

ORDINANCE AMENDMENT REVIEW SHEET

Amendment: C20-2015-017 MF-6 Density Bonus

Description: Consider amendments to Title 25 of the Land Development Code related to the multifamily residence highest density (MF-6) district zoning regulations.

Proposed Language: See attached draft ordinance.

Summary of proposed code changes:

- Creates a new density bonus for the MF-6 zoning district that incentivizes on-site affordable housing.
- In return for on-site affordable housing, the density bonus provides:
 - No site area requirement
 - No FAR limit
 - Reduced parking requirement
 - Up to 30 feet of additional height
- Changes MF-6 base zoning site development standards.
- See attached comparison table (for informational purposes only).

Affordability Impact Statement (AIS) is pending.

Background: Initiated by Council Resolution 20151015-053.

On October 15, 2015, City Council initiated a code amendment directing staff to “*to adjust the requirements of Multifamily Residence Highest Density (MF-6) district zoning to incorporate a density bonus program consistent with the intent of the Vertical Mixed Use (VMU) overlay*” and for “*the provision of on-site affordable housing in exchange for achieving higher site development standards in excess of those established at a designated development baseline.*”

The proposed amendment modifies the base MF-6 site development standards, such that the unlimited site area and floor to area ratio (FAR) are moved into a new bonus provision, in addition to reduced parking (60% of what would normally be required) and 30 feet of additional height. These bonus provisions are available in return for on-site affordable housing (there is no fee-in-lieu option proposed). The new base MF-6 district would have a density and FAR cap, making it closer to the MF-5 district than it is in the current code. As a whole the new MF-6 density bonus closely mimics vertical mixed use (VMU) in its bonus provisions.

Staff Recommendation: Recommended, with the additional recommendation that the amendment not apply to the University Neighborhood Overlay area (25-2, Appendix C) and the areas shown on the Downtown Districts Map (25-2-586(B), *Figure 1*), as these areas already have established density bonus programs.

Staff also recommends that the owner-occupied MFI requirement for affordable units to be set at 80% instead of the 60% recommended by the Community Development Commission.

Board and Commission Actions

March 8, 2016: Recommended by the Community Development Commission on an 8-1 vote (Commissioners Dailey voting nay; Commissioners Crawford, McHorse, Noyola, Villalobos and Zamora absent) with the following amendments:

- The affordable units should be a “proportional mix” of all units in the development.
- The income eligibility for home ownership should be set at 60% MFI, rather than 80%.

March 15, 2016: Forwarded by the Codes and Ordinances Subcommittee with no recommendation on a 3-0 vote (Commissioner Kazi absent).

The following issues were topics of interest, but not amendments to the draft ordinance:

- Possibility of reducing the site area requirement for the new base MF-6 (allowing for an increased unit/acre compared to MF-5, but not unlimited).
- Attaining levels of affordability deeper than 60%.
- A way to require three bedroom units.
- A fee appropriate to charge a developer in return for monitoring affordable units.
- Tiered additional bonus height (i.e. X feet of height for 10% affordable units, X additional feet of height for additional 10% of affordable units).
- Prohibition of Type 3 STRs.
- Expedited Residential Permit Parking for areas adjacent to MF-6 developments.
- A smaller parking reduction than the draft ordinance proposes.

March 22, 2016: Postponed at Planning Commission to the April 26, 2016 Planning Commission meeting.

April 26, 2016: To be reviewed by Planning Commission.

Council Action

March 31, 2016: Postponed to the May 5, 2016 meeting.

May 5, 2016: A public hearing has been scheduled.

Ordinance Number: NA

City Staff: Greg Dutton

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Email: greg.dutton@austintexas.gov

ORDINANCE NO.**AN ORDINANCE AMENDING CITY CODE TITLE 25 RELATING TO MF-6
BASE ZONING DISTRICT REGULATIONS.****BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

PART 1. Section 25-2-563 (*Multifamily Residence Moderate-High Density (MF-4) and Multifamily Residence High Density (MF-5) District Regulations*) of the City Code is amended to read as follows:

§ 25-2-563 MULTIFAMILY RESIDENCE MODERATE-HIGH DENSITY (MF-4), ~~[AND] MULTIFAMILY RESIDENCE HIGH DENSITY (MF-5), AND~~ MULTIFAMILY RESIDENCE HIGHEST DENSITY (MF-6) DISTRICT REGULATIONS.

- (A) This section applies in a multifamily residence moderate-high density (MF-4), or multifamily residence high density (MF-5), or multifamily residence highest density (MF-6) district.
- (B) The minimum site area for each dwelling unit is:
- (1) 800 square feet, for an efficiency dwelling unit;
 - (2) 1,000 square feet, for a one bedroom dwelling unit; and
 - (3) 1,200 square feet, for a dwelling unit with two or more bedrooms.

PART 2. City Code Section 25-2-564 is amended to read as follows:

§ 25-2-564 MULTIFAMILY RESIDENCE HIGHEST DENSITY (MF-6) DISTRICT REGULATIONS ~~[RESERVED]~~.

- (A) For those residential uses in a multifamily residence highest density (MF-6) district that comply with the requirements in Subsection (B), the following site area and parking requirements apply:
- (1) The minimum site area requirement is zero;
 - (2) The floor to area ratio is unlimited;
 - (3) The minimum off-street parking requirement is 60 percent of the amount prescribed by Appendix A (Table of Off-Street Parking and Loading Requirements); and

1 (4) The maximum height is 120 feet.

2 (B) The site area and parking requirements in subsection (A) apply if the use
3 meets the affordability requirements of this subsection, which are as follows:

4 (1) For owner-occupied units, ten percent of the units in the building or
5 development shall be reserved as affordable for ownership and
6 occupancy by households earning no more than 60 percent of the current
7 Annual Family Income for the City of Austin Metropolitan Statistical
8 Area, for not less than 99 years from the date of sale of each ownership
9 unit to an income eligible buyer. Affordable ownership units must:

10 (a) Be sold to an income eligible household at 60 percent or below
11 median family income;

12 (b) Include resale restrictions that require that resale of the affordable
13 unit must be to a household at 60 percent of or below median family
14 income;

15 (c) Contain restrictions that will cap the equity gain to the homeowner
16 that can be realized upon resale of the affordable unit. The resale
17 formula will be set by the director of the Neighborhood Housing
18 and Community Development Department and may be changed
19 from time to time; and

20 (d) Contain a right of first refusal to the Austin Housing Finance
21 Corporation or any other entity designated by the City.

22 (2) For rental units, 10 percent of the units in the building or development
23 shall be reserved as affordable for occupancy by households earning no
24 more than 60 percent of the current Annual Median Family Income for
25 the City of Austin Metropolitan Statistical Area, for not less than 40
26 years from the date the first certificate of occupancy is issued.

27 (3) Each development with required affordability shall be subject to a
28 restrictive covenant using a form approved by the director of
29 Neighborhood Housing and Community Development and landowner at
30 the time of the sale or development and recorded in the official public
31 records of the county where the affordable development is located.

32 (C) Notwithstanding the requirements stated in Subsections (B)(1) and (B)(2), at
33 least one unit must be reserved as affordable.

(D) In meeting the affordability requirements of Subsection (B), projects shall provide on-site affordable housing in proportion to the unit mix in the project that is devoted to residential uses.

PART 3. Subsection (D) of City Code Section 25-2-492 (*Site Development Regulations*) is amended to read:

	MF-2	MF-3	MF-4	MF-5	MF-6	MH
MINIMUM LOT SIZE (square feet):	8,000	8,000	8,000	8,000	8,000	—
MINIMUM LOT WIDTH:	50	50	50	50	50	—
MAXIMUM DWELLING UNITS PER LOT:	*	**	***	***	$\frac{***}{1}$ [—]	—
MAXIMUM HEIGHT:	40 or 3 stories	40	60	60	90	—
MINIMUM SETBACKS:						
FRONT YARD:	25	25	15	15	15	—
STREET SIDE YARD:	15	15	15	15	15	—
INTERIOR SIDE YARD:	5	5	5	5	5	—
REAR YARD:	10	10	10	10	10	—
MAXIMUM BUILDING COVERAGE:	50%	55%	60%	60%	70%	—
MAXIMUM IMPERVIOUS COVER:	60%	65%	70%	70%	80%	—
MAXIMUM FLOOR AREA RATIO	—	.75:1	.75:1	1:1	$\frac{1}{1}$ [—]	—

* See Section 25-2-561 (*Multifamily Residence Low Density District Regulations*).

** See Section 25-2-562 (*Multifamily Residence Medium Density District Regulations*).

*** See Section 25-2-563 (*Multifamily Residence Moderate-High Density and Multifamily Residence High Density District Regulations*).

PART 4. This ordinance takes effect on _____, 2016.

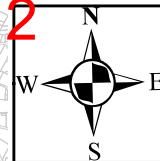
PASSED AND APPROVED

_____, 2016 § _____
 § _____
 § _____
Steve Adler
Mayor

APPROVED: _____ **ATTEST:** _____
Anne L. Morgan Jannette S. Goodall
City Attorney City Clerk

PROPOSED MF-6 BONUS

	Existing MF-6	Proposed MF-6	MF-6 With bonus	VMU
MINIMUM LOT SIZE (square feet):	8,000	8,000	8,000	Base district
MINIMUM LOT WIDTH:	50	50	50	Base district
MAXIMUM DWELLING UNITS PER LOT:	–	54/acre	–	–
MAXIMUM HEIGHT:	90	90	120	Base district
MINIMUM SETBACKS:				
FRONT YARD:	15	15	15	–
STREET SIDE YARD:	15	15	15	–
INTERIOR SIDE YARD:	5	5	5	–
REAR YARD:	10	10	10	Base district
MAXIMUM BUILDING COVERAGE:	70%	70%	70%	–
MAXIMUM IMPERVIOUS COVER:	80%	80%	80%	Base district
MAXIMUM FLOOR AREA RATIO	–	1:1	–	–
PARKING	Appendix A	Appendix A	60% of Appendix A	60% of Appendix A
ON-SITE AFFORDABLE HOUSING	NA	NA	REQUIRED: Owner: 10% @ 60% MFI for 99 Rental: 10% @ 60% MFI for 40 years PLUS: Proportional unit mix	REQUIRED: Owner: 5% @ 80% MFI for 99 years + 5% @ 100% MFI for 99 years Rental: 10% @ 80% MFI for 40 years



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Legend MF6_sites

RESOLUTION NO. 20151015-053

WHEREAS, the Imagine Austin Comprehensive Plan identifies affordable housing as a necessary resource “to grow Austin’s economy and provide its workforce with places to live that are safe, convenient, and located close to job centers, good schools, retail, and services,” [Imagine Austin, Page 194]; and

WHEREAS, Imagine Austin calls upon the City to develop “new goals, targets, and strategies to promote the distribution of affordable housing in all parts of the city, including incentives for affordable housing in new developments and for the preservation of existing rental units,” [Imagine Austin, Page 202]; and

WHEREAS, the vertical mixed use development bonus program, which requires on-site production of affordable units, has resulted in the generation of more than 300 affordable units geographically dispersed throughout the city and has stimulated the development of thousands of infill residential units; and

WHEREAS, while the VMU program has been successful in generating on-site units, the implementation of the program has been stymied by the existence of Multifamily Residence Highest Density (MF-6) district zoning, which affords entitlements similar or essentially equivalent to those permitted under the Vertical Mixed Use (VMU) combining district density bonus program without the need to generate affordable housing; **NOW, THEREFORE,**

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

The City Council initiates a code amendment to adjust the requirements of Multifamily Residence Highest Density (MF-6) district zoning to incorporate a density bonus program consistent with the intent of the Vertical Mixed Use (VMU) overlay.

BE IT FURTHER RESOLVED:

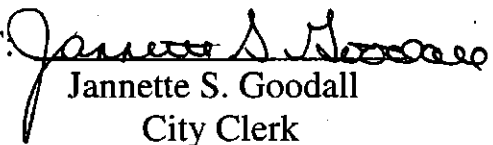
The City Manager is directed to work with the Planning Commission, the Community Development Commission, and other stakeholders in developing the specific requirements of the MF-6 density bonus program. To assist in starting the dialogue, the City Manager should prepare an ordinance for review and consideration that requires the provision of on-site affordable housing in exchange for achieving higher site development standards in excess of those established at a designated development baseline (for example, the development standards that can be achieved under Multifamily Residence Medium Density (MF-3) district zoning).

BE IT FURTHER RESOLVED:

Recognizing the need for immediate affordable housing relief, the City Manager is directed to bring forward this code amendment for council consideration within 120 days. The new program may serve as interim regulations until the CodeNEXT process is completed and the new Land Development Code is adopted.

ADOPTED: October 15, 2015

ATTEST:


Jannette S. Goodall
City Clerk



Affordability Impact Statement
 Neighborhood Housing and Community Development
 City Council Agenda: May 5, 2016
 Case No. C20-2015-017-MF-6

Proposed Code Amendment:	<p>The proposed amendment modifies the base MF-6 site development standards, such that the unlimited site area and floor to area ratio (FAR) are moved into a new bonus provision, in addition to reduced parking (60% of what would normally be required) and the ability to access up to 30 feet of additional height. These bonus provisions are available in return for on-site affordable housing (there is no fee-in-lieu option proposed). The new base MF-6 district would have a density and FAR cap, making it closer to the MF-5 district than it is in the current code. As a whole the new MF-6 density bonus closely mimics vertical mixed use (VMU) in its bonus provisions. Case NO. C20-2015-017 MF-6 Density Bonus</p>
Impact on implementation of Imagine Austin vision, goals and priorities related to household affordability	<p><input checked="" type="checkbox"/> Positive <input type="checkbox"/> Negative <input type="checkbox"/> Neutral</p> <p>The proposed amendments will not impede the implementation of the following Imagine Austin Building Blocks:</p> <p>Priority Program 6: Develop and maintain household affordability throughout Austin –</p> <p>Examine potential regulatory barriers and policies that impede the provision of household affordability, including infrastructure costs; the costs and benefits of zoning ordinances on housing development; and how the City's waste removal fees and other City fees and requirements impact the cost of living for the families of Austin.</p> <p>The proposed amendment may have a positive impact on the development of affordable housing by creating a new density bonus for the MF-6 zoning district that incentivizes on-site affordable housing. This proposed ordinance does not provide an option to pay a fee-in-lieu of affordable housing.</p>
Impact on regulatory barriers to affordable housing development	<p><input checked="" type="checkbox"/> Positive <input type="checkbox"/> Negative <input type="checkbox"/> Neutral</p> <p>The proposed amendment creates a new density bonus for the MF-6 zoning district that incentivizes on-site affordable housing. In return for on-site affordable housing, the density bonus provides:</p> <ul style="list-style-type: none"> o No site area requirement o No FAR limit o Reduced parking requirement o Up to 30 feet of additional height <p>This ordinance may have a positive impact on regulatory barriers to affordable housing by creating a requirement for on-site affordable housing in exchange for density bonuses accessed under MF-6 zoning. This proposed ordinance does not provide an option to pay a fee-in-lieu of affordable housing.</p>
land use / zoning opportunities for affordable housing development	<p><input checked="" type="checkbox"/> Positive <input type="checkbox"/> Negative <input type="checkbox"/> Neutral</p>

	This ordinance may have a positive impact on the land use / zoning opportunities for affordable housing by creating the requirement for on-site affordable housing in exchange for density bonuses accessed under MF-6 zoning. This proposed ordinance does not provide an option to pay a fee-in-lieu of affordable housing.
Impact on cost of development	<input checked="" type="checkbox"/> Positive <input type="checkbox"/> Negative <input type="checkbox"/> Neutral No foreseen impact on cost of development.
Impact on production of affordable housing	<input checked="" type="checkbox"/> Positive <input type="checkbox"/> Negative <input type="checkbox"/> Neutral The proposed amendment may have a positive impact on the production of affordable housing by creating the requirement for on-site affordable housing in exchange for density bonuses accessed under MF-6 zoning. This proposed ordinance does not provide an option to pay a fee-in-lieu of affordable housing.
Proposed Changes Impacting Housing Affordability:	The proposed amendment may have a positive impact on affordable housing by creating the requirement for on-site affordable housing in exchange for density bonuses accessed under MF-6 zoning. This proposed ordinance does not provide an option to pay a fee-in-lieu of affordable housing.
Alternative Language to Maximize Affordable Housing Opportunities:	We continue to work towards aligning our density bonus programs and therefore, Neighborhood Housing and Community Development (NHCD) recommends the owner-occupied units MFI be changed from the proposed 60% MFI to 80% MFI. The proposed 60% MFI for owner-occupied units is inconsistent with NHCD's federally funded programs and with the City's current Density Bonus programs.
Date Prepared:	April 20, 2016
Director's Signature:	<i>Rh Copie for Betsy Spencer</i>