



COMMENTS ON THE DRAFT STRATEGIC HOUSING BLUEPRINT IMPLEMENTATION PLAN

http://www.austintexas.gov/sites/default/files/files/Housing/ASHBI_Implementation_Plan_20181119_-_EMAIL.pdf

Overview.

The Strategic Housing Blueprint was authored by the City of Austin Neighborhood Housing and Community Development Department (NHCD), and was approved by the City Council in April 2017. The NHCD has now submitted a draft implementation plan (the Draft Plan) having as its purpose recommendations for specific actions, priorities, and goals for meeting Austin’s housing needs based on the Blueprint. The NHCD is calling for electronic comments from the public before December 31st. The Department’s stated intent is to submit concrete recommendations to the Housing & Planning Committee of the City Council in early 2019 for later consideration by the Council.

Unfortunately, the Draft Plan is *incomplete*. The NHCD has indicated that the Draft Plan does not yet include recommendations from at least seven other plans/studies dealing with affordability, gentrification, institutional racism, fair housing, and homelessness. The Draft Plan’s strategies and proposals cannot be fully formed or evaluated in this vacuum. It is challenging for policymakers and the community to comment on an incomplete draft plan. A second comment period should be provided after the draft is fully formed.

Problematic Focus.

Both the Blueprint and the Draft Plan’s housing projections are based on the assumption that the City of Austin needs 135,000 housing units over 10 years. This number is a five-county regional number. The City of Austin’s housing need projected by the City demographer is 80,000 housing units.

“[t]he vibrant housing market that exists within Austin operates at the metropolitan-level and not at the municipal-level ... it seems unrealistic to assume that the City of Austin could somehow reverse these macro trends and gain an increased share of future regional growth that will more than likely occur within the metropolitan area’s suburban realm.”
(Ryan Robinson, April 11, 2017).

Austin’s Housing Market Without Intervention.

The City has no legal authority or ability to affect housing production outside the City. In fact, the City of Austin issues permits for only about half of the regional units.

*Half of all units permitted in 2018(Jan-July) were in the City of Austin (2,259 single-family units and 6,192 multifamily units).
<https://www.austinchamber.com/blog/08-07-2018-residential-permit-activity> The following table shows permits for the metropolitan area.*

Even without proposed interventions recommended by the Draft Plan, the market is producing units exceeding the Demographer’s suggested needs for both the City of Austin *and* the Metropolitan area. If the current rate were to continue for ten years, this would result in approximately 270,000 units.

Most Active Large Metropolitan Areas

Based on Housing Units Authorized by Building Permits and U.S. Census Data

	Population		Housing Permits 2017		Housing Permits 2018 thru July	
	2017	Rank	Units	Rank	Units	Rank
Austin	2,118,827	31	26,700	9	16,809	6

Market Rate Housing and Affordability.

Contrary to the suggestion in the Draft Plan, building market-rate housing will do little to affect housing affordability in Austin neighborhoods. As indicated in a study cited by the Plan in footnote 2, additional housing for high- and moderate-income households is helpful primarily on a regional basis: the “development of market rate housing is not the most effective tool to increase affordability and fight displacement at the neighborhood level.” (Miriam Zuk and Karen Chapple, Housing Production, Filtering and Displacement: Untangling the Relationships,” Institute of Governmental Studies Research Brief (Berkeley: UC Berkeley), 2016 at p. 10)

The Draft Plan should be more concerned with preserving existing affordable housing stock currently being replaced with market-rate housing and the provision of low-income affordable housing which the market will not provide. Greater consideration should be given to Neighborhood Combining Conservation Districts and Historic Preservation Districts, which restrict the market and are much less costly than direct public funding or tax abatements.

Positive Elements.

The Plan contains some good proposals. It is at its best when it points to the need for the creation of affordable housing for lower-income people and the use of public funds and other funding mechanisms to further that goal. It also recognizes the importance of preserving existing affordable housing and having affordable housing available in all areas of the city. The Plan promotes two to three-bedroom affordable units to mitigate the ongoing flight of families from the City. It also recognizes the need to have a more efficient permitting process (though it fails to acknowledge the City's role in those inefficiencies). These are just examples of the contributions the report makes.

Concerns.

There is reason to be concerned that some of the proposed solutions will worsen the problems of displacement and will not adequately address moderate- and low-income housing needs.

First, there must be a comprehensive anti-displacement plan with both public funding and regulatory market-restricting approaches, such as in the People's Plan. The NCHD must recognize that the market is the cause of displacement and that effective approaches for low-income affordable housing are counter-market and very different than for high-end housing. Because of these profound differences, the City must set up separate divisions for low-income housing and for displacement, separate from its market-rate housing programs. Otherwise, we believe the City will place its emphasis on market-rate housing to the detriment of low-income housing and anti-displacement

Second, the report falls short by promoting land use changes that rely on the housing market to solve housing affordability problems while ignoring the market forces that undermine solutions to those problems.

1. It recommends smaller lots for smaller and presumably more affordable houses, but it does not *require* that smaller or more affordable homes be built on those lots. Left to its own devices, the market invariably maximizes profits and the size of the houses allowed. It is also notable that the Plan does not limit the size of ADUs despite its view that smaller units are more affordable.
2. It proposes allowing developers to provide less parking than needed to save costs and reduce impervious cover but it does not *require* the developer to pass those savings on to residents or reserve cheaper units for residents without cars or even to actually reduce the amount of impervious cover.
3. It assumes that more density per land area produces more affordability, but it offers no data to support that conclusion and relies on the market to work against its interest and create less expensive units in a market that favors more expensive units.

In short, the Draft Plan fails to connect proposed code changes to affordable housing. It suggests new development policies that ostensibly lower construction costs, but it provides no mechanism to ensure that the money saved makes its way into the pocket of the renter or homebuyer, leaving that decision instead to the market. One only has to look at the real estate listings for \$450,000 ADUs to know that the market maximizes its profits across the different housing types. We need policies that do more than just facilitate greater profits for market-rate housing developers.

Another limitation is the one-dimensional nature of the report. In places, it focuses on housing to the exclusion of other planning considerations. To be fair, it is a housing plan. But in its single-minded pursuit of more housing units, the Plan weakens regulations that represent sound community planning and ignores other important community interests. For example, it recommends the elimination or reduction of site area requirements, setback requirements, compatibility standards, and parking requirements off of corridors and outside of centers, as though these standards serve no purpose, are not valued by, and have not been relied upon the community. It also encourages chopping up lots, dividing houses, replacing homes with multi-unit structures, and inserting additional buildings in backyards. While the use of some combination of these proposals could be justified in a given location, when applied *carte blanche* they risk the unintended consequences of *increasing displacement, undermining neighborhood stability, affecting values, diminishing school enrollment, causing flooding, harming the environment, or overburdening the neighborhood infrastructure and street design*. There is no regulation (or entitlement) that cannot be improved or adjusted, but to dilute standards across the board that are part of the community design and that serve health and safety purposes is shortsighted – especially when it has not been demonstrated that those shortcuts will lead to housing affordability.

Instead of one-size fits all proposals, we need context-sensitive decisions that are the essence of planning and plan implementation. All corridors and centers and their surrounding areas are not the same. The efficacy and impact of a land use change will vary depending on what is on the ground. We need a process which empowers the creation of affordable housing while involving the community, so that all interests are met and there can be broad support for that housing.

Public Input Process.

Because the Draft Plan is not yet complete and the electronic public comment period ends December 31, 2018, there needs to be a fresh look at the public input process. The Blueprint's primary focus is on the provision of housing; it is not surprising that the list of consulted stakeholders is heavily weighted to affordable housing advocates. However, omitted from that list are organizations that have been actively advocated for affordable housing and anti-displacement policies. They include ANC, SOS, NAACP, PODER, the People's Plan group, and CNC. There should be an in-depth public process to ensure all voices and perspectives are considered and deliberated. Consensus can be achieved with the right process, just as it was when the Land Development Code was last updated.

Conclusion.

Many of the recommendations dealing with affordable housing can be implemented without Land Development Code changes. These provisions should be advanced without waiting on the rewrite of the Land Development Code.

Those portions of the Draft Plan dealing with changes to the Land Development Code should be considered in the City Manager's upcoming code revision process. This will provide a more complete discussion by a broader set of stakeholders, where the positive recommendations can be incorporated into the Code and the concerns outlined above can be resolved through community dialogue. Many of the planning proposals in the Draft Plan – especially those dealing with market-rate housing – require analysis and testing in the context of the built environment. To successfully meet the future housing needs of the City we need not only good policy decisions but also ones supported by the community.

Submitted by Community Not Commodity
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