



City of Austin

Recommendation for Action

File #: 24-4208, **Agenda Item #:** 37.

3/7/2024

Posting Language

Conduct a public hearing and consider an ordinance amending City Code Chapter 25-9 (Water and Wastewater) relating to clarifying requirements for water conservation in the implementation of the Water Forward Plan, including distances for the Reclaimed Water Connection requirement, clarifying definitions, and modifying variances including adding certain affordable housing exemptions for Reclaimed Water Connections and Onsite Water Reuse requirements; and waiving the requirement in City Code Section 25-1-502 (Amendment Review) for Planning Commission review of Land Development Code amendments.

Lead Department

Austin Water.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

November 29, 2018 - City Council approved the Water Forward Plan on a 10-0 vote.

December 11, 2019 - City Council voted to approve the Land Development Code Revision directing Austin Water to establish a regulatory program and an incentive program for Onsite Water Reuse Systems on first reading, on a 7-4 vote.

February 13, 2020 - City Council voted to approve the Land Development Code Revision directing Austin Water to establish a regulatory program and an incentive program for Onsite Water Reuse Systems on second reading, on a 7-4 vote.

December 10, 2020 - City Council approved an ordinance establishing City Code Chapter 15-13 relating to treatment, monitoring and reporting regulations for Onsite Water Reuse Systems, on a 10-0 vote.

April 22, 2021 - City Council voted to approve an initial Pilot Incentive Program for Onsite Water Reuse Systems for the voluntary installation of alternative Onsite Water Reuse Systems, on a 10-1 vote.

May 20, 2021 - City Council adopted a resolution directing staff to prepare an ordinance amending City Code Chapter 25-9 (Water and Wastewater) establishing water benchmarking, expanding Reclaimed Water Connection requirements, and adding Onsite Water Reuse requirements, on an 11-0 vote.

June 10, 2021 - City Council adopted an ordinance waiving Planning Commission review of Land Development Code amendments in order to expedite implementation of water conservation strategies in the Water Forward Plan, on a 11-0 vote.

September 30, 2021 - City Council adopted an ordinance amending City Code Chapter 25-9 (Water and Wastewater) relating to establishing new requirements for water conservation in the implementation of the Water Forward Plan, including expansion of the Reclaimed Water Connection requirement, water

benchmarking, and mandatory Onsite Water Reuse for certain new developments and requiring an affordability report, on a 10-1 vote.

November 9, 2023 - City Council adopted an ordinance waiving Planning Commission review of a Land Development Code amendment extending a variance of the Reclaimed Water Connection requirements for large development projects with a multifamily component, on a 7-1 vote.

November 9, 2023 - City Council adopted an ordinance to amend Ordinance #20210930-117 to defer the effective date for Onsite Water Reuse requirements for large development projects, on a 7-1 vote.

November 30, 2023 - City Council adopted an ordinance amending Section 25-9-411 of City Code relating to Reclaimed Water Connection requirements to extend the variance for Reclaimed Water Connection requirements for large development projects with a multifamily component, on a 10-0 vote.

For More Information:

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Council Committee, Boards and Commission Action:

November 12, 2019 - Planning Commission adopted Planning Commission Land Development Code amendments.

February 14, 2024 - Proposed Land Development Code amendments without a fee in lieu provision were recommended by the Water and Wastewater Commission on a 7-0 vote with Commissioner Pandurangi recused and Commissioners Navarro, Angoori and Musgrove absent.

February 20, 2024 - Proposed Land Development Code amendments without a fee in lieu provision were recommended by the Resource Management Commission on Commissioner Davis's motion, Commissioner Carugati's second on a 7-0-1 vote with Commissioner Gary abstaining, Commissioner Scaffidi absent, and two vacancies.

February 21, 2024 - Proposed Land Development Code amendments without a fee in lieu provision were reviewed by the Codes and Ordinances Joint Committee but no action was taken due to lack of a motion.

February 27, 2024 - Proposed Land Development Code amendments with a fee in lieu provision were reviewed by the Planning Commission. The Planning Commission voted 10-0 to postpone this item until March 12, 2024, with Commissioner Maxwell absent and Commissioners Mushtaler and Ramirez off the dais.

Additional Backup Information:

This action is one of four proposed Council items related to implementing Austin Water's new "GoPurple Program" to accelerate the expansion of Austin's centralized reclaimed system and onsite reuse. These are essential strategies in Austin's Water Forward plan to meet long-range needs for a secure and sustainable water future.

City Council adopted an ordinance on September 30, 2021, to amend City Code Chapter 25-9 (Water and Wastewater) establishing water benchmarking, expanding Reclaimed Water Connection requirements, and adding Onsite Water Reuse requirements. The ordinance also required the City Manager to provide City Council with a report and possible actions for consideration concerning the impact of the requirements for an Onsite Water Reuse System and the expansion of the current Reclaimed Water Connection mandate on

housing affordability by September 28, 2023. The required report was provided to City Council on October 25, 2023, along with recommendations for additional code amendments to address impacts to housing affordability from the new requirements. City Council adopted ordinances in November 2023 to defer the effective dates for Reclaimed Water Connection and Onsite Water Reuse requirements for large development projects until April 1, 2024 to allow more time for consideration of the ordinance changes and to establish exemptions to the requirements for certain affordable housing projects.

This action will amend City Code Chapter 25-9 (Water and Wastewater) to:

- Clarify the types of properties that are required to connect to Austin Water's centralized reclaimed water system
- Clarify the variances that the Austin Water Director may grant related to reclaimed water connection requirements
- Provide exemptions for reclaimed water connection requirements and onsite reuse requirements for developments approved for Low Income Housing Tax Credits, the City's Affordability Unlocked Bonus Program
- Authorizes the Austin Water Director to grant a fee in lieu option under certain conditions.

This action also waives Planning Commission review of this proposed Land Development Code amendment so that affordable housing exceptions and a fee in lieu option can be implemented by Austin Water when onsite water reuse system mandates in current City Code 25-9-413 go into effect on April 1, 2024.

On February 21, 2024 the Codes and Ordinances Joint Committee received a presentation from Austin Water staff and reviewed the proposed amendment. The Joint Committee took no action on this proposed Land Development Code amendment due to a lack of a motion. On February 27, 2024 the Planning Commission received a presentation from Austin Water staff and reviewed the proposed amendment. The Planning Commission voted to postpone action on this proposed Land Development Code amendment until March 12, 2024.

Austin Water recommends that the related Land Development Code amendments move forward for Council consideration on March 7, 2024, in order to provide clear and timely direction to the development community. Austin Water also needs time to update and coordinate with other City departments involved in the development review process before the related development requirements in current City Code go into effect on April 1, 2024. Successful implementation of onsite reuse systems and expanded connections to Austin Water's centralized reclaimed system are important Water Forward strategies to increase water savings.