




MEMORANDUM

To: Mayor and City Council

From: Rosie Truelove, Director 
Housing and Planning Department

Subject: Response to Resolution No. 20210422-039

Date: July 22, 2021

Council Resolution No. 20210422-039 directed the City Manager to:

- Amend City Code section 25-2-586 (Downtown Density Bonus Program) subsection (B)(6)
- Implement interim revisions to the in-lieu affordable housing fees for residential and non-residential development in the Downtown Density Bonus Program and Rainey Density Bonus Program
- Move the revised fees into the Fee Schedule
- Update the in-lieu fee analysis to reflect current market conditions and the existing zones of the Land Development Code

This memo provides an update and schedule for the section of the Resolution regarding updating the fee-in-lieu analysis for the Downtown Density Bonus Program (DDBP).

Ordinance No. 20210520-009 was approved by the Council and adopted interim in-lieu fees for the DDBP based on calibration work by economic consultants during the Land Development Code Revision process in 2019 and moved the fees for the DDBP into the Fee Schedule.

Work is underway to complete the final portion of the resolution to recalibrate the fees to reflect current market conditions and the existing zones of the Land Development Code. Staff will not be prepared to present a recommendation to Council prior to budget approval or by the August 26, 2021 Council meeting as directed in the Resolution.

Staff are performing research and coordinating with key stakeholders to ensure the fee-in-lieu analysis yields a result that maximizes participation in the DDBP and maximizes community benefits, specifically the funding of low-barrier support for people experiencing homelessness. Staff need additional time to ensure the recalibrated fees are thoughtfully analyzed, communicated to key stakeholders, and are reviewed by key Council-appointed bodies.

If needed, once the staff recommendation is brought to Council for action, it will take the form of a budget amendment. The effective date will either be October 1, 2021 to match the new fiscal year, or ten days after the approval of the ordinance, or the earliest of the two.

The schedule below outlines the planned dates for briefings and discussion with stakeholders including Boards and Commissions as well as the proposed date for Council action.

Date	Activity
August 16, 2021	Stakeholder meeting and discussion of draft staff recommendation
August 18, 2021	Downtown Commission briefing and consideration
August 23, 2021	Design Commission briefing and consideration
September 28, 2021	Council work session briefing
September 30, 2021	Council consideration

Please contact me at 512-974-3064 or Rosie.Truelove@austintexas.gov for additional information.

cc: Spencer Cronk, City Manager
 J. Rodney Gonzales, Assistant City Manager