



AIA Austin

January 24, 2017

The Honorable Mayor Adler
Honorable City Council members
Code Advisory Group Members
City of Austin CodeNEXT Staff

RE: CodeNEXT Code Prescription Paper #4 – Fiscal Health

Dear CAG Members and CodeNEXT Staff,

AIA Austin's membership represents over one thousand local architects, designers, and allied industry members that result in unmatched experience and expertise in issues related to the built environment. Our members care deeply about the community and are very knowledgeable of the infrastructure problems we are facing. To this end, we offer the following responses to the Fiscal Health Code Prescriptions, including items we felt weren't addressed in this paper:

INTRODUCTION

- Prescription: Applies the transect and conventional code in strategic locations that maximize public investment and minimize long-term obligations. "Mapping of the new code will capitalize on these estimated [infrastructure and service] cost savings by directing denser development and necessary infrastructure investments toward Imagine Austin centers and corridors."
Response: It is unclear how these savings will be calculated. Staff should also anticipate and coordinate investments in infrastructure serving areas outside of centers and corridors, anticipating incremental growth that will eventually require upgraded capacity. Further comment will be held until which time the map can be reviewed.

BUILD

- Prescription: Build to City Standards: New subdivision regulations require properties to commit to building infrastructure that meets the standards set forth in all sections of the LDC, regardless of whether the infrastructure remains private or is dedicated to the City. New street design and subdivision requirements will ensure development is provided modern tools and designs to plan for and design adequate infrastructure. This requirement will minimize the long-term effects of private infrastructure that does not meet City standards of construction and connectivity.



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Response: Building to standards is a no-brainer, but the details of what is "standard" are still unclear. We support infrastructure standards that promote compact, connected, and multi-modal communities. This could include narrower streets, shorter block lengths, wider sidewalks, and utilities designed to accommodate future infill, among other things. However, without explanation of the proposed standards it is difficult to adequately respond. Note that higher infrastructure costs could burden many smaller projects resulting in certain infill sites remaining undeveloped; thereby creating a barrier to the goal of compact and connected.

- **Prescription: Connect the Networks:** Housing and buildings have a relatively short lifespan, but once the street network and utility networks are in place and properties are subdivided, that framework is very difficult to change in the future. That's why it is important from the start to build connectivity into and between adjacent subdivisions that may develop at different times. Building more connected street and utility network in greenfield subdivisions provides a better framework for the city to evolve over time. The new LDC includes measures to ensure greater connectivity, and a City interdepartmental working group is currently creating standards and procedures to align infrastructure system development within these newly connected, compact streets. See the "Align City Standards" section on page 27 for more information.
Response: This same emphasis should be placed on connecting to existing infrastructure in infill development, especially when crucial opportunities come up on specific properties where a broken street grid can be mended. The working group should, through the Austin Strategic Mobility Plan (ASMP) or other means, establish a "Future Connectivity Map" that identifies these connections and heavily incentivizes a future redevelopment project to follow through on the improvements.
- **Prescription: Reduce the Regional Impact:** The new LDC will require on-site mitigation and development features to minimize the impact of greenfield and redevelopment on district infrastructure and natural features. These requirements will be flexible to district-wide approaches to mitigation as well as cooperative efforts with surrounding development, such as shared parking, regional stormwater management, and on-site or district-wide water and wastewater management.
Response: There should not be a burdensome penalty, or "impact mitigation", of infrastructure costs placed on the type of infill development that Imagine Austin says we should be encouraging. Instead mitigation costs should be placed on the sprawl and car-oriented development types that should be discouraged, which could in turn help pay for infrastructure improvements in densely infilled areas. The improved tax base in these areas should help maintain the infrastructure over its life cycle.
- **Prescription: Reduce the Regional Impact:** New requirements for mitigating flooding and beneficially using stormwater on-site will have a positive impact on hydrology and health of our streams as well as the capacity of existing infrastructure.



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Response: This prescription is lacking sufficient detail to provide much feedback, except to say any regulation of on-site flood mitigation should take into account the spatial challenges of urban lots where space is at a premium. Inherently, flood mitigation and promoting density can be at odds, so a thoughtful approach is necessary so as not to deter development. In general, incentives would be more effective than restrictive requirements.

- **Prescription: Reduce the Regional Impact:** The City is also exploring new requirements for traffic impact analysis (TIA) thresholds and anticipated traffic volumes to address cumulative impacts on existing transportation capacity. These, along with development review process changes, a Street Impact Fee program, and improvements to the City's rough proportionality process, will work within or alongside the new LDC to improve transportation systems impacted by development throughout the city.

Response: Changing thresholds for current TIA models does not go far enough. The current TIA models are deeply flawed and should be completely overhauled to prioritize vehicle miles traveled (VMT) reduction instead of level of service (LOS), or congestion metrics, which prioritize vehicle throughput in contradiction of stated goals that include Complete Streets. Prioritizing VMT reduction would encourage compact and connected development, and rightfully penalize sprawl development on the periphery that adds more cars to freeways and local streets with people commuting to job centers in the core. Additionally, TIA's need to be more context sensitive. NTA's are one alternative, but they are for neighborhood and collector streets only. Park roads, for example, have high pedestrian and automobile activity and are not accounted for in current LOS models. As explained in previous responses, the proposed rough proportionality formula is concerning and will most likely discourage the infill development that Imagine Austin promotes.

- **Prescription: Assess Street Impact Fees:** Street Impact Fees are a tool authorized by Texas Local Government Code, Chapter 395 that cities can use to cover the cost of capital improvements necessary to help pay for the additional roadway capacity required to accommodate new development. City staff is currently evaluating methodologies for valuing impacts to the transportation network based on the type and size of development as well as developing a process, ordinance, and rule changes needed to start collecting any proposed street impact fees. Upon adoption by City Council, the fee would be applicable to all development regulated by the LDC, assessed at the time of final plat approval, and collected at the time of building permit issuance.

Response: There is little clarity on what changes to impact fees are being proposed here. The response above regarding TIA models generally applies to the Street Impact Fees as well. In addition, any impact fee should account for a project's location in the city, its proximity to transit and other travel modes, how much parking is provided, etc. The size and type of a development alone is not enough to accurately assess the impact it will have. Again, higher fees will produce yet another financial barrier for small infill projects. These programs

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should not be released in a vacuum, but instead looked at holistically with an understanding of the limits for diverse building types entering the market.

MAINTAIN

- **Prescription:** Accommodate Compact and Connected: Denser development and connected streets on greenfields reduce long-term maintenance costs by reducing the length of infrastructure lines to maintain while also increasing the number of customers per linear mile that pays toward funding infrastructure maintenance. The combination of transect zones, design standards, and connectivity requirements allow for an increase in households per mile, reducing the linear feet of infrastructure per customer and long-term maintenance costs. New subdivision connectivity requirements limit the number and length of cul-de-sacs and require publicly accessible, connected street networks throughout new communities.

Response: Agree with premise, but note that compact and connected development will also need to be encouraged via infill development throughout the urban core, not only in greenfields.

- **Prescription:** Align City Standards: An internal multi-departmental working group is tasked with identifying and resolving conflicts between proposed LDC standards, street typologies, and below- and above-ground infrastructure standards. Recommended solutions will be context sensitive and focus on aligning City standards to meet life and safety requirements as well as community goals. For example, in some contexts a minimum building setback will prevent conflict with national safety clearances for utility assets. In other contexts, alternative approaches for utility equipment and maintenance, or modifications to design criteria, standards, and specifications for utilities may be recommended to create urban environments that are functional, attractive, and comfortable for its users. The end goal is to better align City standards to reduce the cost of City staff review time and project delays for capital improvement projects. It should also reduce review time, costs, and project delay for the developer, enhancing the feasibility of projects that support the implementation of Imagine Austin's vision.

Response: A critical component of CodeNEXT is to ensure a clean, coordinated, and user-friendly Land Development Code, however it is unclear how this will work in reality. It appears to suggest that in some cases the new LDC will defer to Austin Energy design criteria and in some cases won't. This approach does not lend itself to a predictable code. Also, who will pay for alterations to the existing utilities? This would be a financial burden to small infill development. Any determination should include all stakeholders.

- **Prescription:** Privately Maintained But Publicly Accessible: The current LDC requires parkland dedication in new development to relieve strain placed on existing parks and meet City goals that all residents have access to a park within at least one-half mile of their home. However, funding to maintain these new parks is not always commensurate in the general fund budget. This concern was addressed in 2016 by a

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change to the parkland dedication ordinance that gives development more credit for privately maintained but publicly accessible parks. See the "Parkland dedication requirements" section on page 39 for more information.

Response: While we support better parkland accessibility for Austin residents, this prescription does not address the admitted problem that our city parks have no funds for maintenance. Further, the City should carefully review park standards and the amenities offered to the public to create better diversity. A range of amenities should attract users of all ages and backgrounds, and not focus on a specific class of user that is "desirable" to the person privately maintaining the space. The location and project-specific details of the dedicated parkland should be reviewed carefully to ensure the space is clearly open and inviting to the public.

- **Prescription:** Coordinate With Austin Strategic Mobility Plan: The Austin Strategic Mobility Plan (ASMP), which is being developed in tandem with CodeNEXT, will look at strategies, projects, and proposed policy to redefine the street network to meet the vision of Imagine Austin and the goals of the Complete Streets Policy. A main focus of the ASMP is to shift from planning city streets based solely on functional classification (measured by the character of traffic service) to an approach that incorporates land use context into the transportation planning process. The ASMP will update the current Roadway Table, which defines existing and future conditions of our streets, and will be referenced in the new LDC to coordinate right-of-way requirements obtained through the development review process and through the City's Capital Improvement Program. Coordination with the new ASMP will reduce disconnected infrastructure investments and missed opportunities that must later be rectified.

Response: The coordination of the two plans is a must and details of the ASMP will be reviewed by AIA Austin when available. We highly recommend that the draft of the ASMP be released for public comment so it can be evaluated in the context of CodeNEXT. The ASMP project team should also take this opportunity to develop a "Future Connectivity Map", as mentioned above, to be implemented with CodeNEXT and used as a means to reconnect our broken street grid. CodeNEXT team members could advise on appropriate adjustments to the entitlements on properties affected by this map, to ensure property owners aren't penalized during the ROW preservation process. Additionally, the ASMP should account for Cap Metro's Connection 2025 Transit Plan to ensure the goals align.

SERVE

- **Prescription:** New Subdivision Provisions: New subdivision provisions remove barriers to construction of missing middle housing and clarify connectivity standards as well as approval criteria for plats. The subdivision provisions are streamlined to contain only the subdivision process. Design standards, such as block length, connections to adjacent property, extension of streets, and similar standards, are updated and organized within the Transportation section. The recently adopted parkland dedication requirements will be retained, and parkland will continue to be

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implemented when property is subdivided or at site plan. New subdivision connectivity requirements limit the use and length of cul-de-sacs and require improved connectivity throughout new communities, thus reducing impact to emergency service operations.

Response: We support encouraging missing middle housing, but feel that organizing subdivision design requirements into different sections does not support the stated goal of simplifying the code. In addition, the subdivision process should allow existing residential lots to develop missing middle housing types as well. It should also allow the disaggregation of any existing large lot that is a result of previously combined small lots.

- **Prescription:** Long Term Growth Strategy: Mapping of the new LDC transects will direct compact development to centers and corridors, creating denser areas of customers in services areas.

Response: The mapping of the new LDC should encompass the entire urban core with a form-based code, and allow more compact development in broader area. Limiting the mapping does not go far enough to achieve compact and connected. The Growth Concept Map and related Imagine Austin passages don't prohibit compact development happening outside of Centers and Corridors.

- **Prescription:** New Administrative Process and Procedures: On April 21, 2016, the City Council approved Ordinance number 20160421-039 which changed staff review times for development applications, modified the life of a site plan application, established stop-clock provisions for development applications that require a public hearing, and established expiration times for subdivision vacation and construction plan applications. These provisions provide more predictable timeframes for both City staff and customers, thus reducing costly delays and missed opportunities for coordination with other City programs and efforts. All provisions found in this ordinance will be carried forward in the new Land Development Code.

Response: We fully support predictability, but administrative deadlines existed well before the 2016 ordinance was passed and yet review times consistently went beyond those allowed by the LDC. There was no oversight of these violations. What assurances are there that this old pattern won't continue under this new ordinance?

LEVERAGING PUBLIC AND PRIVATE INVESTMENTS

- **Prescription:** Public-Private Partnerships: Public-private partnerships offer a unique solution to addressing the biggest challenges associated with delivering and maintaining the City's infrastructure network. In a public-private partnership, cooperation between the public and private sector brings together tools and resources to minimize gaps in city networks, particularly in areas where growth is hindered by limited public funds to meet current and future needs. Additionally, public-private partnerships encourage infrastructure investment in more economically

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underserved neighborhoods where projects face additional financing hurdles due to market constraints and limited revenue resources such as rental prices. Future City efforts will:

- Create a toolkit to attract private sources of capital to public infrastructure investments, including public financing mechanisms.
- Expand the Regional Stormwater Management Program to all watersheds, and allow cost participation for regional stormwater solutions where appropriate.
Response: We support this measure, however we encourage more than just simply providing a toolkit; the city should incentivize these partnerships. There's a shockingly large amount of infrastructure that has no sustainable funding source. If private development is expected to pay for public infrastructure improvements they need to be incentivized so as not to create more development barriers.
- Prescription: Strategic CIP Investment: The Long Range Capital Improvement Program (CIP) Strategic Plan cites several strategies for prioritizing capital investments that fall within Strategic Investment Areas (page 43). These investment areas show the geographic alignment of City plans and policies with anticipated growth patterns and future capital investment needs. They connect City plans, particularly Imagine Austin, with projected growth and development to create an effective location-based strategy to leverage private investment, where possible, for realizing City goals and priorities.
Response: This is a good prescription and one that should incorporate a "Future Connectivity Map" along with the neighborhood FLUMs.
- Prescription: Reinforce Imagine Austin Centers and Corridors: To successfully realize *Imagine Austin's* vision for the City, plans and policies need to increase efforts to reinforce the *Imagine Austin* centers and corridors. These efforts can improve the fiscal health of the City by increasing revenue and focusing capital investments in areas that serve a larger customer base. Future city efforts will:
 - Organize and support the retention of legacy businesses along *Imagine Austin* Activity Corridors and within *Imagine Austin* Activity Centers to help maintain the economic health of these areas of the City (Soul-y Austin).
Response: While this is a thoughtful consideration, and we support the retention of legacy businesses, it is still unclear how this will be achieved. What does "support" actually mean? Does this mean financial support? Many of these legacy businesses are small businesses that could be negatively affected by several of the proposed prescriptions in the previous prescription papers so retention of these businesses will not be easy. It is clear that there are unidentified tradeoffs within this code prescription.
 - Reinforce *Imagine Austin* Centers and Corridors through public infrastructure investment, an example of which is a publicly funded parking structure or public realm improvements in coordination with private investment in the area.
Response: While it's understood Centers and Corridors should anticipate a higher intensity of redevelopment, and see more rapid rates of densification, it would be

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an oversight to not also anticipate varying levels of densification in the urban core outside of Centers and Corridors. These central neighborhoods must become more equitable and accommodate our growing population; it's irresponsible to allow this suburban-style development to remain status quo in the most high-demand areas of our city, regardless of what the Growth Concept Map says. Reference pages 107 and 201 in Imagine Austin, related to accommodating growth outside of Centers and Corridors.

- **Prescription:** Development Bonuses: As discussed in the Household Affordability Code Prescription, the revised code will replace the existing inconsistent density bonus programs with a new program to cover Imagine Austin Centers and Corridors where larger buildings are deemed acceptable. A second type of density bonus program will be available in and around Imagine Austin Activity Centers and Corridors with access to transit where smaller buildings with height and bulk appropriate to their neighborhood context are more appropriate. These density bonus provisions act as a public-private leveraging tool to achieve community benefits outlined in Imagine Austin as well as improvements to public infrastructure.

Response: Along with widening the geographical boundaries of these programs, the Density Bonus Programs should be recalibrated to incentivize the development of affordable housing onsite; especially within the urban core which is sorely lacking affordable housing. The published data from the city indicates that to date all downtown developers have chosen the fee-in-lieu option rather than including community benefits, i.e. affordable units. The fee-in-lieu opt out is not high enough and as a result this program has failed to create equitable housing in the urban core. Further, the fees in the Rainey Street District are half that of that in "downtown" even though the properties are similarly zoned CBD. This inconsistency leaves a lot of money on the table.

- **Prescription:** Parkland Dedication Requirements Coordinated with the City's CIP Needs: The recently adopted revised Parkland Dedication Ordinance establishes a prioritization for obtaining new park acres by increasing requirements for private sector parkland investments. These requirement changes are accompanied by a mapping tool that allows developers to determine earlier in the development process where City-identified parkland-deficient areas are located and whether a parkland dedication or fees-in-lieu of parkland will be required for their project. The City is then able to use private dollars and parkland dedications to fulfill community needs for parks and open space. Park development fees were also added to the parkland dedication formula to provide funding for improvements on newly-dedicated undeveloped land. Private park investments and fee contributions free up public funds for larger capital replacement projects such as replacing aging swimming pools. All new parkland dedication requirements will be carried forward in the CodeNEXT draft.

Response: We fully support more parkland for Austin resident's, but while this is an opportunity for the city to acquire parkland, there is still the issue of maintaining it. Per PARD's own admission there is not enough money to maintain the parks that

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512-452-4332
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currently exist. If all fee-in-lieu money is earmarked for land acquisition and development, how do you plan to fund the maintenance of the new parks?

- Prescription: Align Planning Efforts with Transportation: Regulations for areas mapped as part of a transect will customize development standards to implement Imagine Austin and the district-wide goals envisioned for the area. The new LDC provides clear and predictable requirements that ensure the installation and upgrade of infrastructure coordinates with surrounding development and City plans and initiatives. However, many plans and initiatives must also be updated or created to support the new LDC. The Austin Transportation Department is currently updating Austin's transportation plan which defines our City's transportation needs moving forward. This Strategic Mobility Plan pulls multiple mobility programs and plans into one comprehensive vision and applies an integrated approach to planning for all modes of Austin's transportation system. The proposed plan will identify strategies in the form of programs and projects to shape Austin's future transportation network, as well as provide policy for stronger Transportation Demand Management (TDM) programming that aligns TDM incentives and regulations proposed in the new land development code. New street cross-sections will also inform updates to the Transportation Criteria Manual, which guides street design and operations.

Response: It is good to hear that the Criteria Manual will be updated. We fully support a comprehensive plan, but it is still unclear what will be included. Does "all modes" include dedicated low speed vehicle lanes (LSV) for example? This plan should also include future infrastructure projects.

CONCLUSION

The Imagine Austin Comprehensive Plan outlines our need to invest in our infrastructure throughout the city, not only in the urban core and consequently we strongly encourage CodeNEXT to incentivize development towards this goal. While several of the code prescriptions indicate a good intent, just as its predecessors, this paper lacks specificity and fails to provide the details on how Austin can ensure sustainable long-term growth. As always, AIA Austin appreciates the efforts put forth by the CodeNEXT team and looks forward to the release of the draft code and a continued dialogue with staff.

Sincerely,

Luis Jauregui, AIA
President
AIA Austin