

PROPOSED CHANGES TO PARKLAND DEDICATION ORDINANCE  
TO ALIGN WITH HOUSE BILL 1526  
DRAFT SUBJECT TO ADDITIONAL CHANGES

- **Applicability:** The changes to the parkland dedication ordinance will apply to development applications submitted on or after January 1, 2024. Current code will continue to apply to development applications submitted on or before December 31, 2023.
- **Affordable Dwelling Units Exception:** Affordable dwelling units are not required to provide parkland dedication.
- **Residential Parkland Dedication:** Except as noted in this document, parkland dedication requirements will remain the same for detached single-family or two-family residential developments.
- **Commercial Development:** Commercial development is not required to provide parkland dedication.
- **Parkland Dedication for Multi-Family and Hotel/Motel Development:** Before a subdivision or site plan application can be approved, the City will require an applicant to:
  - 1) Dedicate land as parkland (the maximum City can require is 10% of the gross site area);
  - 2) Pay a fee calculated using the formulas established in state law; or
  - 3) Dedicate land as parkland and pay a reduced fee amount.
- **Standards for Dedicated Parkland and Private Parkland for Multi-Family and Hotel/Motel Development:** Parks and Recreation Department will only accept land as parkland if it meets specified standards unless no other feasible option for land dedication is available.
- **New Formulas for Determining Amount of Parkland Dedication Fee for Multi-Family and Hotel/Motel:** An applicant will only be required to pay one fee, a Parkland Dedication Fee (“PLD fee”), to satisfy any parkland dedication requirements.
- **Geographic Boundaries for Determining Amount of Parkland Dedication Fees for Multi-Family and Hotel/Motel:** For the purpose of calculating parkland dedication fees, the City will be divided into three areas—1) Suburban 2) Urban and 3) Central Business District area. City Council is currently scheduled to make designations on November 2<sup>nd</sup> via separate ordinance.
- **Dwelling Unit and Density Factor for Multi-Family and Hotel/Motel Development:** The new formula uses a dwelling unit factor and a density unit factor which is required under state law.
- **Fee Calculation for Multi-Family and Hotel/Motel Development:**
  - Staff recommends using the formula authorized under Local Government Code Section 212.210 which is described below.
    - Staff recommends City Council set the dwelling unit factor as .005 for multifamily units and .004 for hotel/motel rooms used for sleeping.
    - Staff recommends City Council set the density unit factor as one (1) for the suburban area, four (4) for the urban area, and forty (40) for the central business district area.

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- **If the applicant is only paying parkland dedication fee:**
  - First, add the product of the number of multifamily units by .005 and the product of the number of hotel/motel rooms by .004.
  - Multiply the sum by the average land value of the area in which the land is located.
  - Divide that number by either one (1), four (4), and (40).
  - The final amount is the total amount of parkland dedication fee the applicant will be required to pay to satisfy their parkland dedication requirements.
- **If the applicant is dedicating land AND paying a parkland dedication fee:**
  - First, calculate the amount of fee required using the same 212.1210 formula (“fee ceiling”).
  - Multiply the number of acres to be dedicated by the market value of the land per acre (“parkland value”).
  - Then, subtract the parkland value from the fee ceiling.
  - If a fee is required, the City will only require applicants to dedicate an amount of acreage that does not exceed the fee ceiling.
  - If the amount of the land dedication does not exceed the fee ceiling, the applicant has the option to construct recreational amenities, in-lieu of paying any remaining PLD fee.
- **Alternative 2% MFI Fee Option:** Cities can set a fee amount without using a specific formula if the Parkland Dedication fee is equal or less than 2% of the Median Family Income per unit. Staff does not recommend adopting this option because it would result in the City requiring lower parkland dedication fees citywide than the fee structure described above.
- **Collection of PLD Fees for Multi-Family and Hotel/Motel:** PLD fees will be collected at Certificate of Occupancy.
- **Expenditure of PLD Fees for Multi-Family and Hotel/Motel Development:** Staff recommends using the same criteria as fee-in-lieu of parkland when spending PLD fees collected under this new framework.
- **Request for Parkland Dedication Determination:** A landowner can request a parkland determination and staff must respond to a completed request within 30 days. If staff fails to issue a determination, the City is prohibited from requiring parkland dedication. A determination is valid for 2 years unless the Landowner agrees in writing to release the determination.
- **Broader Appeal Rights:** A landowner may appeal any parkland dedication requirement to the Planning Commission. The applicant can also appeal the Planning Commission’s decision to City Council. If the Planning Commission or City Council fails to act within 60 days after the appeal is filed, the appeal is settled in favor of the landowner.

Austin Parks and Recreation Department

# HB 1526 and Impacts to Parkland Dedication in Austin

Planning Commission October 24, 2023

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# Overview

- Background
- Changes to Parkland Dedication Ordinance
- Term Sheet
- Timeline for Compliance
- Questions

# Background

Signed into Law	June 10, 2023
Impacts	Texas cities with population over 800,000
Applies to	Site plan and subdivision applications
Adoption deadline	December 1, 2023
Effective date (for new applications)	January 1, 2024

# Changes to the PLD Ordinance

## Existing PLD Requirements

9.4 acres of parkland per 1,000 residents

Commercial PLD Requirements

Based on **nexus** between new development and impact on parkland

Parkland dedication **capped at 15% in urban core & NOT capped** in suburban area

PLD fees paid at time of development permit (site plan or final plat)

## New HB 1526 PLD Requirements

0.075 - 3 acres of parkland per 1,000 residents

No Commercial PLD Requirements

Based on assumption that residents expect **less parkland in increasingly urban environments**

Parkland dedication **capped at 10% city-wide**

PLD fees paid at time of Certificate of Occupancy (CO)  
(1-to-5-year delay in fee collection)

# Term Sheet

- Applies to **multifamily and hotel/motel**; single and two-family calculations unchanged.
- City-wide designated geographic areas as “CBD, Urban and Suburban” to set average appraised property values for fee collection. **Staff proposed areas are consistent with Imagine Austin.**
- Parkland dedication can be satisfied with fee payment and or land dedication.

- **Formula if satisfying by fee payment:**

$$\text{Residential Fee} = \frac{DU \times .005 \times \text{Avg Land Value of Area}}{\text{Density Factor (1, 4 or 40)}}$$

$$\text{Hotel Fee} = \frac{DU \times .004 \times \text{Avg Land Value of Area}}{\text{Density Factor (1, 4 or 40)}}$$

- **Formula if satisfying by land dedication:**

$$\text{Remaining Fee} = \text{Fee} \left( \frac{DU \times .005 \times \text{Avg Land Value of Area}}{\text{Density Factor (1, 4 or 40)}} \right) - \text{Value of Parkland (Acres} \times \text{Avg Land Value of Area)}$$

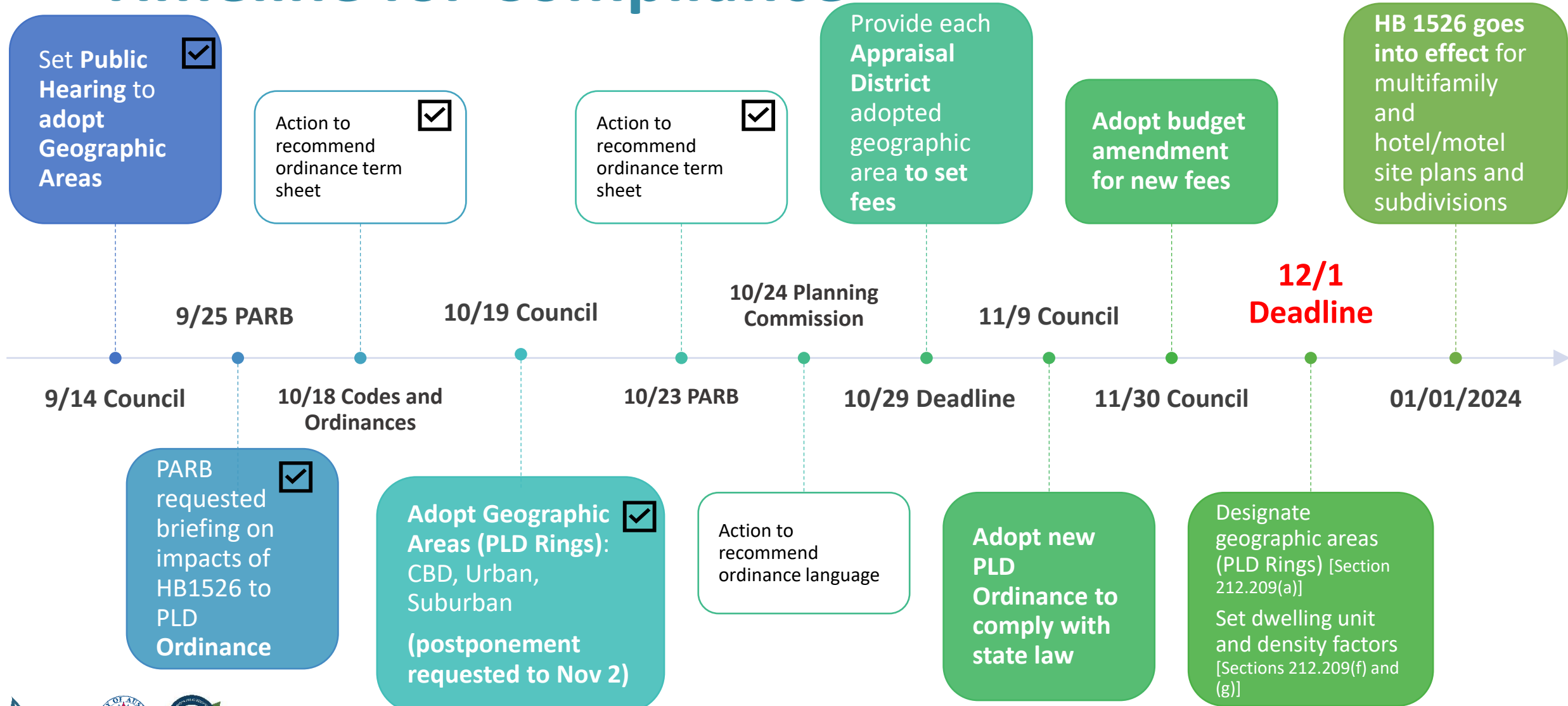


# Term sheet

- Only one fee type which will be used for acquisition or construction of new amenities.
- Dwelling unit and density factors prescribed by the bill set the new parkland level of service **between roughly 0.075 and 3 acres per 1,000 people.**
- Modified Appeals processes: **any park requirement can be appealed to Planning Commission**, and decision can be appealed to Council.
- Modified Standards for Dedicated Parkland and Private Parkland.
- Mentioned on Slide 4: **Commercial development exempt, Fees paid prior to Certificate of Occupancy, Modified PED Review, Land dedication capped at 10%.**



# Timeline for Compliance



# Questions?