



**HOUSING &
PLANNING**

Vertical Mixed-Use (VMU) Zoning

May 15, 2022

Sam Tedford

Principal Planner, Inclusive Planning

City of Austin, Housing and Planning Department

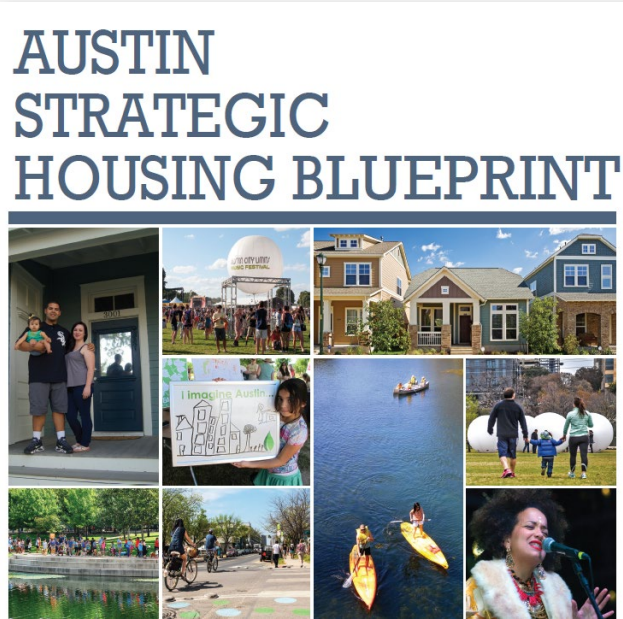
Overview



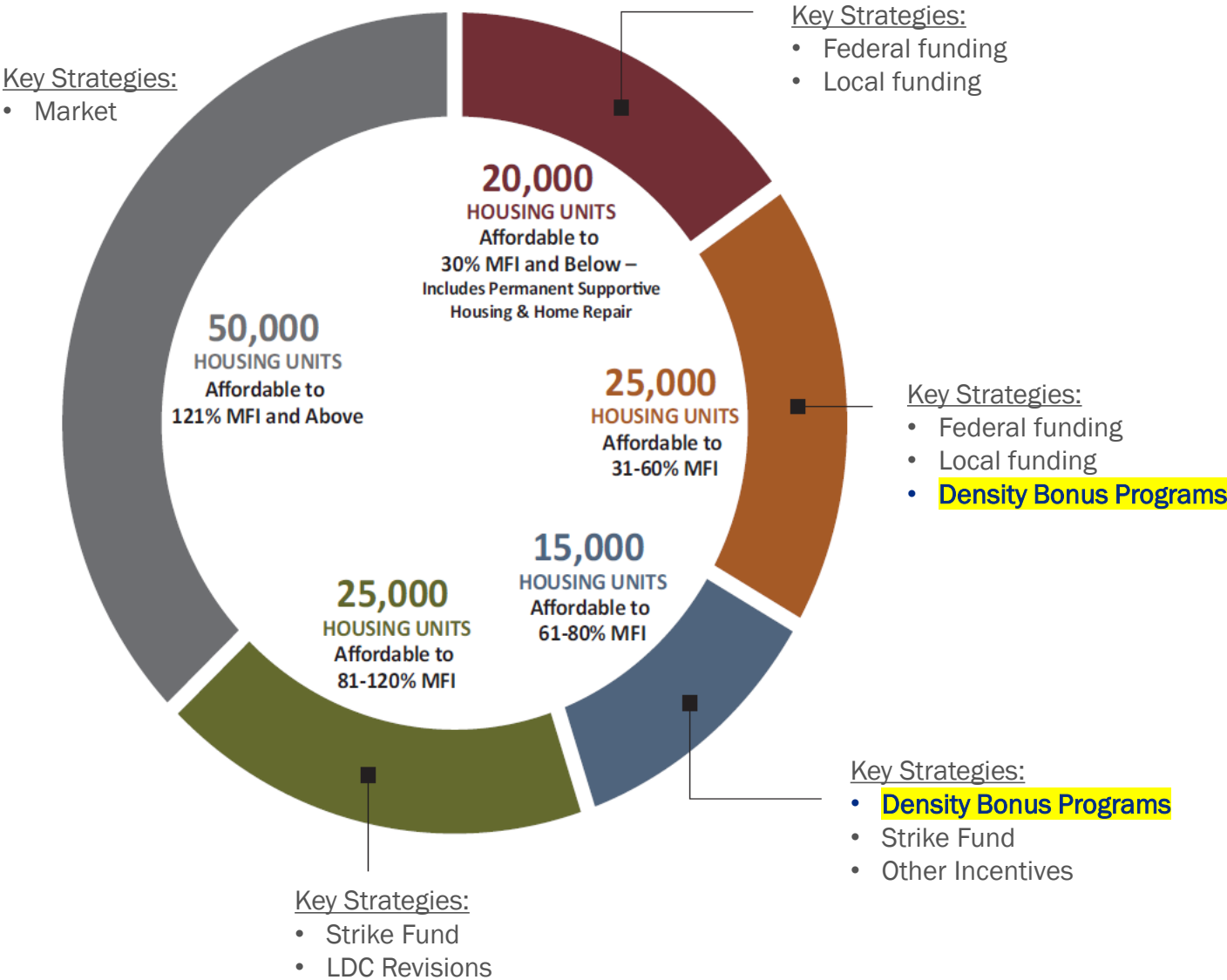
- Strategic Housing Blueprint
- Vertical Mixed-Use Basics
- VMU Outcomes
- Completed VMU Projects



Austin's 10-Year Affordable Housing Goals



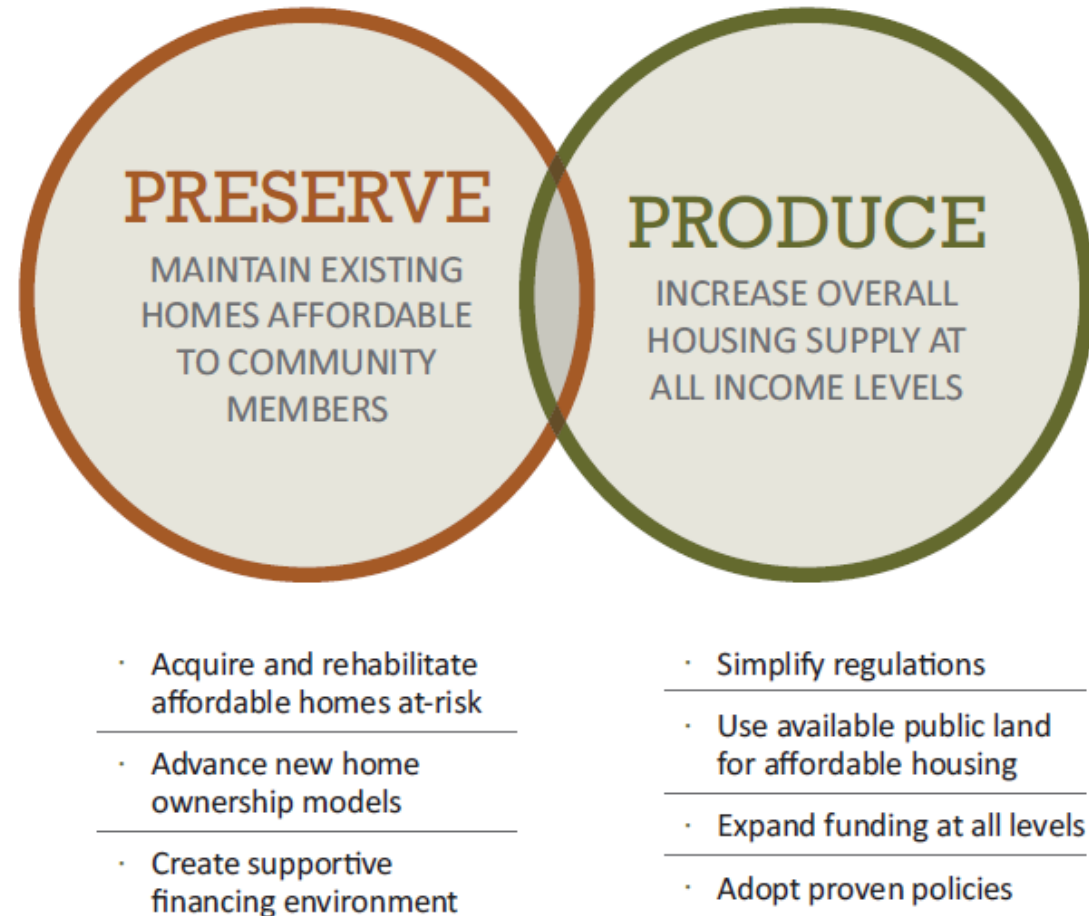
135,000 Units in 10 Years



Our Toolkit

- Subsidize Affordable Housing
 - Local Funding
 - Federal Funding
- Incentivize (Affordable) Housing
 - Density Bonus
 - Fee Waivers
 - Regulations

HOLISTIC APPROACH TO AFFORDABLE HOUSING

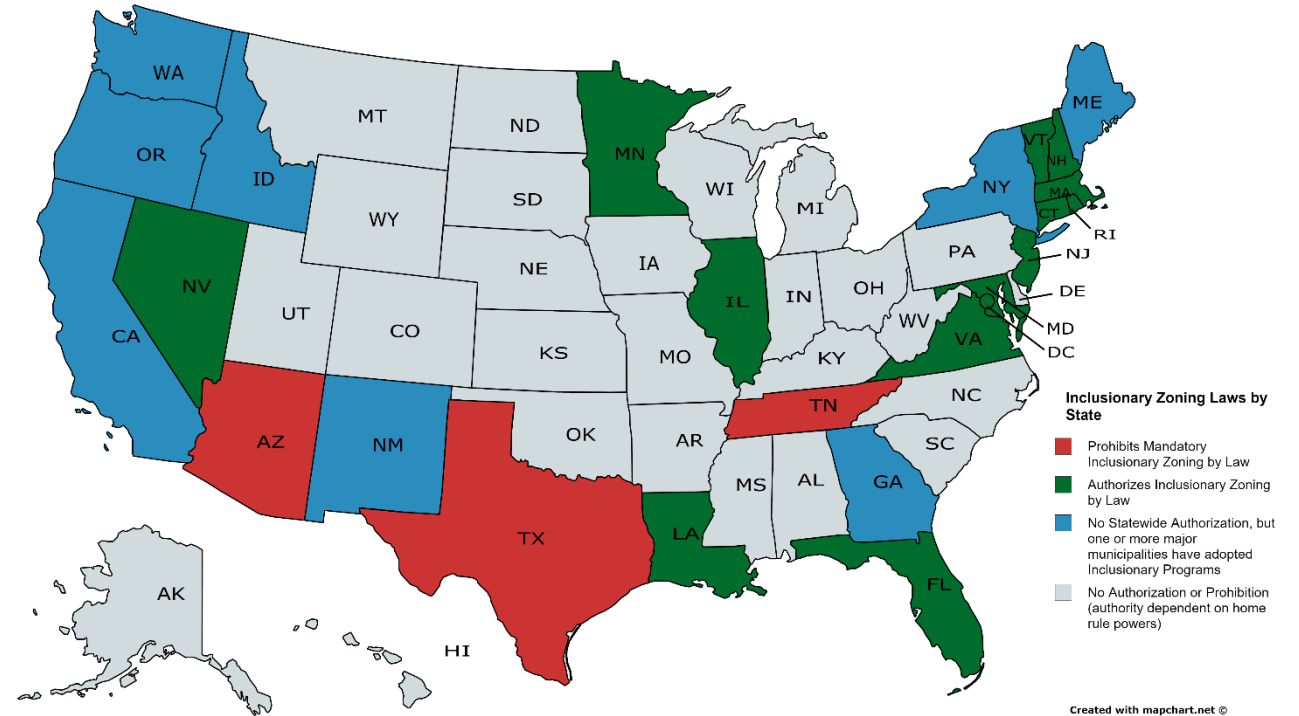




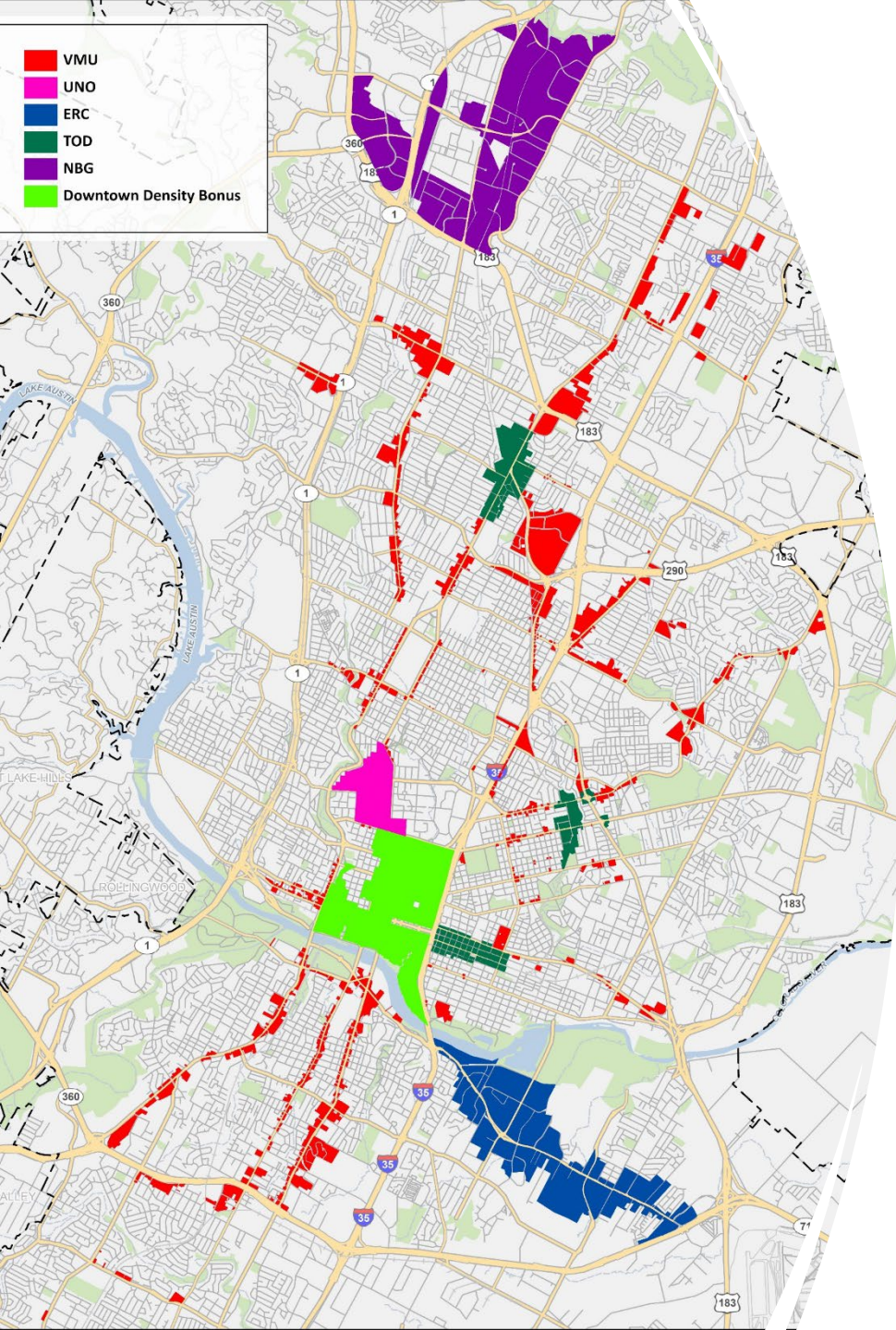
Affordability Tools Banned in Texas

- Inclusionary zoning
- Rent Control
- Mandatory Housing Voucher acceptance
- Linkage/Impact Fees for affordable housing
- Real estate transfer tax
- Income-based property tax adjustments
- Local minimum wage increases

Inclusionary Zoning Laws by State



Source: [Grounded Solutions Network](#)



Current Developer Incentives

Citywide:

- SMART Housing
- Affordability Unlocked

Geographically Specific:

- Downtown (+ Rainey) Density Bonus
- East Riverside Corridor Regulating Plan
- North Burnet Gateway Regulating Plan
- Transit Oriented Development Regulating Plans
 - Plaza Saltillo, MLK, North Lamar/Airport
- University Neighborhood Overlay
- Vertical Mixed-Use (VMU)
- Planned Unit Developments (PUD)

VMU Basics



Vertical Mixed-Use (VMU) Basics

VMU is a *voluntary* program designed to generate community benefits through the use of development incentives.

- Adopted in 2010
 - Included a one-time opt-in/opt-out process for neighborhood associations or neighborhood planning teams
- Applicable along core transit corridors
 - Connects housing and services to transit
 - May also include other roadways based on original neighborhood opt-in process
- Offers development incentives in exchange for community benefits
 - Improves flexibility for site development
 - Creates enhanced pedestrian environment
 - Regulates affordability
 - Support sustainable development patterns

Development
Incentive

Site Development
Flexibility

Reduced Parking
Requirement

No FAR
restrictions

Additional
Allowable Uses

Community
Benefit

Regulated
Affordability

Heightened
design standards

Mix of land uses

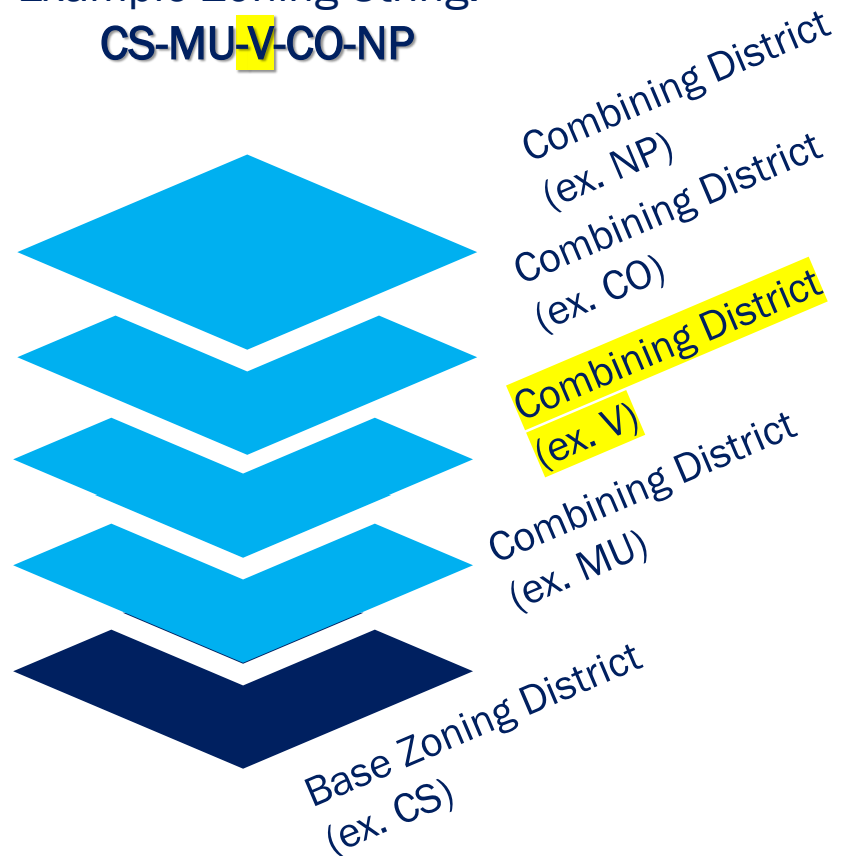
Active ground
floor use



VMU Combining District

Example Zoning String:

CS-MU-V-CO-NP



VMU-Zoned Sites

| Base Zones | Description | Max Height | Impervious Cover | % of Sites |
|------------|-------------------------|------------|------------------|------------|
| CS | commercial services | 60ft | 95% | 67% |
| GR | community commercial | 60ft | 90% | 18% |
| LO | limited office | 40ft | 70% | 5% |
| LR | neighborhood commercial | 40ft | 80% | 5% |
| GO | general office | 60ft | 80% | 3% |
| NO | neighborhood office | 35ft | 60% | 1% |

| VMU-Zoned Properties with Other Combining Districts | % of Sites |
|---|------------|
| NP: Neighborhood Plan | 94% |
| MU: Mixed Use | 53% |
| CO: Conditional Overlay | 67% |
| NCCD: Neighborhood Conservation Combining District | 5% |



VMU Site Development Standards

- Same as base zoning
- Compatibility standards supersede

Building Height



- Same as base zoning

Impervious Cover



- No minimum front or side setbacks
- Compatibility standards supersede

Reduced Setbacks



- Height and Impervious Cover still provide site controls

No Floor to Area Ratio (FAR) limit



- Up to a 60% reduction in the minimum number of required parking spaces

Reduced Parking Requirement



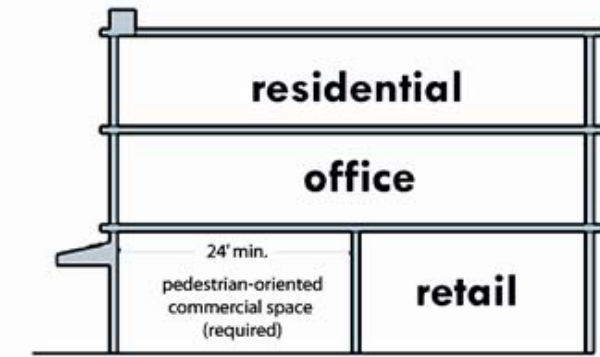
- Allows residential uses in commercial and office zones
- Allows additional commercial uses in office zones

Broader Range of Allowed Uses



- Pedestrian-Oriented Commercial space requirement on first floor
- Minimum of one floor of residential use required

Mix of Uses Required





Vertical Mixed-Use Affordability Policy

Rental Developments

- 10% of total housing units must be income-restricted
- 40-year affordability period
- Affordable to households earning 60% or 80% of Austin Area MFI

Ownership Developments

- 10% of total housing units must be income-restricted
- 99-year affordability period
- Affordable to households earning 80% and 100% of Austin Area MFI (5% at each level)

2021 Median Family Income Limits (Austin Area)

| | 1 Person Household | 2 Person Household | 3 Person Household | 4 Person Household |
|----------|--------------------|--------------------|--------------------|--------------------|
| 60% MFI | \$41,580 | \$47,520 | \$53,450 | \$59,340 |
| 80% MFI | \$55,400 | \$63,300 | \$71,200 | \$79,100 |
| 100% MFI | \$69,250 | \$79,100 | \$89,000 | \$98,900 |

| | Average Affordable Rental Limit | Typical Affordable Home Sales Price (1 Bedroom) |
|----------|---------------------------------|---|
| 60% MFI | \$1,077 | |
| 80% MFI | \$1,436 | \$219,800 |
| 100% MFI | | \$273,400 |

Market-rate rents in VMU developments is on average \$1,832

VMU Outcomes



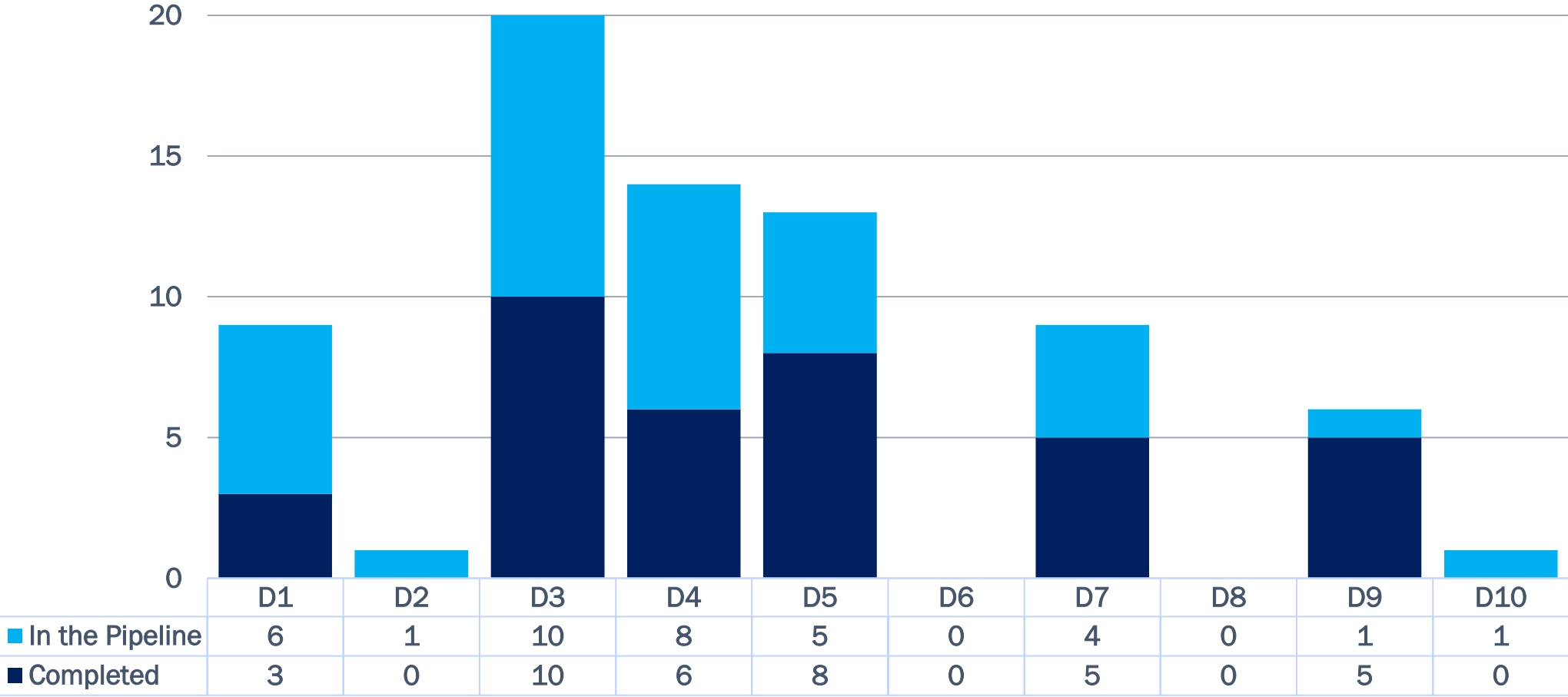
Vertical Mixed-Use Outcomes

| | In Planning | Under Construction | Completed | Possible Combined Impact |
|--|-------------|--------------------|-----------|--------------------------|
| VMU Projects | 25 | 11 | 37 | 73 |
| VMU Housing Units | 6,345 | 2,563 | 6,793 | 15,701 |
| Income-Restricted Affordable Housing Units | 641 | 549 | 678 | 1,868 |
| Tenure of VMU Housing Units | | | | |
| Rental | 100% | 98% | 95% | 97% |
| Ownership | 0% | 2% | 5% | 3% |

data source: [Affordable Housing Inventory](#) (accessed 4/18/22)



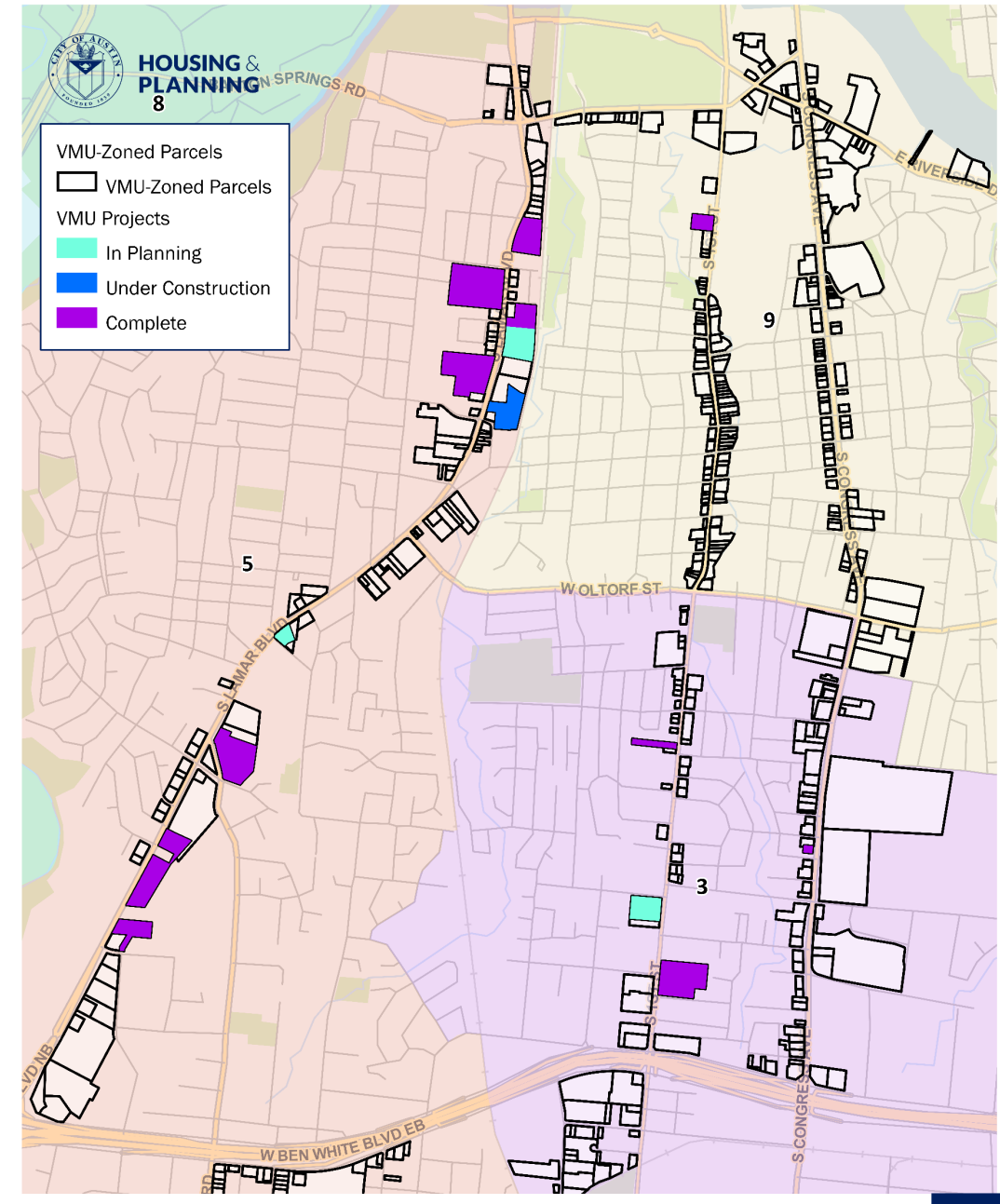
Vertical Mixed-Use Developments by Council District





South Austin VMU Corridors

- South Lamar Blvd
- South 1st St
- South Congress Ave
- Barton Springs Rd
- Ben White Blvd
- Stassney Ln
- Slaughter Ln

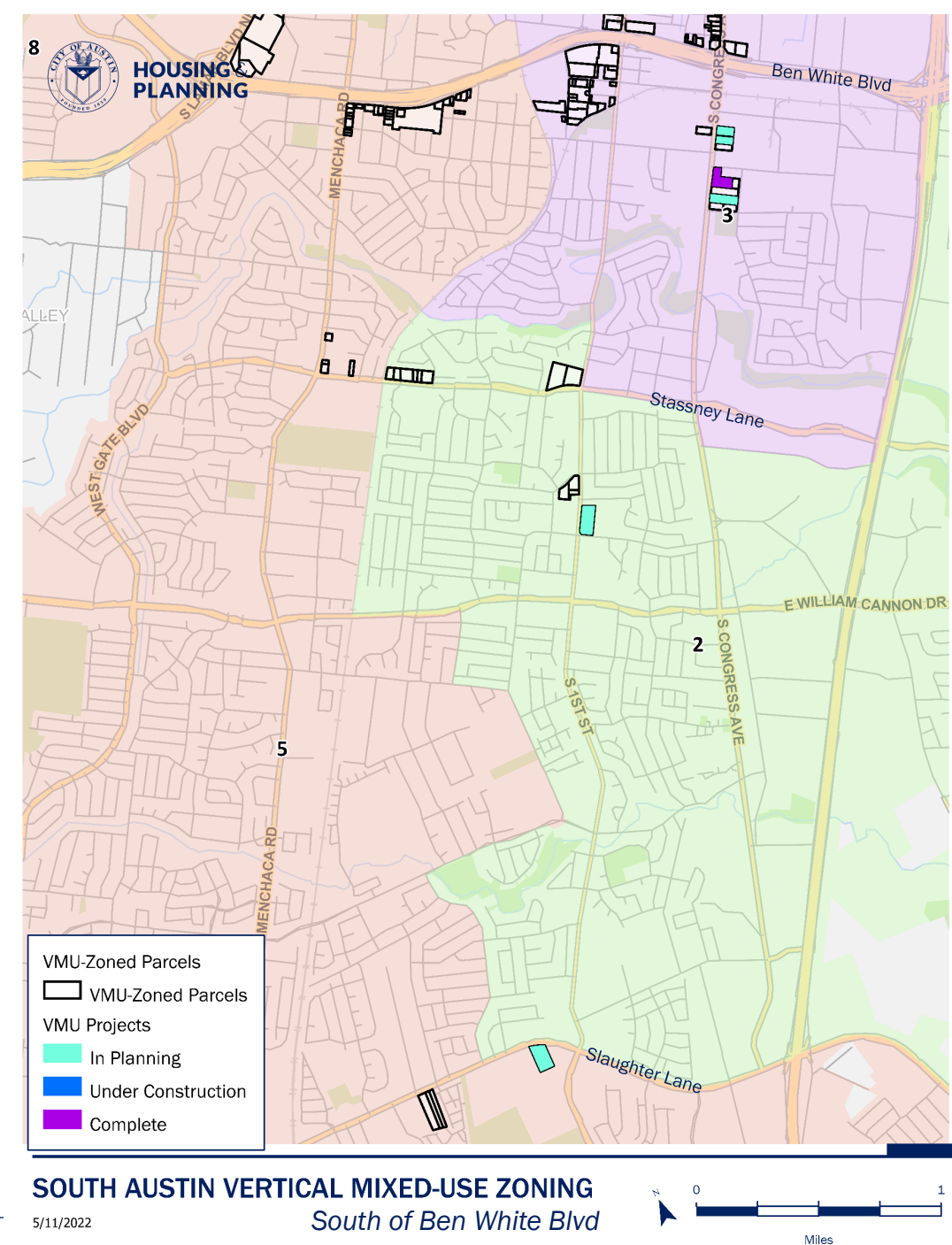


SOUTH AUSTIN VERTICAL MIXED-USE ZONING
North of Ben White Blvd



South Austin VMU Corridors

- South Lamar Blvd
- South 1st St
- South Congress Ave
- Barton Springs Rd
- Ben White Blvd
- Stassney Ln
- Slaughter Ln



Completed VMU Projects Examples



VMU-Developed Buildings: Lamar Union Apartments

Total Units: 441

Affordable Units: 44

Tenure: Rental

Year Built: 2015

Council District: 5

Corridor: South Lamar





VMU-Developed Buildings: Gibson Flats

Total Units: 95
Affordable Units: 10
Tenure: Rental

Year Built: 2014

Council District: 5
Corridor: South Lamar





VMU-Developed Buildings: The 704

Total Units: 378

Affordable Units: 38

Tenure: Rental

Year Built: 2014

Council District: 5

Corridor: South Lamar





VMU-Developed Buildings: The Tree Apartments

Total Units: 336

Affordable Units: 34

Tenure: Rental

Year Built: 2014

Council District: 3

Corridor: South 1st St





VMU-Developed Buildings: 44 South

Total Units: 227

Affordable Units: 23

Tenure: Rental

Year Built: 2021

Council District: 3

Corridor: South Congress





VMU-Developed Buildings: Frank

Total Units: 69

Affordable Units: 7

Tenure: Ownership

Year Built: 2019

Council District: 9

Corridor: South 1st St





VMU-Developed Buildings: Willa

Total Units: 61

Affordable Units: 6

Tenure: Ownership

Year Built: 2021

Council District: 9

Corridor: South 1st St





VMU-Developed Buildings: 3114 SoCo

Total Units: 20

Affordable Units: 2

Tenure: Ownership

Year Built: 2017

Council District: 3

Corridor: South Congress Ave

