RESOLUTION NO.

WHEREAS, the City Council recognizes that the City of Austin is facing an unprecedented housing crisis and is committed to taking action to address the many causes contributing to this crisis; and

WHEREAS, the Council-adopted Strategic Housing Blueprint established that “there is a need for the construction of a minimum of 135,000 additional housing units in the City of Austin over the next decade,” including:

- 20,000 housing units affordable to households earning 30 percent of Median Family Income (MFI) and below;
- 25,000 housing units affordable at or between 31 percent and 60 percent of MFI;
- 15,000 housing units affordable at or between 61 percent and 80 percent of MFI; and
- 25,000 housing units affordable at or between 81 percent and 120 percent of MFI; and

WHEREAS, the Strategic Housing Blueprint also established a goal that “at least 30% of new housing should be a range of housing types from small-lot single-family to eightplexes to help address Austin’s need for multi-generational housing”; and

WHEREAS, the Biden Administration has called for policies that “identify
the most powerful levers to produce more affordable housing and [incentivize] new land-use and zoning policies to remove those barriers” in recognition that “empirical literature finds a relationship between restrictive land use regulations and higher housing prices”; and

WHEREAS, the Strategic Housing Blueprint identified “regulatory changes” to land use policies as a strategy to “achieve both market rate and affordable housing goals” and called for the City to, among other things, “Streamline City Codes and Permit Processes” identified as a “Highest Impact” action and “Relax Regulations on More Affordable Housing Products” within a timeframe of three to five years; and

WHEREAS, different housing submarkets in Austin feature important differences impacting housing costs, such as differing land values and differing regulatory environments, including which zoning districts allow which housing types within a given submarket and whether additional requirements and reviews are required, among other things; and

WHEREAS, according to a recent HousingWorks Austin analysis, over the first three years of tracking progress toward the Strategic Housing Blueprint housing production goals, the City has fallen over 14,500 units short, including over 2,600 units short for households making between 31 percent and 60 percent of MFI and over 2,600 units short for households making between 61 percent and 80
percent of MFI; and

WHEREAS, in addition to increasing the number of income-restricted units, increasing the number of market-affordable housing units produced in Austin is critical to the ultimate success of Austin’s housing strategies; and

WHEREAS, the City Council recognizes that progress is needed in order to meet the City’s housing goals and to meet Austin residents’ housing needs; and

WHEREAS, an analysis of the key drivers of housing production costs across Austin is needed to identify high-impact strategies for addressing this housing crisis; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The Council directs the City Manager to perform an analysis of the cost of producing housing in Austin and to identify potential options for reducing this cost.

BE IT FURTHER RESOLVED:

In recognition that different housing submarkets in Austin feature important differences that affect housing costs, this study should divide Austin’s housing markets into submarkets and produce housing submarket models (“Housing Submarket Models”) that are broadly representative of each grouping.

BE IT FURTHER RESOLVED:

For each of the five Housing Submarket Models, this study should analyze the cost components for different types of housing (“Housing Model Types”),
including at least the following:

- Single-family detached;
- Duplex;
- Townhome;
- Small multiplex; and
- Mid-rise multi-family.

**BE IT FURTHER RESOLVED:**

This analysis should determine the total housing cost borne by a renter (estimated median monthly rent) or a homebuyer (estimated median sale price) for each Housing Model Type, considering, at a minimum, the following costs as shown on Exhibit A:

- land costs;
- design and construction costs, including labor and materials;
- financing costs, including interest and profit costs;
- City costs (described below); and
- any other relevant cost components, such as time associated with completing the permitting process.

**BE IT FURTHER RESOLVED:**

The analysis of City costs should incorporate all typical costs for the development of each Housing Model Type, including, but not limited to, costs and
associated time for:

- rezoning for Housing Model Types for which zoning entitlements are not prevalent within the Housing Submarket Model;
- subdivision for Housing Model Types for which subdivision is likely required within the Housing Submarket Model;
- site plan review and associated permitting and inspections;
- compliance with applicable land use regulations, including parkland dedication, tree mitigation, right-of-way dedication, Transportation Impact Analyses, rough proportionality, Street Impact Fees, and utility costs;
- Housing Submarket Model-specific costs related to additional approvals or reviews; and
- any other expected City-imposed costs across all reviewing departments.

BE IT FURTHER RESOLVED:

The City Council directs the City Manager to present the findings of this study by December 1, 2022, with an interim update to be presented by May 1, 2022.

ADOPTED: _______________, 2021    ATTEST: _______________________

Jannette S. Goodall
City Clerk
## Exhibit A

### Example Matrix for Each Housing Submarket Model

<table>
<thead>
<tr>
<th></th>
<th>Single-Family Detached</th>
<th>Duplex</th>
<th>Townhome</th>
<th>Small Multiplex</th>
<th>Mid-Rise Multi-Family</th>
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<tbody>
<tr>
<td><strong>Land Cost</strong></td>
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<tr>
<td><strong>Design and Construction Costs</strong></td>
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<td><strong>Financing Costs</strong></td>
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<tr>
<td><strong>City Costs</strong></td>
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<td><strong>Other Costs</strong></td>
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<td><strong>Total Housing Cost</strong></td>
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