

December 6, 2023

Dear Mayor, Mayor Pro-Tem, City Council Members, and Council Staff,

The Urban Land Institute (ULI) is a member-driven organization focused on shaping the future of the built environment for transformative impact in communities worldwide. The organization facilitates the open exchange of ideas, information, and experience among local, national, and international industry leaders and policy makers who are dedicated to creating better places. ULI has long been recognized as one of the world's most respected and widely quoted sources of objective information on urban planning, growth, and development. ULI does not advocate; we offer fact-based information through research, education, and publishing.

Established in 1994, ULI Austin is a district council of the Urban Land Institute, where real estate professionals from across Central Texas exchange ideas and best practices to serve community needs. ULI Austin has councils and workgroups that convene public, private, and non-profit entities to discuss and impact local issues. As its name suggests, ULI Austin's Land Development Code Ordinances Workgroup ("LDC Ordinances Workgroup") focuses on proposed policies related to Austin's land development code and aims to provide both Planning Commission and Council with a technical perspective on how proposed ordinances may or may not advance the City's stated policy goals.

An amendment to Austin's Land Development Code can introduce a ripple effect, altering the balance and coordination between different sections and provisions. The interplay between the amendment and the broader Land Development Code underscores the importance of carefully considering the implications and ensuring that any modifications align with the city's overall planning and development goals. The purpose of this letter is to provide technical feedback on the land development code policies ("HOME 1") being considered at the December 7th City Council Special Meeting; specifically, whether the amendments are in alignment with policy goals and likely to produce the intended outcomes.

#### *Background: Affordable Housing Policy Goals*

The City of Austin has set goals for increasing housing availability, particularly affordable housing, in the Strategic Housing Blueprint. ULI Austin previously provided [feedback on the Strategic Housing Blueprint Implementation Plan](#) and on October 19, 2022 hosted a panel on the scoring of the Blueprint implementation. The Strategic Housing Blueprint was written with the assumption that the land development code (Code) was going to be revised under "Code Next." However, without a comprehensive Code update, it has become increasingly difficult to reach the Blueprint's goals.

#### *HOME Initiative*

In the absence of a major Code overhaul, Council has proposed the amendment of several individual ordinances aimed at encouraging housing production, specifically affordable housing, known as the HOME Initiative. The HOME Initiative has been split into two groups, with the current grouping under consideration being called "HOME 1." Changes to Code under HOME 1 include: allowing up to three housing units on a Single-Family (SF) zoned property; revising regulations that apply to a property with 2 housing units; and removing restrictions on the number of unrelated adults living in a housing unit. We understand that Council will consider other measures, including a reduction in minimum lot size ("HOME 2"), at a to-be-determined meeting in 2024.

On October 26<sup>th</sup>, Council and Planning Commission held an initial Joint Meeting to hear public testimony about the proposed changes under “HOME 1”. The Planning Commission held a subsequent meeting on November 14<sup>th</sup> to discuss public input as well as contemplate potential roadblocks that were outlined in the Affordability Impact Statement (attached as Exhibit A). During the meeting, Planning Commission recommended a variety of amendments to Title 25 of Code to accomplish the desired outcome of the HOME 1 initiative. These are attached as Exhibit B.

### LDC Workgroup’s Assessment and Recommendations

Without a comprehensive Code rewrite, it is important that Council considers and votes on related measures in order to yield effective policy and produce the intended outcome. Although we concur that the proposed HOME 1 policies, along with the Planning Commission’s recommendations, should encourage the production of affordable housing in general, we believe the impact will be modest in the near-term, and that broader changes will be required in order to encourage housing production at the scale needed to achieve the Strategic Housing Blueprint’s targets and milestones.

The lots affected by the HOME Initiative are generally existing residences with property boundaries, easements, roads and infrastructure already in place. Although the proposed changes would provide greater flexibility to utilize the limited land we have in Austin, other site constraints and Code limitations often prohibit maximizing the site potential. Below are specific areas that should be considered for the HOME initiative to have an increased impact on affordable housing availability:

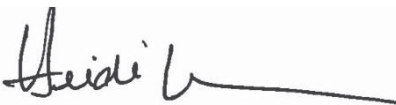
- ADUs - The proposed elimination of the maximum size for an ADU will allow the Owner to determine the best unit mix for the lot under the allowable FAR. However, the Ordinance does not specify eliminating other requirements of the ADU ordinance, such as the minimum 10’ required separation between the ADU and the Primary Structure. Council could consider eliminating the ADU definition altogether and allow the Owner to determine the best unit mix, size, and layout.
- Tap and Meter Costs - Another policy that could deter or limit development of more affordable units is requiring one or more new utility taps and meters for a second or third unit on the same lot. The cost of adding a utility tap- including engineer, permitting, tap, and meter- can be in the range of \$20,000. To facilitate additional affordable units, the City should consider allowing multiple units to use the existing tap in place, provided it is sufficient for the added demand of the additional unit.
- Setbacks – The proposed Front Yard Setback changes will allow owners to reduce front yard setbacks to the average of the homes along the same side of the street. While this provides flexibility and density, it requires the owner to survey the average frontage of the two homes adjacent to the lot in questions on either side of the lot. This is beneficial, but adds time and uncertainty to the process, and requires the owner to incur the cost of a Professional Surveyor. Providing a low cost and low barrier solution such as a reduced setback at the Neighborhood Plan level or across the city could be considered.
- Balancing Tree Preservation - The Tree Preservation Ordinance is the Code requirement that often is the most restrictive and has the greatest impact on the cost and ability to best utilize an existing single-family home site. Most of the single-family housing stock in Austin was developed under the existing regulations, which promoted larger lots with one residence. As a result, many Heritage and Protected Trees exist on the undeveloped portions of the single-family lots in Austin, rendering many of the lots virtually undevelopable for additional housing units without Tree Preservation Ordinance changes. Since providing more units per lot is a better environmental option than sprawl, the City could consider relaxing requirements for multi-unit lots, and allowing for more mitigation of existing trees, in balance with environmental priorities.

- Narrow Lots and Building Tents - The proposed ordinance would allow buildings to be 3 stories. By allowing vertical development, we concur this would encourage multi-unit lots. However, on many of Austin's narrower lots this would be difficult to achieve due to what is known as the "Building Tent". This tent begins at the property line and rises vertically 15' then begins to increase the allowable height as you move toward the interior of the lot. This could be addressed by eliminating the concept of the Building Tent in favor of simple height limitations.
- Parking – The City has removed parking minimums, which, due to impervious cover limits, would have otherwise been a hurdle for multiple units on a lot. However, if someone wants to include parking on a multi-unit development, the current Transportation Criteria Manual requirement for off-street parking construction creates difficulty for multi-unit development on single-family lots. The City could reconsider the Transportation Criteria Manual to determine if design requirements for off street parking construction can be relaxed as well.
- Small Lot Amnesty – An item not addressed in the proposed changes is the small lot amnesty program that has been adopted by some Neighborhood Plans but not all. We recommend considering how this inconsistency will be addressed.
- Site Plan Lite 1 Alignment – Although these are separate measures being considered by Council, we believe that the proposed HOME 1 ordinances would be better positioned to align with the "Site Plan Lite" Site Development Plan ("SDP") exemption if the unit counts were consistent. Currently, Site Plan Lite permits up to 4 units to proceed without a formal SDP, which could also be a good basis for HOME 1 allowance per lot.
- Related Incentives - Once HOME 1 passes, the City should revisit existing incentives that support affordability to ensure the original goals of those incentives can still be achieved. Examples include the Preservation Bonus, which provides for three units if an existing historic aged home is preserved, and Affordability Unlocked, which provides for additional units if deeply affordable housing is provided.

In summary, we believe the ordinances being put forth by City Council are a first step toward meeting the City's housing goals. At the same time, we recognize that even more robust and comprehensive changes to the Code will be required to meaningfully encourage housing unit production at the scale needed to meet the Strategic Housing Blueprint targets. Looking forward, we recommend the Council study the largest impediments to the creation of housing in Austin (e.g. permitting timelines and neighborhood plan processes), and prioritize addressing these challenges with the most straightforward, low-cost, low-barrier, and consistent solutions possible.

Thank you in advance for your consideration of these suggestions, and for your leadership on this important issue. Please contact Paulette Gibbins, Executive Director of ULI Austin with any questions.

Thank you,



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ULI Austin

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# ULI Austin HOME Letter - Exhibit A



## Affordability Impact Statement

### Single Family Lot and Use Modifications, Phase 1

Case number: C20-2023-024

Initiated by: Resolution No. 20230720-126

Date: October 23, 2023

## Proposed Regulation

The proposed amendments would:

- Create a new three-unit residential use to be allowed in SF-1, SF-2, and SF-3 zoning, not allowable on substandard lots and exempted from Subchapter F standards
- Allow two-unit uses and duplexes as permitted uses in SF-1, SF-2, and SF-3 zoning
- For the two-unit use category, limit the size of one unit to 1,100 ft<sup>2</sup>, remove requirements for location, two-story limitation, building coverage, separation, and .15 Floor Area Ratio (FAR), and exempt the use from Subchapter F standards
- For the duplex use category, lower the minimum lot size to 5,750 ft<sup>2</sup>, exempt from Subchapter F standards, and remove the 30-ft/two story height limit
- Redefine multifamily use as having four or more units (increased from three)

- Delete Section 25-2-511 (Dwelling Unit Occupancy Limit), removing restrictions on the number of unrelated adults living in a housing unit
- Create a Tiny Home use category for dwelling units that are 400 ft<sup>2</sup> or less in floor area excluding loft space and meet International Residential Code requirements

## Land Use/Zoning Impacts on Housing Costs

The proposed changes may have some **positive** impacts, reducing zoning impacts on housing costs.

- A recent report developed by city staff and UT researchers found that in Austin, land accounts for over half the total development cost for single-family housing.<sup>1</sup> Accordingly, duplexes and triplexes have lower development cost per unit than developing single family housing (\$400,000 per unit for duplexes compared to nearly \$800,000 for single-family homes). Two-and-three-unit use categories enable savings by reducing land cost per unit. Allowing attached units further lowers development cost by minimizing the materials needed for construction.

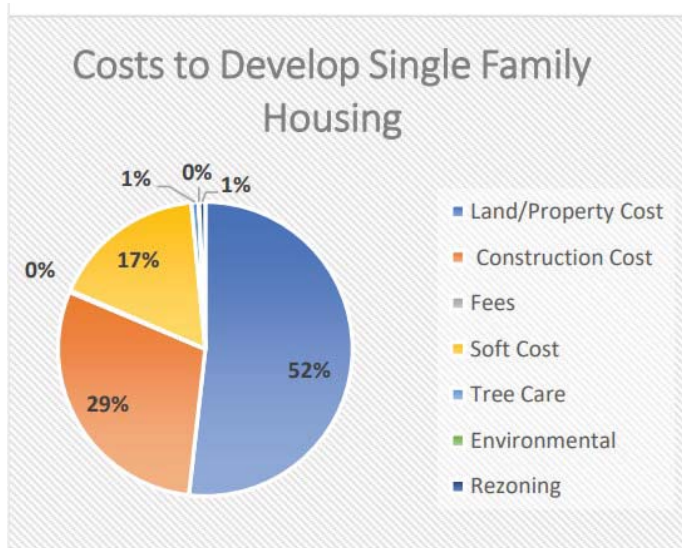


Figure 1 - Cost of Housing in the City of Austin (2022), Kennedy, Lopez, Hemeon-McMahon, and Pepper

- Preliminary estimates incorporating the median household income for Texans and statewide debt for credit cards, car payments, and student loans indicate that an 'average' Texas household could secure a mortgage for a home no more expensive than \$200,000. Time for detailed modeling would be needed to calibrate these estimates and to estimate accurate development cost reductions from the

proposed amendments, and how closely those reductions align with the median Texan's buying power.

- In addition to expanding the applicability of multi-unit use categories, the proposal further removes barriers to duplex construction by removing the primary and secondary unit distinction, separation requirements, building coverage requirements, and the .15 FAR requirements from the two-unit use category. Applying multi-unit use categories may also expand the supply and variety of housing choices to create more equitable access to neighborhoods with histories of exclusion and current-day barriers to BIPOC households and workers.
- **However, the lack of size restrictions, lack of preservation incentive, and delaying minimum lot size reductions to Phase Two severely limits the proposal's efficacy.** Lowering minimum lot size will enable the subdivision of single-family lots, which is necessary for selling attached units for ownership. Without subdivision, units must be part of a condominium regime to be sold. This introduces ongoing fees for homeowners that present a barrier to housing affordability, and that are beyond the city's ability to regulate.
- The most recent proposal language does not include Subchapter F unit size restrictions (otherwise known as McMansion standards). This has significant implications:
  - With Subchapter F, sitewide FAR could not exceed .4:1. Thus, the maximum building coverage would be 40% of site area at one story.
  - Without Subchapter F, the maximum building coverage would be 40% of site area at up to three stories, depending on site conditions and relevant overlays.
- A review of average maximum allowable unit sizes in three-unit uses indicates that units may nearly triple their allowable size without Subchapter F Floor-Area-Ratio restrictions. Comparing these results with the average size of single-family homes permitted in 2023 (3,072 ft<sup>2</sup>) shows that the proposed amendments could allow units in three-unit projects that exceed the size of single-unit uses being built today. Newly-permitted two-unit uses have an average size of 4,164 ft<sup>2</sup>, but code limits the size of one of the units at 1100ft<sup>2</sup>, such that the primary unit is at least 3,064 ft<sup>2</sup> on average. The proposed amendments would continue this restriction for two-unit uses, but not for three-unit uses. Without unit size restrictions either by Subchapter F or another Floor-Area-Ratio limitation, the proposed

amendments may result in units with similar size and price to current single-unit uses, which would not achieve Resolution No. 20230720-126’s goal of facilitating the availability of “smaller, more diverse housing types” for middle-income households.

Base Zoning	Median Allowable Unit Size (ft <sup>2</sup> ) (Three-unit, with Subchapter F)	Median Allowable Unit Size (ft <sup>2</sup> ) (Three-unit, without Subchapter F)
SF-1	1941	4500
SF-2	1188	3564
SF-3	1095	3284

- Phase Two will also explore allowing onsite recreational vehicles (RVs) to count as dwelling units, increasing options for Austinites.
- Splitting the items recommended by Resolution No. 20230720-126 into two phases introduces the possibility that the Phase Two amendments may not be implemented, or that there may be a substantial gap between the two phases being implemented. In the interim, Phase One changes alone may not achieve the desired outcome of affordable, diverse housing stock and could increase redevelopment pressure on existing homes, particularly in areas at risk of displacement. While Housing staff recognize that implementing Phase Two amendments quickly allows less time for design standards to be developed, delaying the items in Phase Two could minimize the positive impacts to housing affordability.

## Impact on Development Cost

The proposed changes will have a **positive** impact on development costs, described in the previous section.

## Impact on Affordable Housing

The proposed changes may have **mixed** impacts on affordable housing.

- **Removing Unrelated Adult Occupancy Limits**
  - The proposed changes will have a positive impact on housing affordability for Austinites, particularly certain groups of marginalized Austinites. Removing Section 25-2-511 (Dwelling



Unit Occupancy Limit) would bring the city of Austin in line with Federal guidelines on occupancy limits. The Fair Housing Act (FHA), administered by the Department of Housing and Urban Development (HUD), prohibits discrimination in housing based on familial status, among other protected characteristics. Therefore, any occupancy standards implemented must be applied equally to all individuals, regardless of familial status, to ensure compliance with the FHA (HUD, 1998). The proposed changes will make more of the city's current and future housing stock available to students, LGBTQIA+ Austinites, and those with living arrangements that differ from standards based on the nuclear family. Further, this gives all Austinites the option to pay lower individual housing costs by splitting costs between more people, informally and through cooperative housing.

- **Income-Restricted Housing**

- The proposed changes do not directly impact the city's affordable housing incentive programs. As a result, they have a neutral impact to income-restricted affordable housing.

- **Displacement Pressure**

- The proposed changes may have a negative impact on homeowners experiencing precarity and some renters. Increasing entitlements may incentivize rental property owners to redevelop occupied single-family units. This could be mitigated by providing bonus entitlements to incentivize preservation. Three units per lot could be achieved by preserving the existing structure and adding two attached units to the property.
- Further, upzoning historically marginalized neighborhoods has led to displacement. To avoid replicating this pattern, The Government Alliance for Racial Equity (GARE) recommends prioritizing market-based upzoning policies in high opportunity areas to allow for a greater variety of housing types and price points in historically exclusionary neighborhoods.<sup>2</sup>
- Displacement pressure from property tax may increase as well. The Phase One changes will not increase property taxes directly, as TCAD does not proactively increase appraisal values in responses to changes to a city's land development code.<sup>3</sup> However, by increasing the housing capacity of a land parcel, the land could sell for more on the market.<sup>4</sup> As TCAD land valuation



takes the sale price of similar parcels into account, these increased sale prices could eventually raise land valuations in single-family zoning, further increasing a home's taxable value but at the same time allowing for the cost of the land to be spread out over multiple households.

## Other Policy Considerations

- The proposed amendments in their totality are in line with best practices for land use and will lower single-family development costs. In the push to provide diverse, accessible housing to all Austinites, it is important to recognize that development cost is just one contributor to the housing crisis, alongside the right of property owners to arbitrarily raise rent or home sale price. This right would ostensibly be checked by the market. However, as a recent report by city staff and UT researchers says, "Austin's rent prices exemplify a market that can support sudden and large rent increases" as nationwide interest in Austin has grown. Austin's average home sale price was \$393,000 in 2019. It was \$625,000 in 2022.<sup>5</sup> This massive inflation in prices is not a function of zoning and its impact to development cost; Rather, it is the product of land speculation and the right to treat housing as an investment. While Austin's housing market experience unprecedented speculative inflation, newly built units that are not subject to affordability-based deed restrictions will be subject to this warping under our current market conditions.
- Market driven solutions to the housing crisis will likely reproduce the same dynamics that play out today, wherein parties with more resources may take advantage of the new regulatory landscape, while those with the fewest resources experience an increase in precarity. In addition to adding more housing choices, the City must address underlying disparities in homeownership, job access, credit, and real estate appraisals. Investments should be made to stabilize existing residents using tools such as home repair loans, mortgage assistance, rental assistance, tenant legal services and representation, and homeowner rights. The City can supplement these stabilizing efforts by providing legal and financial support to protect tenants and homeowners from predatory activity.

Manager's Signature \_\_\_\_\_

# ULI Austin HOME Letter - Exhibit B



## PLANNING COMMISSION RECOMMENDATION 20231114-02

Date: November 14, 2023

Subject: Changes to Residential Uses and Standards (HOME Amendments)

Motioned By: Commissioner Azhar

Seconded By: Vice-Chair Hempel

### **Recommendation:**

Recommend City Council amend City Code Title 25 to accomplish the changes described in the draft documents provided for the November 14, 2023 Planning Commission meeting, as amended by affirmative vote.

Please see attachment for amendments approved by affirmative vote.

### **Vote: 11-2**

Aye: Chair Shaw, Vice-Chair Hempel, Commissioners Anderson, Azhar, Barrera-Ramirez, Connolly, Haynes, Howard, Maxwell, Phillips and Woods

Nay: Commissioners Cox and Mushtaler

Attest:

A handwritten signature in black ink, appearing to read "A. Rivera".

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Andrew D. Rivera  
Land Use Commission Liaison

# Planning Commission Amendments

Topic	Proposed Amendment	Justification	Notes
Floor Area Ratio (FAR) Cap Per Development, Cap Per Unit, and Gross Floor Area Calculation	<p>Regarding floor area ratio (FAR) cap per development, for a development within the Subchapter F boundary:</p> <ul style="list-style-type: none"> <li>The maximum amount of development permitted on a property subject to this ordinance with 2 units is limited to the greater of 0.55 floor-to-area ratio or 3,200 square feet of gross floor area as defined below.</li> <li>The maximum amount of development permitted on a property subject to this ordinance with 3 units is limited to the greater of 0.65 floor-to-area ratio or 3,750 square feet of gross floor area as defined below.</li> </ul> <p>No change is recommended for a development outside the Subchapter F boundary.</p> <p>Regarding floor area ratio (FAR) cap per unit, for a multi-unit development within the Subchapter F boundary:</p> <ul style="list-style-type: none"> <li>The maximum amount of development permitted for one unit on a property subject to this ordinance is limited to the greater of 0.40 floor-to-area ratio or 2,300 square feet of gross floor area as defined below for a two unit and three-unit development, with an exception for an existing unit on the site that would not comply with this requirement, as it related to FAR.</li> <li>The maximum amount of development permitted for two units on a property subject to this ordinance is limited to the greater of 0.50 floor-to-area ratio or 2,800 square feet of gross floor area as defined below for a three-unit development, with an exception for existing units on the site that would not comply with this requirement, as it related to FAR.</li> <li>The maximum amount of development permitted for three units on a property subject to this ordinance is limited to the greater of 0.65 floor-to-area ratio or 3,750 square feet of gross floor area as defined below for a three-unit development, with an exception for existing units on the site that would not comply with this requirement, as it related to FAR.</li> </ul> <p>No change is recommended for a development outside the Subchapter F boundary.</p> <p>Gross Floor Area is defined as in § 25-1-21, with carports and parking structures such as garages exempted from the FAR calculation.</p> <p>Garages are excluded from gross floor area per unit for purposes of this ordinance:</p> <p>A. Up to 450 square feet of:</p> <ol style="list-style-type: none"> <li>A detached rear parking area that is separated from the principal structure by not less than 10 feet;</li> <li>A rear parking area that is 10 feet or more from the principal structure, provided that the parking area is either: <ul style="list-style-type: none"> <li>a. detached from the principal structure; or</li> <li>b. attached by a covered breezeway that is completely open on all sides;</li> </ul> </li> </ol> <p>B. Up to 200 square feet of:</p> <ol style="list-style-type: none"> <li>An attached parking area; or</li> <li>A garage that is less than 10 feet from the rear of the principal structure, provided that the garage is either: <ul style="list-style-type: none"> <li>a. detached from the principal structure; or</li> <li>b. attached by a covered breezeway that is completely open on all sides.</li> </ul> </li> </ol>	Limiting the size of developments and making sure there is alignment with Subchapter F. Based on staff, AIA, and other feedback. Clarifying that carports are exempt from the FAR up to the limits established in Subchapter F.	Existing § 25-1-21 definition: "GROSS FLOOR AREA means the total enclosed area of all floors in a building with a clear height of more than six feet, measured to the outside surface of the exterior walls. The term includes loading docks and excludes atria airspace, parking facilities, driveways, and enclosed loading berths and off-street maneuvering areas."
1,100 sq ft Limitation Removal	Remove the limitation that "One of the dwelling units may not exceed 1,100 total square feet."	Limitations on unit size are meant to be accomplished through FAR. Based on staff and AIA feedback. This is to be replaced with the per unit FAR caps in the previous amendment as a control on unit size.	
Preservation Bonus	<p>A development can utilize the Preservation Bonus if it preserves a structure built in 1960 or earlier.</p> <ul style="list-style-type: none"> <li>For a development utilizing a Preservation Bonus, the FAR of the preserved existing structure does not count against the FAR limits for any additional allowable dwelling units.</li> <li>A development utilizing a Preservation Bonus is entitled to an optional bonus unit in addition to other allowable dwelling units, with no additional FAR allowed, subject to review by the Law Department. Revise the definition of "multifamily residential" and other terms accordingly.</li> <li>A development utilizing a Preservation Bonus must preserve at least 50 percent of the existing structure and preserve 100 percent of the street-facing facade with remodeling or alterations allowed using the criteria below: <ul style="list-style-type: none"> <li>any remodeling or alterations to a side-gabled, cross-gabled, hipped, or pyramidal roof form must be located behind the existing roof ridge/line or peak.</li> <li>any remodeling or alterations to a front-gabled, shed roof or flat roof form must be located the lesser of 15 feet from the front facade or one-half of the width of the front wall.</li> <li>If a development requires a 15 feet clearance on the side of the existing structure in order to build other allowable dwelling units, staff shall permit the removal or alteration of an existing or converted carport or garage to provide such a clearance.</li> </ul> </li> <li>All modifications to the portion of the existing structure subject to the preservation requirements must meet the requirements of the Historic Design Standards as determined by the Historic Preservation Office.</li> </ul>	Creating an incentive to preserve historically significant homes. Based on Preservation Austin feedback	
Sustainability Bonus	<p>A development can utilize the sustainability bonus if it preserves a structure that is older than 20 years and built after 1960.</p> <ul style="list-style-type: none"> <li>For a development utilizing a sustainability bonus, the FAR of the preserved existing structure does not count against the FAR limits for any additional allowable dwelling units.</li> <li>A development utilizing a sustainability bonus must preserve at least 50 percent of the existing structure.</li> <li>Staff should provide recommendations to Council for additional sustainability incentives, besides FAR, as a part of the adoption of the HOME ordinance.</li> </ul>	Creating an incentive to preserve existing homes and limit the amount of wasted material created through demolition. Based on staff feedback	
Front Yard Setback - From Subchapter F	<p>A. Minimum Setback Required. The minimum front yard setback required for development subject to this ordinance is the lesser of:</p> <ol style="list-style-type: none"> <li>The minimum front yard setback prescribed by the other provisions of this Code; or</li> <li>The average front yard setback, if an average may be determined as provided in Subsection B. below.</li> </ol> <p>B. Average Front Yard Setback. The following rules apply for purposes of the setback calculation required by Paragraph A.2:</p> <ol style="list-style-type: none"> <li>A front yard setback is the distance between the front lot line and the closest front exterior wall or building facade of the principal residential structure located on the lot.</li> <li>Except as provided in paragraph 3, average front yard setback is determined using the front yard setback of the four principal residential structures that are: (a) built within fifty feet of the front lot line; and (b) closest to, and on the same side of the block, as the property subject to the setback required by this section.</li> <li>If less than four structures satisfy the criteria in paragraph B.2, average front yard setback is calculated using the number of existing residential structures on the same side of the street block as the property subject to the setback required by this section. If there are no structures on the same side of the block, average front yard setback is calculated using the front yard setbacks of the four structures on the opposite side of the block that are closest to the property subject to the setback required by this section. If there are less than four structures on the opposite side of the block, the lesser number of structures is used in the calculation.</li> </ol>	Align with existing Subchapter F policies. Based on AIA feedback	
Rear Yard Setback - Adapted From Subchapter F	All structures shall comply with the rear yard setback prescribed by other provisions of this Code, but the minimum rear yard setback of an additional dwelling unit may be reduced to five feet if the rear lot line is adjacent to an alley or lot with a non single-family use. Staff may consider other features to allow for this setback exception, while meeting other health, safety, and environment requirements.	Align with existing Subchapter F policies and create flexibility. Based on AIA feedback	
Reduce street side yard setback	For a multiunit development, reduce street side-yard set back to 10 ft. (allows for 5 ft. + room for sidewalk) in the case of a corner lot.	This provides incentive for 3 unit development or 2 and 3 unit development. Based on AIA feedback.	(utility, fire clearances will still apply)
Front Door and Driveway Requirements	<p>For a multiunit development:</p> <ul style="list-style-type: none"> <li>The entryway of at least one unit must face the front lot line.</li> <li>The requirements for a garage door and driveway must match those allowed for one-unit or two-unit developments in the existing code.</li> </ul> <p>Staff should develop design standards for Council to avoid a series of garages facing our residential sidewalks and encourage articulation and active street fronts.</p>	Ensure an activated street front and minimize the impact of driveways. Based on staff feedback	
General Recommendation: Annual Report	Require that an annual report be presented to the Planning Commission with information on program implementation.	Create an opportunity to assess success, identify issues, and make adjustments in the future. Based on stakeholder feedback.	
General Recommendations: FAR Limitations Inside and Outside Subchapter F Boundary	General Recommendations: After adoption of this ordinance, staff should present recommendations on FAR limitations for one, two and three-unit residential developments inside and outside the Subchapter F boundary to further accomplish the policy goals of this ordinance and incentivize different housing types, including but not limited to exemptions for parking structures and garages. Outside of subchapter F, staff should focus on ETOD areas and transit corridors.	Ensure better alignment with and reconsideration of Subchapter F. In addition, expanding future staff feedback and analysis to all aspects of FAR, to allow for a deeper analysis post-implementation and make any necessary adjustments.	
General Recommendation: Preservation Bonus Information	Staff should explore opportunities to proactively share educational information about the Preservation Bonus as a part of the permitting process, including for demolition permits.	Create an opportunity to inform those seeking a permit to consider utilizing the preservation incentive. Based on Preservation Austin feedback	
Duplex	Remove the distinction between duplex and two-unit residential uses and establish the same requirements for both, subject to review by the Law Department.	Removing difference between duplex and two-unit residential. Clarifying that the Law Department will assess this amendment, if adopted.	

STRs - New General Recommendation	General Recommendation: Council and staff should highly prioritize amending codes for permitting and enforcement rules for short term rentals that comply with State Law and recent court rulings and to limit the impact that large quantity of short term rentals have on housing availability.	This is a major concern of neighborhoods. State Laws and recent court decisions have limited City of Austin ability to regulate short term rentals. As additional units are constructed within single family neighborhoods, the City needs regulations to manage the number of short term rentals (especially STR2) to assure adequate housing capacity.	
Infrastructure - New General Recommendation	General Recommendation: Council should require all relevant departments assess the impacts of additional units in single family neighborhoods and the infrastructure required.	This is a major concern of neighborhoods. This will allow City Utility Departments to estimate resources needed as units increase over time within SF1, SF2, SF3 zoned neighborhoods.	
Code Consistency	Ensure that all provisions of Title 25 that do not apply to one or two units do not apply to three units. This section supersedes the other provisions of Title 25 (Land Development), except for the applicability provisions of this ordinance."	Supersedes any other code elements that may be redundant, inconsistent or confusing and unnecessarily complicate the practical application of HOME Phase I. Clarifying that this amendment does not change what geographic areas this ordinance applies to.	
Preservation Bonus Compliance	Staff should develop guidelines on how to manage a situation where a development participating in the Preservation Bonus makes changes to the existing structure, that make it non-compliant with the bonus requirements.	Ensuring that the effectiveness of the Preservation Bonus is not diminished and issues with legal non-compliance are managed.	
	The City should identify opportunities to create well-calibrated density bonus programs that maximize participation in the bonus, while also maximizing community affordability benefits, within the HOME Initiative for mission driven developers to increase homeownership opportunities for underserved communities. The City should also consider how existing, planned, and future density bonus programs can align with the HOME initiative to incentivize the creation of subsidized affordable units. Mission driven developers would be eligible for the low-interest lending program, but also density bonuses that permit them to use creative tools, including the right of return that are deemed legal.		
	The City of Austin would look at the feasibility of establishing a low-interest lending program (with or without the private sector) with favorable terms up to forgiving loans for a developer or homeowner who builds three (or four if preservation is used) units and designates one of the three (or four) affordable, meaning for 60% to 80% of the MFI. This is to provide incentives but also offset losses developers or homeowners who want to help solve Austin's affordability housing crisis. That lending program also would be available for qualifying homeowners who have had barriers to credit and lending programs due to historic factors, or lower-resourced homeowners, or first-time homeowners, who build 1 unit on their property. The latter is to help stabilize the communities that have been disproportionately impacted by gentrification and forced relocations since 1928 to the present. This also would serve to avoid risk that several in the public told us regarding losing their homes that would serve as collateral. In addition, the City should explore opportunities to explore allowing those wishing to utilize the HOME initiative to develop using pre-approved plans to ease the creation of units.		
Effective Date	Ensure that the effective date for this ordinance is 60 days after final adoption.	Allowing staff sufficient time to be ready for implementation.	
	The HOME Initiative would be implemented in accordance with Austin's historic Climate Equity Plan to ensure racial and environmental justice in how Austin implements the HOME Initiative on Communities of Color and underserved Austin communities.		
Flood Risk and Insurance	General Recommendation: The City should proactively share information about flood insurance and information from FloodSmart.gov with residents who live in areas designated as being at flood risk, including areas designated in the Atlas 14 study.	Ensuring that residents are aware of flood insurance and other flood safety resources.	
	General Recommendation: Direct staff to look at the issue of HOA and Restrictive Covenants and how they would work or impact the implementation of the HOME Initiative and if the existence of HOA and Restrictive Covenants and or other tools and/or legal contracts contribute to further forced relocation/gentrification of Communities of Color and lower wealth neighborhoods in which those tools generally don't exist and provide feedback and modeling regarding this recommendation to assess the real impact of the HOME Initiative on underserved and BIPOC communities. In addition, understand the disparity in our community's enforcement of these restrictions in our communities of color and low-income communities.		