

RESOLUTION NO. 20230720-126

WHEREAS, the City of Austin is committed to promoting attainable and diverse housing opportunities for residents of all income levels; and

WHEREAS, with the rapid rise in housing and land costs, fewer middle-income families can afford home ownership in Austin; and

WHEREAS, from 2010 to 2020, homes prices in Austin increased 55 percent, driven by a 20 percent population growth over the same period; and

WHEREAS, in 2020, a City analysis found that smaller house-scale forms such as townhomes, row houses, tri- and four-plexes, are more attainable for middle-income earners but make up only 12 percent of Austin’s housing stock; and

WHEREAS, the City’s analysis found that “Preserving relative affordability of and adding attached homes to the for-sale market will be important for maintaining homeownership opportunities among middle-income households”; and

WHEREAS, in 2022, the Austin Board of Realtors reported that homeownership for middle-income earners in Austin dropped to 28 percent of that group, from nearly 50 percent in 2012, meaning it is increasingly difficult for these families to build equity and remain in Austin; and

WHEREAS, larger lot size requirements have been identified by Paul Boudreaux in *Lotting Large: The Phenomenon of Minimum Lot Size Laws*, as obstructing affordable housing and exacerbating social segregation; and

WHEREAS, numerous reports and housing studies have demonstrated that larger minimum lot size requirements can perpetuate socio-economic disparities by limiting home-buying opportunities for working families; and

WHEREAS, Austin's current Land Development Code is not conducive to smaller scaled homes, allowing only one to two housing units per lot in most single-family zoning districts, and maintaining a standard minimum lot size starting at 5,750 square feet; and

WHEREAS, many peer cities, such as San Diego, Philadelphia, and San Antonio, offer a range of more modest lot sizes to enable families of all incomes to participate in home ownership; and

WHEREAS, the City Council recognizes the city's housing affordability challenges and has adopted proactive measures such as adjustments to compatibility and parking requirements to enable more sustainable and equitable housing development; and

WHEREAS, smaller lot sizes encourage compact development and can optimize the use of existing infrastructure such as roads, water supply, and sewage systems, minimize resource consumption and associated environmental impacts through smaller structures, and allow clustered developments that preserve more tree canopy and environmental features; and

WHEREAS, incremental increases in the number of units allowed inside neighborhoods and smaller lot sizes create more diverse housing for working families and the flexibility to meet their needs; and

WHEREAS, City Council supports the goals of making homeownership more attainable for middle-income earners, as well as giving families the flexibility to have multi-generational options and generate income on their properties; and

WHEREAS, City Council understands these goals are fundamental to meeting the affordability challenges of our City and the needs of our working families; **NOW, THEREFORE**,

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

The City Council initiates amendments to Title 25 (*Land Development*) to facilitate the availability of smaller, more diverse housing types, and to allow more housing units on single-family lots. The City Manager is directed to propose amendments that achieve the following goals:

1. reduce the minimum lot size in single-family zoning districts to 2,500 square feet or less so that existing standard-size lots can be subdivided, and be developed with a variety of housing types such as row houses, townhomes, tri- and four-plexes, garden homes, and cottage courts;
2. amend the maximum number of housing units to allow at least three units per lot in single-family zoning districts without requiring existing structures to be preserved; and
3. create a new use for three-family residential that allows for flexible housing configurations in SF-1, SF-2, SF-3, and SF-4A/4B zoning districts.

BE IT FURTHER RESOLVED:

To assist with achieving the goals in this Resolution, City Council initiates amendments to Title 25 (*Land Development*) to adjust and streamline site development regulations for single-family zoning districts that will allow up to three dwelling units on smaller lots that are created by subdividing a single-family

lot; and will allow two or more dwelling units to be constructed on a single-family lot. The City Manager is encouraged to propose changes that are informed by the design principles developed in the Mueller Plan and other similar resources. At a minimum, the City Manager is directed to propose amendments that will:

1. adjust:
 - a. setbacks, height, impervious cover, and floor-to-area ratio (FAR);
 - b. regulations that impact the re-development of existing substandard lots; and
2. limit the applicability of Chapter 25-2, Subchapter F: Residential Design and Compatibility Standards (also known as the “McMansion Ordinance”) so that it applies only when one dwelling unit is proposed to be constructed on a lot; and
3. eliminate minimum site area and building coverage requirements; and
4. if legally feasible, allow for innovative:
 - a. methods to mitigate potential runoff from additional impervious cover;
 - b. utility layouts and connections to support multiple units on smaller lots; and
5. preserve trees or other natural features, and mitigate floodplain areas by allowing for alternative equivalent compliance and administrative modifications for single-family developments that will be developed:

- a. with two or more dwelling units per lot; and
- b. on a lot created by subdividing an existing standard-size single-family lot.

BE IT FURTHER RESOLVED:

The City Manager is directed to propose:

1. any additional site development regulations necessary to facilitate the creation and development of smaller lots and more housing units in single-family zoning districts consistent with this Resolution; and
2. strategies to mitigate unintended consequences, including conflicts with City Code and other laws.

To the extent that the direction in this Resolution conflicts with prior resolutions, this Resolution controls, and its directions should be incorporated into any Title 25 (*Land Development*) amendments initiated within the last two years.

BE IT FURTHER RESOLVED:

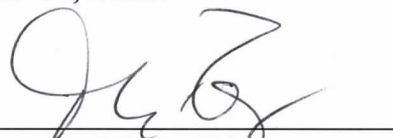
The City Manager is directed to process these code changes, provide Council with briefings or memorandums that explain community stakeholder input plans, and give a progress briefing at the earlier of November 2023 Housing & Planning Committee meeting or a Council work session that precedes the November 2023 Housing & Planning Committee.

BE IT FURTHER RESOLVED:

Since this Resolution initiates multiple amendments, the City Council encourages the City Manager to bring amendments initiated by this Resolution as

they are ready. One or more of the amendments initiated by this Resolution should be to the full Council for approval beginning December 14, 2023.

ADOPTED: July 20, 2023 **ATTEST:**



Myrna Rios
City Clerk