



RECA
REAL ESTATE COUNCIL
OF AUSTIN

Affordable Austin: Why Can't We Build the Supply We Need

A Vision for Austin

As it approaches its 200th anniversary, Austin is a beacon of sustainability, social equity, and economic opportunity; where diversity and creativity are celebrated; where community needs and values are recognized; where leadership comes from its citizens and where the necessities of life are affordable and accessible to all.¹

I. Introduction: Austin Is Losing Ground

In 2012, the Austin City Council unanimously adopted the Imagine Austin Comprehensive Plan, a 343-page blueprint for the city's future shaped by the input of thousands of Austin residents. Significant growth was a given, but the plan committed the city to moving away from the unsustainable, sprawling land use patterns it had long relied on to absorb new residents.

Central city housing would expand and diversify in appropriate places to meet the needs and incomes of Austin's changing demographics and workforce. The city would become more "compact and connected," promoting greater use of alternative transportation and protecting natural resources.

Three years later, Austin is steadily losing ground in its efforts to become a "beacon of sustainability, social equity, and economic opportunity" as Imagine Austin envisioned. The necessities of life, especially housing, are less affordable and accessible to the majority of Austin residents than ever before.

In 2015, the "Voices of Austin Community Survey" by Peter Zandan found that an astonishing 86 percent of the 800 Austin residents polled said, "Austin was at risk of losing its appeal due to the rising cost of living."²

¹ [Imagine Austin](#) Pg. 15

² [2015 Zandan Poll](#)


Accustomed to perching at or near the top a multitude of national “Best of” lists, Austin now finds itself routinely ranked among the worst American cities for traffic congestion, income segregation and social mobility.

With 110 net arrivals to the city each day³, Austin simply isn’t adding enough housing to meet demand, and the housing types currently encouraged by the city’s development code, which has yet to be updated to realize the vision of Imagine Austin, often don’t meet the needs or incomes of much of our workforce.


Austin can no longer afford to continue its misguided attempts to “eliminate growth” by discouraging new development, especially in the central city. Strong job growth is the primary driver of the region’s population boom. Economic forces will continue to attract large numbers of new residents to the region, whether or not the city has the political will to allow, let alone encourage, the housing production we need to grow in a sustainable manner.

Far from eliminating growth, Austin’s current development policies will only continue to drive up the cost of housing, worsen economic segregation, exacerbate our already crippling mobility challenges and diminish environmental quality unless significant changes are made. Policy efforts that seek to preserve the “character” of certain neighborhoods in perpetuity actually have the opposite effect — by making the housing in those neighborhoods more expensive, they drive out or keep out the people responsible for that “character.” Service sector employees are moving further out into the suburbs, worsening our income segregation problems and putting more cars on the road for further distances.

The Real Estate Council of Austin (RECA) has called for the City of Austin to establish a goal of adding *at least* 100,000 new housing units by 2025 to help bring the market back into balance and stabilize prices. But even this won’t be enough to put Austin on a sustainable path, and bring housing in the city within reach of workers and their families, unless we enact the new policies necessary to enable and encourage all kinds of housing, in all parts of town, at a variety of price points. In particular, location of these units is critical to making a dent in our affordable housing problem: central locations and/or those near transit, good schools and jobs are most desirable.



Austin’s challenges are not the inevitable side effects of growth. They are a direct result of the city’s outdated land use policies, inefficient and costly development approval process, and powerful political forces more concerned with preserving the status quo than addressing the changing needs of a fast-growing city.



³ Austin City Demographer Ryan Robinson, quoted in the *Austin Business Journal*, 2-4-14

The Imagine Austin plan will never be realized unless Austin takes the difficult steps necessary to achieve the community’s vision of an affordable, sustainable and equitable city. It’s time we asked, “Why aren’t we getting enough housing at the right prices in the right places to meet our needs?” and make the changes necessary to remove those barriers.

II. Regulatory Barriers: The Austin Way

The so-called “Austin Way” contains an unhealthy dose of suspicion. This lack of trust became evident in the desire by both staff and citizens to over document everything, to dot every “i” and cross every “t”, the tendency to create new commissions along with each new ordinance, unwillingness to delegate more decisions to staff and staff’s feelings that if they make a mistake, they may be crucified. In the long run every detail cannot be documented. This kind of system will break down and sink of its own weight. — Improving the Development and Regulatory Process in Austin (1987)⁴

Nearly 30 years after management consultant Paul Zucker first diagnosed the dysfunction plaguing Austin’s development regulation and approval process, the system is indeed sinking of its own weight. The city is actually suffering from two diseases — an unworkable land development code, and a broken process for implementing that code — that are both now the focus of multi-year, multi-million dollar efforts at a cure.

The Land Development Code: Creating an unaffordable Austin

Originally written in 1984, Austin’s Land Development Code has been amended hundreds of times and ballooned to more than 800 pages of regulation “so convoluted that it is virtually unusable,” according to OpticosDesign, which was hired by the city to help fix it — the project known as CodeNEXT.⁵

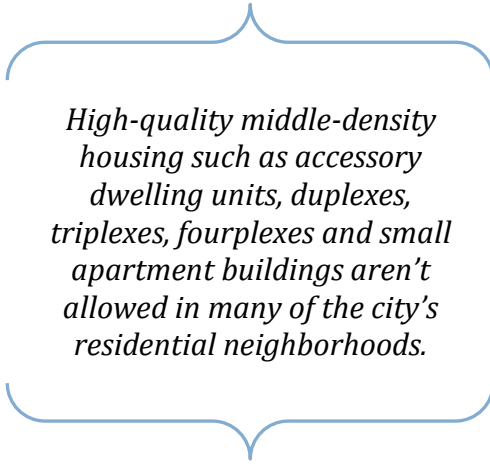
Far from encouraging a compact, connected, diverse and sustainable city, Austin’s code frequently prohibits the type of development needed to achieve these goals, starting with strict limits on density in most areas of the city.

The price of land — high and rising throughout the central city — is one of the biggest cost drivers for residential construction in Austin today. But density caps make it extremely difficult for developers to lower per-unit land costs by building more units on a property, despite high demand for smaller, cheaper housing options.

⁴ Zucker Report, pg. 3

⁵ Opticos Design. Code Diagnosis, p. 10

Nearly 20 percent of the land in Austin is currently zoned SF-3 or SF-2. SF-2 permits only single-family homes, while SF-3 allows single-family homes and duplexes. Opponents of higher-density projects in central city neighborhoods often cite the need for these strict caps to preserve “neighborhood character”. However, it’s worth noting that many of the older homes, apartments and accessory dwelling units (ADUs) that help define these neighborhoods would not be allowed today under current zoning.



High-quality middle-density housing such as accessory dwelling units, duplexes, triplexes, fourplexes and small apartment buildings aren’t allowed in many of the city’s residential neighborhoods.

Not surprisingly, as lot prices increase, developers often increase the size and price of their products in these neighborhoods to make their investments financially feasible, pricing even more people out of these areas.

In its 2014 Code Diagnosis report, OpticosDesign concluded that the strict limits imposed by the existing code on the number of dwelling units per parcel (in single-family zoning) and per acre (in multifamily zoning) drives up per-unit land costs and is “one of the most significant challenges to the provision of affordable housing.”⁶

These more affordable housing types are often criticized as incompatible with neighborhood character, but with footprints no larger than single-family homes, these types of housing already blend seamlessly into almost every pre-war era neighborhood in the central city — where they have long provided the most affordable living options in Austin’s core.

These affordable units are in higher demand than ever before due to rising rents and smaller households. This is particularly true for the development of ADUs, one of the most affordable and compatible housing alternatives that can also provide extra income to property owners.

Although ADUs are allowed “by right” under SF-3 zoning, Austin’s land development code makes them difficult to build. From 2007 until 2014 only 240 ADUs were constructed in the City of Austin out of 46,000 properties eligible for such development under current zoning.⁷

Currently, ADUs can only be built on lots of 7,000 square feet or larger unless located in one of the relatively few parts of town with adopted “infill tools” in its neighborhood plan. Arbitrary requirements that ADUs be at least 15 feet from the

⁶ Code Diagnosis, pg. 54

⁷ *Community Impact*, “Rental Homes Becoming Unaffordable” May 28, 2015

rear of the primary structure, and that entrances be at least 10 feet from the lot line, discourage the development of these units on many lots that could otherwise easily accommodate an ADU. This is a particularly burdensome requirement in East Austin, where lot sizes are generally smaller and many long-time homeowners are struggling to stay in their homes.

Parking requirements are another big hurdle for building ADUs, as city code requires two off-street parking places per unit, as well as direct access to paved off-street parking for all units not built on an alley. Owners of older homes built without off-street parking find that even their primary residences are no longer grandfathered out of the need for a driveway if they build an ADU.

One of the most difficult barriers to building all types of middle-density housing in Austin today is the city's requirement that any project over two units go through site plan review. This not only doubles the number of review approvals from two to four, it can also easily add a year or more to a development timeline and present numerous opportunities for conflict between developers and regulators. The site plan requirement exponentially increases the difficulty for developers compared to single-family development, even for the smallest multifamily projects.

Solutions

Eliminate burdensome lot size, setback and parking requirements that make more affordable middle-density housing more difficult to build. Do not add these kinds of barriers to the revised Land Development Code. Reconsider the number of units that trigger the requirement of a site plan. Requiring a site plan for projects with 5 or more units would be more appropriate.

As the discussion of "missing-middle housing" has increased in Austin, many neighborhood activists have challenged whether these products should really be seen as "affordable." In this context, it's worth noting that the city's own federally required fair housing analysis specifically calls out exactly these regulations and practices as a serious barrier to the provision of non-discriminatory housing. Millions of dollars in federal funding depend on Austin's being able to reduce or eliminate these impediments to fair housing.

"Overly complex land use regulations limit housing choice and create impediments to housing affordability," reads the 2015 report by BBC Consulting. "These include: minimum site area requirements for multifamily housing, limits on ADUs, compatibility standards, overly restrictive neighborhood plans and

excessive parking requirements.”⁸ The city commits in the analysis to using the CodeNEXT process to incentivize the development of affordable housing and remove these barriers.

Most of the federally and city-subsidized affordable housing being produced in Austin is multifamily, and almost all multifamily construction in Austin outside of downtown takes the form of large, garden-style apartment complexes. Far more expensive to build than middle density housing, this type of development is strongly encouraged by the minimum lot sizes required in most of Austin’s multifamily zoning districts.

High land costs and rising construction pricing make these types of development expensive. But efforts to lower rental rates by building smaller units are discouraged by the code’s formulas for determining the amount of land needed per unit based on unit configuration instead of unit size.

Solutions

***Reconsider minimum lot sizes in multi-family zoning districts.
Consider linking allowable multi-family densities in the revised Land Development Code to the size, rather than the configuration of units.***

Austin’s land development code is strongly biased in favor of low-density, single family housing, but that doesn’t mean that even this type of development is easy to build within the city’s limits. High land prices make this type of development expensive to build in any situation, but Austin’s ever-growing list of regulations and impact fees makes it far more difficult, time-consuming and expensive than necessary.

Citing a project in which his company replaced a run down 900-square foot rental home in North Hyde Park with a new single-family home, homebuilder Richard Maier estimated that Austin’s regulations on impervious cover, drainage, and heritage tree protection, combined with delays and legal fees incurred after a neighbor’s attempt to designate the older home as historic, **added nearly \$113,000** to the cost of building *one* new single family home.⁹

RECA recognizes the city’s obligation to protect the public interest with regard to necessary infrastructure, but city leaders must recognize and address the costs of layers and layers of regulation and fees — costs that are passed on to new homeowners and renters rather than being “eaten” by developers. In part, this is because of the enormous uncertainty in what additional costs, through delays

⁸ BBC Consulting, Analysis of Impediments to Fair Housing Choice, City of Austin p. 3

⁹ [Maier, Richard N. "The Cost of Regulation; The Effect of Municipal Land Use Regulations on Housing Affordability. Guest Blog: Big Red Dog Engineering. April 15, 2013](#)

and fees, may be assessed by the City during the development process that must be estimated.

Developers are obviously responsible for paying investors what they have borrowed to complete the project, and there is always the risk of losing millions on a failed project. Housing affordability is also a public good, one that often seems to get lost in the protection of other interests.

For example, a recent paper by UT planning student Megan Shannon showed “delays during the regulatory process have produced strong rent growth throughout the Austin market.” Shannon’s research indicates that if multi-family developers could receive approvals for their site plans within the 4-month time frame the city supposedly requires — instead of the 223 days it really takes on average — the resulting savings would translate to a 4-5% decrease in rents.¹⁰

Development review: The high cost of uncertainty and delay

Conflicting and convoluted, Austin’s land use development code is an unworkable mess. But the problems are made much worse by a planning and approval process that too often seems designed to discourage new development than to ensure high quality building.

Cataloged in a scathing 800-page report published earlier this year, the city’s management consultant Paul Zucker found extreme dysfunction at every level of Austin’s Planning and Development Review Department (PDRD) — which has now been split into two separate departments, Planning and Zoning and Development Services.

Just as it found in 1987, the Zucker Group reported that the city’s overworked development review staff continues to dot every “i” and cross every “t” as they attempted to strictly enforce a tangled and often conflicting development code:

*Neither we, nor do we think anyone else, is smart enough to write a Code, policies, or regulations that covers all likely situations that occur in most development projects. Staff needs to use some common sense, solve problems, and use whatever discretion the codes may allow.*¹¹

The department’s lack of concern for, much less encouragement of, problem solving and customer satisfaction was clearly reflected in internal and external survey results so bad the consultants described them as among the worst they had ever seen.

¹⁰ Megan Shannon, “Quantifying the Impacts of Regulatory Delay on Housing Affordability and Quality in Austin, Texas.” University of Texas at Austin, 2015. Abstract, p. V

¹¹ Zucker Report, pg. 3

Austin's planning and development review departments are chronically underfunded and understaffed. Multiple divisions within both departments have fewer full-time employees than in 2007-2008, despite a rise in development activity and the recognition that even previous staffing levels were insufficient to meet the then lower demand. Adding new staff in the current budget cycle is one of the priority responses in the city's recently released work plan for addressing the shortcomings identified by the Zucker report.

Not surprisingly, morale among employees is low and turnover is high, a problem compounded by processes so complex that it takes a year or more for new replacements to understand and gain proficiency, which Zucker described as "a real indictment of Austin's codes, policies, procedures and rules."¹²

At least 10 other departments are involved in the approval and inspection process, a byzantine maze of bureaucracy that lacks clear central authority to coordinate the effort and allows any one of those departments to hold up a whole project. Previous efforts to streamline the process through the city's One-Stop-Shop program were never fully implemented, leaving staff and developers to "negotiate through the maze on their own without formal agreements between functions and departments on the new process."¹³

Solutions

The Zucker Report calls for associated departments to write the standards for review, but says that the responsibility for completing reviews should lie solely with the Development Review Department, which can apply the standards developed by other departments. The City Manager must intervene to ensure this occurs.

Building codes are overly complex, combining multiple international standards with numerous local amendments, and inconsistencies were found in the way buildings are inspected in the field. The city process requires redundant reviews, inspections and permitting of plans that are already stamped by architects and engineers who are registered precisely so they can professionally certify the quality of work.

Solutions

Eliminate requirements for city review of work that has been completed by a certified, credentialed professional engineers and architects, whose "stamp" places liability for work product with them.

¹² Zucker Report, pg. 52

¹³ Zucker Report, Pg. 84

Permitting customers routinely face long waits, and the backlog of residential, commercial and site plan cases awaiting review was described as “among the worst results we have seen in our numerous studies of other communities.” The city in early August announced that it had cleared the current backlog with prodigious amounts of overtime work. However, unless the other issues in the department are addressed, Austin will end up with another backlog in short order.

Lest one think that private developers are the only ones struggling with the cost of delays in the permitting processes, affordable housing developers have faced similar risky delays, putting millions of public affordable housing dollars and many affordable units at risk.

Zucker’s voluminous report contained more than 400 suggested changes, but the firm noted that previous efforts to improve the department and its processes — including its own 1987 findings— have not had much of an impact:

As can be seen, there have been many attempts in the past to fix Austin’s development process including soliciting reviews by 5 national planning and development experts in 1987, the creation of the One-Stop-Shop in 2004 the creation of PDRD in 2009, and 18 key Stakeholders meeting with staff and a facilitator in 2013 to address the issues. Although some useful changes resulted from these efforts, overall there has been only limited success as indicated by Stakeholders today.¹⁴

Zucker isn’t the only outside group to note the cost of dysfunction in Austin’s development review process.

In its 2014 Code Diagnosis report, OpticosDesign concluded, “The development review process has become complicated and contentious, deterring smaller housing developers without the capacity to navigate the process. Time is critical

“All of our recent affordable apartments have been perilously close to losing federal funds because of timing deadlines. We had \$11 million in federal funding at risk on Capital Studios, and we are currently racing to complete Homestead Oaks Apartments by a federal deadline. Despite best staff efforts and expedited SMART Housing reviews, the permit process has taken ten months, which leaves very little time for construction without being at risk of finishing late. As a nonprofit we cannot afford to this timing risk anymore to build new affordable housing.”

— Walter Moreau,
Foundation Communities

¹⁴ Zucker Report, pg. 4

in housing development, because financing and revenue generation depend on keeping to the schedule.”¹⁵

Austin’s planning and development review departments must increase their efficiency and place more value on problem solving. However, RECA recognizes that a major challenge to the development review process is the code itself, which becomes more difficult to interpret and enforce with every amendment.

As OpticosDesign concluded:

“These incremental code amendments typically create more complexity that requires more staff engagement and/or review time. This added complexity significantly increases the time required of staff and stakeholders, not to mention Board and Commission members in reviewing amendments. The permit process also gets more complicated, staff and customers are burdened with more requirements that lead to potential delays, inconsistent interpretations, and increasing demand on planning staff and/or senior level managers to get involved in day-to-day reconciliation of conflicts. This does not help promote support for planning, and it can create perceptions that more planning leads to more bureaucracy that adds more time and cost of doing business in Austin.”¹⁶

¹⁵ Opticos Design, Land Development Code Diagnosis, pg. 57

¹⁶ Opticos Design, Land Development Code Diagnosis, pg. 85

III. Neighborhood Opposition To The Housing We Need

Austin's dysfunctional code and development approval process were not created in a vacuum. They are the product of decades of effective lobbying among powerful constituencies determined to fight growth and change at every turn with anti-development policies that only worsen the very problems they seek to solve.

At the epicenter of these battles are Austin's central city neighborhoods where small but vocal groups of single-family homeowners routinely organize to oppose new development, especially any new construction that deviates from traditional single-family houses. The classic Austin trope of fighting the "greedy developers" obscures one of the true and fundamental causes of skyrocketing housing costs: lack of sufficient appropriately located housing, which the community needs developers to build.

Skyrocketing home values have caused much anxiety in these high demand, close-in areas, and many homeowners fear that the valuations of their homes will be further increased if new development, particularly at greater density, is allowed nearby.

Prices are rising at unsustainable levels in these neighborhoods, but it is the lack of development, not new development, that is the cause.

The 2015 Zandan public opinion poll found that 60 percent of respondents living in Central Austin thought Austin should "relax its development rules to allow for more types of housing to be built in the city such as town homes, garage apartments and other small apartment buildings."¹⁷

But the vocal central-city homeowners who routinely show up to speak at public hearings rarely reflect this support. Though they often appear under the banner of a neighborhood association, these homeowners represent only a very small subset of neighborhood residents, as participation in neighborhood associations is low even in the central city. There is also a perception that these vocal neighborhood advocates comprise the majority of voters in city elections, which further intensifies their outsized impact on policy decisions.

The needs of renters, who make up the majority of the city's population as well as the majority of some of these same neighborhoods, are often overlooked by neighborhood groups, which openly favor homeowners. In addition to renters, neighborhood business interests are also rarely considered.

It's important to remember that there's a generational difference between the neighborhood establishment and those it fails to represent, and that difference translates into dramatically different preferences regarding housing and density.

¹⁷ [2015 Zandan Poll Q7](#)

Both the Urban Land Institute and the National Association of Realtors have conducted studies showing that nearly two-thirds of Millennials prefer walkable mixed-use urban neighborhoods served by transit, with diverse housing choices. That Millennial age group (20-34) makes up 25 percent of the population of the Austin metro area — the largest share of any urban area in the nation.

The overrepresentation of single-family homeowners in neighborhood associations is compounded by low participation in Austin's neighborhood planning process, which is theoretically designed to ensure the views of owners, renters, and businesses are all represented. These processes — which can go on for years to produce a neighborhood plan — historically have required attending many meetings that last many hours, something many Austinites, most in need of housing affordability, cannot manage.

Designed to establish a vision for how new development or redevelopment should occur to best complement a neighborhood's character, the plans are often used by the same small groups of politically active homeowners to codify their preference for traditional single-family homes through future land use development maps that frequently have little basis in reality. Although affordability is frequently cited as a major concern, few if any provisions in these plans are made to encourage the development of lower-priced housing.

Once approved, these neighborhood plans are frozen in time, as the city has no process for updating them; many Central Austin neighborhoods, and almost all of East Austin, have plans that are between 15 and 20 years old. This not only ignores the developing needs of a fast-changing city, but also disenfranchises new residents who move in after these plans are approved.

Most cities that have neighborhood planning logically view those plans as tools to implement a pre-existing comprehensive plan. In Austin, neighborhood planning was adopted in the 1990s as a stopgap measure after the failure of the Austinplan effort a decade earlier. This means that, from the beginning of the Imagine Austin planning process, the city was saddled with neighborhood plans that directly contradicted the Imagine Austin vision, championed by vocal neighborhood activists who have viewed any attempt to resolve those contradictions as a “betrayal.”

The same dynamic is now playing out as the CodeNEXT process grapples with how to incorporate neighborhood plan provisions that are currently enforced via zoning overlays, adding another level of complexity to the already convoluted code. Austin has created opportunities (including the Smart Growth Infill tools and VMU zoning) for neighborhoods to allow housing in greater density, but the tools are optional, and many neighborhoods have opted-out. The resulting patchwork of standards is difficult to enforce and a major obstacle to builders trying to lower costs through efficiencies of scale on missing-middle product

throughout the city. These opt-out provisions also create a barrier to achieving compliance with federal fair housing regulations, as noted above.

Project-by-project negotiations with organized homeowners frequently add lengthy delays and generate unreasonable demands that drive up the cost and reduce the production of housing built in a city that badly needs more housing. City leaders are often complicit in supporting these demands in the name of neighborhood preservation, despite their detrimental impact on housing supply and affordability, especially in the central city.

This is even the case for projects designed to specifically address the need for affordable housing. Sackman Enterprises faced strong resistance from North Shoal Creek Neighborhood Association representatives when the developer requested to rezone a long-time auto shop for multifamily — a less intensive use than the property’s previous zoning. The association considered the zoning requested too dense, despite the property’s location on busy Burnet Road, a quarter of a mile from a MetroRapid stop, and within five miles of several major employers.

Months of negotiations between Sackman and the neighborhood group resulted in the developer cutting the number of units planned from 300 to 225. Delays and extra architectural and engineering work to redesign the project added hundreds of thousands of dollars to its cost and sharply reduced the number of units reserved for income-qualified buyers.

“Lower density and more sustainable affordability, in the product type that is being demanded, do not coexist. For eight months, I have been appealing City Council and the neighborhood by lowering density, and now we are at a point where the 91 units that I wanted to provide as affordable are down to 34,” Sackman told council members during the project’s second hearing.¹⁸

In another project earlier this year, The Ryan Cos. faced opposition from Pecan Springs/Springdale Hills Neighborhood representatives when it sought approval to build 292 units priced affordably for households making no more than 60 percent of the median family income.

Citing the number of affordable housing projects already in the neighborhood, the neighborhood association insisted the company include a substantial retail component to the project, despite the lack of any market demand for that retail space. The project (supported by federal tax credits) was approved, but only after the developer pledged \$70,000 to develop a retail recruitment strategy for the area and added a 600-square-foot café to the project. These types of arbitrary and unexpected demands further drive up the cost of new development and push many developers out into the suburbs where it is far easier to build.

¹⁸ “Burnet Road Case Limp Through Second Reading.” *Austin Monitor*, April 17, 2015

Austin residents are hardly unique in opposing new development. A national survey by the Saint Consulting Group in 2011 found that 79 percent of Americans preferred that no new development occur in their communities, compared to just 20 percent who preferred that new development occur.¹⁹

But that doesn't mean that entire neighborhoods should be allowed to opt-out of accommodating the housing needs of a growing city and its workers. A 2014 study by the nonprofit Housing Works found that many Austin ZIP codes have far more mid-wage jobs than mid-priced housing. At the extreme end, the 78705 ZIP code had 30,000 jobs paying \$3,333 a month or less, but only 185 housing units affordable to households making 60 percent of median family income (\$43,920 for a four-person household). Eight other ZIP codes had more than 10 times the number of mid-level jobs than mid-priced housing units, while only three ZIP codes had more affordable housing than low-to-mid wage jobs.²⁰

The land use policies long advocated by politically influential Central Austin homeowners are pricing working and middle class families out of the city, worsening Austin's already intransigent socioeconomic segregation and mobility challenges, threatening the healthy diversity that has for so long defined the character of Austin's oldest neighborhoods, and causing environmental degradation through sprawl.

The land use policies long advocated by politically influential central Austin homeowners are pricing working and middle class families out of the city, worsening Austin's already intransigent socioeconomic segregation and mobility challenges, threatening the healthy diversity that has for so long defined the character of Austin's oldest neighborhoods, and causing environmental degradation through sprawl.

The failure of these policies to preserve affordability is glaringly evident in the escalating home prices that have resulted as more and more people become willing to pay a premium to live in the scarce close-in housing available, in order to avoid the soul-crushing commutes that are themselves a direct result of Austin's failed development policies. The cycle is self-defeating both for affordability and for the city's efforts to protect open space and the quality of its natural resources.

¹⁹ [Saint Index](#) (2011)

²⁰ Housing Works. "Find the Balance: Low Wage Jobs and Affordable Housing in the City of Austin." Sept. 2014. Pg. 14

There is little doubt that compact and connected development is more sustainable than urban sprawl, as higher density development results in smaller carbon footprints, fewer emissions and allows for the preservation of more natural open space — all goals of the city and its many environmental groups.

But while the city's well-organized environmental community openly condemns urban sprawl and its many damaging consequences, it has largely refused to endorse and advocate for the only real alternative in a rapidly growing region: density. Fighting individual developments deemed threatening to various aquifers and watersheds won't make a dent in Austin's growth patterns, and it's past time to lay to rest Austin's traditional "If we don't build it, they won't come" ethos.

Instead of preserving the quality of life and of place longtime Austinites hold dear, the community's failure to respond to growth has created misery and damaged the quality of life for literally tens of thousands of Austinites. In search of housing they can afford, the working poor are being displaced to the edges of town or the outlying communities, putting them far away from their jobs. This increase in commute time — especially on public transportation — has documented ill effects of these families' welfare and their children's educational performance.

A 2014 Brookings Institution report indicates that the population in Austin's suburbs — outside the city limits — living in poverty grew by 116 percent between 2000 and 2012. The number of census tracts in those suburbs with concentrated poverty — 20 percent or more of the population — went from 6 to 30 in just one decade. That's on top of the 69 high-poverty census tracts within the city limits, which are likewise becoming more common at the edges of town, as traditionally lower-income central-city neighborhoods become more affluent.²¹

The majority of Austin residents, even in the central city, support the Imagine Austin vision of a compact, connected city. It's time for all residents to come together and assume some responsibility for making that happen.

²¹ Elizabeth Kneebone, "The Growth and Spread of Concentrated Poverty, 2000 to 2008-12." Published at brookings.edu, July 31, 2014

IV. RECA's Calls For Action

- 1. Move forward with common-sense revisions to the code to enable more diverse and abundant housing choices.** Austin's Land Use Development Code is a major barrier to producing the volume and diversity of housing Austin needs to grow in an affordable, sustainable and equitable manner. Minor changes will not be enough. The CodeNEXT process must include the policy changes necessary to encourage more housing of all types, at all prices, in all areas of the city. A wider range of housing product needs to be allowable *by right* in residential neighborhoods. As an example of what could be done, a city-appointed planning group in Seattle is recommending that the city eliminate "single family" zoning entirely, replacing it with "lower density residential" that can accommodate duplexes to fourplexes, ADUs, small apartment buildings, and other "missing middle" housing. The city could remove the site-plan requirement for small projects on infill sites, or streamline permitting for projects that are being built using plans that are pre-approved by the city (a strategy being discussed especially for ADUs).
- 2. Redefine success for development review.** The Development Services Department is integral to Austin's ability to achieve its affordability and sustainability goals, but a major cultural change and new incentives are needed. Staff must value and be rewarded for common-sense problem solving, and success must be redefined as enabling and facilitating quality development that helps meet the development needs and goals of the entire city. Practical performance metrics, such as review times, should be established and made public to measure progress. It will be important for RECA and other advocates to ensure accountability and real reform.
- 3. Simplify and eliminate redundancies in city processes.** There are positive changes that can and should be made right now, without waiting for the long-term implementation of the Zucker recommendations or CodeNEXT. For example, the city could remove the site-plan requirement for small projects on infill sites, or streamline permitting for projects that are being built using plans that are pre-approved by the city (a strategy being discussed especially for ADUs). The city should also forego redundant review and inspection of plans that have been stamped by a certified professional engineer or architect, and place responsibility for all reviews with the Development Review department, following standards developed by associated departments
- 4. Invest more resources and finding guaranteed funding for planning and land use.** The Development Services Department is one of the city's most important departments, but it is badly underfunded. The city should

increase funding and staffing levels to realistically meet growing demand. While the city's work plan in response to the Zucker Report includes many worthwhile measures, it also anticipates a two-year implementation schedule and less funding than Zucker recommended.

- 5. Expect every neighborhood to participate in increasing the city's supply and diversity of housing, guided by the Imagine Austin plan.** Austin is growing and changing. Neighborhoods should not be allowed to opt out of meeting the housing needs of the city and its workforce with tools that effectively discriminate against new residents.
- 6. Require that adopted neighborhood plans either be updated and made consistent with Imagine Austin or repealed.** Currently, the neighborhood plans are obsolete as it is, given their age and the transformation of the neighborhoods they cover. It's an appropriate juncture to re-envision the whole effort and focus on using the plans to implement Imagine Austin, not seek to circumvent it. Regular updating of these plans — not just ad-hoc amendments based on individual cases — is a must.
- 7. Ensure that a diversity of voices, including renters, neighborhood businesses and commercial property owners, is reflected in the ongoing planning process.** Even with quality planning, individual cases will still need to be addressed by city staff and policymakers. Neighborhoods are diverse ecosystems and the planning process should reflect that. Homeowners should not be allowed to codify their preferences at the expense of other groups or be granted the role of neighborhood representatives by default.
- 8. Open other avenues for feedback to be provided to city staff and Council as standard operating procedure. Council must begin to consider and weigh input through various sources-** email, phone, texts, tweets, etc. equally to the input gathered through private meetings and public testimony. Staff must also accept and incorporate feedback through these mechanisms. Otherwise, those most in need of more affordable housing options, such as single parents and those working more than one low-paid job to make ends meet, are left voiceless because they can't always attend meetings.

V. Conclusion

*The stakes are high. We must embrace the future that we want and work to make it happen.*²²

For more than 30 years Austin has attempted to eliminate growth by tightly limiting and regulating new development, especially in the central city.

We need to commit as a community to having the will to address challenges to affordability at every opportunity.

During that time the city's population has expanded by more than 120 percent and our housing market has gone from the one of the most affordable to the least affordable in Texas.

Austin's development policies have clearly failed, and its citizens are paying an increasingly high price.

Central Texas is one of the fastest growing regions in the nation because we have one of the strongest economies in the nation. Failing the adoption of job killing policies that no smart leader would ever endorse, the city will not succeed in slowing the region's population growth.

Failing to meet the need for new housing is only pricing many Austin workers out of the city, a problem that will grow significantly worse as the region expands by at least 30 percent in the next 15 years.

Austin needs more housing of all kinds at all prices throughout the city. The argument that we cannot add more housing in the central city without damaging our neighborhoods is simply untrue. Austin today is less dense than any other major city in Texas; many central-city census tracts have lost population in the last decade.

As our population grows, so must our housing. As our population diversifies, so too must the living options available to workers of all incomes.

Imagine Austin was never intended to be an exercise in magical thinking. The plan recognized that real policy changes would be the critical next step to translating this progressive vision into a sustainable reality.

Austin is beginning to take the first tentative steps, but we have to move faster while staying true to the Imagine Austin vision. Austin is losing ground by the day and cannot afford to postpone the work needed to make that happen. As valuable as efforts like CodeNEXT and Zucker Report implementation are, they

²² Imagine Austin, pg. 17

will take time and cannot resolve every problem in advance. We need to commit as a community to having the will to address challenges to affordability at every opportunity.

More housing won't solve the affordability challenges of all Austin workers, even if it is designed to be affordably priced. But the market is ready to step up and meet the needs and incomes of far more Austin households if the city will just remove the many unnecessary barriers that make it so difficult and expensive to do so today.