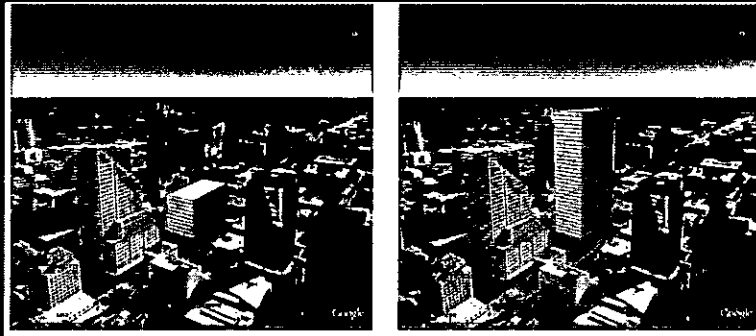


DOWNTOWN AUSTIN PLAN

DOWNTOWN DENSITY BONUS PROGRAM

CITY COUNCIL BRIEFING
14 JANUARY 2010



1

Downtown Density Bonus Program

SUMMARY

- Council directed Downtown Austin Plan (DAP) to develop density bonus recommendations
- Phase One of DAP identified at-risk elements, with over 50 stakeholder, public, and board/commission meetings and online survey (+3,500 respondents)
- Specific Density Bonus analysis and public meetings (1/09 – 1/10)
- Community input from approx. 1000 people at meetings and through online survey
- Public input produced changes to density bonus recommendations
- CURE cases continue to be approved
- As Austin comes out of economic slump, density bonus program needs to be in place

2

Downtown Density Bonus Program

REQUESTED COUNCIL ACTION

"Approve a resolution initiating Code amendments to implement the objectives of the Downtown Austin Plan Density Bonus Report"

If so directed:

- Continued refinements to recommendations, including possible district-specific community benefits
- Additional public input
- *Prepare code amendments*
- Board and commission review
- Return to Council for adoption

3

Downtown Density Bonus Program

BACKGROUND: THE DOWNTOWN AUSTIN PLAN AND DENSITY BONUSES

- 2005 – City Council directed the Downtown Austin Plan to recommend procedures for modifying FAR and height standards where appropriate
- 2006 – City Council:
 - Directed the creation of an Affordable Housing Incentives Task Force
 - Directed the Design Commission to make recommendations for *Density Bonuses*
- 2008 – City Council:
 - Passes "interim" Density Bonus ordinance
 - Directs Downtown Austin Plan to come forward with recommended Downtown Density Bonus Program

4

Late Backup

Downtown Density Bonus Program

STUDY PROCESS

- DAP Phase I public meetings and survey about Downtown priorities (basis of recommended “community benefits”)
- Building form and urban design analysis
- Economic modeling
- Approx. 25 stakeholder meetings
- Joint Commissions meeting
- Two Town Hall meetings
- Council briefing (July 23, 2009)
- Planning Commission consideration (September 22, 2009; December 8, 2009; January 12, 2010)
- Planning Commission Subcommittees consideration (October 21, 2009; January 5, 2010)
- Scheduled for Council Action (January 28, 2010)

5

Downtown Density Bonus Program

KEY ISSUES OF CONCERN

1. Study/Input Process
2. Economics
3. Community Benefits
4. Affordable Housing
5. Warehouse District Preservation

6

Downtown Density Bonus Program

SUMMARY OF PUBLIC INPUT PROCESS

In addition to the public input received during DAP Phase One and the public input processes of the AHITF and the Density Bonus TF:

- Three Town Hall/Joint Commission Meetings: 150-200 participants
- Approximately 25 stakeholder meetings
- On-line survey re district priorities: 560 respondents
- Staff presentations/Q&A at Board and Commission meetings

PUBLIC INPUT INFLUENCED:

- Density Bonus eligibility boundaries
- Maximum heights and densities
- Community benefits included in density bonus program
- Recommended new compatibility standards for Downtown

7

Downtown Density Bonus Program

FUNDAMENTAL PRINCIPLES UNDERLYING THE PROPOSED DENSITY BONUS PROGRAM:

1. Density should be encouraged Downtown, not penalized
2. Retain existing zoning as the baseline
3. *All development should provide high quality urban design*
4. There should be one, administrative, and predictable pathway to a density bonus (abolish CURE as means to additional density)
5. Allow additional density only where appropriate
6. Focus community benefits on the most "at-risk" elements

8

Late Backup

Downtown Density Bonus Program

THREE ELEMENTS OF THE STUDY PROCESS:

Urban Design Testing:

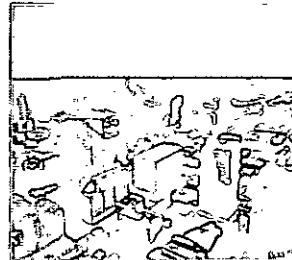
- Nine prototypical sites

Financial Modeling:

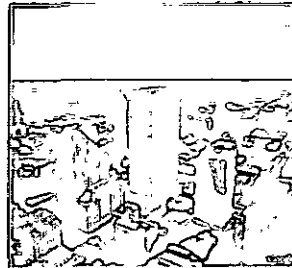
- Economic pro-forma analysis

Public Input:

- DAP Phase I survey & meetings
- Focus groups
- Two Town Hall meetings



BASE = 8.0 FAR



BONUS TO 25.0 FAR

9

Downtown Density Bonus Program

KEY ECONOMIC FINDING:

Density bonuses must benefit *both* the developer and the community to be effective; improperly set requirements or fees will discourage density

10

Downtown Density Bonus Program

FINANCIAL ANALYSIS:

Conducted economic pro-forma analysis to determine if or how much a project could increase in value with increased density, and whether it could support a public benefit fee. Elements included:

- Average land costs in different parts of Downtown
- Type of project (residential, office, hotel, retail)
- Construction type
- Construction time
- Construction cost
- Cost of financing
- Cost of development (permits, fees, etc.)
- Parking per market demand
- Vacancy rates
- Lease-up time
- Market rents/sales prices

11

Downtown Density Bonus Program

Economic Findings - Residential Development:

- Higher sale prices are produced for residential units on higher floors as density is added
- Absorption is supported by enhanced marketability for residential units in higher floors
- Residential development requires less parking than commercial development
- Increased density provides sufficient value to support a public benefit fee
- Suggested fees differ because areas of Downtown can collect different rents (or sales prices)*

*\$10/sf of bonused floor area in the Core, Waterfront, Rainey, and Lower Shoal Creek Districts and \$5/sf in other parts of Downtown

12

Late Backup

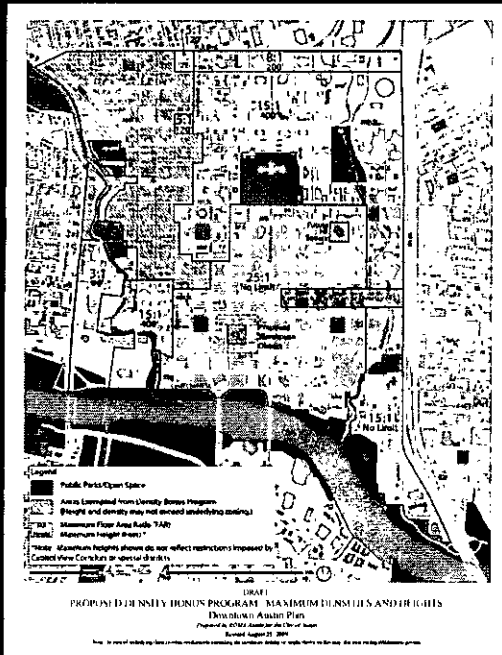
Downtown Density Bonus Program

Economic Findings - Commercial Development:

- Commercial development is valued to maintain Downtown as employment and visitor destination
- Downtown Austin is lacking in hotels to serve convention needs, resulting in less economic development
- Rent increases for office projects are more than offset by additional time required for lease-up
- Hotel projects are highly calibrated to specific sizes and scales, making bonused density not necessarily attractive to hotel developers
- More parking needed for office projects than residential
- Additional density does not consistently produce sufficiently higher returns for office and hotel projects to justify charging a public benefit fee

13

Downtown Density Bonus Program



AREAS OF ELIGIBILITY

No project may receive additional density unless it is one of the areas of eligibility as identified by this map

Within each area of eligibility, there are specified FAR and height limits beyond which a project cannot go

14

Downtown Density Bonus Program

PRIMARY USE OF PROJECT	PUBLIC BENEFIT	BONUS PROVISION
RESIDENTIAL	<ul style="list-style-type: none"> > 10% OF BONUSED FLOOR AREA < 10% OF BONUSED FLOOR AREA 	<ul style="list-style-type: none"> ON-SITE IN 10% OF BONUSED AREA IN-LIEU FEE \$5 OR \$10/SF OF BONUSED AREA
	FAMILY-FRIENDLY HOUSING	150 SF BONUS FOR EACH BEDROOM OVER 2 CONSTRUCTED
	CHILD CARE/ ELDER CARE	2 SF OF BONUSED FLOOR AREA FOR EACH 1 SF PROVIDED
	LIVE MUSIC/ CULTURAL USES	2 SF OF BONUSED FLOOR AREA FOR EACH 1 SF PROVIDED
	HISTORIC PRESERVATION	PURCHASE OF 10% FROM WAREHOUSE DISTRICT
	SUSTAINABILITY	15% OF BASE FAR BONUSED FOR 3-STAR (AEGD: 20% FOR 3-STAR)
	PUBLICLY ACCESSIBLE OPEN SPACE	5 SF OF BONUSED FLOOR AREA FOR EACH 1 SF OF ELIGIBLE OPEN SPACE
DENSITY > 50% OF BASE FAR		
NON-RESIDENTIAL	<ul style="list-style-type: none"> 50% OF BASE FAR AUTOMATICALLY BONUSED DOWNTOWN EMPLOYMENT / TOURISM 	<ul style="list-style-type: none"> 1.5 X BASE FAR

DRAFT
PROPOSED DENSITY BONUS PROGRAM PATHWAYS
Downtown Austin Plan
Prepared by: RMAA, Center for the City of Austin
Revised September 11, 2019

DENSITY BONUS PATHWAYS

Community Benefits:

- Focused list
- Most “at risk” elements
- Influenced by community input

Program should be recalibrated on a regular basis (e.g., five years) in response to performance and changing market conditions

15

Downtown Density Bonus Program

PRIMARY USE OF PROJECT	PUBLIC BENEFIT	BONUS PROVISION
RESIDENTIAL	<ul style="list-style-type: none"> > 10% OF BONUSED FLOOR AREA < 10% OF BONUSED FLOOR AREA 	<ul style="list-style-type: none"> ON-SITE IN 10% OF BONUSED AREA IN-LIEU FEE \$5 OR \$10/SF OF BONUSED AREA
	FAMILY-FRIENDLY HOUSING	150 SF BONUS FOR EACH BEDROOM OVER 2 CONSTRUCTED
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GATEKEEPER REQUIREMENTS FOR DENSITY BONUS

- COMPLETE DESIGN PLANS & PERSPECTIVES
- GREAT STREETS
- SUBSTANTIAL COMPLIANCE WITH URBAN DESIGN GUIDELINES
- 1-STAR AEGD RATING

DRAFT
PROPOSED DENSITY BONUS PROGRAM PATHWAYS
Downtown Austin Plan
Prepared by: RMAA, Center for the City of Austin
Revised September 11, 2019

GATEKEEPER REQUIREMENTS

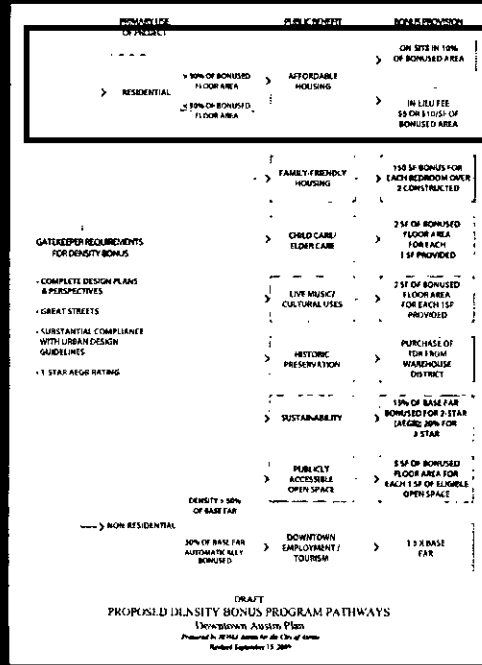
All projects seeking a density bonus must meet three requirements:

- Schematic-Level Design Plans
- Great Streets
- Substantial Compliance with Urban Design Guidelines
- 1-Star AEGD Rating

16

Late Backup

Downtown Density Bonus Program



AFFORDABLE HOUSING

Residential projects seeking a density bonus must achieve at least 50% of their bonused floor area by:

- Constructing affordable housing* in 10% of that bonused floor area

or by

- Paying an in-lieu fee of \$5 or \$10/sf (depending on project location) for the bonused floor area

*Owner-Occupied Unit:

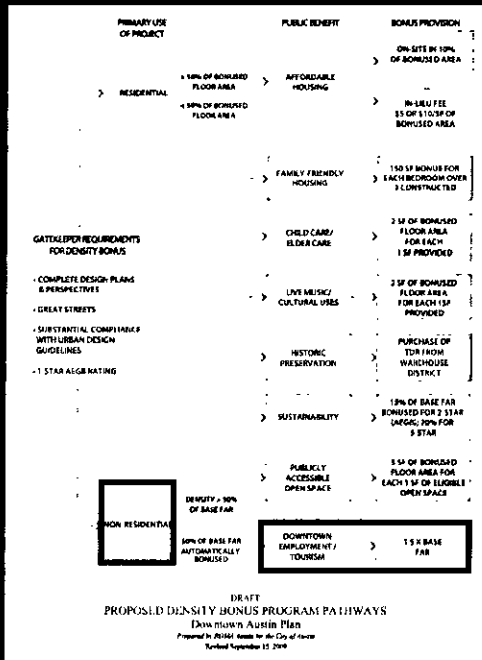
Available for a period of 99 years to an occupant with a gross household income not greater than 120% of MFI

*Rental Unit:

Available for a period of no less than 30 years by an occupant with a gross household income not greater than 80% of MFI

17

Downtown Density Bonus Program



OFFICE AND HOTEL

Any office or hotel development eligible for the density bonus and meeting gatekeeper requirements:

- Will be granted additional floor area up to 50% of the base FAR
- Additional floor area above 50% of the base FAR can be granted in exchange for the provision of other public benefits

This is intended to promote Downtown as the principal commercial center and visitor destination in the region

18

Downtown Density Bonus Program

PRIMARY USE OF PROJECT	PUBLIC BENEFIT	BONUS PROVISION
RESIDENTIAL	AFFORDABLE HOUSING	ON-SITE IN 10% OF BONUS AREA
		IN-LUFTEE \$5 OR 1 HOUR OF BONUS AREA
	FAMILY-FRIENDLY HOUSING	150 SF BONUS FOR EACH BEDROOM OVER 2 CONSTRUCTED
	CHILD CARE/ ELDER CARE	2 SF OF BONUS FLOOR AREA FOR EACH 1 SF PROVIDED
	LIVE MUSIC/ CULTURAL USES	2 SF OF BONUS FLOOR AREA FOR EACH 1 SF PROVIDED
	HISTORIC PRESERVATION	PURCHASE OF 10% FROM WAREHOUSE DISTRICT
	SUSTAINABILITY	15% OF BASE FAR BONUSED FOR 3 STAR (LEGAL 20% FOR 3 STAR)
	PUBLICLY ACCESSIBLE OPEN SPACE	1 SF OF BONUS FLOOR AREA FOR EACH 1 SF OF USABLE OPEN SPACE
NON-RESIDENTIAL	DOWNTOWN EMPLOYMENT / TOURISM	1.5 X BASE FAR

GATEKEEPER REQUIREMENTS FOR DENSITY BONUS

- COMPLETE DESIGN PLANS & PERSPECTIVES
- GREAT STREETS
- SUBSTANTIAL COMPLIANCE WITH URBAN DESIGN GUIDELINES
- 1.5 STAR RATING

DENSITY > 50% OF BASE FAR

DRAFT PROPOSED DENSITY BONUS PROGRAM PATHWAYS
Downtown Austin Plan
Prepared by: 30301 Austin for the City of Austin
Revised September 15, 2009

OTHER PUBLIC BENEFITS

For:

- Residential projects that do not obtain all their additional density via affordable housing
- Non-residential projects seeking more than 50% additional density

Options:

- Family-friendly housing
- Child care/elder care
- Live music/cultural uses
- Historic preservation
- Sustainability
- Publicly accessible open space

19

Downtown Density Bonus Program

PRIMARY USE OF PROJECT	PUBLIC BENEFIT	BONUS PROVISION
RESIDENTIAL	AFFORDABLE HOUSING	ON-SITE IN 10% OF BONUS AREA
		IN-LUFTEE \$5 OR 1 HOUR OF BONUS AREA
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GATEKEEPER REQUIREMENTS FOR DENSITY BONUS

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- GREAT STREETS
- SUBSTANTIAL COMPLIANCE WITH URBAN DESIGN GUIDELINES
- 1.5 STAR RATING

DENSITY > 50% OF BASE FAR

DRAFT PROPOSED DENSITY BONUS PROGRAM PATHWAYS
Downtown Austin Plan
Prepared by: 30301 Austin for the City of Austin
Revised September 15, 2009

WAREHOUSE DISTRICT PRESERVATION

Multiple Strategies:

- 45' height limit in "core"
- Transfer of Development Rights
- Design Standards

20

Late Backup

Downtown Density Bonus Program

The map shows a grid of streets including 5th Street, 4th Street, 3rd Street, Guadalupe St., and Lavaca St. A central area is labeled 'CORE PRESERVATION ZONE' with an arrow pointing to it. To the right, a larger area is labeled 'WAREHOUSE DISTRICT' with an arrow pointing to it. A legend in the bottom left corner indicates '10' Stepback Zone' (dashed line) and 'Awning Zone' (dotted line). Various building footprints and parking lots are shown, with some labeled with names like 'Antones', 'Gingerman', 'Sullivan's', 'Riverside', 'Sullivan', 'Downtown', 'Parking Garage', 'Whisky Bar', 'Little Comp', '201 West 3rd', 'Cedar Street', 'Glench', 'Chinatown', 'Maria Maria', 'Luba Libre', 'Gardite', 'Parking Lot', 'Spanglet's Warehouse', 'SIX (above)', 'Gingerman', 'Sullivan's', 'Riverside', 'Sullivan', 'Downtown', 'Parking Garage', 'Whisky Bar', 'Little Comp', '201 West 3rd', 'Cedar Street', 'Glench', 'Chinatown', 'Maria Maria', 'Luba Libre', 'Gardite', 'Parking Lot', 'Spanglet's Warehouse', 'SIX (above)'.

WAREHOUSE DISTRICT PRESERVATION

CORE PRESERVATION ZONE:

- Limited to maximum height of 45'
- Can sell unused FAR up to 25:1

21

Downtown Density Bonus Program

The map is identical to the one on slide 21, showing the same street grid and building footprints. The 'CORE PRESERVATION ZONE' and 'WAREHOUSE DISTRICT' are labeled with arrows. The legend in the bottom left corner indicates '10' Stepback Zone' (dashed line) and 'Awning Zone' (dotted line).

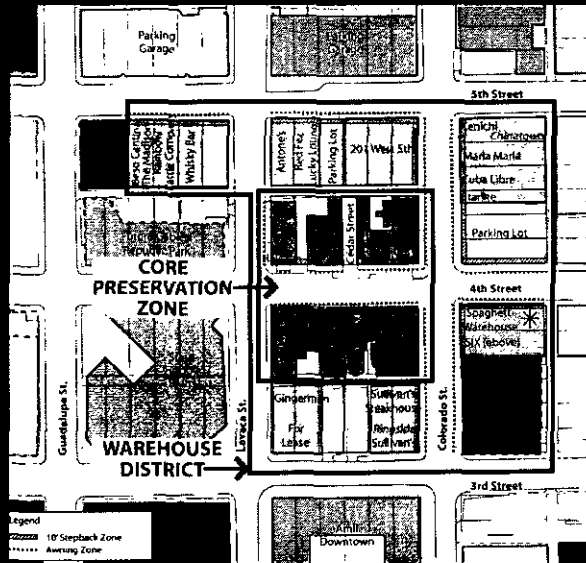
WAREHOUSE DISTRICT PRESERVATION

WAREHOUSE DISTRICT ZONE
(but outside Core Preservation Zone):

- Can sell unused FAR up to 8:1
- or-
- Participate in Density Bonus Program (up to FAR of 25:1)

22

Downtown Density Bonus Program



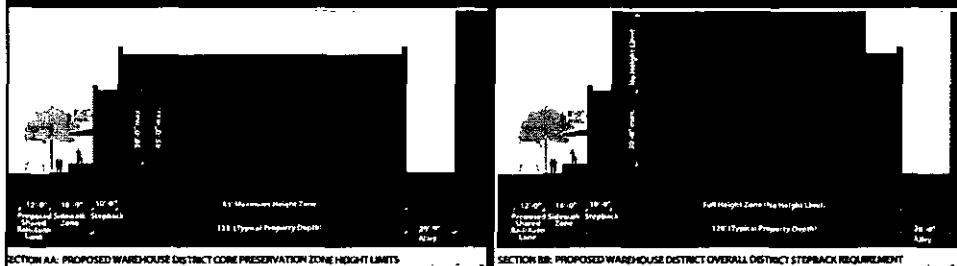
WAREHOUSE DISTRICT PRESERVATION

Any property that sells unused FAR must:

- Pursue "landmark" designation (if more than 50 years old) or otherwise ensure building preservation
- Record (via restrictive covenant) the reduced FAR

23

Downtown Density Bonus Program



WAREHOUSE DISTRICT DESIGN STANDARDS

All new development and modifications to existing development:

- Retain existing elevated sidewalks
- Stepback -- 10' building stepback (at maximum 30' height) for at least 60% of property frontage
- Awnings and Canopies -- For minimum of 75% of building frontage
- Curb Cuts -- Access to service areas and parking to be from alleys. Curb cuts along street frontages only where no alternative

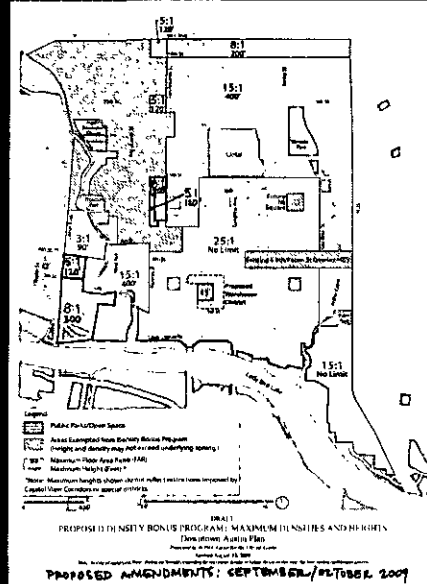
24

Late Backup

Downtown Density Bonus Program

RECOMMENDED AMENDMENTS TO DENSITY BONUS PROGRAM:

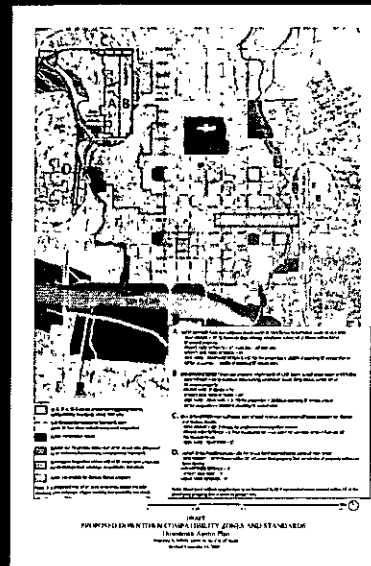
- Map showing areas of eligibility – slightly modified
- Sustainability: 1-Star AEGB rating required as Gatekeeper. Modified magnitude of bonus available for AEGB ratings.
- Open Space: Changed minimum size from 600 sf to 1200 sf. Added minimum vertical clear dimension. Modified degree to which space must be open to sky.



Downtown Density Bonus Program

RECOMMENDED DOWNTOWN COMPATIBILITY FRAMEWORK:

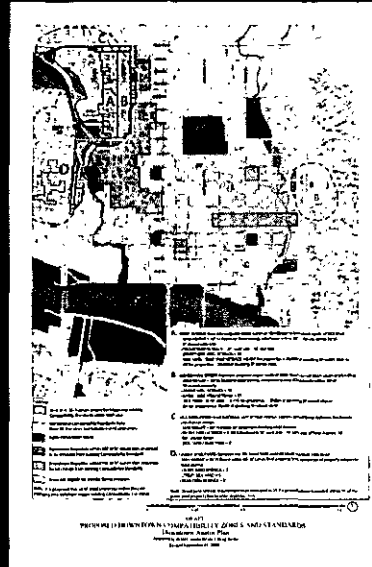
- Designed to create an appropriate transition in height and scale with SF neighborhoods (Judge's Hill, west of Lamar)
- A "place-specific" approach, rather than a generic approach
- Would generally replace Compatibility Standards within Downtown
- Would remove from Compatibility Standards some Downtown properties where compatibility triggered by SF-zoned properties outside Downtown



Downtown Density Bonus Program

RECOMMENDED DOWNTOWN COMPATIBILITY FRAMEWORK:

- Within Downtown, SF-use alone would not trigger compatibility
- *Would retain Compatibility Standards for some Downtown properties (west of Judge's Hill)*



Downtown Density Bonus Program

CONCLUDING POINTS

Requested action: "Approve a resolution initiating Code amendments to implement the objectives of the Downtown Austin Plan Density Bonus Report"

If so directed:

- *Continued refinements to recommendations, including possible district-specific community benefits*
- Additional public input
- Prepare code amendments
- Board and commission review
- Return to Council for adoption