

RESOLUTION NO. r atler

WHEREAS, Council passed Ordinance No. 20231207-001 (HOME I) on December 7, 2023, which allowed for three residential dwelling units by right on all single-family lots; and

WHEREAS, to encourage the preservation of existing homes, Council approved a preservation bonus in HOME I to exempt existing square footage so that it doesn't count against the maximum limit when adding more housing units to a lot; and

WHEREAS, the framework of the preservation bonus was recommended by the Planning Commission on November 14, 2023, in Amendment No. 5 which states “For a development utilizing a historic preservation bonus, the FAR of the existing structure does not count against the FAR limits for any additional allowable dwelling units”; and

WHEREAS, this framework captures Council’s intent for a preservation bonus to encourage the use of the HOME I program while slowing the pace of ongoing demolitions of older existing homes that usually result in only a 1-to-1 replacement of housing units; and

WHEREAS, existing housing units, especially those from pre-1961, are often smaller and more affordable than new construction; and

WHEREAS, preserving historic-aged housing is an effective strategy for stemming displacement, as recommended by the ULI Austin Technical Assistance Panel Report sponsored by the City and Preservation Austin entitled “Austin Historic-Age Housing Preservation: Preserving Affordability with a Displacement Preservation Framework”; and

25 **WHEREAS**, preventing the demolition of older housing units diverts
26 significant amounts of construction debris from the landfill; and

27 **WHEREAS**, to encourage the construction of smaller, more accessible
28 housing for HOME I, Council also capped the maximum amount of floor to area
29 ratio (FAR) allowed on sites with two units at the greater of 0.55 or 3,200 square
30 feet and sites with three units at the greater of 0.65 or 4,350 square feet; and

31 **WHEREAS**, for a site with three units where one of the units will be a
32 preserved dwelling unit, a property owner who preserves an existing unit can only
33 reach the full space incentive when the owner builds an addition onto the existing
34 home, which could encourage demolition instead of preservation; and

35 **WHEREAS**, from February 6 through June 13, 2024, 79 applications using
36 HOME I were reviewed by Development Services with only one application
37 utilizing the preservation bonus; and

38 **WHEREAS**, during the same period, Development Services issued 147
39 demolition permits, 98 of which were for one or two-family buildings; and

40 **WHEREAS**, based on the first six months since HOME I was effective, the
41 current preservation bonus is not working as intended; and

42 **WHEREAS**, amending the preservation bonus to allow up to two new
43 dwelling units to reach a FAR of 0.65 will better incentivize the preservation of
44 applicable residential units while adding much-needed infill housing; and

45 **WHEREAS**, in addition to amending the preservation bonus, there are
46 additional steps that the City can take to incentivize the preservation of pre-1961
47 housing units, including but not limited to expanding preservation bonus eligibility
48 to pre-1961 housing units relocated to new sites, reducing rear and front setbacks,
49 and allowing front/back subdivisions; and

50 **WHEREAS**, creating a comprehensive preservation bonus program through
51 collaboration with City staff and community stakeholders, including but not
52 limited to Preservation Austin, the Austin Chapter of the American Institute of
53 Architects (AIA), and the Austin Infill Coalition (AIC) is needed to better
54 incentivize residential preservation and minimize demolitions; and

55 **WHEREAS**, the City's draft Equity-Based Preservation Plan recommends
56 that the City incentivize alternatives to demolition, and streamline and expedite the
57 development review process for projects that support the retention of historic-aged
58 properties, by shortening review timelines for projects that preserve existing
59 housing; recalibrating fees for demolitions, remodels, and relocations,
60 incentivizing conversion of demolition permits into remodel and relocation
61 permits, eliminating fees for historic designation applications, and reducing the
62 cost barriers associated with historic review process for historic landmarks and
63 districts; **NOW, THEREFORE**,

64 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

65 City Council initiates amendments to Title 25 (Land Development) to allow
66 two new housing units to reach 0.65 FAR if the third housing unit on the site is an
67 existing preserved housing unit, and with no new individual unit exceeding 0.4
68 FAR.

69 **BE IT FURTHER RESOLVED:**

70 The City Manager is further directed to develop a preservation bonus
71 program that goes beyond this preservation bonus and considers how building
72 coverage limits, site development standards, waivers, fees, and other opportunities
73 can be leveraged to better incentivize the preservation of older existing homes,
74 especially pre-1961 housing units, and when developing this program, the City

75 Manager is directed to work with community stakeholders including Preservation
76 Austin, AIA, and AIC.

77 **BE IT FURTHER RESOLVED:**

78 The City Manager is directed to bring City Council this Code amendment
79 and to provide an update on progress made toward a preservation bonus program
80 by December 12, 2024.

81 **BE IT FURTHER RESOLVED:**

82 The City Manager is further directed to include, as part of the final Equity-
83 Based Preservation Plan, a proposal to reduce relocation permit application fees
84 and to take the steps necessary for City Council to adopt the proposal.

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86 **ADOPTED:** _____, 2024 **ATTEST:** _____
87 Myrna Rios
88 City Clerk
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