
SOUTH CENTRAL WATERFRONT REGULATING PLAN

Working DRAFT – December 17, 2018

Note: This is a WORKING DRAFT of the South Central Waterfront Regulating Plan. It has been produced by the City of Austin Planning and Zoning Department for the purposes of discussion only. No warranty is made by the City of Austin regarding specific accuracy or completeness.

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SCW Regulating Plan Text

F. Affordable Housing

1. Benefit Contribution:

The applicant shall provide an affordable housing community benefit by using one or more of the following:

- a. On-site Affordable Housing for Residential Development. For residential developments, an applicant may satisfy the affordable housing gatekeeper requirement by providing a percentage of residential units as on-site affordable housing within the development.
 - i. Affordable units must be delivered and maintained such that the mix of one-bedroom and two-bedroom affordable units is the same as the mix of one-bedroom and two-bedroom market-rate units, except that the provision of dedicated two- or three-bedroom affordable units may count toward the affordability requirement as two or three one-bedroom/efficiency units at the discretion of the Housing Director.
- b. On-site Affordable-Housing for Mixed-Use Development. For mixed-use developments, an applicant may satisfy the affordable housing gatekeeper requirement by providing a percentage of residential units as on-site affordable housing within the development and paying a fee into the Housing Trust Fund for the proportion of the area in the development that is applied to non-residential uses.
 - i. Affordable units must be delivered and maintained such that the mix of one-bedroom and two-bedroom affordable units is the same as the mix of one-bedroom and two-bedroom market-rate units, except that the provision of two-bedroom or three-bedroom affordable units may count as two or three one-bedroom/efficiency affordable units at the discretion of the Housing Director.
- c. Alternatives to On-site Production of Affordable Housing for Residential and Mixed Use Developments. Any request to meet the affordable housing gatekeeper requirements through an alternative other than production of on-site affordable units under this section requires review and approval by the Housing Director.
 - i. Housing Fee in Lieu of Affordable Units. An applicant may pay a fee in lieu of providing the affordable units. The total fee-in-lieu amount required for a residential development or the residential portion of a mixed use development is determined by multiplying the bonus square feet by the corresponding per square foot fee or multiplying the affordable units required by the corresponding per unit fee as published in the City's fee schedule at the time the project's site plan is submitted.
 1. The fee payment shall be reserved for use in the South Central Waterfront District. If the funds are not allocated to an affordable housing activity in the

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- South Central Waterfront District within ten years following the payment of the fee, the Housing Director may use the funds outside of the district.
2. The Housing Director shall evaluate and, if necessary, may provide recommendations annually to the City Council to adjust the fee.
- ii. Off-site Production. Off-site production of affordable units may be proposed if the off-site production of affordable units produces more affordable units or a greater community benefit, as determined by the Housing Director. Off-site affordable units:
1. Must be deed-restricted to achieve at least the same affordability period and income restrictions as the project accessing the SCWD Overlay, in accordance with Subsection 3 below, and may include any combination of new units or units in an existing structure;
 2. Must include at least the same number of units and same bedroom count mix as would be required of the on-site affordable units, except that the provision of dedicated two- or three-bedroom affordable units may count as two or three one-bedroom/efficiency affordable units at the discretion of the Housing Director;
 3. Must be within the SCWD or in a location approved by the Housing Director, such as a high opportunity area;
 - a. If located outside the SCWD, income restrictions on affordable units must comply with the following requirements:
 - i. For rental units, the affordable units must be rented to income-eligible households at or below 60 percent of the Median Family Income HOME Limits per household size, as defined by the US Department of Housing and Urban Development for the Austin-Round Rock Metropolitan Statistical Area;
 - ii. For ownership units, the affordable units must be sold to income-eligible households at or below 80 percent of the Median Family Income HOME Limits per household size, as defined by the US Department of Housing and Urban Development for the Austin-Round Rock Metropolitan Statistical Area.
 4. Must include the payment of a fee equal to the total fee-in-lieu amount due for the development accessing the SCWD Overlay, which is held in escrow, until a final Certificate of Occupancy is issued for the off-site units; and
 5. Must receive Certificate of Occupancy for the off-site units within 36 months of the date that the final Certificate of Occupancy is issued for the property seeking the bonus.
- iii. Land Dedications. Land dedication may be proposed as an alternative to on-site production of affordable units. The applicant may donate to the City land that is within the SCWD, within one mile of the property seeking the bonus, within a high opportunity area, or that the Housing Director determines is suitable for the construction of affordable units and is of equivalent or greater value than is produced by applying the fee-in-lieu for affordable units. Any dedicated land must be within the full purpose jurisdiction of the City of Austin.
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- d. Non-Residential Fee for Affordable Housing. If a property includes only non-residential uses, the applicant shall pay a fee into the Housing Trust Fund as published in the City's fee schedule at the time that the project's site plan is submitted to the City.
 - i. The Housing Director shall evaluate and, if necessary, may provide recommendations annually to the City Council to adjust the fee.
 - ii. The fee payment shall be reserved for use in the South Central Waterfront District. If the funds are not allocated to an affordable housing activity in the South Central Waterfront District within ten years following the payment of the fee, the Housing Director may use the funds outside of the district.
- e. Subject to funding availability, the City of Austin may fund the provision of additional affordable units to achieve affordability for twenty percent of the units in the development. The City may elect to subsidize residential units in the development for rental or ownership purposes in any amount and at any level of affordability pursuant to criteria and procedures established by the Housing Director.

2. Affordability Requirements for Owner-occupied Units

- a. The landowner must enter into a restrictive covenant, as amended at the time of the receipt of the Affordability Certification Letter, unless the landowner is required to comply with Subsection (C). The restrictive covenant must include, but is not limited to the following:
 - i. The affordability period;
 - ii. The agreement that the unit must be sold to an income eligible household at or below 120 percent of the Median Family Income (MFI) HOME Limits, per household size, as defined by the U.S. Department of Housing and Urban Development for the Austin-Round Rock Metropolitan Statistical Area. The income determination is conducted by the Housing Director; and
 - iii. The agreement that the maximum sales price for an affordable ownership unit must not exceed three times the annual income for a household at 120 percent MFI, adjusted for unit size where one bedroom equals 1.5 persons. Up to 3.5 times the annual income for a household at 120 percent MFI can be spent on housing costs if a household member has completed a City-approved homebuyer counseling or education class.

3. Affordability Requirements for Rental Units

- a. The landowner must enter into a restrictive covenant prior to the release of the final building permit. The restrictive covenant must include, but is not limited to the following:
 - i. The affordability period;
 - ii. The units must be rented to an income eligible household at or below 80 percent of the Median Family Income (MFI) HOME Limits, per household size, as defined by the U.S. Department of Housing and Urban Development for the Austin-Round Rock Metropolitan Statistical Area;

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- iii. The maximum monthly rental rate for an affordable rental unit shall not exceed 30 percent of the average gross monthly income for a household at 80 percent MFI, adjusted for unit size where one bedroom equals 1.5 persons; and
 - iv. The set aside requirements for ownership units applicable in the event of occupancy conversion to ownership units.
- b. An applicant may not deny a prospective tenant affordable rental housing based solely on the prospective tenant's participation in the Housing Choice Voucher Program or in any other housing voucher program that provides rental assistance.

4. Reporting, Compliance, and Enforcement:

The Housing Director may adopt program rules, guidelines, and procedures related to reporting, monitoring, and compliance requirements needed to implement the affordable housing requirements of this plan.

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