for Missing Middle projects between 3 and 10 units when they adhere to the form-base standards in the code. The new code may be applied in a manner that takes account of the physical form and character of a neighborhood, rather than applying a one-size-fits-all approach uniformly across all residential neighborhoods.

Response: *Ideally, the site plan permit could be obtained by-right for Missing Middle projects, eliminating any subjective interpretation of code and essentially creating a "checklist" process that creates predictability. However, "character" is a nebulous term, and creating many unique code applications that try to account for all of the different existing neighborhood forms is futile. Consider that our current LDC is a mess specifically for this reason; we created different regulations for different areas of the city. This leads to unpredictability and confusion for all parties.*

Fair Housing

- Prescription: Pursuant to the City of Austin's Fair Housing Action Plan, the revised code will maintain, expand, and revise density bonus programs to:

- Align bonus programs and formulas for calculating the number of units, accessibility requirements, the affordability periods, and on-site requirements. This will require economic analysis to calibrate the required community benefits.



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- Incentivize and provide additional opportunities for housing units with two bedrooms or more particularly in high opportunity areas, which typically include access to [education,] jobs, transportation, and positive environmental conditions. These factors can limit or expand a person's social mobility, potential, and even life expectancy.
Response: Agree, but it is unclear how the new code would incentivize housing units with two or more bedrooms. Under this new density bonus program, would two or three bedroom housing units be seen as a community benefit, similar to providing below market-rate units?
- Prescription: Pursuant to the City of Austin's Fair Housing Action Plan, land use and regulatory requirements will be modified to expand housing choice and reduce housing access barriers:
 - Provide a more refined set of zoning districts, transect and use-based, that replace the complicated "opt-in, opt-out" regulations and process in order to affirmatively further fair housing choice throughout Austin.
Response: Replacing the opt-in, opt-out regulations in an effort to affirmatively further Fair Housing choice is only going to be successful if it actually increases housing choices. The "more refined set of zoning districts" shouldn't be used to replicate existing development patterns, but should in fact create abundant housing options in high opportunity neighborhoods. This prescription suggests conflicts to some neighborhood plans. Will plans be rewritten to align themselves with CodeNEXT as part of this process?

COMPACT COMMUNITIES AND AFFORDABILITY

Density Limits

- Prescription: In the form-based districts, density will be addressed by the form standards contained within each district. These standards include building placement, height, mass, impervious cover, parking placement, lot width, open space, landscaping and so on. These standards will allow for appropriate built forms to be developed to fit the context of the neighborhood while allowing additional supply and diversity of housing types.
Response: Impervious cover should not be the only measure of a development's impact on flooding. The new code should include an alternative performance-based metric, combining runoff calculations and soil characteristics, since these measurements give a more accurate picture of flooding impacts.
- Prescription: Reduce the minimum lot size requirement to promote Missing Middle housing. New lot size standards will be incorporated into each form-based district that is supportive of the various neighborhood contexts. Rather than minimum lot size standards, the form-based code districts will include minimum and maximum lot width and depths, build-to areas, and building placement standards. In the use-based Single-Family and Multifamily zoning districts, the lot sizes will be reduced in certain contexts to promote Missing Middle residential uses as well as fit within the context of the neighborhood.



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Response: It is encouraging to hear strategies for used-based districts since they will inevitably remain the majority of properties under the new code. How would the new code address lot sizes (widths and/or areas) in an existing central neighborhood that currently mandates single-family construction on large lots? At a certain point it should be accepted that new code standards would be at odds with traditional development patterns; change is necessary and unavoidable.

- Prescription: Maintain the Minimum Site Area requirements. These requirements, found at Sections 25-2-560 through -563 of the Land Development Code, limit the number of dwelling units on a site by requiring a certain amount of square footage of site area for each type of unit. The presence of this requirement has proven to be a significant incentive for projects to participate in the Vertical Mixed Use (VMU) program. The requirements should be evaluated, however, to determine whether the application of the requirements is adversely impacting the development of housing with two or more bedrooms.

Response: It's unclear why this measurement is important in the new code, given the other criteria listed above. If we define the built form with height, mass, build-to lines, etc, then why does it matter how many dwelling units are contained within the project? If the intent is to result in more units with two or more bedrooms, then it may be better to incentivize those units by offering additional entitlements to the developer. This will allow development to meet market demands in terms of unit mixes, and also increase the absolute number of family-friendly units if the carrot is big enough.

Compatibility and Transitions

- Prescription: See the Code Prescriptions identified in the Natural and Built Environment Code Prescription on pages 22-23.

Response: See AIA Austin's response to NBE Code Prescription for feedback.

- Prescription: Evaluate the impacts of compatibility standards in the use-based districts on household affordability, especially affordable housing.

Response: Consider exemptions from all compatibility standards if there is a demonstrable community benefit, including on-site subsidized housing.

MOBILITY, LAND USE, CONNECTIVITY AND AFFORDABILITY

Mobility and Affordability

- Prescription: Integrate transit-oriented development standards into form-based code standards and apply these standards near high-capacity transit stations. These standards include building form and placement, reduced parking requirements, parking amount and location standards, diverse and compact lot sizes, adaptable buildings that accommodate shifting markets and uses, connectivity requirements including interconnected streets and walkable block sizes, and a diversity of uses that promote complete communities.



Response: Parking requirements should be eliminated entirely from TOD and high-capacity transit areas. This would benefit renters and owners by avoiding the burden of higher development costs, and benefit the transit service by ensuring the new residents actually use the transit.

- **Prescription:** The CodeNEXT team will recommend that these standards be applied in the higher intensity form-based districts such as T4 and T5, applied to centers and corridors and areas that are within a 1/2 mile of high-capacity transit stations, rail, and bus rapid transit stations, and will consider the context of the adjacent community. This decision will ultimately rest with the City Council during the “mapping” of the zoning code.

Response: Consider expanding these standards to include all Core and Future-Core Transit Corridors. This would encourage more frequent and useful transit service delivered to many areas that were planned for high-capacity transit, but are unable to build out the required level of density to support that service due to zoning restrictions.

- **Prescription:** In addition to the standards for transit-oriented development, T3 zones and higher will have development standards and uses that support transportation choices including local and express bus, bike infrastructure, and walking. Along certain activity corridors, urban districts such as T4 and higher will support walkable access to services, particularly along corridors that are within walking distance (1/2 mile or less) to bus stops.

Response: All land within the City of Austin should have the goal of supporting transportation choices - not only the land zoned with form-based code transects.

Parking and Affordability

- **Prescription:** Reduced Parking Minimums: CodeNEXT will recommend that the revised code will have reduced parking minimums in areas of the city targeted for compact development, especially when those areas have public transit and other mobility choices. Parking reductions in these areas will happen within the local context, taking into account the type of street and street network available as well as surrounding development and uses. In order to further incentivize reduced parking where appropriate:

- Include a bonus system where, in exchange for providing a public benefit such as affordable housing or community open space, a developer could choose the next most restrictive level of parking for their zoning category and provide fewer spaces than would otherwise be required.
- Reduce parking minimums near high-frequency transit stops.
- Waive minimum parking requirements for developments that build all of their units as affordable housing near transit stops including local bus.

Response: The proposed reductions in parking minimums are not the progressive solution that is needed. Consider the following additions and/or modifications to the list above:

- *Eliminate parking requirements entirely within the urban core.*



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- *Eliminate parking requirements in residential buildings for the first 30 units, with an incremental requirement for each unit thereafter.*
- *Eliminate parking requirements when a building is under 10,000 square feet and within a half mile of a Center or Corridor.*
- *Enact parking maximums within the CBD.*
- *Offer additional development entitlements for a reduction in parking.*

QUALITY, SAFE AND AFFORDABLE NEIGHBORHOODS

● Development Review Process

- Prescription: CodeNEXT will re-organize and reformat the Land Development Code to make code requirements clear and understandable. For example, as stated in the Natural and Built Code Prescription, site development and building design standards will be integrated into the base zoning district.
- CodeNEXT will, to the greatest extent possible, eliminate, consolidate, or restructure conflicting code provisions to increase the simplicity of applying the new code.
- CodeNEXT will provide a more refined set of zoning districts, (form-based and conventional) which replaces the complicated “opt-in, opt-out” regulations and process.

Response for all prescriptions under this subtopic: It is still unclear which current code provisions will be eliminated and/or integrated into the new code. This will have a tremendous impact on the built environment, and the look and feel of the code from the design side of a project. However, regardless of which current regulations are integrated into the new code, and even if all of them are integrated, the CodeNEXT mapping process will only serve to further complicate the development review process as is currently proposed. If the form-based districts are limited to Centers and Corridors, but a large majority of the city still operates under a use-based code, then Development Services Department could end up more confused than they are now. We urge the CodeNEXT team to consider supporting the mapping of the entire urban core.

● Environmental Regulations

- Prescription: Maintain the context-sensitive prescriptions identified in the Natural and Built Environment Code Prescription on pages 10-12 and 15-17.

Response: See AIA Austin’s response to the NBE Code Prescription paper for feedback.

● Affordability Impacts to Small Businesses and the Cultural Arts

- Prescription: Allow for compatible retail and commercial uses by right including arts, culture and creative uses such as rehearsal, gallery, studio, performance or exhibit spaces and offices in areas where form-based zones have been applied and a diversity of uses is desired. This includes adequate commercial space allowances in corridors, centers, and in between these areas and neighborhoods.

Response: It’s also beneficial to allow small, local businesses to locate along the edges or at certain street intersections within established neighborhoods. This would create more vibrant, complete communities, instead of locating these small businesses solely on Centers and Corridors in form-based zones.



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Affordability has risen to the top of most Austinite's concerns; many are calling it a crisis. Given the magnitude of this issue, and the potential for CodeNEXT to address some of the underlying structural issues, we feel it is imperative to increase the scope of mapping to a broader area. The form-based code should be mapped at least on the entire urban core, which is taken roughly to mean the "McMansion" boundary. This would allow all of the positive recommendations in the prescriptions to be available to many more Austinites.

Lastly, instead of using the ambiguous term "affordable housing," consider using the alternative language of subsidized and unsubsidized housing to clarify what is being discussed. To this end, it's worth noting that middle-income earners are also greatly affected by the affordability crisis. The typical MFI household cannot afford the median-priced home in Austin, yet many of these prescriptions overlook this reality, and focus entirely on incentivizing subsidized affordable housing for low-income residents. While this is absolutely a worthy cause, it creates many new programs, systems, and regulations that require time, energy, and money to implement and oversee. The market can effectively meet the price point of a middle-income family without complicated programs, and this LDC rewrite should simplify things to allow this to happen. A healthy across-the-board "upzoning" of the urban core is the first step toward this end, and any density bonus programs should only be applied in addition to (not in lieu of) the increased entitlements.

We are largely encouraged by the proposed code prescriptions outlined in this paper. AIA Austin appreciates the efforts put forth by the CodeNEXT team and looks forward to continuing this conversation to help provide Austinites with more affordable housing and transportation options.

Sincerely,

Jim Susman, AIA
President, AIA Austin