



## **COUNCIL COMMITTEE REPORT**

### **Planning and Neighborhoods Committee**

Date: August 17, 2015

Agenda Item #: 4

Discussion and possible action on recommendations for the City's Density Bonus Program

#### **Vote**

Committee voted to forward the item to the full Council on a 3-1 vote with Council Member Gallo opposing.

**Sponsors/Department:** Jorge Rousselin and Jim Robertson, Planning and Zoning Department

#### **Summary of Discussion**

Mayor Pro Tem Tovo, provide a little bit of background on this item and emphasized the draft resolution should really set some processes to achieve some major actions. The draft resolution would ask the Council to contemplate considering changing what are not Density Bonus Programs that permit a fee in lieu, changing those to on-site requirements.

There is really an affordable housing crisis in the communities and it is incumbent upon the Council to use every tool at our disposal. We are limited by state law on what we can do to encourage and require affordable housing, but we can impose requirements when developers are using a Density Bonus Program. The Council should carefully look at our Density Bonus Programs and consider whether those wouldn't be more appropriate for units constructed on site. Much of the evidence to date suggest that our fees in lieu are set in such a rate that it's almost always, if not 100% of the time, cheaper for developers to opt out and to pay the fee in lieu rather than construct that unit or those units on-site. So, consequently we're not getting those units in areas where we really need them.

#### **Public Comments**

Eric Goff: spoke briefly about the purpose of a density bonus and asked Council to consider taking feedback from the people that are in this day in and day out. Which would be a great first step in determining what is a density bonus, what is it for and how do we best meet those objectives?

David King: spoke in support of Mayor Pro Tem's recommendations and to make the point that the fee in lieu option should be eliminated from our Density Bonus Programs.

Ann Howard: spoke in support of Mayor Pro Tem Tovo's recommendations given to permit support of housing, but called the Council's attention to that currently the downtown Density Bonus Program is dedicated to housing first, permanent support of housing. At this point the citizens have yet to see the money from that development. As Council move forward please consider the need to identify funding streams for ending homelessness and that is how we will make progress.

Jerry Fry: Chair of the Board of Directors for Downtown Austin Alliance, noted the current Downtown Density Bonus Program has only been in place for the past 18 months and ask that Council not make changes, without additional professional economic modeling.

Heidi – representing the Real Estate Council of Austin, spoke in support of the recommendations forward by staff and spoke on affordability and Density Bonuses in PUDs.

Stewart Hirsch: spoke on the University Neighborhood Overlay and why Rainey affordability does not work in University Neighborhood and come up with some creative approaches related to homestead preservation districts. This should be a priority and ask that Council somehow facilitate that comparison to occur in conjunction with the overall discussion of Density Bonus.

## **Direction**

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].

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].

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.

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 Vertical Mixed Use (VMU) combining district density bonus program without the need to generate affordable housing.

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

## **Recommendation:**

Committee voted to forward the item to the full Council on a 3-1 vote with Council Member Gallo opposing.