Parking Lot Potential

Converting excess parking to affordable manufactured housing in a post-COVID world

Zoe Iacovino, Ryan Johnson, Chadwick Reed, Gianina Yumul
A Toolkit for Affordable Housing: Introduction
City of Austin facing increasing housing inequality, report says

By Shannon Ryan | Published January 17 | Austin | FOX 7 Austin

Austin’s history of discrimination threatens its future

To understand why the region’s widening prosperity gap is leaving black residents behind, look to the racist policies of the past and their repercussions

By Dan Zehr | Published January 18, 2015

How Austin isolated Latinos with a unique form of segregation

Though the sources of the divides differ, the lasting effects of discrimination on both the city’s African–American and Latino residents are similarly detrimental
As of 2020, the wage required to afford an average two-bedroom apartment is $27 per hour at 40 hours a week.

Median annual income = $97,600
Minimum Wage = $7.50

48% of Austinites are housing burdened

The most expensive housing market in Texas.
Demographics of housing burdened people in Austin

By race/ethnicity:

- 44.2% of white population
- 49.3% of black population
- 51.8% of Hispanic population
- 46% of Asian population
Toolkit of Strategies for Municipal Leaders

**Utilize** public/private partnerships.

**Expand** the potential of unused space.

**Build** from existing COVID relief efforts.

**Supplement** existing public housing structures to increase access.
Creating New Partnerships with Local Companies

Sublease space on the rise as Austin maneuvers through the COVID-19 pandemic.
Myths about Manufactured Housing

Manufactured housing...

• ...does not appreciate at the same rate as site-built housing.
• ...is not an appealing land use from a developer's perspective.
• ...is niche
How the Toolkit Works
Implementation Process

Site ID
- Eligible parcels have a minimum of two acres (20 units of MH per Austin building code)
- Consideration of existing land use on site
- Compatible mix of surrounding land uses

Negotiations with landowners
- Owners of suitable sites likely have experienced a drastically reduced need for parking as a result of COVID-19/WFH
- Consideration may be given to landowners who have experienced significant loss of revenue due to economic fallout of pandemic
- Tax abatements may be implemented where suitable. Amounts will be determined by length of agreement
- Establishment of metrics for measuring success

Site prep and community management
- RFPS go out for contractor to prepare MH pads/lots and management company to handle financials and ongoing landcare
- Procurement requirements for social equity

Move-in
- Utilization of COVID-relief funds for relocation costs
- Tap into existing affordable housing lottery

Financing
- Long-term sites: Property owner buys homes, ownership is transferred to residents via lease/rent-to-own agreement
- Shorter-term sites: Mix of funding streams incl. vouchers, CDCs, housing authority

Outcomes
- Long-term sites: Transition from external management to resident-owned community
- Shorter-term sites: Homes are sold or reused on other sites
Details about the site

Favorable existing conditions

- LI – limited industrial zone
- Dell moving to permanent remote work
- **5,642 parking spaces provided**, 3,812 required
- **519,000 ft² (11.9 acres)** of excess parking
- Total site area of ~ 122 acres
Why this site?

Amenities

<1 mile to grocery store, shopping center

Adjacent to several bus stops (1.5 miles to major park-and-ride)

Proximity to compatible land uses and employment centers

Access to major road corridors
Why are these vacant parking lots more viable prospective housing sites than a totally unused parcel of land?

<table>
<thead>
<tr>
<th>Environmental benefits</th>
<th>Economic Benefits</th>
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<tbody>
<tr>
<td>Repurposing urban heat islands</td>
<td>Cost of maintaining parking lots increases over time</td>
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<tr>
<td>Preventing eutrophication</td>
<td>Land-owners could reap short-term benefits of tax abatement</td>
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Why Manufactured Housing?

Short timeframe for implementation

- Homes can be sited in a matter of days
- Conclusion of eviction moratoria will inevitably be followed by sudden and significant increase in evictions

MH offers rare combination of affordability and spaciousness whereas most affordable housing is dense

- COVID-19 infection is more likely in high-density living arrangements

New manufactured homes can be sited more than once over the course of their lifetime of use, thus facilitating relocation if site in question becomes unavailable
Parking Minimums in Austin

Austin parking requirements are outdated and burdensome

Current requirements largely unchanged since 1984

City council has recognized need to reduce parking minimums

Past proposals included further reductions for affordable housing
Applying this toolkit more broadly

An adaptive system, designed to react to changing conditions and enable market-based ingenuity.

Translating to other cities
- Adopt site identification criteria to local regulations
- Identify appropriate sources for local funding
- Best suited to cities and regions with lower densities (car-centric)
How to apply to other cities or regions

Adopt site identification requirements to local regulations
  • minimum site area, allowable land uses, etc.

Identify appropriate sources for local funding
  • land trusts, housing authorities, non-profits, CDCs

Best suited to cities and regions with widespread, car-centric development
  • i.e. Sunbelt and California, also disaster-prone areas
Sources

- https://abc.austintexas.gov/public-search-other?t_detail=1&t_selected_folderrsn=240171&t_selected_propertyrsn=229373
- City of Austin Land Development Code (Title 25)
- https://www.austintexas.gov/ldc
- https://www.jchs.harvard.edu/ARH_2017_cost_burdens_by_race
Appendix
Funding

Property owner pays for site prep

Home purchase costs depend on model:

**Short-term/emergency relief model** – property owner pays for site prep, City housing authority/non-profits/CDCs purchase homes with disaster funds. City housing authority/others own homes, re-site (or re-home tenants) after expiration of agreement. Property owner receives full tax abatement.

**Long-term model** – property owner pays for site prep and cost-share of home purchases (with City housing authority/others - affordability must be guaranteed by restriction), then tenants lease-to-own homes and property owner recoups initial investment by sale of community. Property owner receives partial tax abatement.
**Incentives for companies**

RFP for Management Company/RFP for housing products

Property owner develops site to be suitable for siting of manufactured housing (subject to expedited review/waived review fees, temporary use permit for ), and collects eventual leases from these sites

Property owner receives tax refund/abatement for land area utilized for housing

Management handled by a separate firm (selected/vetted by the city)

Site leases can be market-price *or* subsidized, with revenues paid to property owner as landlord
Short term nature of the development

Emergency disaster relief measure, not permanent re-development
5-to-10 year timeline in order to:

• Provide a supplementary revenue stream for now-underutilized commercial properties
• Address immediate need for affordable housing due to impending COVID-related displacement
• Potential to redevelop again at a future date or serve a long-term need