



PLANNING
DEPARTMENT

C20-2023-044: Density Bonus Zoning District

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Background

2006-
2013

City Council adopted Ordinance No. 20060302-063, creating the Vertical Mixed Use (VMU) Overlay and established standards for VMU Buildings. Processes and standards were amended several times between 2006 and 2013.

2021

City Council adopted Ordinance No. 20220609-080, creating a second tier of the VMU program, referred to as VMU2, which allowed for increased height in exchange for increased community benefits.

2024

City Council approved Resolution No. 20240201-026, which directed staff to create a new density bonus program resembling the existing VMU2 standards.



Resolution No. 20240201-026

- Directed Staff to create a density bonus program that achieves the following objectives:
 - Resembles VMU2 standards and is available city-wide
 - Serves the following households and requires a minimum number of on-site affordable units
 - For Rental:
 - 10% of units set-aside affordable to 50% Median Family Income (MFI); or
 - 12% of units set-aside affordable to 60% MFI
 - For Ownership:
 - 12% of ownership units set-aside affordable to 80% MFI
 - Allows a development that provides on-site affordable units to be eligible for 30 feet of additional height, up to 90 feet in total height



PC Recommendation No. 20241302-18

- The Planning Commission recommended adoption to the City Council with the following amendments:
 - In 25-8-700-D (D)(2)(c) change ‘10 shrubs’ to ‘10 large shrubs’
 - Examine what method may be possible to establish a waiver or variance for the requirements in § 4-18-32 (Existing Multi-Family Structure)
 - Consider a fee-in-lieu option to meet the affordability requirements for ownership units
 - Prohibit STRs in all rental units, including affordable units, pending review by the Law Department



PC Recommendation No. 20241302-18

- Existing Multi-Family Structure Redevelopment Waiver
 - Staff Recommendation:
 - To incorporate a process that allows the applicant to appeal the determination of the value of repairs to the Building and Fire Code Board of Appeals



PC Recommendation No. 20241302-18

- **Fee In-Lieu for Ownership Units**
 - Staff Recommendation:
 - Support the inclusion of a fee in-lieu option for ownership units to address issues related to on-going affordability
 - Set a fee that reflects the cost associated with selling the units at an affordable sales price, as opposed to the market price, to be updated annually in the budget



Process

1. Create the Density Bonus Zoning District (DB90)
 - Requires Commission recommendation and Council action
 - No change to a property's zoning will be made at the time of this amendment
2. Owners of eligible properties may then request a rezoning to add DB90
 - Requires a Commission recommendation and Council action
 - Notice of the rezoning will be provided pursuant to 25-1-132, which includes utility account holders and property owners located within 500 feet of the subject property
 - Property owners within 200 feet can protest the rezoning



Proposed Applicability

- Properties in the following base zoning districts would be eligible to participate through a rezoning process:
 - Commercial Liquor Sales (CS-1);
 - General Commercial Services (CS);
 - Community Commercial (GR);
 - Neighborhood Commercial (LR);
 - General Office (GO); and
 - Limited Office (LO).



Proposed Requirements and Incentives

■ Affordability

- Rental:
 - 10% of units set-aside affordable to 50% Median Family Income (MFI); OR
 - 12% of units set-aside affordable to 60% MFI
- Ownership:
 - 12% of units set-aside affordable to 80% MFI
 - i. Requirements for ownership units may be satisfied by a fee in-lieu of on-site units

■ Mix of Uses

- 75% of ground-floor must be pedestrian-oriented commercial uses
- Floors beyond the second must be residential

■ Site Development Standards

- Exemptions from standards include the following:
 - Minimum site area requirements
 - Maximum floor area ratio
 - Maximum building coverage
 - Minimum street side yard setback and interior yard setback
 - Minimum front yard setback
 - Article 10 Compatibility Standards Subchapter C

■ Height

- 30 ft in additional height from the base zone up to a maximum of 90 ft



Proposed Compatibility Buffer

- **25' Compatibility Buffer** required along a property line shared with a triggering property:
 - **10' Screening Zone** with trees and shrubs
 - **15' Restricted Zone** with low-intensity uses such as trails, driveways, and fire lanes
 - Stormwater infrastructure allowed in the screening and restricted zones
- Screening for certain objects including vehicle lights, mechanical equipment, and refuse collection areas

Screening Zone Requirements	
Minimum width	10'
Large or medium trees ¹ per 25 linear feet	1
Small trees per 25 linear feet	1
Large shrubs per 25 linear feet	10

¹ 20' minimum height at maturity

*Native plantings required (existing native plants can count)



Proposed Compatibility Buffer



10' Screening Zone

15' Restricted Zone



DB90 Combining District

Example Zoning String:

CS-MU-DB90-CO-NP



Base Zoning Districts

Base Zones	Description	Base Max Height	Max Height with Bonus	Impervious Cover
CS (CS-1)	Commercial Services	60ft	90ft	95%
GR	Community Commercial	60ft	90ft	90%
LO	Limited Office	40ft	70ft	70%
LR	Neighborhood Commercial	40ft	70ft	80%
GO	General Office	60ft	90ft	80%



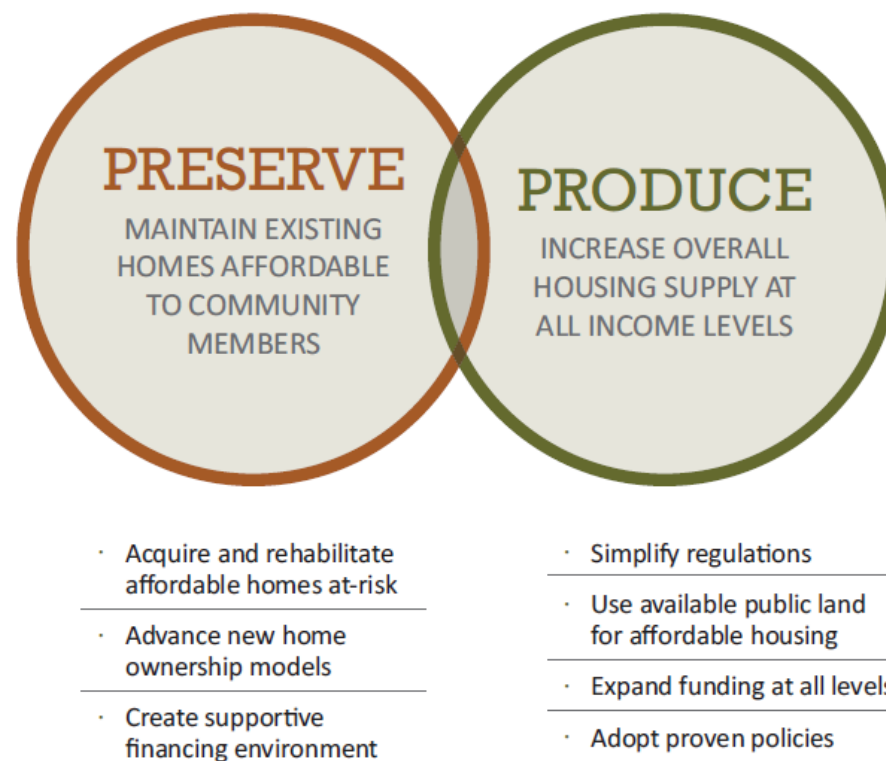
Changes to Chapter 4-18

- Pre-Application Conference
 - Applicants must meet with the Housing Department prior to submitting an application to provide an overview of their projects
- Certification
 - Creates a process for certification by Housing Department
- General Provisions
 - Provisions for simultaneous availability of units, similar unit size/location, prohibiting income source discrimination, etc.
- Requirements for Properties with Existing Multifamily Units
 - Requires replacement of all existing units affordable to a household earning 80% MFI or below
 - Provides tenant notification and relocation benefits
 - An appeals and waiver process has been as incorporated at the request of the Planning Commission
- Penalty
 - Creates a penalty for non-compliance

Impact of Density Bonus Programs

HOLISTIC APPROACH TO AFFORDABLE HOUSING

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



Source: Strategic Housing Blueprint



Impact of Density Bonus Programs

- Critical to achieving the goals of the Strategic Housing Blueprint
- Facilitates transit supportive density in support of the Equitable Transit Oriented Development Policy Plan
- Allows for mixed-use and mixed-income communities in support of Imagine Austin goals

VMU Developments		
	Completed	In the Pipeline
VMU Buildings	83	22 under construction 17 in planning
VMU Housing Units	17,634	4,277 under construction 5,198 in planning
Income-Restricted Affordable VMU Housing Units	2,535	733 under construction 995 in planning
VMU Housing Units by Tenure	96% rental 4% ownership	97% rental 3% ownership

Source: Affordable Housing Inventory, City of Austin Open Data Portal



Recommendation

- Staff recommends the creation of the Density Bonus Zoning District and associated changes to Chapter 4-18
- Staff recommends initiation of code amendments to create additional tiers of the bonus program that include additional height or FAR in exchange for additional community benefits
- Staff recommends waivers from the fees associated with a rezoning application for certain properties within the VMU overlay or with a site plan in review



Contact Us

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Thank You