

RESOLUTION NO. 20210422-039

WHEREAS, in 2014, the City Council updated the Downtown Density Bonus Program after an extensive planning process including input and review by the community, as well as by City boards and commissions; and

WHEREAS, this density bonus program was based upon the Council-approved “Downtown Plan,” which recognized that areas of our Downtown have unique characters, natures, heights, and scales; and

WHEREAS, to this end, the Downtown Plan sets maximum floor-to-area ratios (FAR) for different parts of Downtown; and

WHEREAS, the Downtown Density Bonus Program was created to provide certainty for developments through pre-defined rules for participation and administrative approval; and

WHEREAS, during plan approval, an amendment was brought forward allowing developments to seek approval from Council on a case-by-case basis should a developer wish to exceed the maximum allowable FAR; and

WHEREAS, an additional amendment directed staff to convene a conversation among the Downtown and Planning Commissions and return to Council with recommendations for community benefits that should be required and an evaluation process for developer proposals who wish to exceed the maximum allowable FAR in Downtown; and

WHEREAS, this review and recommendation process was never conducted; and

WHEREAS, in 2015, Council approved Resolution No. 20151015-038, which directed the City Manager to update data illustrating the effectiveness of the various density bonus programs in generating affordable housing units and in-lieu fees, present a potential Code amendment for Council consideration, and review

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

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

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

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

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

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

The amendment shall be presented to Council for adoption on an emergency basis no later than July 29, 2021. The amendments shall maximize participation in the Program and maximize community benefits, especially the funding of permanent supportive housing and housing vouchers.

BE IT FURTHER RESOLVED:

The City Council directs the City Manager to post an item for action on May 20, 2021 that accomplishes the following:

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

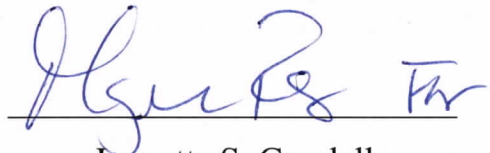
- (3) moves the revised fees described above to the City Fee Schedule so they can be updated more effectively.

BE IT FURTHER RESOLVED:

The City Council directs the City Manager to update the fee-in-lieu analysis provided by EcoNorthwest to reflect current market conditions and existing zones of the Downtown Density Bonus Program area and return to Council with, if necessary, an item for action no later than August 26, 2021, or prior to budget approval if possible.

ADOPTED: April 22, 2021

ATTEST:



Jannette S. Goodall
City Clerk