

Mayor Pro Tem Kathie Tovo
Planning and Neighborhoods Council Committee
August 17, 2015

DRAFT DENSITY BONUS RESOLUTION

Whereas, the Imagine Austin Comprehensive Plan identifies affordable housing as a necessary resource “to grow Austin’s economy and provide its workforce with places to live that are safe, convenient, and located close to job centers, good schools, retail, and services,” [Imagine Austin, Page 194]; and

Whereas, Imagine Austin calls upon the City to develop “new goals, targets, and strategies to promote the distribution of affordable housing in all parts of the city, including incentives for affordable housing in new developments and for the preservation of existing rental units,” [Imagine Austin, Page 202]; and

Whereas, the City of Austin Land Development Code (LDC) incorporates a wide-range of density and development bonuses in exchange for the provision of affordable housing resources throughout the city, including within the Downtown Density Bonus Program; University Neighborhood Overlay; Vertical Mixed Use buildings; Station Area Plans in Transit Oriented Developments; and S.M.A.R.T. Housing Development in certain single-family and multi-family districts; and

Whereas, this myriad of density bonus programs creates a patchwork of regulations with varying degrees of success in generating affordable housing resources for the development and preservation of affordable housing units; and

Whereas, the lack of consistency, clarity, and predictability of the density bonus programs does not achieve a fair and efficient process for developers going through the development review process; and

Whereas, the widespread utilization of fees-in-lieu results in missed opportunities for the generation of affordable housing, particularly in areas with higher land values; and

Whereas, the various density bonus programs require regular (annual, biannual, triannual, etc.) evaluation and adjustment of the density bonus fee amounts and program requirements; and

Whereas, the University Neighborhood Overlay, which has created almost 500 on-site affordable units and more than \$2 million in payments, includes a tiered affordable housing requirement in which some of the affordable housing is required to be on site and some is allowed to be satisfied via a fee-in-lieu option; and

Whereas, the vertical mixed use development bonus program, which requires on-site production of affordable units, has resulted in the generation of more than 300 affordable units geographically dispersed throughout the city and has stimulated the development of thousands of infill residential units; and

Whereas, while the VMU program has been successful in generating on-site units, the implementation of the program has been stymied by the existence of Multifamily Residence Highest Density (MF-6) district zoning, which affords entitlements similar or essentially equivalent to those permitted under the

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Vertical Mixed Use (VMU) combining district density bonus program without the need to create affordable housing; and

Whereas, in June 2013, the City Council adopting Ordinance No. 20130627-105 eliminating the Central Urban Redevelopment (CURE) combining district zoning's loophole to avoid compliance with the Downtown Density Bonus Program; and

Whereas, the Downtown Development Density Bonus Program establishes set fees-in-lieu for each residential project utilizing the density bonus in specific Downtown Districts but sets "no fee" for office and hotel development; and

Whereas, in September 2014, the City Council adopted Resolution No. 20140925-090 initiating a code amendment to remove or modify the in-lieu donation option for development bonuses in a Planned Unit Development (PUD); **NOW THEREFORE**

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN

That the City Manager is directed to compile a report of the effectiveness of the various density bonus programs in generating affordable housing resources. For each density bonus program, the report shall include data on the total number of affordable units constructed, the level and longevity of affordability achieved for each unit, all allocations of money generated by the fees-in-lieu, and a per-unit cost estimate for constructing each off-site unit using fee-in-lieu money.

BE IT FURTHER RESOLVED

No later than the October 8, 2015, City Council meeting, the City Manager shall (1) provide the density bonus report to the City Council and (2) post for City Council consideration a resolution to initiate a code amendment to remove or otherwise modify the fee-in-lieu option in each affordable housing-based density bonus programs.

BE IT FURTHER RESOLVED

As part of the FY 2015-16 budget process, the City Manager is directed to prepare for City Council consideration an amendment to Ordinance No. 20130627-105 to adjust the Downtown Development Bonus Fee Table to match the office and hotel density fees-in-lieu to the current levels of the residential density bonus fees.

BE IT FURTHER RESOLVED

That the City Manager is directed to initiate a code amendment to amend the requirements of Multifamily Residence Highest Density (MF-6) district zoning to incorporate a density bonus program consistent with the Vertical Mixed Use (VMU) overlay. The ordinance should consider requiring the provision of on-site affordable housing in exchange for achieving higher site development standards in excess of those established at a designated development baseline (for example, the development standards that can be achieved under Multifamily Residence Medium Density (MF-3) district zoning).

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Recognizing the need for immediate affordable housing relief, the City Manager is directed to bring forward this code amendment for City Council consideration as quickly as possible but no later than the November 5, 2015, City Council meeting.