

A scenic view of a city skyline across a body of water. The skyline includes several tall buildings, with a prominent one in the center. The water reflects the buildings and the sky. There are green trees and bushes in the foreground on the right side.

Downtown Density Bonus Program Outcomes Training

**Design Commission meeting
August 28, 2017**

Design Commission: Mission Statement

§ 2-1-129 - DESIGN COMMISSION.



(A) The Design Commission membership should include a diverse group of persons having expertise in urban design, architecture, landscape architecture, historic preservation, civic art, real property development, construction, and economic development.

1

(B) The commission shall provide advisory recommendations to the city council as requested by the city council to assist in developing public policy and to promote excellence in the design and development of the urban environment.

2

(C) The commission shall:

(1) offer policy recommendations regarding specific issues of urban design;

(2) participate in developing design guidelines;

(3) unless otherwise directed by the city council, for projects that require the approval of the Planning Commission or the Zoning and Platting Commission:

(a) review a project only after a formal request by the project sponsor or applicant; and

(b) complete the review before the respective Planning or Zoning and Platting Commission takes final action;

(4) provide citizen education and outreach regarding quality urban design;

(5) provide a venue for citizen input on the design and development of the urban environment;

(6) maintain liaison relationships with city staff and other boards and commissions; and

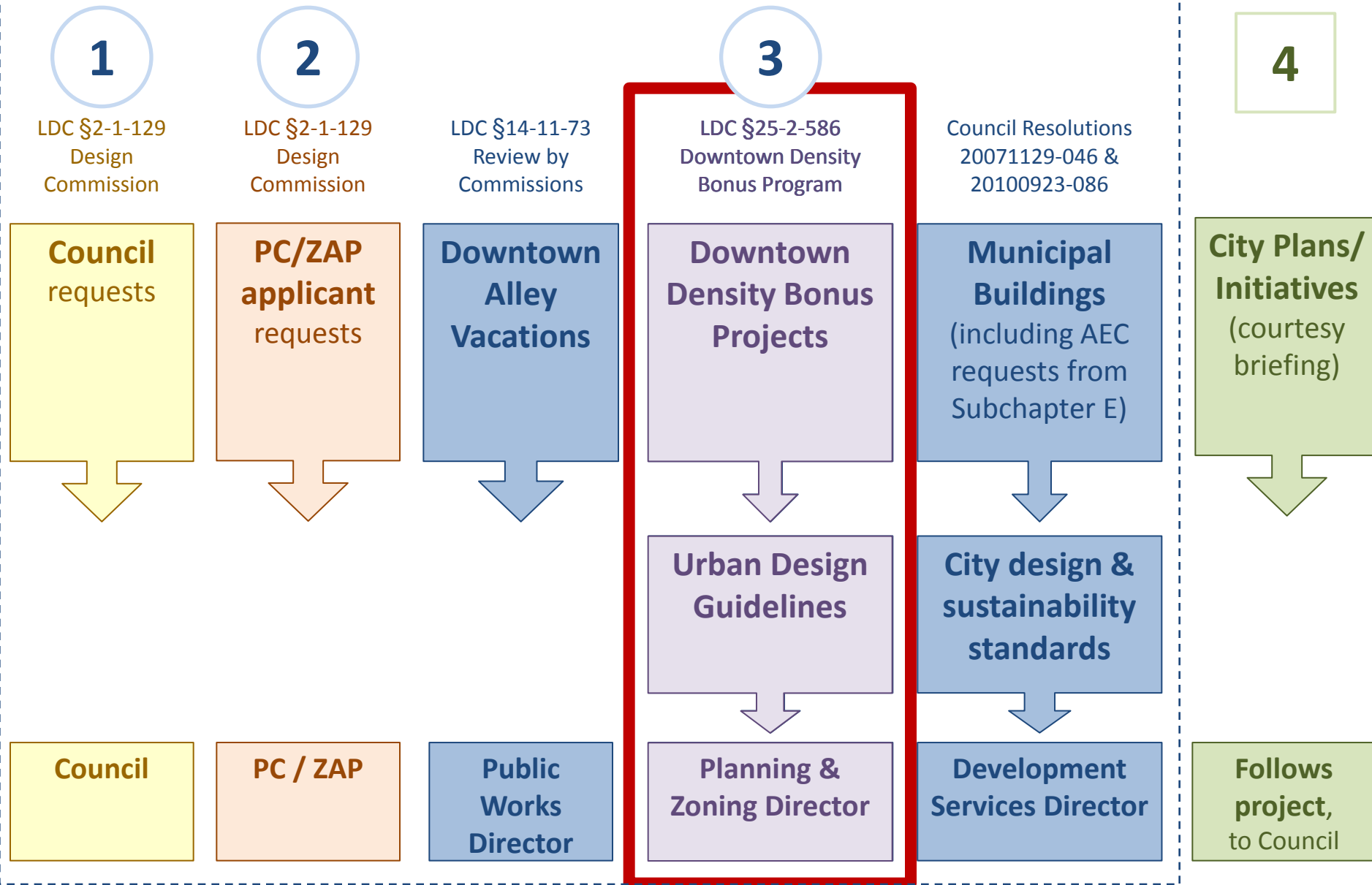
3

(7) perform other activities as directed by the city council.

(D) The commission may appoint one or more of its members to serve as liaison to a project-specific community advisory group addressing urban design and planning issues at the formal request of the project sponsor.

Source: Ord. 20071129-011.

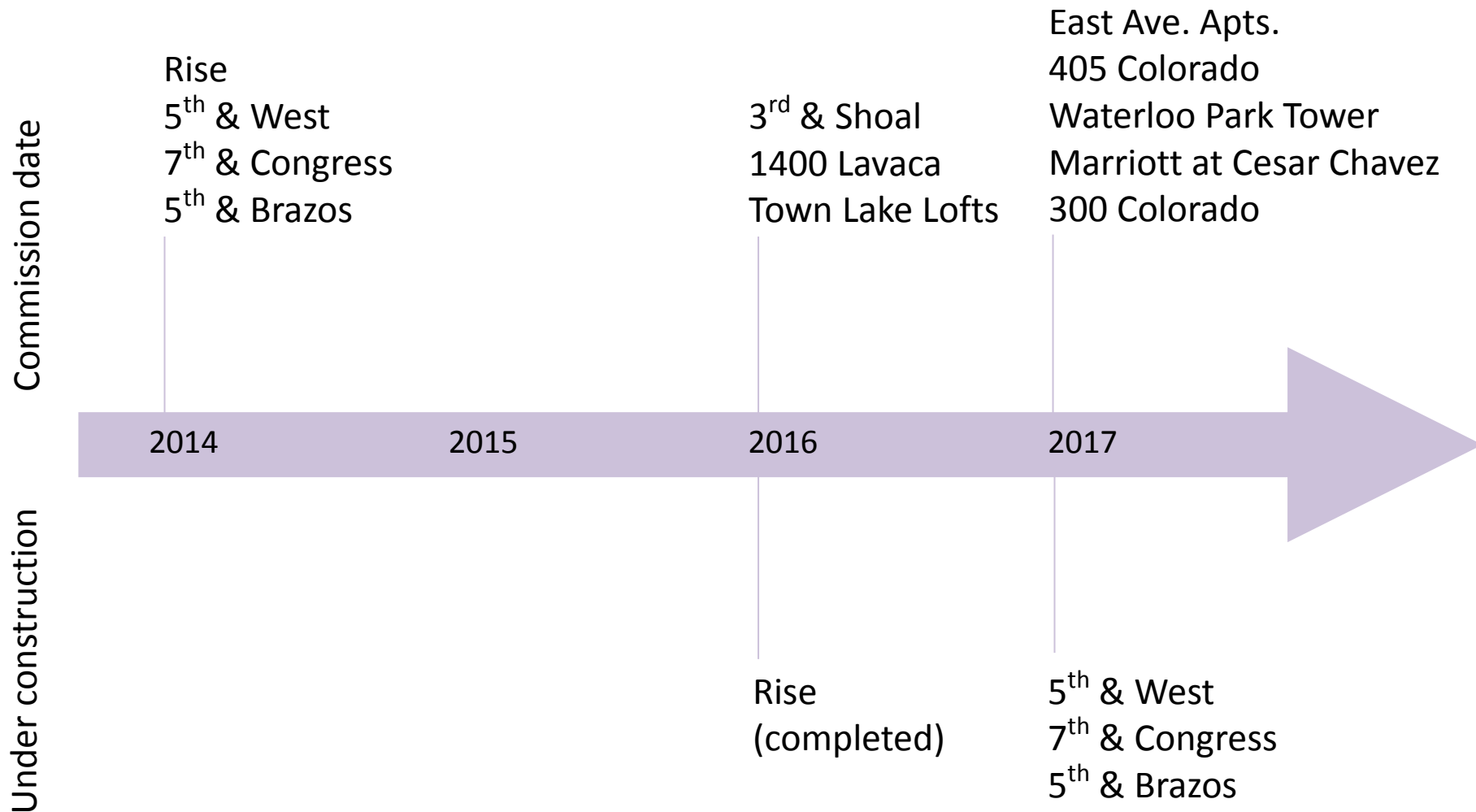
Design Commission: Projects Reviewed



Program Summary: Project Types & Locations

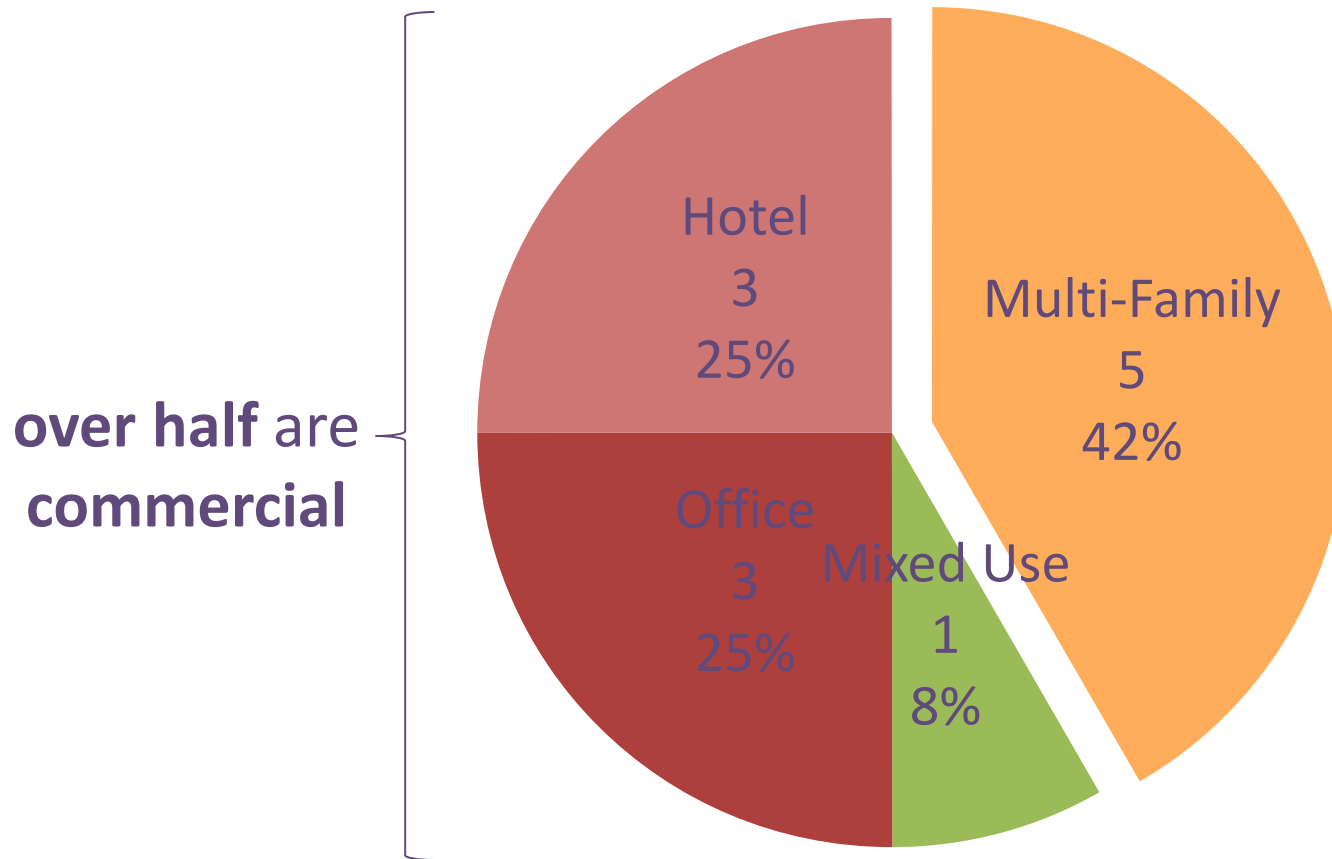


Downtown Density Bonus: Program Summary



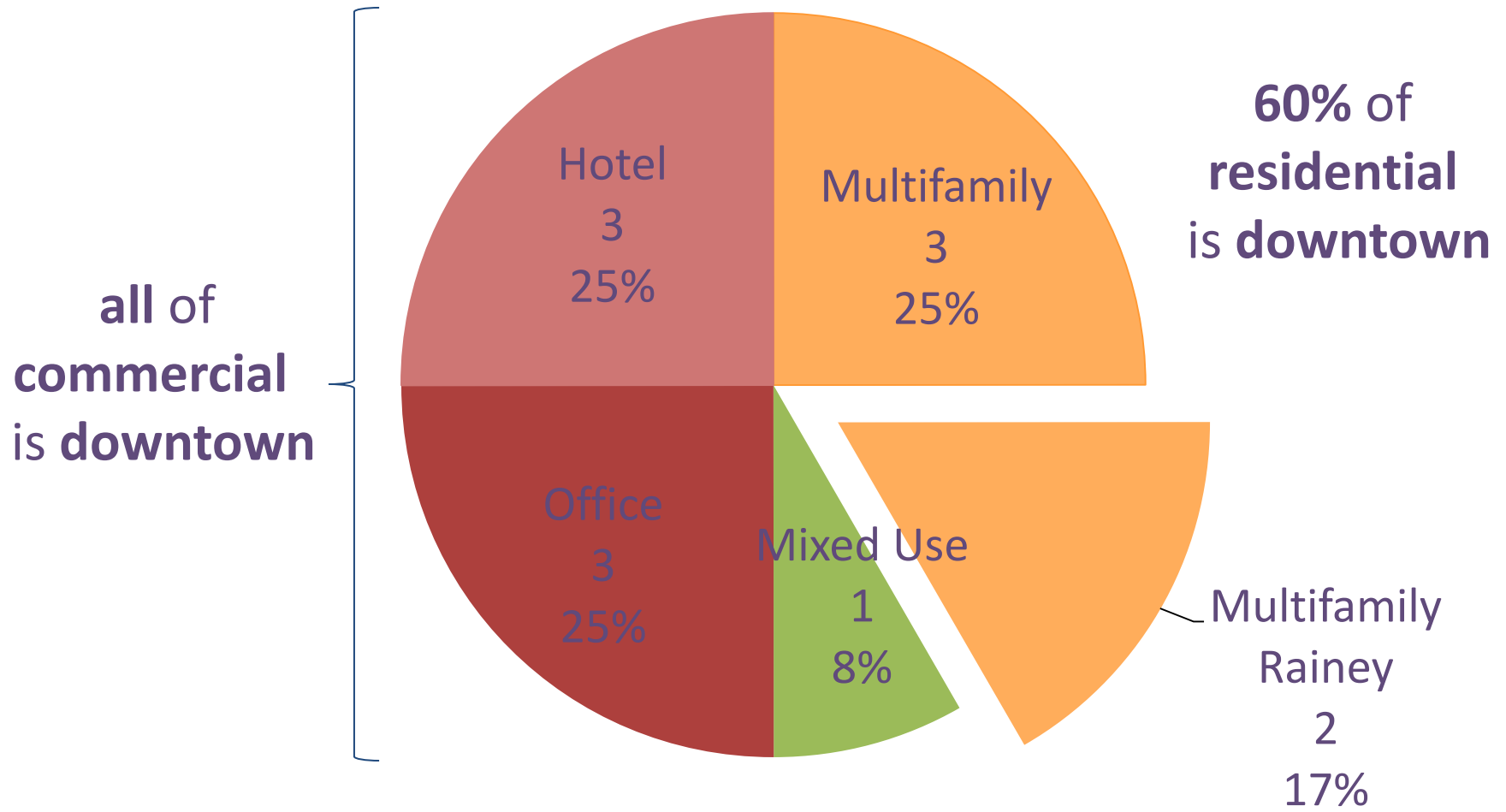
Downtown Density Bonus: Program Summary

Applications, by Type



Downtown Density Bonus: Program Summary

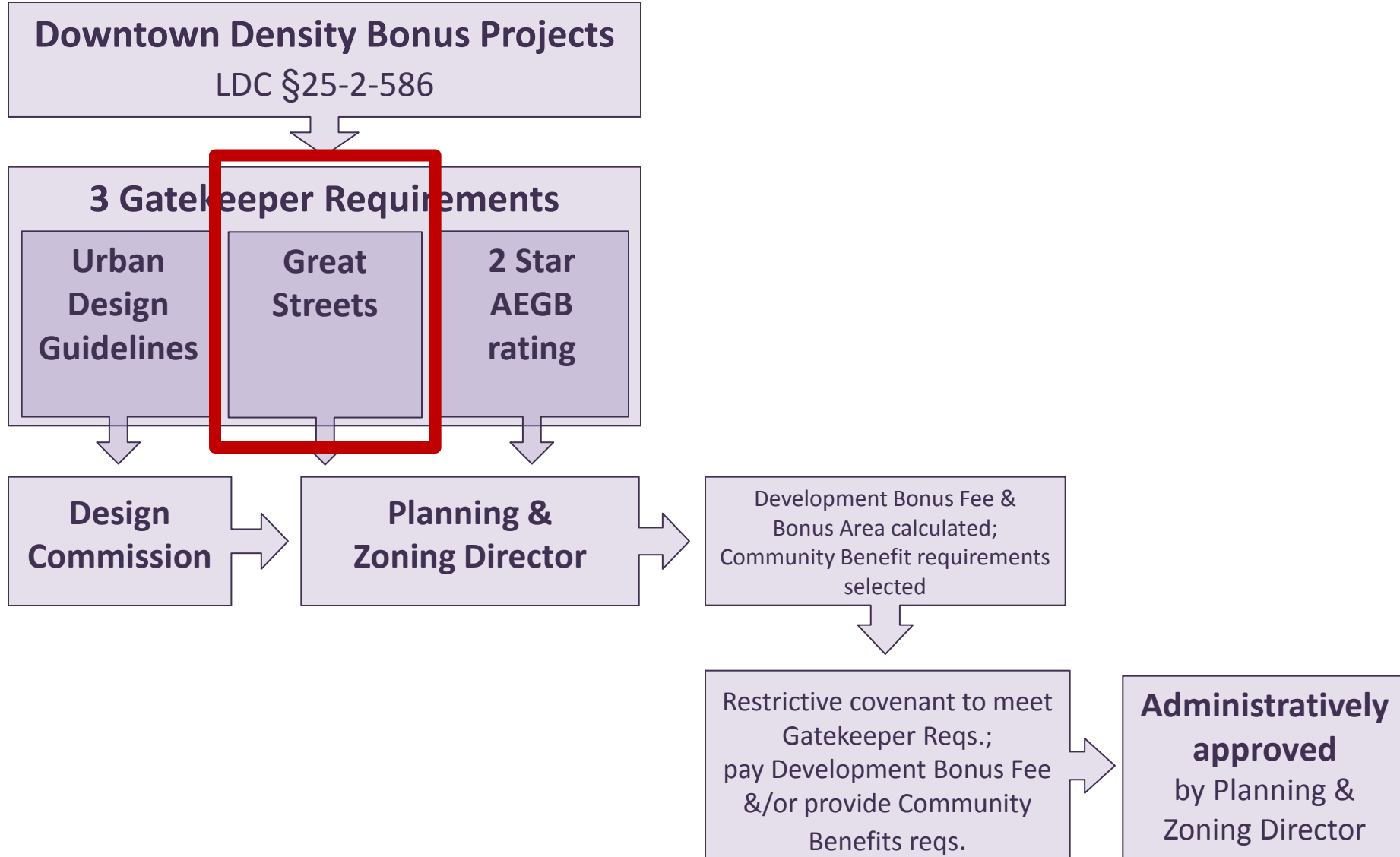
Applications, by Type & Location



Gatekeeper Outcomes
(n=12):
Great Streets



Downtown Density Bonus: **Approval Process**



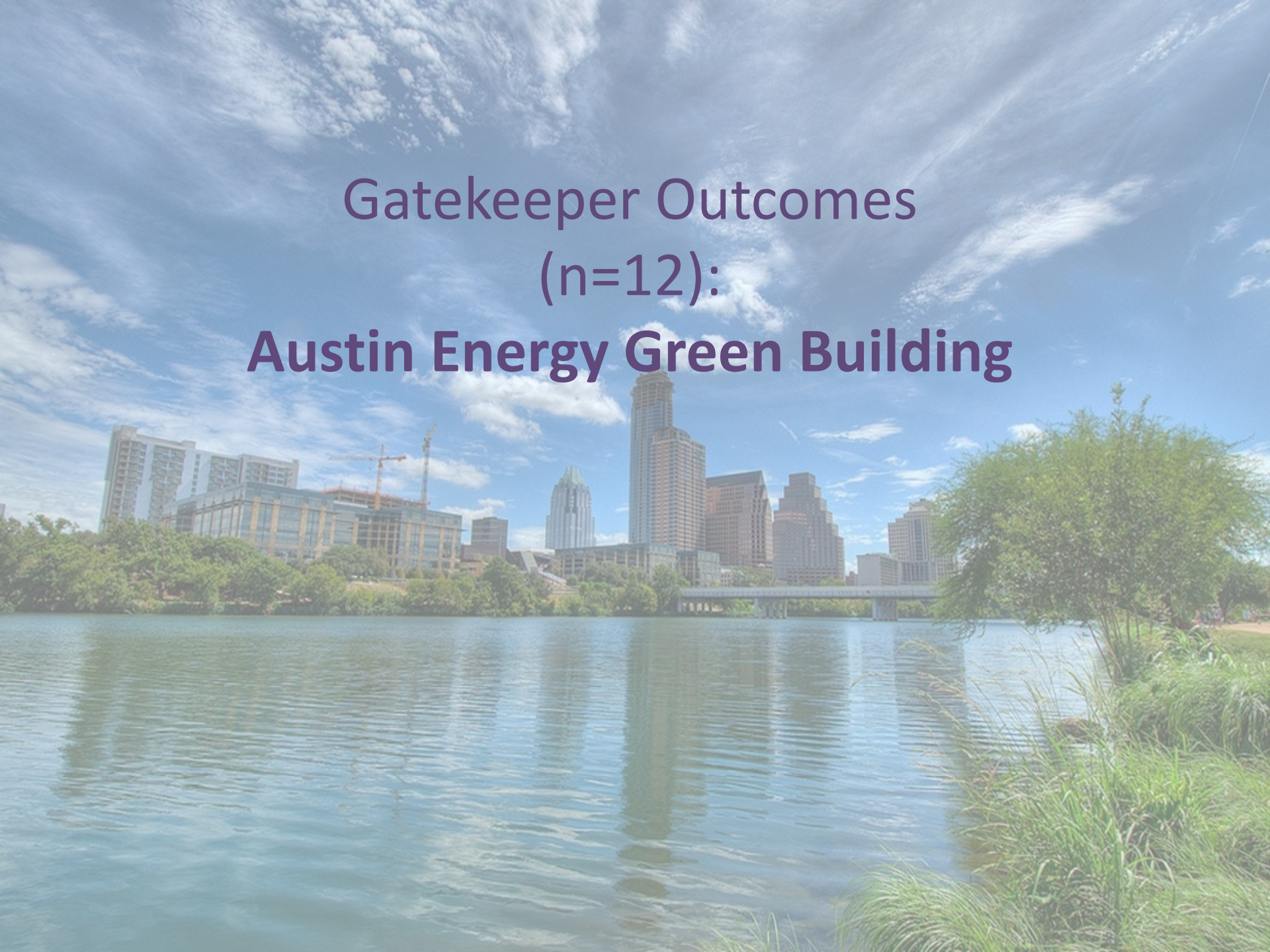
Gatekeeper Outcomes: Great Streets

		Subchapter E	
	Great Streets (GS)	Core Transit Corridor (CTC)	Urban Roadway (UR)
sidewalks (linear feet)	18'	15'	12'
pedestrian zone (linear feet)	10'	8'	7'
furniture zone (linear feet)	8'	7'	5'
trees (feet on center)	22'	30'	0'
min. caliper (inch)	5"		
canopy height (feet)	14-16'		
light poles (feet on center)	88'	0	0
furniture (pieces per block face)	14	0	0
benches (per block face)	4	0	0
bike racks (per block face)	8	0	0
waste bins (per block face)	2	0	0

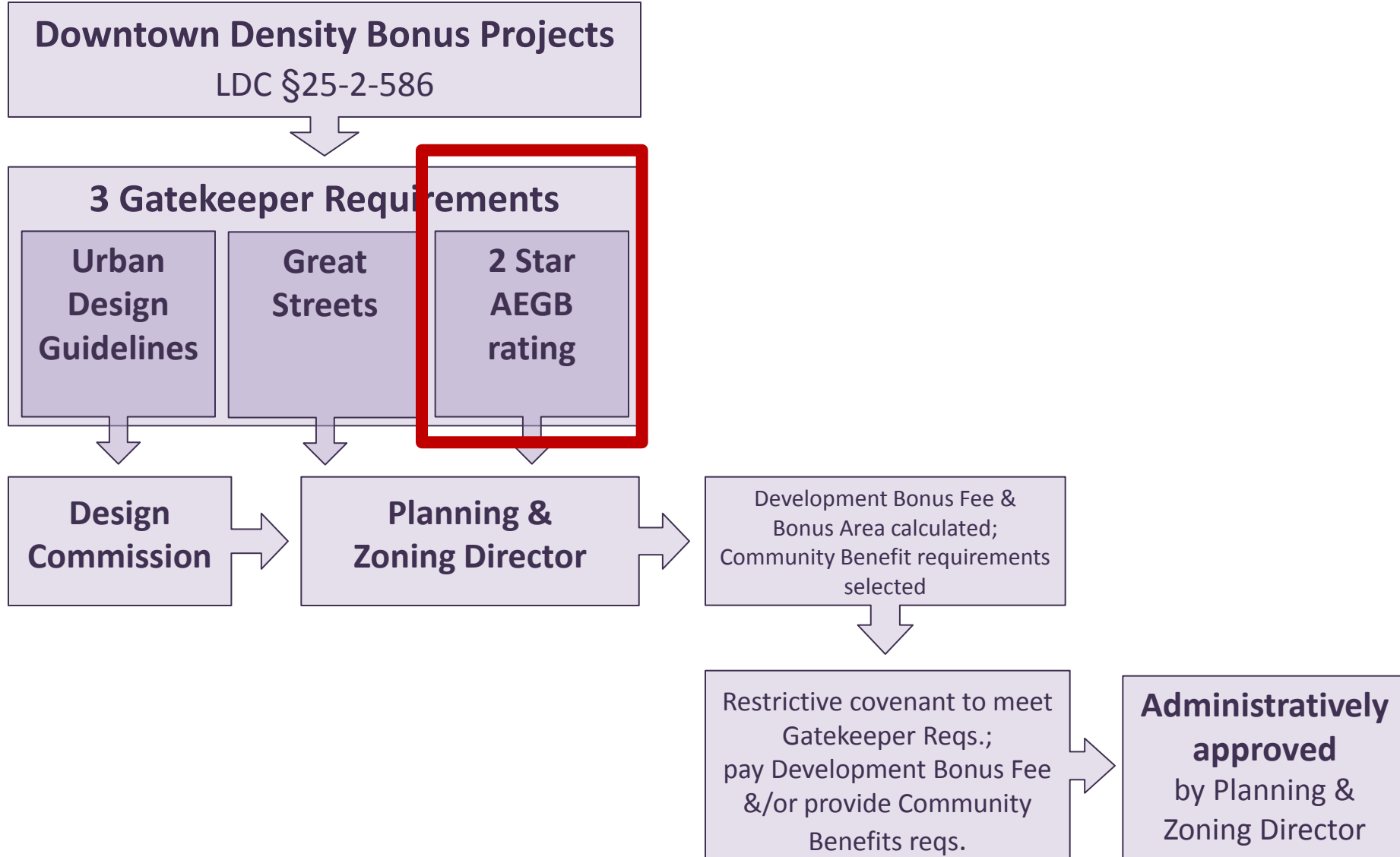
Gatekeeper Outcomes: Great Streets

	Estimated Amenity Price	Average #/ Project (n=10)	Average \$/ Project (n=10)
Trees (tree, well, frame only)	\$8,000	11	\$88,000
Light pole (foundation only)	\$2,500	4	10,000
Benches	\$3,000	4	\$12,000
Bike racks	\$700	14	\$9,800
Waste bins	\$2,800	2	\$5,600
Estimated Total Value			\$125,4000

Gatekeeper Outcomes
(n=12):
Austin Energy Green Building



Downtown Density Bonus: **Approval Process**



Gatekeeper Outcomes: AEGB 2 Star

AUSTIN ENERGY GREEN BUILDING

2/2

Report on the Downtown Density Bonus

August 2017

AEGB Commercial Rating	Star Levels
1 Star	Basic Requirements
2 Stars	35-44 points
3 Stars	45-54 points
4 Stars	55-74 points
5 Stars	75 points or more

An Austin Energy Green Building 2-Star rating is required for the Downtown Density Program. 2-Star ratings are earned when a project team demonstrates that it meets all of the Basic Requirements for a 1-Star rating plus 35 to 44 additional selected points across the categories of Integrated Design, Site, Energy, Water, Indoor Environmental Quality, Materials & Resources, Education & Equity and Innovation. Projects seeking two or more stars receive comprehensive sustainability consulting services.

Additional Downtown Density Bonus participants are progressing through the AEGB rating process and their results will be reported as the projects are finalized. The cumulative impact of Austin Energy's thirty years of energy efficiency savings has ensured that energy costs in Austin are among the lowest in Texas. Together, the Downtown Density Bonus team, AEGB and other COA programs/initiatives are working to build a Compact & Connected Austin.

Gatekeeper Outcomes: AEGB 2 Star

AUSTIN ENERGY GREEN BUILDING

2/2

Report on the Downtown Density Bonus

August 2017

Austin Energy Green Building 2-Star project consistently demonstrate higher levels of achievement across ratings categories when compared to a 1-Star project. The average 2-Star AEGB project is characterized by:

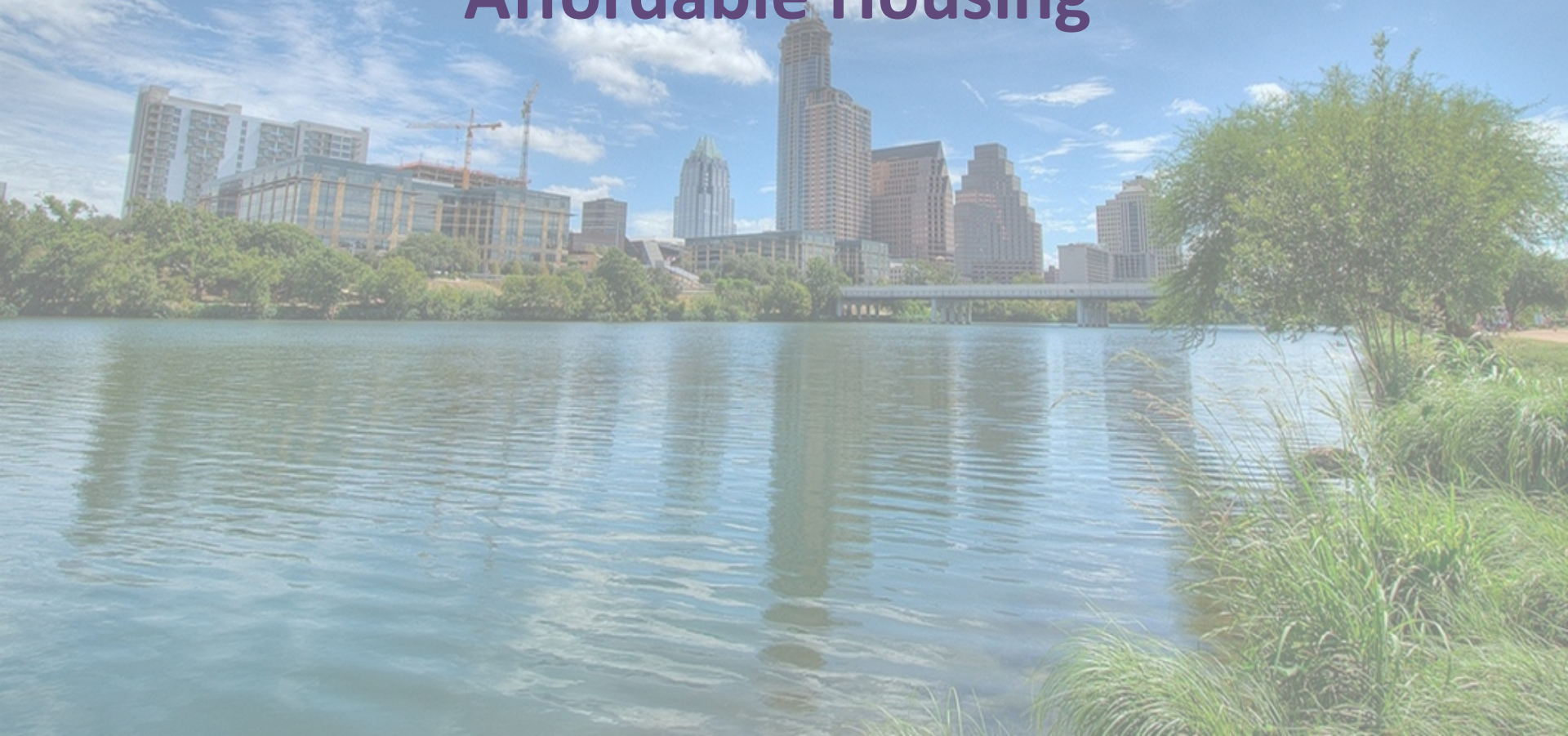
- » 30% Total Energy savings
- » 31% Indoor Water savings
- » 75% Construction Waste Management diversion
- » 9 points for selecting walkable sites within high-density, desired development zones
- » 3 points in the Sustainably Sourced Material category
- » 3 points in the Low-Emitting Materials category



The Aspen Heights Apartments (The Rise on 8th) at 805 Nueces is the first completed Downtown Density Bonus participant. Highlights of the project's AEGB 2-Star rating include:

- 7% Energy Savings
- Water Savings of 25% Indoor, 52% Process, and 78% Irrigation
- 77% Construction Waste Diverted
- 3 points in the Sustainably Sourced Materials category: 15% Recycled and 39% Texas Sourced
- 3 points in Low-Emitting Materials category: Sealants & Adhesives, Insulation and Ceiling & Wall Systems

Community Benefits Outcomes
(n=6, multifamily only):
Affordable Housing



Design Commission: Mission Statement

CURE and DDBP, Austin's \$50 million zoning question

Mar 27, 2013, 2:49pm CDT

Robert Grattan

Staff Writer

Austin Business Journal

SPONSORED CONTENT

7 reasons businesses should switch to an automated expense management solution

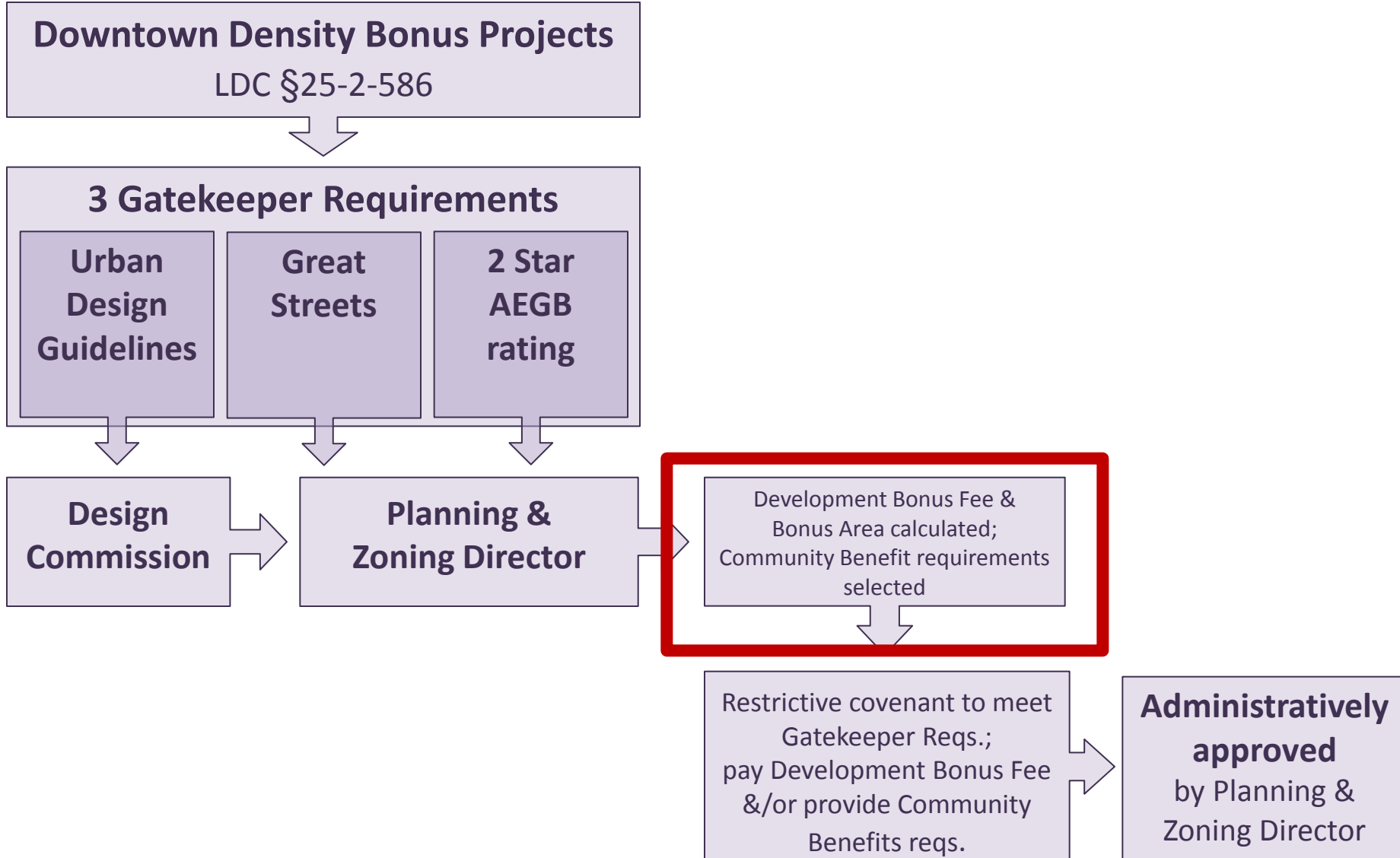
How much would developers have had to pay in community benefits in 2000 if the city had granted zoning [using the Downtown Density Bonus Program instead of Central Urban Redevelopment?](#) Roughly \$53.6 million in affordable housing contributions, according to a [spreadsheet of zoning projects](#) released by the city of Austin.

That's most likely a lot more in community benefits than they ended up paying under Central Urban Redevelopment, or CURE as it's commonly referred to.



Data from the city of Austin shows that the Green Water Treatment Plant redevelopment... [more](#)

Downtown Density Bonus: **Approval Process**



Downtown Density Bonus: Commercial Downtown

Bonus Area
(max.
25:1 FAR)

Current
Entitlement
(~8:1 FAR)



Development Type	Downtown District	Development Bonus Fee (\$/SqFt Bonus Area)
Residential	Core/Waterfront District	\$10/SqFt Bonus Area
	Lower Shoal Creek & Rainey Street Districts	\$5/SqFt Bonus Area
	All other districts	\$3/SqFt Bonus Area
Office	All districts	No Fee
Hotel	All districts	No Fee

= \$0

(Development Bonus Fee)

at least **50%** to
Affordable Housing
Community Benefits Requirement



\$0

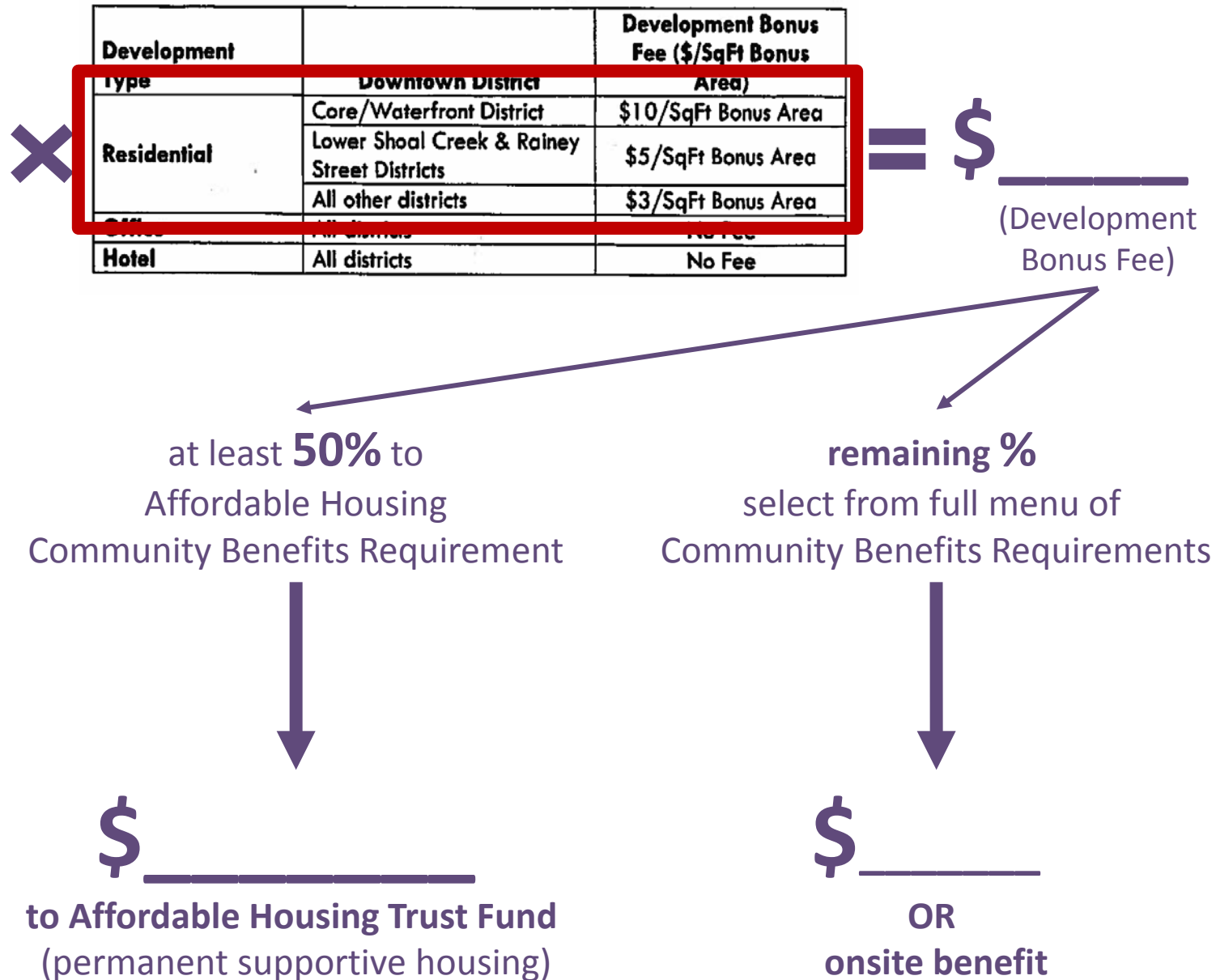
to Affordable Housing Trust Fund
(permanent supportive housing)

remaining %
select from full menu of
Community Benefits Requirements



\$0

Downtown Density Bonus: Residential Downtown



Downtown Density Bonus: Rainey Street District

Development Type	Downtown District	Development Bonus Fee (\$/SqFt Bonus Area)
	Core/Waterfront District	\$10/SqFt Bonus Area
Residential	Lower Shoal Creek & Rainey Street Districts	\$5/SqFt Bonus Area
	All other districts	\$3/SqFt Bonus Area
Office	All districts	No Fee
Hotel	All districts	No Fee



\$ _____

(Development Bonus Fee)

Bonus Area
(max.
15:1 FAR)

at least **50%**

to Affordable Housing
Community Benefits
Requirement

remaining %

select from menu of
Community Benefits
Requirements



5%
of units



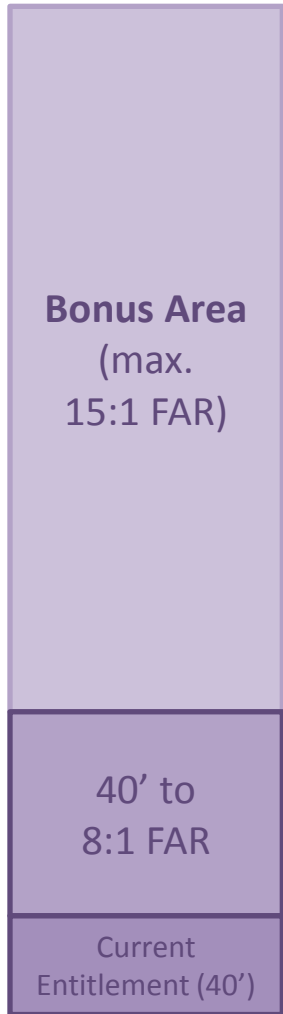
\$ _____

\$ _____

**Affordable Onsite
Units (80% MFI)**

**to Affordable Housing Fund
(permanent supportive housing)**

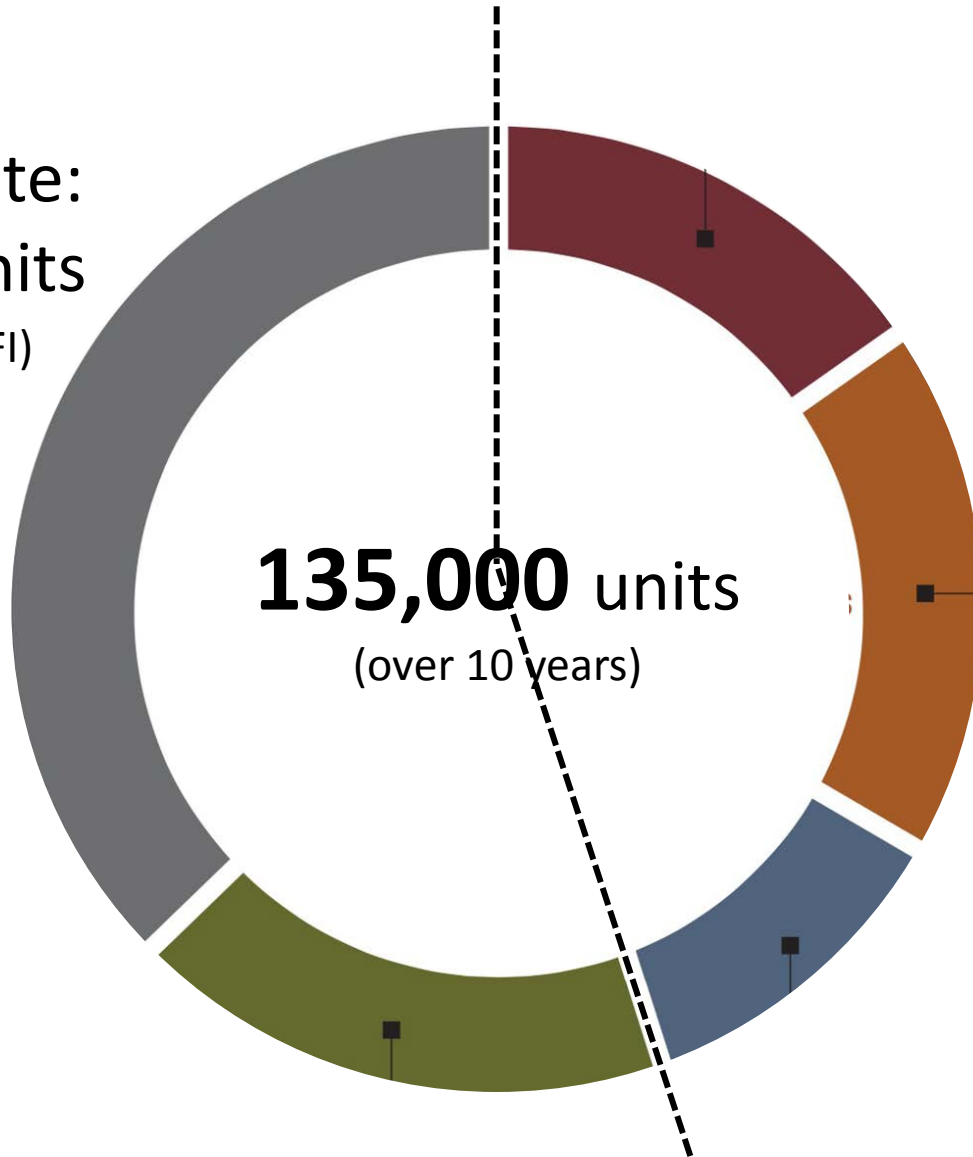
**OR
onsite benefit**



Downtown Density Bonus + Austin Strategic Housing Blueprint

market rate:
75,000 units
(above 80% MFI)

affordable:
60,000 units
(at or below 80% MFI)



135,000 units
(over 10 years)

Downtown Density Bonus + Austin Strategic Housing Blueprint

market rate:
75,000 units
(above 80% MFI)

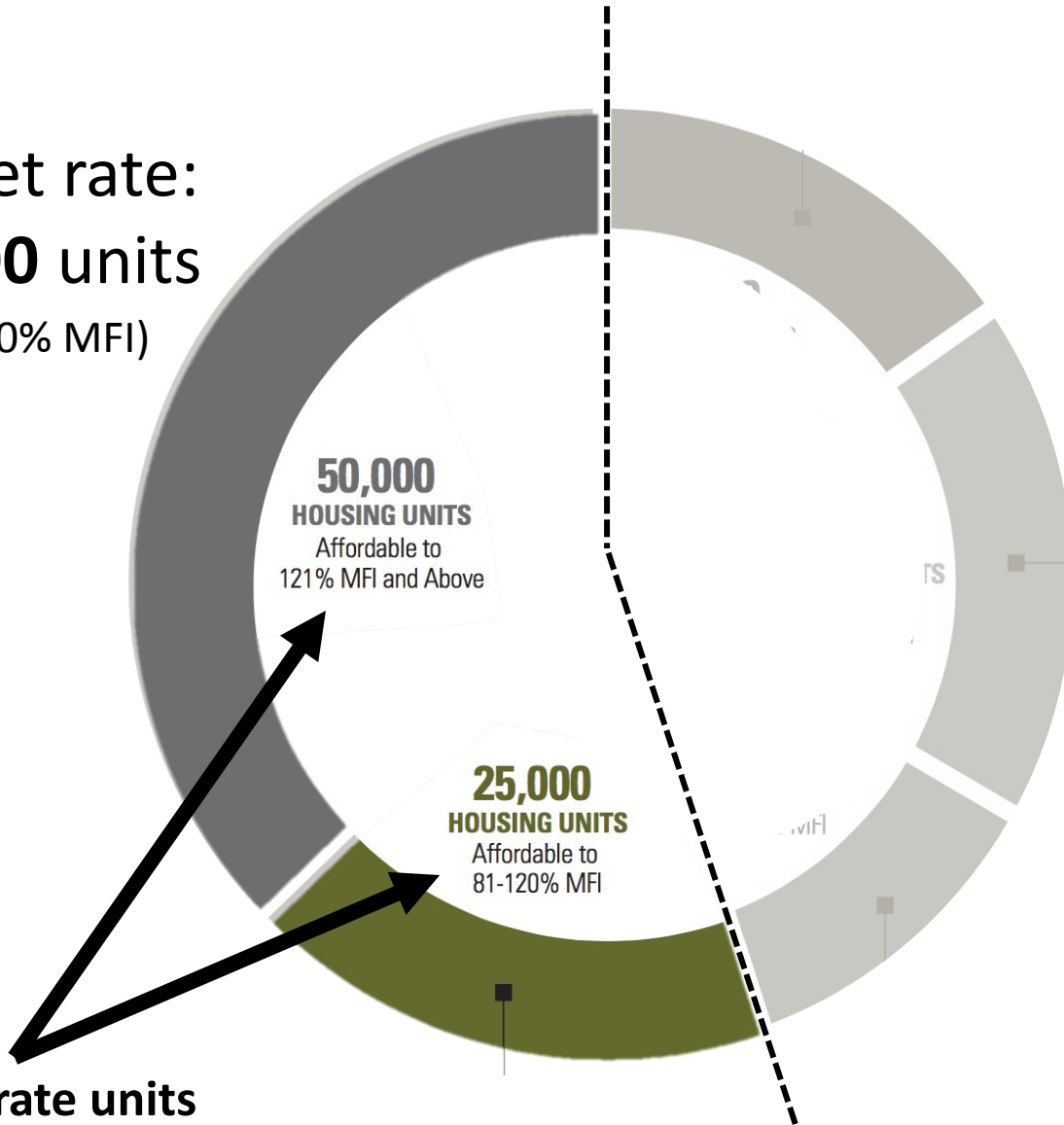
50,000
HOUSING UNITS
Affordable to
121% MFI and Above

25,000
HOUSING UNITS
Affordable to
81-120% MFI

75% of new units
within ½ mi. of Imagine
Austin Centers &
Corridors

56,250 units

Market rate units
(above 80% MFI)



Downtown Density Bonus + Austin Strategic Housing Blueprint

AMI maximums	income upper bound	Number and % of Renters		Number of rental units, 2012 ACS	% of rental units	Rental Gap
0-30% AMI	\$22,600	54,104	30%	13,895	7%	(40,208)
31-50% AMI	\$37,700	33,803	19%	69,808	37%	36,005
51-80% AMI	\$60,300	38,029	21%	71,057	38%	33,028
81-95% AMI	\$71,630	13,015	7%	16,995	9%	3,979
96-120% AMI	\$85,956	11,275	6%	10,226	5%	(1,049)
121-150% AMI	\$113,100	12,887	7%	6,630	4%	(6,258)
More than 150%	\$113,101	16,092	9%	-	0%	(16,092)
Total		179,205	100%	188,611	100%	49,614

Rental gaps at **lowest** & **highest** income brackets

Overall gap

Downtown Density Bonus + Austin Strategic Housing Blueprint

		Number and % of		Number of	% of	
AMI maximums	income upper bound	Renters		rental units, 2012 ACS	rental units	Rental Gap
0-30% AMI	\$22,600	54,104	30%	13,895	7%	(40,208)
31-50% AMI	\$37,700	33,803	19%	69,808	37%	36,005
51-80% AMI	\$60,300	38,029	21%	71,057	38%	33,028
81-95% AMI	\$71,630	13,015	7%	16,995	9%	3,979
could rent/buy downtown { 96-120% AMI	\$85,956	11,275	6%	10,226	5%	(1,049)
121-150% AMI	\$113,100	12,887	7%	6,630	4%	(6,258)
More than 150%	\$113,101	16,092	9%	-	0%	(16,092)
Total		179,205	100%	188,611	100%	49,614

competition for more moderately priced units

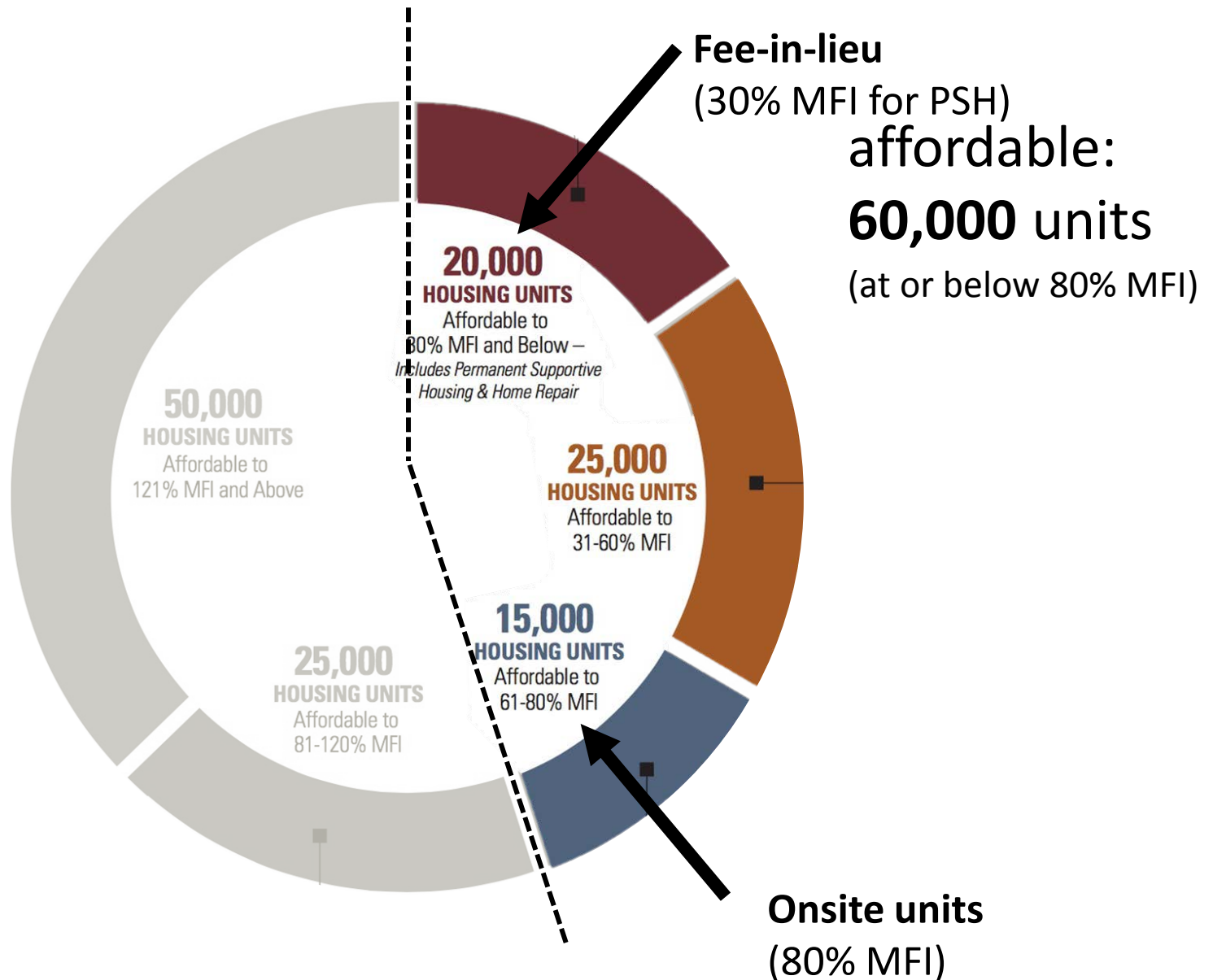
↑ rent "down"

↑ limited supply

Downtown Density Bonus + Austin Strategic Housing Blueprint

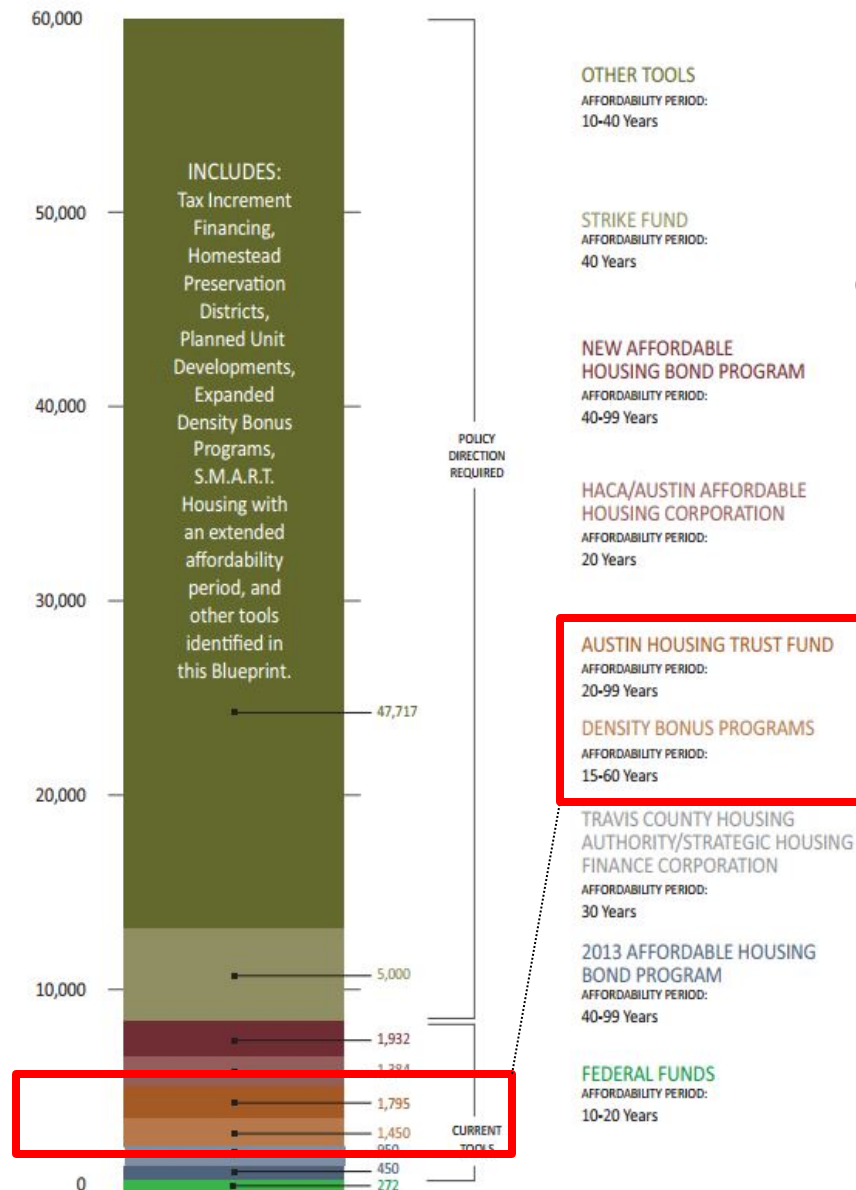
Market Rate (above 80% MFI)	Average Project (n=6)	Program Total (n=6)	City Goal: Market Rate	City Goal: 75% new units in IACP
Market Rate Units (Multifamily only, n=6)	~300 units	~1,500 units	7,000 units	5,625 units
	6 applications over 3 years		average needed per year, for 10 years	

Austin Strategic Housing Blueprint (2016)



Downtown Density Bonus + Austin Strategic Housing Blueprint

FUNDING MECHANISMS AND TOOLS FOR 60,000 AFFORDABLE UNITS
(UP TO 80% MFI) IN 10 YEARS

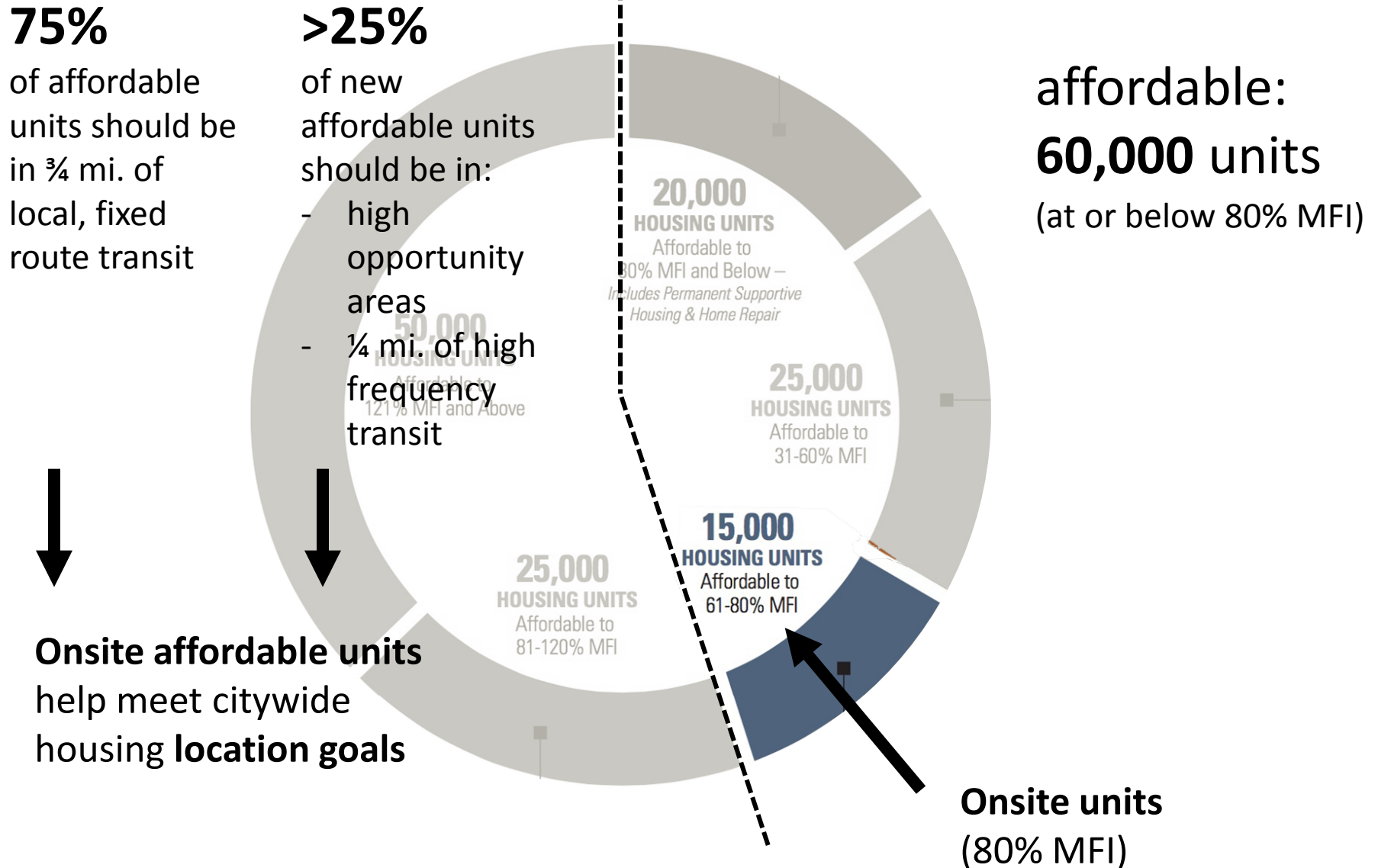


affordable:
60,000 units
over 10 years

fees

on-site
affordable
units

Austin Strategic Housing Blueprint (2016)



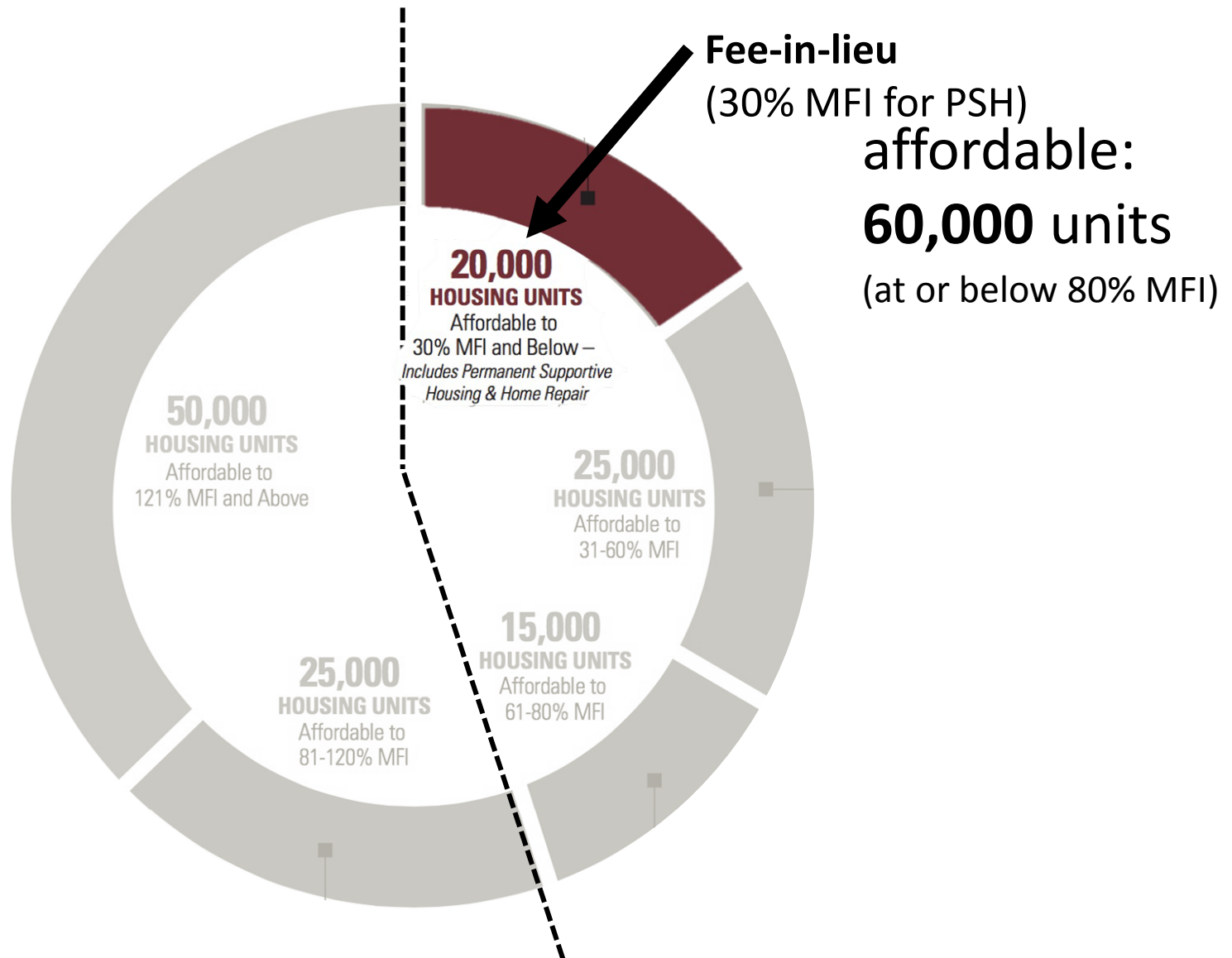
Downtown Density Bonus + Austin Strategic Housing Blueprint

Onsite Affordable Units (80% MFI)	Average Project (n=2)	Program Total (3 years)	Goal: All Density Bonus programs	City Goal: 61-80% MFI Affordable Housing	City Goal: 25% in High Opp.	City Goal: 75% in ¼ mi of fixed transit
On-site Affordable Units (Multifamily only, n=2, Rainey St. District)	7 units	14 units	145 units	1,500 units	1,500 units	4,500 units
			Average per year, for 10 years			

Downtown is one of the **most expensive** places to **build** due to **high land prices & construction costs** due to building type (steel construction, high rise, underground parking).

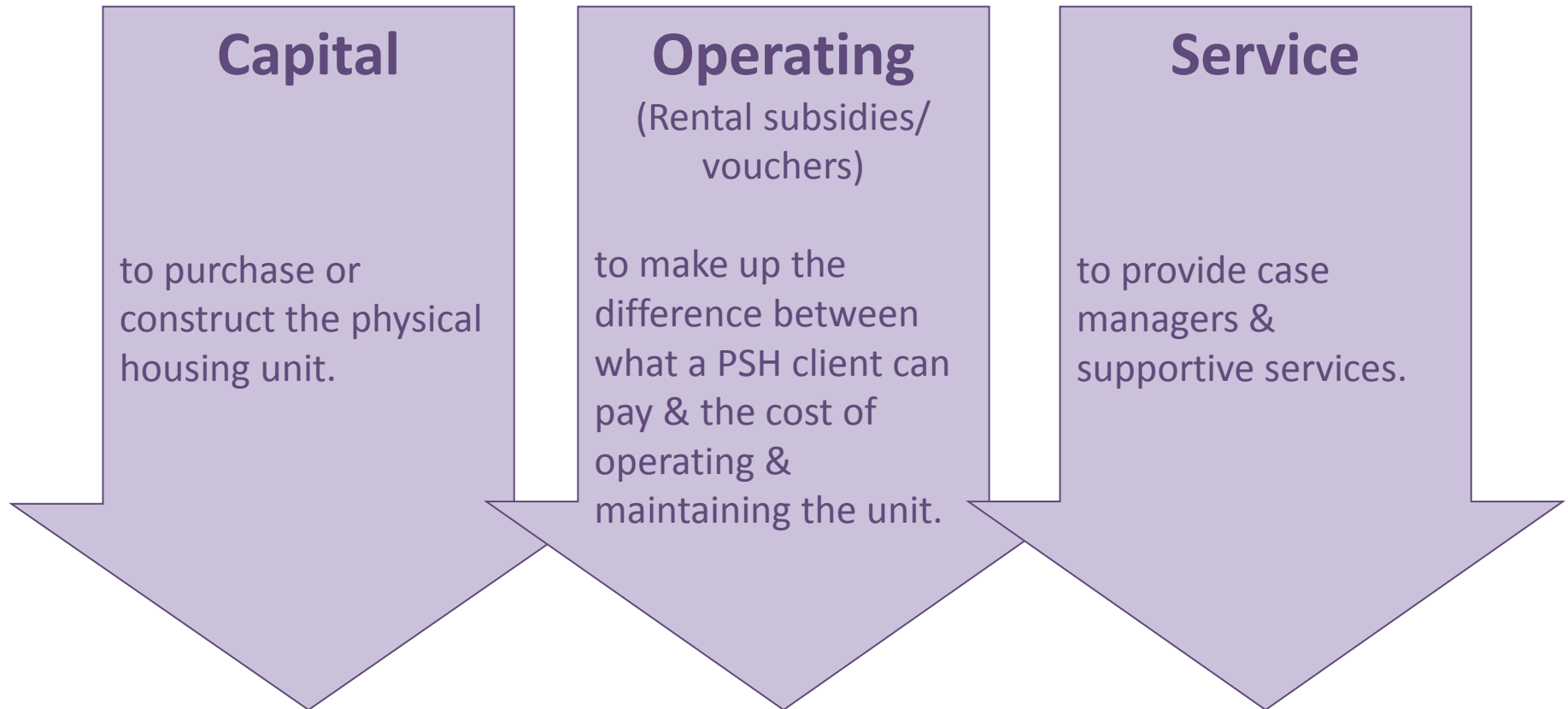
Density bonus programs can provide **limited numbers** of **affordable** on-site units in **high opportunity areas**.

Austin Strategic Housing Blueprint (2016)



Downtown Density Bonus + **Austin Strategic Housing Blueprint**

3 Funding Streams for PSH Units



Downtown Density Bonus + Austin Strategic Housing Blueprint

Affordable Housing Fees (30% MFI)	Downtown Density Bonus Program		Permanent Supportive Housing (PSH)		
	Average Fees per Project	Total Fees Anticipated for Program	NHCD's funding	Estimated Capital Funding Needed	Cost to build a PSH project
Fee in lieu	\$1.0 M	\$6.3 M	\$80 K per PSH unit	\$45.5 M	\$5.5 - \$20.5 M

Multifamily only (n=6)

PART 3. Ten square feet of bonus area shall be granted for each one square foot of dwelling unit devoted to on-site affordable housing as defined in 25-2-586(E)(1)(a).

PART 4. The fee to be paid into the Affordable Housing Trust fund for each square foot of bonus area, as set forth in 25-2-586(B), is established in the Downtown Development Bonus Fee table in Figure 3.

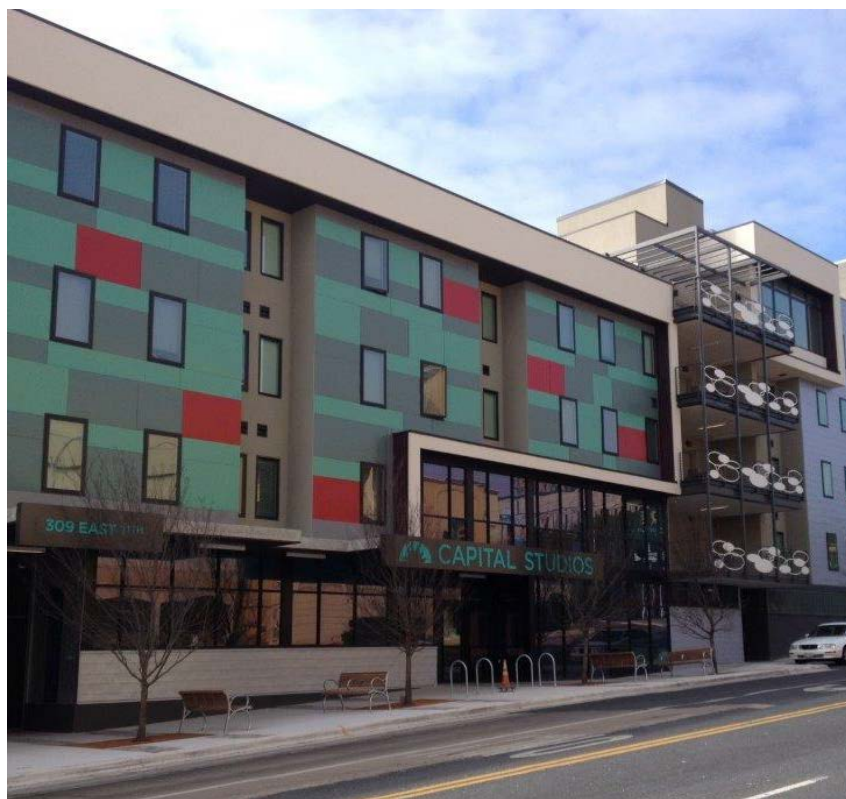
PART 5. Monies generated by the fee in Section 25-2-586(E)(1)(a)(ii) shall be prioritized for permanent supportive housing for low barrier approaches for the chronic homeless.

Permanent Supportive Housing Example

Capital Studios (San Jacinto & 11th St)

Foundation Communities

2014



- **\$20.5 million** to build
- **135 efficiency** units
- At or below **30% MFI**
 - \$428-712/mo. rent
- Services:
 - education, financial stability, and healthy living
- 1st affordable housing community built in downtown in 45 years

Permanent Supportive Housing Example

The Works at Pleasant Valley (N. Pleasant Valley & Lyons Rd)

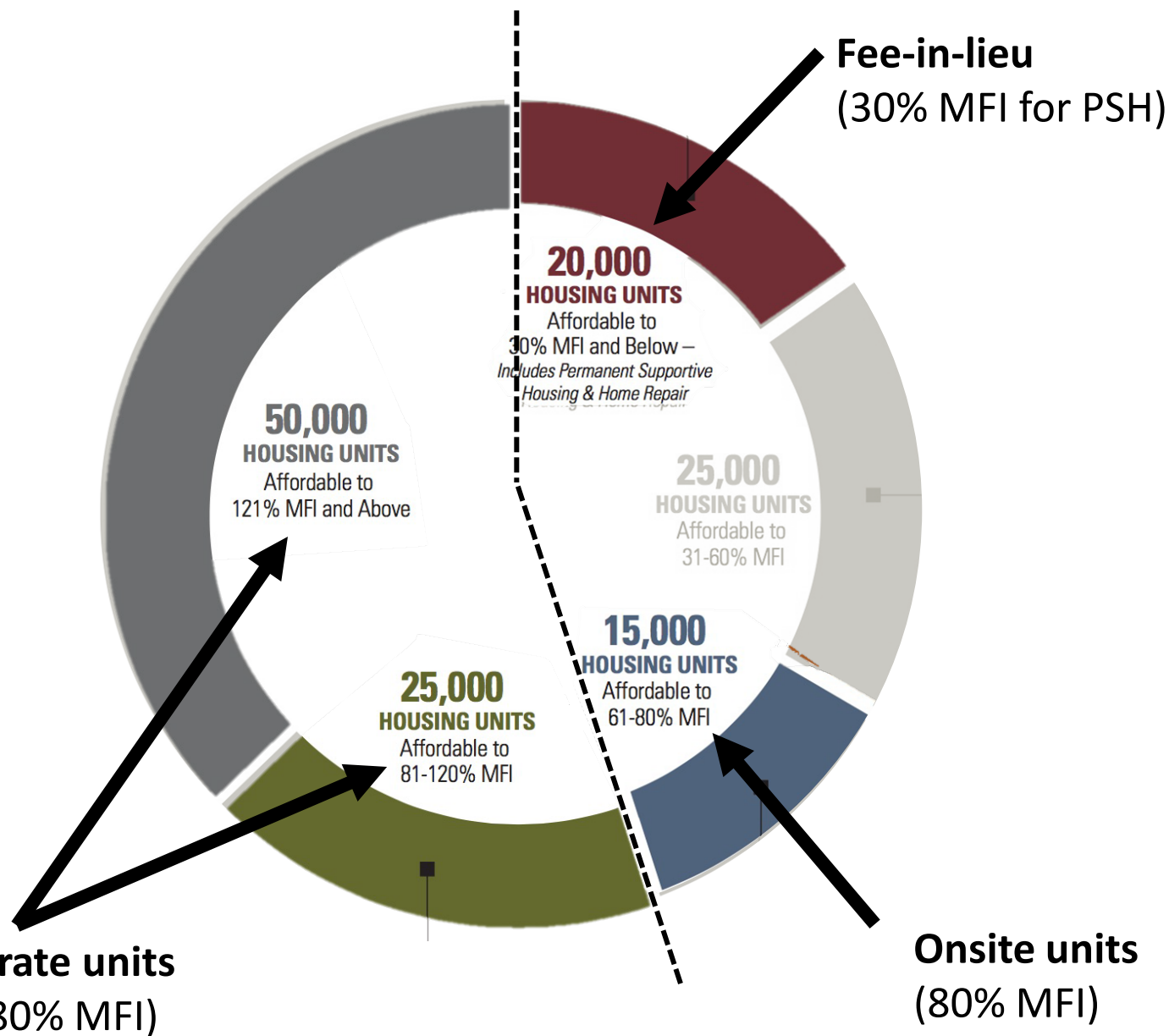
LifeWorks

2014



- **\$5,522,262** to complete (land + construction costs)
- Phase 1:
 - 42 units (0-3 BR)
 - **22** PSH units
- Services:
 - on-site case management
 - Independent Living Skills classes

Downtown Density Bonus + Austin Strategic Housing Blueprint



Questions?

