

Posting language: Approve a resolution initiating amendments to City Code Chapter 25-2, Subchapter E: (Design Standards and Mixed Use), Article 4: Mixed Use, 4.3.3 Standards, to add an option for a VMU2 which allows for additional height in exchange for affordable housing.

RESOLUTION NO.

WHEREAS, the Imagine Austin Comprehensive Plan and Housing Blue Print identify the need for more affordable housing and promote walkable, multi-modal, transit supportive development; and

WHEREAS, the Vertical Mixed Use (VMU) building is an existing program that allows the development of vertical mixed use buildings that include a mix of uses, is transit oriented, provides for parking reductions, and offers relaxation of development regulations in exchange for providing a percentage of affordable residential units (the “VMU Program”); and

WHEREAS, the Vertical Mixed Use Overlay District has resulted in the generation of more than 100 VMU buildings, encompassing more than 1,600 affordable units geographically dispersed in alignment with transit access; and

WHEREAS, while the VMU Program is successful in generating on-site affordable units, the implementation of the program has been stymied by the existence of the Multifamily Residence Highest Density (MF-6) zoning district which lacks similar means to generate affordable housing as in the Vertical Mixed Use (VMU) overlay district. The MF-6 district zoning affords greater building height entitlements (90 feet) by right than can be achieved under the VMU overlay district in which building height is limited to the base zoning and typically does not exceed 60 feet; and

28 **WHEREAS**, the city would benefit from an expanded VMU Program to add
29 a second (VMU2) option that provides an additional 30 feet of height to better
30 align and incentivize the use of the VMU Program in light of the MF-6 district
31 entitled zoning height of 90 feet; and

32 **WHEREAS**, by expanding the VMU Program the City Council can build
33 upon and strengthen an existing successful program and reaffirm its commitment
34 to providing both affordable housing and increased density along transportation
35 corridors; **NOW, THEREFORE**,

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

37 Council initiates amendments to City Code Chapter 25-2, Subchapter E
38 (*Design Standards and Mixed Use*), Article 4: Mixed Use, 4.3.3 (Standards), to
39 expand the existing VMU Program to provide VMU1 and VMU2 options and
40 directs the City Manager to process amendments to accomplish the following:
41

- 42 1. Amend Section 4.3.3 (Standards), Subsection (E) Dimensional and
43 Parking Requirements:
 - 44 a. VMU1 buildings are subject to the height restrictions as provided in
45 other sections of this Code. VMU2 buildings are eligible for an
46 additional 30 feet of height with an increased percentage of
47 affordability as described in Subsection (F). Affordability
48 Requirements
- 49 2. Amend Section 4.3.3 (Standards), Subsection (F) Affordability
50 Requirements:
 - 51 a. Affordability Requirements for Owner-Occupied Units.

52 i. ~~Ten Five~~ percent of the residential units in the VMU1 and (% to
53 be determined) in the VMU2 building shall be reserved as
54 affordable, for not less than 99 years from the date a certificate of
55 occupancy is issued, for ownership and occupancy by households
56 earning no more than 80 percent of the current Annual Median
57 Family Income for the City of Austin Metropolitan Statistical
58 Area as determined by the Director of the ~~Neighborhood Housing~~
59 ~~and Community Development~~ Housing and Planning Department.

60 ~~ii. In addition, five percent of the residential units in the VMU building~~
61 ~~shall be reserved, for not less than 99 years from the date a~~
62 ~~certificate of occupancy is issued, for ownership and occupancy by~~
63 ~~households earning no more than 100 percent of the Annual Median~~
64 ~~Family Income.~~

65 b. Affordability Requirements for Rental Units.

66 1. Ten percent of the residential units in the VMU1 and (% to be
67 determined) in the VMU2 building shall be reserved as affordable,
68 for a minimum of 40 years following the issuance of the certificate
69 of occupancy, for rental by households earning no more than ~~60-80~~
70 percent of the Annual Median Family Income ~~as determined by the~~
71 ~~Director of the Housing and Planning Department.~~

72
73 **BE IT FURTHER RESOLVED:**

74 In developing these amendments, other associated VMU requirements shall
75 be maintained.

76
77 **BE IT FURTHER RESOLVED:**

78 The VMU2 zoning designation will not supersede existing regulating or
79 neighborhood plans and VMU2 is not available where regulating plans waive
80 compatibility requirements.
81

82 **BE IT FURTHER RESOLVED:**

83 The City Manager shall propose an affordable unit percentage level for
84 VMU2 for consideration during the code amendment process. Tracts that have
85 existing V zoning designation shall have access to the VMU2 affordable housing
86 density bonus option administratively at the required percentage and MFI levels as
87 outlined above. Tracts currently not zoned V can apply as a zoning change to
88 participate as a VMU1 or VMU2 through normal zoning process.
89

90 Additionally, these code amendments shall be coordinated with VMU code
91 change recommendations from the Codes and Ordinances Joint Committee to
92 align and update the efforts and involve key stakeholders and affordable housing
93 providers and advocates to develop the ordinance in response to this resolution.
94

95 To achieve better coordination, the council intends that the code
96 amendments initiated in this resolution be heard by the Planning Commission and,
97 subsequently, Council at the same time as the Planning Commission initiated
98 VMU code amendments. The council does not intend that the code changes
99 initiated in this resolution be heard by the Codes and Ordinance Joint Committee.
100

101 The City Manager shall bring these code amendments for council
102 consideration by ~~March~~ Jan 1, 2022.
103

104 **ADOPTED:** _____, 2021 **ATTEST:** _____
105 Jannette S. Goodall
106 City Clerk
107