

ORDINANCE NO. XXXXXXX

AN ORDINANCE AMENDING CHAPTER 25-2 OF THE CITY CODE TO
CREATE AN OVERLAY DISTRICT ON PROPERTY THAT FRONT-FACES OR
SIDE-FACES CERTAIN ROADWAYS; AMENDING SECTION 25-6-471 OF THE
CITY CODE RELATING TO OFF-STREET PARKING FACILITIES; AND
CREATING AN OFFENSE AND PENALTY.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. Subsection (F) of City Code Section 25-2-32 (*Zoning Districts and Map Codes*) is amended to add a new combining district to read as follows:

(F) Combining districts and map codes are as follows:

(21) corridor overlay COR

PART 2. Division 6 of Subchapter A, Article 2 of City Code Chapter 25-2 is amended to add a new Section 25-2-181 to read as follows:

§ 25-2-181 CORRIDOR OVERLAY (COR) DISTRICT PURPOSE AND BOUNDARIES.

(A) The purpose of the corridor overlay (COR) district is to increase housing capacity and support transit investments on certain roadways by relaxing compatibility regulations and reducing parking minimums.

(B) The boundaries of the COR district are identified in Section 25-2-769.03 (*Corridor Roadways*).

PART 3. Article 3, Subchapter C of City Code Chapter 25-2 (*Zoning*) is amended to add a new Division 13 to read as follows:

Division 13. Corridor Overlay

§ 25-2-769.01 APPLICABILITY AND CONFLICT.

(A) This division applies to a site within the zoning jurisdiction that can be developed with at least one residential use and front-faces or side-faces a roadway that qualifies as light rail line, medium corridor, or larger corridor.

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- (B) This division governs over a conflicting provision of this title or other ordinance unless the conflicting provision is less restrictive.

§ 25-2-769.02 DEFINITIONS.

In this division, the following definitions apply:

- (1) CORRIDOR means a roadway that qualifies as a larger corridor, light rail line, or medium corridor.
- (2) CORRIDOR SITE means a site that is front-facing or side-facing a corridor.
- (3) LARGER CORRIDOR means a roadway described in Section 25-2-769.03(C).
- (4) LIGHT RAIL LINE means a roadway described in Section 25-2-769.03(A).
- (5) MEDIUM CORRIDOR means a roadway described in Section 25-2-769.03(B).
- (6) TRIGGERING PROPERTY means a property zoned SF-5 or more restrictive **and contains only residential uses.**

§ 25-2-769.03 CORRIDOR ROADWAYS.

- (A) A site is located along a light rail line when the site front-faces or side-faces one of the streets set out in Exhibit A to Ordinance No. XXXXX.
- (B) A site is located along a medium corridor when the site front-faces or side-faces one of the streets set out in Exhibit B to Ordinance No. XXXXX.
- (C) A site is located along a larger corridor when the site front-faces or side-faces one of the streets set out in Exhibit C to Ordinance No. XXXXX.

§ 25-2-769.04 COMPATIBILITY AND SETBACK REQUIREMENTS.

- (A) A corridor site is not subject to Section 25-2-1062 (*Height Limitations And Setbacks For Small Sites*) or Section 25-2-1063 (*Height Limitations And Setbacks For Large Sites*) except as provided in this division.
- (B) A corridor site is subject to Section 25-2-1062 (*Height Limitations And Setbacks For Small Sites*) when:

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- 55 (1) the site is 20,000 square feet or less; and
- 56 (2) the site includes a street frontage that is 100 feet or less; and
- 57 (3) a triggering property is on the same side of the corridor as the site; and
- 58 (4) a structure or a portion of a structure on ~~at the~~ site on a light rail line or larger
- 59 corridor is constructed within 200 feet of a triggering property; and
- 60 (5) a structure or a portion of a structure on a site on a medium corridor is
- 61 constructed within 300 feet of a triggering property; and
- 62 (6) one of the following applies:
- 63 (a) the site includes a residential use developed in accordance with site
- 64 development standards that apply to MF-1 or less restrictive zoning
- 65 district;
- 66 (b) the site includes 12 or more residential units;
- 67 (c) the site includes non-residential uses; ~~or~~
- 68 (d) ~~at the~~ site on a light rail line or larger corridor includes a structure or a
- 69 portion of a structure that will exceed 35 feet in height within 200 feet
- 70 of a triggering property ~~;~~ or
- 71 (e) a site on a medium corridor includes a structure or a portion of the
- 72 structure that will exceed 35 feet in height within 300 feet of a
- 73 triggering property.
- 74 (C) A corridor site is subject to Section 25-2-1063 (*Height Limitations And Setbacks*
- 75 *For Large Sites*) when:
- 76 (1) one of the following applies:
- 77 (a) the site exceeds 20,000 square feet; or
- 78 (b) the site includes a street frontage that exceeds 100 feet; and
- 79 (2) a triggering property is on the same side of the corridor as the site; and
- 80 (3) a structure or a portion of a structure on ~~at the~~ site on a light rail line or larger
- 81 corridor is constructed within 200 feet of a triggering property; and

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(4) a structure or a portion of a structure on a site on a medium corridor is constructed within 300 feet of a triggering property; and

(5) one of the following applies:

(a) the site includes a residential use developed in accordance with site development standards that apply to MF-1 or less restrictive zoning districts;

(b) the site includes 12 or more residential units;

(c) the site includes non-residential uses; ~~or~~

(d) ~~at the site~~ on a light rail line or larger corridor includes a structure or a portion of a structure that will exceed 35 feet in height within 200 feet of a triggering property; ~~or~~

(e) a site on a medium corridor includes a structure or a portion of the structure that will exceed 35 feet in height within 300 feet of a triggering property.

(f)

(D) In this division, height limitations in Section 25-2-1062 (*Height Limitations And Setbacks For Small Sites*) and Section 25-2-1063 (*Height Limitations And Setbacks For Large Sites*) only apply to the portion of a structure that is located within 200 feet of the triggering property on a light rail line or larger corridor and 300 feet of the triggering property on a medium corridor.

(E) For a corridor site with at least one residential use and no short-term rental uses, a setback required by Section 25-2-1062 (*Height Limitations And Setbacks For Small Sites*) and Section 25-2-1063 (*Height Limitations And Setbacks For Large Sites*) may include a structure if the structure complies with this section ~~does not exceed 35 feet in height and cannot be used as a dwelling or for refuse collection.~~

(1) The structure cannot exceed 35 feet in height.

(2) The structure cannot be used as a dwelling, multi-level parking facility or for refuse collection.

(3) The structure cannot include enclosed walls or a roof except for screening and walls that are part of stormwater or other critical infrastructure.

(4) The structure cannot include industrial or large commercial HVAC systems.

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- (F) For a corridor site with at least one residential use and no short-term rental uses, the height limitation for a structure is:
- (1) ~~two stories and~~ 35 feet, if the structure is 50 feet or less from a triggering property;
 - (2) ~~three stories and~~ 45 feet, if the structure is more than 50 feet and not more than 100 feet from a triggering property; ~~or~~
 - (3) for a structure on a light rail line or a larger corridor more than 100 feet but not more than 200 feet from a triggering property, 45 feet plus one foot for each 10 feet of distance in excess of 100 feet from the triggering property; or
 - (4) for a structure on a medium corridor more than 100 feet but not more than 300 feet from a triggering property, 45 feet plus one foot for each 10 feet of distance in excess of 100 feet from the triggering property.

§ 25-2-769.05 RESIDENTIAL USE.

In this division, residential use does not include short-term rental (STR) use.

§ 25-2-769.06 AFFORDABLE HOUSING BONUSES.

- (A) A development is eligible for the bonuses in this section if the requirements in this section are satisfied.
- (B) In this section,
- (1) DIRECTOR means the director of the Housing and Planning Department.
 - (2) MARKET RATE UNIT means a rental or ownership dwelling unit that is not an affordable unit.
 - (3) MFI means median family income for the Austin-Round Rock metropolitan statistical area.
- (C) A proposed development that will require the applicant to redevelop or rebuild an existing multi-family structure is eligible for this program if:
- (1) the existing multi-family structure requires extensive repairs for which costs will exceed 50 percent of the market value, as determined by the building official;

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- 142 (2) the proposed development will replace all existing units that were affordable
143 to a household earning 80 percent MFI or below in the previous 12 months
144 and have at least as many bedrooms as those units;
- 145 (3) the applicant provides current tenants with:
- 146 (a) notice and information about the proposed development on a form
147 approved by the director; and
- 148 (b) relocation benefits that are consistent with Federal Uniform
149 Relocation Assistance and Real Property Acquisition Policies Act of
150 1970, 42 U.S.C. 4601, *et seq.*; and
- 151 (4) the applicant grants current tenants the option to lease a unit of comparable
152 affordability and size following completion of redevelopment.

153 (D) Minimum Affordability Requirements.

- 154 (1) For a development with rental dwelling units, at least 10 percent of the rental
155 dwelling units must serve households whose incomes are 60 percent MFI or
156 below.
- 157 (2) For a development with owner-occupied dwelling units, at least 10 percent
158 of the owner-occupied dwelling units must serve households whose incomes
159 are 80 percent MFI or below.
- 160 (3) If the number of units required in this section includes less than a whole unit,
161 the unit number is rounded up to the nearest whole unit.
- 162 (4) The minimum affordability period for rental dwelling units is 40 years
163 following the last certificate of occupancy required for the development.
- 164 (5) The minimum affordability period for owner-occupied dwelling units is 99
165 years following the issuance of a certificate of occupancy for the owner-
166 occupied dwelling unit.
- 167 (6) In a multi-phased development, the director may begin the minimum
168 affordability period upon the issuance of the last certificate of occupancy for
169 each phase.
- 170 (7) Unless otherwise approved by the director, the bedroom count for affordable
171 units shall be comparable to the bedroom count for market rate units. At the

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discretion of the director, two-bedroom or three-bedroom affordable units may count as two or three, one-bedroom (efficiency) affordable units.

(8) Simultaneous Availability of Affordable Units.

(a) In a single-phase housing development, affordable units must be available for occupancy concurrently with the market rate units.

(b) For a multi-phase housing development, an applicant must submit a development phasing plan that demonstrates how the market rate units and the affordable units will be made available concurrently. This plan must be included as an attachment to the agreement described in Subsection (E).

(9) Affordable rental units may be rotated within the structure, provided that the total number of required affordable units remains in compliance with the affordability requirements for the affordability period.

(10) An applicant shall prepare and follow an affirmative marketing and outreach plan for the duration the affordable period, in a form consistent with the U.S. Department of Housing and Urban Development regulations and approved by the director.

(11) Short-term rental use is a prohibited use on a corridor site that is certified under Subsection (E).

(E) Certification.

(1) The director is responsible for certifying whether a proposed development satisfies the exemption and bonus requirements.

(2) The applicant shall submit an application to the director demonstrating the proposed development satisfies the requirements of this section.

(3) If the director certifies that a proposed development satisfies the requirements of this section, the accountable official is authorized to process a development application consistent with this section.

(4) Before the director may certify the proposed development, the applicant shall execute:

(a) an agreement to preserve the requirements in this section; and

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- 202 (b) a document for recording in the real property records providing notice
203 of or preserves the requirements in this section.
- 204 (5) The form of the agreement and document described in Subsection (E)(4)
205 must be approved by the city attorney.
- 206 (6) The applicant shall pay all fees, provide documentation, and fulfill any pre-
207 occupancy requirements prior to the issuance of a certificate of occupancy.
- 208 (7) The agreement required in Subsection (E)(4) must, at a minimum:
- 209 (a) prohibit discrimination on the basis of an individual's source of
210 income as defined in Section 5-1-13 (*Definitions*);
- 211 (b) require dispersion of affordable units throughout the residential units;
- 212 (c) require equal access and use of on-site amenities and common areas;
- 213 (d) require equal access to parking facilities if rent and parking facilities
214 are bundled;
- 215 (e) require shared access routes for affordable units and market-rate units;
- 216 (f) require that affordable units include interior components that are
217 functionally equivalent to market-rate units;
- 218 (g) require the applicant to incorporate lease provisions that are consistent
219 with a tenant's right to organize under 24 C.F.R. 245.100, the lease
220 addendum required as a condition to receive City of Austin Housing
221 Finance Corporation funds, or City Code requirement; and
- 222 (g) address obligations related to redeveloping an existing multi-family
223 structure.
- 224 (F) Affordability Post-Construction Compliance and Penalty.
- 225 (a) For development with rental dwelling units, the owner shall provide the
226 director with information that allows the director to verify compliance with
227 the affordability requirements. The information shall be provided on an
228 annual basis and on a form approved by the director.

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- (b) If, for any reason, the director is unable to confirm that the affordability requirements were met during any 12-month period, the preceding 12 months may not be used to satisfy the affordability period.
- (c) For an ownership affordable unit, each homebuyer at the time of purchase shall execute a resale restriction agreement in a form approved by the city attorney for recording in the real property records.
- (d) A person commits an offense if the person fails to comply with the requirement in Subsection (F)(1). A culpable mental state is not required and need not be proved. A person commits a separate offense for each day the person fails to provide the documentation. Each offense is punishable by a fine not to exceed \$500.

(G) Bonuses.

- (1) This subsection governs over a conflicting provision of this division.
- (2) For a site located on a light rail line or a larger corridor, the requirements in Section 25-2-769.04 (*Compatibility and Setback Requirements*) apply only to a structure located within 100 feet of a triggering property.
- (3) For a site located on a medium corridor, the maximum height for a structure is:
- (a) 65 feet if the structure is located at least ~~100~~150 feet from a triggering property; or
- (b) 85 feet if the structure is located at least 150 feet from a triggering property. 90 feet if the structure is located at least 250 feet from a triggering property.

(H) Fee-In-Lieu.

- (1) An applicant may pay a fee-in-lieu of on-site affordable units if:
- (a) the fee-in-lieu of on-site affordable units is sufficient to construct the number of dwelling units that would have been required on-site;
- (b) the director authorizes the applicant to pay a fee-in-lieu; and

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~~(c) — the applicant demonstrates that the fee-in-lieu funds can be used within one-quarter of a mile of a corridor.~~

- (2) The director may authorize an applicant to pay a fee-in-lieu after the fee-in-lieu per dwelling unit is set by separate ordinance.
- (3) The director may adopt administrative rules in accordance with Chapter 1-2 (*Administrative Rules*) to implement this subsection.

(I) Other Density Bonus Programs.

(1) If a Corridor Overlay (COR) District development is also eligible to utilize a separate density bonus program that grants density bonuses for the provision of on-site affordable dwelling units or for the payment of a fee-in-lieu for affordable housing, then the Corridor Overlay (COR) District development may comply with the least restrictive site development requirements, provided it meets the higher affordability requirement from among the two programs.

PART 4. City Code Section 25-6-471 (*Off-Street Parking Facility Required*) is amended to amend Subsection (I) to add a new definition for “Corridor Development”; and to add new Subsections (K) and (L) to read as follows:

(I) In this section,

- (1) **ACCESSIBLE SPACE** means a parking space for an individual with a disability that complies with the Americans with Disabilities Act (ADA) and Fair Housing Act Amendments (FHAA), as appropriate;
- (2) **CORRIDOR DEVELOPMENT** means a development subject to Division 13 (*Corridor Overlay*) of Chapter 25-2, Subchapter C that does not include short-term rental uses; and
- (3) **[(2)] QUALIFYING DEVELOPMENT** means a development certified under Section 25-1-724 (*Certification*) and participating in the Affordability Unlocked Bonus Program.

(K) This subsection applies to a corridor development that includes at least one residential use and is located more than 300 feet from a private or public primary or secondary educational facility.

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- (1) A term defined by Section 25-2-769.02 (*Definitions*) has the same meaning in this subsection.
- (2) A corridor development must provide accessible spaces as set forth in Subsection (J).
- (3) The required off-street parking for a corridor development that is located on a larger corridor is 25 percent of the parking required for the use under Appendix A (*Tables of Off-Street Parking and Loading Requirements*).
- (4) The required off-street parking for a corridor development that is located on a medium corridor is 50 percent of the parking required for the use under Appendix A (*Tables of Off-Street Parking and Loading Requirements*).
- (5) The required off-street parking for a corridor development that includes residential and non-residential uses and is located on a light rail line is 25 percent of the parking required for the use under Appendix A (*Tables of Off-Street Parking and Loading Requirements*), **except as provided in Subsection (L).**
- (L) This subsection applies to a corridor development that is located on a light rail line and consists ~~only~~ of a development where at least 75 percent of uses are residential uses.
- (1) A term defined by Section 25-2-769.02 (*Definitions*) has the same meaning in this subsection.
- (2) A corridor development subject to this subsection must provide accessible spaces as set forth in Subsection (J).
- (3) A corridor development subject to this subsection is not required to provide required off-street parking.

PART 5. This ordinance takes effect on _____, 2022.