




## MEMORANDUM

**To:** Mayor and City Council

**From:** Rosie Truelove, Director, Housing and Planning Department 

**Subject:** Updates to Resolution No. 20210422-039 and 20211118-052

**Date:** March 24, 2022

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This memorandum serves to provide an update on timelines for responses to Council [Resolution No. 20210422-039](#) regarding the calibration of the affordable housing fees in-lieu in the Downtown Density Bonus program as well as [Resolution No. 20211118-052](#) regarding the creation of a Vertical Mixed Use (VMU) 2 density bonus program and associated affordable housing requirements.

Through engagement with stakeholders during the process to calibrate the Downtown Density Bonus program affordable housing fee in-lieu requirements, issues have been found in the modeling tool that staff relies on to support density bonus calibration work. Housing and Planning staff are working to resolve issues with the modeling tool. Staff anticipates that the Downtown Density Bonus affordable housing fee in-lieu recommendation will be ready for Council action later in the spring.

The VMU 2 code changes will proceed without the use of the modeling tool since the issues with the modeling tool are still being resolved. Staff will work to implement the new developer incentive for VMU 2 in the near-term and consider optimization of the requirements once there is sufficient time and resources to conduct the required analyses. The Planning Commission will hold a public hearing on the VMU 2 code changes on March 22, 2022. And, a public hearing and possible action are scheduled for the April 7, 2022, Council meeting.

Should you have questions, please contact Erica Leak at (512)974-9375 or [erica.leak@austintexas.gov](mailto:erica.leak@austintexas.gov) or Sam Tedford at (512)974-2613 or [sam.tedford@austintexas.gov](mailto:sam.tedford@austintexas.gov).