

Parking Lot Potential

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

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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

Demographics of housing burdened people in Austin

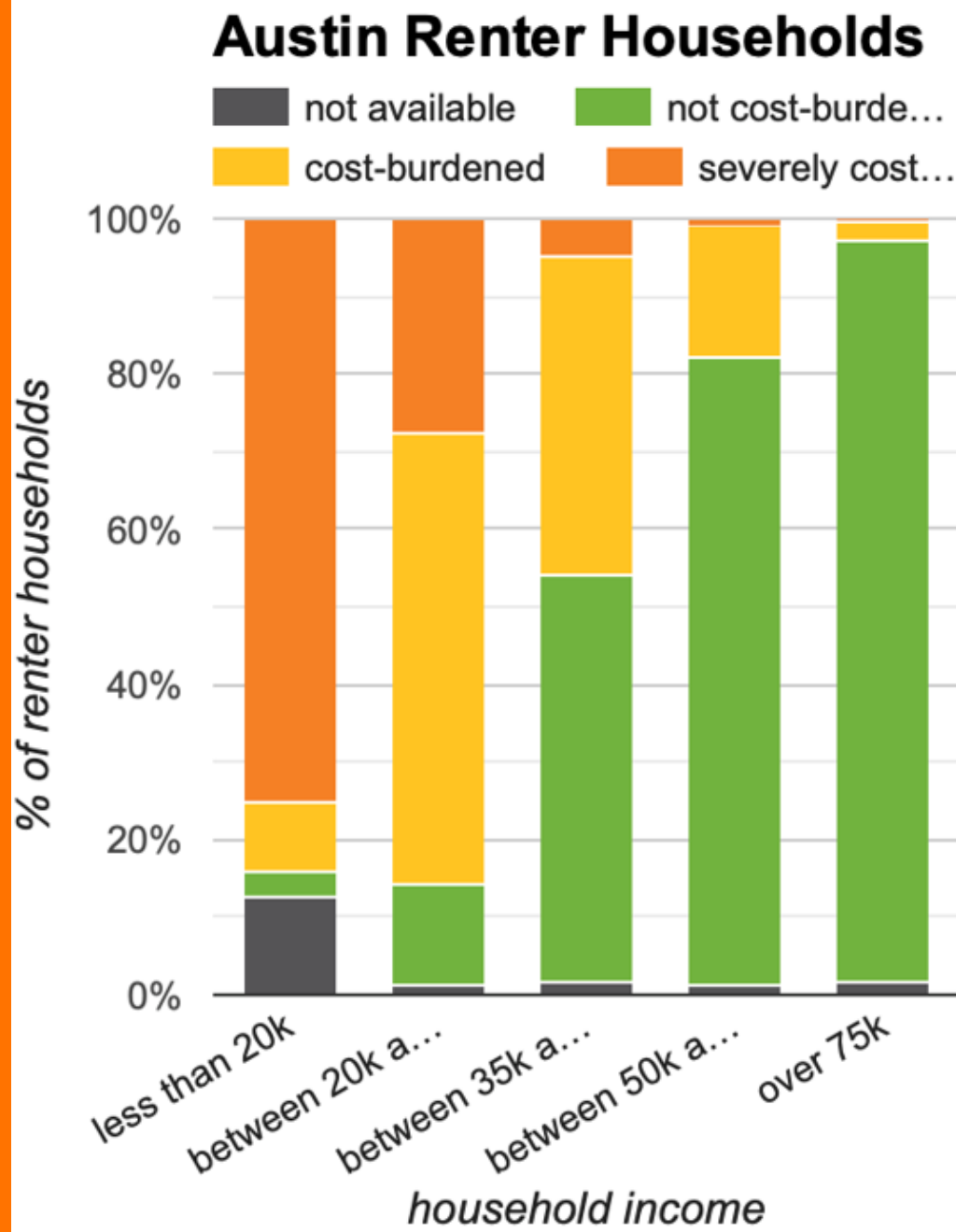
Median annual income = \$97,600

Minimum Wage = \$7.50

48% of Austinites are housing burdened

The most expensive housing market in Texas.

As of 2020, the wage required to afford an average two-bedroom apartment is \$27 per hour at 40 hours a week.

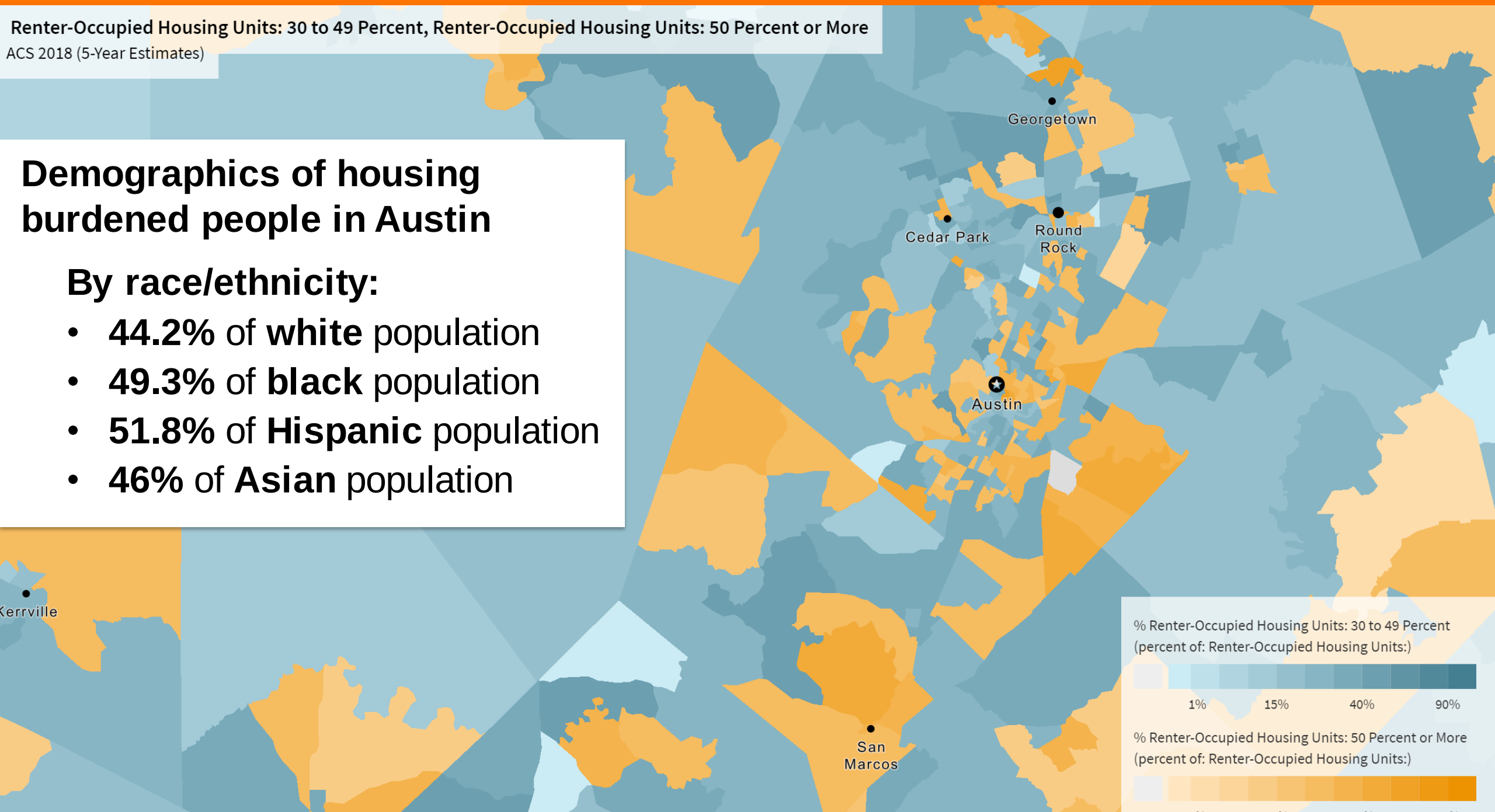


Renter-Occupied Housing Units: 30 to 49 Percent, Renter-Occupied Housing Units: 50 Percent or More
ACS 2018 (5-Year Estimates)

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



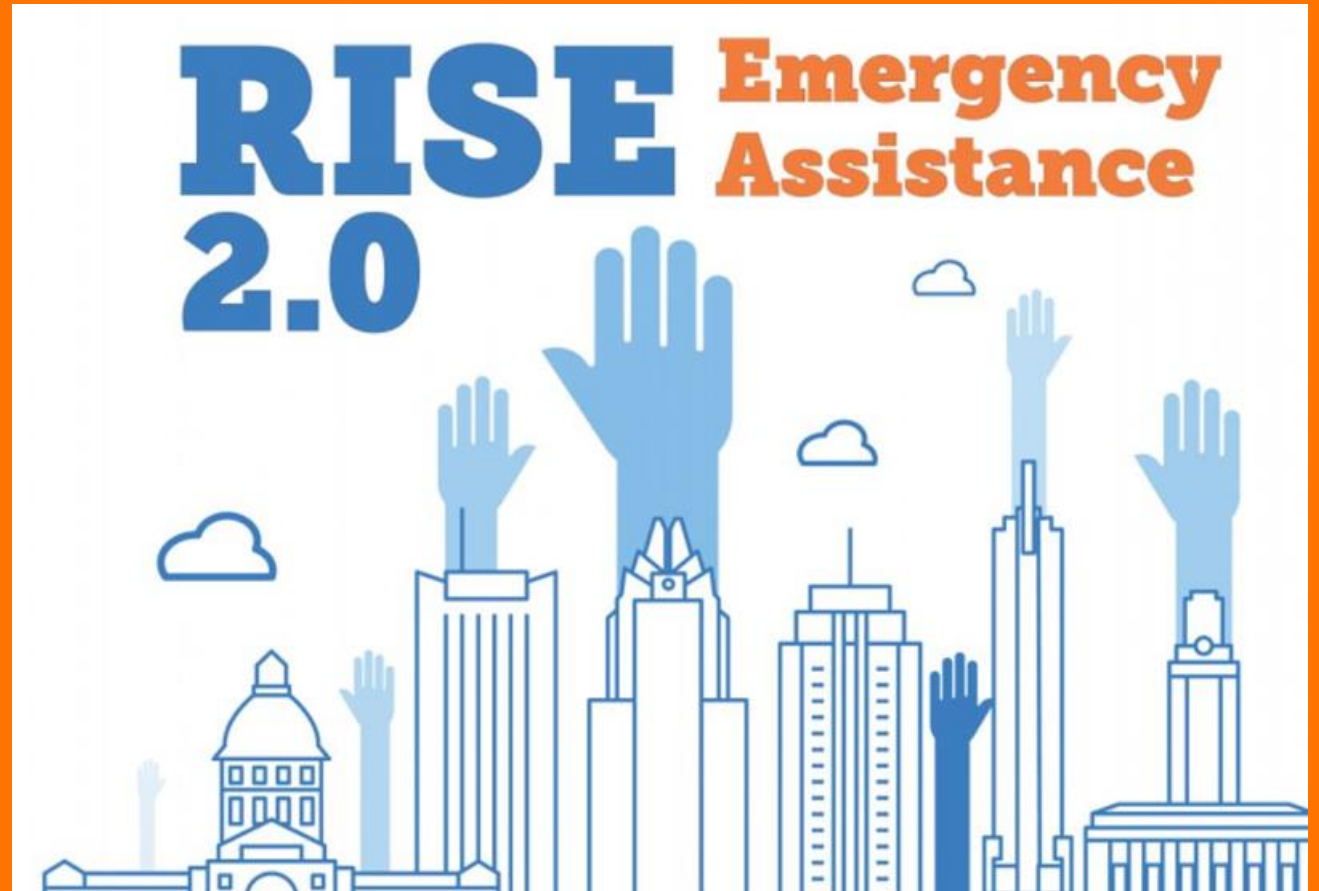
Toolkit of Strategies for Municipal Leaders

Utilize public/private partnerships.

Expand the potential of unused space.

Build from existing COVID relief efforts.

Supplement existing public housing structures to increase access.

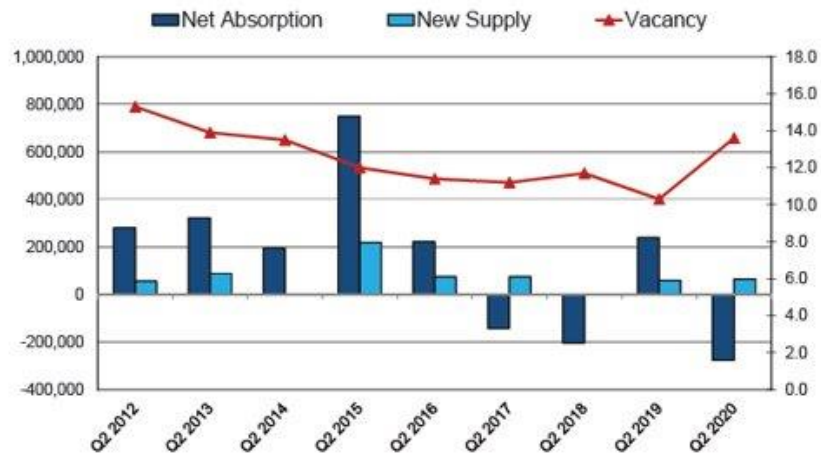


Creating New Partnerships with Local Companies



Sublease space on the rise as Austin maneuvers through the COVID-19 pandemic

ANNUAL ABSORPTION, NEW SUPPLY, AND VACANCY



By The Numbers - Austin's Office Market

TOTAL INVENTORY 61.7M SF	TOTAL VACANCY 13.6%	
Q2 NET ABSORPTION -276,569 SF	YTD NET ABSORPTION -313,567 SF	
TOTAL UNDER CONSTRUCTION 7.04M SF	TOTAL PRE-LEASED 2.01M SF	
AVERAGE RATE/SF \$36.41	CBD CLASS A \$62.71 as tracked by Colliers	SUBURBAN CLASS A \$38.43

AUSTIN LEASING ACTIVITY



-64%
QUARTERLY
-73%
ANNUALLY

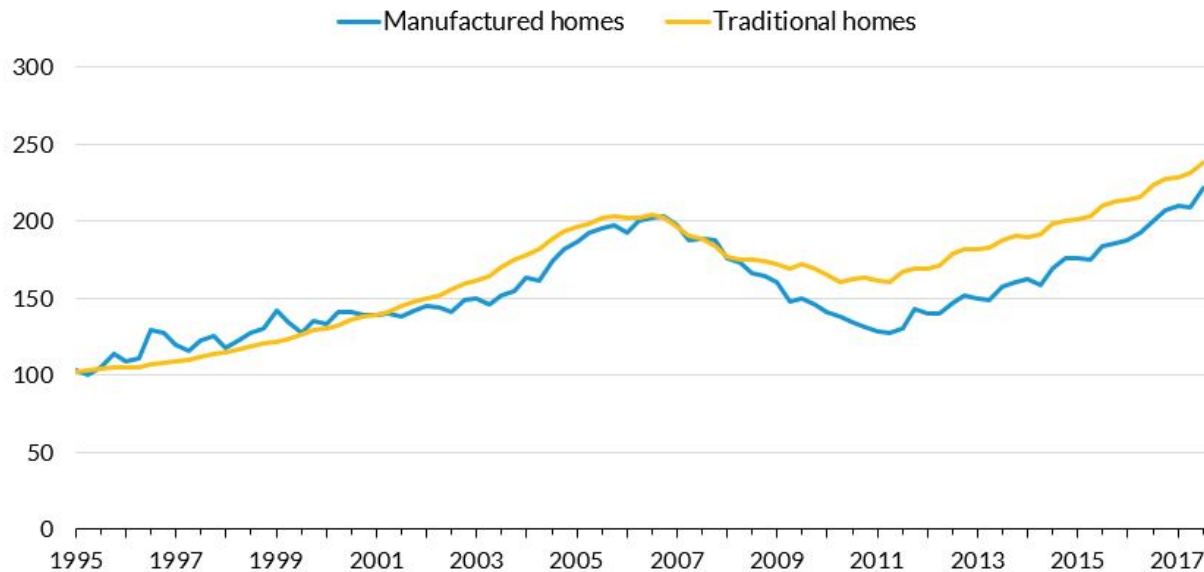
Q2 2020	386K SF
Q1 2020	1.0M SF
Q4 2019	836K SF
Q3 2019	1.0M SF
Q2 2019	1.4M SF

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

Home Price Index for Traditional and Manufactured Homes

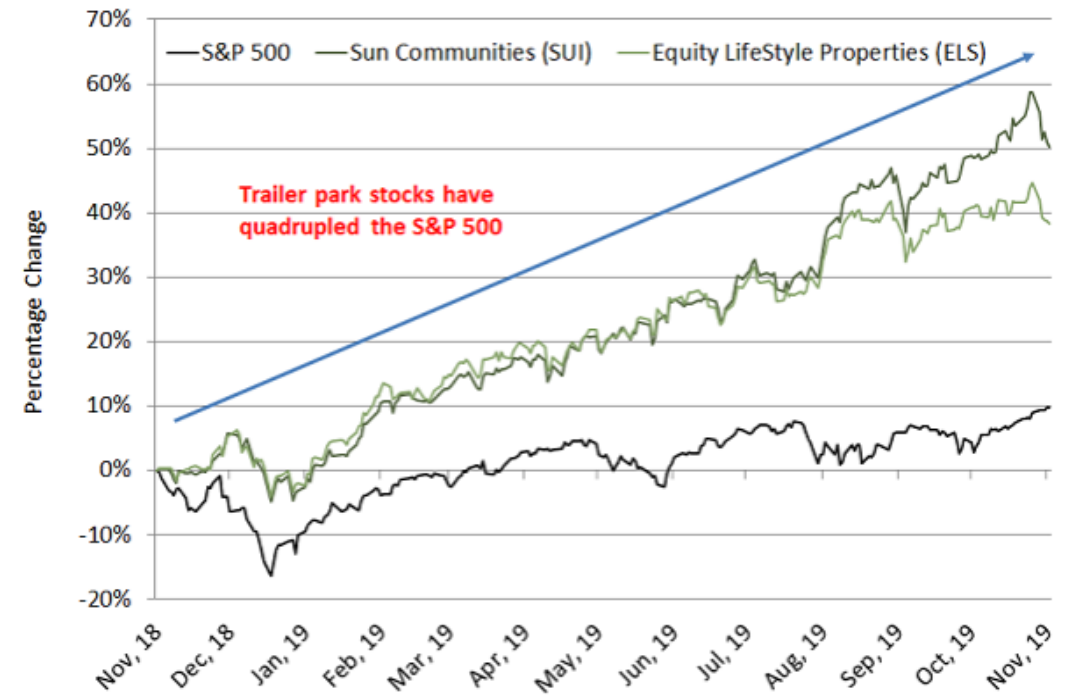


Source: Federal Housing Finance Agency Q2 2018 Home Price Index.

Note: Q = quarter. Data are quarterly and run from Q1 1995 to Q2 2018. Series are indexed to Q1 1995.

URBAN INSTITUTE

Trailer Park Stocks Have Crushed the S&P 500

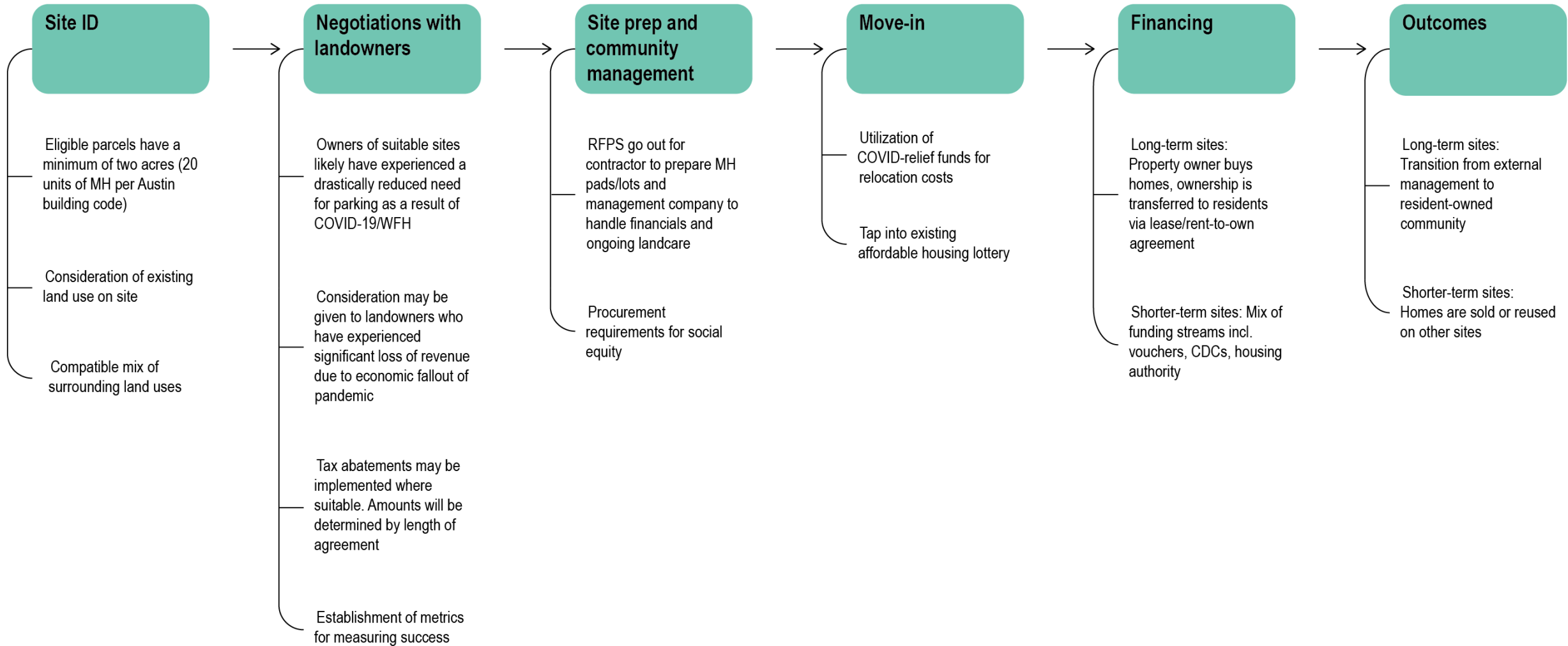


© Mauldin Economics

Source: Thomson Reuters

How the Toolkit Works

Implementation Process



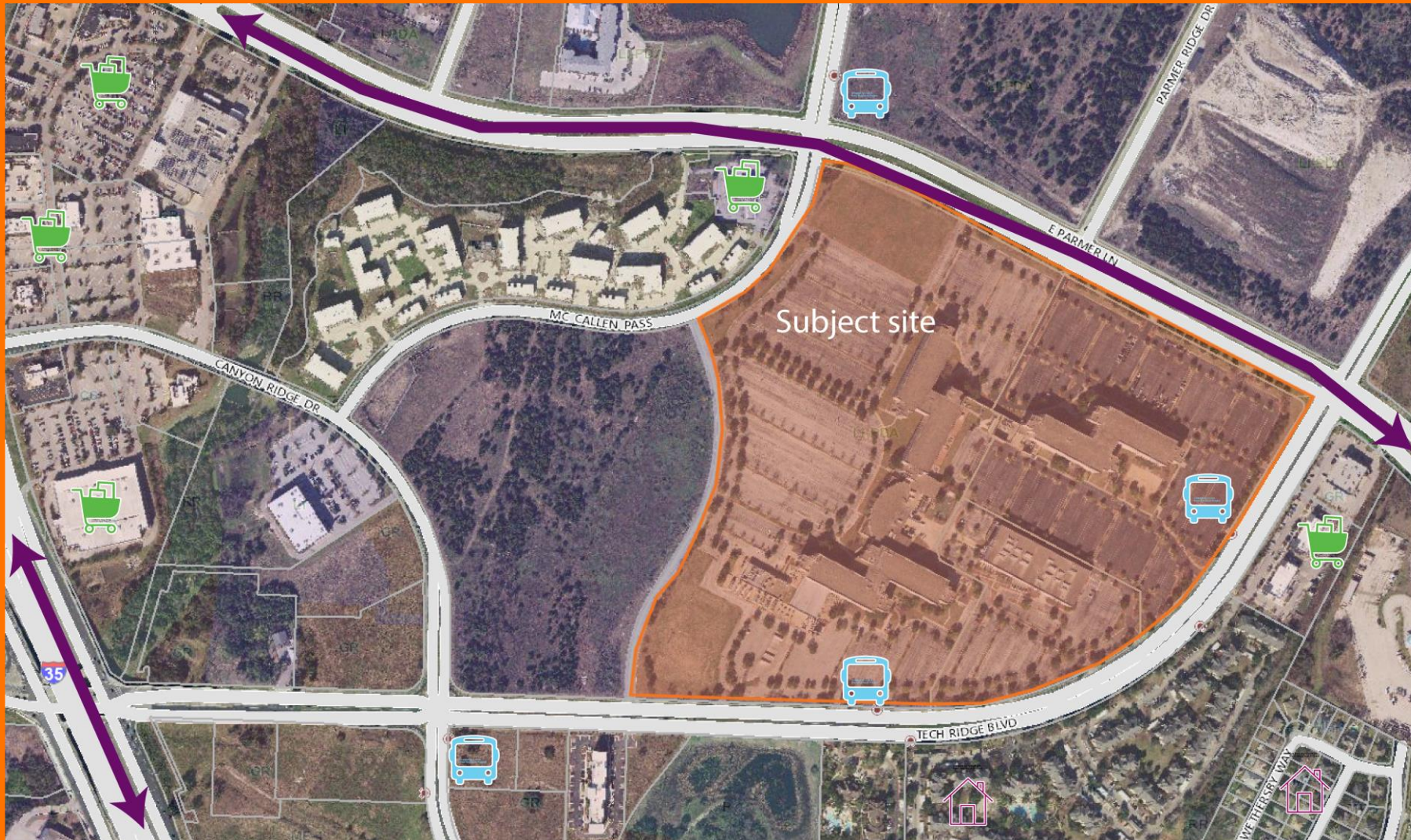
Details about the site

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?

Environmental benefits

- Repurposing urban heat islands
- Preventing eutrophication

Economic Benefits

- Cost of maintaining parking lots increases over time
- Land-owners could reap short-term benefits of tax abatement

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://austin.curbed.com/2019/4/15/18311751/austin-rent-median-affordable-wages-salaries-burdened>
- <https://www.fox7austin.com/news/city-of-austin-facing-increasing-housing-inequality-report-says>
- <https://projects.statesman.com/news/economic-mobility/wealth.html>
- <https://projects.statesman.com/news/economic-mobility/latino.html>
- https://www.jchs.harvard.edu/ARH_2017_cost_burdens_by_race
- <https://stormwater.wef.org/2019/06/usgs-estimates-impervious-parking-lot-coverage-for-all-3109-u-s-counties/>
- <https://home.costhelper.com/asphalt-removal.html#:~:text=Hiring%20a%20company%20to%20break,asphalt%20and%20the%20gravel%20base.>

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**