



HOME Initiative: How Austin HBA Engaged in Transformative City Code Reform

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In the pursuit of housing affordability, urban planners and policymakers are increasingly turning their attention to innovative solutions that challenge traditional land use policy and zoning norms. The nexus between increased housing density and reducing the upward pressure on housing costs caused by a limited supply has led to strategies such as the [Home Options for Middle-income Empowerment \(HOME\) Initiative in Austin, Texas](#).

Local Housing Affordability Challenges and Political Shifts

Austin is the fastest-growing metro area in the country and is struggling to keep up with the demand for housing. With a median home price of \$639,000 (up from \$240,000 just 10 years ago), a population of 1 million people, and years of city council resistance to more flexible zoning regulations, the lack of affordability has dramatically impacted the livability of the Live Music Capital of the World over the last decade.

However, in November 2022, a pivotal election saw a wave of new faces enter city hall. Several of the newly elected council members are younger renters and are experiencing firsthand the challenges of buying a home in the city they represent. This new council has expressed strong interest in improving the city's housing supply and addressing Austin's growing affordability challenges. Indeed, this council represents the strongest pro-housing majority that the city has seen in decades.

Navigating Opposition Tactics to the HOME Initiative

Perhaps the most aggressive change proposed since the 2022 election is the HOME Initiative, proposed by Councilmember Leslie Pool.

HOME was broken into two parts to be considered in separate council meetings over the course of a few months. Phase 1 allows for three units by-right on any single-family lot, while Phase 2 reduces the minimum lot size and allows for additional flexibility with setbacks, height and other design standards.

The opposition to HOME Phase 1 was robust and well-coordinated. Local anti-growth organizations falsely claimed that people would be forced out of their homes and 12 units would be placed on every single-family lot. The misinformation campaign was strong, but the Home Builders Association (HBA) of Greater Austin helped organize a diverse coalition made up of not only housing advocates such as the Austin Board of Realtors and the Real Estate Council of Austin, but also organizations such as AARP, the Austin EMS Association, CapMetro (Austin's local transit authority), and others. NAHB's State and Local Issues Fund was utilized to develop and execute a public awareness digital campaign targeting renters and young voters.

Ultimately, the efforts were a success, and HOME Phase 1 passed 9-2 in December 2023. Now that the initial phase is in effect, several local NAHB members are already starting to build housing options permitted by the new ordinance.

Preparing for the Next Phase

HOME Phase 2, which reduces the lot size and adjusts design standards, is currently under consideration by the city council, with a final vote expected in May 2024. The coalition is reorganized, this time with the support of Mayor Kirk Watson.

The draft proposal calls for the reduction of the city's minimum lot size from 5,750 square feet to 2,000 square



feet. One issue with the draft ordinance is that the smaller lots are limited to one unit per lot.

Because of the city's arduous subdivision process, there are some builders who feel that 2,000 square feet isn't small enough to offset the cost of subdividing; therefore, a reduction to 1,400 square feet would be beneficial. For example, on a typical 5,750 square foot lot, a builder is now permitted to build three units per lot. If the minimum lot size is reduced to 1,500 square feet or smaller, that typical lot can now be subdivided into four separate lots.

Additional elements of the ordinance will allow for flexibility with setbacks, height and other building standards. However, the ordinance does not allow for any additional allowances for impervious cover. From the very beginning of the HOME initiative, Austin HBA staff knew that impervious cover would be a sticking point politically, but an important and necessary element to make HOME work.

As a consolation, Austin HBA staff are working on a separate resolution that directs city staff to review the city's watershed capacity and come up with a proposal to increase impervious cover where possible.

Looking Ahead

With a new city manager beginning his role in May, there is hope that he will hit the ground running and bring a fresh perspective. This will be key as city management works to improve the city's development process and address the current administrative siloes that exist between city departments. In the face of these existing challenges, the HBA will continue to be an experienced resource for the city council and staff and a partner to local pro-housing organizations as we all work to tackle the housing affordability and supply issues of today.

