



HOUSING
DEPARTMENT

Affordability Impact Statement (AIS)

April 29, 2025
Housing and Planning Committee

Content

- Background
- Process
- Improvements



Ordinance No. 20071129-100

“A City department may not propose a change to an ordinance, rule, or process that impacts **housing affordability** unless the City’s Neighborhood Housing and Community Development Department *[now Housing Department]* has prepared an Affordability Impact Statement (AIS) before the initiation of any external stakeholder discussion.

If an Affordability Impact Statement shows a negative impact on housing affordability, the proposed change may only go forward on approval of the City Manager.”



AIS Background

- The AIS tool was created in 2007 during the original S.M.A.R.T. Housing Program stakeholder engagement process.
- The purpose of the AIS is to proactively identify regulations that may have a negative impact on housing affordability.
- Housing's goals are to:
 - 1) **identify** policies that may negatively impact the cost of housing *prior to their adoption*
 - 2) initiate discussions of **policy alternatives** with the sponsoring department that could lessen the potentially negative impact on housing affordability
 - 3) **inform decision-makers** of the impact a policy may have on housing affordability (*NOT determine an outcome*)



AIS Request Form

Sponsor Department

- Staff Contact

Type of Change

- Ordinance, Rule, Process, other

Summary of current state

- Explain the current policies, rules, and processes that would be changed

Summary of proposed changes

- Summarize the change
- Identify changes that will affect housing costs, housing capacity, and impact to overall household affordability.

Why are the changes being proposed?

- Include Council direction or other policies that initiated the change
- Identify who is intended to benefit

Stakeholder engagement

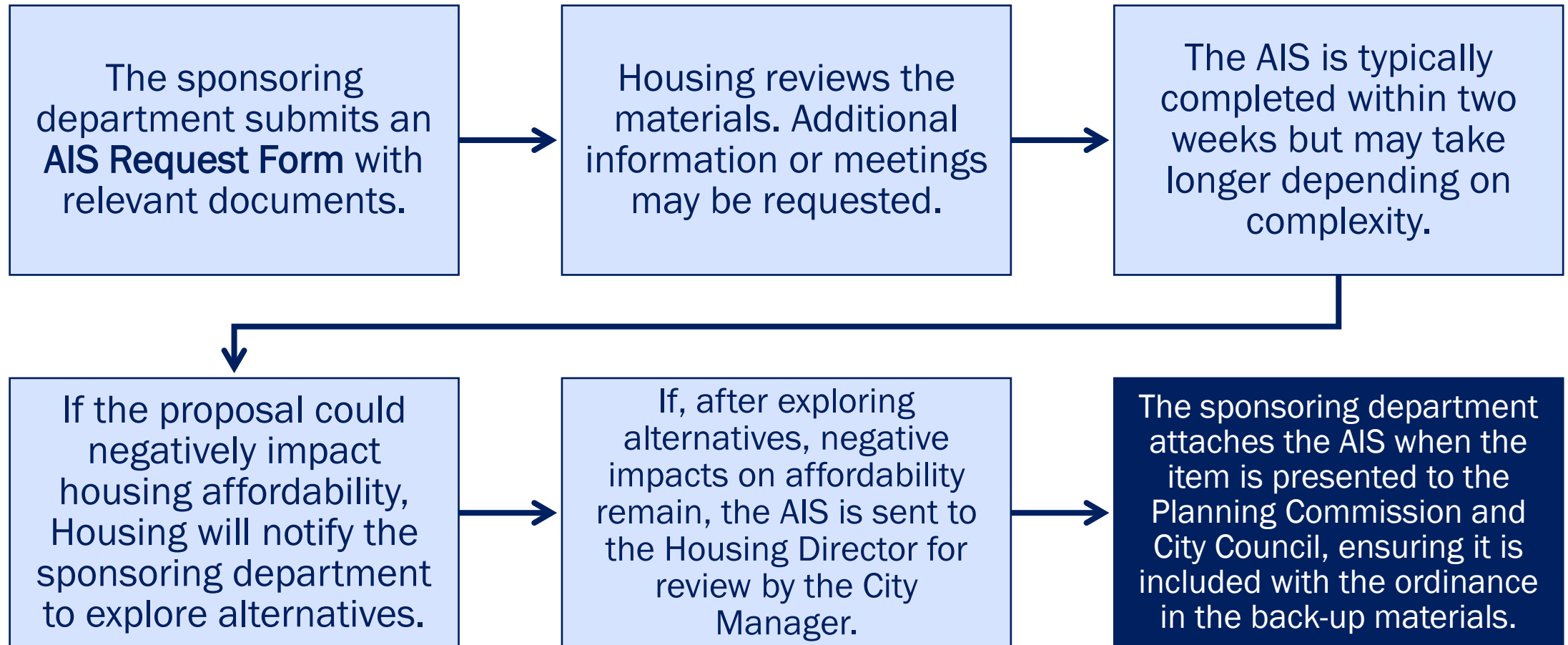
- Summarize past engagement and feedback
- Describe future/planned engagement

Proposed schedule

- Include dates for Commission and Council action

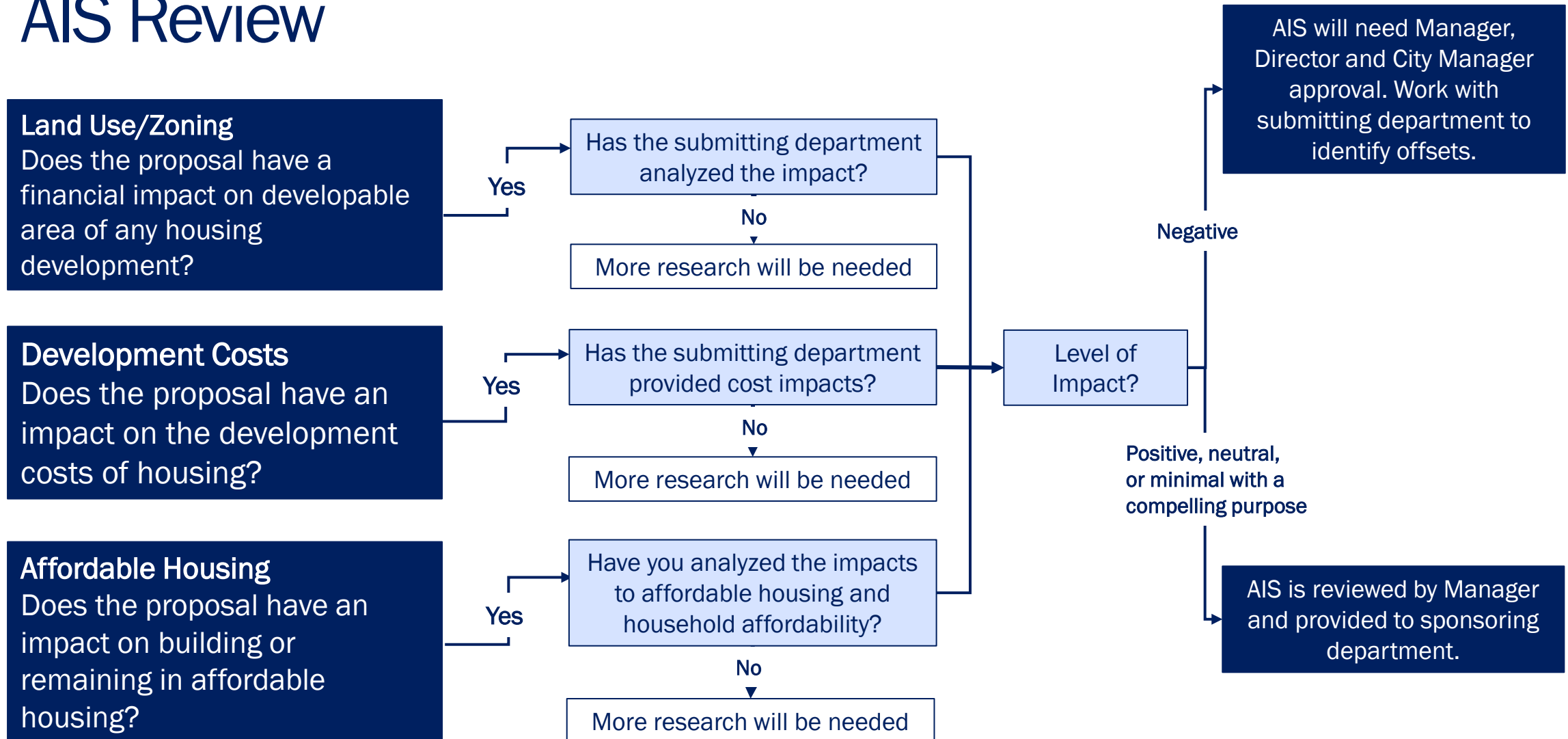


AIS Process





AIS Review





AIS Document Components

The logo of the City of Austin Housing Department, featuring a circular seal with a star in the center, surrounded by the words "CITY OF AUSTIN" and "FOUNDED 1839", and the text "HOUSING DEPARTMENT" to the right.

Affordability Impact Statement

Name of Proposed Code Amendment

Case number: XXXXXXXXXXXX

Initiated by: Resolution No. XXXXXXXXXX-XXX

Date: XXXXXXXXXXXX

[Proposed Regulation](#)

The proposed amendment would modify [Uniform](#) Plumbing Code (UPC) 614.1

[Land Use/Zoning Impacts on Housing Costs](#)

The proposed changes would have [insert adjective] impacts on housing costs:

- Lorem ipsum dolor
- Lorem ipsum dolor

[Impact on Development Cost](#)

The proposed changes would have [insert adjective] impacts on development cost:

- Lorem ipsum dolor

[Impact on Affordable Housing](#)

The proposed changes would have [insert adjective] impacts on affordable housing:

- Lorem ipsum dolor

[Other Policy Considerations](#)

- Lorem ipsum dolor
- Lorem ipsum dolor

[Manager's Signature](#) _____

- Summary of Proposed Change
- Land Use/Zoning Impacts on Housing Costs
- Impacts on Development Costs
- Impacts on Affordable Housing
- Other Policy Considerations
- Manager's Signature



Examples



Affordability Impact Statement

Equitable Transit Oriented Development Phase 1

Initiated by: Resolution No. 20230309-016 and Resolution No. 20240201-054

Case number: C20-2023-004

Date: March 26, 2023

Proposed Regulation

The proposed amendment would do the following:

- Create the -ETOD and -DBETOD combining districts, with uses that are restricted to those best supporting transit
- Create a development incentive program to be used by properties with -DBETOD zoning, offering extra height and modifications to site development standards in exchange for onsite income-restricted housing (or a fee-in-lieu for ownership units)
- Apply those districts to a variety of properties without single family zoning within ½ mile of the Phase 1 Austin Light Rail alignment and Priority Extensions

Land Use/Zoning Impacts on Housing Costs

The proposed changes would have a **positive** impact on housing costs via land use and zoning.

- The City of Austin's Displacement Risk Index defines four categories of displacement risk: Active, Vulnerable, Chronic, and Historic. Active and Vulnerable areas have the highest displacement risk, with Chronic and Historic representing areas that have already undergone significant displacement and neighborhood change. The proposal minimizes applying the new zoning to parcels in Active and Vulnerable areas, with only 19% of proposed rezonings applying to parcels in these areas. Conversely,

Positive

Equitable Transit Oriented
Development Phase 1



Affordability Impact Statement

2024 International Building Code & Local Amendments

Date: 6/25/2024

Proposed Regulation

The proposed adoption of the 2024 International Building Code (IBC) and local amendments would replace the current 2021 IBC and corresponding local amendments. The IBC is a model code published by International Code Council, a non-profit entity with a robust democratic process for weighing the costs and benefits of code changes.

Most of the changes to the local amendments simplify or streamline code regulation and interpretation. The most impactful local amendments are likely the new requirements for natural light in living spaces and the reduction of required egress stairways in apartment buildings up to five-stories.

Land Use/Zoning Impacts on Housing Costs

The proposed changes would have a **neutral** impact on housing costs via land use and zoning. 2024 IBC and local amendments will update Austin's land development code to reflect the most current standards. Keeping building codes up to date helps to ensure consistency with other jurisdictions and appropriate consideration of newer building materials/practices, such as mass timber.

Impact on Development Cost

The proposed changes would likely have a **neutral** impact on development costs overall. The 2024 IBC is a model code that makes incremental changes to improve building standards. Some changes raise the cost of

Neutral

2024 International Building
Code & Local Amendments



Affordability Impact Statement

2024 International Energy Conservation Code Commercial Provisions

Date: 8/14/2024

Proposed Regulation

The proposed adoption of the 2024 International Energy Conservation Code Commercial Provisions and local amendments would replace the 2024 International Energy Conservation Code Commercial Provisions and corresponding local amendments. The proposed local amendments have been reduced, clarified, and amended to support Austin's climate and energy efficiency goals.

Land Use/Zoning Impacts on Housing Costs

The proposed changes would have a **neutral** impact on housing costs via land use and zoning. There are no direct impacts anticipated on land use or zoning due to these amendments.

Impact on Development Cost

The proposed changes would have a **negative** impact on construction costs for mid-rise and high-rise multifamily buildings.

The U.S. Department of Energy (DOE) Pacific Northwest National Lab (PNNL) is responsible for developing local cost-effectiveness reports on the energy codes at both national and state levels. As of August 2nd, this report is unavailable for the 2024 IECC Commercial Provisions. In the meantime, Austin Energy conducted local modeling using the same set of building prototypes developed by the DOE to standardize the analysis of energy savings and costs related to the energy code. The table and information below provide details on potential cost impacts amendments to the model code and appendices, per Austin Energy's local modeling.

Measure	Incremental First Cost per Dwelling Unit	Incremental First Cost per Apartment Building
2024 IECC Model Code Overall	Unavailable	Unavailable
Model code item – Renewable Energy	\$490	\$39,000

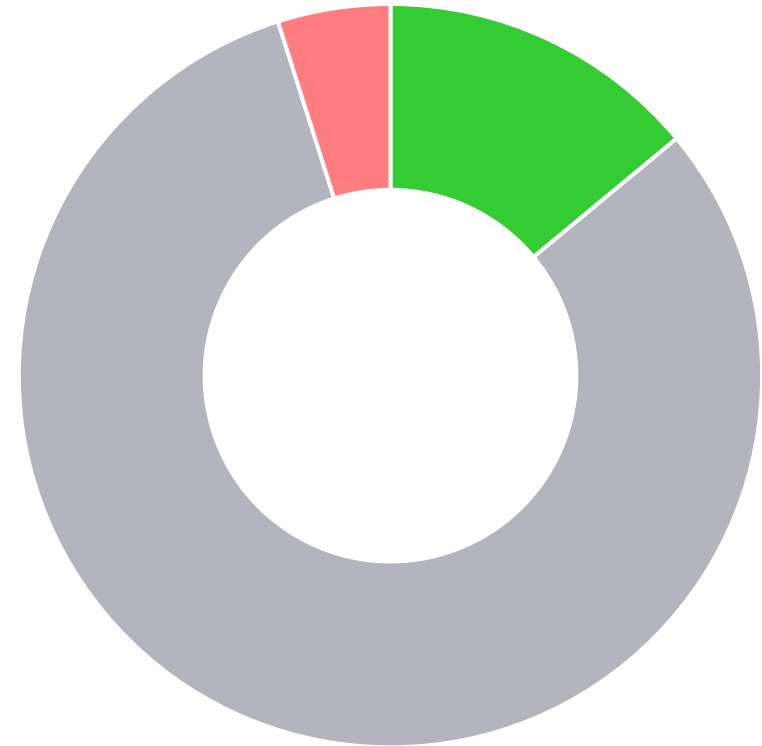
Negative

2024 International Energy
Conservation Code



AIS in the Last 5 years (March 2020-March 2025)

- 145 AISs Completed
- 20 Positive
- 116 Neutral
- 7 Negative
- Average of 2-3 per month
- A significant majority of AISs are neutral





Improvements

Combine the Technical Advisory Review Panel (TARP) and Affordability Impact Statement Process into one request form.

- [Resolution No. 20230323-057](#), reviews the City's Administrative Criteria Manuals using the direction provided by Council to better align rules with City Council Policies, City housing goals, and industry best practices.
- In 2024, Housing and DSD staff combined the request form so that staff updating criteria manuals did not need to submit two separate forms.
- **A future improvement:** require AIS for ordinances only and not rule changes because now these two processes now overlap as the TARP is tasked with reviewing potential impacts to development, including affordability.



Suggested Improvements

Stakeholder Feedback: Stakeholders point out that AISs for rule changes are not shared publicly, which makes it difficult to track and provide feedback.

Staff Response: The Affordability Impact Statements for Rule changes (i.e. Technical Criteria Manuals) are not posted publicly, but they are available upon request. The official Notice of Proposed that gets posted on the City Clerk's public notices site include language mentioning the AIS with contact information for how to obtain a copy.



Suggested Improvements

Stakeholder Feedback: Stakeholders requested that the AIS be provided **earlier in the process**, specifically during the initial stakeholder engagement phase, before the draft ordinance is developed.

Staff Response: The staff proposal may change multiple times during the initial stakeholder engagement phase to incorporate stakeholder feedback. The AIS has historically evaluated the proposal being considered upon first official public hearing of a Commission or Council.



Suggested Improvements

Stakeholder Feedback: Stakeholders point out that according to Ordinance No. 20071129-100, an AIS should be completed for budget adoptions and amendments that increase development fees that impact housing affordability that are not otherwise waived

Staff Response: There is not currently a process for creating an AIS for the adoption of the annual fee schedule. This would require significant coordination with multiple departments.



Suggested Improvements

Stakeholder Feedback: Stakeholders have requested **additional criteria and greater consistency** in evaluating AISs.

Staff Response: The enabling legislation does not define housing affordability and for whom. Staff has interpreted this to include factors such as development costs, housing development capacity, and the impact on building affordable housing. While staff is open to exploring more criteria, we would also welcome Council direction, as the original resolution provided limited guidance.



HOUSING
DEPARTMENT

Thank You

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