

RESOLUTION NO.

WHEREAS, in 2014, the City Council updated the Downtown Density Bonus Program after an extensive planning process including input and review by the community, as well as by City boards and commissions; and

WHEREAS, this density bonus program was based upon the Council-approved “Downtown Plan,” which recognized that areas of our Downtown have unique characters, natures, heights, and scales; and

WHEREAS, to this end, the Downtown Plan sets maximum floor-to-area ratios (FAR) for different parts of Downtown; and

WHEREAS, the Downtown Density Bonus Program was created to provide certainty for developments through pre-defined rules for participation and administrative approval; and

WHEREAS, during plan approval, an amendment was brought forward allowing developments to seek approval from Council on a case-by-case basis should a developer wish to exceed the maximum allowable FAR; and

WHEREAS, an additional amendment directed staff to convene a conversation among the Downtown and Planning Commissions and return to Council with recommendations for community benefits that should be required and an evaluation process for developer proposals who wish to exceed the maximum allowable FAR in Downtown; and

WHEREAS, this review and recommendation process was never conducted; and

WHEREAS, in 2015, Council approved Resolution No. 20151015-038, which directed the City Manager to update data illustrating the effectiveness of the various density bonus programs in generating affordable housing units and in-lieu fees, present a potential Code amendment for Council consideration, and review

27 best practices for using and calibrating fees-in-lieu within density bonus programs;
28 and

29 **WHEREAS**, in 2018, Council approved Resolution No. 20180823-077,
30 which reaffirmed the direction provided in Resolution No. 20151015-038 and
31 directed the City Manager to develop recommendations regarding amendments to
32 City Code and regulating plans necessary to recalibrate density bonus program
33 affordability requirements and fee-in-lieu requirements, and to return to Council
34 with recommendations; and

35 **WHEREAS**, a March 6, 2019, memo from Neighborhood Housing and
36 Community Development (NHCD) stated, that “given the dynamics of housing
37 submarkets change over time, and many affordability requirements in these
38 policies have not been comprehensively re-evaluated since their adoption, staff
39 recognizes this as an opportunity to not only recalibrate the City’s density bonus
40 policies, but also to offer recommendations for policy updates”; and

41 **WHEREAS**, one of these recommendations included updating the
42 affordable unit set-asides and affordable housing fee rates in all policies to reflect
43 the results of the new recalibration for all of the density bonus programs, including
44 the Downtown Density Bonus Program; and

45 **WHEREAS**, the Planning Commission unanimously approved NHCD’s
46 recommendations in summer of 2019; and

47 **WHEREAS**, Council has not deliberated on these recommendations due to
48 staff’s preference that these changes occur via approval of the Land Development
49 Code rewrite process; and

50 **WHEREAS**, the Density Bonus Program’s fees have not been updated since
51 2014, although consultants have evaluated and recommended an increase; and
52

53 **WHEREAS**, non-residential projects can access entitlements through the
54 Downtown Density Bonus Program but pay no in-lieu affordable housing fees; and

55 **WHEREAS**, non-residential projects can access entitlements through the
56 Rainey Density Bonus Program, but only hotel developments pay an in-lieu
57 affordable housing fee; and

58 **WHEREAS**, the Council lacks critical information on which to base
59 appropriate community benefit calculations in return for granting exceptions to the
60 maximum FAR allowed under the Downtown Density Bonus Program; **NOW**,
61 **THEREFORE**,

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

63 City Council initiates an amendment to City Code section 25-2-586
64 (*Downtown Density Bonus Program*) to ~~repeal or~~ amend subsection (B) (6).
65 Before deliberation on the code changes by the Planning Commission or City
66 Council, the City Manager is directed to present a report on Floor to Area Ratio
67 best practices.

68 The amendment shall be presented to Council for adoption on an emergency
69 basis no later than July 29, 2021.

70 **BE IT FURTHER RESOLVED:**

71 The City Council directs the City Manager to post an item for action on
72 ~~May~~June~~May~~

73 2~~62210~~, 2021 that accomplishes the following:

74 (1) implements interim revisions to the in-lieu affordable housing fees for
75 residential

76 development for the Downtown Density Bonus Program;

77 (2) implements interim revisions to the in-lieu affordable housing fees for
78 non-

79 residential development for the Downtown Density Bonus and Rainey
80 Density Bonus Programs; and

(3) moves the revised fees described above to the City Fee Schedule so they
can be updated more effectively.

BE IT FURTHER RESOLVED:

The City Council directs the Manager to update the fee-in-lieu analysis
provided by EcoNorthwest to reflect current market conditions and existing zones of the
Downtown Density Bonus Program area and return to Council no later than August 26,
2021.

ADOPTED: _____, 2021 **ATTEST:** _____

Jannette S. Goodall
City Clerk

DRAFT

