



Neighborhood Housing and
Community Development

Planned Unit Development Density Bonus

Review of draft staff recommended
amendments

June 24, 2015
Stakeholder Work Session
*revised version

Objectives

- I. Understand the directive from City Council**
- II. Planned Unit Development Overview (What is a PUD?)**
- III. Review current Planned Unit Development Density Bonus policies**
- IV. Stakeholder feedback**
- V. Recommended amendments and next steps**

Council Resolution No. 20140925-090

Council Resolution No. 20140925-090 initiated a code amendment to modify the in lieu donation option for affordable housing requirements for Planned Unit Developments.

Three possible amendment scenarios:

- Remove the Fee-In-Lieu option
- A significant portion of the affordability requirement must be met through onsite units and a small portion may be met through a fee-in-lieu
- Allow for exemptions from the onsite affordable unit requirement



What is a Planned Unit Development

Planned Unit Development (PUD) zoning district goals:

- preserving the natural environment
- encouraging high quality development and innovative design
- ensuring adequate public facilities and services

The Council intends PUD district zoning to produce development that achieves these goals to a greater degree than and is therefore superior to development under conventional zoning and subdivision regulations

Austin Planned Unit Development History

2008: PUD land development code was amended to include a density bonus provision

2013: Additional amendments made to the PUD code including:

- Rental units set at 60% MFI or below & ownership units set at 80% MFI
- Change from 10% of habitable square footage to 10% of bonus square footage for both onsite units and fee-in-lieu requirement

2014: Resolution No. 20140925-090 initiated a code amendment related to the fee-in-lieu option for the PUD density bonus

Current PUD Density Bonus Requirements

Development in a PUD with residential uses may exceed the baseline zoning if the developer:

Provides affordable housing meeting or exceeding the following requirements:

- For Rental Housing : **10% of bonus sq. ft.** must be affordable to households at **60% MFI** or below for 40 years
- For Ownership Housing: **5% of bonus sq. ft.** affordable to households at **80% MFI** – transferred to the owner subject to a shared equity agreement

Current PUD Density Bonus Requirements

Alternative Options:

- Donates to AHFC land within the PUD that is appropriate and sufficient to develop 20% of the residential habitable square footage planned for the PUD subject to approval by the Director of NHCD
- In lieu donation of \$6/ square foot of bonus square footage subject to city council approval

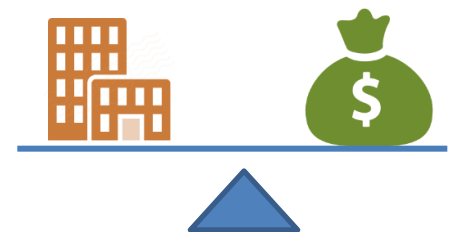
PUDs with a Density Bonus since 2008

- **Broadstone (RunTex):** ordinance allows for onsite units or fee-in-lieu to be determined at issuance of certificate of occupancy
- **Taco PUD:** was approved by Council to provide a fee-in-lieu of onsite affordable units. A fee was received prior to site plan approval. The developer pulled the site plan and the fee was refunded.
- **The Park PUD:** development contains no residential uses and therefore is not subject to the affordability requirements.

Council Resolution No. 20140925-090

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Council Resolution No. 20140925-090

Phase I Stakeholder Engagement:

- Conducted online survey with members of the development community that have experience with PUDs and providing on-site affordable units through other Austin density bonus programs
- Facilitated discussion with the Real Estate Council of Austin (RECA) Policy Committee
- Facilitated discussion with HousingWorks Austin

Onsite Affordability vs Fee-in-lieu in Austin

Model	Affordability MFI	Fee-in-lieu
Downtown Density Bonus	120% Ownership / 80% Rental	\$3-\$10/bonus square foot
North Burnet Gateway	80% Ownership / 60% Rental	\$6/bonus square foot
East Riverside Corridor	80% Ownership / 60% Rental	\$0.5/bonus square foot*
University Neighborhood Overlay	60% AND 50% Rental	\$1/square foot of net rentable floor area in the multi-family residential use or group residential use†
Planned Unit Development	80% Ownership / 60% Rental	Fee option dependent on Council approval (\$6/bonus square foot)
Transit Oriented Development	MFI varies by district	Fee option dependent on Council approval (\$10/bonus square foot)
Rainey Street	80% Ownership / 80% Rental	No fee option
Vertical Mixed Use	100-80% Ownership / 80-60% Rental	No fee option

*fee option is limited to buildings over 90 feet

†fee option is limited to satisfying a portion of affordability req. for the Height Bonus

Draft Staff Recommended Amendments

- **Affordability requirement will apply to all development types that participate in the density bonus**
 - Currently only applies to residential uses
- **Developments with no residential use are permitted to pay the fee-in-lieu by right**
- **Remove requirement for “prevailing level of affordability” report**
 - This requirement is no longer relevant
- **Affordability term for ownership housing will be 99years**
 - Currently there is no affordability term tied to ownership units which we feel was an oversight

Draft Staff Recommended Amendments

- **Land donation in lieu of on-site affordable units must be approved by the Director of Neighborhood Housing and Community Development.**
 - Current practice but not explicitly codified
- **Request for approval of a fee-in-lieu of on-site affordable housing must be submitted in writing**
 - Currently no guidelines for how an exemption request is submitted
- **The written request must demonstrate the infeasibility of complying with the on-site requirement**
- Currently no guidelines for how an exemption request is submitted

Code Amendment Next Steps

Dates	Stakeholder Engagement Phase	NHCD Research and Recommendations
June 24, 2015	stakeholder meeting to workshop draft recommendations	
June 30, 2015	<u>CDC and Housing Committee</u> : presentation of draft recommendations action requested on staff recommendations	
July, 2015		Work with the Law Department to draft recommended code amendment language
July 21, 2015	<u>Planning Commission Codes and Ordinances Subcommittee</u> : presentation of final draft recommendations action requested on final staff recommendations	
July 28, 2015	<u>Planning Commission</u> : public hearing and action requested	
August 26, 2015	<u>City Council Housing and Community Development Committee</u> : presentation of final draft recommendations and possible action	
September 17, 2015	<u>City Council</u> : public hearing and action requested	