

ORDINANCE AMENDMENT REVIEW SHEET

Amendment: C20-2023-019 Citywide Compatibility

Description:

Amend City Code Title 25 (Land Development) to revise height, building placement, and other related regulations that apply to property and are in addition to the base zoning regulations (also known as Compatibility Standards).

Background: Initiated by [Resolution No. 20230608-045](#).

Compatibility is a regulation that restricts building height and regulates screening, building design, and noise levels based on a site's proximity to a property with single-family zoning or a single-family use. Currently, compatibility generally applies to sites within 540 feet of a property zoned Urban Family Residence (SF-5) or more restrictive.

Compatibility does not apply uniformly citywide. Different compatibility standards apply depending on a site's location and use. Listed below are examples of where compatibility is treated differently throughout the city:

- [Citywide Compatibility Standards](#) have two separate regulations for [large](#) and [small sites](#).
- The [East Riverside Corridor Regulating Plan](#) compatibility standards are less restrictive than the current citywide standards and are only triggered by single-family use.
- The [Lamar/Justin, MLK, and Plaza Saltillo Transit Oriented Development \(TOD\) Regulating Plans](#) only apply compatibility to sites within 100 feet of the TOD boundary and within 25 feet of a triggering property.
- Within the [University Neighborhood Overlay \(UNO\)](#), compatibility only applies within 75 feet of the UNO boundary.
- Within the Educational Facility Development Standards, there are two separate compatibility height restrictions for AISD and non-AISD schools.
- Neighborhood Conservation Combining Districts (NCCDs):
 - The [E. 11th St. NCCD](#) waives compatibility standards in lieu of its own specific compatibility standards.
 - The [E. 12th St. NCCD](#) waives compatibility standards within the district.
 - The [Hyde Park NCCD](#) deviates from the current compatibility standards by allowing parking in the rear yard.
- Additional areas are exempt from compatibility, including properties zoned *Central Business District (CBD)*, *Downtown Mixed-Use (DMU)*, properties in the [North Burnet Gateway \(NBG\) Regulating Plan](#), and developments utilizing the [Affordability Unlocked](#) density bonus program.

For more information about the various compatibility standards in the code, see Exhibit A, Current vs Proposed Compatibility.

Compatibility Standards were codified with the adoption of the current Land Development Code in 1984. Their purpose, as stated in the [1984 code](#), is to “preserve and protect single-family residential neighborhoods” and “to maintain the privacy and to allow the outdoor enjoyment typically provided in single family districts and neighborhoods.”

Before compatibility was created, there was an ad hoc practice of creating “buffer zones” to separate single-family homes from more intensive uses. Buffer zones, defined as “strip(s) of land used to separate one land use from another incompatible land use” ([§ 25-1-21\(12\)](#)), were created on a case-by-case basis by assigning single-family zoning to areas of the property adjacent to single-family homes.

The city often required buffer zones when rezoning property adjacent to single-family homes. For example, city staff on July 9, 1983, recommended against a rezoning from AA (SF-2) to O (LO/GO) zoning and instead recommended O zoning with a 25’-wide buffer of A (SF-3) zoning along the property line adjacent to single-family properties.

No major changes to compatibility were made until December 2022, when City Council adopted [Ordinance No. 20221201-056](#), known as “Compatibility on Corridors.” The ordinance reduced compatibility and minimum parking requirements along specific corridors and directed staff to complete an analysis of citywide compatibility regulations. Staff did not recommend adoption of the ordinance because of its minimal impact on housing capacity and the additional complexity it created in an already complex set of regulations. In December 2023, the ordinance was invalidated by a court ruling.

In June 2023, City Council adopted [Resolution No. 20230608-045](#), which initiated significant modifications to citywide compatibility standards, as described below:

1. Change compatibility standards to be in line with peer cities.
2. Re-define “triggering property.”
3. Apply height and setback limits that mirror the Corridor Overlay.
4. Modify the “no-build” setback to be equal to or less restrictive than what applies to single-family structures.
5. Provide more opportunities for waivers from compatibility requirements.
6. Remove the maximum number of stories and increase height limitations by at least five feet.
7. Ease limitations on what can be constructed within the “no-build” setback.
8. Consider reducing or eliminating compatibility standards for projects that are participating in a density bonus program.

In September of 2023, the Housing and Planning Departments released the findings and recommendations of the [citywide compatibility analysis](#). The report included the following recommendations:

1. End compatibility related requirements at 75 feet.
2. Further reduce compatibility for on-site affordable housing.
3. Remove compatibility requirements from SF-6, MF-1, MF-2, and MF-3 zoning districts.
4. Refine heights within the compatibility buffer.
5. Conduct additional stakeholder engagement.
6. Analyze impacts and preservation strategies for existing multi-family housing.
7. Explore programs and partnerships to bring back displaced communities.
8. Minimize potential displacements impacts on vulnerable populations.
9. Balance the impacts of other regulations on housing capacity.

On February 1, 2024, City Council approved [Ordinance No. 20240201-027](#), authorizing a Joint Public Meeting of the Planning Commission and Council, waiving the requirements under 25-1-502, and adopting notice requirements for the meeting. On February 15, 2024, City Council set the date for the Joint Public Meeting for no earlier than May 1, 2024.

Summary of Proposed Code Amendment:

The proposed changes can be broken down into the following categories:

1. Applicability
2. Height limits
3. Compatibility buffer
4. Screening, noise, and design requirements
5. Site-specific compatibility amendments

The following sections describe each of these categories in further detail:

1. Applicability
 - Sites zoned MF-4 or less restrictive within 75 feet of a triggering property must comply with compatibility standards.
 - Properties triggering compatibility standards are limited to those zoned Urban Family Residence (SF-5) or more restrictive with between one and three housing units.
 - Exemptions from compatibility standards include:
 - A building that is undergoing a structural alteration that does not increase its square footage, area, or height.
 - A property zoned Central Business District (CBD) or Downtown Mixed-Use (DMU).

- A site zoned Multifamily-Medium Density (MF-3) or more restrictive
- The following uses: Single-Family Residential, Single-Family Attached Residential, Duplex, Two-Unit Residential, Three Unit Residential, Adult Care Services (Limited or General), and Child Care Services (Limited or General).

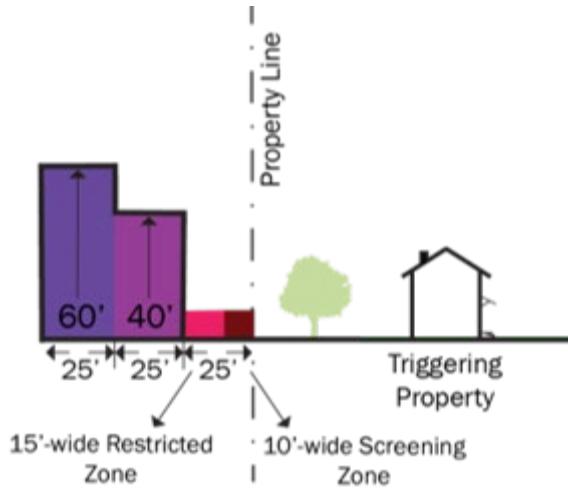
2. Height limits

- The following heights will be allowed within 75 feet of a triggering property:

Figure 1. Compatibility Height Limits Table:

Distance from lot line of triggering property:	Maximum building height (if allowed by base zoning district):
$\leq 25'$	0' (Compatibility Buffer)
$> 25'$ and $\leq 50'$	40'
$> 50'$ and $\leq 75'$	60'
$> 75'$	Set by zone standards

Figure 2. Compatibility Height Limits Diagram:



3. Compatibility buffer*

- A 25'-wide Compatibility Buffer is required along a property line shared with a triggering property consisting of:
 - 10'-wide Screening Zone with large or medium and small trees and large shrubs

Figure 3. Screening Zone Requirements:

Screening Zone Requirements	
Minimum width	10'
Large or medium trees ¹ per 25 linear feet	1
Small trees per 25 linear feet	10
Large shrubs per 25 linear feet	10

¹ 20' minimum height at maturity

- * Native plantings required (existing native plants can count) 15'-wide Restricted Zone with the allowance for the following low-intensity uses:

- Landscaping or gardens;
- Fences, walls, or berms,
- Surface parking lots, driveways, alleys, or fire lanes;
- Paths, walkways, or public use trails;
- Utility infrastructure;
- Refuse receptacles; and
- Mechanical equipment.

- Green stormwater infrastructure is allowed in the screening and restricted zones.
- **(Buffer requirements were adopted on Feb. 29, 2024, as part of the Density Bonus 90 (DB90) Zoning District).*

- The Compatibility Buffer is not required for townhome or condominium uses or sites zoned Neighborhood Commercial (LR), Neighborhood Office (NO), and Limited Office (LO).

4. Screening, noise, and design requirements

- Exterior lights must be shielded from view from neighboring properties.
- Mechanical equipment noise must stay under 70 decibels at the shared triggering property line.
- On-site amenities for occupants and guests cannot be located within 25 feet of a shared triggering property line, except for a multi-use trail.
- Screening is required for vehicle lights, mechanical equipment, outdoor storage, certain common areas, and refuse receptacles and collection areas.

5. Site-specific compatibility amendments

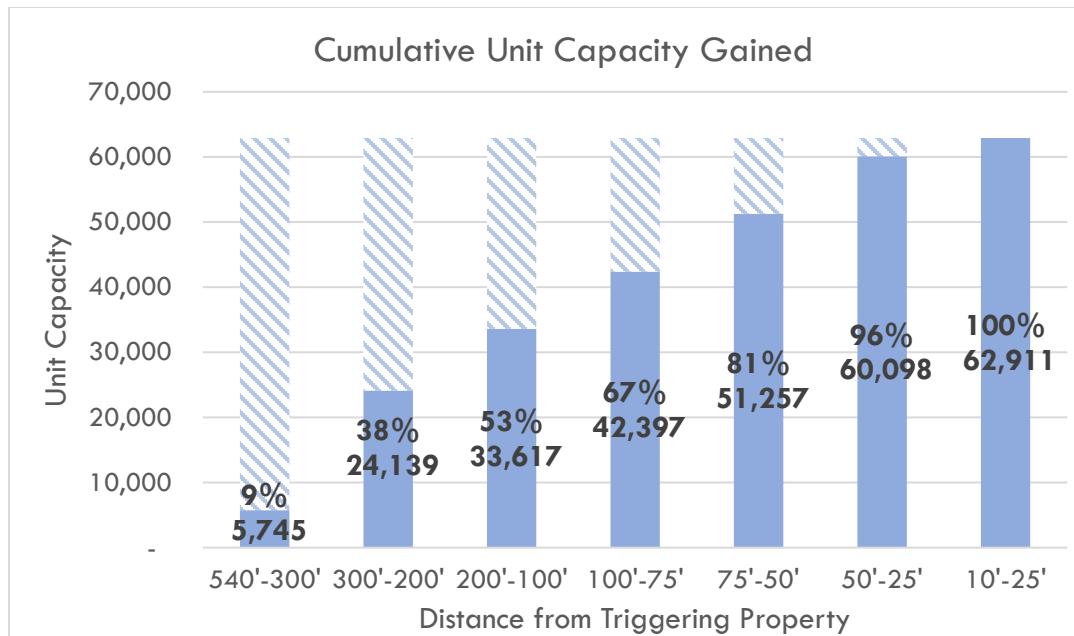
- Allows City Council to modify or waive compatibility height requirements through a site-specific zoning amendment process with notice and protest rights.
- It is not legally feasible to allow owners of triggering properties to waive or modify how compatibility applies to other sites with 75 feet.

For more detail about the proposed changes, see the draft ordinance. For a comparison of the proposed changes to current compatibility standards, see Exhibit A, Current vs Proposed Changes.

Proposed Text Amendment(s): See attached draft ordinance.

Staff Recommendation: Recommended

Staff recommends the proposed modifications to compatibility standards to increase housing unit capacity. Staff conducted a quantitative analysis to estimate the change in total land area impacted by compatibility and the potential change in unit capacity due to the proposed modifications to compatibility standards. The objective of the analysis was to understand how the proposed changes may impact the potential unit capacity on multifamily and mixed-use properties and to see where the impacts of the proposed changes are the greatest. A unit capacity analysis is a simplistic projection of how many housing units could be built in a community if every property were to develop or redevelop under existing zoning regulations. To estimate the impacts on unit capacity, staff calculated the potential unit yield using the existing compatibility height restrictions and compared it with the potential unit yield using the proposed compatibility height restrictions to determine the unit capacity gained back through the proposal. Due to the complexity of zoning regulations, broad assumptions are necessary to perform a citywide capacity analysis – these assumptions are explained in the detailed methodology. As seen in the chart below, unit capacity is estimated to increase by about 63,000 units with the proposed compatibility standards relative to the current regulations, supporting Strategic Housing Blueprint Goals of producing 135,000 housing units in 10 years. Over 42,000 of those estimated housing units are gained in distances beyond the proposed applicability of compatibility of 75 feet. An additional 20,000 housing units are gained within the 75 feet compatibility buffer, where additional height allowances are proposed. Housing units gained due to the general changes to the applicability of compatibility and definition of a triggering property are distributed across multiple distances.



In Imagine Austin, the community articulated a vision of complete communities – where residents can live, work, and play conveniently within their neighborhoods. Central to this vision is the idea of providing more housing opportunities near essential services and amenities. This approach not only enhances access to basic necessities but also promotes sustainable development patterns that reduce reliance on automobiles and encourage walking, cycling, and the use of public transportation. Staff recommends the proposed changes to compatibility as a component of implementing community goals of providing more housing opportunities close to essential services and amenities such as parks and childcare facilities. As seen in the table below, over 56,000 additional housing units could be located within a half mile of one or more of these daily needs.

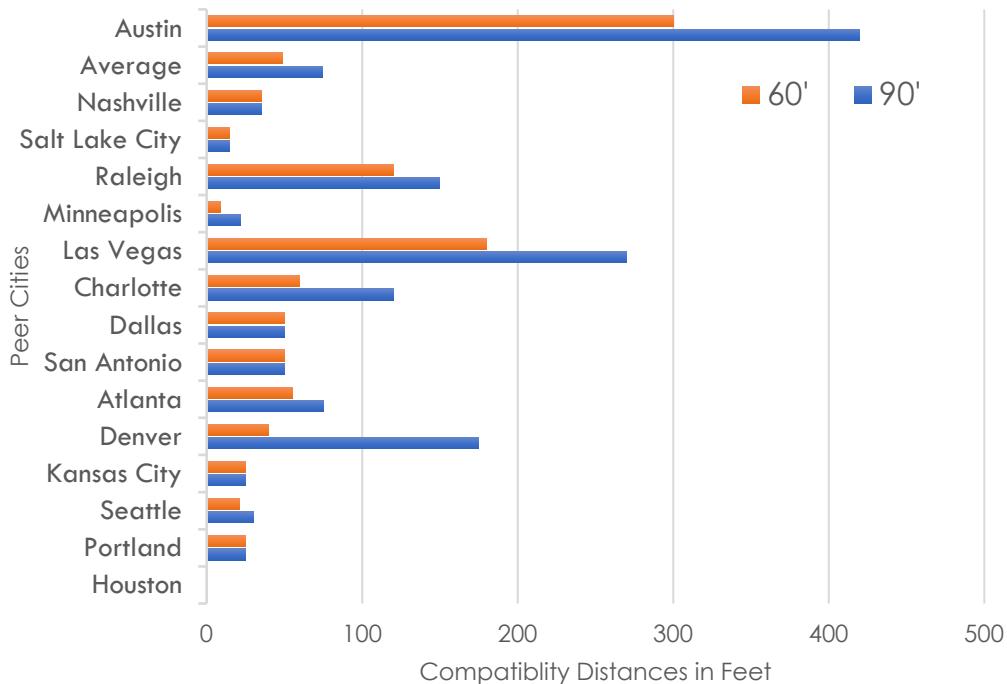
Amenity	Estimated Housing Unit Capacity Gained Within Half Mile	Percent of Total Housing Unit Capacity Gained
Grocery Stores	≈ 26,968	43%
City Parks	≈ 52,457	83%
AISD Public Schools	≈ 39,095	62%
Childcare Facility	≈ 43,854	70%
Near One or More Amenities	≈ 56,681	90%
Near Two or More Amenities	≈ 49,911	79%

Staff recommends the proposed exemption for small-scale multifamily developments zoned MF-3 and more restrictive to enable the development of additional housing units. Staff estimate that this exemption will remove over 16,000 properties from compatibility standards, increasing unit capacity by almost 5,000 housing units. These small-scale multifamily developments can facilitate a transition zone from lower-density residential to higher-density multifamily and commercial developments.

Zoning District	Housing Units Gained	Properties No Longer Subject to Compatibility
SF-6	≈ 336	5,008
MF-1	≈ 141	639
MF-2	≈ 1,775	5,751
MF-3	≈ 2,491	5,229
Total	≈ 4,745	16,627

Staff also recommends exempting sites zoned MF-3 and more restrictive from compatibility because the allowed uses are residential or civic and are generally similar in bulk, scale, and density to single-family homes. The maximum height allowed in MF-3 and more restrictive zoning districts is less than 40ft, which does not warrant additional visual screening and distance from single-family homes. Staff also found that, on average, the size of parcels zoned MF-3 and more restrictive that are currently subject to compatibility is 18% less than the average size of parcels in less restrictive zoning districts that allow residential uses; requiring a 25-foot compatibility buffer would have been out of scale to existing lot sizes for many properties zoned MF-3 or more restrictive.

The proposed changes generally bring the compatibility standards in line with those of peer cities. Current compatibility height limits, which extend 540 feet from a single-family property, are considerably stricter compared to other peer cities. Peer city research shows that the average distance from a triggering property to reach a height of 60 feet is approximately 49 feet, and the average distance to reach a height of 90 feet is approximately 74 feet (excluding Austin). Both Dallas and San Antonio end all compatibility-related height restrictions after 50 feet from triggering properties, while Houston does not have specific compatibility restrictions based on adjacency to single-family zoning or use. The proposal to end compatibility height limitations at 75 feet aligns with the average standard observed across identified peer cities.



Staff recommends applying the compatibility buffer requirements in § 25-8-700 to properties abutting a triggering property to create a visual barrier between uses and to improve the urban environment for the future occupants of the development and surrounding neighbors. Lower intensity zones and uses are exempt from the buffer requirement. These include Townhouse Residential and Condominium Residential uses and sites zoned Neighborhood Commercial (LR), Neighborhood Office (NO), and Limited Office (LO). Similar to the general compatibility exemption for MF-3 and more restrictive residential districts, exempting townhomes, condominiums, and sites zoned LR, NO, and LO from compatibility will facilitate neighborhood-scale development without imposing planting and setback requirements out of scale with the development.

The planting requirements and allowed green stormwater infrastructure within the screening zone are in line with strategies proposed in the Climate Equity Plan, including updating codes to allow for housing development that balances protections of natural resources with the provision of housing and ensuring the species of newly planted trees are native or adapted and appropriate for the location, function, habitat, and future changes in the climate. The additional tree canopy cover will help to reduce the impacts of urban heat island effects, which are concentrated in higher-density areas. Further, the additional flexibility for low-intensity uses within the restricted zone will reduce the impact of compatibility requirements on a site's developable area.

Current compatibility regulations are complex, difficult to administer, onerous to applicants, and confusing to the public. A survey conducted for the 2023 citywide compatibility analysis also found that compatibility standards result in delays to project timelines, with 84% of respondents indicating short, moderate, or long delays. Delays were primarily caused by factors such as seeking variances, negotiations, extensive staff review and interpretation, neighborhood

opposition, lack of clarity, financial feasibility issues, design complexity, and lengthy review timelines and legal processes. Staff recommends the proposed simplification of compatibility regulations to reduce the need for labor-intensive and time-consuming development reviews.

Due the implications of compatibility for other parts of the code and other code amendments in progress, staff recommends addressing the following as part of a future code amendment:

- Compatibility in Transit-Oriented Development (TOD) zones and the University Neighborhood Overlay (UNO): Staff recommends reducing compatibility standards for projects that participate in UNO or TOD density bonus programs as part of the forthcoming comprehensive update to density bonus programs. To maximize community benefits and participation in these programs, staff recommends considering reducing compatibility through careful calibration of the programs' community benefits requirements and site development standards.

Board and Commission Action:

April 23, 2024 – To be reviewed by the Planning Commission

Council Action:

May 16, 2024 – To be considered by City Council

Sponsor Department: Planning Department

City Staff:

Jonathan Lee, Senior Planner, Planning Department, LDCUpdates@austintexas.gov, (512) 974-7220 (Case Manager)

Paul Books, Senior Planner, Planning Department, LDCUpdates@austintexas.gov, (512) 974-7220 (Subject Matter Expert)

Exhibit A Current vs Proposed Changes

	Current Standards	Proposed Standards																						
What triggers compatibility?	<ul style="list-style-type: none"> Property zoned Urban Family Residence (SF-5) or more restrictive, Development Reserve (DR), or Traditional Neighborhood (TN). Property developed with a use permitted in SF-5 or more restrictive zoning, regardless of zoning (e.g. schools, parks, churches). 	<ul style="list-style-type: none"> Property zoned SF-5 or more restrictive that contains between one and three housing units. 																						
What is subject to compatibility?	<ul style="list-style-type: none"> Property zoned Townhouse and Condominium Residence (SF-6) or less restrictive and certain civic uses (e.g. schools, parks, churches), regardless of zoning, located: <ul style="list-style-type: none"> Within 540' of a property zoned SF-5 or more restrictive, DR, or TN Adjacent to or across the street from a property developed with a use permitted in SF-5 or more restrictive zoning 	<ul style="list-style-type: none"> Property zoned MF-4 or less restrictive located within 75' of a triggering property 																						
Height Limits	<table border="1"> <thead> <tr> <th>Distance from lot line of triggering property:</th> <th>Maximum building height (if allowed by base zoning district):</th> </tr> </thead> <tbody> <tr> <td>$\leq 15'$ - $25'^*$</td> <td>0' – No-Build Setback</td> </tr> <tr> <td>$> 15'$ - $25'^*$ and $\leq 50'$</td> <td>30' or two stories</td> </tr> <tr> <td>$> 50'$ and $\leq 100'$</td> <td>40' or three stories</td> </tr> <tr> <td>$> 100'$ and $\leq 300'$</td> <td>Up 1' in height for 10' of distance</td> </tr> <tr> <td>$> 300'$ and $\leq 540'$</td> <td>Up 1' in height for 4' of distance</td> </tr> </tbody> </table>	Distance from lot line of triggering property:	Maximum building height (if allowed by base zoning district):	$\leq 15'$ - $25'^*$	0' – No-Build Setback	$> 15'$ - $25'^*$ and $\leq 50'$	30' or two stories	$> 50'$ and $\leq 100'$	40' or three stories	$> 100'$ and $\leq 300'$	Up 1' in height for 10' of distance	$> 300'$ and $\leq 540'$	Up 1' in height for 4' of distance	<table border="1"> <thead> <tr> <th>Distance from lot line of triggering property:</th> <th>Maximum building height (if allowed by base zoning district):</th> </tr> </thead> <tbody> <tr> <td>$\leq 25'$</td> <td>0' (Compatibility Buffer)</td> </tr> <tr> <td>$> 25'$ and $\leq 50'$</td> <td>40'</td> </tr> <tr> <td>$> 50'$ and $\leq 75'$</td> <td>60'</td> </tr> <tr> <td>$> 75'$</td> <td>Set by zone standards</td> </tr> </tbody> </table>	Distance from lot line of triggering property:	Maximum building height (if allowed by base zoning district):	$\leq 25'$	0' (Compatibility Buffer)	$> 25'$ and $\leq 50'$	40'	$> 50'$ and $\leq 75'$	60'	$> 75'$	Set by zone standards
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*Varies depending on lot width

- Distance to reach...
 - 60' in height: 300' in distance
 - 90' in height: 420' in distance
 - 120' in height: 540' in distance

Current Standards		Proposed Standards
Setbacks	<ul style="list-style-type: none"> For lots 50'- 100' wide, minimum setbacks range from 15' to 25'. No structures, including parking lots or driveways, are allowed. For lots over 100' wide, minimum setbacks are 25'. 	Minimum setbacks are set by the base zoning district.
Compatibility Buffer	<p>None required. Only standard screening is required (typically met with a 6' tall fence along property line). No structures (anything made of concrete) can be built within the 25' no-build setback.</p>	<ul style="list-style-type: none"> 25'-wide Compatibility Buffer required along interior side and rear yards adjacent to a triggering property. <i>(Buffer requirements were adopted on Feb. 29, 2024, as part of the Density Bonus 90 (DB90) Zoning District).</i> <ul style="list-style-type: none"> 10' Screening Zone with large or medium and small trees and large shrubs 15' Restricted Zone with low-intensity uses such as trails, driveways, and fire lanes Stormwater infrastructure allowed in the screening and restricted zones
Screening Zone Requirements		
Minimum width		10'
Large or medium trees ¹ per 25 linear feet		1
Small trees per 25 linear feet		10
Large shrubs per 25 linear feet		10
<p>¹ 20' minimum height at maturity</p> <p>* Native plantings required (existing native plants can count)</p> <ul style="list-style-type: none"> Compatibility Buffer not required for townhomes, small condominium developments, and neighborhood-scale commercial and office uses 		
Screening, noise and	<ul style="list-style-type: none"> Additional screening beyond what is required elsewhere in the code for dumpsters, vehicle lights, mechanical equipment, and storage. 	<ul style="list-style-type: none"> Maintain compatibility screening requirements for vehicle lights, dumpsters, mechanical equipment,

	Current Standards	Proposed Standards
design regulations	<ul style="list-style-type: none"> • Reflective roofs cannot exceed a certain pitch • Exterior lighting must be hooded or shielded • Mechanical equipment cannot exceed 70db at property line • No trash pickup or commercial deliveries 10pm-7am • Regulations around design and massing, many non-enforceable 	<p>and storage; add a requirement to screen outdoor common spaces.</p> <ul style="list-style-type: none"> • Maintain existing compatibility regulations regarding exterior lighting and noise; remove redundant or unenforceable requirements around design and massing, roof reflectivity, delivery hours, and outdoor noise.
Waiver Process	<ul style="list-style-type: none"> • The Planning Commission, or Council on appeal, can: <ul style="list-style-type: none"> ◦ Reduce setbacks to a minimum of 5' ◦ Modify height limits only under limited circumstances • In TODs, owners of triggering properties can agree to waive the application of compatibility onto nearby property 	<ul style="list-style-type: none"> • City Council has the full discretion to modify or waive elements of compatibility following a site-specific zoning amendment process with notice and protest rights. Compatibility waivers would go to the Land Use Commission before Council.
Areas or uses with different compatibility standards		
<u>North Burnet Gateway Regulating Plan</u>	<ul style="list-style-type: none"> • Compatibility does not apply. 	<ul style="list-style-type: none"> • No changes proposed
<u>East Riverside Corridor Regulating Plan</u>	<ul style="list-style-type: none"> • Has separate compatibility standards that are less restrictive than the current citywide standards but more restrictive than the proposed standards. Compatibility is triggered by single-family use, not zoning. 	<ul style="list-style-type: none"> • No changes proposed. Proposed update to Regulating Plan (scheduled for consideration in December 2024) may amend compatibility standards.
<u>Lamar/Justin, MLK and Plaza Saltillo TODs</u>	<ul style="list-style-type: none"> • Compatibility applies to properties within 100 ft of TOD boundary and within 25 ft of a triggering property. 	<ul style="list-style-type: none"> • No changes proposed. Reductions in compatibility for TOD density bonus programs to be considered through comprehensive density bonus analysis.

		Current Standards	Proposed Standards
<u>University Neighborhood Overlay (UNO)</u>	<ul style="list-style-type: none"> Compatibility does not apply within UNO, except to properties within 75' of the UNO boundary. 	<ul style="list-style-type: none"> No changes proposed. Reductions in compatibility for UNO density bonus program to be considered through comprehensive density bonus analysis. 	
<u>Density Bonus 90 (DB90) Combining District</u>	<ul style="list-style-type: none"> Compatibility does not apply, except for compatibility buffer and screening/noise design regulations. 	<ul style="list-style-type: none"> No changes proposed 	
<u>Vertical Mixed Use (VMU) Buildings</u>	<ul style="list-style-type: none"> Compatibility applies normally, except for properties along a future light rail line, where compatibility ends at 100' 	<ul style="list-style-type: none"> Proposed citywide compatibility standards will apply. 	
<u>Neighborhood Conservation Combining Districts (NCCDs)</u>	<ul style="list-style-type: none"> <u>E 11th St NCCD</u>: Modifies compatibility (not aligned with proposed changes) <u>E 12th St NCCD</u>: Compatibility does not apply <u>Hyde Park NCCD</u>: Allows parking in rear yard <u>North Hyde Park NCCD</u>: No changes to compatibility <u>North University NCCD</u>: No changes to compatibility, but has its own more restrictive height limits <u>Fairview NCCD</u>: No changes to compatibility 	<ul style="list-style-type: none"> No changes proposed. Proposed compatibility standards will apply to properties within NCCDs where applicable. If there is conflict, NCCD regulations supersede. 	
<u>Affordability Unlocked</u>	<ul style="list-style-type: none"> Compatibility does not apply. 	<ul style="list-style-type: none"> No changes proposed. 	
<u>Educational Facilities Development Standards</u>	<ul style="list-style-type: none"> Schools have their own compatibility rules (different for AISD and non-AISD schools). AISD standards in LDC are misaligned with standards approved in the 2023 AISD-City of Austin School District Development Standards Agreement 	<ul style="list-style-type: none"> No changes proposed. 	
<u>South Central Waterfront Overlay*</u>	<ul style="list-style-type: none"> N/A 	<ul style="list-style-type: none"> Compatibility does not apply. (*Proposed for adoption as part of the South Central Waterfront Combining District) 	

	Current Standards	Proposed Standards						
<u>Equitable Transit-Oriented Development (ETOD) Overlay*</u> <i>*To be considered for adoption on May 16, 2024</i>	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Compatibility Buffer applies • Compatibility matches DB90 within 25'-50' (allowing up to 90' in height) • Compatibility waived from 50' and beyond (allowing up to 120' in height, depending on base zone) 						
<u>Corridor Overlay*</u> <i>*(Ordinance 20221201-056 (Compatibility on Corridors) was invalidated in December 2023)</i>	<ul style="list-style-type: none"> Properties along future light rail lines and certain streets had varying compatibility standards that were less restrictive than the current citywide standards but more restrictive than the proposed standards. <table border="1"> <thead> <tr> <th>Corridor Type</th> <th>Compatibility ends at:</th> </tr> </thead> <tbody> <tr> <td>Light Rail Line or Large Corridor</td> <td>200' (100' with on-site affordable units)</td> </tr> <tr> <td>Medium Corridor</td> <td>300' (additional height allowed with on-site affordable units)</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Allowed 5' of additional height compared to citywide compatibility. Compatibility was triggered by zoning, not use, and could not be triggered by property across a corridor. 	Corridor Type	Compatibility ends at:	Light Rail Line or Large Corridor	200' (100' with on-site affordable units)	Medium Corridor	300' (additional height allowed with on-site affordable units)	<ul style="list-style-type: none"> • Repeal the Corridor Overlay
Corridor Type	Compatibility ends at:							
Light Rail Line or Large Corridor	200' (100' with on-site affordable units)							
Medium Corridor	300' (additional height allowed with on-site affordable units)							

Proposed Compatibility Unit Capacity Analysis Result and Methodology

Staff conducted an update the quantitative analysis completed in 2023 to estimate the change in total land area impacted by compatibility and the potential change in unit capacity due to the proposed modifications to compatibility standards. The objective of the analysis was to understand how the proposed changes may impact the potential unit capacity on multifamily and mixed-use properties and to see where the impacts of the proposed changes are the greatest. A unit capacity analysis is a projection of how many housing units could be built in a community if every property were to develop or redevelop under existing zoning regulations. To estimate the impacts on unit capacity, staff calculated the potential unit yield using the existing compatibility height restrictions and compared it with the potential unit yield using the proposed compatibility height restrictions.

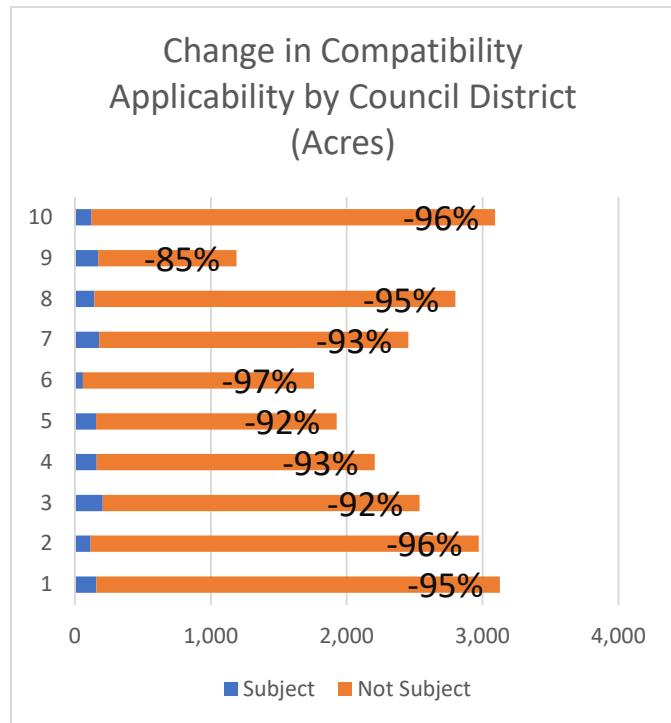
Results

Total Land Area Impacted by Compatibility

Staff estimated the total area of properties subject to the current citywide compatibility standards, the area of properties that would be subject to the proposed standards, and the percent change in area impacted by compatibility.

Total Sq. Mi of Subject Properties Impacted by Current Compatibility	Total Sq. Mi of Subject Properties Impacted by Proposed Compatibility	Percent Change of Subject Properties Impacted by Compatibility
75.4	4.6	-93.4%

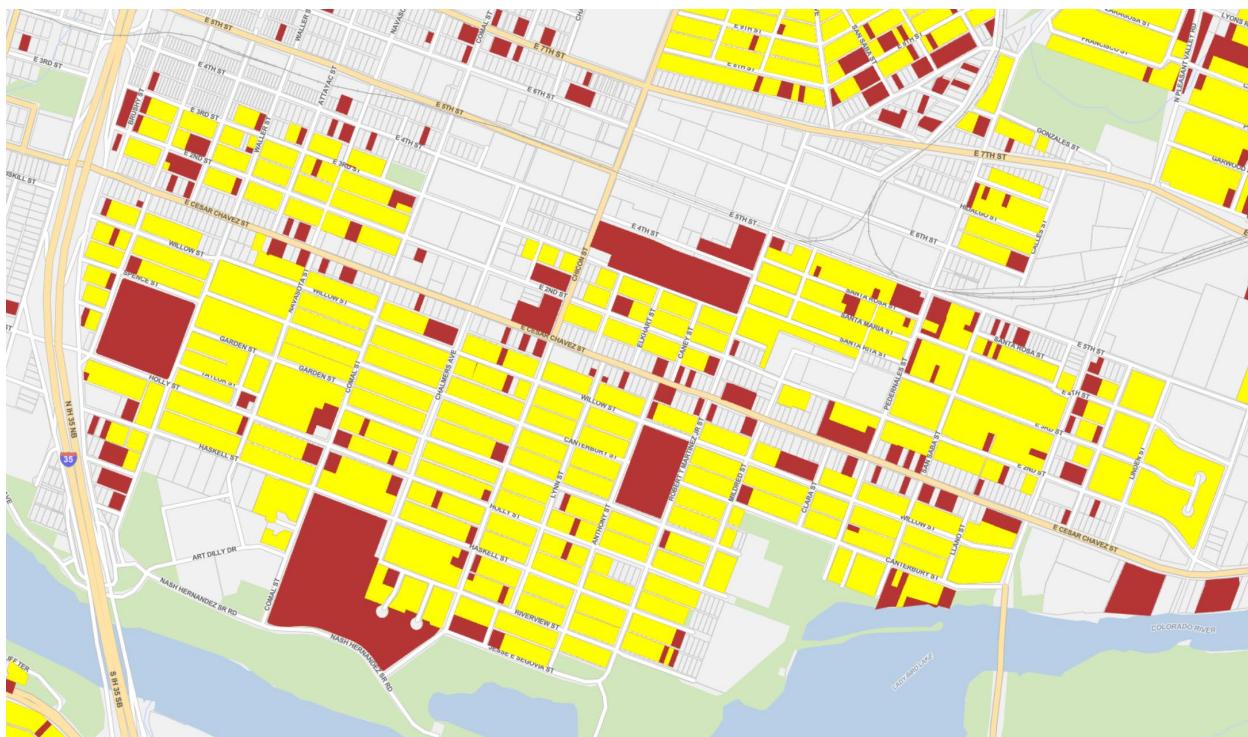
Staff analyzed the change in area impacted by compatibility within each Council district. The change ranged from a low of 85% in District 9 to a high of 96% in Districts 10 and 2.



Current compatibility buffers may, in some instances, allow for heights beyond those allowed under the base zone. For the purposes of this area analysis, properties which are allowed to reach their maximum height under compatibility standards were included. This means that while compatibility does apply to these areas, there may not be a significant loss of development potential in all areas.

Number of Triggering Properties

As proposed, the scope of properties that trigger compatibility standards has been narrowed to ensure properties are both zoned and used as low-density housing. The current compatibility standards are triggered by properties that are zoned as SF-5 or more restrictive OR contain a use allowed within an SF-5 or more restrictive zoning district. In many instances, uses such as schools and public parks are on properties zoned SF-5 or more restrictive, thereby triggering compatibility. This reduces the unit capacity of neighboring properties adjacent to these essential services. By changing the definition to ensure properties are both zoned and used as low-density residential, the number of triggering properties was reduced by approximately 33%. See the map below, where properties meeting the proposed definition of triggering property are shown in yellow, and existing triggering properties that do not meet the proposed definition are shown in red. As seen, many larger parcels, including four schools and city parkland are identified as triggering properties as well as existing single-family properties within commercial or multifamily zoning districts.



Unit Capacity Impacted by Compatibility

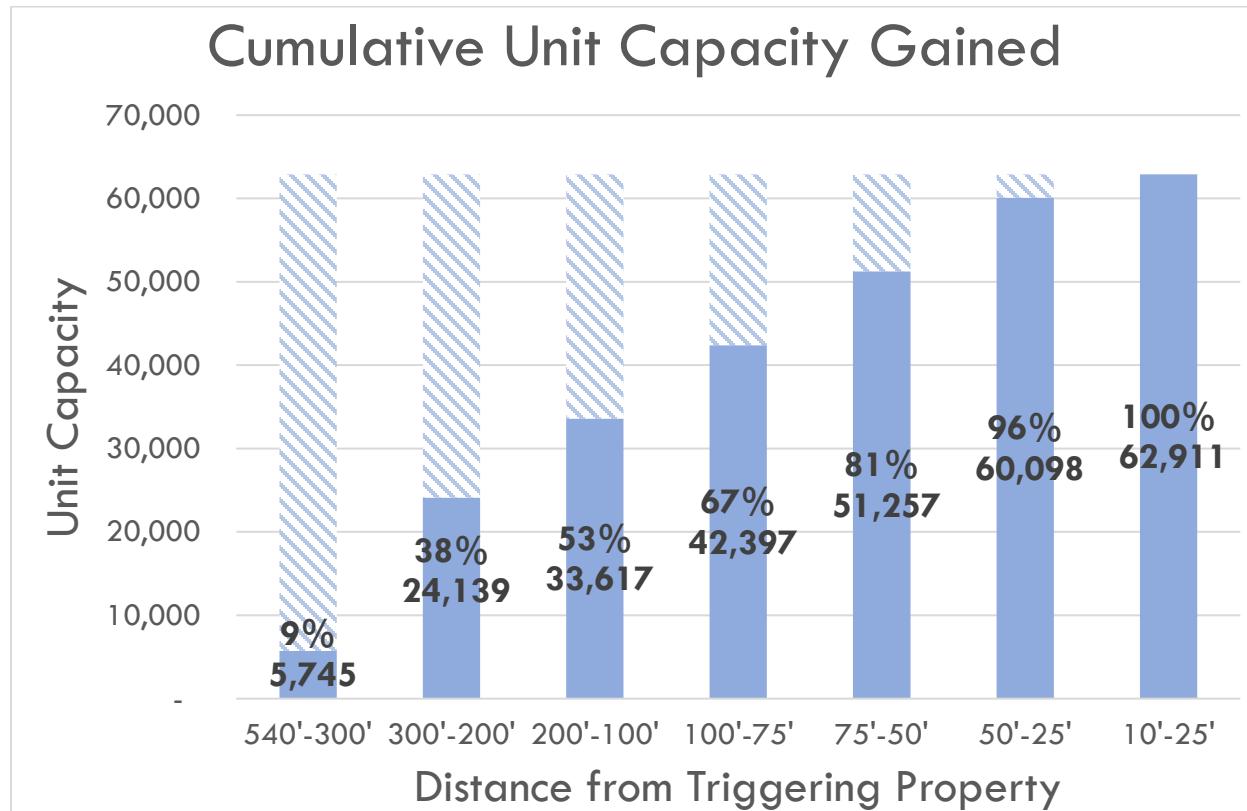
The area impacted by compatibility provides an overall idea of the scale of the proposed changes. However, to grasp how compatibility impacts housing production, it is essential to consider the unit capacity that may be lost due to the height restrictions.

Staff conducted a quantitative analysis to estimate the change in total land area impacted by compatibility and the potential change in unit capacity due to the proposed modifications to

compatibility standards. The objective of the analysis was to understand how the proposed changes may impact the potential unit capacity on multifamily and mixed-use properties and to see where the impacts of the proposed changes are the greatest. A unit capacity analysis is a simplistic projection of how many housing units could be built in a community if every property were to develop or redevelop under existing zoning regulations. To estimate the impacts on unit capacity, staff calculated the potential unit yield using the existing compatibility height restrictions and compared it with the potential unit yield using the proposed compatibility height restrictions. Due to the complexity of zoning regulations, broad assumptions are always necessary to perform a citywide capacity analysis – these assumptions are explained in the detailed methodology.

Estimated Total Unit Capacity Gained

The chart below shows the estimated unit capacity gained at each buffer distance for subject properties along with the cumulative percentage when each row is added to the previous ones. This cumulative percentage loss helps gauge where the impacts of the reduced applicability of compatibility standards are greatest as well as the impacts of the increased height allowances within the proposed compatibility standards. Unit capacity is estimated to increase by over 62,000 units due to the proposed compatibility standards relative to the current restrictions. Over 42,000 of those estimated units are gained in distances beyond the proposed applicability of compatibility of 75 feet. An additional 20,000 units are gained within the 75 feet compatibility buffer, where additional height allowances are proposed. Units gained due to the general changes to the applicability of compatibility and definition of a triggering property are scattered throughout this chart.



Estimated Total Unit Capacity Gained in Small-Scale Multifamily Zones

In [Resolution No. 20230608-045](#), which initiated changes to citywide compatibility standards, City Council directed staff to create an exemption for development of 16 or less dwelling units. In response to this direction, staff proposed an exemption for development of uses that are permitted in MF-3 or more restrictive zoning district that comply with MF-3 or more restrictive zoning district site development standards. To analyze the impacts of this exemption, staff researched the extent of current compatibility standards on MF-3 and less restrictive zoning districts where compatibility currently applies. The results, which found that over 16,000 properties will no longer be subject to compatibility, are summarized below.

Zoning District	Units Gained	Properties No Longer Subject to Compatibility
SF-6	≈ 336	5,008
MF-1	≈ 141	639
MF-2	≈ 1,775	5,751
MF-3	≈ 2,491	5,229
Total	≈ 4,745	16,627

Nearby Amenities and Transit

In Imagine Austin, the community articulated a vision of complete communities – where residents can live, work, and play conveniently within their neighborhoods. Central to this vision is the idea of providing more housing opportunities in close proximity to essential services and amenities. This approach not only enhances access to basic necessities but also promotes sustainable development patterns that reduce reliance on automobiles and encourage walking, cycling, and the use of public transportation. Changes to compatibility aid in this goal by providing more housing opportunities close to essential services and amenities such as parks and childcare facilities. As seen in the table below, over 56,000 additional housing units could be located within a half mile of one or more of these daily needs.

Amenity	Estimated Unit Capacity Gained Within Half Mile	Percent of Total Capacity Gained
Grocery Stores	≈ 26,968	43%
City Parks	≈ 52,457	83%
AISD Public Schools	≈ 39,095	62%
Childcare Facility	≈ 43,854	70%
Near One or More Amenities	≈ 56,681	90%
Near Two or More Amenities	≈ 49,911	79%

ETOD Density Bonus

By separate ordinance, staff has proposed modifying compatibility standards for properties participating in the Equitable Transit Oriented Development (ETOD) Density Bonus combining district. This relaxation would allow a participating development to reach 90 feet in height after 50 feet in distance from a triggering property while maintaining requirements for the compatibility buffer and screening, similar to the provisions adopted for the [Density Bonus 90 \(DB90\) combining district](#). This change allows for additional units to be located along Phase 1 Light Rail lines, which increases competitiveness for funding opportunities and future ridership of the light rail system. Analysis of the proposed modification of the compatibility standards indicate there could be an additional 8,180 unit capacity through the increased

height allowance. This increase in potential unit yield, creates an additional affordable housing unit capacity of up to 1,227 units depending on income levels.

Proposed Applicability		
Distance from Triggering Property	Units Gained	Allowed Height (In Stories)
0 - 10	0	0
10 - 25	0	0
25 - 50	≈ 3,217	7
50 - 75	≈ 4,963	10
Total	≈ 8,180	

Note: The change in compatibility proposed for properties participating in the ETOD Density Bonus program are not included in the overall citywide analysis as they are being considered by separate ordinance.

Impacts to High Opportunity Areas, Displacement Risk Areas, Vulnerable Populations, and Naturally Occurring Affordable Housing

To evaluate the impact compatibility standards have on different populations, staff used existing datasets based on a range of demographic and housing market data. The data and geography for High Opportunity Areas is based on the Austin Strategic Housing Blueprint and data from Opportunity360, a national database of opportunity metrics developed by Enterprise Community Partners. Both the Vulnerable Areas and Displacement Risk Areas typologies were developed by the Uprooted Report, published by the University of Texas in partnership with the City of Austin. Staff used a dataset of Naturally Occurring Affordable Housing (NOAH), as defined by the Housing Department, to evaluate impacts to existing residential units.

Compatibility has functioned as an exclusionary tool that perpetuates existing patterns of segregation, reducing housing choice within High Opportunity areas by limiting height of multifamily developments. Further, High Opportunity areas heavily overlap with stricter watershed regulations that limit development yield, creating less potential housing capacity in these areas. However, the proposed modifications to compatibility standards are estimated to increase capacity by over 10,000 units in High Opportunity areas without impacting watershed regulations. The proposed reduction in compatibility standards for properties participating in the ETOD Density Bonus program will create additional increases in the unit capacity, and affordable unit capacity, within High Opportunity areas and adjacent to transit.

Staff acknowledges that the proposed reduction in compatibility standards will increase development pressure on existing multifamily uses and Vulnerable Areas and Displacement Risk Areas. Housing staff identified NOAH complexes in Austin, defining NOAH as non-subsidized complexes with rental rates at or below 2023 60% Median Family Income. The analysis found that NOAH is evenly distributed across the city, with the highest number of NOAH complexes in Council Districts 9, 4, 3, and 5. Housing staff

estimate that 252 of these NOAH complexes will see a full removal of compatibility with the largest share of these complexes in Districts 4, 9, and 3. The proposed changes to compatibility will increase unit capacity within Vulnerable Areas by over 37,000 units, representing 60% of the units gained by the modification. 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. Areas of higher displacement risk, (Active, and Vulnerable) will see 39% units gained by the modification. This significant portion can be explained, in part, by the fact that almost one third (32%) of subject properties are in areas of higher displacement risk . Areas classified with comparatively lower of displacement risk (Chronic, Historic, and Stable), will see 59% of the increase in estimated unit capacity.

Methodology

Definitions-

Unit Capacity

Unit capacity refers to an estimation of the maximum number of dwelling units a particular property could theoretically hold after redevelopment. In this analysis, staff considered development standards under § 25-2-492 - SITE DEVELOPMENT REGULATIONS, impervious cover, and applicable density bonus programs. However, the analysis did not consider site-specific factors which may constrain development such as floodplains or topography. A limiting factor of 60% was applied to account for these factors on development generally.

Triggering Properties:

Existing Compatibility Standards: According to Title 25, Chapter 2, Subchapter C, Article 10. Compatibility Standards, height limitations for a structure are triggered based on proximity to properties “zoned SF-5 or more restrictive district or on which a use permitted in an SF-5 or more restrictive zoning district is located.” To identify properties that trigger compatibility, staff used an internal Land Use database to find properties that are zoned SF-5 or more restrictive or have a current use permitted in an SF-5 or more restrictive zoning district.

Proposed Compatibility Standards: The proposed definition of a triggering property is a property zoned SF-5 or more restrictive and developed with 1-3 dwelling units. Staff used an internal Land Use database to select properties meeting this definition.

Subject Properties:

Existing Compatibility Standards: To locate properties subject to compatibility, staff selected all properties in SF-6 and less restrictive zoning districts. Staff removed properties within CBD and DMU zones, which are exempt from compatibility standards.

Proposed Compatibility Standards: To locate properties subject to compatibility, staff selected all properties in MF-4 and less restrictive zoning districts. Staff removed properties within CBD and DMU zones, which are exempt from compatibility standards.

Compatibility Buffers:

Existing Compatibility Standards: From the triggering property layer, buffers were created at 10 feet, 25 feet, 50 feet, 75 feet, 100 feet, 150 feet, 200 feet, 250 feet, 300 feet, 400 feet, and 540 feet, where compatibility ends. Using the buffers created from the triggering properties, subject properties within 540 feet were selected. These impacted properties were then divided using the buffering distances, which allowed staff to determine impacts to capacity as described below.

Proposed Compatibility Standards: From the triggering property layer, buffers were created at 25 feet, 50 feet, and 75 feet, where the proposed compatibility standards end. Using the buffers created from the triggering properties, subject properties within 75 feet were selected. These impacted properties were then divided using the buffering distances, which allowed staff to determine impacts to capacity as described below.

Impacted Property:

A subject property that falls within a compatibility buffer.

Unit Capacity Calculation

To estimate the unit capacity, staff performed the following steps on all subject property land area in the compatibility buffer:

1. Calculated the area in each existing compatibility buffer.
2. Multiplied the area in the compatibility buffer by the permitted heights and maximum building coverage allowed by the zoning district. Adjusted the maximum building coverage to account for watershed regulations.
3. For properties where residential development is an allowed use, the result was divided by an average unit size of 1,200 sf or adjusted to dwelling units per acre requirements if applicable to calculate the housing capacity permitted by current zoning.
4. Applied a general limitation factor of 60% to the potential unit capacity to account for other regulations such as floor to area ratio and front or side yard setbacks. To account for rear yard setbacks that reduce developability within the 10 foot compatibility buffer, staff modified the permitted height to zero for all zoning districts that require a rear yard setback.
5. Repeated steps 2-4 but modified the allowable height to the maximum height allowed under existing compatibility standards.
6. Subtracted the estimated number of units allowed under existing compatibility standards from the estimated units permitted by current zoning.
7. Repeated steps 1-5 but modified the allowable height to the maximum height allowed under the proposed compatibility standards.
8. Subtracted the estimated number of units allowed under proposed compatibility standards from the estimated units permitted by current zoning.
9. Subtracted the result of step 8 from the result of 6 to identify the unit capacity gained back from proposed compatibility standards.

The following graphics illustrate how this calculation works on an example site. The example site is in the urban watershed, so step 3 in the list above was not needed because no adjustments were needed to the maximum building coverage.

Example Property:

Size: 106,764sf

Zoning: CS-MU

Max Height: 60 ft, 5 stories

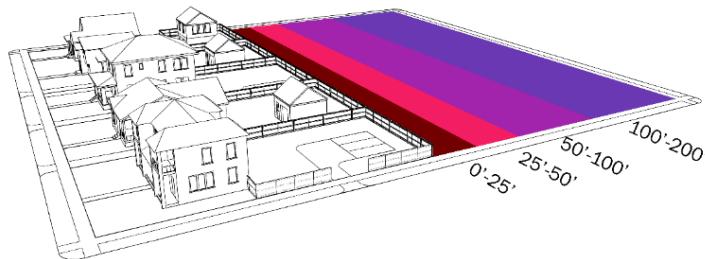
Max Building Coverage: 95%

Limitation Factor: 60%

Rear Setback: 0 ft

Compatibility Buffer Area

10	5,341
25	8,010
50	13,350
75	13,348
100	13,346
200	53,369



Step 1: Calculate the area in each existing compatibility buffer

Step 2: Multiplied the area in the compatibility buffer by the permitted heights and maximum building coverage allowed by the zoning district. Adjusted the maximum building coverage to account for watershed regulations.

Step 3: Divided the result by an average unit size of 1,200 sf or adjusted to dwelling unit per acre requirements if applicable to calculate the housing capacity permitted by current zoning.

Step 4: Applied a general limitation factor of 60% to account for other regulations such as setbacks, and floor-area ratios (FAR). To account for zoning setbacks that significantly reduce developability in the 25-foot setback, even without the compatibility buffer, staff applied a limitation factor of 30%.

Estimated Unit Capacity from Base Zoning Standards

$$0' - 10': ((5,341 \text{ sf} \times 5 \times .95)/1,200) \times .6 = 8 \text{ units}$$

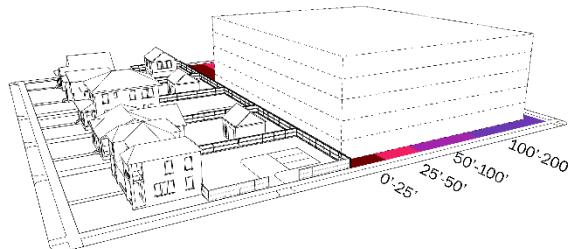
$$10' - 25': ((8,010 \text{ sf} \times 5 \times .95)/1,200) \times .6 = 10 \text{ units}$$

$$25' - 50': ((13,350 \text{ sf} \times 5 \times .95)/1,200) \times .6 = 20 \text{ units}$$

$$50' - 75': ((13,348 \text{ sf} \times 5 \times .95)/1,200) \times .6 = 20 \text{ units}$$

$$75' - 100': ((13,346 \text{ sf} \times 5 \times .95)/1,200) \times .6 = 20 \text{ units}$$

$$100' - 200': ((53,369 \text{ sf} \times 5 \times .95)/1,200) \times .6 = 80 \text{ units}$$

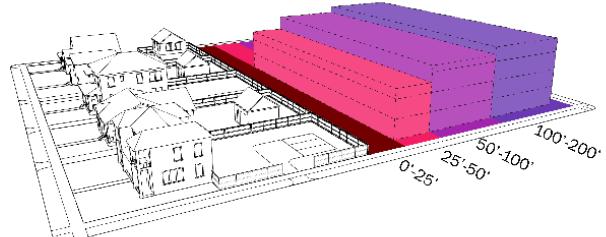


Total Units: 160

Step 5: Repeated steps 2-4 but modified the allowable height to the maximum height allowed under existing compatibility standards.

Estimated Unit Capacity from Compatibility Standards

$0' - 10': ((5,341\text{sf} \times 0 \times .95)/1,200) \times .6 = 0 \text{ units}$
 $10' - 25': ((8,010\text{sf} \times 0 \times .95)/1,200) \times .6 = 0 \text{ units}$
 $25' - 50': ((13,350 \times 2 \times .95)/1,200) \times .6 = 8 \text{ units}$
 $50' - 75': ((13,348\text{sf} \times 3 \times .95)/1,200) \times .6 = 12 \text{ units}$
 $75' - 100': ((13,346\text{sf} \times 3 \times .95)/1,200) \times .6 = 12 \text{ units}$
 $100' - 200': ((53,369 \times 4 \times .95)/1,200) \times .6 = 64 \text{ units}$



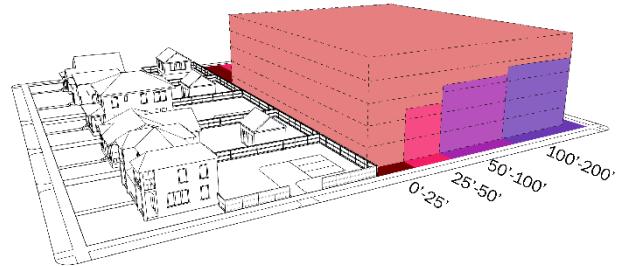
Total Units: 96

Step 6: Subtracted the estimated number of units allowed under existing compatibility standards from the estimated units permitted by current zoning.

Difference in Zoning Capacity and Current Compatibility

Estimated Unit Capacity Permitted in Zoning: 160
 Estimated Unit Capacity in Current Compatibility: 96

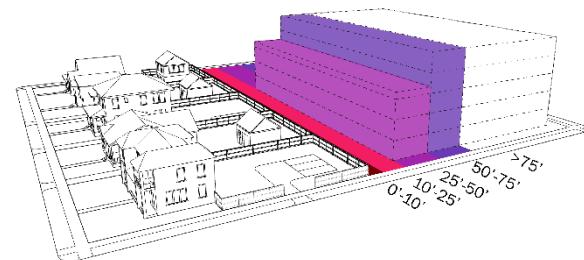
Total Units Lost: 64



Step 7: Repeated steps 1-5 but modified the allowable height to the maximum height allowed under the proposed compatibility standards.

Estimated Unit Capacity from Proposed Standards

$0' - 10': ((5,341\text{sf} \times 0 \times .95)/1,200) \times .6 = 0 \text{ units}$
 $10' - 25': ((8,010\text{sf} \times 0 \times .95)/1,200) \times .6 = 0 \text{ units}$
 $25' - 50': ((13,350 \times 3 \times .95)/1,200) \times .6 = 12 \text{ units}$
 $50' - 75': ((13,348\text{sf} \times 5 \times .95)/1,200) \times .6 = 20 \text{ units}$
 $75' - 100': ((13,346\text{sf} \times 5 \times .95)/1,200) \times .6 = 20 \text{ units}$
 $100' - 200': ((53,369 \times 5 \times .95)/1,200) \times .6 = 80 \text{ units}$



Total Units: 132

Step 8: Subtracted the estimated number of units allowed under the proposed compatibility standards

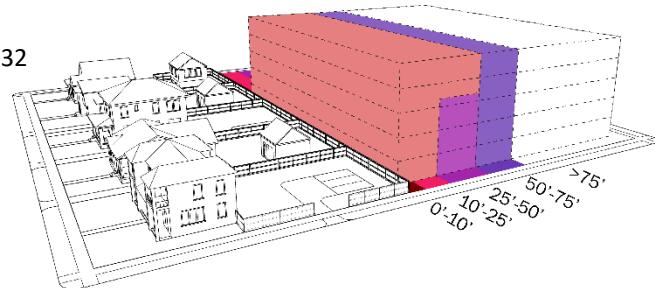
from the estimated units permitted by current zoning.

Difference in Zoning Capacity and Proposed Compatibility

Estimated Unit Capacity Permitted in Zoning: 160

Estimated Unit Capacity in Proposed Compatibility: 132

Total Units Lost: 28



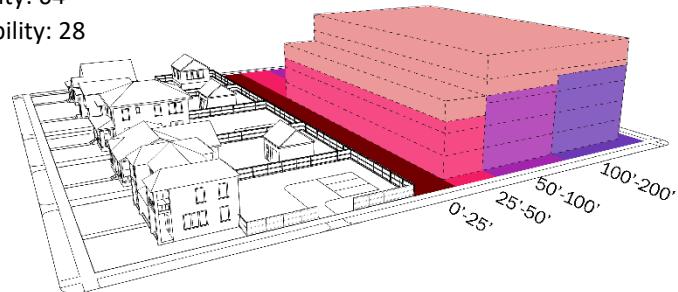
Step 9: Subtracted the result of step 8 from the result of 6 to identify the unit capacity gained back from proposed compatibility standards.

Difference in Current Capacity and Proposed Compatibility

Estimated Unit Capacity Lost in Current Compatibility: 64

Estimated Unit Capacity Lost in Proposed Compatibility: 28

Total Units Gained: 36



Changes in Methodology

The unit capacity analysis performed for the proposed compatibility changes is an update from the previous staff analysis completed in 2023 with some changes to the methodology:

- The prior analysis was dependent on a geographic database of Travis County parcels whereas the updated analysis utilizes an internal Land Use database which includes all parcels within the City of Austin jurisdiction, including those outside of Travis County.
- Previously only high-density residential and commercial zoning districts were included while the updated methodology analyzes all properties where multifamily residential is a permitted use.
- The invalidation of the VMU2 and Residential in Commercial programs was accounted for.
- Changes to the selection criteria of triggering properties and subject properties were made for specific regulating plans, Neighborhood Conservation Combining Districts, and Transit Oriented Development Districts.



Affordability Impact Statement

Citywide Compatibility Update

Initiated by: Resolution No. 20230608-045

Case number: C20-2023-019

Date: March 26, 2024

Proposed Regulation

The proposed amendment would:

- Reduce the applicability of compatibility standards to properties within 75 feet of a triggering property and create an exemption for small-scale multifamily buildings on sites zoned MF-3 or more restrictive.
- Redefine triggering properties to be properties zoned SF-5 or more restrictive that contain between one and three housing units.
- Increase compatibility height limits within 75 feet.
- Remove scale and clustering requirements.
- Require a 25-foot-wide compatibility buffer along lot lines shared with a triggering property with planting requirements while allowing for more flexibility within the compatibility buffer including allowances for pedestrian access, stormwater infrastructure and other low-intensity uses.
- Modify screening, design, and noise regulations along property lines abutting a triggering property.
- Allow City Council to modify or waive compatibility height requirements through a site-specific zoning amendment process with notice and protest rights.

Land Use/Zoning Impacts on Housing Costs

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

- Recent analyses indicate that compatibility severely constrains housing supply in Austin. The Planning Department estimates that compatibility standards limit the City's capacity for high-density residential housing by 82,000 units. The 2023 Compatibility Regulations Analysis carried out by the City of Austin Housing Department found, through interviews with housing developers, that compatibility standards cause significant project delays, leading to higher construction costs, and caused nearly all respondents to abandon projects.¹ By implementing the Analysis's recommendation to reduce the number of triggering properties and to end compatibility standards at 75 feet from a triggering property, the proposal will help to mitigate these impacts, and remove a regulatory limitation of residential unit supply.
- The proposal's changes are additionally aligned with existing policies and recommendations from the Central Texas Assessment of Fair Housing, an analysis required by the Housing and Urban Development (HUD). The report names compatibility standards as an impediment to fair housing in the City of Austin and recommends regulatory changes to compatibility standards.²

Impact on Development Cost

The proposed changes would have a **positive** impact on development costs.

- Increasing development timelines adds costs to projects, in terms of raw costs and increased interest accrual on the various loans used to fund development. Decreased unit yield often leads to higher per-unit development costs.¹ By simplifying compatibility standards, reducing their restrictiveness, and reducing the number of situations in which they apply, the proposal will likely reduce the per-unit development costs for residential buildings.

Impact on Affordable Housing

The proposed changes would have a **positive** impact on income-restricted Affordable Housing.

- The proposed modifications would increase Austin's medium and high-density residential unit capacity by about 63,000 units and lower the per-unit development cost.¹ This would enable new income-restricted developments, or projects using density bonus programs that produce income-restricted units or provide funds for the same, to include more units in many cases. In turn, this would increase the quantity of income-restricted units and/or the amount of funds generated through fee-in-lieu programs relative to current conditions.
- Compatibility has functioned as an exclusionary tool that perpetuated existing patterns of segregation. After the U.S. Supreme Court banned explicit racial zoning in 1917 and after the Fair Housing Act banned racially restrictive covenants in 1968, large minimum lot sizes and zoning restrictions that excluded apartments have been used as a proxy to maintain racial segregation. As people of color are far more likely to be renters than white people, excluding multifamily rental properties provided a legal means of discrimination towards people of color and low-income households in general.^{3,4,5} Further, excluding multifamily buildings pushed those buildings, and the people in them, closer to highways and their associated air pollutants.⁶ The proposed modifications would remove compatibility as a contributor to this effect.

City Policies Implemented

Reducing compatibility is in line with several existing plans and analyses.

- Facilitating increased residential capacity aligns with goals in the 2023 Climate Equity Plan, namely, "By 2027, preserve and produce 135,000 housing units, including 60,000 affordable housing units, with 75% of new housing located within ½ mile of activity centers and corridors." Facilitating dense development patterns aligns with the goal that "50% of trips in Austin are made using public transit, biking, walking, [or] carpooling."
- The proposed amendments align with goals found in the Austin Strategic Mobility (ASMP). The ASMP asserts that Austin could manage congestion spurred by population growth by achieving a 50/50 mode share for trips: that is, 50% of Austinites' trips are driving alone, 50% of Austinites' trips use transit, walking, bicycling, carpooling, or teleworking. Increasing potential density creates an environment that is more conducive to transit use and active transportation options relative to current conditions.

- The proposed amendments align with Imagine Austin's Core Principles for Action, to "Grow as a compact, connected city," and "Sustainably manage water, energy and other environmental resources," as low-density development patterns strain infrastructure and use resources inefficiently.

Other Housing Policy Considerations

Naturally Occurring Affordable Housing

- The proposed modifications would increase unit capacity on some occupied residential properties. This could increase redevelopment pressure on naturally occurring affordable housing (NOAH). NOAH is market-rate housing without any government subsidies or interventions, affordable to low and moderate-income individuals and families due to age, condition, or location.
- Housing staff analyzed the spatial distribution of NOAH properties that would be impacted by the proposed modifications, defining NOAH as non-subsidized complexes with rental rates at or below the 2023 60% Median Family Income. The analysis found that NOAH is evenly distributed across the city, with the highest number of NOAH complexes in Council Districts 9, 4, 3, and 5.⁷ After evaluating the impact of proposed modifications to compatibility regulations, staff estimate that 252 of these NOAH complexes could opt to reach their allowable zoning capacity with the largest share of these complexes in Districts 4, 9, and 3.
- In the Austin Strategic Housing Blueprint, the City set a goal to "Preserve 10,000 Affordable Housing Units Over 10 Years."⁸ Between 2018 and 2022, the city acquired 5,725 units of affordable housing for preservation.⁹ This sets the city on track to meet its goal. The City should continue to prioritize the acquisition of existing NOAH to reduce the potential negative impacts of redevelopment on existing tenants and to preserve current affordability levels.
- Increasing residential unit capacity of market-rate developments will increase the number of units that may be affordable to future Austinites as the units age; that is, the proposed amendments may help produce Austin's future stock of NOAH.

Other Regulations that Limit Housing Supply

The Compatibility Regulations Analysis shows that compatibility restricts unit capacity most severely in Displacement Risk Areas (as defined by the Uprooted Report).^{1, 10} Conversely, only 23% of the potential units prevented by compatibility are in High Opportunity areas (as defined by the Austin Strategic Housing Blueprint).¹ This spatially disproportionate effect is largely the result of zoning overlays in West Austin that

restrict development intensity. As a result, even though compatibility is being modified citywide, development will still be significantly restricted in West Austin relative to Displacement Risk Areas, which are more common in the eastern crescent. Compatibility will make it easier to develop adjacent to single-family housing, but additional development reforms are needed to make sure that growth is fairly distributed across the city.

Manager's Signature Marla Torrado

Citations

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2. Rep. [Central Texas Assessment of Fair Housing](#). Denver, CO: Root Policy Research, 2019.
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7. City of Austin Housing Department GIS Analysis of CoStar Group Data, www.costar.com
8. [Austin Strategic Housing Blueprint](#). City of Austin, 2017.
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