



College Student Commission

Recommendation 20220429- Draft: An Obligation to Reform Progressive Neoliberal “Affordable” Housing in the City of Austin Part 2 of 2

Authored By: Commissioner Edwin Bautista (UT Austin)

WHEREAS, the College Student Commission recognizes the University of Texas at Austin cost of attendance for a Texas resident, which includes tuition, housing and basic living expenses, is over \$30,000 a year¹; and,

WHEREAS, a 2019 Memorandum to City of Austin Staff written by Root Policy Research regarding college student effect on rental housing prices also stated that “student housing developments have higher average rents than conventional developments even after accounting for the larger average size of student rentals: \$2.29 average rent per square foot for student rentals compared to \$1.53 per square foot for conventional.”²; and,

WHEREAS, the College Student Commission recognizes the University Neighborhood Overlay (UNO) was created by Ordinance No. 040826-56 and codified into city code in 2004³ as a development incentive that includes an affordable housing component⁴ (S.M.A.R.T. Housing); and,

WHEREAS, UNO and its associated guidelines intend to facilitate the development of a dense residential district adjacent to the University of Texas flagship campus, thereby reducing transient student traffic and parking near the campus; and,

WHEREAS, “S.M.A.R.T. Housing is designed to stimulate the production of affordable housing for residents of Austin that is Safe, Mixed-Income, Accessible, Reasonably Priced, and Transit-Oriented and compliant with the City of Austin’s, Austin Energy Green Building standards.”⁵

WHEREAS, UNO has been one of the City of Austin’s most successful densification programs to that extent as it has produced hundreds of on-site “affordable” housing units and more than 15,000 bedrooms in the West Campus neighborhood⁶; and,

WHEREAS, UNO has allowed the West Campus neighborhood to become one of the densest⁷ and fastest developing neighborhoods in the City of Austin⁸; and,

¹ <https://onestop.utexas.edu/managing-costs/cost-tuition-rates/cost-of-attendance/>

² <https://www.austintexas.gov/sites/default/files/files/Housing/Memo%20on%20Student%20Effect.pdf>

³ https://books.google.co.uk/books?id=1OMDAAAAMBAJ&pg=PA41&lpg=PA41&dq=west+campus+design+guidebook&source=bl&ots=1Nq770gzXj&sig=ACfU3U353hZCKV1Dc72amJ4okJhJF1HtKw&hl=en&sa=X&ved=2ahUKewiU_rz95vP0AhW8KDIHQjIAC84ChDoAXoECAoQAaw#v=onepage&q&f=true

⁴ <https://rebusinessonline.com/priced-out-adding-affordable-units-to-student-housing/>

⁵ <https://www.austintexas.gov/department/development-incentives-and-agreements>

⁶ <https://thedailytexan.com/2018/03/19/west-campus-area-has-nearly-doubled-in-size-over-past-20-years/>

⁷ <https://www.bizjournals.com/austin/news/2018/10/25/18-story-tower-sprouts-in-austins-densest.html>

⁸ <https://austin.towers.net/west-campus-remarkable-growth-charted/>

WHEREAS, the close proximity of the West Campus neighborhood to the future light rail route proposed by Capital Metro (Orange Line)⁹ supports the case for increasing the allowable building density by expanding the Inner West Campus Subdistrict; and,

WHEREAS, the amendments made to UNO in 2014 and 2019 increased the minimum percentage of units designated as S.M.A.R.T. Housing to 20%, extended the term to “a period not less than 40 years” and lowered the tiered MFI levels¹⁰; and,

WHEREAS, currently under UNO, 10% of S.M.A.R.T. Housing units are set aside for people earning less than 60% of the median family income (MFI) in Austin and a second-tier option requires an additional 10% of units be set aside for people earning less than 50% MFI and allows developers the option to pay into the University Neighborhood District Housing Trust Fund in-lieu of the additional units¹¹; and,

WHEREAS, rental rates for efficiency/one bedroom units in buildings built under UNO before the 2014 amendment are \$1,050 for 65% MFI units and \$1,292 for 80% MFI units¹²; and,

WHEREAS, the 2021 60% MFI threshold for a one-person household is \$41,580 with a calculated affordable rent of \$928 per month as regulated by the City of Austin’ Housing and Planning Department¹³; and,

WHEREAS, the use of the City of Austin median family income (MFI) as the metric for determining affordability with respect to college student income is not an appropriate measurement for representing the average income of the diverse array of college students who come from across the State of Texas and country to attend college in the City of Austin; and,

WHEREAS, in October of 2019, the University of Texas at Austin Student Government passed A.R. 5 In Support of Housing Accommodations for College Students in the City of Austin “calling for a revampment of the S.M.A.R.T. housing program and an expansion of Inner West Campus in the University Neighborhood Overlay if the rezoning required for the Riverside redevelopment was approved”¹⁴; and,

WHEREAS, in November of 2021, the Legislative Student Organizations at The University of Texas at Austin passed Joint Resolution 21-09 and 21-10 in Support of Expanded On-Campus Housing to Enact Part 1 of the Housing Expansion Initiative that calls “to increase affordability of student housing by expanding the amount of available on-campus housing options as based on the 2015 Student Life Master Plan, and then restructuring profit incentives in the Housing and Dining budget to pass along greater savings to students” and Enact Part 2 of the Housing Expansion Initiative that “calls upon university leadership to address the housing affordability crisis by decreasing the rates of dormitories and purchased off-campus housing”; and,

⁹ https://www.capmetro.org/docs/default-source/project_connect/ligtrail/orange-line/ol_factsheet_2021_03.pdf?sfvrsn=c0d66f09_2

¹⁰ <https://www.austintexas.gov/edims/document.cfm?id=332460>

¹¹ <https://www.austintexas.gov/edims/document.cfm?id=332460>

¹² https://www.austintexas.gov/sites/default/files/files/Housing_%26_Planning/UNO_Rent_Rates_070721_final.pdf

¹³ https://www.austintexas.gov/sites/default/files/files/Housing_%26_Planning/Dev%20Incentives%20%26%20Agreements/UNO_Compliance_Guidelines_2021_updated07072021.pdf

¹⁴ <https://docs.google.com/document/d/1JUHRmUtq4rX2qdtRwwJ9JHse1E-c6jCzQsRkWe--c3s/edit>

NOW, THEREFORE, BE IT RESOLVED, that the College Student Commission urges the Austin City Council to strongly consider the following recommendations:

RESOLVED, that the College Student Commission recommends the City of Austin request the City Manager and the Director of the Neighborhood Housing and Community Development Office to assess the feasibility of utilizing the per capita income in the State of Texas, as determined and provided by the US Census Bureau, when calculating affordability thresholds codified in the University Neighborhood Overlay (UNO) code; and,

RESOLVED, that the College Student Commission recommends the Austin City Council reconsider expanding the Inner West Campus Subdistrict¹⁵ in UNO ¹⁶; and,

RESOLVED, that the College Student Commission formally requests that The City of Austin Planning Commission consider a code amendment to expand the Inner West Campus Subdistrict, increase the affordability terms required of developments and lower MFI thresholds within UNO; and,

THEREFORE, BE IT FURTHER RESOLVED, that the Austin City Council direct the City Manager and Housing and Planning Department to establish formal mixed-use College Districts within walking distance of each higher education institution in the City of Austin that are primarily populated by college student and workforce communities; and,

RESOLVED, that the Austin City Council request the Housing and Planning Department appoint a liaison within the Housing and Community Development Office to identify the needs, barriers, and solutions for expanding affordable housing options as well as encourage the collective collaboration among Austin area colleges and the City of Austin.

¹⁵ <https://www.austinmonitor.com/stories/2019/11/west-campus-overlay-grows-without-planning-commission-expansion/>

¹⁶ <https://www.austintexas.gov/edims/document.cfm?id=331102>