

Update on CodeNEXT Draft 3 and the Affordable Housing Bonus Program

City of Austin

Community Development Commission

March 21, 2018



CodeNEXT Draft 3 Documents Website

<http://austintexas.gov/page/codenext-draft-3>

Zoning Map

Code Text

Affordable Housing Bonus Program Info

View and Comment

Draft 3 Map

Draft 3 Text

Public input opportunities

Sign up online for office hours or call (512) 974-3583

Draft 3 Materials

Code

PDF copy of the full code

This is a large file (26MB). Please allow some time for the document to download to your device. Chapter 21-1 was revised on 02/14/18. The first post contained pages from another Chapter; those pages have been removed.

Zoning Framework Tables

These tables allow for a comparison of site development standards across multiple zoning districts as proposed in Draft 3 of CodeNEXT. Note: This is not code content but rather a useful way to visually compare across zones in greater detail than is contained in the Code Draft Preview Document.

Map

PDFs of proposed zoning maps

PDFs of current and proposed zoning maps by district and the full city.

Draft 3 GIS Zoning Layer

Additional Data

Functional Green Overview

This is a large file (29MB). Please allow some time for the document to download to your device.

Proposed Administrative Procedures for Affordable Housing Bonus Program

Envision Tomorrow Data

Draft 3 Housing Capacity Analysis

Draft 3 Redevelopment Analysis Files

Links to ZIP files. Files must be downloaded to be viewed.

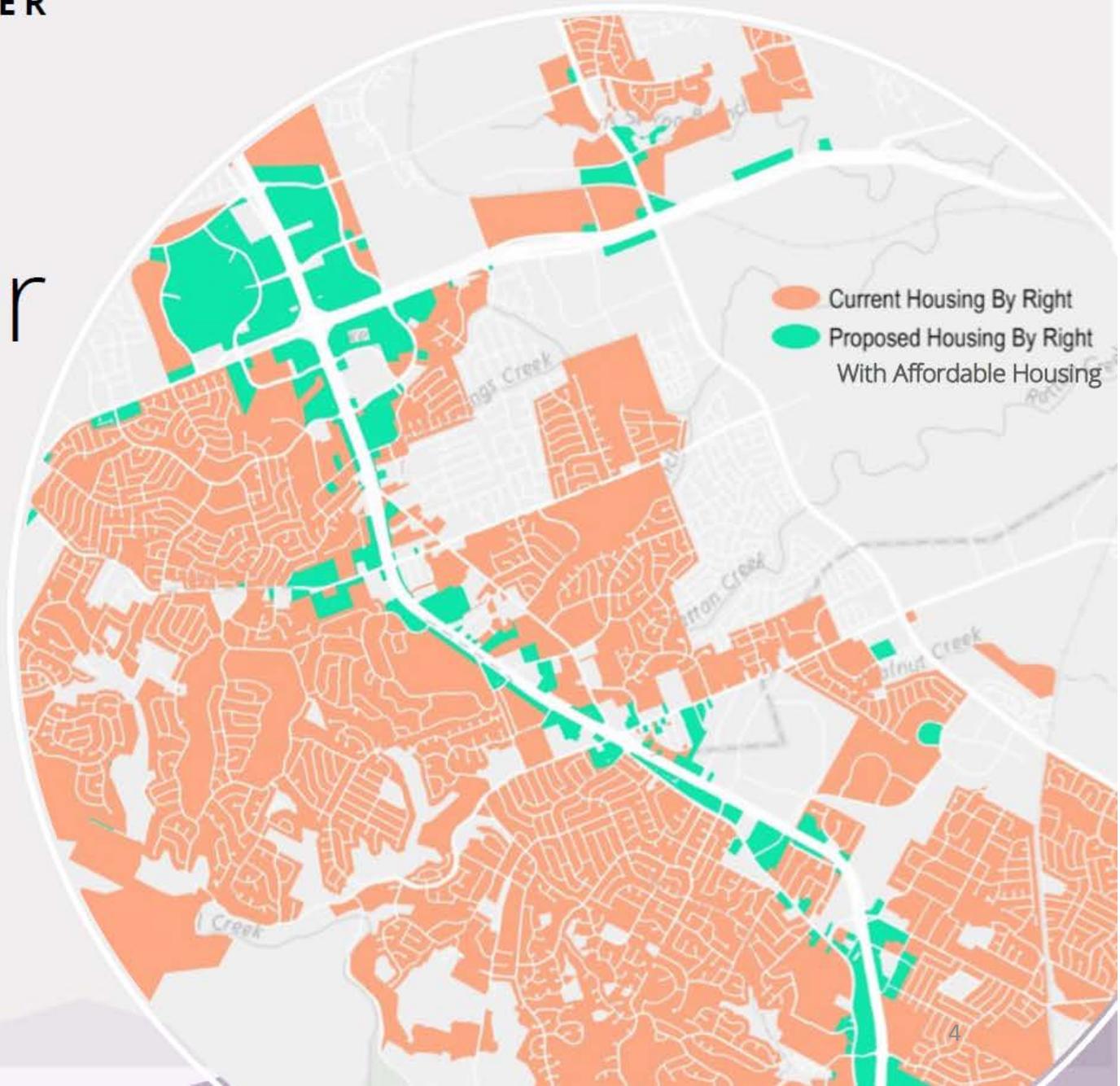
Housing Highlights

The proposed code:

- Retains the S.M.A.R.T. Housing and Tenant Notification & Relocation Assistance Programs
- Provides incentives for affordable housing development
 - Parking reductions
 - Transportation mitigation waivers
- Provides incentives for preservation of existing homes
 - ADU incentive if you retain the structure (ADU does not count toward FAR when the existing house is preserved – house must be at least 10 yrs old)
 - Allows smaller lot sizes so that existing homes in older neighborhoods can be considered conforming, allowing renovations & additions to occur instead of requiring the small lot to be combined with another lot to meet the minimum lot size requirement
 - Draft 3 map is basically equivalent of what we have now – in general, no significant new entitlements
- Provides for missing middle by right in some zones

Provide More Opportunities for Housing

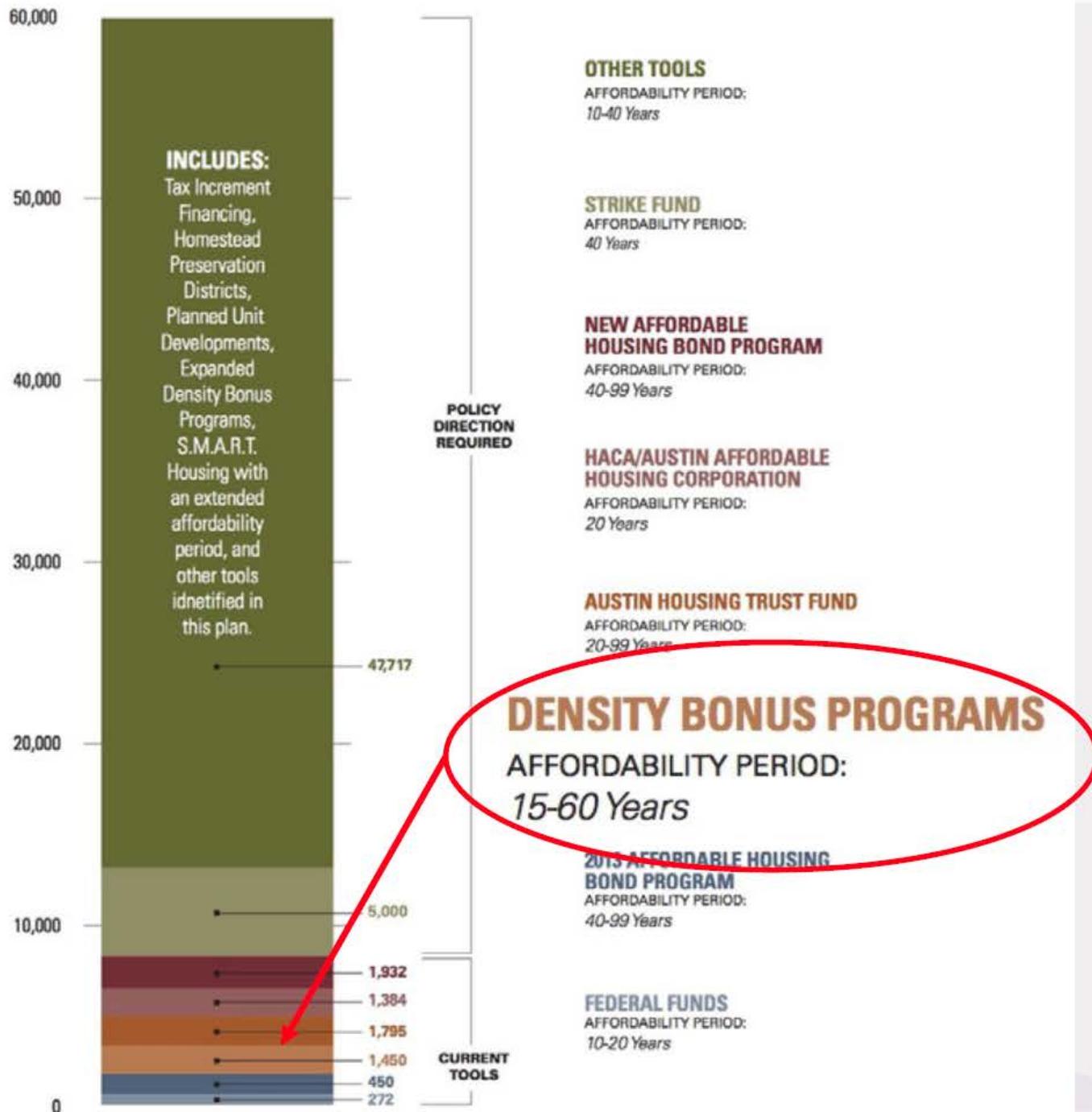
Draft 3 encourages residential development in more places by allowing residential in former commercial only districts. This approach allows more areas in Austin to accommodate growth and help meet the goals of Imagine Austin.



**The Citywide Affordable Housing Bonus
Program directly implements
4 of 65
affordable housing tactics deemed
necessary in the City's Housing Blueprint.**

- Explore all possible mechanisms to incentivize the development of income-restricted housing
- Implement consistent density bonus programs for centers and corridors
- Revise SMART Housing program
- Implement density bonus program for missing middle housing





Most existing density bonus programs will continue to exist:

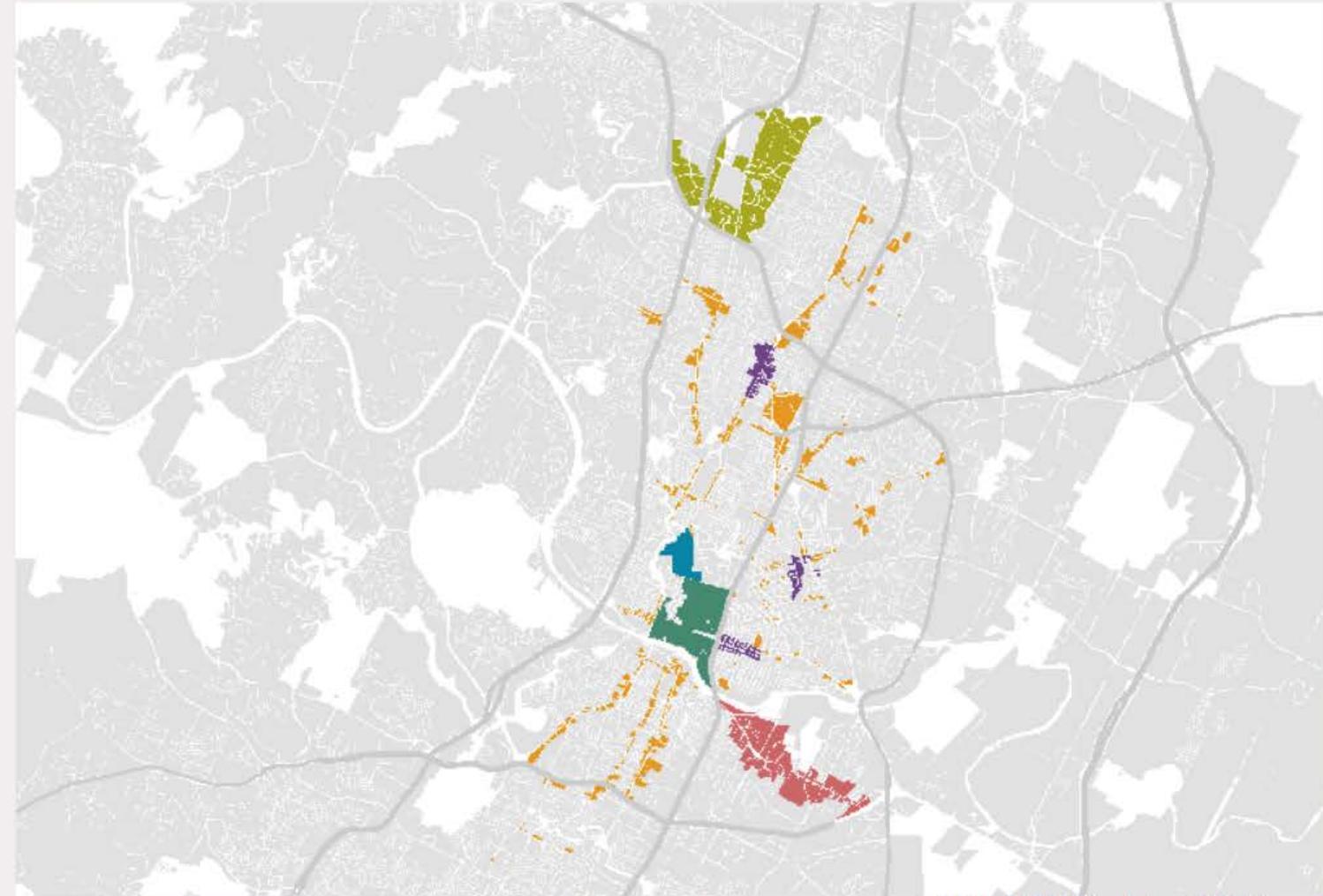
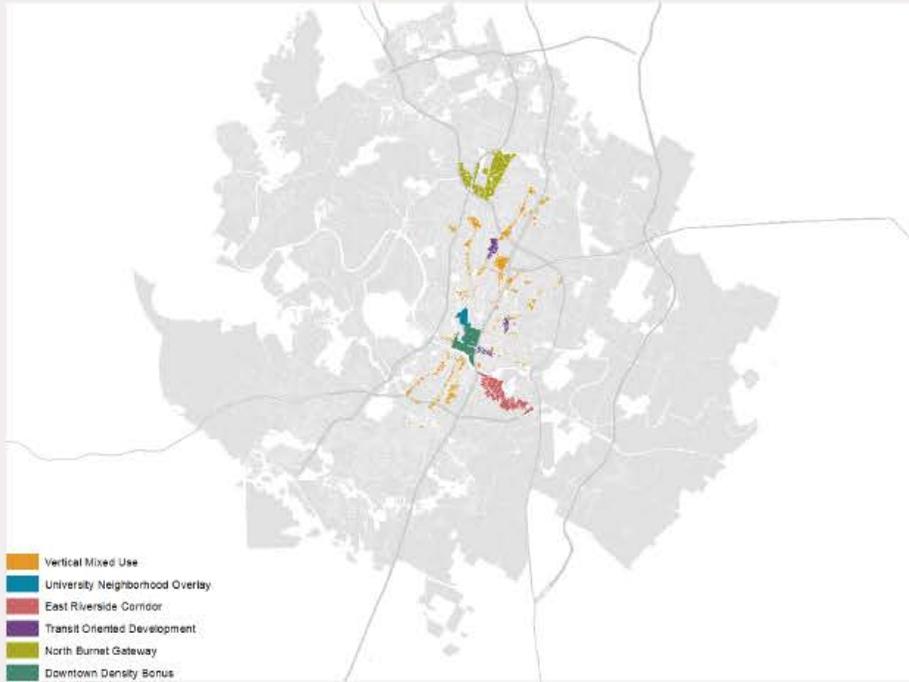
- Downtown (included in CodeNEXT)
- UNO (included in CodeNEXT)
- ERC (remains F25)
- NBG (remains F25)
- TODs (remain F25)
- VMUs with COs (remain F25)

Expands Affordable Housing Program

- Bonuses in more places, including more high-opportunity areas.
- Enhanced bonus effectiveness, including “-A” (VMU-like) bonuses in MU zones.
- Bonus implementation refinement, including proposed NHCD procedures.



Existing Bonus Programs*



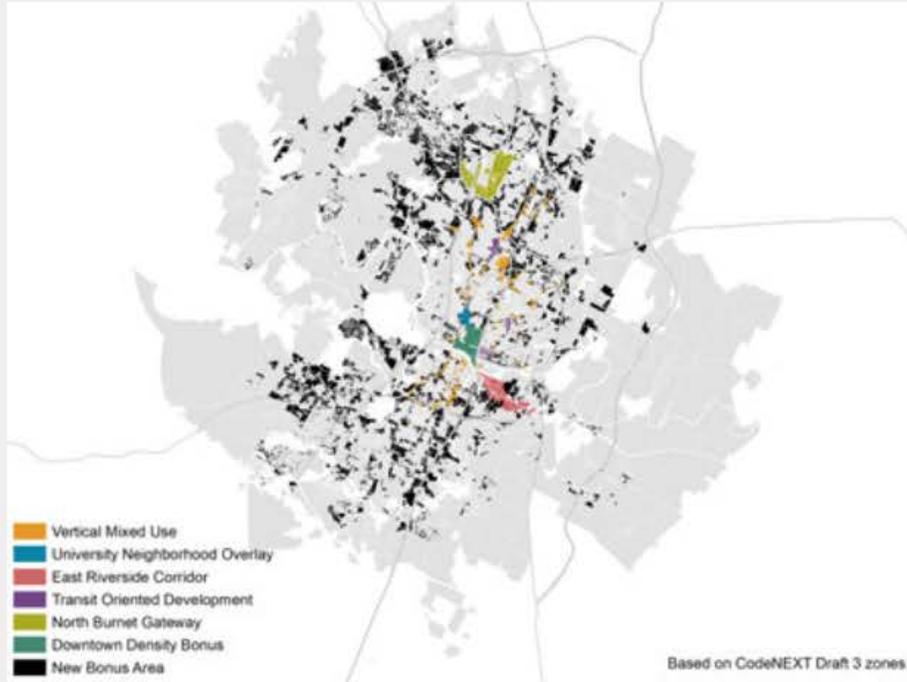
Current Code: **~5,600** Acres



*Does NOT include PUDs and negotiated bonuses

DRAFT 3 HOUSING IMPROVEMENTS OVER EXISTING LAND DEVELOPMENT CODE

DRAFT 3: MORE PROPOSED BONUS AREAS



Current Code: ~**5,600** Acres

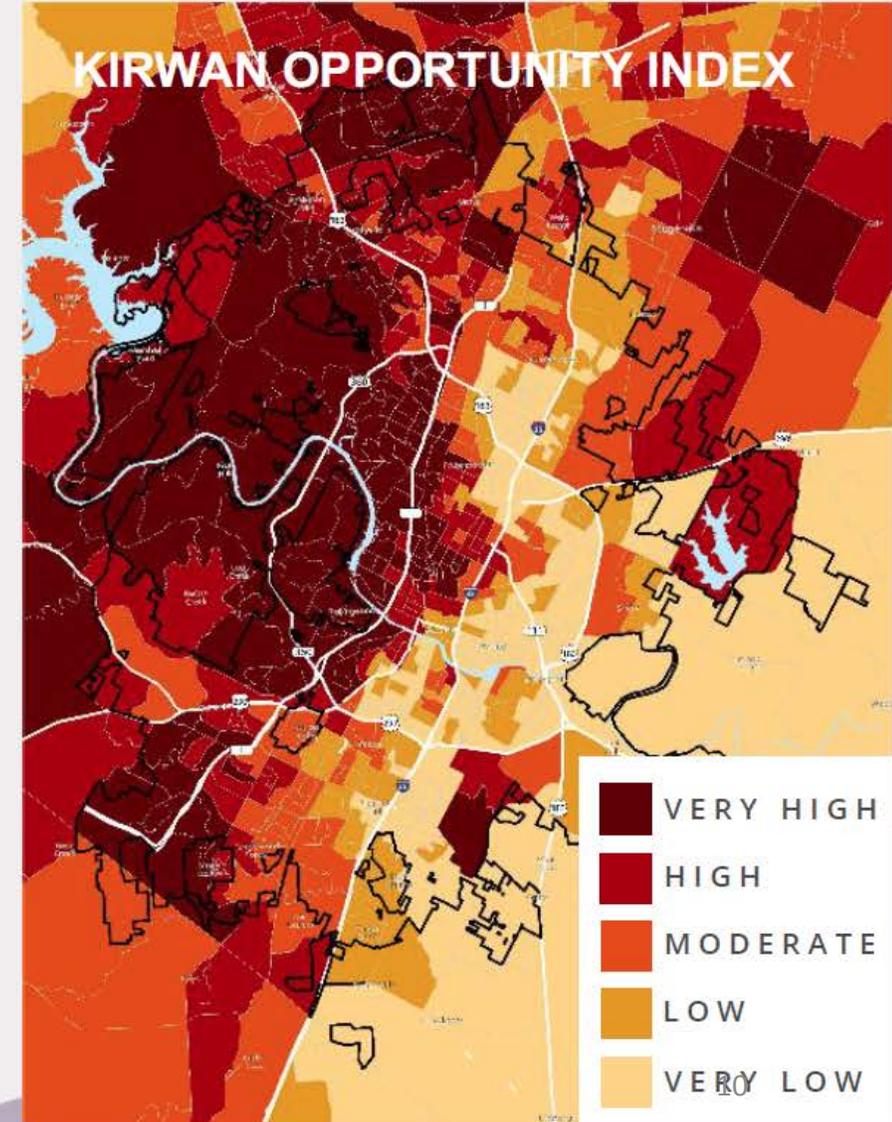
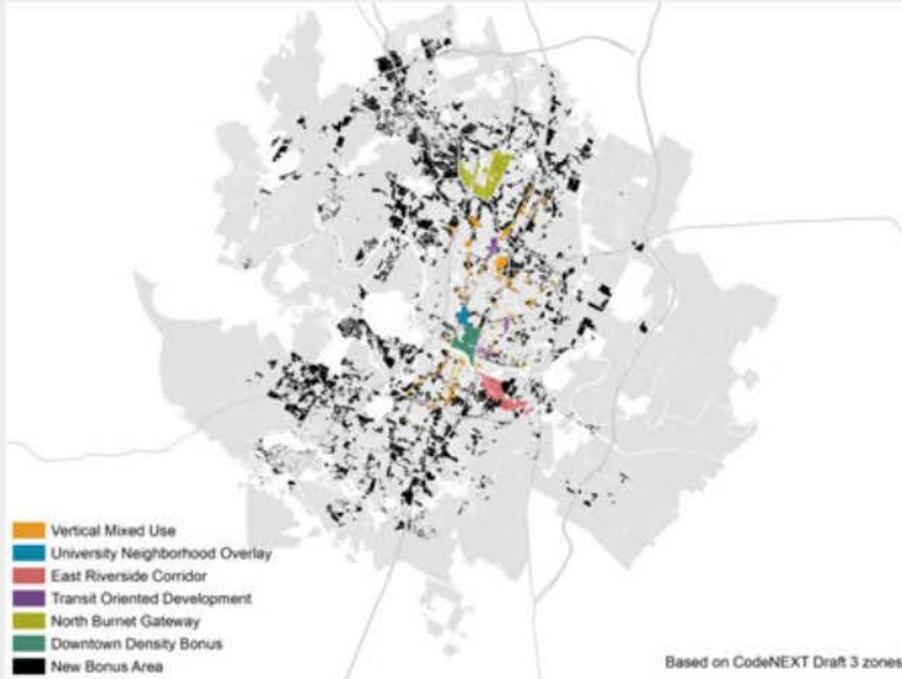
CodeNEXT D2: ~**24,100** Acres

CodeNEXT D3: ~**30,000** Acres



DRAFT 3 HOUSING IMPROVEMENTS OVER EXISTING LAND DEVELOPMENT CODE

DRAFT 3: MORE BONUS AREA IN HIGH OPPORTUNITY LOCATIONS



Acres In High / Very High

% Bonus Acres In High / Very High

Current Code: ~1,400 Acres

25%

CodeNEXT D2: ~7,900 Acres

33%

CodeNEXT D3: ~15,000 Acres

50%



Process for Developing the AHBP

Policy Objectives

- MFI
 - 60% MFI for rental units
 - 80% MFI for ownership units
- Affordability Period
 - 40 years for rental units
 - 99 years for ownership units
- Option to incentivize the creation of 2- and 3-bedroom units
- Incentivize on-site affordable units whenever possible
- Offer alternatives to increase participation in the voluntary program
- Tie to zones instead of geographic areas to expand application of program
- Affirmative marketing, unit dispersion & access, phasing requirements
- Replicate the framework of VMU to the extent possible
- Enforce through land use restrictions, monitoring, and reporting
- Implement through program rules

Process for Developing the AHBP

Program Rules

- Program Rules will be created to implement the code language through the rulemaking process (City Code 1-2). This mandates a stakeholder process.
- Affordable Housing Criteria Manual will house program rules.
- Rules will provide the detail needed to explain and implement the program, and the flexibility to allow implementation procedures to be updated as needed through the rule-making process.
- Find out more in the “Proposed General Administrative Procedures for Affordable Housing Bonus Program” document.

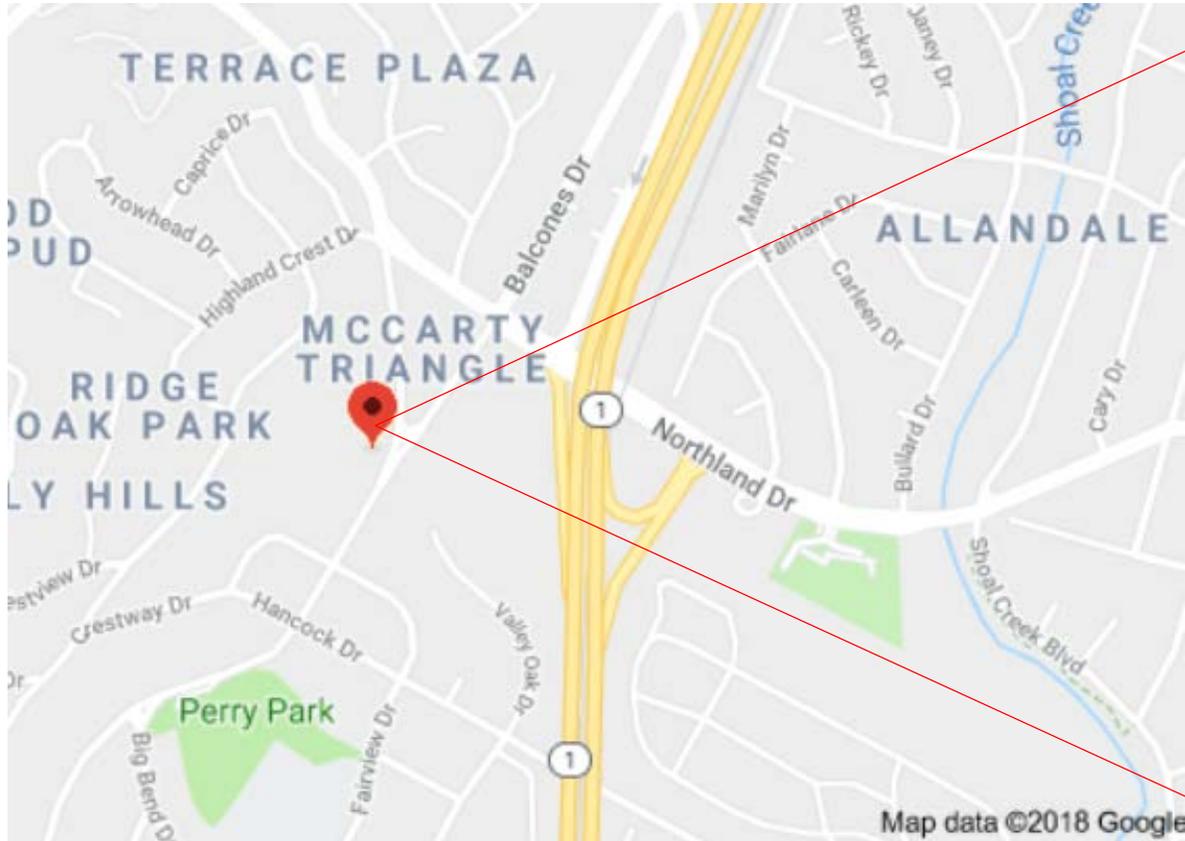
Process for Developing the AHBP

Modeling: Base and Bonus

- EcoNW was given the base entitlements for each zone by the CodeNEXT team.
- Working with the team, they proposed feasible bonus entitlements for each zone that would be attractive enough to generate bonus program participation.
- Negotiation and compromise among CodeNEXT team (reflecting community input) resulted in the base and bonus entitlements ultimately provided in the code drafts.
- NHCD's goal was to create base and bonus entitlements that made participation in the program as attractive as possible, and to allow bonuses in as many zones as possible. These recommendations were provided to the CodeNEXT team throughout the process.

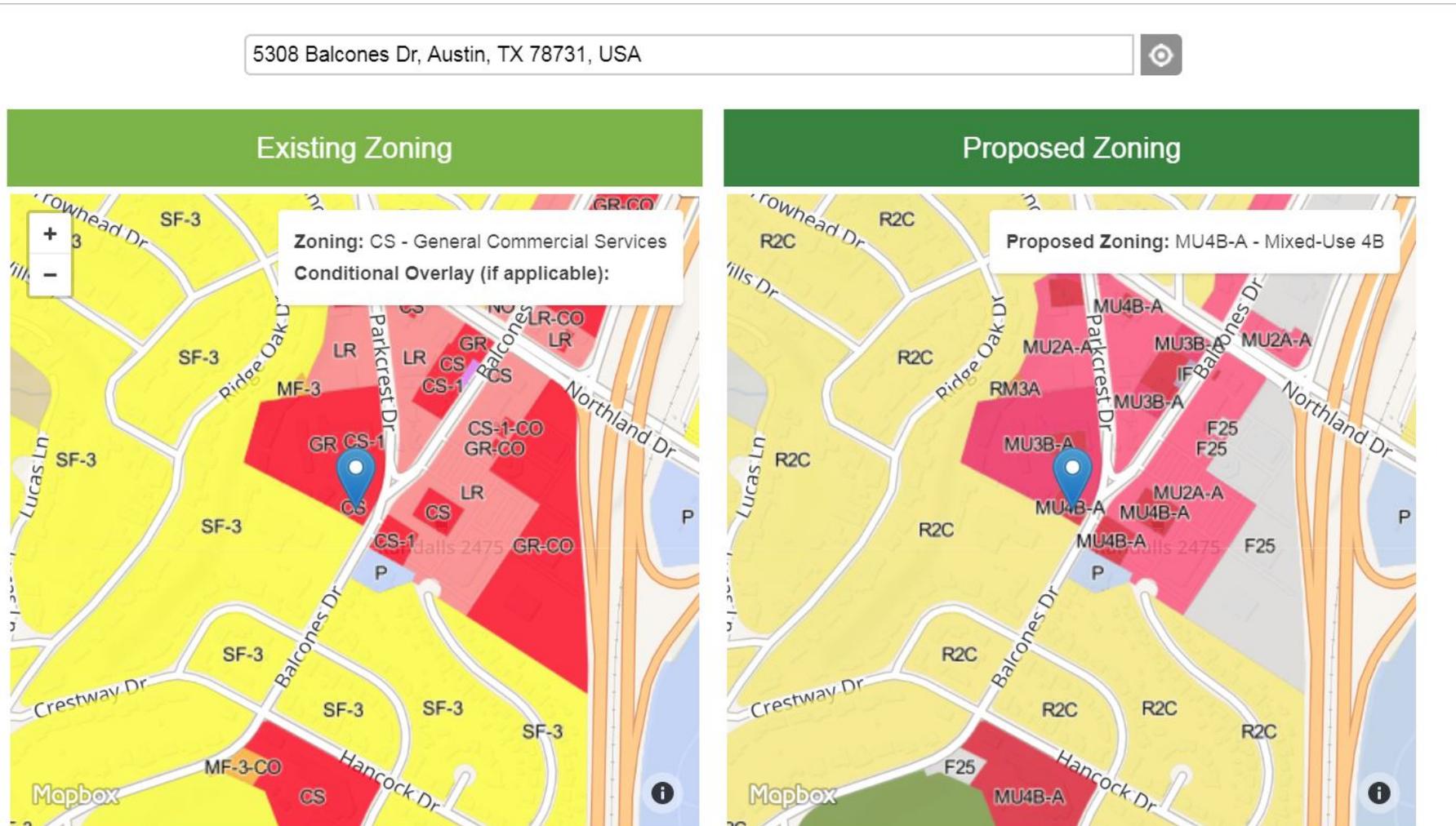
How does the Affordable Housing Bonus Program Work?

Example: Mixed-use building in a zone with a “-A” designation



Step 1: Find the zoning for the parcel

Use CodeNEXT Draft 3 map: <https://codenext.engagingplans.org/codenext-comparison-map>



Step 2: Find the base & bonus entitlements

Use CodeNEXT Draft 3 text: <https://codenext.civiccomment.org/>

MU4B-A	
Most Similar To	GR
Minimum Lot Size	5,000 sq ft
Units Per Acre	0 (-A requirement)
Building Height	60'
Floor-to-Area Ratio	2.0
Building Cover	75%
Impervious Cover	90%
Form Controls*	Additional
Affordable Housing Bonus Available?	Yes
Bonus	+36 dwelling units/acre +3.0 FAR +15' height

23-4D-4150 Mixed-Use 4B (MU4B) Zone

(A) **Purpose.** Mixed-use 4B (MU4B) zone is intended to allow service, storage, and auto-related businesses with operating characteristics that make them inappropriate in zones with retail or office use.

(B) **Overview.** This zone allows residential and medium-intensity service and commercial industrial uses.

(C) **Requirements.** A lot zoned mixed-use 4B shall comply with the requirements of this subsection, which are established in the following tables:

- (1) Table (A) (Lot Size and Intensity);
- (2) Table (B) (Building Placement);
- (3) Table (C) (Building Form);
- (4) Table (D) (Height);
- (5) Table (E) (Encroachments);
- (6) Table (F) (Parking);
- (7) Table (G) (Frontages);
- (8) Table (H) (Impervious Cover);
- (9) Table (I) (Open Space); and
- (10) Table (J) (Additional Compatibility).

(D) **Subzone Requirements.** In addition to the requirements in Table (A) (Lot Size and Intensity), the following requirements apply:

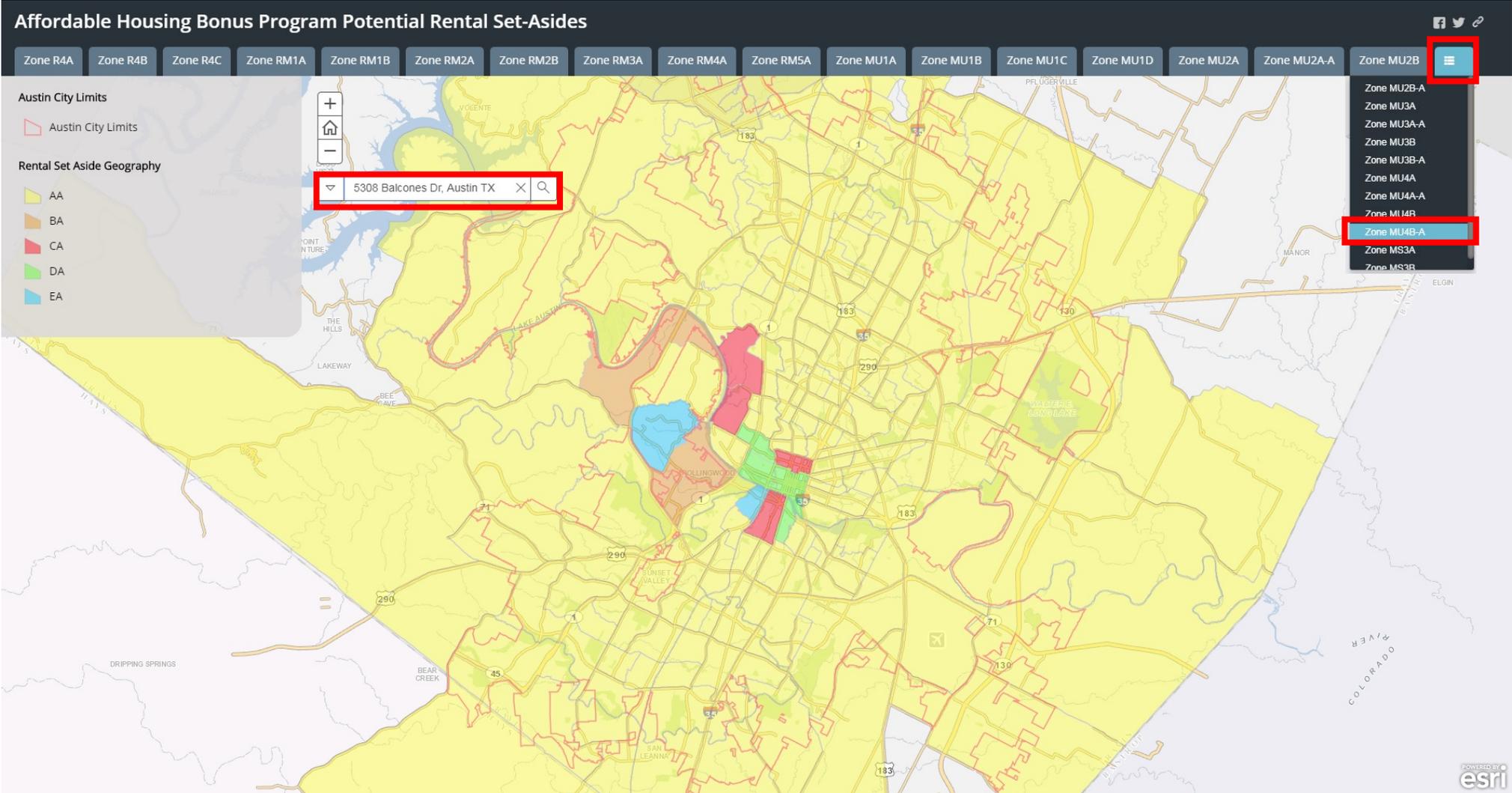
- (1) For a lot with the "-A" subzone and does not participate in the affordable housing bonus program.
 - (a) The lot shall have no base entitlement for dwelling units.
- (2) For a lot with the "-A" subzone and participates in the affordable housing bonus program.



* Form controls refer to lot size & width, setbacks, etc. Additional form controls add FAR limit & compatibility.

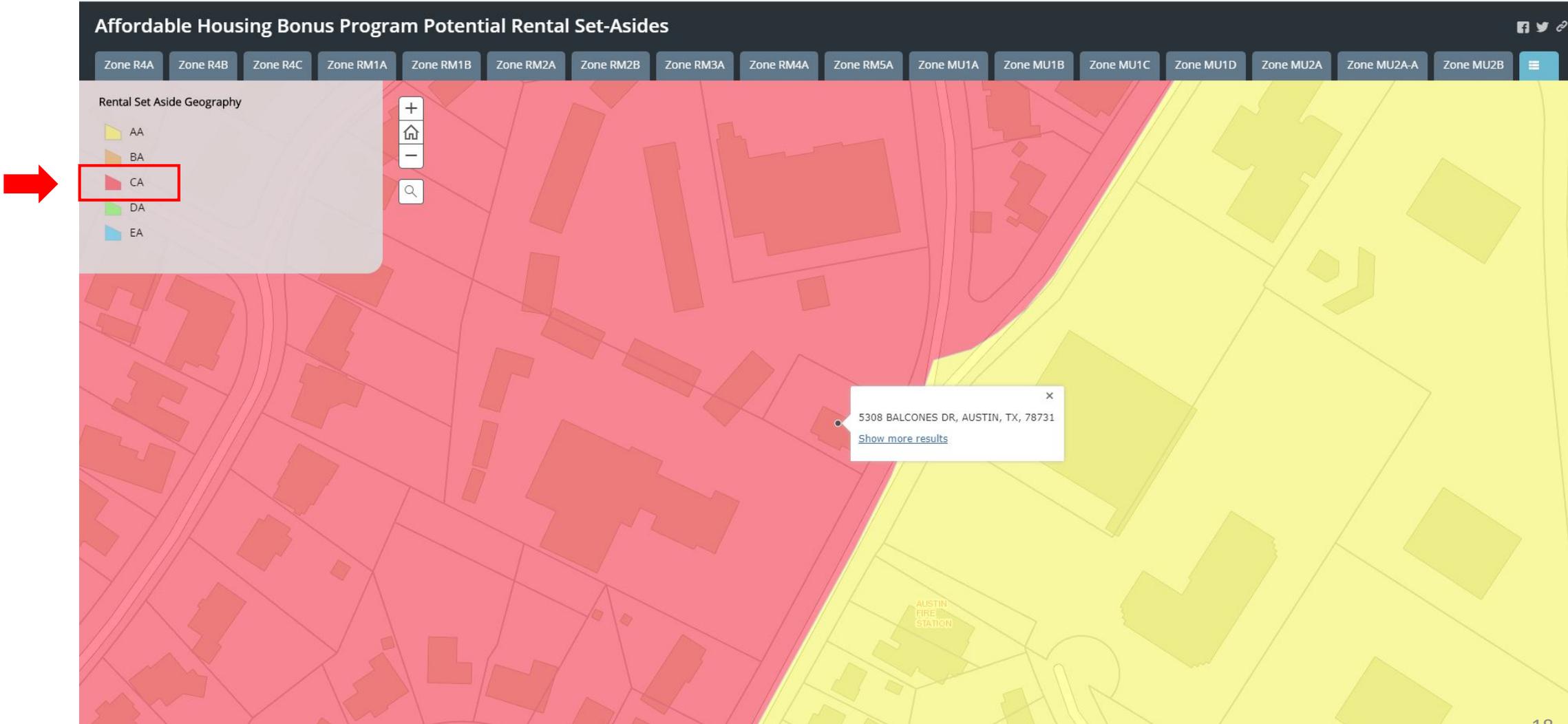
Step 3: Find the area for the rental set-aside geography

Use Affordable Housing Bonus Program Potential Rental Set-Asides map: <http://arcg.is/1feGHX>



Step 3: Find the area for the rental set-aside geography

Use Affordable Housing Bonus Program Potential Rental Set-Asides map: <http://arcg.is/1feGHX>



Step 4: Find the percent of affordable units to set aside

Use the Proposed Administrative Procedures for Affordable Housing Bonus Program:

[http://austintexas.gov/sites/default/files/files/Planning/CodeNEXT/Proposed Admin Procedures AHBP 2-12-18.pdf](http://austintexas.gov/sites/default/files/files/Planning/CodeNEXT/Proposed_Admin_Procedures_AHBP_2-12-18.pdf)

Proposed General Administrative Procedures for Affordable Housing Bonus and Downtown Density Bonus Programs in CodeNEXT Article 23-3E

CodeNEXT includes a proposal for a new, voluntary affordability incentive program, the citywide Affordable Housing Bonus Program, as well as updates to how in lieu fees for affordable housing units will be calculated for the existing Downtown Density Bonus Program. The City of Austin currently administers multiple voluntary bonus programs for affordable housing, tailored to specific geographies. However, also employing a citywide bonus program based on zoning districts will significantly increase the area in which affordable housing units created through the bonus can be built.

After CodeNEXT approval by City Council, the administrative procedures implementing the proposed Affordable Housing Bonus Program, the existing Downtown Density Bonus Program, and the existing University Neighborhood Overlay will be documented in administrative guidelines or through a formal rulemaking process in compliance with City Code. Enumerating these components through administrative guidelines or rules better ensures that processes can be more quickly updated due to changing market or development conditions, or to respond more effectively to any issues that arise as the City of Austin enforces the affordability requirements of the programs.

The Neighborhood Housing and Community Development Department (NHCD) has developed and is already implementing processes for placing legally-binding affordability restrictions on properties participating in existing bonus programs and for long-term monitoring of those properties for compliance with all affordability requirements. These processes will also be followed to implement the Affordable Housing Bonus Program. This document outlines the general procedures that NHCD will follow to implement the Affordable Housing Bonus Program, based on the program as proposed in CodeNEXT Draft 3, Article 23-3E-1. It also outlines the proposed approach to calculating fees in lieu of providing on-site affordable housing units in the proposed Affordable Housing Bonus Program and the updated Downtown Density Bonus Program (CodeNEXT Draft 3, Article 23-3E-2). This document is intended to be updated as

Proposed Affordable Unit Set-Aside Requirements in For-Rent Properties in “-A” Zones

Income (MFI)	Households at or Below 60% of Median Family Income	
Affordability Period	40 years	
Sub-Area Requirements	Area	Units Set Aside (as % of total units)
	AA	2%
	BA	4%
	CA	6%
	DA	8%
	EA	10%
	FA	12%
	GA	14%

1. For a dwelling unit to qualify as “affordable” a unit must comply with CodeNEXT Draft 3 Subsection 23-3E-1090(B).

2. All unit set aside calculations resulting in fractional units must be rounded up to the next whole number.

Step 5: Determine the bonus area & community benefit requirements

Use CodeNEXT Draft 3 table 23-3E-1040(A): <https://codenext.civiccomment.org/>

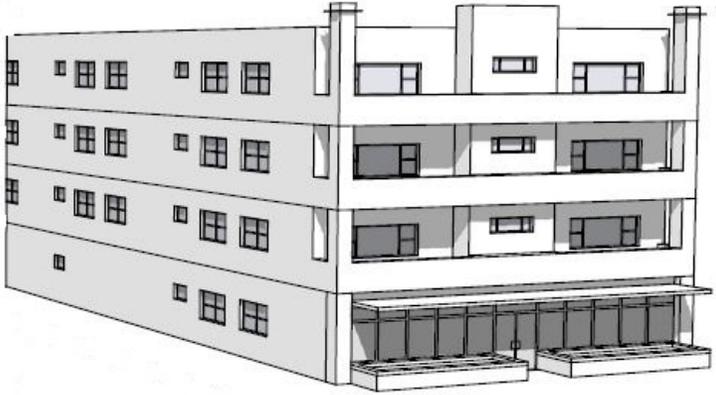
MU4B-A

Bonus ✓ +36 dwelling units/acre
 ✓ +3.0 FAR
 +15' height

Table 23-3E-1040(A) Bonus Calculation ¹		
Incentive	Non-Residential Bonus Square Feet ²	Residential Bonus Units ^{2, 3}
Additional Units in Main Building (max.) (See Figure (1))	N/A	Number of units that exceed the maximum units allowed by base entitlements <i>Proposed Units - Allowed Base Units</i>
Additional Dwelling Units per Acre (DUA) (See Figure (2))	N/A	Number of units that exceed the maximum units allowed by base entitlements $\text{Proposed Units} \times \left(\frac{\text{Proposed Development DUA} - \text{Allowed Base DUA}}{\text{Proposed Development DUA}} \right)$
Additional Floor Area Ratio (FAR) (See Figure (3))	Non-residential gross floor area ⁴ multiplied by the proportion of gross floor area that exceeds the maximum gross floor area allowed by base entitlements $\text{Non-residential Gross Floor Area} \times \left(\frac{\text{Proposed Development FAR} - \text{Allowed Base FAR}}{\text{Proposed Development FAR}} \right)$	Number of units multiplied by the proportion of gross floor area that exceeds the maximum gross floor area allowed by base entitlements $\text{Proposed Units} \times \left(\frac{\text{Proposed Development FAR} - \text{Allowed Base FAR}}{\text{Proposed Development FAR}} \right)$
Additional Height (Stories/Feet) (See Figure (4))	Non-residential gross floor area ⁴ multiplied by the proportion of Comprehensive Floor Area (CFA) ⁵ that exists above the height allowed by base entitlements $\text{Non-residential Gross Floor Area} \times \left(\frac{\text{Comprehensive Floor Area of any space above the base height limit}}{\text{Comprehensive Floor Area}} \right)$	Number of units multiplied by the proportion of Comprehensive Floor Area (CFA) ⁵ that exists above the height allowed by base entitlements $\text{Proposed Units} \times \left(\frac{\text{Comprehensive Floor Area of any space above the base height limit}}{\text{Comprehensive Floor Area}} \right)$

Step 5: Determine the bonus area & community benefit requirements

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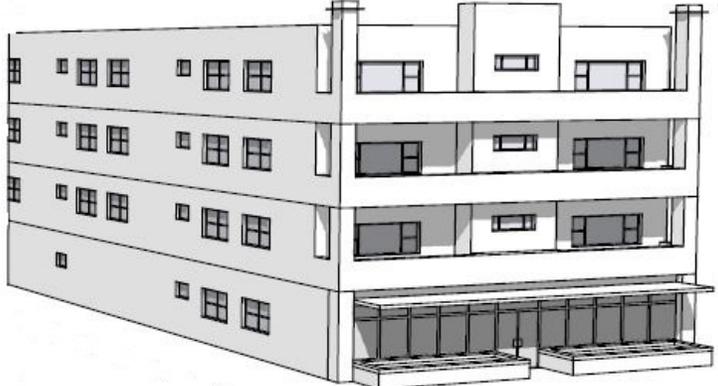
Example Development Assumptions

- Mixed-use building with 72 units and ground floor retail
- 40,000 sf per floor
- Proposed FAR 5.0
- On a 1-acre site
- Max base dwelling units allowed: 0/acre (-A requirement)
- Max base FAR allowed: 2.0

- First: Calculate the non-residential bonus area and fee
- Second: Calculate the residential bonus area and unit requirement
- Third: Add up the non-residential fee and residential unit requirement to get total community benefit requirement

Step 5: Determine the bonus area & community benefit requirements

Use CodeNEXT Draft 3 table 23-3E-1040(A): <https://codenext.civiccomment.org/>



MU4B-A	
Bonus ✓	+36 dwelling units/acre
✓	+3.0 FAR
	+15' height

Calculate the non-residential bonus area and fee:

From table 23-3E-1040(A): $Non\ Residential\ Gross\ Floor\ Area \times \left(\frac{Proposed\ Development\ FAR - Allowed\ Base\ FAR}{Proposed\ Development\ FAR} \right)$

$$40,000\ sf \times \left(\frac{5.0 - 2.0}{5.0} \right) = 24,000\ bonus\ sf \otimes Non\ Residential\ Fee$$

$$24,000\ bonus\ sf \otimes \$2 = \$48,000$$

Step 5: Determine the bonus area & community benefit requirements

Use CodeNEXT Draft 3 table 23-3E-1040(A): <https://codenext.civiccomment.org/>

Calculate the residential bonus area and unit requirement:

FAR
Bonus

$$\text{Proposed Units} \times \left(\frac{\text{Proposed Development FAR} - \text{Allowed Base FAR}}{\text{Proposed Development FAR}} \right) \equiv 72 \text{ units} \times \left(\frac{5.0 - 2.0}{5.0} \right) \equiv 43.2 \sim 44 \text{ bonus units}$$

DUA
Bonus

$$\text{Proposed Units} \times \left(\frac{\text{Proposed Development DUA} - \text{Allowed Base DUA}}{\text{Proposed Development DUA}} \right) \equiv 72 \text{ units} \times \left(\frac{72 - 0}{72} \right) \equiv 72 \text{ bonus units}$$

MU4B-A

Bonus ✓	+36 dwelling units/acre
✓	+3.0 FAR
	+15' height

When more than 1 bonus is taken, choose the greatest

Step 5: Determine the bonus area & community benefit requirements

Use CodeNEXT Draft 3 table 23-3E-1040(A): <https://codenext.civiccomment.org/>

Multiply bonus units by set-aside requirement: $72 \text{ units} \times 6\% \approx 4.32 \text{ units} \rightarrow 5 \text{ units must be affordable}$

Ensure affordable unit bedroom mix is proportionate to market-rate unit bedroom mix:

20% of market-rate units have 2 bedrooms, and 80% have 1 bedroom

So 20% of affordable units must have 2 bedrooms, and the other 80% must have 1 bedroom:

- 2 bedroom units: $5 \text{ units} \times 20\% = 1 \text{ unit}$
- 1 bedroom units: $5 \text{ units} \times 80\% = 4 \text{ units}$

Total community benefit requirement: \$48,000 for non-residential bonus fees and 5 units affordable at 60% MFI for 40 years

GR/CS in current code compared to MU3/MU4 in CodeNEXT

Without residential currently allowed by right:

	Current Code	CodeNEXT
Zone	GR / CS	MU3-A / MU4-A
Dwelling units/acre	No residential allowed	Residential only allowed by participating in Affordable Housing Bonus Program. "-A" requires that a % of <u>total</u> units be affordable: Multi-family & Co-ops: 54 / 72 Townhouse & Work/Live: 24 Duplex: 18
Min. Lot Size	5,570 sf	Multi-family & Co-ops: 5,000 sf Townhouse & Work/Live: 1,800 sf Duplex: 4,000 sf
Min. Lot Width	50'	Multi-family & Co-ops: 50' Townhouse & Work/Live: 18' Duplex: 40'
Height (ft)	60'	60' (+15' w/AHBP for MU4)
Building Cover	75% / 95%	75% / 90-95%
Impervious Cover	90% / 95%	90% / 95%
Parking	Varies by use	Varies by use

GR/CS in current code compared to MU3/MU4 in CodeNEXT

With residential currently allowed by right:

	Current Code	CodeNEXT
Zone	GR-MU / CS-MU	MU3 / MU4
Dwelling units/acre	Efficiency: 54 (unlimited with VMU) 1-bedroom: 43 (unlimited with VMU) 2+ bedrooms: 36 (unlimited with VMU)	Multi-family & Co-ops: 36 (+18 or +36 w/AHBP depending on zone) Townhouse & Work/Live: 24 Duplex: 18
Min. Lot Size	5,570 sf	Multi-family & Co-ops: 5,000 sf Townhouse & Work/Live: 1,800 sf Duplex: 4,000 sf
Min. Lot Width	50'	Multi-family & Co-ops: 50' Townhouse & Work/Live: 18' Duplex: 40'
Height (ft)	60'	60' (+15' w/AHBP for MU4)
Building Cover	75% / 95%	75% / 90-95%
Impervious Cover	90% / 95%	90% / 95%
Parking	Varies by use (40% reduction w/ VMU)	Varies by use (reduction allowed w/ AHBP)

Questions/Discussion