

Proposed Compatibility Unit Capacity Analysis Result and Methodology

Staff conducted an update the quantitative analysis completed in 2023 to estimate the change in total land area impacted by compatibility and the potential change in unit capacity due to the proposed modifications to compatibility standards. The objective of the analysis was to understand how the proposed changes may impact the potential unit capacity on multifamily and mixed-use properties and to see where the impacts of the proposed changes are the greatest. A unit capacity analysis is a projection of how many housing units could be built in a community if every property were to develop or redevelop under existing zoning regulations. To estimate the impacts on unit capacity, staff calculated the potential unit yield using the existing compatibility height restrictions and compared it with the potential unit yield using the proposed compatibility height restrictions.

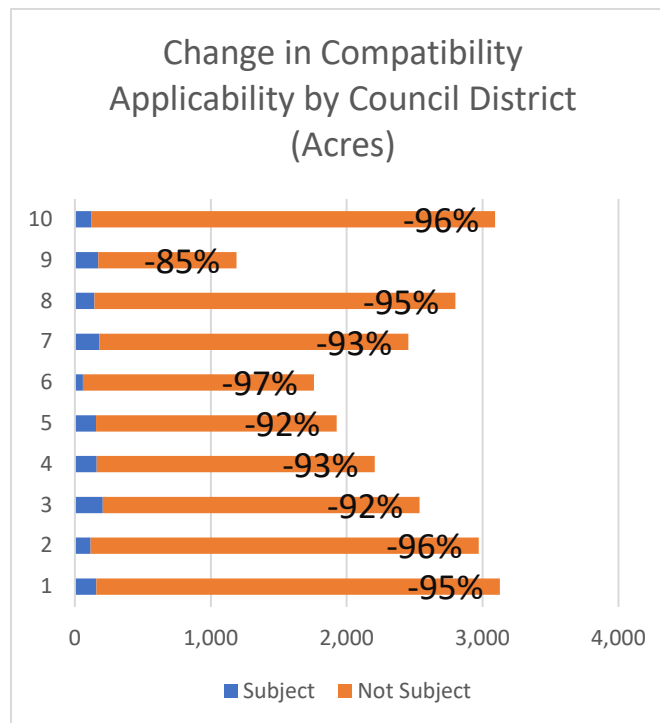
Results

Total Land Area Impacted by Compatibility

Staff estimated the total area of properties subject to the current citywide compatibility standards, the area of properties that would be subject to the proposed standards, and the percent change in area impacted by compatibility.

Total Sq. Mi of Subject Properties Impacted by Current Compatibility	Total Sq. Mi of Subject Properties Impacted by Proposed Compatibility	Percent Change of Subject Properties Impacted by Compatibility
75.4	4.6	-93.4%

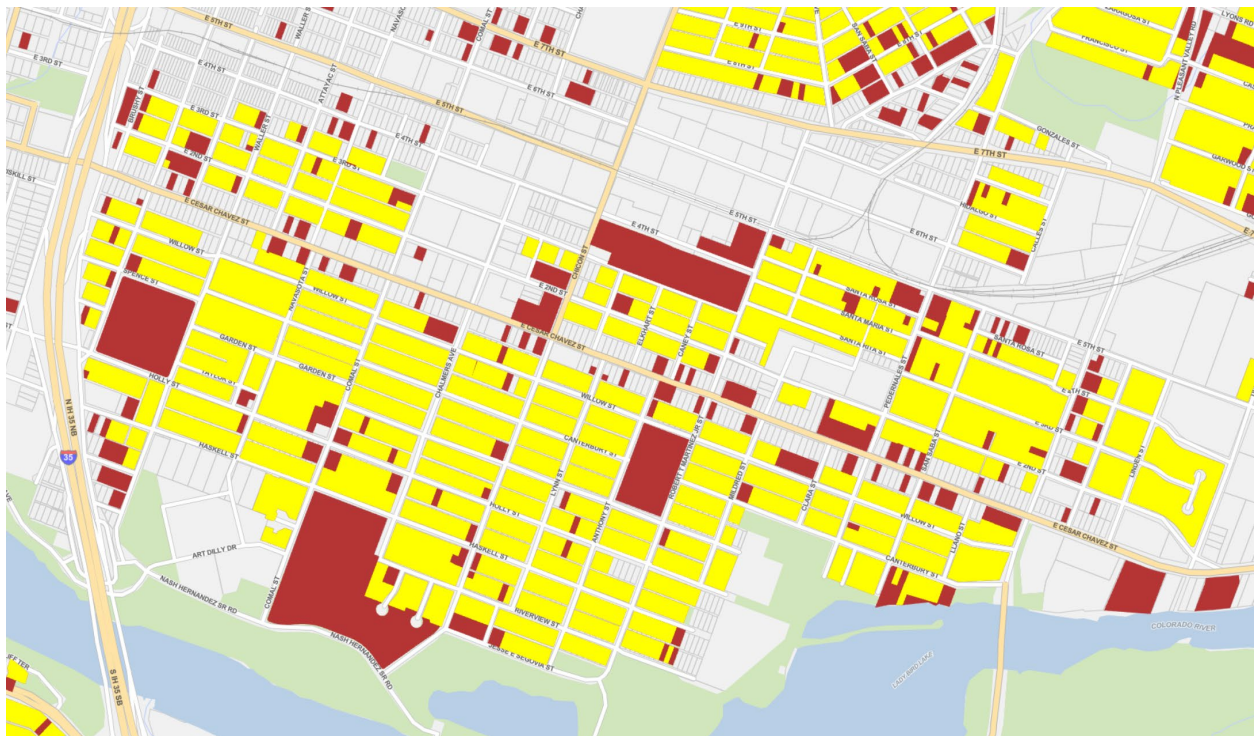
Staff analyzed the change in area impacted by compatibility within each Council district. The change ranged from a low of 85% in District 9 to a high of 96% in Districts 10 and 2.



Current compatibility buffers may, in some instances, allow for heights beyond those allowed under the base zone. For the purposes of this area analysis, properties which are allowed to reach their maximum height under compatibility standards were included. This means that while compatibility does apply to these areas, there may not be a significant loss of development potential in all areas.

Number of Triggering Properties

As proposed, the scope of properties that trigger compatibility standards has been narrowed to ensure properties are both zoned and used as low-density housing. The current compatibility standards are triggered by properties that are zoned as SF-5 or more restrictive OR contain a use allowed within an SF-5 or more restrictive zoning district. In many instances, uses such as schools and public parks are on properties zoned SF-5 or more restrictive, thereby triggering compatibility. This reduces the unit capacity of neighboring properties adjacent to these essential services. By changing the definition to ensure properties are both zoned and used as low-density residential, the number of triggering properties was reduced by approximately 33%. See the map below, where properties meeting the proposed definition of triggering property are shown in yellow, and existing triggering properties that do not meet the proposed definition are shown in red. As seen, many larger parcels, including four schools and city parkland are identified as triggering properties as well as existing single-family properties within commercial or multifamily zoning districts.



Unit Capacity Impacted by Compatibility

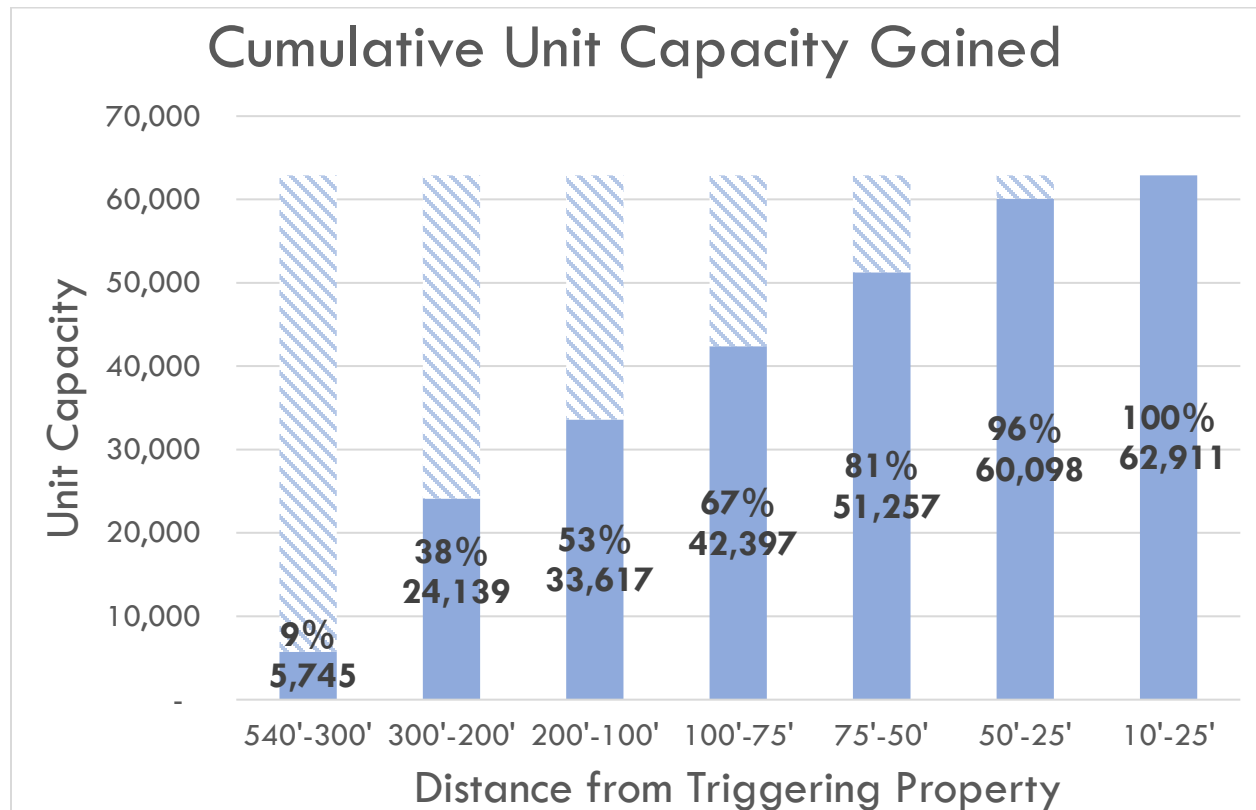
The area impacted by compatibility provides an overall idea of the scale of the proposed changes. However, to grasp how compatibility impacts housing production, it is essential to consider the unit capacity that may be lost due to the height restrictions.

Staff conducted a quantitative analysis to estimate the change in total land area impacted by compatibility and the potential change in unit capacity due to the proposed modifications to

compatibility standards. The objective of the analysis was to understand how the proposed changes may impact the potential unit capacity on multifamily and mixed-use properties and to see where the impacts of the proposed changes are the greatest. A unit capacity analysis is a simplistic projection of how many housing units could be built in a community if every property were to develop or redevelop under existing zoning regulations. To estimate the impacts on unit capacity, staff calculated the potential unit yield using the existing compatibility height restrictions and compared it with the potential unit yield using the proposed compatibility height restrictions. Due to the complexity of zoning regulations, broad assumptions are always necessary to perform a citywide capacity analysis – these assumptions are explained in the detailed methodology.

Estimated Total Unit Capacity Gained

The chart below shows the estimated unit capacity gained at each buffer distance for subject properties along with the cumulative percentage when each row is added to the previous ones. This cumulative percentage loss helps gauge where the impacts of the reduced applicability of compatibility standards are greatest as well as the impacts of the increased height allowances within the proposed compatibility standards. Unit capacity is estimated to increase by over 62,000 units due to the proposed compatibility standards relative to the current restrictions. Over 42,000 of those estimated units are gained in distances beyond the proposed applicability of compatibility of 75 feet. An additional 20,000 units are gained within the 75 feet compatibility buffer, where additional height allowances are proposed. Units gained due to the general changes to the applicability of compatibility and definition of a triggering property are scattered throughout this chart.



Estimated Total Unit Capacity Gained in Small-Scale Multifamily Zones

In [Resolution No. 20230608-045](#), which initiated changes to citywide compatibility standards, City Council directed staff to create an exemption for development of 16 or less dwelling units. In response to this direction, staff proposed an exemption for development of uses that are permitted in MF-3 or more restrictive zoning district that comply with MF-3 or more restrictive zoning district site development standards. To analyze the impacts of this exemption, staff researched the extent of current compatibility standards on MF-3 and less restrictive zoning districts where compatibility currently applies. The results, which found that over 16,000 properties will no longer be subject to compatibility, are summarized below.

Zoning District	Units Gained	Properties No Longer Subject to Compatibility
SF-6	≈ 336	5,008
MF-1	≈ 141	639
MF-2	≈ 1,775	5,751
MF-3	≈ 2,491	5,229
Total	≈ 4,745	16,627

Nearby Amenities and Transit

In Imagine Austin, the community articulated a vision of complete communities – where residents can live, work, and play conveniently within their neighborhoods. Central to this vision is the idea of providing more housing opportunities in close proximity to essential services and amenities. This approach not only enhances access to basic necessities but also promotes sustainable development patterns that reduce reliance on automobiles and encourage walking, cycling, and the use of public transportation. Changes to compatibility aid in this goal by providing more housing opportunities close to essential services and amenities such as parks and childcare facilities. As seen in the table below, over 56,000 additional housing units could be located within a half mile of one or more of these daily needs.

Amenity	Estimated Unit Capacity Gained Within Half Mile	Percent of Total Capacity Gained
Grocery Stores	≈ 26,968	43%
City Parks	≈ 52,457	83%
AISD Public Schools	≈ 39,095	62%
Childcare Facility	≈ 43,854	70%
Near One or More Amenities	≈ 56,681	90%
Near Two or More Amenities	≈ 49,911	79%

ETOD Density Bonus

By separate ordinance, staff has proposed modifying compatibility standards for properties participating in the Equitable Transit Oriented Development (ETOD) Density Bonus combining district. This relaxation would allow a participating development to reach 90 feet in height after 50 feet in distance from a triggering property while maintaining requirements for the compatibility buffer and screening, similar to the provisions adopted for the [Density Bonus 90 \(DB90\) combining district](#). This change allows for additional units to be located along Phase 1 Light Rail lines, which increases competitiveness for funding opportunities and future ridership of the light rail system. Analysis of the proposed modification of the compatibility standards indicate there could be an additional 8,180 unit capacity through the increased

height allowance. This increase in potential unit yield, creates an additional affordable housing unit capacity of up to 1,227 units depending on income levels.

Distance from Triggering Property	Proposed Applicability	
	Units Gained	Allowed Height (In Stories)
0 - 10	0	0
10 - 25	0	0
25 - 50	≈ 3,217	7
50 - 75	≈ 4,963	10
Total	≈ 8,180	

Note: The change in compatibility proposed for properties participating in the ETOD Density Bonus program are not included in the overall citywide analysis as they are being considered by separate ordinance.

Impacts to High Opportunity Areas, Displacement Risk Areas, Vulnerable Populations, and Naturally Occurring Affordable Housing

To evaluate the impact compatibility standards have on different populations, staff used existing datasets based on a range of demographic and housing market data. The data and geography for High Opportunity Areas is based on the Austin Strategic Housing Blueprint and data from Opportunity360, a national database of opportunity metrics developed by Enterprise Community Partners. Both the Vulnerable Areas and Displacement Risk Areas typologies were developed by the Uprooted Report, published by the University of Texas in partnership with the City of Austin. Staff used a dataset of Naturally Occurring Affordable Housing (NOAH), as defined by the Housing Department, to evaluate impacts to existing residential units.

Compatibility has functioned as an exclusionary tool that perpetuates existing patterns of segregation, reducing housing choice within High Opportunity areas by limiting height of multifamily developments. Further, High Opportunity areas heavily overlap with stricter watershed regulations that limit development yield, creating less potential housing capacity in these areas. However, the proposed modifications to compatibility standards are estimated to increase capacity by over 10,000 units in High Opportunity areas without impacting watershed regulations. The proposed reduction in compatibility standards for properties participating in the ETOD Density Bonus program will create additional increases in the unit capacity, and affordable unit capacity, within High Opportunity areas and adjacent to transit.

Staff acknowledges that the proposed reduction in compatibility standards will increase development pressure on existing multifamily uses and Vulnerable Areas and Displacement Risk Areas. Housing staff identified NOAH complexes in Austin, defining NOAH as non-subsidized complexes with rental rates at or below 2023 60% Median Family Income. The analysis found that NOAH is evenly distributed across the city, with the highest number of NOAH complexes in Council Districts 9, 4, 3, and 5. Housing staff

estimate that 252 of these NOAH complexes will see a full removal of compatibility with the largest share of these complexes in Districts 4, 9, and 3. The proposed changes to compatibility will increase unit capacity within Vulnerable Areas by over 37,000 units, representing 60% of the units gained by the modification. The City of Austin's Displacement Risk Index defines four categories of displacement risk: Active, Vulnerable, Chronic, and Historic. Active and Vulnerable areas have the highest displacement risk, with Chronic and Historic representing areas that have already undergone significant displacement and neighborhood change. Areas of higher displacement risk, (Active, and Vulnerable) will see 39% units gained by the modification. This significant portion can be explained, in part, by the fact that almost one third (32%) of subject properties are in areas of higher displacement risk . Areas classified with comparatively lower of displacement risk (Chronic, Historic, and Stable), will see 59% of the increase in estimated unit capacity.

Methodology

Definitions-

Unit Capacity

Unit capacity refers to an estimation of the maximum number of dwelling units a particular property could theoretically hold after redevelopment. In this analysis, staff considered development standards under § 25-2-492 - SITE DEVELOPMENT REGULATIONS, impervious cover, and applicable density bonus programs. However, the analysis did not consider site-specific factors which may constrain development such as floodplains or topography. A limiting factor of 60% was applied to account for these factors on development generally.

Triggering Properties:

Existing Compatibility Standards: According to Title 25, Chapter 2, Subchapter C, Article 10. Compatibility Standards, height limitations for a structure are triggered based on proximity to properties “zoned SF-5 or more restrictive district or on which a use permitted in an SF-5 or more restrictive zoning district is located.” To identify properties that trigger compatibility, staff used an internal Land Use database to find properties that are zoned SF-5 or more restrictive or have a current use permitted in an SF-5 or more restrictive zoning district.

Proposed Compatibility Standards: The proposed definition of a triggering property is a property zoned SF-5 or more restrictive and developed with 1-3 dwelling units. Staff used an internal Land Use database to select properties meeting this definition.

Subject Properties:

Existing Compatibility Standards: To locate properties subject to compatibility, staff selected all properties in SF-6 and less restrictive zoning districts. Staff removed properties within CBD and DMU zones, which are exempt from compatibility standards.

Proposed Compatibility Standards: To locate properties subject to compatibility, staff selected all properties in MF-4 and less restrictive zoning districts. Staff removed properties within CBD and DMU zones, which are exempt from compatibility standards.

Compatibility Buffers:

Existing Compatibility Standards: From the triggering property layer, buffers were created at 10 feet, 25 feet, 50 feet, 75 feet, 100 feet, 150 feet, 200 feet, 250 feet, 300 feet, 400 feet, and 540 feet, where compatibility ends. Using the buffers created from the triggering properties, subject properties within 540 feet were selected. These impacted properties were then divided using the buffering distances, which allowed staff to determine impacts to capacity as described below.

Proposed Compatibility Standards: From the triggering property layer, buffers were created at 25 feet, 50 feet, and 75 feet, where the proposed compatibility standards end. Using the buffers created from the triggering properties, subject properties within 75 feet were selected. These impacted properties were then divided using the buffering distances, which allowed staff to determine impacts to capacity as described below.

Impacted Property:

A subject property that falls within a compatibility buffer.

Unit Capacity Calculation

To estimate the unit capacity, staff performed the following steps on all subject property land area in the compatibility buffer:

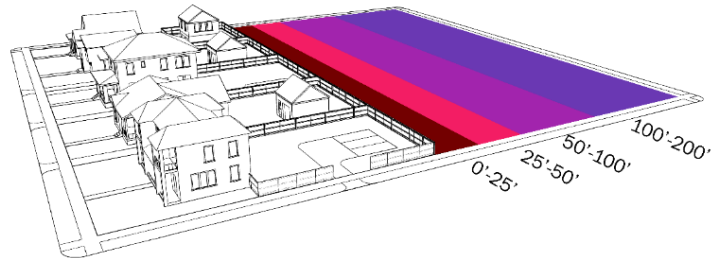
1. Calculated the area in each existing compatibility buffer.
2. Multiplied the area in the compatibility buffer by the permitted heights and maximum building coverage allowed by the zoning district. Adjusted the maximum building coverage to account for watershed regulations.
3. For properties where residential development is an allowed use, the result was divided by an average unit size of 1,200 sf or adjusted to dwelling units per acre requirements if applicable to calculate the housing capacity permitted by current zoning.
4. Applied a general limitation factor of 60% to the potential unit capacity to account for other regulations such as floor to area ratio and front or side yard setbacks. To account for rear yard setbacks that reduce developability within the 10 foot compatibility buffer, staff modified the permitted height to zero for all zoning districts that require a rear yard setback.
5. Repeated steps 2-4 but modified the allowable height to the maximum height allowed under existing compatibility standards.
6. Subtracted the estimated number of units allowed under existing compatibility standards from the estimated units permitted by current zoning.
7. Repeated steps 1-5 but modified the allowable height to the maximum height allowed under the proposed compatibility standards.
8. Subtracted the estimated number of units allowed under proposed compatibility standards from the estimated units permitted by current zoning.
9. Subtracted the result of step 8 from the result of 6 to identify the unit capacity gained back from proposed compatibility standards.

The following graphics illustrate how this calculation works on an example site. The example site is in the urban watershed, so step 3 in the list above was not needed because no adjustments were needed to the maximum building coverage.

Example Property:
 Size: 106,764sf
 Zoning: CS-MU

Max Height: 60 ft, 5 stories
 Max Building Coverage: 95%
 Limitation Factor: 60%
 Rear Setback: 0 ft

Compatibility Buffer Area	
10	5,341
25	8,010
50	13,350
75	13,348
100	13,346
200	53,369



Step 1: Calculate the area in each existing compatibility buffer

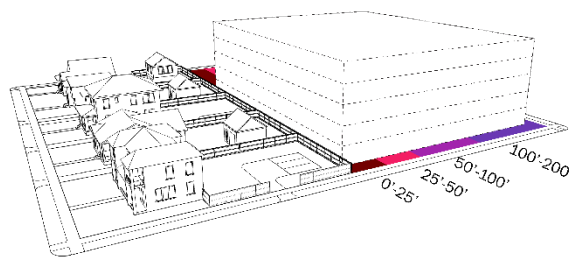
Step 2: Multiplied the area in the compatibility buffer by the permitted heights and maximum building coverage allowed by the zoning district. Adjusted the maximum building coverage to account for watershed regulations.

Step 3: Divided the result by an average unit size of 1,200 sf or adjusted to dwelling unit per acre requirements if applicable to calculate the housing capacity permitted by current zoning.

Step 4: Applied a general limitation factor of 60% to account for other regulations such as setbacks, and floor-area ratios (FAR). To account for zoning setbacks that significantly reduce developability in the 25-foot setback, even without the compatibility buffer, staff applied a limitation factor of 30%.

Estimated Unit Capacity from Base Zoning Standards

- 0' – 10': $((5,341\text{sf} \times 5 \times .95)/1,200) \times .6 = 8$ units
- 10' – 25': $((8,010\text{sf} \times 5 \times .95)/1,200) \times .6 = 10$ units
- 25' – 50': $((13,350 \times 5 \times .95)/1,200) \times .6 = 20$ units
- 50' – 75': $((13,348 \times 5 \times .95)/1,200) \times .6 = 20$ units
- 75' – 100': $((13,346 \times 5 \times .95)/1,200) \times .6 = 20$ units
- 100' – 200': $((53,369 \times 5 \times .95)/1,200) \times .6 = 80$ units

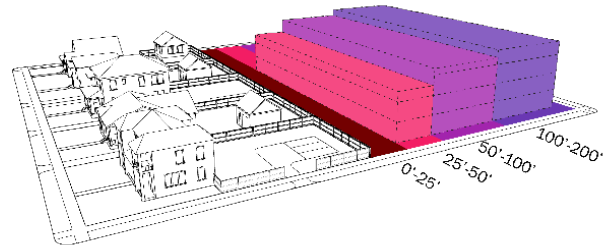


Total Units: 160

Step 5: Repeated steps 2-4 but modified the allowable height to the maximum height allowed under existing compatibility standards.

Estimated Unit Capacity from Compatibility Standards

- 0' – 10': $((5,341\text{sf} \times 0 \times .95)/1,200) \times .6 = 0$ units
- 10' – 25': $((8,010\text{sf} \times 0 \times .95)/1,200) \times .6 = 0$ units
- 25' – 50': $((13,350 \times 2 \times .95)/1,200) \times .6 = 8$ units
- 50' – 75': $((13,348\text{sf} \times 3 \times .95)/1,200) \times .6 = 12$ units
- 75' – 100': $((13,346\text{sf} \times 3 \times .95)/1,200) \times .6 = 12$ units
- 100' – 200': $((53,369 \times 4 \times .95)/1,200) \times .6 = 64$ units



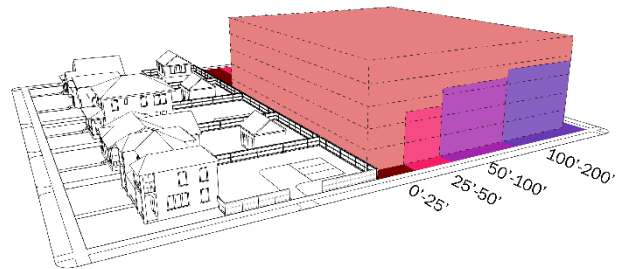
Total Units: 96

Step 6: Subtracted the estimated number of units allowed under existing compatibility standards from the estimated units permitted by current zoning.

Difference in Zoning Capacity and Current Compatibility

- Estimated Unit Capacity Permitted in Zoning: 160
- Estimated Unit Capacity in Current Compatibility: 96

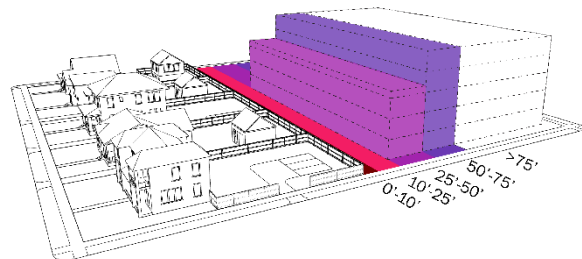
Total Units Lost: 64



Step 7: Repeated steps 1-5 but modified the allowable height to the maximum height allowed under the proposed compatibility standards.

Estimated Unit Capacity from Proposed Standards

- 0' – 10': $((5,341\text{sf} \times 0 \times .95)/1,200) \times .6 = 0$ units
- 10' – 25': $((8,010\text{sf} \times 0 \times .95)/1,200) \times .6 = 0$ units
- 25' – 50': $((13,350 \times 3 \times .95)/1,200) \times .6 = 12$ units
- 50' – 75': $((13,348\text{sf} \times 5 \times .95)/1,200) \times .6 = 20$ units
- 75' – 100': $((13,346\text{sf} \times 5 \times .95)/1,200) \times .6 = 20$ units
- 100' – 200': $((53,369 \times 5 \times .95)/1,200) \times .6 = 80$ units



Total Units: 132

Step 8: Subtracted the estimated number of units allowed under the proposed compatibility standards

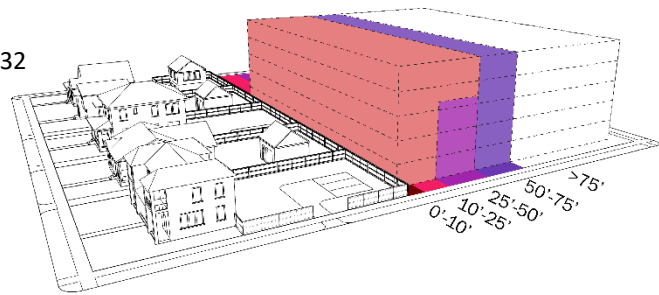
from the estimated units permitted by current zoning.

Difference in Zoning Capacity and Proposed Compatibility

Estimated Unit Capacity Permitted in Zoning: 160

Estimated Unit Capacity in Proposed Compatibility: 132

Total Units Lost: 28



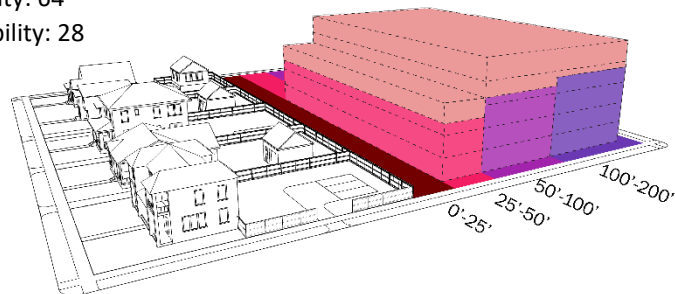
Step 9: Subtracted the result of step 8 from the result of 6 to identify the unit capacity gained back from proposed compatibility standards.

Difference in Current Capacity and Proposed Compatibility

Estimated Unit Capacity Lost in Current Compatibility: 64

Estimated Unit Capacity Lost in Proposed Compatibility: 28

Total Units Gained: 36



Changes in Methodology

The unit capacity analysis performed for the proposed compatibility changes is an update from the previous staff analysis completed in 2023 with some changes to the methodology:

- The prior analysis was dependent on a geographic database of Travis County parcels where as the updated analysis utilizes an internal Land Use database which includes all parcels within the City of Austin jurisdiction, including those outside of Travis County.
- Previously only high-density residential and commercial zoning districts were included while the updated methodology analyzes all properties where multifamily residential is a permitted use.
- The invalidation of the VMU2 and Residential in Commercial programs was accounted for.
- Changes to the selection criteria of triggering properties and subject properties were made for specific regulating plans, Neighborhood Conservation Combining Districts, and Transit Oriented Development Districts.