



AFFORDABLE HOUSING BONUS PROGRAM

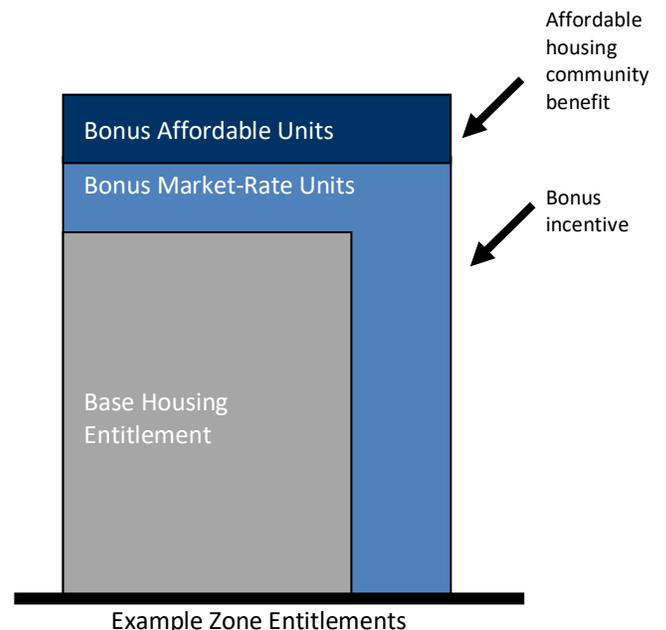
What is it?

The proposed Affordable Housing Bonus Program creates opportunities to produce income-restricted affordable housing across Austin without public subsidy. It is a voluntary program that grants additional building entitlements like more height or bulk than would be allowed by the base zoning in exchange for income-restricted affordable housing. Because Texas law prohibits rent control and other mandatory affordable housing requirements, the City encourages developers to voluntarily set aside a portion of housing units as affordable by offering a bonus incentive. The bonus incentive is uniquely calibrated to each zone that is eligible to participate in the program and is designed to offset the cost to a developer to provide below market-rate units. Development under the base zoning entitlements can always occur that does not include any income-restricted affordable units, so the bonus incentive is carefully calculated so that developers will find it attractive to participate.

How does it work?

The ability to participate in the Affordable Housing Bonus Program is tied to a property's zoning under the proposed Land Development Code. Bonuses are available in certain zones, but not all. Types of bonuses offered vary, but may include additional height, number of units, and floor-to-area ratio (FAR) than allowed under the base zoning entitlements. The affordable housing unit set-aside percentages varies by zone as well as where the property is located and range from 5% to 30%.

Under limited circumstances, developers may be allowed to build affordable units off-site, dedicate land for future affordable housing, or pay a fee in lieu instead of building affordable units on-site. Options other than providing on-site affordable units must receive approval from the Housing Director.



Why is there an Affordable Housing Bonus Program?

Because Texas law prohibits rent control or mandatory affordable housing requirements, there are few ways to prevent housing prices and rents from increasing unchecked in Texas. However, voluntary affordable housing bonus programs are one tool the City of Austin can use to encourage developers to create housing that must remain affordable for an extended period of time.

There are currently about a dozen different affordable housing bonus programs in Austin. Most are tied to specific areas in town like Downtown, West Campus, East Riverside, or Transit-Oriented Development Districts. This proposed Affordable Housing Bonus Program would be tied to zones, which are applied throughout the city. This means that there are more opportunities to generate affordable housing in all parts of town and in different types of housing structures.