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best practices for using and calibrating fees-in-lieu within density bonus programs;
and

WHEREAS, in 2018, Council approved Resolution No. 20180823-077,
which reaffirmed the direction provided in Resolution No. 20151015-038 and
directed the City Manager to develop recommendations regarding amendments to
City Code and regulating plans necessary to recalibrate density bonus program
affordability requirements and fee-in-lieu requirements, and to return to Council
with recommendations; and

WHEREAS, a March 6, 2019, memo from Neighborhood Housing and
Community Development (NHCD) stated, that “given the dynamics of housing
submarkets change over time, and many affordability requirements in these
policies have not been comprehensively re-evaluated since their adoption, staff
recognizes this as an opportunity to not only recalibrate the City’s density bonus
policies, but also to offer recommendations for policy updates”; and

WHEREAS, one of these recommendations included updating the
affordable unit set-asides and affordable housing fee rates in all policies to reflect
the results of the new recalibration for all of the density bonus programs, including
the Downtown Density Bonus Program; and

WHEREAS, the Planning Commission unanimously approved NHCD’s
recommendations in summer of 2019; and

WHEREAS, Council has not deliberated on these recommendations due to
staff’s preference that these changes occur via approval of the Land Development
Code rewrite process; and

WHEREAS, the Density Bonus Program’s fees have not been updated since
2014, although consultants have evaluated and recommended an increase; and

53 **WHEREAS**, non-residential projects can access entitlements through the
54 Downtown Density Bonus Program but pay no in-lieu affordable housing fees; and

55 **WHEREAS**, non-residential projects can access entitlements through the
56 Rainey Density Bonus Program, but only hotel developments pay an in-lieu
57 affordable housing fee; and

58 **WHEREAS**, the Council lacks critical information on which to base
59 appropriate community benefit calculations in return for granting exceptions to the
60 maximum FAR allowed under the Downtown Density Bonus Program; **NOW**,
61 **THEREFORE**,

62 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

63 City Council initiates an amendment to City Code section 25-2-586
64 (*Downtown Density Bonus Program*) to repeal or amend subsection (B) (6).
65 Before deliberation on the code changes by the Planning Commission or City
66 Council, the City Manager is directed to present a report on Floor to Area Ratio
67 best practices.

68 The amendment shall be presented to Council for adoption on an emergency
69 basis no later than July 29, 2021.

70 **BE IT FURTHER RESOLVED:**

71 The City Council directs the City Manager to post an item for action on May
72 6, 2021 that accomplishes the following:

- 73 (1) implements revisions to the in-lieu affordable housing fees for residential
74 development for the Downtown Density Bonus Program;
75 (2) implements revisions to the in-lieu affordable housing fees for non-
76 residential development for the Downtown Density Bonus and Rainey
77 Density Bonus Programs; and

(3) moves the revised fees described above to the City Fee Schedule so they
can be updated more effectively.

ADOPTED: _____, 2021 **ATTEST:** _____

Jannette S. Goodall
City Clerk

DRAFT