



CODENEXT

SHAPING THE AUSTIN WE IMAGINE

CodeNEXT Equity Assessment: Responses to Additional Equity Tool Questions from Council PAZ Responses_ March 2, 2018

1. Project Analysis

a. How has your project team analyzed past and current land development codes' impacts on communities of color?

The CodeNEXT team analyzed development patterns and trends as reflected in documents such as neighborhood plans, existing zoning classifications, and patterns of zoning changes. Furthermore, the team analyzed historical documents such as the 1928 plan, the Austin Tomorrow Plan and most recently, the Imagine Austin Comprehensive plan as a basis for context on how communities of color were addressed in these publications. The 1928 Plan for Austin set in motion land development patterns that are still evident today with the segregation of communities of color to the east side of Austin. With more recent actions by the City Council to protect environmentally sensitive areas of Austin and designate East Austin as part of the larger the desired development zone area and the creation of the Save Our Springs Ordinance, more development pressure has been placed on eastern Austin, known as the eastern crescent neighborhoods. While City Council has given no policy direction to undo said environmental protections, CodeNEXT seeks to provide additional solutions to address inequities in our communities of color.

2. Engagement

a. How has your project team addressed the issues brought up by the Neighborhood Plans audit regarding equitable engagement of renters?

While the CodeNEXT engagement process has been significantly different from the Small Area Planning process, we have nevertheless sought to engage community members from all walks of life over the entire City. Our in-person engagement opportunities have been held across the city at different times and on different days to best accommodate the schedules of many of our residents. Additionally, we received a large percentage of our feedback either via email or through other online channels, which have a lower barrier to entry than attending meetings. The team also plans to send a courtesy bilingual notice postcard to all Austin utility account holders and property owners with commission public hearing dates and opportunities for involvement. Ensuring that all Austinites, not just property owners, receive this courtesy notice, we are helping to encourage everyone to participate in the process.

b. If the majority of CodeNEXT input is from more affluent white homeowners, how does your project team plan to include the interests of communities of color in CodeNEXT?

The CodeNEXT team has not gathered data on the racial or socioeconomic status of any of the participants in our process. For our large community meetings, we asked participants to sign in and note whether they were homeowners or renters, but many chose to leave that field blank. Additionally, we did not ask for any demographic information for any of our online feedback

mechanisms, so we do not have that data available for any of the thousands of comments or emails we received through the course of this engagement process. With those points noted, the team used existing Council policy as the guide for the rewrite of the code. These policies include Imagine Austin, which has a vision for a more equitable city. The team kept the vision of Imagine Austin front of mind as we created a code that would work to improve the lives of Austinites and the communities of color as much as possible through the limited policy framework a code has. The Imagine Austin comprehensive plan engaged 18,532 people from across Austin, including residents outside the City limits.

3. Logic Models

a. **Include “How has the current code addressed this issue?” to every logic model. See Logic Models which do address history and background related to each issue.**

b. **Renters now make up the majority of Austinites, but the overwhelming majority of City Council, Commissions, and community members who participate in CodeNEXT are homeowners. The majority of low income folks rent. The majority of Black and Latinx households rent. The majority of Black and Latinx households live in duplexes or denser. How has the current code addressed this issue? How is your project staff ensuring the interests of the majority of low income Austinites and people of color--who rent, or who live in non-single family homes--are included in CodeNEXT?**

The current land development code does not offer enough options to slow the displacement of our vulnerable populations - it was made when Austin was half the size it is today, and it doesn't address all of the challenges and opportunities our growing city offers. CodeNEXT seeks to provide additional options for renters, such as incentivizing ADUs for homeowners, offering additional housing capacity in high-opportunity areas, and connecting our transportation systems with career and housing opportunities. CodeNEXT also seeks to increase the number of units that can be built through the affordable housing bonus program as well as expanding the program across the city and across different zones, including into lower-density zones. The affordable housing bonus program is the only option for mandated affordability that the land development code can provide in the State of Texas; we are limited in our options by restrictions on other types of solutions that would allow for more affordable housing to be built. There are other options for assisting with affordability that live outside the land development code, and the City's Strategic Housing Blueprint (see [http://www.austintexas.gov/sites/default/files/files/NHCD/Strategic Housing Blueprint 4.24.17_reduced_.pdf](http://www.austintexas.gov/sites/default/files/files/NHCD/Strategic_Housing_Blueprint_4.24.17_reduced_.pdf)) outlines many of them. While the City cannot mandate that market-rate affordable units remain affordable, we can incentivize property owners to keep existing buildings instead of demolishing them, and the most recent draft of CodeNEXT seeks to do so. The City, and the land development code, is limited in how much it can do to preserve and encourage development of affordable housing in Austin, but the CodeNEXT team remains focused on the ways we can make improvements.

How will they be included in potential future neighborhood planning and small area planning processes?

Previous neighborhood planning processes have reached out to renters through notices targeted to all utility customers, as well as e-mail surveys of utility customers and other methods. In addition, staff has provided food and/or children activities at several planning

meetings to help attract a more diverse group of participants. PAZ staff is currently developing recommendations for our future small area planning process that address the findings of the Audit on Neighborhood Planning as well as additional directions from City Council. As part of this, PAZ will be working with the Equity Office and other stakeholders to develop and implement innovative strategies for reaching out to hard to reach populations through our future small area planning processes. Future strategies will be targeted to the characteristics of the area and could include: adding planning-related survey questions as part of assessments already occurring through Austin Public Health, conducting interactive engagement activities through social service agencies and existing organizations that cater to renters, and staffing kiosks at bus stops and other methods.

- c. **Landlords often stop accepting Section 8 vouchers when they renovate or when they increase the rent in a landlords' market. How has the current code addressed this issue? How will CodeNEXT ensure enough housing is being built so landlords are not incentivized to renovate or redevelop existing market and subsidized affordable housing? How will CodeNEXT create more units that will accept Section 8 vouchers throughout Austin?**

State law prohibits municipalities from enforcing "source of income" discrimination ordinances that prevent landlords from discriminating against prospective tenants with housing vouchers (Texas Local Government Code, Section 250.007). Due to this prohibition, the City of Austin is only able to enforce source of income discrimination protection for veterans (for whom state law provides an exception), or when a property owner is participating in a voluntary program, such as a density bonus.

However, separate from CodeNEXT the City of Austin has taken action to approve an ordinance that prohibited discrimination in housing based on an individual's source of income and to "recognize rights of each individual to obtain housing without regards to race, color, creed, religion, sex, national origin, disability, student status, marital status, familial status, sexual orientation, gender identity, age, or source of income," (see <http://www.austintexas.gov/edims/document.cfm?id=223956>). This past August, the Austin City Council approved a resolution giving direction to prepare and pursue litigation against the State of Texas to fight housing discrimination based on the source of income (see <http://www.austintexas.gov/edims/document.cfm?id=282932>).

Some sections of the current Land Development Code prohibit property owners from denying housing to applicants solely because of the applicant's participation in a voucher program – specifically the Downtown Density Bonus [LDC 25-2-586 (G)(2)(c)] and the Rainey Street Subdistrict [LDC 25-2-739 (C)(4)(d)] sections. The Planned Unit Development section also requires that affordable rental units be eligible for federal housing choice vouchers (LDC 25-2 Article 2, Division 5, Subpart B, Section 2.5.3).

CodeNEXT extends this provision to the existing S.M.A.R.T. Housing Program as well as the proposed citywide Affordable Housing Bonus Program. The inclusion of source of income protections in these two programs will increase the number of affordable units that cannot turn away prospective tenants because of their vouchers.

Additionally, subsidized affordable housing developments have affordability period requirements that ensure that the units have to remain affordable for the duration of the affordability period.

- d. **Although displacement can occur by demolition, the large majority of displacement of low-income people is through rising rents. Evidence points to low vacancy rates that create a landlords' market in Austin. How will CodeNEXT address this core reason for displacement?**
- In Texas, housing prices, rents and values can increase unchecked unless the housing is income-restricted for an extended period of time, meaning that it must remain affordable to households at a certain income for a set period of time. Because Texas law prohibits cities from instituting rent control or requiring developers to include income-restricted affordable housing in their developments, tools for achieving income-restricted affordable housing in the Land Development Code are focused around voluntary incentive programs. One such program is the proposed Affordable Housing Bonus Program, which grants developments additional entitlements (like more dwelling units, height, or a bigger building) in exchange for setting aside a number of units as income-restricted affordable. This program is carefully calibrated across multiple zoning districts and market conditions (development costs & rent/sale prices) so that property owners/developers will want to participate and thereby deliver both affordable units and additional market-rate units. By linking the bonuses to a property's zoning district, the program significantly broadens the areas of the city where this affordable housing can be built over the current code.

The City's current Land Development Code makes it easier to construct detached single family homes or large apartment buildings than any housing type in between. "Missing middle" housing types like duplexes, triplexes, small apartment buildings, rowhomes, and cottage courts can provide less expensive housing options than the typical new single family home in the same neighborhood, while giving people more choices in how they want to live. These housing types are allowed with a faster permitting process in CodeNEXT residential zones like R3 and R4 and can help Austin accommodate its increasing population in a context-sensitive way.

CodeNEXT also proposes to make it easier to build accessory dwelling units (ADUs) in more parts of the city. This housing type provides families looking for extra income the ability to stay in place, or older residents to age in place. By increasing the city's capacity for more housing in these ways, the Land Development Code can give the City and property owners the tools to bring housing supply more in line with demand.

- e. **Young people, especially in our public schools, are people of color. With the growth in housing prices, how will young people find opportunities for rental housing or homeownership in the future? How is this handled under the current code, and how will CodeNEXT help address this concern?**

The goals of a highly effective land development code should create housing opportunities for people of all ages, races/ ethnicities, and income levels, but takes no role in assisting people in finding housing. In CodeNEXT we have developed zones which allow for smaller lots and housing options which will overtime become more affordable than the existing, larger single family housing stock that is a product of current code. The affordable housing bonus program has also been applied to more areas of town, creating incentives for the development of rental units

priced under 60% MFI and ownership at 80% MFI. The current Code provides incentives for development of rental housing at 80% MFI for a much shorter duration. CodeNEXT also recognizes the cost that single passenger vehicles have on infrastructure and the overall cost of living and thus encourages a more compact and connected development pattern and reduces residential off-street parking requirements that encourages the use of transit and other forms of active transportation.

The Land Development Code can provide a framework for creating the housing we need to accommodate existing and future residents by broadening the types of housing that can be built, expanding the areas where housing can be built, streamlining the development review process, and utilizing affordability incentive programs to generate income-restricted affordable housing – all of which CodeNEXT proposes to improve compared to the current code. However, residents will still need tools to help them keep up with rising costs. Job training, transit access to education and employment opportunities, and a wide range of jobs paying a living wage are necessary to help residents of all ages and races/ethnicities thrive. CodeNEXT proposes to increase housing and employment capacity in the city over current code, with a focus on corridors; however, our community could also focus attention on workforce development and economic development initiatives, which are not included in the Land Development Code.

- f. **Austin was once segregated by law, but continues to be segregated even if not still explicitly forced to be by law. How has the current code addressed this issue? How will CodeNEXT provide more housing choice to communities of color throughout Austin to affirmatively further fair housing?**

CodeNEXT allows the capacity for more residential units in mixed use zones along transit corridors and requires affordable units or a fee in lieu of for affordable units on land currently zoned non-residential (commercial) today, if the owner decides to construct new residences. The new proposed code would also allow accessory dwelling units in areas where the current code does not. The new code will also allow more dwelling units per lot (R3 & R4 Zones) than currently allowed, thus increasing the amount and types of housing options for all Austinites throughout the city.

- g. **Labeling certain single-family neighborhoods “traditional” or “established” signal to communities that don’t live in those neighborhoods that they are not a priority for Austin. Protecting certain neighborhoods in the past has inequitably pushed housing pressures into lower income neighborhoods. Wealthier, white communities succeed in keeping both market-rate and rent-restricted housing out of high opportunity neighborhoods. How has the current code addressed this issue? How will CodeNEXT ensure that vulnerable communities are not inequitably responsible for accepting growth in Austin?**

The current code does little to address this issue now. CodeNEXT provides the tools for incremental infill that can be utilized throughout the entire city. The current map is based off of current entitlements but through a future planning process, the code can be applied to update these areas with zones that make them more sustainable and equitable for everyone. However, it is important to note that there is only so much that the code can accomplish alone and market driven forces will always be a factor which impacts development preferences and land values

- h. **Communities of color, such as Asians, Arabic, and Indigenous groups have been historically underrepresented in discussions of marginalized communities. Grouping “Asians” together as**

one homogenous group perpetuates the “model minority” myth and ignores the high poverty rates of Asian-Americans that include Indian, Pakistani, Bangladeshi, Cambodians, Hmong, and Laotian communities. Additionally, Austin has a growing refugee population from countries such as Afghanistan, Burma, Bhutan, Iraq, Iran, and Nepal who are at high risk of displacement. Refugee communities largely rent, do not own cars, and often have large families. How has the current code addressed this issue? How will CodeNEXT address the issues of these often ignored communities? How will CodeNEXT help Austin welcome newcomers who need housing and public transportation?

The City’s current Land Development Code makes it easier to construct detached single family homes or large apartment buildings than any housing type in between. The lack of “missing middle” housing types like duplexes, triplexes, and small apartment buildings can make it difficult for vulnerable residents to find housing that is affordable to them and meets their needs. These housing types are allowed in CodeNEXT residential zones like R3 and R4 and can provide less expensive options (relative to single family homes of the same age) for families or larger households. Mapping denser zones that allow multifamily housing types along transit corridors and would strengthen the links between housing, transit, and employment access that are important for lower income residents without cars. The most recent CodeNEXT proposal (Draft 3) doubles capacity for housing that is within ½ mile of frequent transit and increases capacity for employment that is within a 30-minute transit trip over the current code.

The Tenant Notification and Relocation Assistance Program ordinance was approved by City Council in 2016 and requires property owners undertaking multifamily or mobile home park redevelopment to notify their residents of their plans. Notice and information on renters’ rights must be provided in a language the tenant household understands. The ordinance also gives the City of Austin the ability to set aside public funds to assist lower income residents with relocation and charge developers a relocation fee for lower income residents who are displaced. Before this fee can be set, a nexus study must be funded and initiated to determine if there is a relationship between redevelopment and displacement and ensure that the fees are proportionate to the redevelopment’s impact. CodeNEXT carries this program through into the new Land Development Code. Identifying funding for the nexus study or a public fund for relocation assistance is still necessary.

Social service programs and translation services can help new residents transition to living in Austin. However, the Land Development Code does not govern these types of services. Our community could consider options for providing services to vulnerable residents and newcomers working with the Quality of Life Commissions, resource centers, and other networks.

- i. Transportation is an increasing cost for low income households and communities of color. Many would-be “choice riders” choose to drive due to the stigma of Austin’s public transportation in addition to CapMetro’s infrequent services. Providing services to outlying areas is more costly if there is not a robust bus network in place. How has the current code addressed this issue? How will CodeNEXT improve Austin’s public transportation in low income areas and throughout the City in order to provide more services?**

CodeNEXT allows for a greater mix of uses along major corridors identified through Imagine Austin; an increase in density and mixed-use developments along these roadways can foster an environment which can sustain more frequent public transit services provided by Capital Metro.

Upgrades to Capital Metro infrastructure will be coordinated by Development Services Department, Austin Transportation Department, and Capital Metro during the development review process; upgrades to current and proposed transit infrastructure can be provided by new development through the Comprehensive Transportation Review process introduced in CodeNEXT; this review will assist the City in identifying multi-modal transportation infrastructure needs and can be required by context-sensitive mitigation which is roughly proportionate to each new development.

Updated block length criteria within CodeNEXT deters dead end and cul-de-sac roadway construction, providing for a compact and connected street grid as prescribed in Imagine Austin. These new roadway connections will provide additional multi-modal connections, and can provide a base for increased efficiency for Capital Metro bus routes.

Developments which opt into the Transportation Demand Management program introduced in CodeNEXT will be required to provide incentives to reduce single occupancy vehicles trip rates generated by their development; these options will be site-specific and can include providing bus passes to residents/employees, provide for bike share and car share infrastructure and memberships, as well as additional innovative solutions which can aide in increased bus ridership rates and lessening of social stigmas.

Street tree and sidewalk construction requirements have been strengthened within CodeNEXT; these pedestrian-scale elements can encourage transit usage by providing safer and more hospital routes to/from transit stops.

- j. Through displacement, communities of color have been displaced from the urban core into outlying areas. Those families have increased transportation costs as they live further from jobs, schools, grocery stores, and other city services and amenities. It also costs the city more to serve areas further out. Additionally, development on greenfield puts the city at more risk of flooding, which more inequitably impacts low income communities. How has the current code addressed this issue? How will CodeNEXT create more housing opportunities in the urban core for communities of color to fight displacement and sprawl?**

CodeNEXT uses a few tools in order to fight displacement and sprawl. First it allows ADU's in more areas than the previous code allows and includes a preservation incentive where the development of an ADU will not count against the allotted FAR. The ADU can be used as a tool to provide additional housing or a supplemental income to the homeowner. In addition, new zones have been created that allow more than the traditional one or two units per lot, thus creating more housing, more missing middle housing options, and options closer to transit, amenities, and services. Lastly, the code has decreased the size of lots from 5,750 SQFT to 5,000 SQFT which not only increases the number of lots available for homeownership but potentially the sizes of the homes on each lot which will eventually become cheaper than the existing housing stock today.

Overall, the City's CodeNEXT consultant has determined that the latest version of the proposed code would increase housing capacity over the current Code, and would allow more housing capacity within a ½ mile of grocery stores, within 1/8 mile of public schools, within ¼ of parks. In addition, CodeNEXT would also increase the affordable housing capacity within ½ mile of frequent transit above the current Code.

Comments for Equity Office re: CodeNEXT

BACKGROUND: AUSTIN'S HOUSING NEEDS

The Austin Strategic Housing Blueprint clearly delineates several systemic housing issues impacting equity in Austin. These include:

- An **overall shortage of affordable housing units**, particularly in the rental housing market. The City's 2014 Comprehensive Housing Market Analysis identified a shortage of 48,000 deeply affordable rental units for households earning less than \$25,000 per year.
- **Geographical limitations to housing opportunity**, including:
 - A lack of affordable rental units west of I-35
 - Affordable homeownership opportunities (homes for less than \$250,000) concentrated in northeast, far south, and southeast Austin.
- Rising housing costs creating **displacement pressure** in redeveloping neighborhoods.
- A growing need for **affordable housing near transit and services** to reduce family transportation costs, and to serve seniors and people with disabilities who may not be able to safely operate vehicles.

In order to meet the needs of households at all income levels as Austin grows, the Blueprint projects a need for 135,197 new housing units by 2040. The demand for these units falls into the following income brackets:

- 20,000 housing units affordable to households at 30% MFI and below
- 25,000 housing units affordable to households at 31-60% MFI
- 15,000 housing units affordable to households at 61-80% MFI
- 25,000 housing units affordable to households at 81-120% MFI
- 50,000 housing units affordable to households at 121% MFI and above

Meeting the needs of each of the income groups listed above is important because higher-income households will tend to crowd lower-income households out of the market if their needs are not met.

STRATEGIC HOUSING BLUEPRINT RECOMMENDATIONS IMPACTING CODENEXT

In order to mitigate sprawling growth that threatens the region’s quality of life, and to ensure that low-to-moderate income households can access quality jobs, schools, and services, the Strategic Housing Blueprint makes several recommendations related to the location of future housing units. Citywide recommendations include:

- At least **75% of all new housing units** (regardless of the income level they serve) should be **within 1/2 mile of Imagine Austin Centers and Corridors**.
- At least **25% of new income-restricted affordable housing** should be in **high-opportunity areas**.
- At least **30% of all new housing units** should be a range of housing types **from small-lot single-family to eight-plexes** to help address Austin’s need for multi-generational housing

The Blueprint also recommends the following for each City Council district:

- At least **10% of rental housing units** should be affordable to households earning **at or below 30% MFI** (\$24,300 or less for a 4-person household in 2016)
- At least **25% of ownership housing units** should be affordable to households earning **at or below 120% MFI** (\$93,360 or less for a 4-person household in 2016).

RECOMMENDED CHANGES TO CODENEXT TO ENHANCE HOUSING EQUITY

The City’s Strategic Housing Blueprint Implementation team examined opportunities to update Draft 3 of CodeNEXT to help enhance housing equity in accordance with the Strategic Housing Blueprint recommendations. The key factors examined in this memo are:

- Where are high-opportunity areas?
- Given the high cost of building affordable housing on expensive single-family lots, does Draft 3 allow sufficient multi-family zoning in these high-opportunity areas to admit 25% of all new affordable units (15,000 total units)?

Defining High-Opportunity Areas

Research shows that assisting low-to-moderate-income residents to live in high-opportunity areas has significant positive effects on families’ health and children’s future prospects in life. To help localities make decisions about what constitutes a “high-opportunity area”, Enterprise Community Partners created Opportunity360, a nationwide best-practice tool that evaluates the question of geographic opportunity in a consistent manner across the country. This tool is currently being used in the Development Review Packets that the City Council uses to evaluate whether affordable housing projects are in high-opportunity areas. The tool includes five indices that examine current conditions of opportunity at the census tract level, and four “pathways” that examine conditions that may affect future opportunities in each census tract.

Opportunity 360 Indices

Housing Stability
Education
Health & Well-Being
Economic Security
Mobility

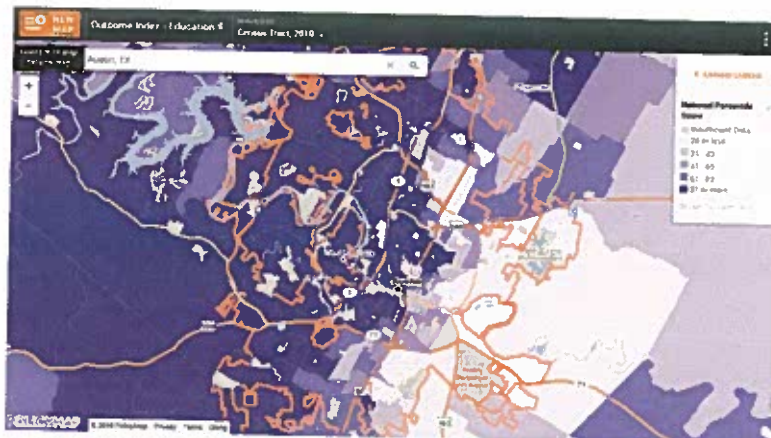
Opportunity 360 Pathways

Availability of Jobs, Goods, and Services
Environment
Social Capital and Cohesion
Community Institutions

The Opportunity360 indices and pathways tend to point to West Austin as a key area of high opportunity; this is therefore an area where, according to the Strategic Housing Blueprint, at least 25% of new affordable development should focus.

Education

Opportunity360 indicates higher educational attainment for areas of West Austin compared to East Austin. While this is not a predictive index, research has shown that children growing up in areas with high educational attainment tend to attain a higher level of education themselves.



Health and Well-Being

Opportunity360 indicates stronger health and well-being indicators for West Austin.



Economic Security

Opportunity360 indicates greater economic security for populations in West Austin. While this may be associated with higher income levels, research has shown that children growing up in areas with high economic security will tend to have higher education and income levels later in life.



Availability of Jobs, Goods, and Services

Availability of jobs, goods, and services is concentrated in the central city.



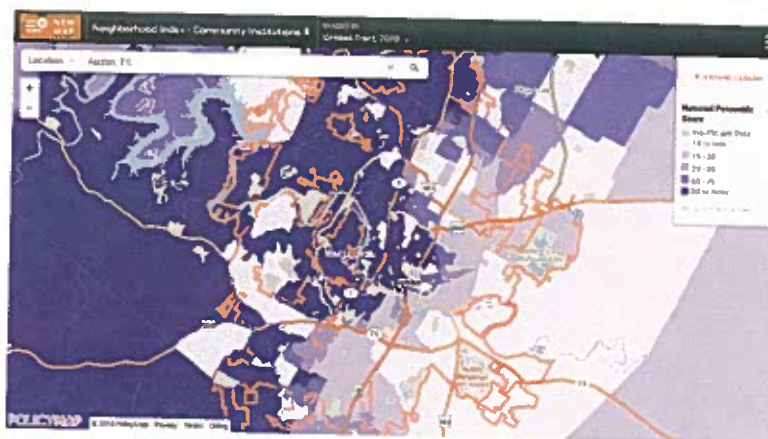
Social Capital and Cohesion

Opportunity360 indicates greater social capital and cohesion in West Austin; variables in this index include voter turnout rates, educational attainment, and concentrated areas of poverty which can limit social capital. Social capital is a strong asset but can also serve as a barrier to change.



Community Institutions

Opportunity360's community institutions index primarily looks at access to quality schools and health care providers. West Austin shows as an area of comparatively high opportunity on these two fronts.



Multi-Family Land Uses in West Austin Are Scarce In CodeNEXT Draft 3

While West Austin is clearly an area of high opportunity according to commonly accepted criteria, building affordable units there will be difficult given the land uses embodied in Draft 3 of CodeNEXT. When working to build affordable housing units in areas with high land costs, it is critical to have the ability to create multi-family development in order to defray the cost of land across multiple units. It is nearly impossible to subsidize affordable units effectively at a single-family or two-family scale when land alone can cost in excess of \$120 per square foot (leading to prices of over \$400,000 for a single-family vacant lot). In addition, multi-family densities are critical for the success of regulatory tools such as voluntary density bonus provisions to produce affordable housing, and the use of low income housing tax credits (LIHTCs), the Austin area's most prolific tool for producing affordable housing units.

Calculations based on Draft 3 of CodeNEXT show that multi-family land uses are scarce west of Mopac. At 2,770 acres out of a total 49,846 residential acres, multi-family land uses make up a very small percentage of the total land use and the residential land uses proposed in this area.

Percentage of Multi-Family Land Use West of Mopac

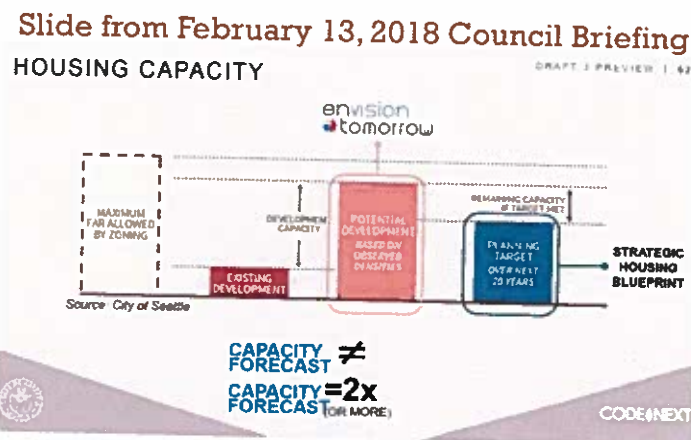
Multi-Family Percentage of Residential Land Uses (Excl. Former Title 25) ¹

9.27%

Recommendations to Add Housing Equity Measures to CodeNEXT Draft 3

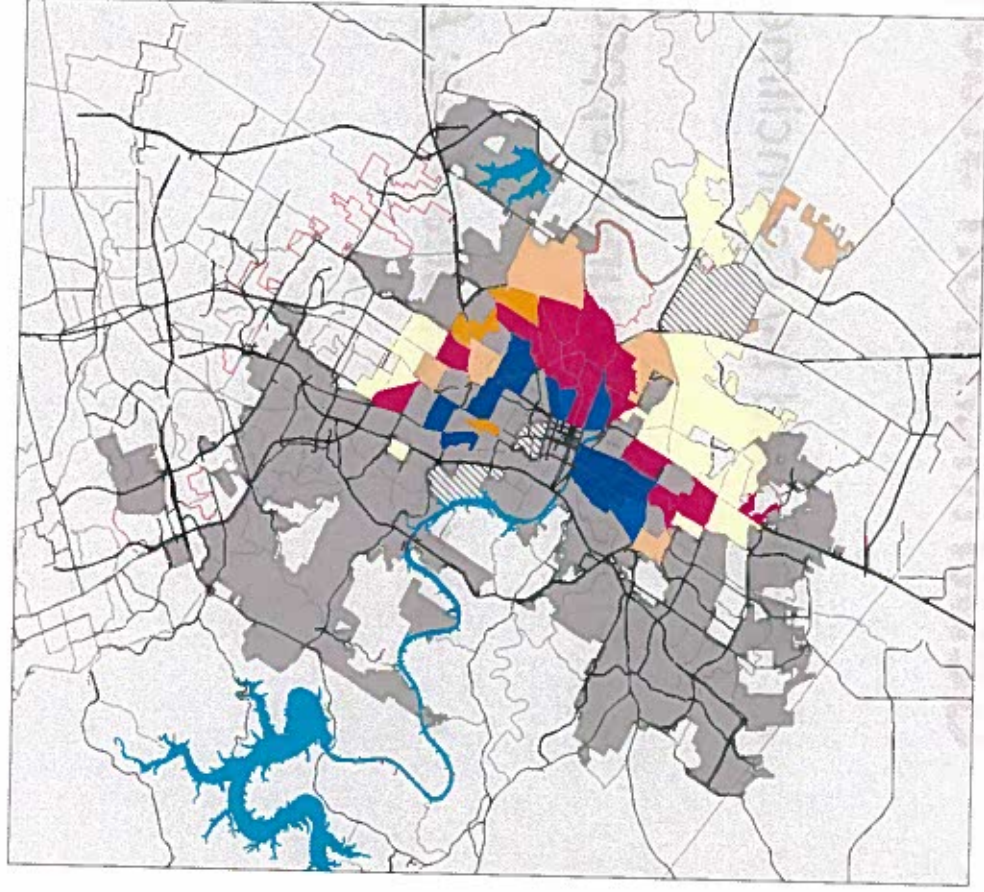
The Strategic Housing Blueprint, as well as the Fair Housing Action Plan, offers clear recommendations that help define strategies for increasing Austin's affordable housing production in areas of opportunity. Strategies that apply to Draft 3 of CodeNEXT include:

- Increase the total area of West Austin (west of Mopac) covered by land uses that allow multi-family (3+ units) from 9.27% to at least 20%. The Strategic Housing Blueprint seeks to ensure 10% affordable rental units across council districts, and the February 13, 2018 Council briefing notes that in order to realize the SHB affordability goals, the multi-family capacity must be at least twice the SHB goal (see slide below). This enables the production of multigenerational, missing-middle, and affordable rental housing in areas of opportunity.
- Draft 3 contemplates an Affordable Housing Bonus Program in which developers can build more units, a bigger building, or a taller building in return for providing an affordable housing community benefit (either affordable units or a fee if units are infeasible). This bonus system would be applied citywide based on properties' zoning classifications. Zones that offer affordable housing bonuses should be mapped equitably across the city, including in areas of West Austin. Because the affordable housing bonuses are applied to zones that allow multi-family uses, mapping zones with affordable housing bonuses in more parts of town will also ensure that multi-family capacity is expanded in these areas as well.



¹ Former Title 25 areas are those areas that remain covered by the City's existing development code and are not affected by CodeNEXT. Many in West Austin are Planned Unit Developments with some residential included.

UT Austin Gentrification Study Update



Presentation to City Council
Tuesday, March 6, 2018

Heather K. Way

Clinical Professor & Director of Entrepreneurship and
Community Development Clinic, UT Law

Jake Wegmann

Assistant Professor, Community and Regional Planning, School
of Architecture

Elizabeth Mueller (in absentia)

Associate Professor, Community and Regional Planning, School
of Architecture

Master in Community and Regional Planning Students, UT

Nicholas Armstrong '19

Ben Martin '19

Alexandra (Alex) Radtke '18

Gentrification Study Overview

- Proposed by Councilmember Pool
- Final City Council approval in October 2017
- Completion deadline: August 31, 2018

Gentrification Study Scope

1. The study will focus on the following areas:

- The impact of gentrification on the local economy and housing market.
- The role of government and private industry in the process.
- The impact of gentrification on the local community and culture.

2. The study will be conducted in the following areas:

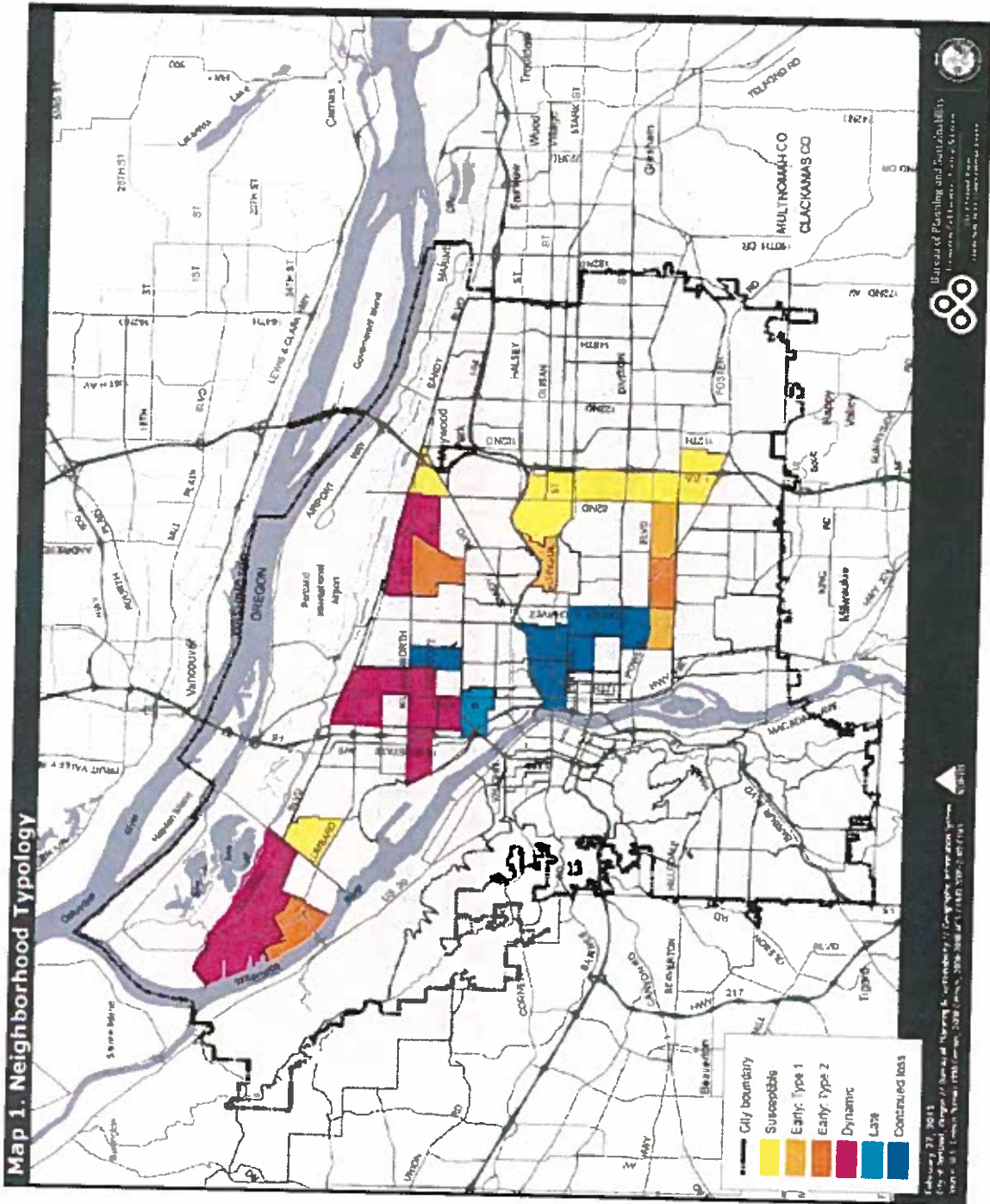
- The study will be conducted in the following areas:

Gentrification Study Scope

- 1) Neighborhood change analysis: Mapping/classification of census tracts in City of Austin (6 types):
COMPLETE PENDING FEEDBACK

© 2014 City of Austin, Texas

Bates, Lisa K.,
"Gentrification and
Displacement Study:
Implementing an
Equitable Inclusive
Development
Strategy in the
Context of
Gentrification"
(2013).
http://pdxscholar.library.pdx.edu/usp_fac/
83



Gentrification Study Scope

1) Neighborhood change analysis: Mapping/classification of census tracts in City of Austin (6 types):
COMPLETE PENDING FEEDBACK

2) “Neighborhood drilldowns” in two census tracts:
CURRENTLY UNDERWAY (COMPLETION IN MAY 2018)

Gentrification Study Scope

- 1) Neighborhood change analysis: Mapping/classification of census tracts in City of Austin (6 types):
COMPLETE PENDING FEEDBACK
- 2) “Neighborhood drilldowns” in two census tracts:
CURRENTLY UNDERWAY (COMPLETION IN MAY 2018)
- 3) Analysis of anti-gentrification strategies for each neighborhood type in Austin: **CURRENTLY UNDERWAY (COMPLETION IN AUGUST 2018)**

Some details on our work so far

Some details on our work so far

- Analyzed (almost) all Census tracts entirely or partially inside Austin city limits. Assigned gentrification stage classification.

Some details on our work so far

- Analyzed (almost) all Census tracts entirely or partially inside Austin city limits. Assigned gentrification stage classification.
- Excluded “oddball” tracts (UT, West Campus, Camp Mabry, ABIA)

Some details on our work so far

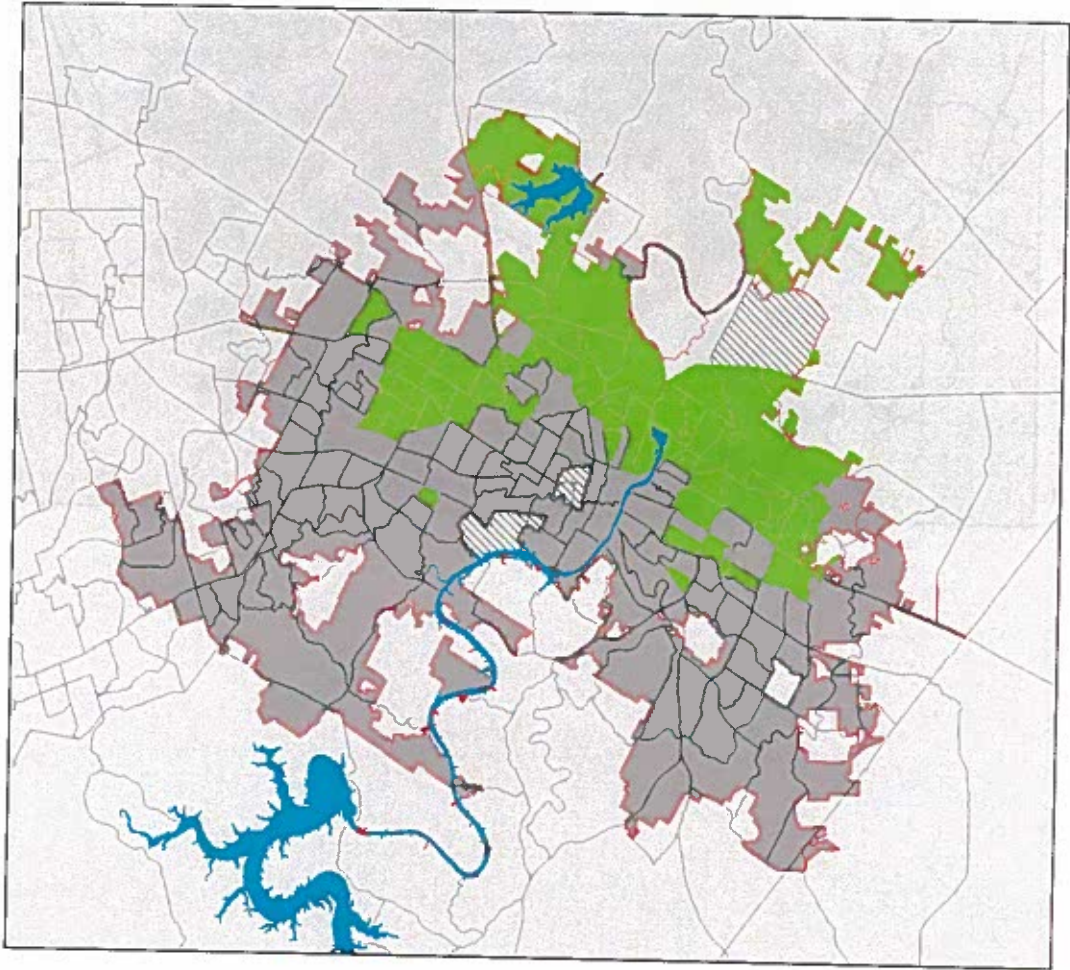
- Analyzed (almost) all Census tracts entirely or partially inside Austin city limits. Assigned gentrification stage classification.
- Excluded “oddball” tracts (UT, West Campus, Camp Mabry, ABIA)
- City tracts compared to average for entire metropolitan area (Travis, Williamson, Hays, Bastrop, and Caldwell Counties)

Some details on our work so far

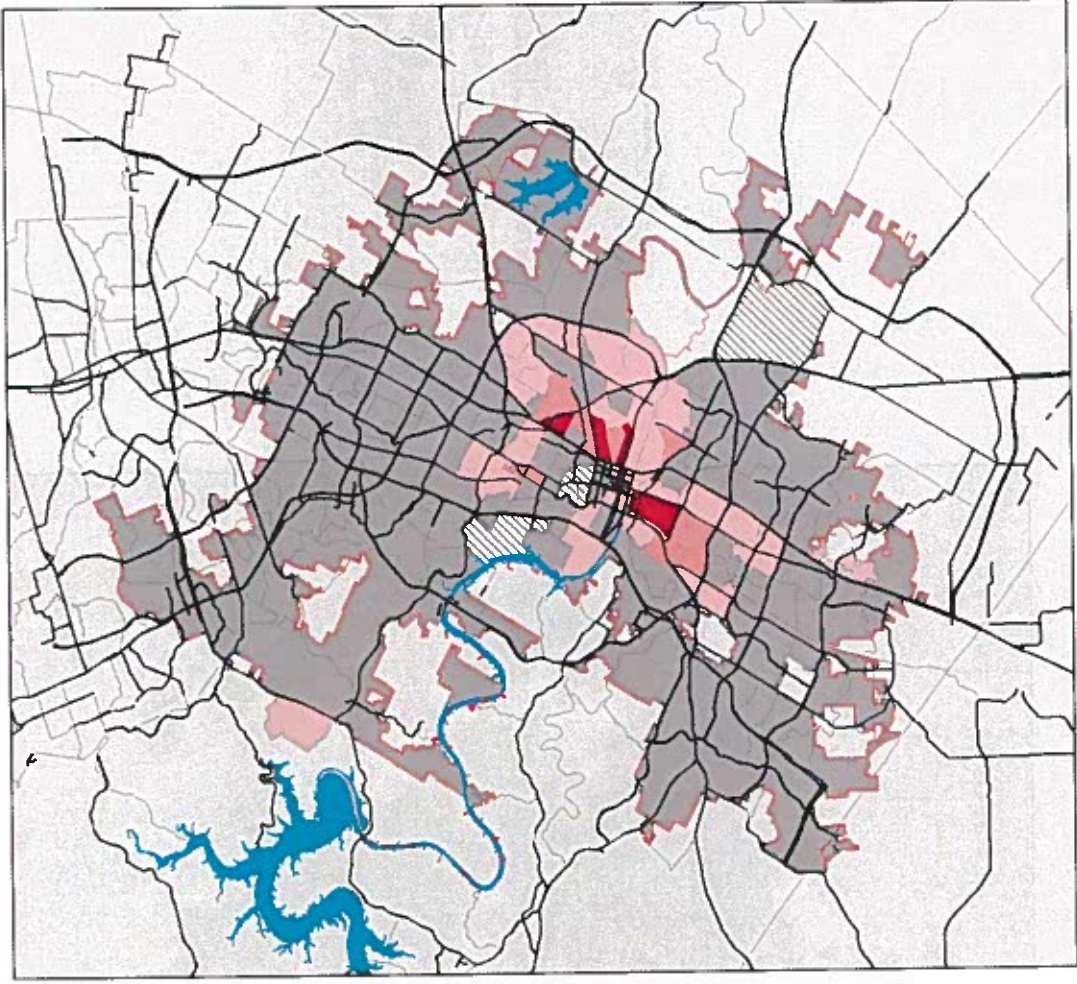
- Analyzed (almost) all Census tracts entirely or partially inside Austin city limits. Assigned gentrification stage classification.
- Excluded “oddball” tracts (UT, West Campus, Camp Mabry, ABIA)
- City tracts compared to average for entire metropolitan area (Travis, Williamson, Hays, Bastrop, and Caldwell Counties)
- Most recent Census data is from 2012 to 2016

2016 gentrification map 2015

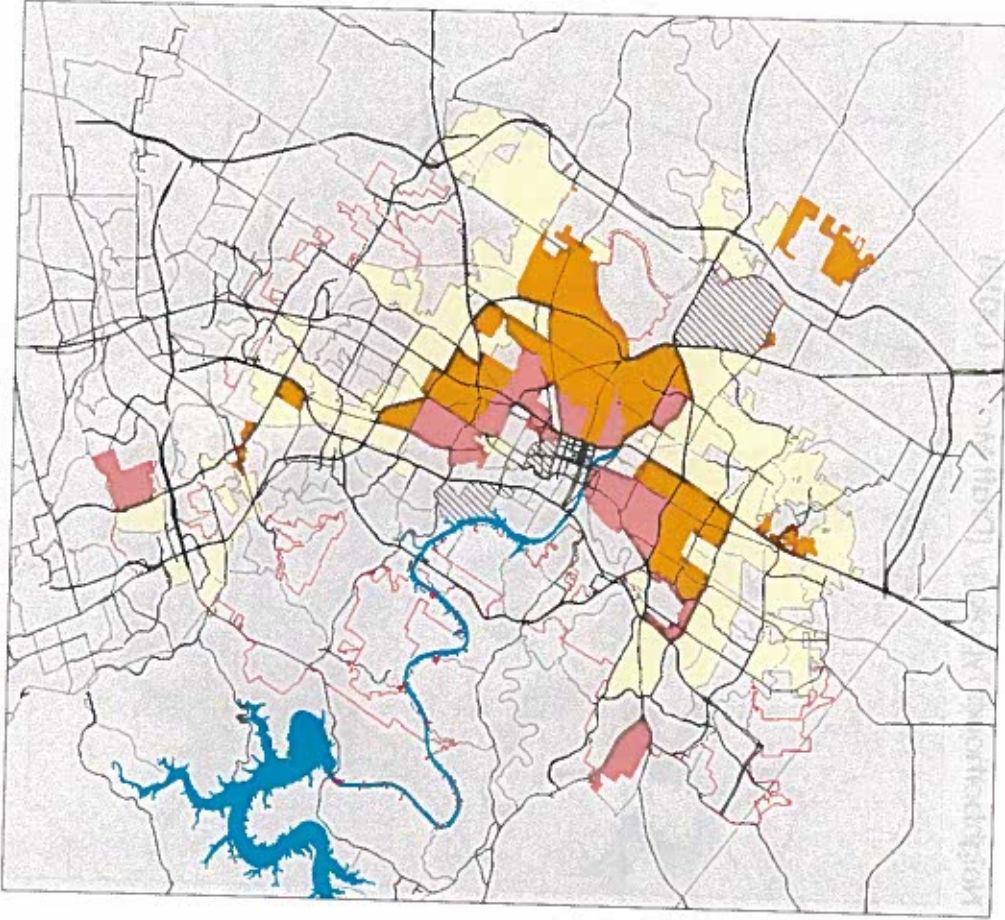
Ciudad Juárez Mesas de Vulnerabilidad Crítica (2014)



Significant Demographic Change Tracts (2000-2016)

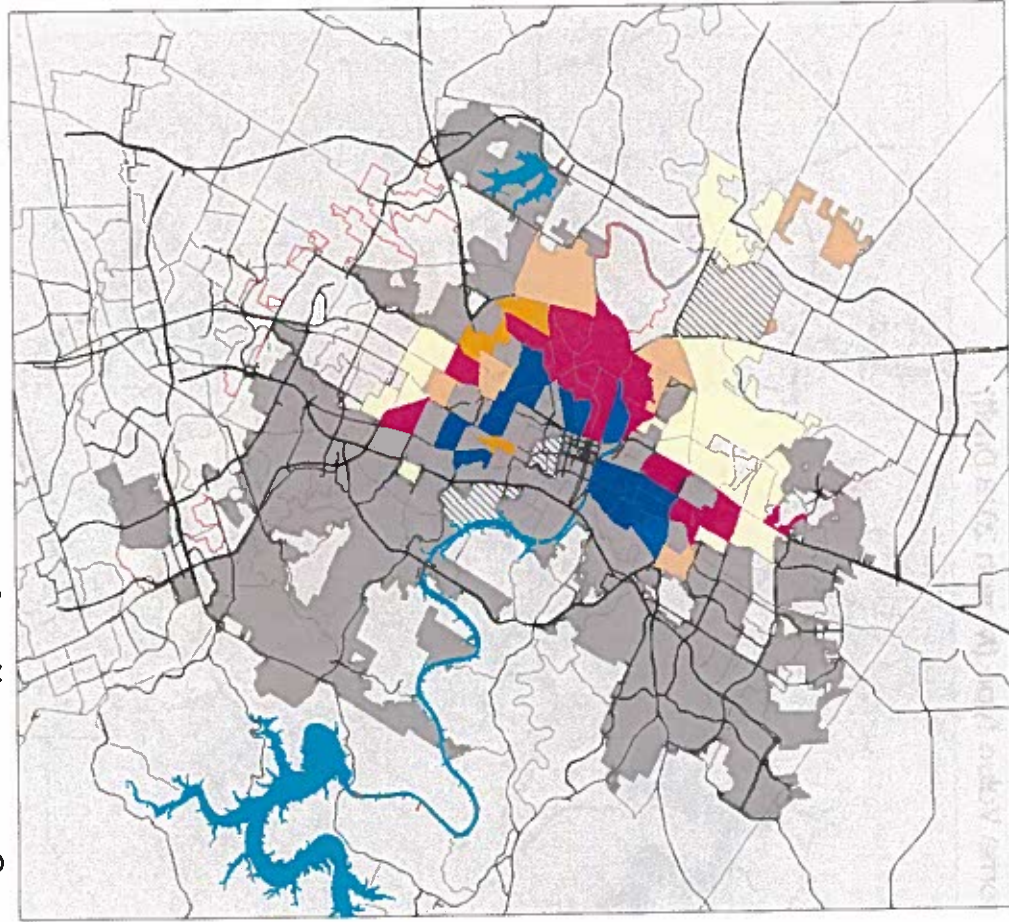


Home Value Type (March 2018 Draft)



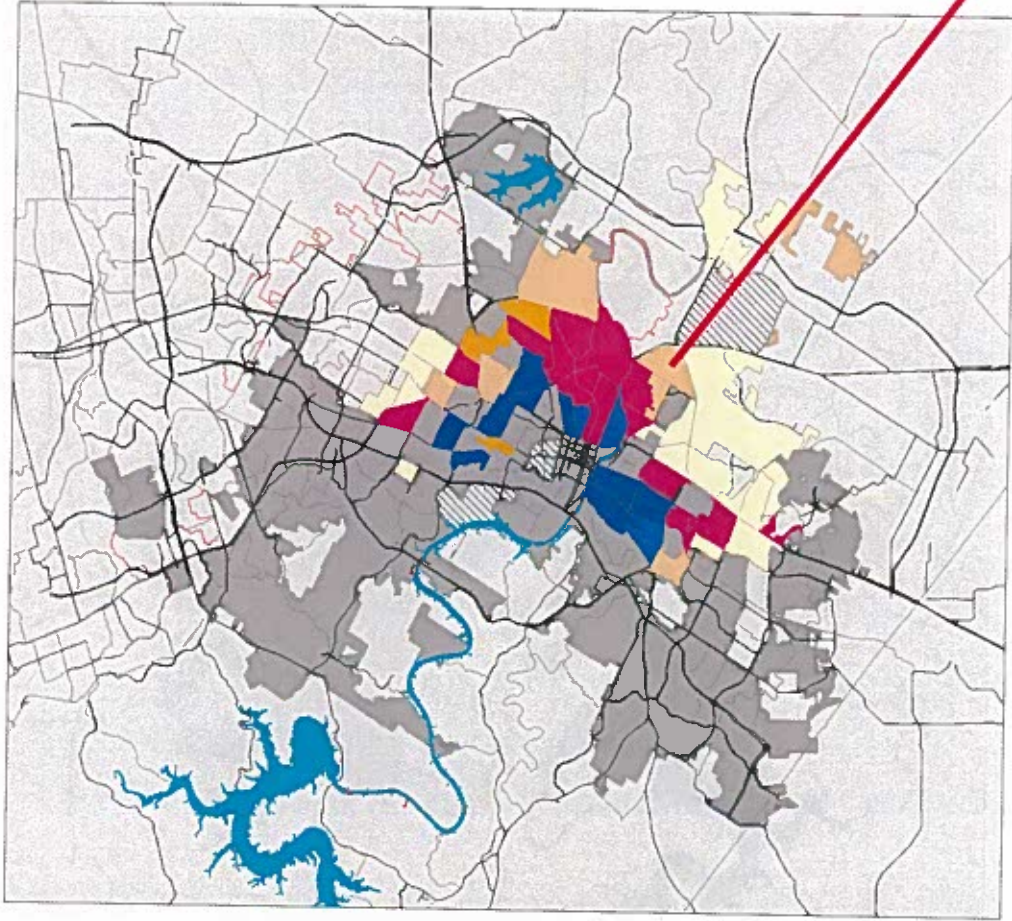
- Appreciated Tracts
- Accelerating Tracts
- Adjacent Tracts
- Austin City Limits
- Eliminated Tracts

Neighborhood Typology (Draft March 1, 2018)



- Susceptible
- Early: Type 1
- Early: Type 2
- Dynamic
- Late
- Continued Loss
- Study Area
- Austin City Limits
- Eliminated Tracts

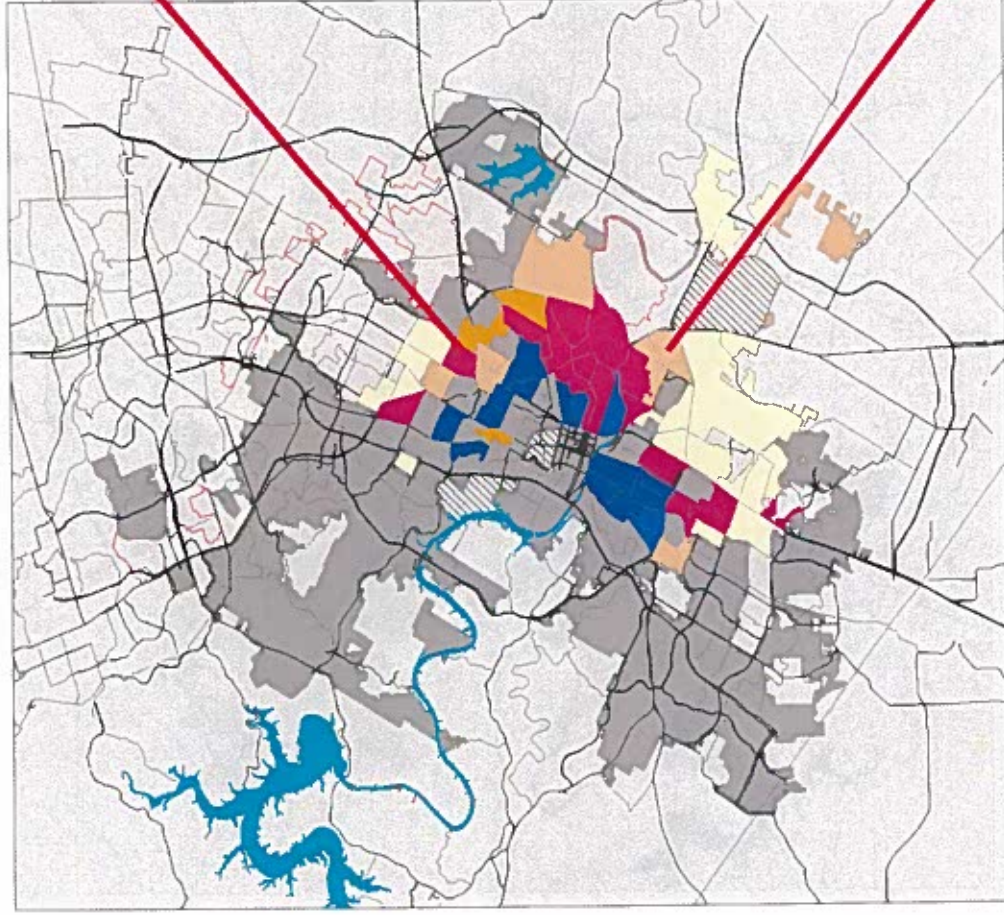
Neighborhood Typology (Draft March 1, 2018)



- Susceptible
- Early: Type 1
- Early: Type 2
- Dynamic
- Late
- Continued Loss
- Study Area
- Austin City Limits
- Eliminated Tracts

Montopolis

Neighborhood Typology (Draft March 1, 2018)



St. John's/Coronado Hills

Montopolis

Policy Strategy Analysis

- Case studies of gentrifying neighborhoods from around the country
- Tool-specific case studies
- Policy overview
- Policy matrix with 5 criteria

bojpa 20190524 10:00:00 AM

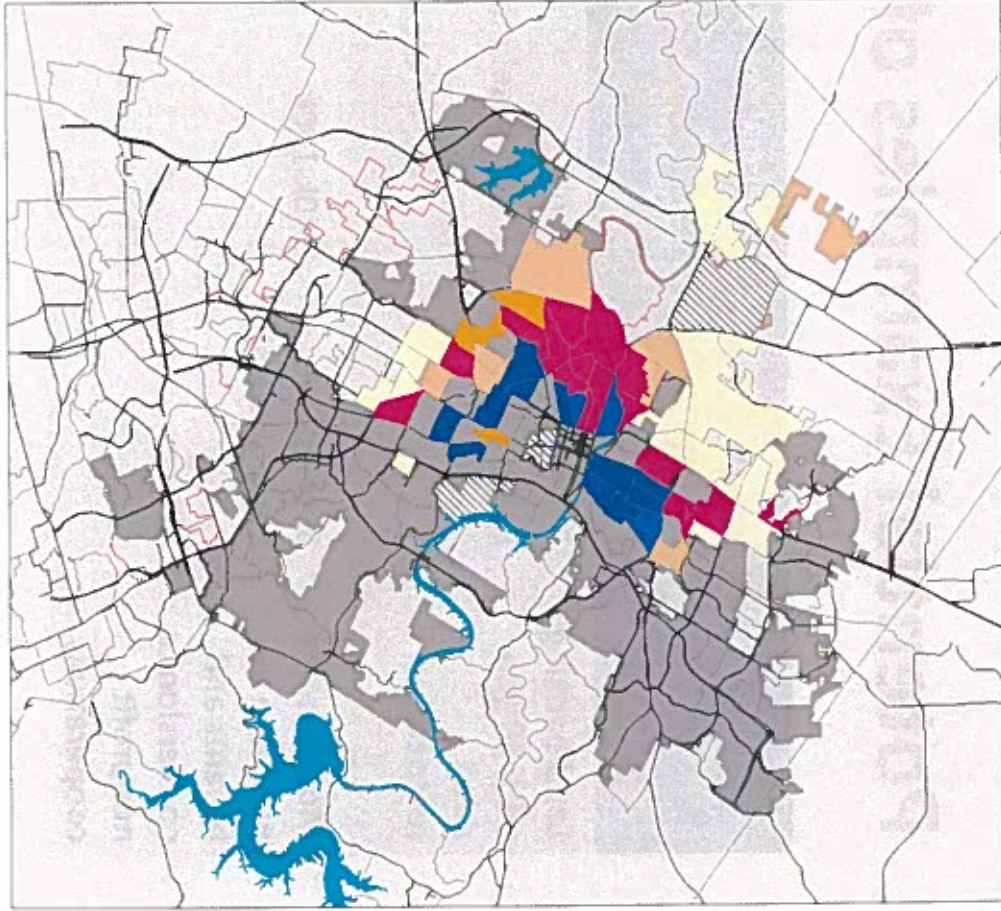
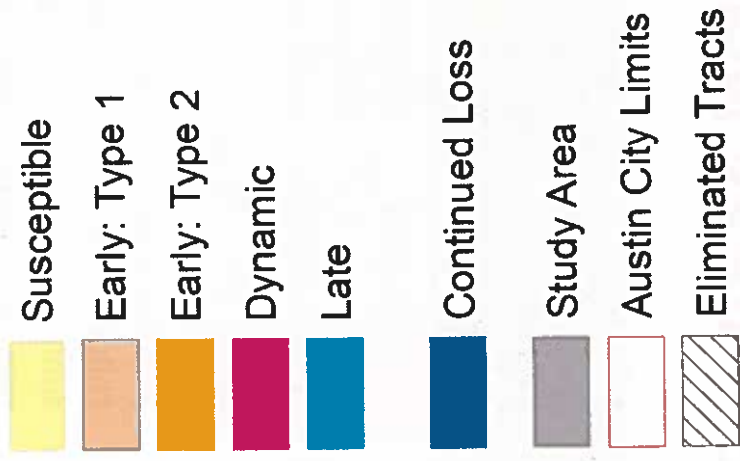
Policy Strategy Matrix: 5 Criteria

- Stage of gentrification
- Financial cost to city per household benefitted
- Length of impact
- Target population/who directly benefits
- Scalability/resources required to implement

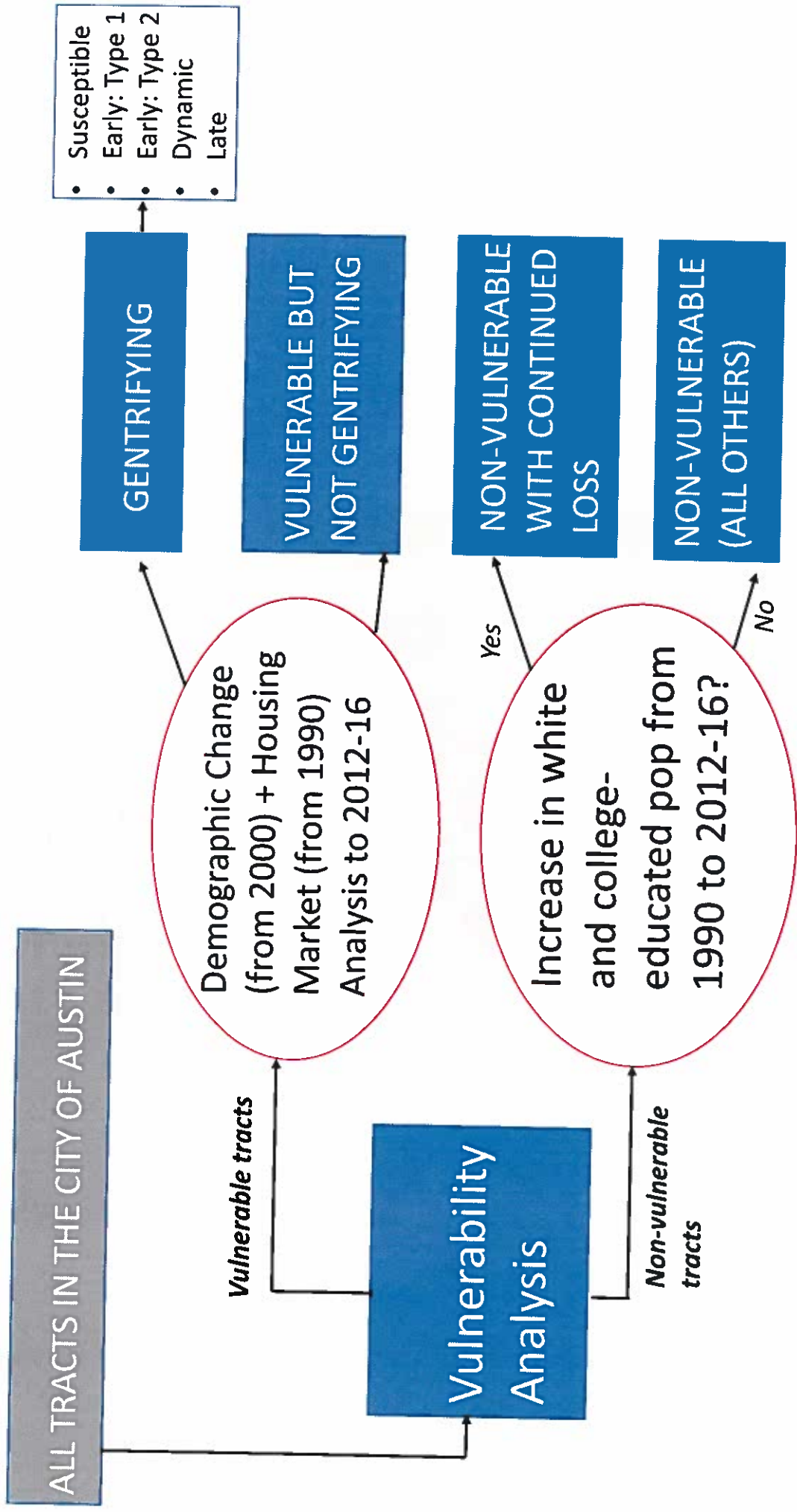
Potential Examples of Policy Strategy Matrix

	Stage of gentrification	Financial cost to city per household benefitted	Length of impact	Target population/who directly benefits	Scalability/ resources required to implement
Land banking with 99-year deed restrictions	Susceptible; early	\$30k-100k/household	99-plus years	Families with children and seniors; renters; ELI to moderate income	Nonprofit partners with capacity
Mobile home purchase by tenants and conversion to nonprofit cooperatives	Susceptible; early; dynamic	\$40k-100k	99-plus years	Families with children and seniors; renters; persons of color; ELI to VLI	Technical assistance; external or internal loan fund

Thank you!



Gentrifying tract type	Demographic change (2000 to 2012-16)	Average current residential real estate value (2012-16)	Appreciation	Must touch tract with high value and/or high recent appreciation
Susceptible		Low or moderate	Low or moderate recent (2000 to 2012-16)	✓
Early: Type 1		Low or moderate	High recent (2000 to 2012-16)	
Early: Type 2	✓	Low or moderate	Low or moderate recent (2000 to 2012-16)	✓
Dynamic	✓	Low or moderate	High recent (2000 to 2012-16)	
Late	✓	High	High sustained (1990 to 2012-16)	

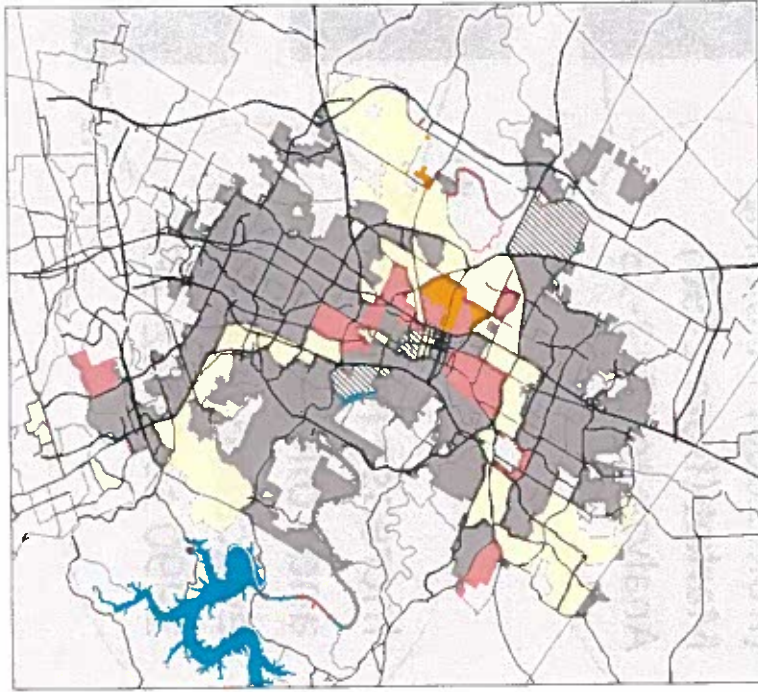


Step 1

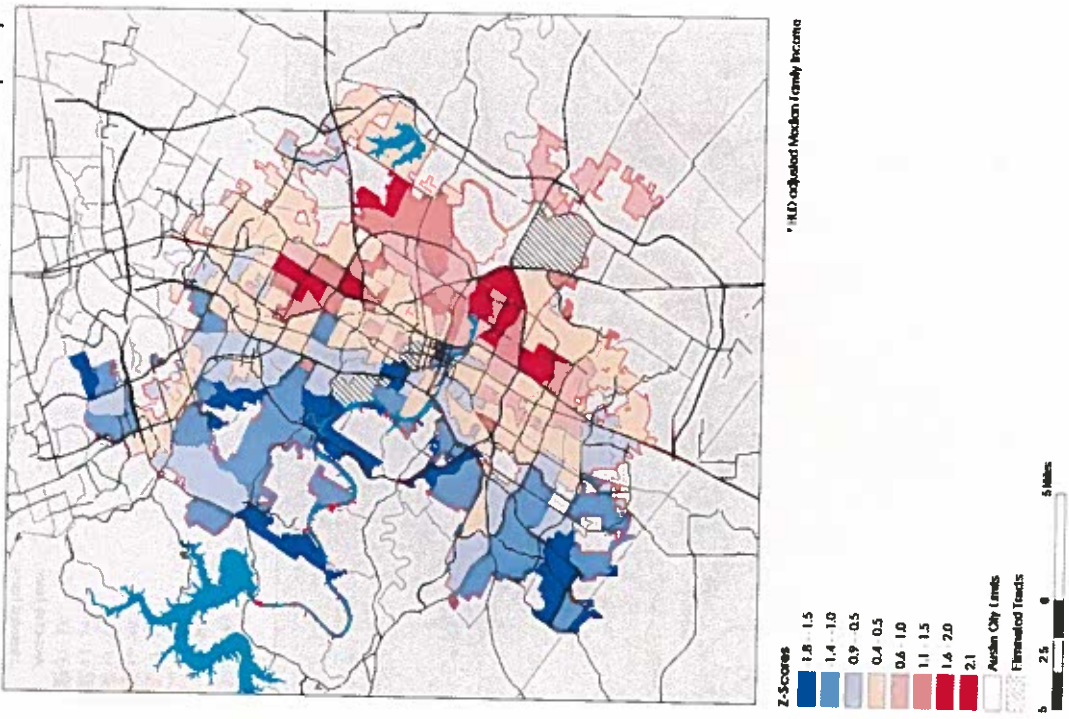
Step 2

Tract classification

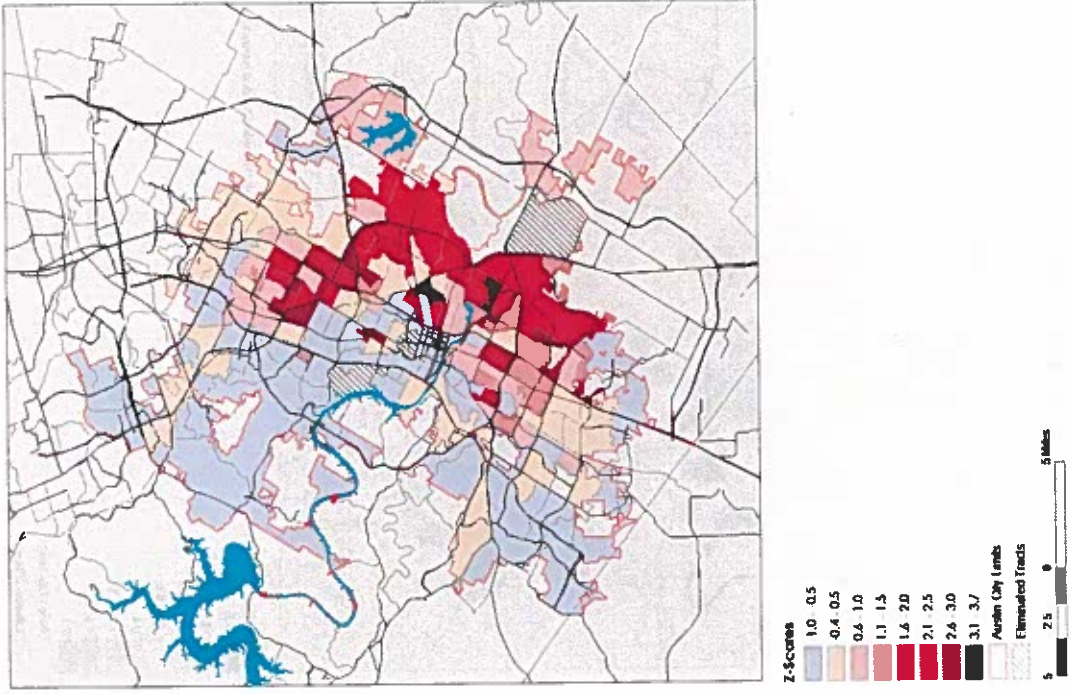
Home Value Classification



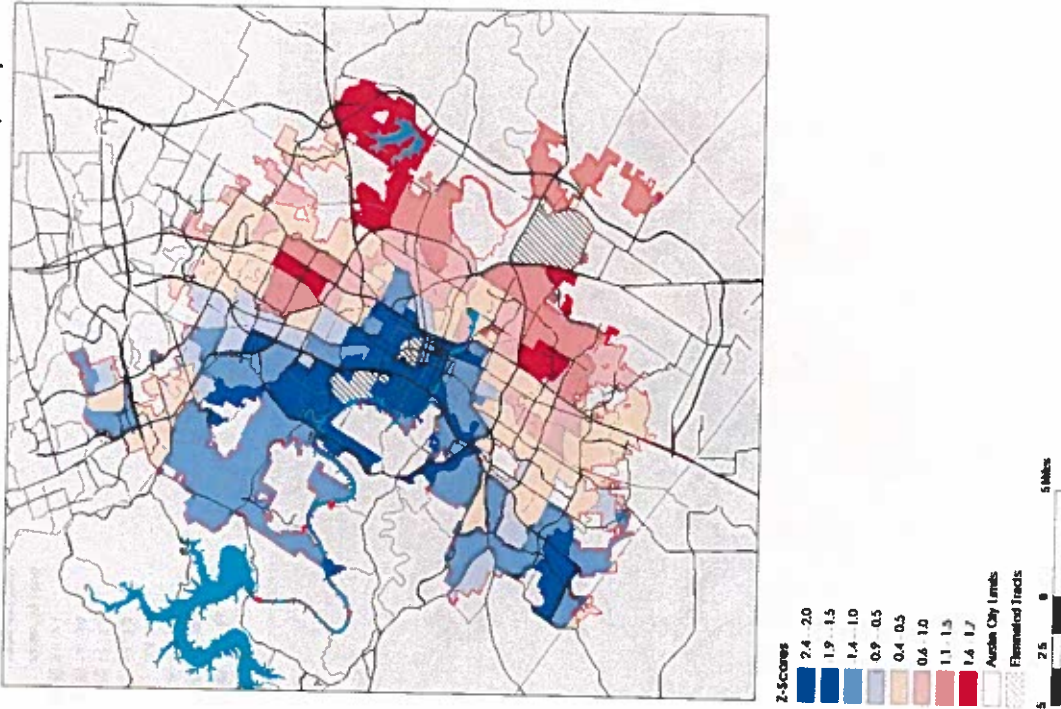
Percent Households under 80% HAMFI* by Census Tract (2016)



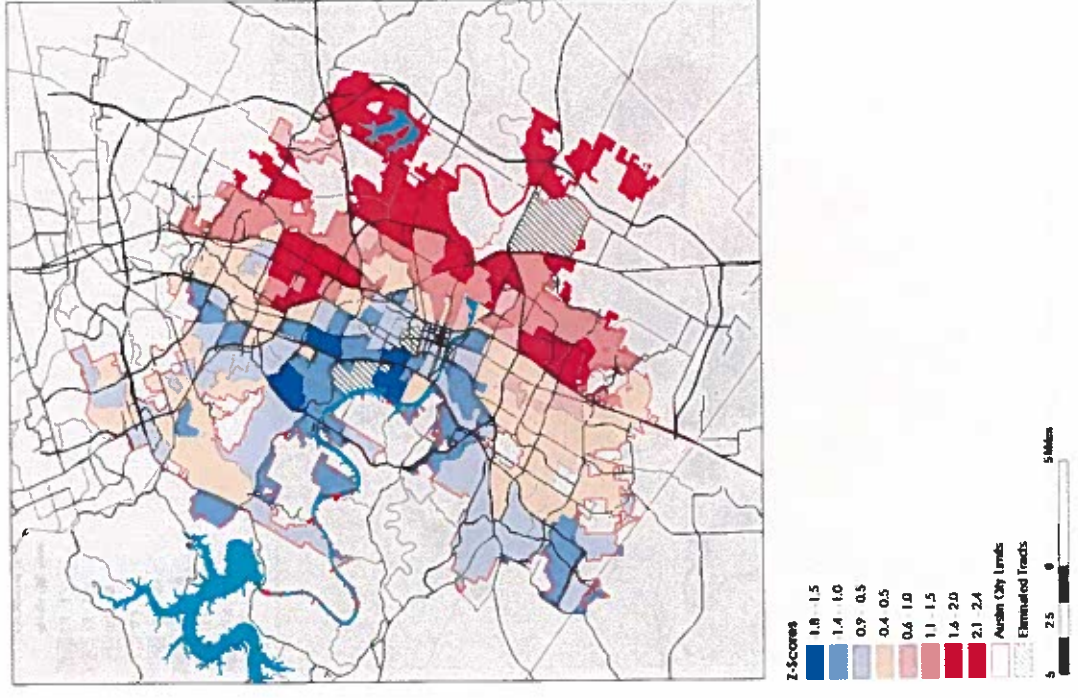
Percent Children in Poverty by Census Tract (2016)



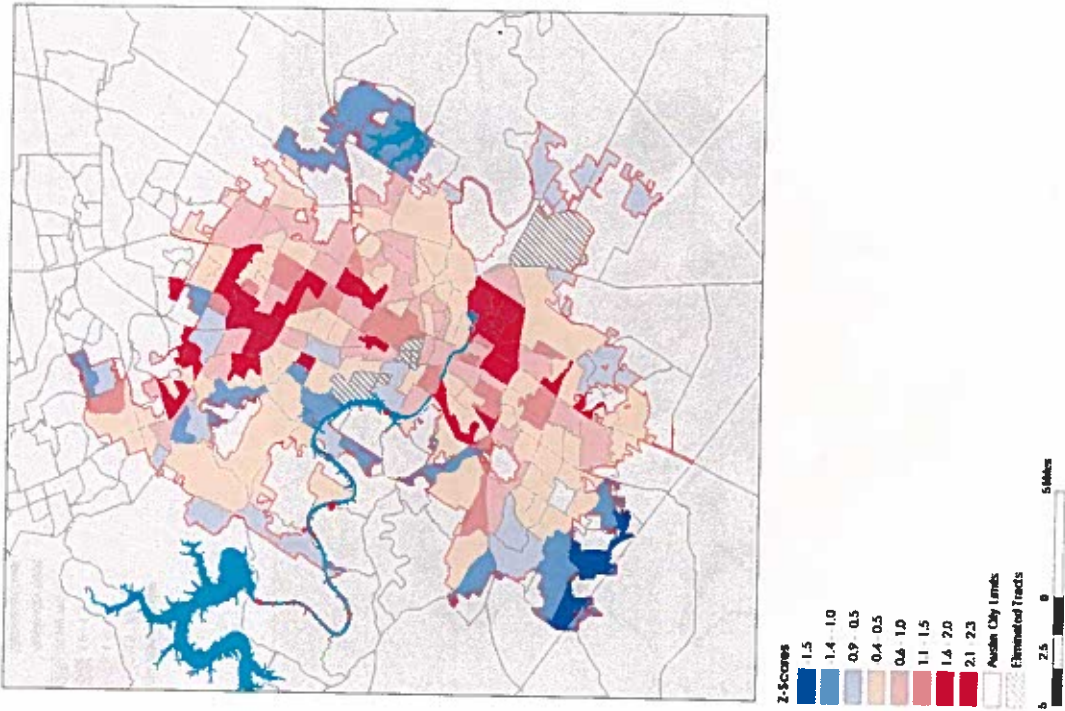
Percent with no Bachelor's Degree by Census Tract (2016)



Percent People of Color by Census Tract (2016)



Percent Renters by Census Tract (2016)



Significant Demographic Change Tracts (2000-2016)

