Analysis of 2024 HOME Annual Report
By Rich Heyman

This is the most important paragraph in the report: housing demand, interest rates, and construction costs have more impacts on the supply of housing than zoning does—zoning is not the ”barrier” to development that we’ve been told it is, which was the justification for HOME.

While this comparison provides valuable context, further analysis is needed to determine whether these patterns persist over time. It is also important to note that HOME applications differ in scope and intent from prior SF-1 to SF-3 developments and are subject to different regulatory frameworks. Additionally, broader market conditions—such as housing demand, interest rates, and construction costs—have shifted significantly since the onset of the COVID-19 pandemic in 2020. These factors may influence development patterns independently of zoning changes. Continued monitoring and analysis will be necessary to better understand the relationship between HOME applications and displacement dynamics in Austin.

From Page 22

Key Findings are mostly misleading.

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- A total of **436 new housing units** were approved under HOME Phase 1, including two-unit, three-unit, and duplex configurations.
- Projects utilizing the **Preservation Bonus** retained an average of **94%** of the original structure, supporting the initiative's goal of preserving existing housing stock.
- There has been **no measurable increase in demolition applications**, indicating that the HOME amendments have not accelerated demolition activity.
- While HOME applications are **concentrated in Displacement Risk Areas**, this concentration is **not significantly greater** than that observed in similar zoning districts prior to the adoption of HOME.
- Preliminary assessments indicate **potential impacts to infrastructure**, particularly in relation to electrical load capacity and waste collection logistics.

From Page 2

This point is misleading because only 3 projects using the Preservation Bonus have been approved (page 7). 94% preservation sounds impressive, but it is meaningless in terms of preserving existing housing stock.

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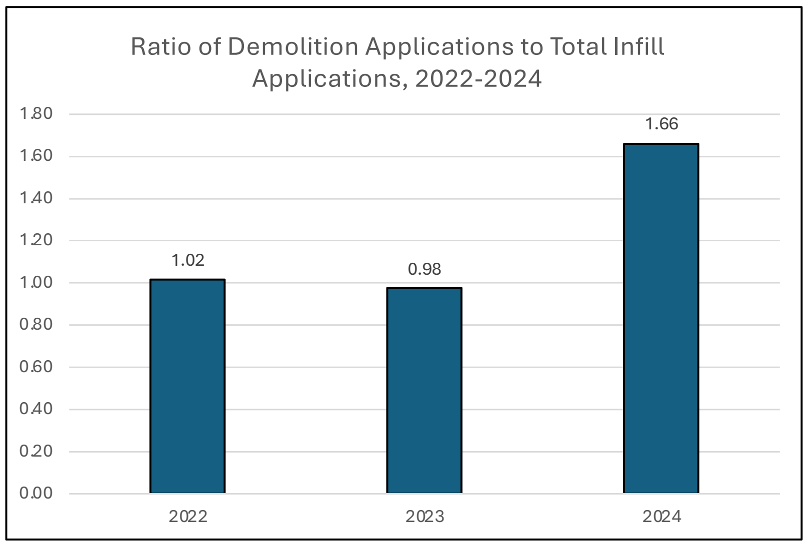
… the ratio of demotions to infill applications has increased significantly, from about 1:1 to about 1:1-2/3rds. In other words, while total infill applications have decreased, 50% more of them include demolitions. Demolitions have become a more frequent feature of the infill development that is taking place.



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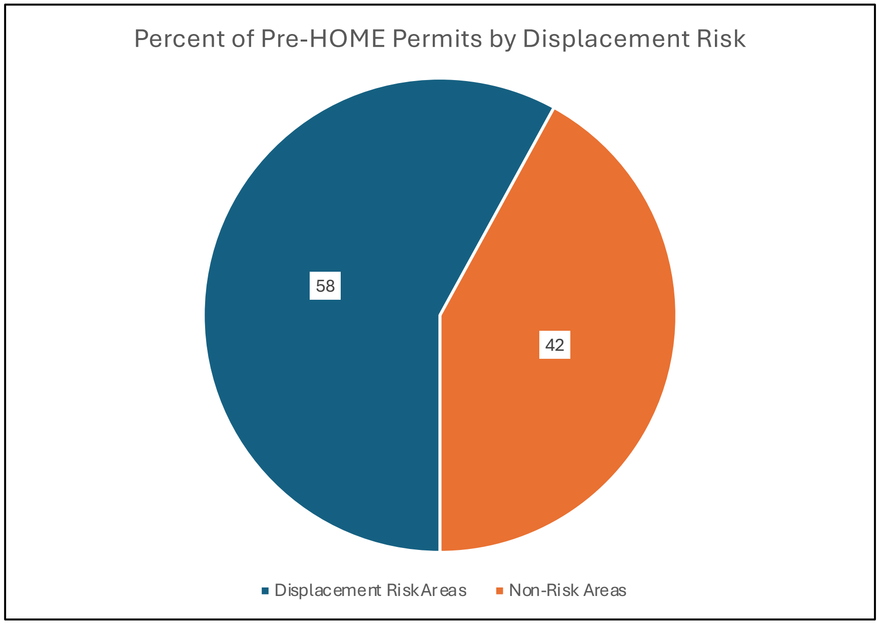
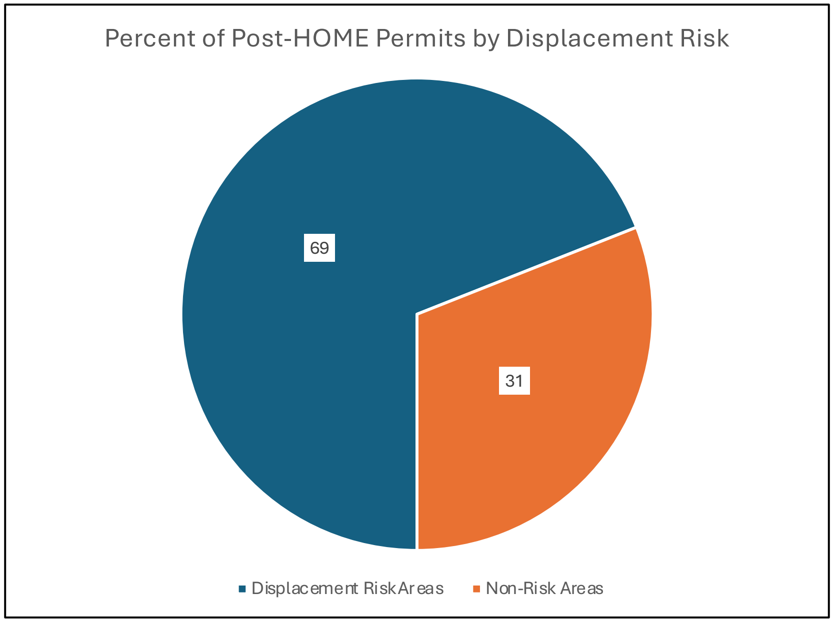
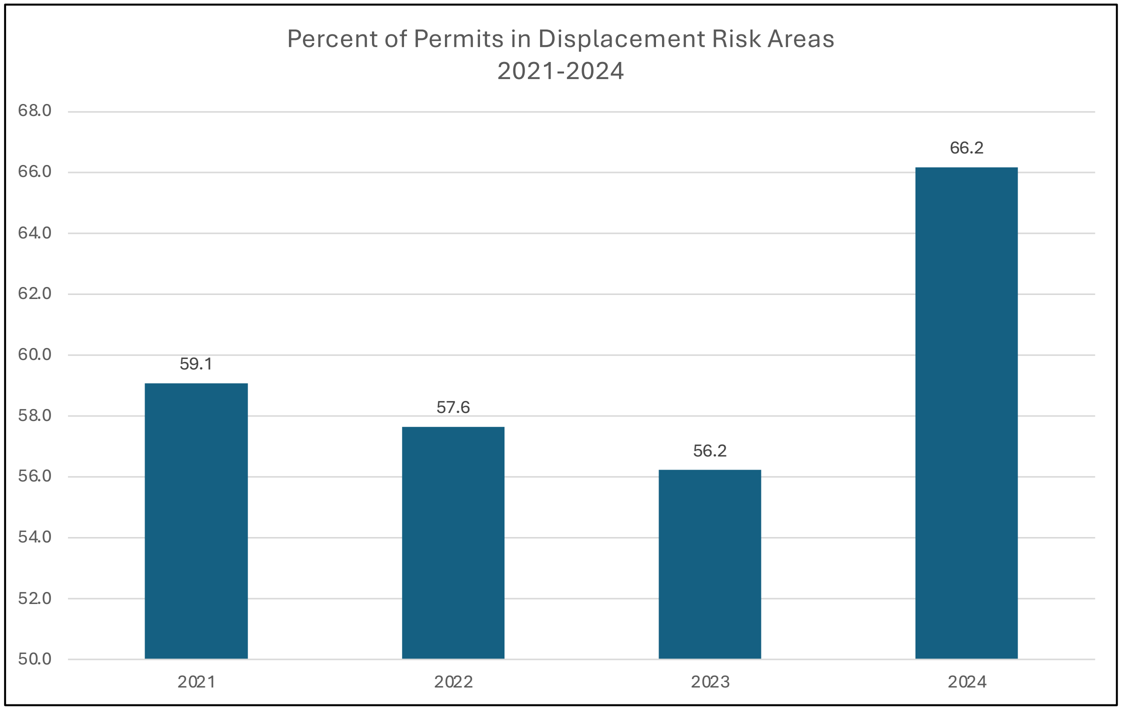
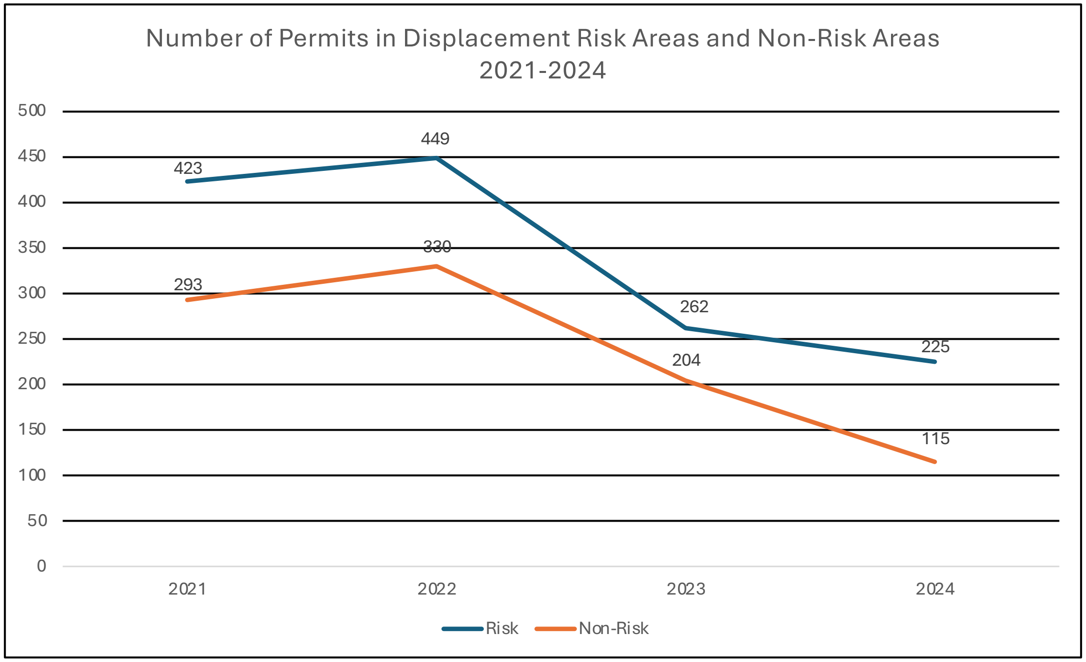




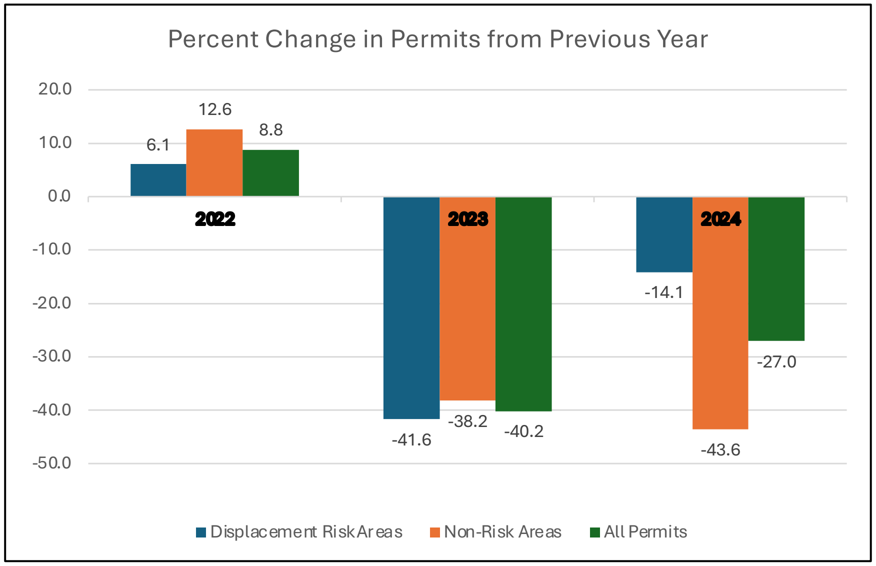
...This is more pronounced if we look at the pre-HOME trend vs. post-HOME spike....



…The number of permits is down (because of market conditions, independent of zoning changes), but there is a widening of the difference between where infill permits are located, in relation to displacement risk….



... Here, we see that in 2024 (post-HOME), while all infill permits dropped 27% from the previous year, they dropped 43.6% in non-Risk Areas but only 14.1% in Displacement Risk Areas. The disparity between Risk and non-Risk areas is markedly different after HOME. Infill permits are much more likely to be in Displacement Risk Areas post-HOME.



Conclusions

- The report undermines the main argument for HOME, that zoning is a significant barrier to housing.
- While demolitions have not increased in number, due to a downturn in the market, the ratio of demolitions to infill permits has spiked. Demolitions have become a more frequent feature of infill development.
- Infill permits are much more likely to be in Displacement Risk Areas post-HOME.
- The report relies too much on the overall decline in permits to minimize the impact of HOME.
- The report includes spurious statistics to make HOME seem successful (94% of original structures in the Preservation Bonus program are preserved!).