Density Bonus Briefing Presentation
Housing Department
Housing and Planning Committee
11/14/2023
In 2017 the City of Austin adopted a Strategic Housing Blueprint to address the affordable housing crisis.

- Goal of 60,000 affordable units by 2027 to close gap.
- The cost to close the gap in low-income housing in Austin was estimated at over $11 billion in 2017.
BACKGROUND: AFFORDABLE HOUSING GOALS & TOOLS

- Goal to create 60,000 affordable units in 10 years

- Subsidize Affordable Housing
  - Local Funding
  - Federal Funding

- Incentivize Affordable Housing
  - Density Bonus
  - Fee Waivers
  - Regulations
What is a Density Bonus Program?

Density bonus programs provide additional height or density (additional units) in exchange for community benefits such as affordable housing.
BACKGROUND: 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

Source: Grounded Solutions Network

Inclusionary Zoning Laws by State

Source: Grounded Solutions Network
CITY OF AUSTIN: DEVELOPMENT INCENTIVE PROGRAM

S.M.A.R.T. HOUSING, Est. 2007

Provides incentives such as fee waivers, density bonuses, tax incentives, and development agreements—to build and to set aside affordable rental and ownership housing for low- and moderate-income households in developments.

Policy Considerations

- Used alongside other subsidies and/or density bonus programs
- Misalignment between S.M.A.R.T. fee waivers and non-S.M.A.R.T. fee waivers causes confusion
- Lower average affordability periods
- Increasingly used in conjunction with density bonus programs
- Inconsistencies in how SMART housing incentives are tracked and reported in the Affordable Housing Inventory
- No specific mixed-use policies
- Fee waivers currently under review per Resolution No. 20230720-129
CURRENT DENSITY BONUS PROGRAMS

**Citywide**
- Micro-Unit
- Affordability Unlocked
- Residential in Commercial
- Compatibility on Corridors

**Geographically Specific**
- Planned Unit Developments (PUD)
- Vertical Mixed-Use (VMU)
- 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
CURRENT DENSITY BONUS PROGRAMS: PARTICIPATION

**Citywide**

<table>
<thead>
<tr>
<th>Micro Unit</th>
<th>Affordability Unlocked (AU)</th>
<th>Residential in Commercial</th>
<th>Compatibility on Corridors</th>
<th>Planned Unit Development (PUD)</th>
<th>Vertical Mixed Use (VMU)</th>
<th>Downtown &amp; Rainey</th>
<th>East Riverside Corridor</th>
<th>North Burnet Gateway</th>
<th>TODs (Plaza Saltillo, MLK, North Lamar/Justin)</th>
<th>University Neighborhood Overlay (Units + Bedrooms)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed</td>
<td>1</td>
<td>481</td>
<td>0</td>
<td>0</td>
<td>414</td>
<td>755</td>
<td>81</td>
<td>93</td>
<td>64</td>
<td>511</td>
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<tr>
<td>Planned</td>
<td>28</td>
<td>5,343</td>
<td>0</td>
<td>0</td>
<td>4,066</td>
<td>1,535</td>
<td>111</td>
<td>102</td>
<td>442</td>
<td>143</td>
</tr>
<tr>
<td>Not Yet Certified</td>
<td>131</td>
<td>156</td>
<td></td>
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<td></td>
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<td></td>
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</tr>
</tbody>
</table>

**Fees In-Lieu Received**

- Completed: $15,163,210³
- Planned: $6,541,027
- Not Yet Certified: $4,872,181
- TODs (Plaza Saltillo, MLK, North Lamar/Justin): $4,152,513
- University Neighborhood Overlay: $5,552,737

**Fees In-Lieu Anticipated**

- Completed: Difficult to Forecast
- Planned: $23,802,100
- Not Yet Certified: $13,814,612
- TODs (Plaza Saltillo, MLK, North Lamar/Justin): $5,149,146
- University Neighborhood Overlay: $779,024

AHI Open Data Portal export included data that was up-to-date through July 27.
Fees In-Lieu information retrieved 9/1/2023 from AIMS, the City’s financial system.
<table>
<thead>
<tr>
<th>Program</th>
<th>Bonuses</th>
<th>By-unit or by sq ft?</th>
<th>Set-aside Requirement</th>
<th>Based on...</th>
<th>Rental Affordability</th>
<th>Ownership Affordability</th>
<th>Unit size requirements</th>
<th>Non-residential benefit options</th>
<th>FIL option?</th>
<th>Tenant protections</th>
<th>Non-residential requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMART Housing</td>
<td>Fee waivers</td>
<td>By unit</td>
<td>10%</td>
<td>Total units</td>
<td>80% MFI / 5 years</td>
<td>80% MFI / 1 year</td>
<td>None</td>
<td>None</td>
<td>No</td>
<td>Accessibility and Visitability Standards</td>
<td>Green Building One-Star Rating</td>
</tr>
<tr>
<td>Micro Units</td>
<td></td>
<td>By unit</td>
<td>50%</td>
<td>Total units</td>
<td>500 sq ft or less or 3-bed units</td>
<td>50% MFI / 40 years</td>
<td>80% MFI / 99 years</td>
<td>Calculations only apply to bedrooms 500 sq ft or less, or 3-bedroom units</td>
<td>None</td>
<td>No</td>
<td>Requirements for provision of open space</td>
</tr>
<tr>
<td>Affordability Unlocked Tier 1</td>
<td>Waives compatibility, parking, and massing regulations. Modifies setbacks and minimum lot sizes. Height increased by 1.25. Single-family zones allowed 6 dwelling units. Certified AU residential development is permitted use in commercial and special district base zones.</td>
<td>By unit</td>
<td>50%</td>
<td>Total units</td>
<td>60% MFI / 40 years; must include 20% at 50% MFI</td>
<td>80% MFI / 99 years</td>
<td>25% of affordable units 2+ bedrooms, PSH, or senior housing</td>
<td>None</td>
<td>No</td>
<td>Redevelopment of existing multifamily must meet redevelopment requirements including tenant notification and cost-of-repair analysis; tenant protection lease addendum must be included for affordable units</td>
<td>Commercial space limited to 25% of gross floor area</td>
</tr>
<tr>
<td>Affordability Unlocked Tier 2</td>
<td>Tier 1 bonuses, with height increased by 1.5 and single-family zones allowed 8 dwelling units.</td>
<td>By unit or bedroom</td>
<td>50% (plus additional Tier 2 criteria)</td>
<td>Total units</td>
<td>Same as Tier 1; must meet one of four additional criteria (75% affordable; 10% of affordable units at 30% MFI; 50% of affordable units are 2+ bedrooms; or near Imagine Austin corridor)</td>
<td>Same as Tier 1</td>
<td>None</td>
<td>None</td>
<td>No</td>
<td>Redevelopment requirements for existing multifamily; source of income protections; tenant organizing protections; comparable finishes between affordable and market units; no STR use for affordable dwelling units; no more than 15% of total units can be STRs</td>
<td>Redevelopment requirements for existing creative uses; limits on amount of commercial space</td>
</tr>
<tr>
<td>Residential in Commercial</td>
<td>Certified RiC residential development is permitted use in commercial and special district base zones.</td>
<td>By unit</td>
<td>10%</td>
<td>Total units</td>
<td>60% MFI / 40 years</td>
<td>80% MFI / 99 years</td>
<td>Bedrooms sizes for affordable units must be comparable to market-rate units</td>
<td>None</td>
<td>No</td>
<td>Redevelopment requirements for existing multifamily; source of income protections; tenant organizing protections; comparable finishes between affordable and market units; no STR use for affordable dwelling units; no more than 15% of total units can be STRs</td>
<td>No STR use for affordable dwelling units; no more than 15% of total units can be STRs; redevelopment requirements for existing multifamily uses; tenant protection lease addendum must be included for affordable units</td>
</tr>
<tr>
<td>Compatibility on Corridors</td>
<td>Compatibility height limits further modified; new height limits depend on corridor size.</td>
<td>By unit</td>
<td>10%</td>
<td>Total units</td>
<td>60% MFI / 40 years</td>
<td>80% MFI / 99 years</td>
<td>Bedrooms sizes for affordable units must be comparable to market-rate units</td>
<td>None</td>
<td>Yes</td>
<td>No STR use for affordable dwelling units; no more than 15% of total units can be STRs; redevelopment requirements for existing multifamily uses; tenant protection lease addendum must be included for affordable units</td>
<td>No STR use for affordable dwelling units; no more than 15% of total units can be STRs; redevelopment requirements for existing multifamily uses; tenant protection lease addendum must be included for affordable units</td>
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<td>Program</td>
<td>Bonuses</td>
<td>By-unit, or By-sq ft?</td>
<td>Set-aside Requirement</td>
<td>Based on…</td>
<td>Rental Affordability</td>
<td>Ownership Affordability</td>
<td>Unit size requirements</td>
<td>Non-residential benefit options</td>
<td>FIM option?</td>
<td>Tenant protections</td>
<td>Non-residential requirements</td>
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<tr>
<td>VMU 1 (and pre-2022 VMU)</td>
<td>Massing regulations waived. Parking reduced by 40% (or 75% along light rail line post-2022).</td>
<td>By unit</td>
<td>10%</td>
<td>Total units</td>
<td>60% MFI / 40 years</td>
<td>80% MFI / 99 years</td>
<td>2022 Ordinance: Bedrooms sizes for affordable units must be comparable to market-rate units</td>
<td>None</td>
<td>No</td>
<td>2022 Ordinance revision includes: Source of income protections; tenant organizing protections; comparable finishes between affordable and market units</td>
<td></td>
</tr>
<tr>
<td>VMU 2</td>
<td>VMU 1 bonuses, plus 30' additional height.</td>
<td>N/A - must achieve bonus area through community benefits</td>
<td>Bonus area sq ft</td>
<td>60% MFI / 40 years</td>
<td>None</td>
<td>Multiple: Green building standards, historic preservation, publicly accessible plaza space, green roof, and others can achieve up to 50% of bonus area</td>
<td>Yes</td>
<td>None</td>
<td>Design Commission must approve request</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Downtown Density Bonus</td>
<td>Grants bonus area above by-right height or FAR limits.</td>
<td>By sq ft</td>
<td>N/A - must achieve bonus area through community benefits</td>
<td>Bonus area sq ft</td>
<td>60% MFI / 40 years</td>
<td>None</td>
<td>None</td>
<td>None within 8:1 FAR; Multiple above 8:1 FAR: Green building standards, historic preservation, publicly accessible plaza space, green roof, and others can achieve up to 50% of bonus area</td>
<td>Yes, above 8:1 FAR</td>
<td>None</td>
<td>Design Commission must approve request</td>
</tr>
<tr>
<td>Downtown Density Bonus - Rainey Subdistrict</td>
<td>Grants bonus area above by-right height or FAR limits.</td>
<td>By sq ft</td>
<td>5% (only required for area above by-right limit and within 8:1 FAR)</td>
<td>Square footage in 8:1 FAR; must separately achieve bonus area above 8:1 FAR</td>
<td>60% MFI / 40 years</td>
<td>None</td>
<td>None</td>
<td>None within 8:1 FAR; Multiple above 8:1 FAR: Green building standards, historic preservation, publicly accessible plaza space, green roof, and others can achieve up to 50% of bonus area</td>
<td>Yes, above 8:1 FAR</td>
<td>None</td>
<td>Design Commission must approve request</td>
</tr>
<tr>
<td>East Riverside Corridor</td>
<td>Grants bonus area above by-right height or FAR limits.</td>
<td>By sq ft</td>
<td>N/A - must achieve bonus area through community benefits - at least 50% of bonus area earned via housing benefits</td>
<td>Bonus area sq ft</td>
<td>60% MFI / 40 years</td>
<td>None</td>
<td>None</td>
<td>Provision of a Collector Street</td>
<td>Yes, only in certain cases</td>
<td>None</td>
<td>Design standards in Regulating Plan</td>
</tr>
<tr>
<td>North Burnet/Gateway</td>
<td>Grants bonus area above by-right height or FAR limits.</td>
<td>By sq ft</td>
<td>10%</td>
<td>Bonus area sq ft</td>
<td>60% MFI / 40 years</td>
<td>None</td>
<td>None</td>
<td>Provision of a Collector Street</td>
<td>Subject to approval of Director</td>
<td>None</td>
<td>Design standards in Regulating Plan</td>
</tr>
<tr>
<td>Program</td>
<td>Bonuses</td>
<td>By-unit, or By-sq ft?</td>
<td>Set-aside Requirement</td>
<td>Based on:</td>
<td>Rental Affordability</td>
<td>Ownership Affordability</td>
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</tr>
<tr>
<td>Plaza Saltillo TOD - Density</td>
<td>Waives massing requirements. Compatibility waived in certain circumstances.</td>
<td>By sq ft</td>
<td>10%</td>
<td>Entire sq ft of development</td>
<td>60% MFI / 40 years</td>
<td>80% MFI / 99 years</td>
<td>None</td>
<td>None</td>
<td>Subject to Council approval</td>
<td>None</td>
<td>Design standards in Regulating Plan</td>
</tr>
<tr>
<td>Plaza Saltillo TOD - Density &amp; Height Bonus</td>
<td>Density bonuses, plus height up to 60'. Only TOD Mixed Use Subdistrict is eligible.</td>
<td>By sq ft</td>
<td>15%</td>
<td>Entire sq ft of development</td>
<td>50% MFI / 40 years</td>
<td>60% MFI / 99 years</td>
<td>None</td>
<td>None</td>
<td>Subject to Council approval</td>
<td>None</td>
<td>Design standards in Regulating Plan</td>
</tr>
<tr>
<td>Plaza Saltillo TOD - Super Bonus</td>
<td>Density bonuses, plus height up to 85' and 5% reduction in parking if certain parking design standards are met. Only TOD Urban Mixed Use Subdistrict is eligible.</td>
<td>By sq ft</td>
<td>10% / 25% / 40%</td>
<td>Entire sq ft of development</td>
<td>40% / 60% / 80% MFI for 40 years</td>
<td>40% / 60% / 80% MFI for 99 years</td>
<td>No more than 70% of units can be efficiencies or 1-bedroom</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>Design standards in Regulating Plan and Bonus standards</td>
</tr>
<tr>
<td>MLK TOD - Density Bonus</td>
<td>Waives massing requirements. Compatibility waived in certain circumstances.</td>
<td>By sq ft</td>
<td>10%</td>
<td>Entire sq ft of development</td>
<td>60% MFI / 40 years</td>
<td>80% MFI / 99 years</td>
<td>None</td>
<td>None</td>
<td>Subject to Council approval</td>
<td>None</td>
<td>Design standards in Regulating Plan</td>
</tr>
<tr>
<td>MLK TOD - Density and Height Bonus</td>
<td>Density bonuses, plus height up to 60'. Only TOD Mixed Use Subdistrict is eligible.</td>
<td>By sq ft</td>
<td>15%</td>
<td>Entire sq ft of development</td>
<td>50% or 60% MFI / 40 years (location dependent)</td>
<td>60% or 80% MFI / 99 years (location dependent)</td>
<td>None</td>
<td>None</td>
<td>Subject to Council approval</td>
<td>None</td>
<td>Design standards in Regulating Plan</td>
</tr>
<tr>
<td>Lamar/Justin TOD - Density Bonus</td>
<td>Waives massing requirements. Compatibility waived in certain circumstances.</td>
<td>By sq ft</td>
<td>10%</td>
<td>Entire sq ft of development</td>
<td>60% MFI / 40 years</td>
<td>80% MFI / 99 years</td>
<td>None</td>
<td>None</td>
<td>Subject to Council approval</td>
<td>None</td>
<td>Design standards in Regulating Plan</td>
</tr>
<tr>
<td>Lamar/Justin TOD - Density and Height Bonus</td>
<td>Density bonuses, plus height up to 60'. Only TOD Mixed Use Subdistrict is eligible.</td>
<td>By sq ft</td>
<td>15%</td>
<td>Entire sq ft of development</td>
<td>60% MFI / 40 years</td>
<td>80% MFI / 99 years</td>
<td>None</td>
<td>None</td>
<td>Subject to Council approval</td>
<td>None</td>
<td>Design standards in Regulating Plan</td>
</tr>
<tr>
<td>UNO</td>
<td>Required to develop within UNO. Height up to 120' allowed with additional affordability in certain subdistricts.</td>
<td>By unit or bedroom</td>
<td>10% / 20%</td>
<td>Total units or bedrooms</td>
<td>60% MFI and 50% MFI / 40 years</td>
<td>N/A</td>
<td>Applicant can opt into leasing by bedroom</td>
<td>None</td>
<td>Yes - as alternative to 50% MFI set-aside</td>
<td>None</td>
<td>UNO design standards</td>
</tr>
</tbody>
</table>
• Separate and redundant application processes for programs leading to confusion for applicants
• Inconsistency in approval process for Fee-in-Lieu (Council, Director of Housing, or no approval needed)
• Inconsistency on target fund (Housing Trust Fund, Housing Assistance Fund)
• Inconsistency of community benefits and developer incentives
• Lack of tracking system for other community benefits
• Difficult to spend geographically specific funds with additional restrictions
• Staff time implementing so many different programs with varying requirements
CURRENT DENSITY BONUS PROGRAMS: POLICY CONSIDERATIONS – PROGRAMMATIC

• Lack of clear approach on appropriate balance between community benefits and incentives
• Underutilization of citywide programs as standalone incentives
• Multiple programs lead to confusion and discourage participation
• Lack of explicit bonuses for high-opportunity areas
• City-wide density bonuses with minimal affordability requirements may scatter density and hinder planned growth areas like the ETOD overlay, and Imagine Austin centers.

• Increased entitlements by-right may decrease participation in density bonus programs
• Density bonus programs competing with one another
• Inconsistent affordability requirements
• Multiple programs mean it is difficult to adapt and update as city-wide land use policies evolve over time.
CURRENT DENSITY BONUS PROGRAMS: POLICY CONSIDERATIONS – CALIBRATION

• Shifting market conditions (interest rates, inflation, construction costs, etc.)
• Programs with greater community benefits tend to need additional public subsidy
• Calibration needs to be more frequent
• Fee-in-lieu is too low and not equivalent to creation of affordable units

• Multiple programs mean calibration efforts are limited to narrow, program-specific context
• Difficult to extrapolate conclusions beyond each program's context
NEXT STEPS

• Consultant on board to assist with a comprehensive approach to density bonuses
  • Expected Timeline: Summer/Fall 2024
• Administrative clean up
Thank you!
CITY OF AUSTIN: DEVELOPMENT INCENTIVE PROGRAM

S.M.A.R.T. HOUSING, Est. 2007

Provides incentives such as fee waivers, density bonuses, tax incentives, and development agreements—to build and to set aside affordable rental and ownership housing for low- and moderate-income households in developments.

12,318
Completed Affordable Units

16,751
Planned Affordable Units

80% MFI or above
50% to 80% MFI
At or below 50% MFI

Average Rental Affordability Period
5 years
33 years

Average Ownership Affordability Period
10 years

Minimum Ownership Affordability Period
1 year

Minimum Rental Affordability Period
1 year

# of Ownership Applications FY 2022-2023
6

# of Rental Applications FY 2022-2023
39

Completed Affordable Units
16,751
Planned Affordable Units
12,318

Completed Affordable Units

Average Rental Affordability Period
5 years
33 years

Minimum Rental Affordability Period
1 year

Minimum Ownership Affordability Period
10 years

Completed Ownership Units

Completed Ownership Units
CITY OF AUSTIN: DEVELOPMENT INCENTIVE PROGRAM

S.M.A.R.T. HOUSING, Est. 2007

Provides incentives such as fee waivers, density bonuses, tax incentives, and development agreements—to build and to set aside affordable rental and ownership housing for low- and moderate-income households in developments.

Policy Considerations

- Misalignment between S.M.A.R.T. fee waivers and non-S.M.A.R.T. fee waivers causes confusion
- Lower average affordability periods
- Often used in conjunction with density bonus programs
- Inconsistencies in how SMART housing incentives are tracked and reported in the Affordable Housing Inventory
- No specific mixed-use policies
- Fee waivers currently under review per Resolution No. 20230720-129
CITY OF AUSTIN: CITYWIDE DENSITY BONUS PROGRAMS

MICRO UNIT, Est. 2014

A voluntary program with relaxed requirements for eligible units providing on-site affordable housing. Applies to small units or three-bedroom units in specific transit-oriented areas.

1 Completed Affordable Units

28 Planned Affordable Units

Affordable Ownership Units Utilizing Micro Unit

- 80% MFI or above
- 50% to 80% MFI
- At or below 50% MFI

Completed Planned

# of Ownership Applications FY 2022-2023

0

Minimum Ownership Affordability Period

99 year

Income-Restricted Rental Units Utilizing Micro Unit

- 80% MFI or above
- 50% to 80% MFI
- At or below 50% MFI

Completed Planned

# of Rental Applications FY 2022-2023

1

Minimum Rental Affordability Period

40 years
CITY OF AUSTIN: CITYWIDE DENSITY BONUS PROGRAMS

MICRO UNIT, Est. 2014

A voluntary program with relaxed requirements for eligible units providing on-site affordable housing. Applies to small units or three-bedroom units in specific transit-oriented areas.

Policy Considerations

- Established in 2014
- 1 application in FY 22-23
- 1 planned unit, 28 completed units
- Program has not yielded many units
- Might be more effective if combined with other planned transit-oriented density bonus programs like the ETOD Overlay
AFFORDABILITY UNLOCKED, Est. 2019

The 'Affordability Unlocked' Development Bonus Program offers incentives to affordable housing developers. By setting aside half of the total units as affordable, developers can receive benefits like height and density increases.

- **Completed Affordable Units**: 481
- **Planned Affordable Units**: 5,343

**Affordable Ownership Units Utilizing Affordability Unlocked**

- 80% MFI or above
- 50% to 80% MFI
- At or below 50% MFI

**Affordable Ownership Applications FY 2022-2023**: 3

**Minimum Ownership Affordability Period**: 99 year

**Income-Restricted Rental Units Utilizing Affordability Unlocked**

- 80% MFI or above
- 50% to 80% MFI
- At or below 50% MFI

**Income-Restricted Rental Applications FY 2022-2023**: 18

**Minimum Rental Affordability Period**: 40 years
The 'Affordability Unlocked' Development Bonus Program offers incentives to affordable housing developers. By setting aside half of the total units as affordable, developers can receive benefits like height and density increases.

Policy Considerations

- 21 applications in FY 22-23
- Estimated 80-90% of AU applicants receive or intend to apply for local, state, or federal subsidy
- Land use incentives eased citywide may impact participation
- Resolution No. 20230608-041 proposes a new tier within the program for developments that do not utilize housing development assistance programs
A voluntary bonus program that applies to certain commercial base zoning districts. Participation in this voluntary program permits residential uses in these commercial base zoning districts.

**Affordable Ownership Units Utilizing RC**
- Completed: 0
- Planned: 131

**Income-Restricted Rental Units Utilizing RC**
- Completed: 0
- Planned: 6

**# of Rental Applications FY 2022-2023**
- Completed: 0
- Planned: 6

**Minimum Rental Affordability Period**
- 40 years

**Minimum Ownership Affordability Period**
- 99 years

**Minimum Rental Affordability Period**
- 40 years
CITY OF AUSTIN: CITYWIDE DENSITY BONUS PROGRAMS

RESIDENTIAL IN COMMERCIAL, Est. 2022

A voluntary bonus program that applies to certain commercial base zoning districts. Participation in this voluntary program permits residential uses in these commercial base zoning districts.

Policy Considerations

- Established in 2022
- 6 applications in FY 22-23
- 131 planned units (not yet certified)
- Resolution No. 20230831-086 initiates expansion of zoning districts and increased development standards.
- Unlike other programs, if a development wishes to utilize bonuses for another program, they must add the other program's required affordable units in addition to the RC required units. Compatibility on Corridors is the only exception.
CITY OF AUSTIN: CITYWIDE DENSITY BONUS PROGRAMS

COMPATIBILITY ON CORRIDORS, Est. 2022

A voluntary bonus program that relaxes compatibility standards and parking requirements for properties along certain corridors which agree to meet the affordable housing requirements of the program.

0
Completed Affordable Units

0
Planned Affordable Units

Affordable Ownership Units
Utilizing COC

Completed
Planned

2000
1500
1000
500
0

Income-Restricted Rental Units
Utilizing COC

Completed
Planned

500
400
300
200
100
0

# of Ownership Applications FY 2022-2023

0

Minimum Ownership Affordability Period

99 year

# of Rental Applications FY 2022-2023

0

Minimum Rental Affordability Period

40 years
COMPATIBILITY ON CORRIDORS, Est. 2022

A voluntary bonus program that relaxes compatibility standards and parking requirements for properties along certain corridors which agree to meet the affordable housing requirements of the program.

Policy Considerations

- Established in 2022
- No applications received
- Complexity of implementation
- Resolution 20230608-045 proposes relaxed compatibility standards citywide and Resolution 20230504-022 proposes the elimination of parking requirements, if those two policies are adopted, there would likely no longer be a need for this density bonus program
## Vertical Mixed Use (VMU), Est. 2010

A voluntary density bonus for properties with the -V combining district. It offers modifications to regulations, including setbacks, FAR, permitted uses, and parking. VMU buildings must have mixed uses and on-site affordable housing.

<table>
<thead>
<tr>
<th>Completed Affordable Units</th>
<th>Planned Affordable Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>755</td>
<td>1,535</td>
</tr>
</tbody>
</table>

| Minimum Ownership Affordability Period | 99 year |

| Minimum Rental Affordability Period | 40 years |

| # of Ownership Applications FY 2022-2023 | 0 |

| # of Rental Applications FY 2022-2023 | 11 |

### Affordable Ownership Units Utilizing VMU

- **80% MFI or above**
- **50% to 80% MFI**
- **At or below 50% MFI**

<table>
<thead>
<tr>
<th>Completed</th>
<th>Planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Income-Restricted Rental Units Utilizing VMU

- **80% MFI or above**
- **50% to 80% MFI**
- **At or below 50% MFI**

<table>
<thead>
<tr>
<th>Completed</th>
<th>Planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Minimum Rental Affordability Period

- 40 years
Policy Considerations

- 11 applications in FY 22-23
- 156 planned units not yet certified
- **Ordinance No. 20220609-080** simplified and expanded the VMU program, introducing VMU2 Buildings with greater affordability requirements in exchange for increased bonus height
- Compatibility was relaxed to 100 ft for VMU properties along light rail lines only
The Downtown Density Bonus program covers the downtown area. This program provides an increase in maximum height and FAR in exchange for on-site affordable housing units, a fee-in-lieu of affordable housing units, community benefits, or some combination of the three.

**Completed Affordable Units**
- 81

**Planned Affordable Units**
- 111

**Ownership FIL**
- Planned: $2,169,460
- Completed: $1,139,776

**Rental FIL**
- Planned: $21,632,640
- Completed: $4,609,797

**Minimum Ownership Affordability Period**
- 99 year

**Minimum Rental Affordability Period**
- 40 years
The Downtown Density Bonus program covers the downtown area. This program provides an increase in maximum height and FAR in exchange for on-site affordable housing units, a fee-in-lieu of affordable housing units, community benefits, or some combination of the three.

**Policy Considerations**

- On-site affordable housing is difficult to finance in high-rise construction, leading to more utilization of FIL
- More pedestrian and bicyclist connectivity needed in the Rainey Street District
EAST RIVERSIDE CORRIDOR, Est. 2013

East Riverside Corridor covers properties along East Riverside Drive bounded by IH-35 to the west and Highway 71 to the east. This Regulating Plan includes a voluntary affordable housing bonus.

93
Completed Affordable Units

102
Planned Affordable Units

# of Ownership Applications FY 2022-2023
0

Minimum Ownership Affordability Period
99 year

# of Rental Applications FY 2022-2023
0

Minimum Rental Affordability Period
40 years
CITY OF AUSTIN: GEOGRAPHICALLY SPECIFIC DENSITY BONUS PROGRAMS

EAST RIVERSIDE CORRIDOR, Est. 2013

East Riverside Corridor covers properties along East Riverside Drive bounded by IH-35 to the west and Highway 71 to the east. This Regulating Plan includes a voluntary affordable housing bonus.

Policy Considerations

- Calibration needed to increase participation, particularly due to planned light rail investment along E. Riverside
- Zoning cases for additional entitlements instead of utilizing the density bonus program
North Burnet Gateway is a 2,300-acre area in north Austin, bounded by Walnut Creek, Metric Boulevard, US 183, Braker Lane, and MoPac. The NBG Regulating Plan includes a voluntary affordable housing bonus.

Completed Affordable Units

- **64**
- **442** Planned Affordable Units

**Affordable Ownership Units Utilizing NBG**

- 80% MFI or above
- 50% to 80% MFI
- At or below 50% MFI

**Minimum Ownership Affordability Period**: 99 years

**Income-Restricted Rental Units Utilizing NBG**

- 80% MFI or above
- 50% to 80% MFI
- At or below 50% MFI

**Completed Affordable Units**: 105

**Planned Affordable Units**: 442

**Ownership FIL Planned**: $0

**Ownership FIL Completed**: $0

**Rental FIL Planned**: $0

**Rental FIL Completed**: $2,176,197

**Non-Residential FIL Planned**: $13,814,612

**Non-Residential FIL Completed**: $581,536

**# of Ownership Applications FY 2022-2023**: 0

**Minimum Ownership Affordability Period**: 99 years

**# of Rental Applications FY 2022-2023**: 6

**Minimum Rental Affordability Period**: 40 years
NORTH BURNET GATEWAY (NBG), Est. 2009

North Burnet Gateway is a 2,300-acre area in north Austin, bounded by Walnut Creek, Metric Boulevard, US 183, Braker Lane, and MoPac. The NBG Regulating Plan includes a voluntary affordable housing bonus.

Policy Considerations

- Most planned and received benefits to-date have been fee-in-lieu
- All on-site income-restricted units have been rental
- Resolution No. 20230504-020 proposes recalibration of density bonus program to increase participation
- More consideration needed for non-residential community benefits
CITY OF AUSTIN: GEOGRAPHICALLY SPECIFIC DENSITY BONUS PROGRAMS

PLAZA SALTILLO TOD, Est. 2009

A Transit Oriented Development (TOD) Regulating Plan next to the Plaza Saltillo Commuter Rail station that incorporates an optional affordable housing bonus.

Completed Affordable Units

<table>
<thead>
<tr>
<th>Affordable Ownership Units Utilizing Plaza Saltillo TOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed</td>
</tr>
<tr>
<td>0</td>
</tr>
</tbody>
</table>

Ownership FIL Planned: $0
Ownership FIL Completed: $0

# of Ownership Applications FY 2022-2023
2

Minimum Ownership Affordability Period
99 year

Completed Affordable Units

<table>
<thead>
<tr>
<th>Income-Restricted Rental Units Utilizing Plaza Saltillo TOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Completed</td>
</tr>
<tr>
<td>0</td>
</tr>
</tbody>
</table>

Rental FIL Planned: $252,084
Rental FIL Completed: $0

Non-Residential FIL Planned: $4,897,062
Non-Residential FIL Completed: $3,310,322

<table>
<thead>
<tr>
<th># of Rental Applications FY 2022-2023</th>
<th>Minimum Rental Affordability Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>40 years</td>
</tr>
</tbody>
</table>
PLAZA SALTLILLO TOD, Est. 2009

A Transit Oriented Development (TOD) Regulating Plan next to the Plaza Saltillo Commuter Rail station that incorporates an optional affordable housing bonus.

Policy Considerations

- Calibration needed to increase participation
- Zoning cases for additional entitlements instead of utilizing the density bonus program
- More consideration needed for non-residential community benefits
## CITY OF AUSTIN: GEOGRAPHICALLY SPECIFIC DENSITY BONUS PROGRAMS

### MLK TOD, Est. 2009

A Transit Oriented Development (TOD) Regulating Plan next to the MLK station that incorporates an optional affordable housing bonus.

<table>
<thead>
<tr>
<th>Completed Affordable Units</th>
<th>Planned Affordable Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>106</td>
<td>26</td>
</tr>
</tbody>
</table>

### Affordable Ownership Units Utilizing MLK TOD

- **80% MFI or above**
- **50% to 80% MFI**
- **At or below 50% MFI**

### Income-Restricted Rental Units Utilizing Plaza MLK TOD

- **80% MFI or above**
- **50% to 80% MFI**
- **At or below 50% MFI**

### # of Ownership Applications FY 2022-2023

- **0**

### Minimum Ownership Affordability Period

- **99 year**

### # of Rental Applications FY 2022-2023

- **0**

### Minimum Rental Affordability Period

- **40 years**
A Transit Oriented Development (TOD) Regulating Plan next to the MLK station that incorporates an optional affordable housing bonus.

**Policy Considerations**
- Calibration needed to increase participation
- More consideration needed for non-residential community benefits
CITY OF AUSTIN: GEOGRAPHICALLY SPECIFIC DENSITY BONUS PROGRAMS

LAMAR/JUSTIN TOD, Est. 2009

A Transit Oriented Development (TOD) Regulating Plan next to the Crestview station that incorporates an optional affordable housing bonus.

41
Completed Affordable Units

115
Planned Affordable Units

41
Completed Affordable Units

115
Planned Affordable Units

# of Ownership Applications FY 2022-2023

0

Minimum Ownership Affordability Period

99 year

Minimum Rental Affordability Period

40 years

Income-Restricted Rental Units Utilizing Plaza LAMAR/JUSTIN TOD

<table>
<thead>
<tr>
<th>MFI</th>
<th>Completed</th>
<th>Planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>At or below 50% MFI</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>50% to 80% MFI</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>80% MFI or above</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Affordable Ownership Units Utilizing LAMAR/JUSTIN TOD

<table>
<thead>
<tr>
<th>MFI</th>
<th>Completed</th>
<th>Planned</th>
</tr>
</thead>
<tbody>
<tr>
<td>At or below 50% MFI</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>50% to 80% MFI</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>80% MFI or above</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Policy Considerations

- Calibration needed to increase participation
- More consideration needed for non-residential community benefits
UNIVERSITY NEIGHBORHOOD OVERLAY (UNO), EST. 2004

A density bonus overlay that applies to the area just west of the University of Texas campus that provides additional height, FAR, and modifications to compatibility and parking standards in exchange for affordability benefits.

572
Completed Affordable Units
911
Completed Affordable Bedrooms

382
Planned Affordable Units
281
Planned Affordable Bedrooms

Fee-in-Lieu Planned: $0
Completed: $6,829

Income-Restricted Rental Units
Utilizing UNO

Fee-in-Lieu Planned: $779,024
Completed: $4,894,932

Non-Residential FIL Planned: $0
Completed: $132,827

Average Rental Affordability Period
2
40 years
27 years
CITY OF AUSTIN: GEOGRAPHICALLY SPECIFIC DENSITY BONUS PROGRAMS

UNIVERSITY NEIGHBORHOOD OVERLAY (UNO), EST. 2004

A density bonus overlay that applies to the area just west of the University of Texas campus that provides additional height, FAR, and modifications to compatibility and parking standards in exchange for affordability benefits.

Policy Considerations

• Non-compliance for UNO properties
• Separate fee-in-lieu target fund
• Applicant confusion re: relation between SMART & UNO programs
• Additional compliance flexibility targeted to student tenants
  • Ex: Rental by bedroom; qualification based on need-based financial aid
• High level of participation with deeper affordability than standard SMART Housing requirements
CITY OF AUSTIN: GEOGRAPHICALLY SPECIFIC DENSITY BONUS PROGRAMS

PLANNED UNIT DEVELOPMENT (PUD), Est. 2008

A custom zoning district for complex developments under unified control. Regulations must be superior to conventional zoning; affordable housing may be considered but not required.

414
Completed Affordable Units

4,066
Planned Affordable Units

Affordable Ownership Units Utilizing PUD

- 80% MFI or above
- 50% to 80% MFI
- At or below 50% MFI

Income-Restricted Rental Units Utilizing PUD

- 80% MFI or above
- 50% to 80% MFI
- At or below 50% MFI

Average Ownership Affordability Period
80 year

Average Rental Affordability Period
30 years
**CITY OF AUSTIN: GEOGRAPHICALLY SPECIFIC DENSITY BONUS PROGRAMS**

**PLANNED UNIT DEVELOPMENT (PUD), Est. 2008**

A custom zoning district for complex developments under unified control. Regulations must be superior to conventional zoning; affordable housing may be considered but not required.

---

**Policy Considerations**

- AHI data inconsistencies
- PUDs do not have specific affordability requirements, only guidelines for defining superiority
- PUDs submit a rezoning request, not a density bonus application
- Development Agreements sometimes have PUD zoning, but the affordability requirements are attached to the development agreement, not the zoning
## CURRENT DENSITY BONUS PROGRAMS: PARTICIPATION

<table>
<thead>
<tr>
<th>CITYWIDE</th>
<th>Planned</th>
<th>Completed</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>(Certified Loan Executed or Building Permit Issued)</td>
<td>(Completed or Affordability Period Expired)</td>
</tr>
<tr>
<td></td>
<td>Income-Restricted Units</td>
<td>Fee-in-Lieu Anticipated</td>
</tr>
<tr>
<td>Micro Unit</td>
<td>28</td>
<td></td>
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<tr>
<td>Affordability Unlocked (AU)</td>
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<td></td>
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<tr>
<td>Residential in Commercial</td>
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<tr>
<td>Compatibility on Corridors</td>
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<tr>
<td>GEOGRAPHICALLY SPECIFIC</td>
<td>Planned Unit Development (PUD)</td>
<td>Vertical Mixed Use (VMU)</td>
</tr>
<tr>
<td></td>
<td>3,779</td>
<td>1,535+156</td>
</tr>
<tr>
<td></td>
<td>Difficult to Forecast</td>
<td>755</td>
</tr>
<tr>
<td></td>
<td></td>
<td>414</td>
</tr>
<tr>
<td></td>
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</tbody>
</table>

AHI Open Data Portal export included data that was up-to-date through July 27

1 Reflects participation in updated VMU Program (June 20, 2022 update); applications not yet certified
2 Applications not yet certified
3 Information retrieved 9/1/2023 from AIMS, the City’s financial system