

**To:** Downtown Commission

**From:** City of Austin Housing Department, Planning Department, and Economic Development Department staff

**Date:** April 14, 2023

**Subject:** **Downtown Austin Plan Implementation Update**

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The Downtown Austin Plan (DAP) was published in December of 2011 and has been in the implementation phase since that time. In total, the plan identified 109 recommendations for implementation. This memo serves as a status update on DAP implementation and suggests considerations for next steps by the Downtown Commission.

Tracking the implementation actions for the DAP was active through 2018 at which point:

- 75% (82) recommendations were partially complete or underway (where ‘underway’ means initiated)
- 21 recommendations (19%) were complete or ongoing (where ‘ongoing’ means approved, funded, and continuous)
- 6% (6 recommendations) had not been initiated

Since that time, several factors have come into play that have paused the implementation tracking efforts, including:

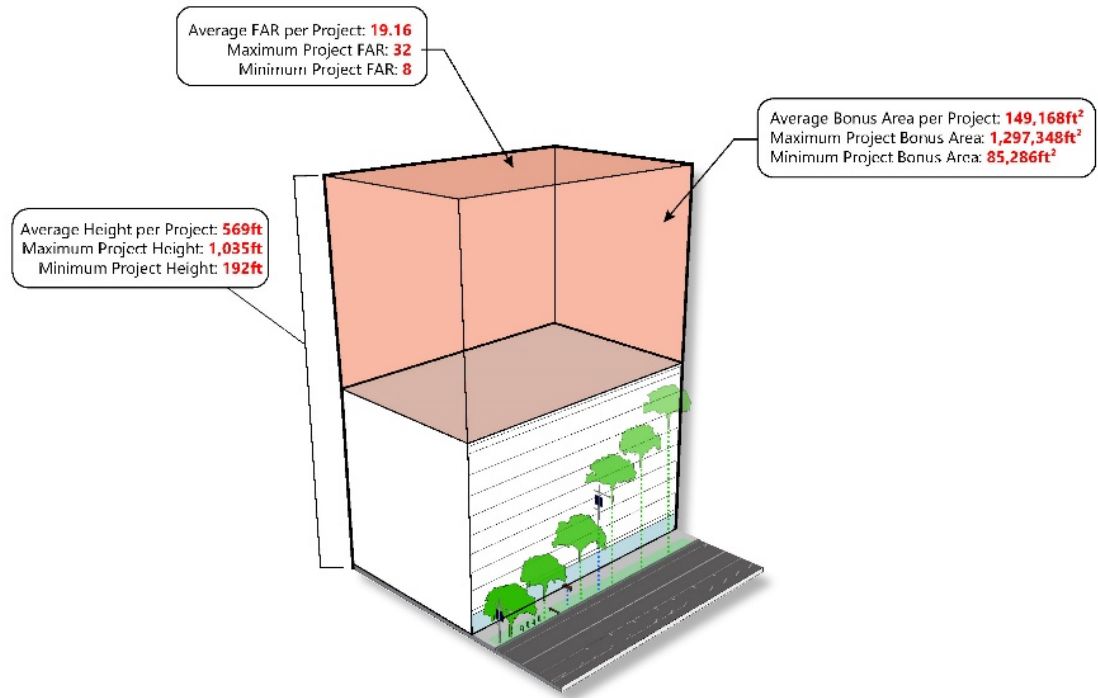
- **Land Development Code rewrite:** Numerous recommendations were incorporated into the draft code developed through the Land Development Code (LDC) Revision process. Land use and zoning recommendations in the DAP have remained on hold since the LDC Revision process was suspended in March 2020.
- **COVID-19:** The pandemic transitioned priorities for the City towards public health goals.
- **Staffing Shortages:** The former Housing and Planning Department (HPD), historically in charge of implementation tracking, has had staff vacancies. Fortunately, staff are being hired to mitigate the gaps experienced in the last year(s), but onboarding and assignment of prioritized tasks will take time.

Though active tracking of progress towards the plan was put on pause, work towards implementation of the Downtown Austin Plan has not stopped. The following provides some updates from the City’s Housing Department, Planning Department, and Economic Development Department (EDD), and is not inclusive of all progress made since the last update:

## **Update #1: Downtown Density Bonus Program (DDBP) [AU-6.1, DD-1.1, DD-1.2, DD-1.3, DD-1.4]**

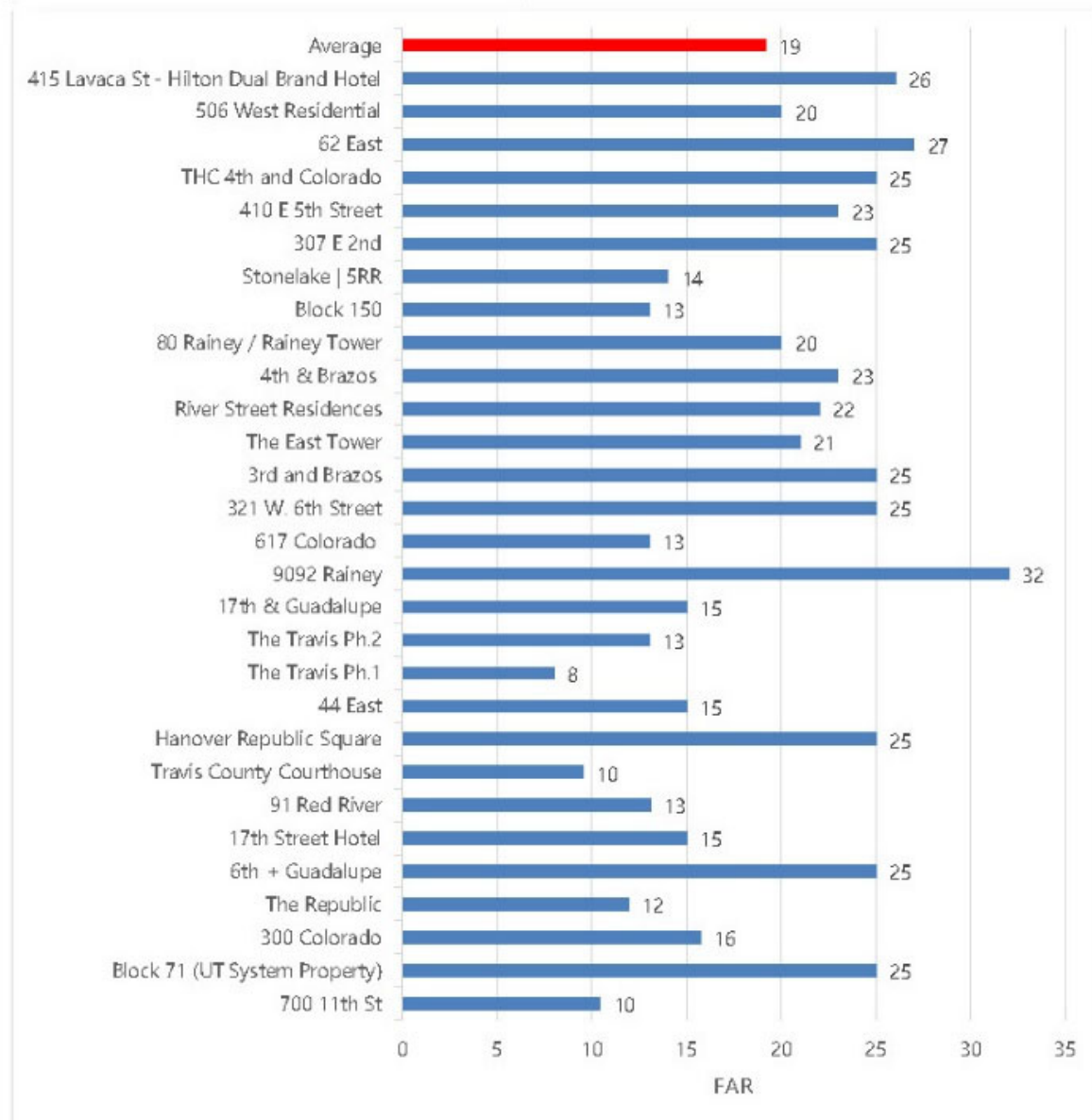
On June 27, 2013, City Council adopted an ordinance to create the Downtown Density Bonus Program (LDC 25-2-586) as recommended by the DAP. This program allows increases to base entitlements (Floor Area Ratio (FAR) and height) in exchange for community benefits such as affordable housing or fees-in-lieu to be used for community benefits.

## Downtown Density Bonus Metrics - Since January 1st, 2018

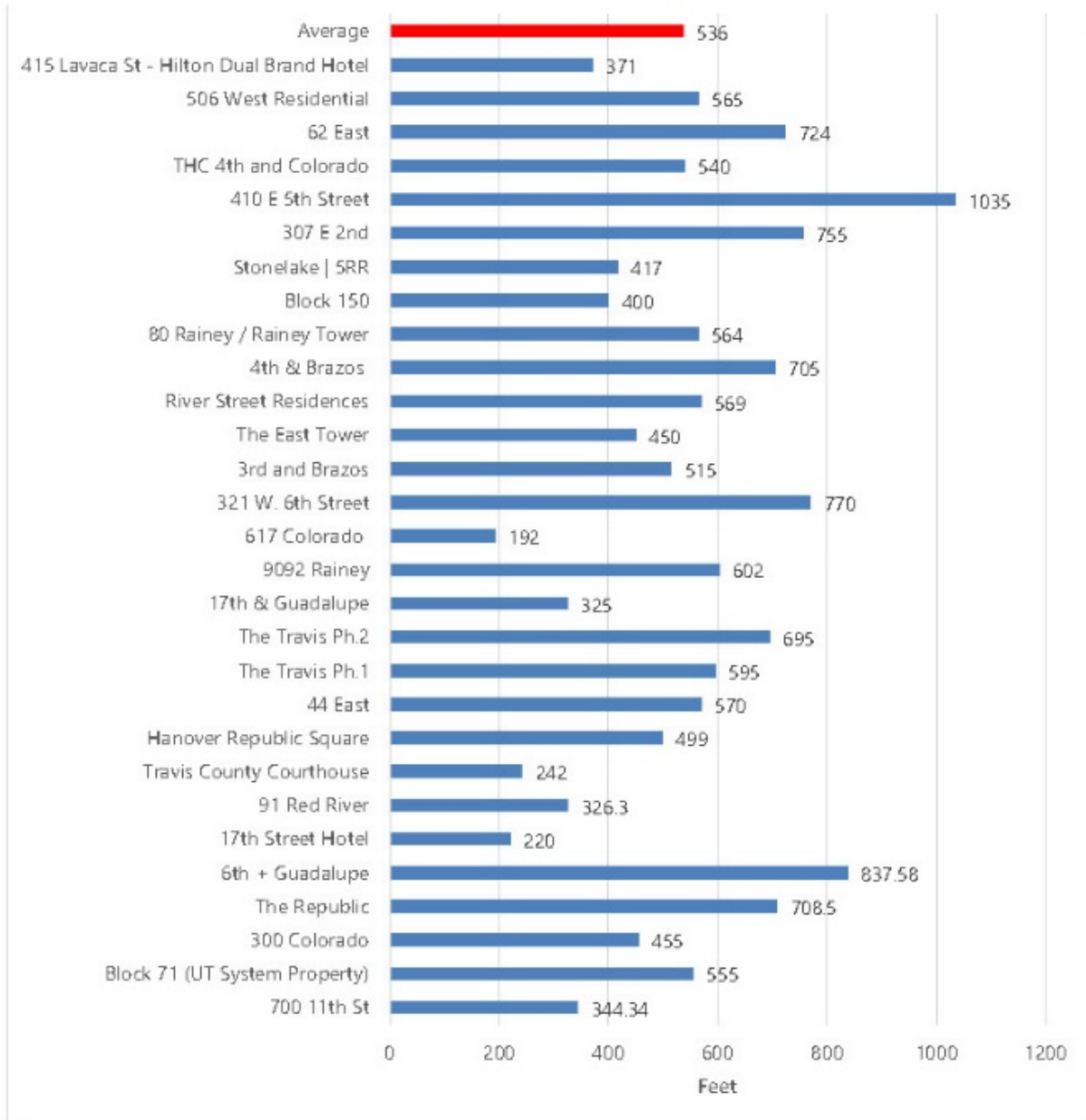


Since January 1, 2018, 28 projects have participated in the Downtown Density Bonus Program or are currently in review for the program. Of these 28 projects, the average FAR requested is 19.16, the average height is 569ft, and the average bonus area awarded is 149,168ft<sup>2</sup>. The maximum FAR of these projects is 32 (9092 Rainey), the maximum height is 1,035ft (410 E. 5<sup>th</sup> St), and the maximum bonus area awarded is 1,297,348ft<sup>2</sup> (The Travis, Phase 2). The minimum FAR is 8 (The Travis, Phase 1) and the minimum height is 192ft (617 Colorado). Of the 28 projects, the smallest bonus area requested was 85,286<sup>2</sup> (17<sup>th</sup> Street Hotel).

# Floor-to-Area Ratio



# Building Height



## Updates to Downtown Density Bonus Program Fee Calibration

In 2021, City Council [Resolution No. 20210422-030](#) directed staff to update Downtown Density Bonus affordable housing in-lieu fees to reflect current market conditions for the Downtown Density Bonus Program. Based on research and analysis, staff found that in-lieu fees for *residential* development should be maintained at the rate adopted in May 2021 by [Ordinance No. 20210520-009](#). The 2021 interim in-lieu fees for commercial development were not found to be supported by current commercial market conditions and were reduced. Additional information about the analysis can be found in this [memo to Council](#).

## Downtown Density Bonus Outcomes

To date, the Downtown Density Bonus Program has resulted in \$2,864,936 in fees-in-lieu of affordable housing. An estimated \$22,874,678 in fees-in-lieu are pending, with the proposed developments certified under the program but not yet completed.

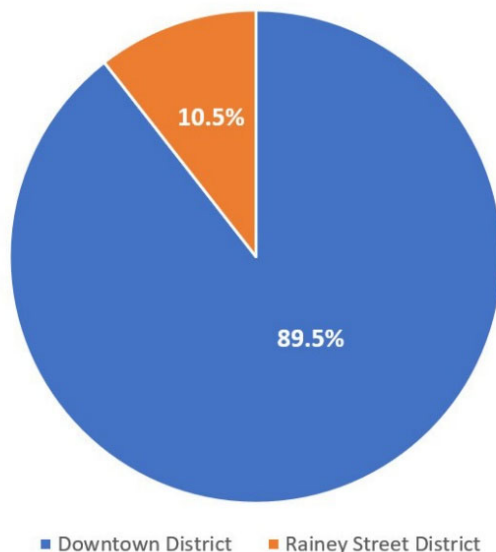
48 affordable housing units affordable to households at or below 80% of the Austin-Round Rock MSA Median Family Income (MFI) have been completed under the program. An additional 135 affordable units have been proposed for pending developments that have been certified under the program.

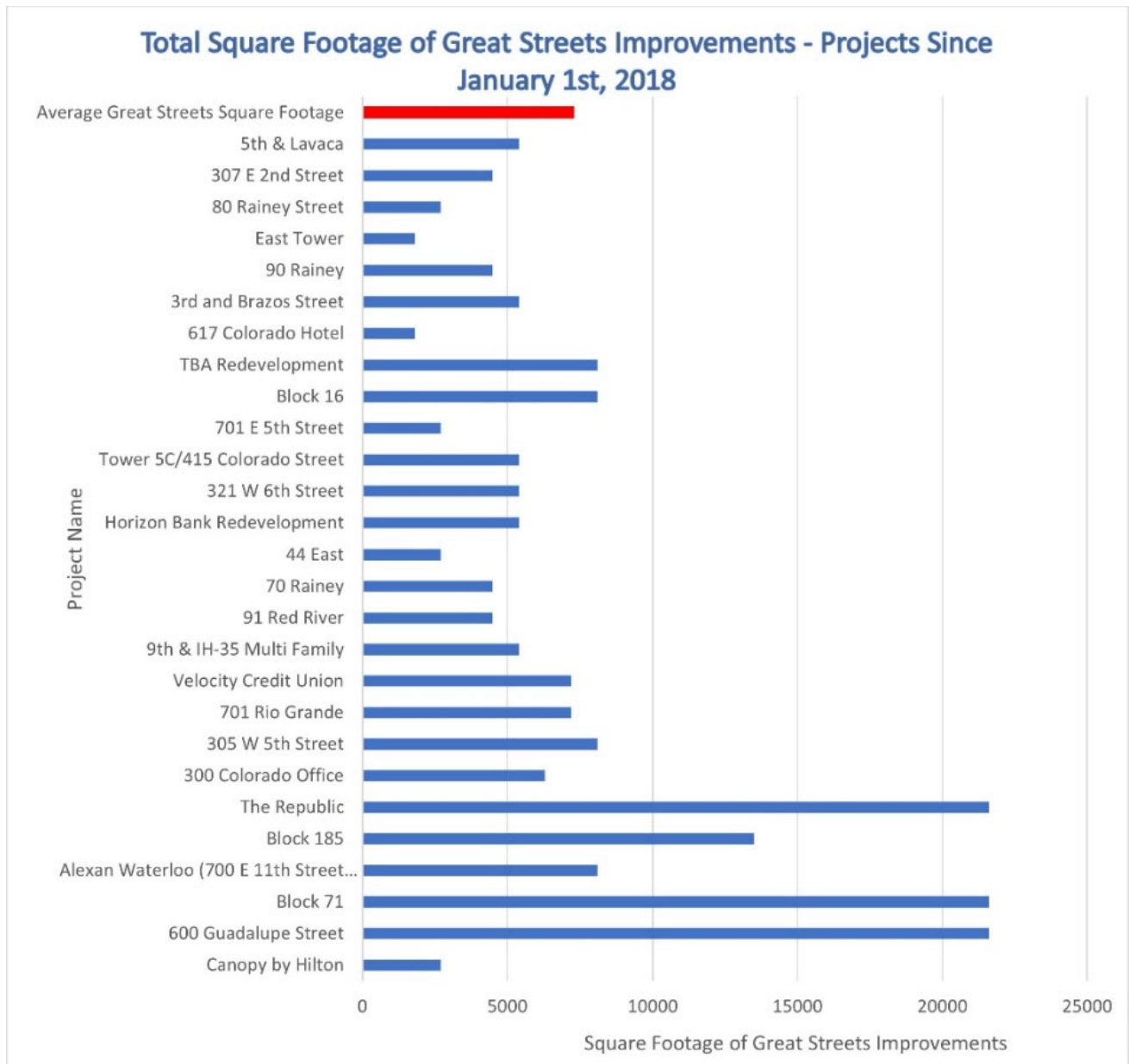
## Update #2: Great Streets Program [PR-3.2, PR-3.3, PR-3.4, TP-1.1]

The [City's Great Streets Program](#), established in 2000, has set standards aimed at redefining the role of streets from single-purpose conduits of vehicular traffic to tree-lined corridors that support pedestrian life, connect activity centers and enhance bicycle and transit circulation.

Since January 1, 2018, 28 projects have participated in the Great Streets Program as a Gatekeeper Element of the Downtown Density Bonus Program under the Land Development Code Section 25-2-586. Those projects, combined, have implemented approximately 196,000 square feet of Great Streets infrastructure in the downtown area.

Area Breakdown for Percentage of Great Streets  
Improvements Square Footage - Since January 1st, 2018





### Update #3: Palm District Plan Update [Adoption will require amendment to the DAP]

In 2019, City Council [Resolution No. 20190523-029](#) directed staff to develop a small area plan for the eastern edge of Downtown: the Palm District. The planning process formally kicked off in May 2021, and staff has engaged community through a number of methods, including:

- [SpeakUpAustin! website](#)
- On-line and paper surveys in English and Spanish
- A Palm District online interactive map
- Social media and email newsletter
- Courtesy notification postcard to residents and businesses in and near the district

- June 2021 Virtual Community Visioning Forums
- July 2021 American Institute of Architects Virtual Design Workshops
- Recordings of all the virtual events to the SpeakUpAustin! website
- Ongoing, targeted outreach to Austin’s Mexican American community leaders and longtime residents through interviews and focus groups

To summarize the collective results of all these engagement efforts, Housing and Planning staff created the Listening Report: What We Heard During the Visioning Phase. Staff next reviewed and analyzed the community input to develop the draft plan’s major themes. Their findings were released in February 2022 in the Draft Vision Framework.

In August 2022, a series of four in-person workshops, hosted by the Downtown Austin Alliance (DAA), were held at the Neal Kocurek Memorial Austin Convention Center. A design team from Asakura Robinson led community stakeholders through several scenario planning exercises. Based on those results, through conversations with stakeholders, and a review of previous plan materials, the consultant team developed scenarios based on three different themes: Live, Work, and Play. Staff solicited input on those scenarios through a public survey. The draft Palm District Plan includes a preferred scenario that aligns with the Vision Framework and is guided by public input.

Planning Commission (PC) was first scheduled to review the Palm District Plan on November 8, 2022. Following several postponements and the creation of a working group, it is now anticipated to be reviewed by the Planning Commission on May 30, 2023.

## Update #4: Creation of the Austin Economic Development Corporation [AU-3.3, AU-4.1, AU-4.2, LI-1.1]

Austin City Council created the Austin Economic Development Corporation (AEDC) through passage of Resolution 20201001-055. Throughout 2021, several Council and administrative actions organized the AEDC, including Board formation, staff and budget procurement, and initiation of three projects: Cultural Trust, South Central Waterfront Implementation, and Creative Space Bond Project. Since that time, the AEDC has entered into various addendums with the City to carry out real estate development and consulting services in the capacity of the City’s non-profit local government corporation. AEDC activities will enable the preservation of cultural real estate assets through 1) its Cultural Trust program and 2) unique statutory powers and staff expertise on forging public-private partnerships for the preservation of uniquely-Austin cultural and heritage assets.

## Update #5: Cultural and Business Incentives [AU-3.1, AU-4.1, AU-4.2 and PR-3.5]

EDD is leading several complimentary initiatives that will address several incentive-related strategies for which EDD is designated as implementation steward. The City does administer the Business Expansion Incentive (BEIP) and the Creative Concept Incentive (CCIP) programs. These two programs are established under Chapter 380 of the State’s Local Code. They allow the City to provide grants and/or loans for economic development purposes. Both programs will be reviewed for opportunities for improvements including potential place-based enhancement components such as economic/cultural districts and/or creative and cultural industries. EDD will unveil a community outreach plan in the next year to seek input on opportunities to enrich Austin’s unique economic and cultural districts.

EDD also administers the Creative Space Assistance Program which offers grants between \$5,000 and \$50,000 to creative organizations and independent artists facing displacement or new commercial leases at higher and unaffordable rates. Additionally, core equity principals of Preservation, Innovation, and Elevation & Collaboration (PIE) were integrated into the Live Music Fund Event Program, which is the pilot program supported through the Live Music Fund providing greater equitable economic growth in the music sector.

The Pecan Street Merchants Association serves under City contract as the management entity of the East Sixth Street Public Improvement District (PID). The East Sixth Street PID expends special assessment revenue from assessments within the PID district to support enhanced public improvements including safety, trash collection, marketing, and other enhanced services to keep the PID clean and safe. The Pecan Street Merchants Association submits a plan annually for expending the special assessment funds for the following year. Their mission aligns with the strategy to improve East 6th Street as a mixed-use, pedestrian-priority, entertainment street that appeals to a greater diversity of people.

### Update #6: District Development and Support [AU-3.1, AU-4.3, AU-4.4]

In response to Resolution No. 20220901-089, EDD is preparing land use definitions for creative spaces and recommendations for regulatory incentives to support cultural districts, including cultural districts focused on live music and creative space development and preservation in general. EDD anticipates that the regulatory uses will contribute to the necessary tools and resources that support the development of a comprehensive framework for economic and cultural districts. This district framework will incorporate processes and tools for cultural districts, small business districts, maintenance and operations public improvement districts, and other voluntary districts led by business and cultural institutions. This district framework will allow more systematic and coherent management and development of these districts, while identifying additional tools for reinvestment in places such as the African American Cultural Heritage District.

### Update #7: Leveraging Heritage Tourism Fund [HP-1.1, PR-3.8, HP-3.2, AU-4.1, TP-1.5, TP-4.6]

In Fiscal Year 2019, the City established the Heritage Tourism Division in EDD to actively manage the Historic Preservation Fund which is paid through Hotel Occupancy Taxes (HOT). Leveraging these HOT funds includes pro-actively recruiting historic designated projects that market to tourists to apply for funding to preserve architecturally and culturally historic properties. The Historic Preservation Fund also pays for marketing and capital improvements for several key Downtown sites, such as Brush Square, Old Bakery and Emporium, O. Henry Museum, and the Susanna Dickinson Museum for which the Parks and Recreation Department oversees stewardship. The fund is enabling the City to undertake support of the Red River Cultural District and the Fifth Street Mexican-American Cultural Heritage Corridor with a heritage wayfinding system in these select downtown districts. The heritage wayfinding system will serve as an appendix to the Downtown Wayfinding System. In Fiscal Year 2023, funding was approved for the Historic Preservation Office in the Planning Department by the Austin City Council to conduct a historic building survey of the downtown area to help identify and preserve historic assets in the area.

### Considerations for Next Steps

As next steps are considered by the Downtown Commission, and as staff continue to make progress on partially complete and items underway, the Planning Department and EDD submit the following considerations:

1. Prioritized implementation actions by the City need to be centered around the equitable distribution of resources throughout the city. The Planning Department uses an equity lens to support and create thriving, racially diverse communities through place-based and people-centered planning, development of regulations, and policy analysis.
2. Implementation progress for recent small area plans, including the DAP, will be updated to better understand outstanding actions. However, this process will take time given the number of adopted plans that need to be reviewed. Effective equitable prioritization for implementation actions can then be determined and made based on the collective understanding of priorities and need.
3. DAP implementation recommendations tied to the Land Development Code Revision need to be reevaluated because the City has suspended the LDC Revision project and is not currently pursuing a comprehensive update of the LDC.