



Austin-San Marcos, TX MSA

Regulatory Order/Family: Wild Wild Texas/Austin

Summary

Fast growth in metropolitan Austin, combined with “pay as you grow” development regulation and comparatively permissive zoning for high-density housing, have helped change growth patterns there over the past 15 to 20 years. If not for its unincorporated counties, Austin would look like a model of growth management. But counties in Texas have no independent planning and zoning authority. Land developers can subdivide land fairly simply in unincorporated areas. If they wish to develop at comparatively high densities they have historically been permitted by state law to form municipal utility districts (MUDs). This places significant pressure on cities that wish to regulate land more strictly than developers will accept, especially at the city limits or within the city’s extraterritorial jurisdiction (ETJ).¹

Governance Framework and Growth Trends

The Austin-San Marcos MSA was the 38th largest in the U.S. in 2000, with a population of 1.2 million. But it had the second-fastest population growth—48 percent—in the 1990s behind only Las Vegas. About half the population lives in the city of Austin. In all, nearly three quarters of the region’s residents live inside the city limits of 44 incorporated municipalities. Among the five counties in the MSA, three have unincorporated populations over 50,000 and two have between 10,000 and 50,000. Only about 4 percent of the land is publicly owned.

Urbanized land grew about 47 percent in the Austin metro area between 1982 and 1997, a period when its population expanded 77 percent. About 135,000 acres in total were urbanized. Because its growth rate outpaced its development rate, Austin’s population density increased over this 15-year period. But it began the period as the least dense of the 50 largest metro areas, and ended at only number 44, with 2.7 people per urbanized acre: barely more dense than Atlanta (2.6) and slightly less so than Oklahoma City (2.7).

Regulatory Environment

We received responses to our survey from just 16 percent of the cities in metropolitan Austin. However, these accounted for 63 percent of the metro area’s population, though they only accounted for 8 percent of the region’s land area. Like the other Texas metro areas, only the municipalities in Austin-San Marcos may regulate development with more than rudimentary subdivision controls. While the counties account for only about a quarter of the residents, they include nearly 90 percent of the land area. Cities have planning and zoning power within an ETJ whose size varies based on city population.

¹ In this case, extraterritorial jurisdiction (ETJ), or perimeter zoning, refers to the legal ability of a municipality to exercise its authority to impose its land use ordinances a certain distance beyond its borders into unincorporated areas.



The seven municipalities (including Austin) that responded to our survey—with a total of nearly 790,000 residents all had zoning and all allowed development to exceed 15 dwellings per acre. None of them would prohibit our hypothetical apartment complex and all but one had a zone in which it could be built as of right. Based on results from other Texas metro areas, we suspect that there may be a few small cities we did not survey with low-density-only zoning and a few more with maximum residential density between 8 and 15 units per acre. Nevertheless, at least 95 percent of the municipal population lives in cities that accommodate high-density development. Density in unincorporated areas is not governed by zoning but by the public health aspects of wastewater treatment, which requires large lot sizes if on-site septic systems are required.

All seven of the municipalities that responded to the survey have impact fees. Again based on both the respondents and results from other Texas metro areas, there may be a few small cities without impact fees. Three of the seven, including Austin, have an affordable housing incentive measure, and two (also including Austin) have a dedicated source of housing funds.