

Date: September 11, 2018  
To: City of Austin Design Commission  
From: David Carroll, Design Commission Chair  
Subject: Recommendations regarding adjusting the Downtown Density Bonus Program Fee Table

Per LDC §25-2-586, the Downtown Density Bonus Program outlines the Development Bonus Fee schedule that an applicant pays to the City per square foot of bonus area requested. These fees are then distributed by NHCD to help build affordable housing projects in Austin. The Development Bonus Fees, however, are not the equal across all downtown. The current fees for Residential projects are:

Core/ Waterfront District:	\$10/SF of Bonus Area
Lower Shoal Creek District:	\$5/SF of Bonus Area
Rainey Street District:	\$5/SF of Bonus Area
All other Districts:	\$3/SF of Bonus Area

Due to many factors including Austin's booming economy, the redevelopment of the Seaholm power plant, and the revitalization of Austin's urban creeks, we have seen large growth in the Lower Shoal Creek, Rainey Street, and Waller Creek Districts in particular. It is now apparent that the incentive of lower Development Bonus Fees in these Districts is no longer necessary and they should be reevaluated. This task had been identified and written into CodeNEXT, but now that the effort has stalled the City is continuing to lose money every day in these Districts.

The Design Commission recommends that the Development Bonus Fees in the Lower Shoal Creek, Rainey Street, and Waller Creek Districts be adjusted to match the current Core / Waterfront District fee of \$10/SF of Bonus Area. This is an easy fix to an outdated system until the entire program can be reevaluated and will result in many more dollars allocated to affordable housing in Austin.

Thank you,



David Carroll, AIA  
Chair  
Design Commission