

RESOLUTION NO. 20211118-052

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

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

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

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

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

1. Amend Section 4.3.3 (Standards), Subsection (E) Dimensional and Parking Requirements:
 - a. VMU1 buildings are subject to the height restrictions as provided in other sections of this Code. VMU2 buildings are eligible for an additional 30 feet of height with an increased percentage of affordability as described in Subsection (F). Affordability Requirements
2. Amend Section 4.3.3 (Standards), Subsection (F) Affordability Requirements:
 - a. Affordability Requirements for Owner-Occupied Units.
 - i. Five percent of the residential units in the VMU1 and (% to be determined) in the VMU2 building shall be reserved as affordable, for not less than 99 years from the date a certificate of occupancy is issued, for ownership and occupancy by households earning no more than 80 percent of the current Annual Median

Family Income for the City of Austin Metropolitan Statistical Area as determined by the Director of the ~~Neighborhood Housing and Community Development~~ Housing and Planning Department.

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

b. Affordability Requirements for Rental Units.

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

BE IT FURTHER RESOLVED:

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

BE IT FURTHER RESOLVED:

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

BE IT FURTHER RESOLVED:

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


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

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

The City Manager shall bring these code amendments for council consideration by January 31, 2022.

ADOPTED: November 18, 2021

ATTEST:


Jannette S. Goodall
City Clerk