



TO: Bert Lumbreras, Assistant City Manager

FROM: Ryan Robinson, City Demographer
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SUBJECT: DRAFT STRATEGIC HOUSING PLAN ASSESSMENT

I have examined the December 5, 2016 Draft Austin Strategic Housing Plan (SHP) from a demographic perspective and offer an objective assessment that is provided in the following discussion points. Although I did enjoy some collaboration with my colleagues in Neighborhood Housing and Community Development in the creation of a few parts of the SHP, this is the first time I have had the chance to give the document detailed scrutiny.

Austin's Housing Market is a Regional Market

The vibrant housing market that exists within Austin operates at the metropolitan-level and not at the municipal-level. The SHP seems to treat housing issues and challenges within the City of Austin as existing outside the regional context and scope that truly represent the dynamics of an extremely active housing market. The City of Austin's piece of the regional housing market will continue to diminish over time, following a trajectory much like that of the City's [share of total regional population](#).

Calculation of the Future Housing Goal

Using the urban region's projected population [growth rate from 2015 to 2025](#) to calculate the number of future housing units needed for the City of Austin could lead to unintended consequences. Metropolitan Austin is expected to experience a net population gain of almost 700,000 persons during this period, a percentage increase of just over 34%; while the City of Austin is projected to grow by about 20% during that same period of time. The expected regional population gain of 34% is then used to grow the City's total number of housing units from almost 398,000 (circa 2015) total units to roughly 533,000 units by 2025—a net gain of just over 135,000 units in ten years. If these new units were occupied at a percent similar to the 2015 overall housing occupancy of 92%, and then these units populated with about 2.4 persons per unit, the City's total 2025 population will have increased by almost 300,000 persons as opposed to the projected increase of almost 180,000 persons for the City.

Given the strength of current regional demographic dynamics, it seems unrealistic to assume that the City of Austin could somehow reverse these macro trends and gain an increased share of future regional growth that will more than likely occur within the

metropolitan area's suburban realm. This is basically a level of population growth that would be demographically improbable to achieve.

Council District Goals

The SHP seems to take a one-size-fits-all approach to prescriptive future housing goals for Council Districts not only by housing unit type and tenure but also by income eligibility. Each Council District should be given its own customized set of prescriptive housing goals that are ambitious and yet are within the scope of what is truly possible given the demographic realities of each Council District.

What strategies might work?

Market forces are why housing in Austin has become less affordable—and significantly influencing broad market forces is a difficult task for the public sector to accomplish. While the Austin housing market is indeed more expensive than it used to be it is still affordable relative to the much more expensive coastal housing markets where many of Austin's in-migrants continue to come from. As the region's transportation system becomes more congested, residential locations closer to major employment clusters and centers become that much more important. And although the overall distribution of jobs with the region will continue to decentralize, the value placed on central city residence will continue to grow as the region continues to grow.

As a demographer, here is a short list of development code and transportation system strategies I think might work:

- a flexible and nimble Land Development Code (LDC) that supports and enables the creation of a wide diversity of housing types and unit densities,
- a LDC that promotes the preservation of core, anchor single family neighborhoods but gives home owners the chance to create infill stock like Accessory Dwelling Units thereby generating new revenue streams and interstitial housing stock.
- a LDC that puts the importance of the preservation of organic, market-rate affordable housing over the creation of new housing stock,
- development review fees and plan review time and review complexity all add costs that are within the realm of what the City can actually influence,
- and finally, a truly high-capacity regional transit system that can move significant numbers of workers efficiently across metropolitan space.

Overall, the SHP is extremely well-done and presents a thoughtful approach to mitigating affordability issues as housing in Austin becomes more expensive.

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