

AUSTIN HABITAT FOR HUMANITY

Reforming Austin's zoning code to increase affordability citywide

As housing costs rise rapidly, Austin Habitat is speaking up for fairer land use regulations to make it easier to address the Texas capital's need for housing in places that are walkable, served by transit, and near jobs. Habitat has worked to include a greater diversity of participants in deliberations about the city's land use plan and zoning code overhaul, and built momentum for zoning changes that would promote greater affordability and broader access to well-connected neighborhoods. At the same time, Habitat has energized a coalition that recently persuaded the City Council to place the city's largest-ever affordable housing bond — \$250 million — on the November ballot.

Background

Austin is one of the fastest-growing cities in the U.S. The city of a million residents has doubled in size since 1990, and added roughly 100,000 residents in just the past five years. The influx of new residents and businesses, many tied to the tech industry, are reshaping the housing market. Home prices are rising about 10 percent per year. The city is short nearly 50,000 affordable rental homes. More people are competing for too few places to live. Families earning less than \$25,000 are hit hardest, and homelessness is rising. "We're trending toward San Francisco, only 15 years behind," says Greg Anderson, Austin Habitat's director of community affairs.

City impediments to land development are a major contributor to rising costs, says Wayne Gerami, vice president of client services at Austin Habitat. Competition for land has led to high prices that make it hard for providers like Habitat to build in well-connected areas. A chief stumbling block is the city's outdated zoning code, which has not been revised since 1984 and is oriented toward the kind of greenfield development that made more sense when Austin was smaller. The city's 1,300-page zoning ordinance presents a patchwork of conditions that makes development difficult for market-rate and affordable housing providers alike.

Austin Habitat saw these difficulties firsthand when it sought permission to build a 50-unit condominium development just feet from the Plaza Saltillo light-rail station in East Austin. The transit-rich, job-proximate location with nearby grocery stores seemed like an ideal setting for a compact, affordable homeownership development. But existing zoning permitted only 19 one-bedroom condominiums and mandated extensive parking that had to go underground at \$50,000 per space, rendering the development infeasible. It took three years before Habitat was able to win approvals for additional height and reduced parking to make the Plaza Saltillo development viable. Without pro-bono assistance from well-known land use consultants who helped Habitat address concerns from neighbors, these approvals would likely have never come, Anderson says.

ZONING REFORMS

In 2012, the city of Austin adopted a new comprehensive plan called Imagine Austin that establishes a new framework for development, transportation, infrastructure, parks and other amenities in the city. Driving the plan is a vision of Austin as a "beacon of sustainability, social equity and economic opportunity." Diverse stakeholders are now helping the city iron out the details of implementation.

The first implementation step was developing a housing addendum to the comprehensive plan known as the Austin Strategic Housing Blueprint. The city is now updating its zoning code through a process called CodeNEXT. The zoning code specifies what types of residential, commercial, industrial, park and institutional developments are allowed in a

jurisdiction, where they can be located, in what form, and under what (if any) conditions. How Austin's zoning code addresses issues like height limits, parking requirements, minimum lot sizes and approval processes will have a major impact on the city's overall supply, feasibility and affordability of housing.

NEW HOUSING BOND

To achieve the vision of Imagine Austin, the city will need not just zoning changes, but also substantial new resources for affordable housing, say Habitat and other housing advocates. In June, the City Council placed a housing bond on the November ballot that, if passed by voters, would provide \$250 million over five years for affordable housing. The housing bond would be "general obligation," meaning that it would be backed by the local government's credit and taxing authority and accompanied by a modest increase in property taxes, estimated at 2 cents per \$100 of value.

Advocacy

ZONING REFORMS

When the city adopted a new comprehensive plan, Austin Habitat recognized the potential of a fully implemented plan to improve overall affordability and quality of life for city residents and workers. Habitat began to incorporate sustained advocacy into its operations for the first time in its 33-year history. Its first step was helping to form the Evolve Austin Coalition, which works to implement the ideals of the comprehensive plan. Gerami sits on the coalition board. The coalition's 30 nonprofit members represent diverse interests, including Austin Interfaith and Environment Texas.

Habitat and its coalition partners have focused their efforts on updating the zoning code to make it easier to develop compact, connected, affordable homes to address the city's growing housing needs. "We need more houses, and more types of houses, in more places," Gerami says. In particular, Habitat wants to make it possible for more types of people to live in parts of the city where both housing and transportation are affordable.

In addition to simplifying the land use approvals process, Habitat would like to see parking requirements and height restrictions loosened in appropriate places, such as transit corridors and areas where transitional zoning could permit greater height without harming nearby single-family neighborhoods. Habitat would also like to see affordability incentives in these corridors, whereby the zoning code would loosen restrictions and ease approvals if a development agreed to incorporate a certain degree of affordability.

Since the mid-1980s, Austin Habitat has built just over 430 homes. Gerami believes that if the city facilitates more homebuilding in compact, connected locations, "the impact on our work will be an order of magnitude." Other efforts to provide affordable homes will benefit as well. The zoning code update thus provides Austin Habitat an opportunity "to impact more people than we serve," Gerami says. "We believe that everyone deserves a safe, simple place to live, not just the people we work with. The scale of what we can achieve through this coalition doesn't even compare with Habitat's own activities."

Austin Habitat's advocacy for improved land use regulations has taken the form of direct staff advocacy and outreach to increase the diversity of people participating in city discussions related to CodeNEXT and the Strategic Housing Blueprint. According to Anderson, 58 percent of the city's population are renters, but those showing up to speak about land use approvals are nearly all single-family homeowners. "There are so many people who are affected but not heard, so we're trying to help those other voices get heard."

Now that the zoning update has moved through the City Planning Commission, Austin Habitat is using e-advocacy to get Habitat volunteers and other residents to send messages to City Council members in support of equitable zoning changes. Austin Habitat is preparing to bring volunteers and staff members from other housing organizations to speak in front of the City Council when final zoning revisions come up for a vote later this year.

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Habitat speaks with authority in these discussions, says Keep Austin Affordable consultant John Lawler. “The Habitat brand is something that’s very powerful, and it’s having an impact on these conversations,” he says.

NEW HOUSING BOND

Increasing funding for affordable homes is another way Austin Habitat can help more residents than it serves. Austin’s most recent housing bond is fully spent, so Habitat and other housing proponents are encouraging the city to adopt its largest housing bond ever in the 2018 election.

Habitat was an early leader in efforts to support a major new city investment in affordable housing. Anderson called together other housing leaders participating in the Keep Austin Affordable coalition to encourage them to set their ambitions high, and to prepare for a major bond campaign. “Habitat has been a helpful leader, and has really spearheaded the work of getting the coalition organized and thinking about what kind of capacity will be needed,” says Keep Austin Affordable consultant John Lawler.

The city’s Bond Election Advisory Task Force initially recommended \$161 million for affordable housing — more than double Austin’s last five-year bond. Working through Keep Austin Affordable, Habitat and its partners championed an amount as high as \$300 million.

In mid-June, Habitat and other members of Keep Austin Affordable held a rally at City Hall to encourage City Council members to invest big in affordable housing. Over 80 housing leaders attended. Austin’s mayor and four other City Council members announced their support. Later that night, more residents came to testify before City Council in support of a bold housing bond. More than 120 people registered their support for the package of bonds being considered, and dozens testified well past midnight, forcing the council to postpone a vote. At the follow-up vote two weeks later, members of Keep Austin Affordable and other allies again testified late into the evening in support of a strong investment. In the end, City Council members voted 8–3 to set the housing bond at \$250 million — a “historic level of funding for housing,” in the words of one council member.

Impacts

ZONING REFORMS

Habitat’s direct advocacy and outreach efforts for the Strategic Housing Blueprint and the zoning code update helped put a strong zoning code overhaul in front of City Council. Council members are expected to render a final decision by the fall. Habitat Austin is hopeful that the approvals it won for Saltillo Plaza will help show what well-designed, compact, transit-served development can look like, and how it can benefit surrounding neighborhoods and the city.

NEW HOUSING BOND

Sparked by Austin Habitat’s call for a bold housing bond, Keep Austin Affordable persuaded the Austin City Council to place a \$250 million affordable housing bond on the November ballot. This is 55 percent higher than the amount originally recommended by the city’s Bond Election Advisory Task Force. If passed by the voters, the bond would provide significant new resources for rental housing, homeownership, home repair and land acquisition.

Lessons

1. **A land use plan will not be equitable without broad participation.** Anderson encourages affiliates to “really scrutinize your land use plan to make sure it’s working for the folks that don’t show up to participate in its creation.” He adds: “If you allow neighborhood advocates to dictate the conversation about development, it leads to bad outcomes for nonhomeowners. If it’s all owners showing up, there’s a good chance the land use code is pulling up the ladder of opportunity.”
2. **Land use education takes time.** “It takes at least an hour to get people interested and excited about CodeNEXT,” Anderson says. “It’s so much easier and quicker to get people scared about it.” This is a big

challenge for Austin Habitat and advocates of land use reform nationwide. But it is surmountable if the time is invested.

3. **To boost your advocacy capacity, “find someone familiar with advocacy and local politics, then train them on Habitat.”** Before he became Habitat’s director of community affairs, Anderson was a policy director for an Austin council member and active in neighborhood planning. According to other Habitat staff members, “It’s put us years ahead of where we would have been without someone with that background.”
4. **Collaboration pays off.** Coalition work is an important part of what Austin Habitat does. Combining forces with other organizations’ resources has been crucial to its land use and funding advocacy. This influences how Habitat approaches advocacy. As Anderson says, “This can’t be about any one of us, but all of us. This has to belong to the housing community.”

Resources

- Greg Anderson, Director of Community Affairs, Austin Habitat, ganderson@ahfh.org.
- CodeNEXT: austintexas.gov/codenext.
- Austin Strategic Housing Blueprint: austintexas.gov/sites/default/files/files/NHCD/Strategic_Housing_Blueprint_4.24.17__reduced_.pdf.
- Austin City Council Resolution RE: 2018 Housing Bond: austintexas.gov/edims/document.cfm?id=301939.



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