

City of Austin Developer Incentive Programs

Policy Overview
City Council Housing
Committee

March 25, 2015

Presentation By:
Neighborhood Housing and Community Development
& Planning and Development Review



What are Developer Incentives?

Incentive-based programs to grant additional entitlements or privileges in return for community benefits.

Entitlements/Privileges can include:

- Additional density (FAR: Floor Area Ratio) or units per acre
- Additional height
- Parking reductions
- Fee waivers or expedited review

Bonus

**Allowable
Under Current
Zoning**

Community Benefits can include:

- Affordable housing (units or fee)
- Public open space
- Green building

Why are Developer Incentives Important to Austin?

- Opportunity to tie together clearly identified benefits and costs to the gain of both community and developer.
- To allow new development to offset some of the community burdens it creates.
- State law limitations on affordable housing (no inclusionary zoning).
- To allow and encourage added density in locations where that density is desired.

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What are Austin's Programs?

Development Agreements

- **PIDs** – Public Improvement Districts
- **MUDs** – Municipal Utility Districts
- 380 Agreements
- City Council Directed Agreements

S.M.A.R.T. Housing

- **S.M.A.R.T.** – **S**afe, **M**ixed-Income, **A**ccessible, **R**easonably-Priced, and **T**ransit-Oriented

Density Bonuses

- **DDB** – Downtown Density Bonus
- **ERC** – East Riverside Corridor
- **NBG** – North Burnet Gateway
- **TOD** – Transit Oriented Development
- **UNO** – University Neighborhood Overlay
- **VMU** – Vertical Mixed Use
- **PUDs** – Planned Unit Developments

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Development Agreements

Austin utilizes private development agreements as a tool to negotiate the inclusion of community benefits in exchange for various development requests.

- Affordable housing requirements vary from agreement to agreement
- Generally attached to a Planned Unit Development, Municipal Utility District, Public Improvement District approval process, or the sale of City owned land

Examples:

Mueller Development
Seaholm
Green

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S.M.A.R.T. Housing

S.M.A.R.T.™ Housing has supported household affordability in Austin since 2000 and continues to provide incentives to developers and builders to provide our community with **Safe**, **Mixed-Income**, **Accessible**, **Reasonably-Priced**, and **Transit-Oriented** housing options.

Developer Incentives:

- Development fee waivers 25%-100%
- Expedited Development Review

Community Benefits:

- Reasonably Priced units
- Superior Accessibility standards
- Austin Energy Green Building rated
- Transit Oriented Development

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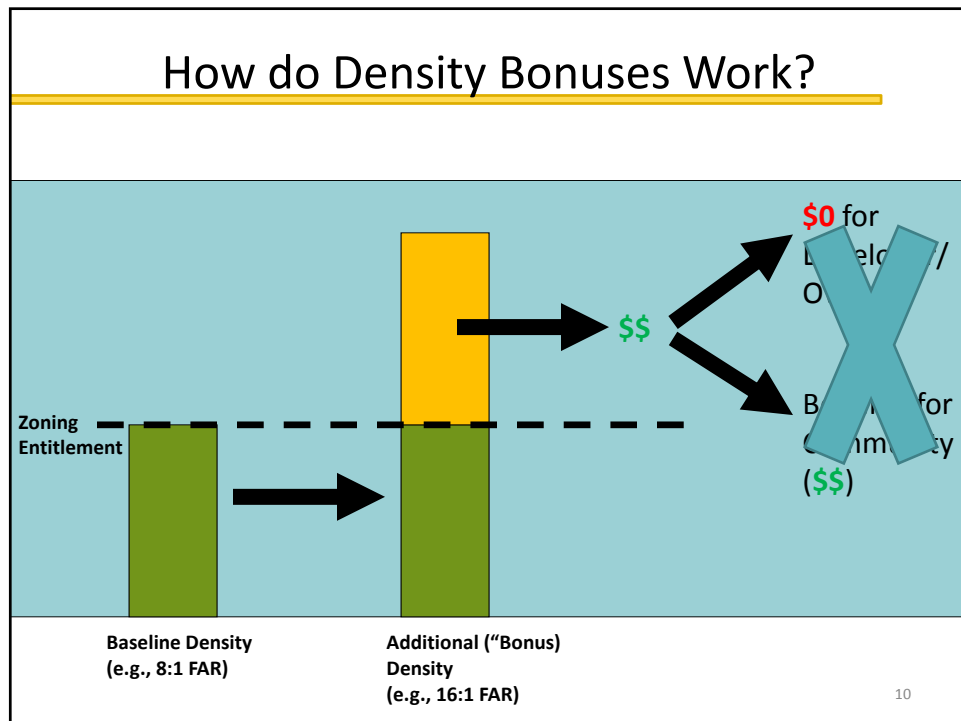
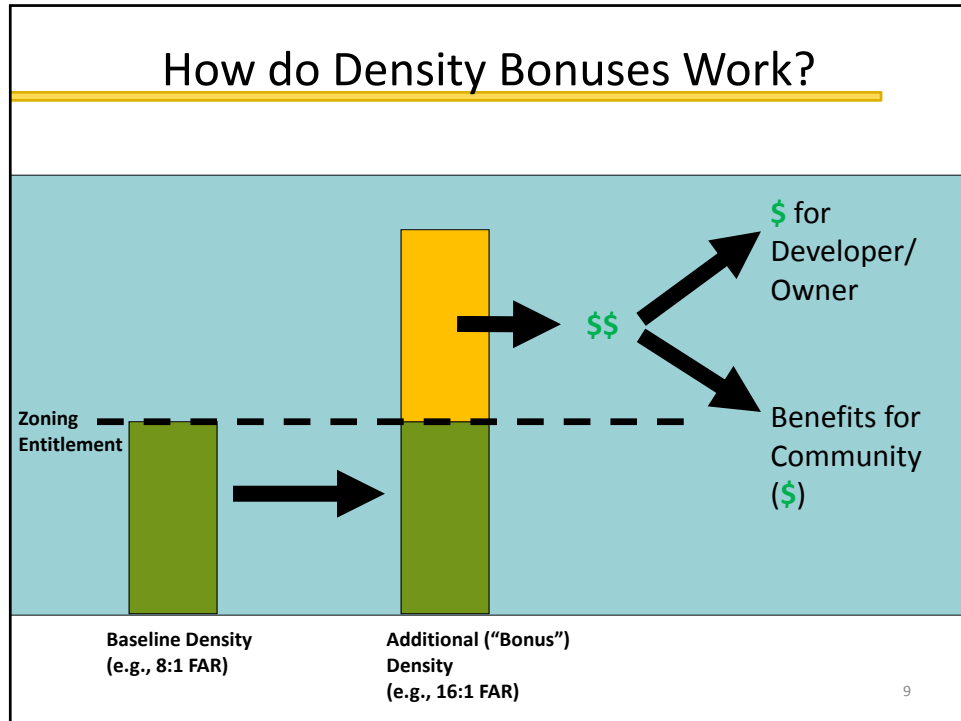
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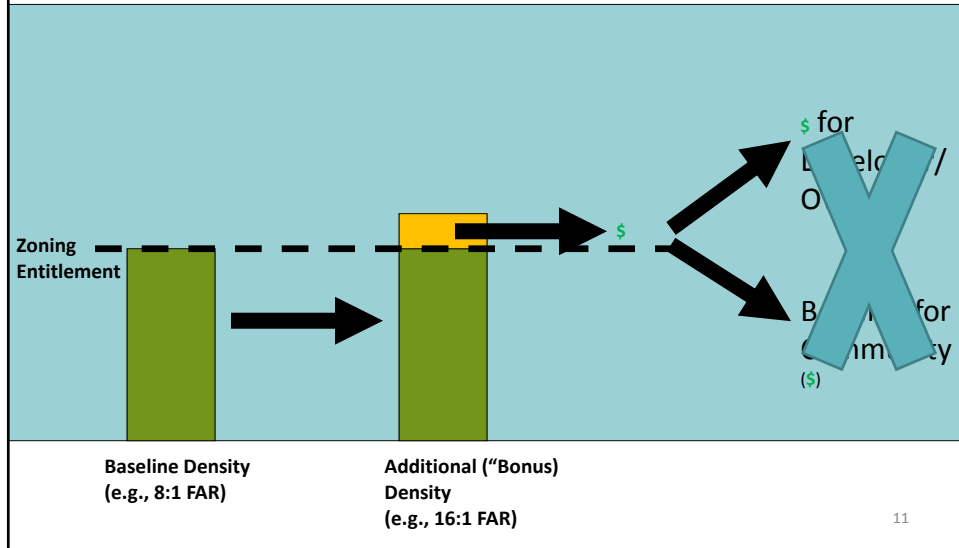
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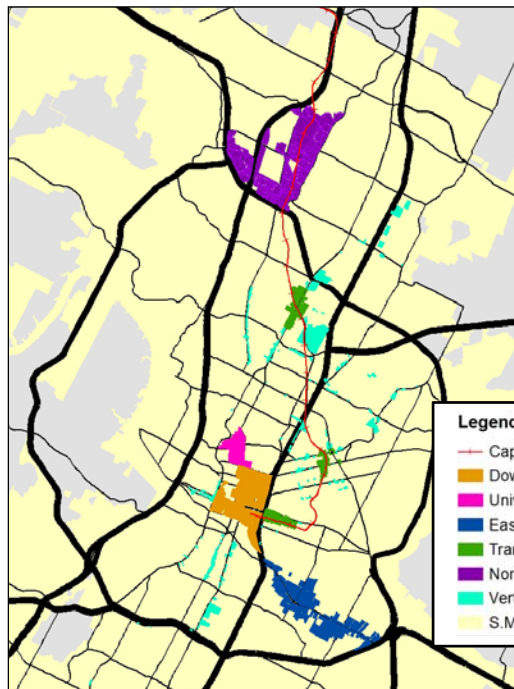


How do Density Bonuses Work?



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Density Bonus Areas



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Why is Density a Community Benefit?

- Allows more people to live in walking distance of employment, goods, services, and amenities
- Supports transit
- Increases housing supply and housing options
- Cost efficient use of infrastructure
- Creates healthy and vibrant diversity of activity
- Most sustainable use of land and resource

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Density Bonuses In Austin

Strengths:

- Provide options for developer participation
- Sensitive to neighborhood context

Challenges:

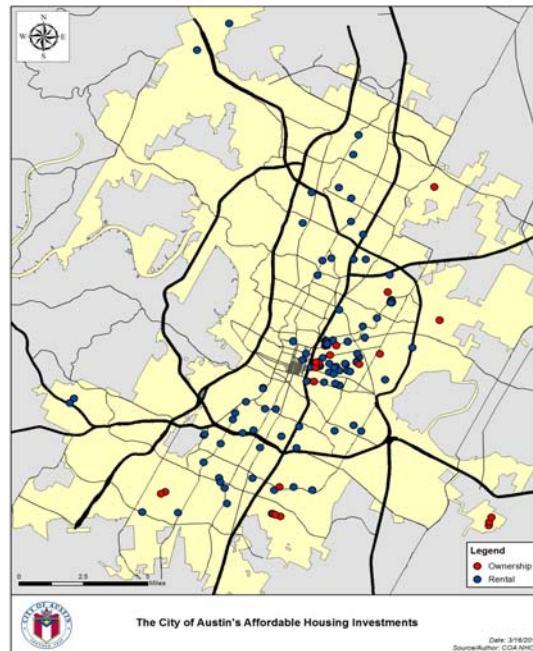
- Limited standardization makes implementation difficult for developers and City staff
- Fee-in-lieu structure does not often reflect real cost of development

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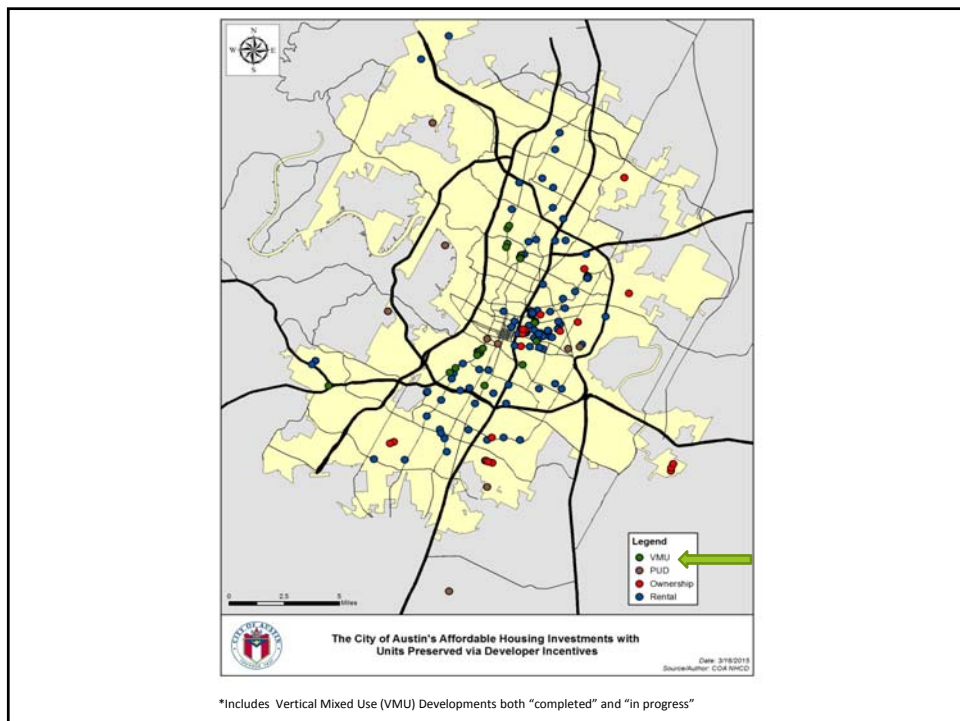
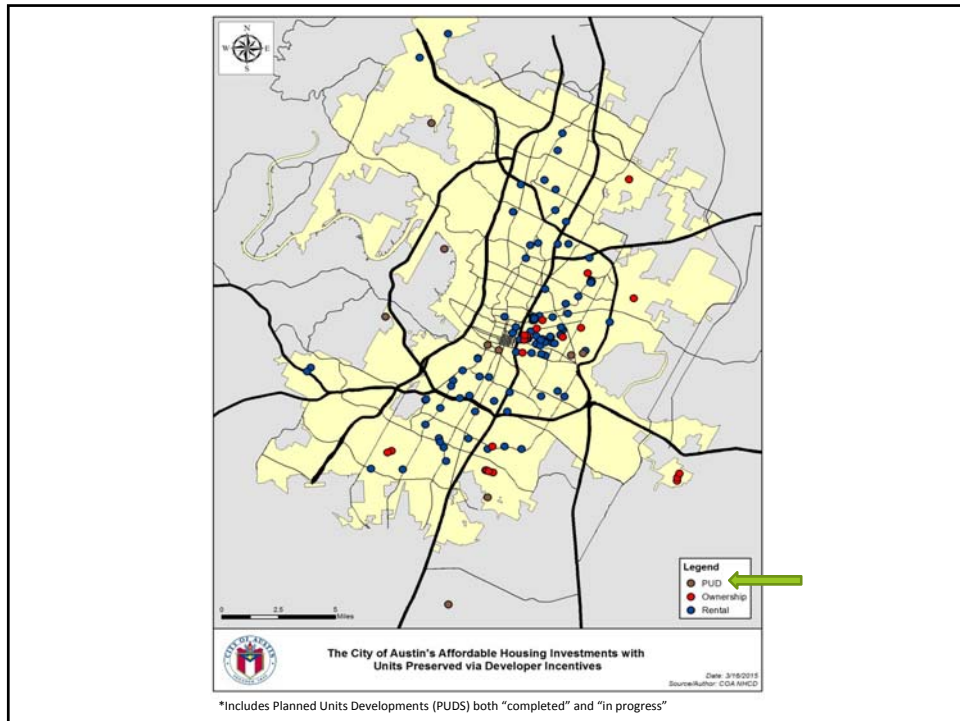
Developer Incentive Affordable Unit Summary

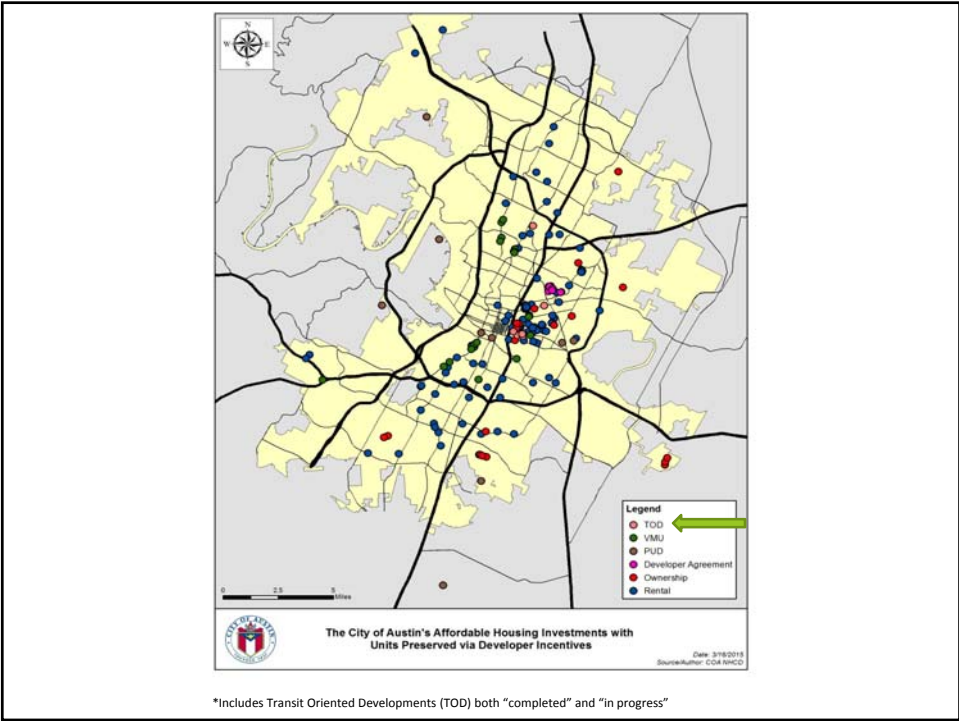
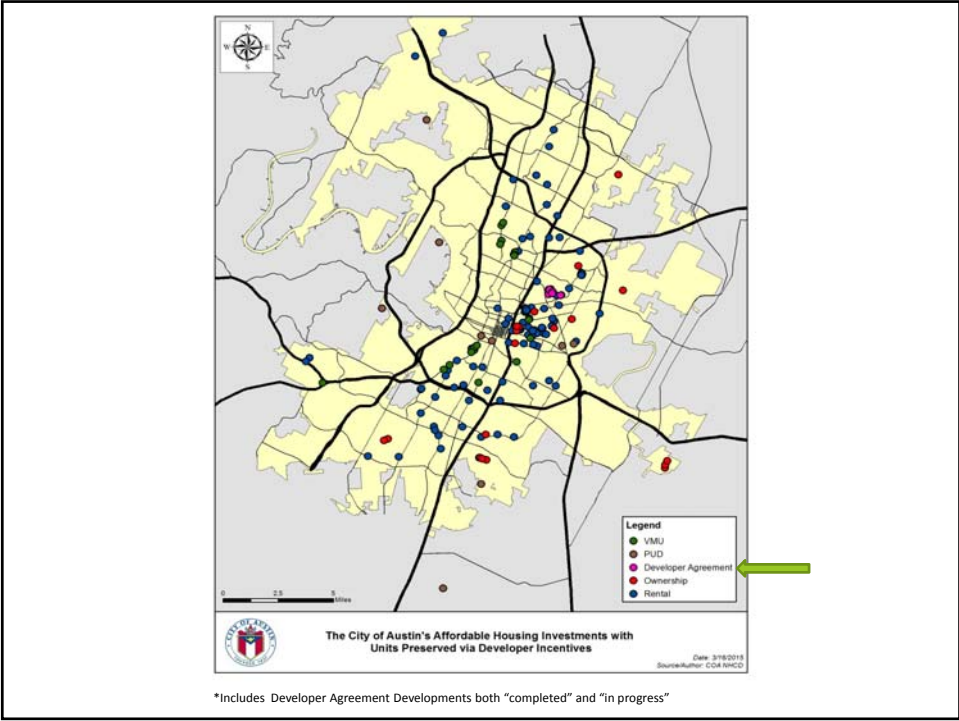
Program	Year Created	Total Affordable Units	Completed Units	Pending Units	Fee-in-lieu
SMART	2000	20,345	12,028	8,317	N/A
SMART Greenfield	2008	10	0	10	N/A
UNO	2008	626	490	136	\$1,628,867
VMU	2010	366	148	218	N/A
Rainey	2005	51	9	42	N/A
TOD	2009	304	146	158	N/A
PUD	2008	2,606	0	2,606	in review
DDB	2013	0	0	0	\$1,316,260

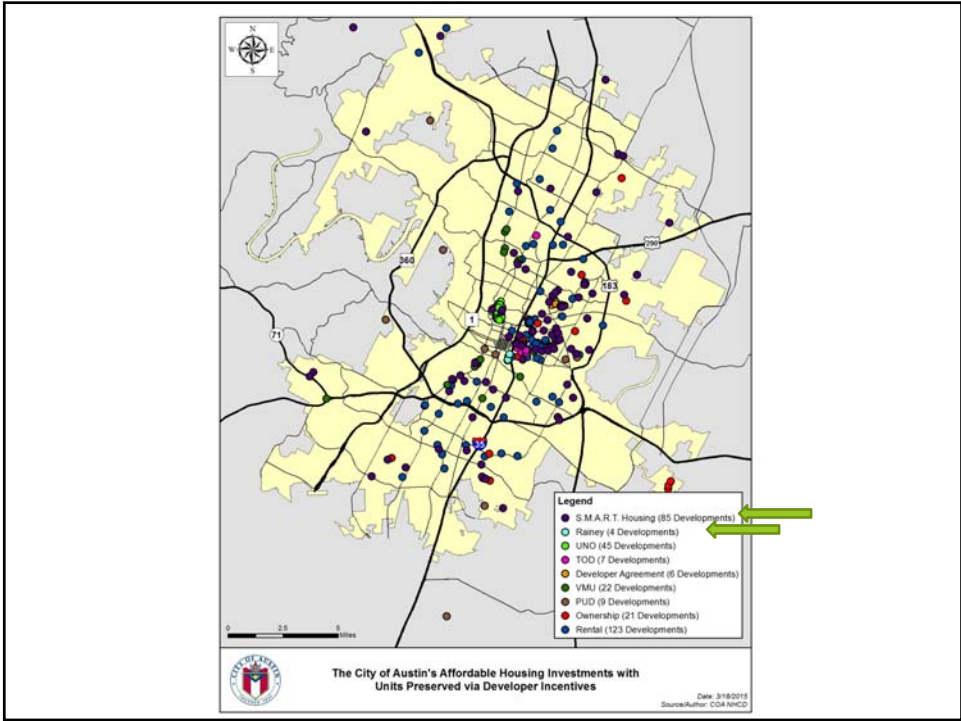
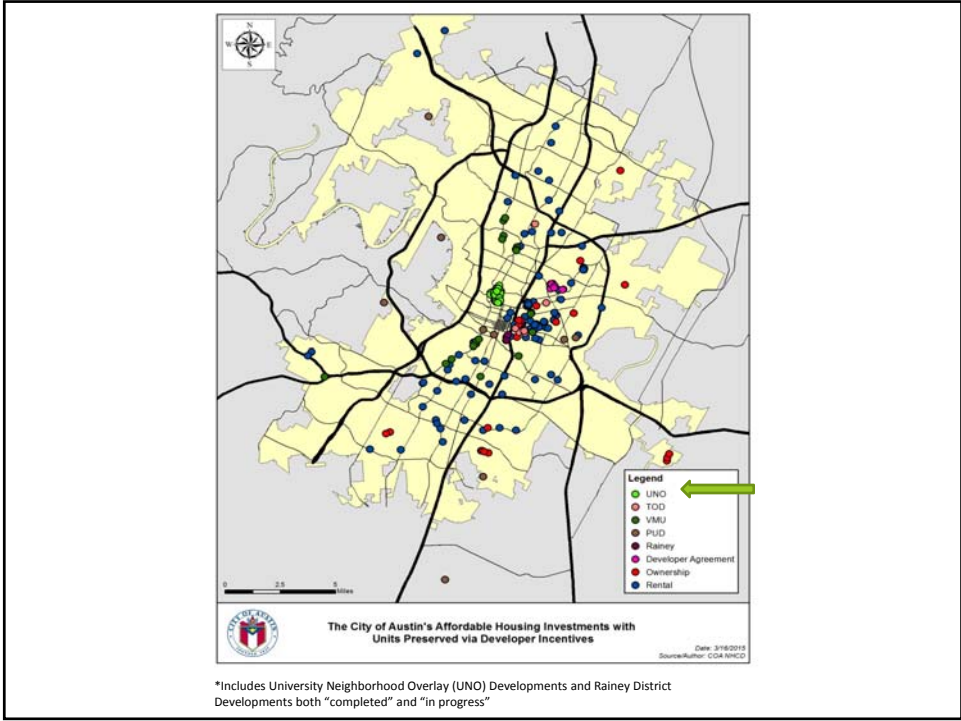
Some units fall under multiple categories (i.e., UNO and S.M.A.R.T. Housing)



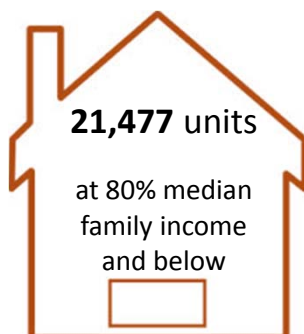
* Includes rental units with a currently operating affordability period and ownership units with a currently operating affordability period with loans executed post-2006







Total Affordable Units from Development Incentives



- 12,573 units built
- 8,904 units pending
- \$2,945,127 received in fees in lieu of onsite units

This captures all units certified as affordable by NHCD 2001-2015

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Conclusion

- Supports Imagine Austin
 - creating complete communities
 - household affordability
 - geographic dispersion
 - healthy walkable Austin
 - supports investments and transit users
- Potentially include higher opportunity areas
- Focused around transit (except PUDs)
- Many different regulations could be standardized
- Fees-In-Lieu vs. Onsite Units
- One of few tools for affordable housing without subsidy
- CodeNEXT – need to preserve developer incentives

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