

## ORDINANCE AMENDMENT REVIEW SHEET

### **Amendment:**

C20-2022-003 South Central Waterfront Combining District and Density Bonus Program.

### **Description:**

Conduct a public hearing and consider an ordinance amending City Code Title 25 to create a new zoning district and modify related site development regulations and compatibility standards; and create a new zoning district for density bonus that includes granting additional floor-to-area ratio in exchange for providing community benefits; to establish boundaries for the new zoning districts located in the vicinity commonly known as the South Central Waterfront; and initiating zoning and rezoning for all properties within the South Central Waterfront District except those with Planned Unit Development zoning, Planned Development Area zoning, and subject to Planned Development Agreement, and initiate necessary neighborhood plan amendments for the properties located in the new zoning district's boundaries.

### **Background:**

On June 16, 2016, the [South Central Waterfront Vision Framework Plan](#) (Vision Plan) was adopted as an amendment to the [Imagine Austin Comprehensive Plan](#). As defined in the Vision Plan, the South Central Waterfront district encompasses roughly 118 acres.

The intent of the Vision Plan was to leverage forecasted development through a districtwide approach that creates a dynamic people-centered district in Central Austin by:

- Establishing a lively, attractive pedestrian environment;
- Expanding open space and creating great public places;
- Enhancing connections to and along the waterfront; and
- Providing 20% new affordable housing units, or approximately 527 affordable units in the district.

A districtwide approach had been identified as an essential method in realizing the intent of the Vision Plan. Through this approach, the South Central Waterfront is hoped to become a model for how a districtwide green infrastructure system, paired with quality urban design, can provide an interconnected network of public spaces – streets, streetscapes, lakeside trails, and parks – that provides the framework for redevelopment and districtwide value capture to fund other community benefits, such as affordable housing.

The urban development envisioned in the Vision Plan requires modifications to the existing zoning and development regulations. To support the development envisioned in the Vision Plan, the City Council passed [Resolution Number 20220915-090](#) on September 15, 2022, to initiate the development of regulations for the South Central Waterfront area. In the resolution, Council asked staff to create regulations that consider today's market realities, anticipate future demand, and realize the intent of the Vision Plan to:

- Create a density bonus program “akin” to the Downtown Density Bonus Program;
- Allow building height, floor-to-area ratio (FAR), and entitlements that support the economics required to achieve infrastructure and community benefits;
- Allow additional entitlements exclusively through density bonus;
- Conduct regulation updates, at a minimum, every five years;
- Ensure development entitlements are sufficient to sustain and address increasing market demands and the rising inflation of labor and materials;
- Maximize the number of affordable units;
- Maximize infrastructure investments;
- Maximize other on-site community benefits;
- Ensure enhanced environmental standards and protection;
- Support Project Connect; and
- Create a connected, pedestrian-oriented, mixed-use district where thousands more Austinites can live, work, and play.

### **Summary of Proposed Code Amendment:**

The creation of the South Central Waterfront Density Bonus Program and Combining District has been a cooperative effort between city departments, boards and commissions, property owners, and the general public.

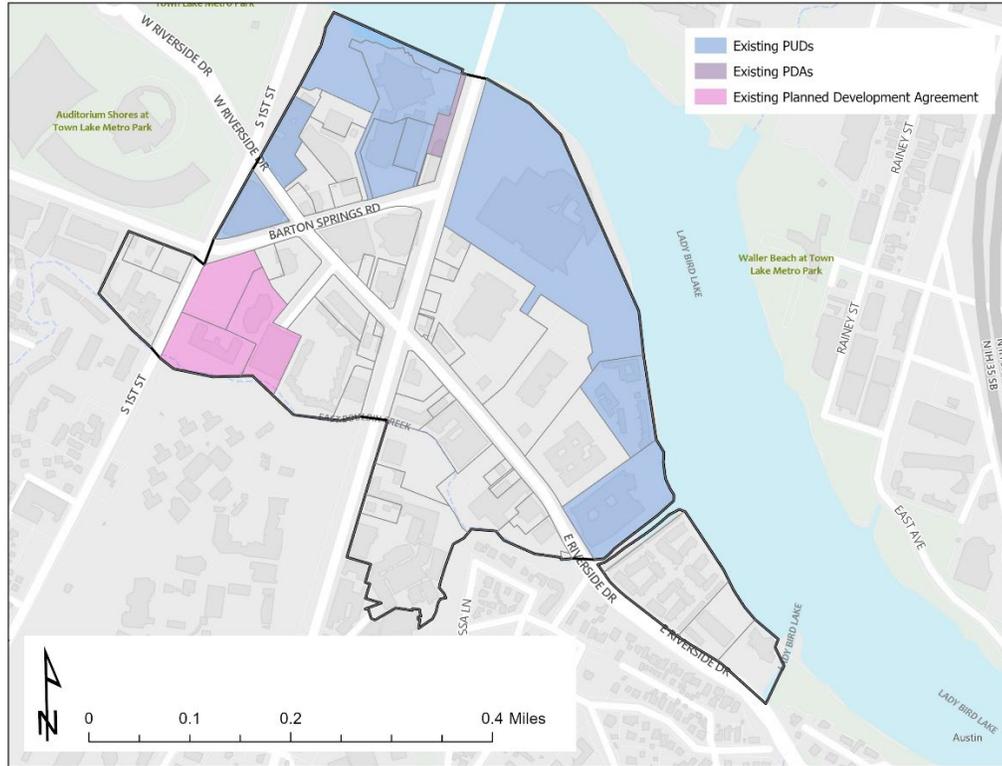
Additionally, staff contracted with two consulting firms to analyze the structure of the South Central Waterfront Density Bonus Program (Density Bonus Program). One contracted team looked at the Density Bonus Program to analyze various alternatives including different fee rates and affordable housing rates under current and improved market conditions. A second consultant team analyzed the cost of various on-site community benefits identified in the program to inform the bonus structure, and aided in the development of the Density Bonus Calculator to easily determine the number of affordable units, fees, and community benefits owed based on project characteristics.

This Land Development Code (LDC) amendment is written as a combining district, similar to an overlay and optional for landowners, with an associated density bonus program. While Council requested a regulating plan, which requires certain steps by developers, the opt-in nature of a density bonus program better fits the needs of the South Central Waterfront District. In alignment with recent legal findings, this density bonus program for the South Central Waterfront is paired with a combining district.

If approved by City Council, the adopted Combining District and Density Bonus Program will become regulations that can then be applied to properties by rezoning them. As part of this item, Council will also be initiating rezoning for properties in the SCW District that are not approved Planned Unit Developments (PUDs), Planned Development Areas (PDAs), or Planned Development Agreements.

**Exhibit 1** shows the boundary and existing (PUDs), (PDAs), and Planned Development Agreements within the South Central Waterfront.

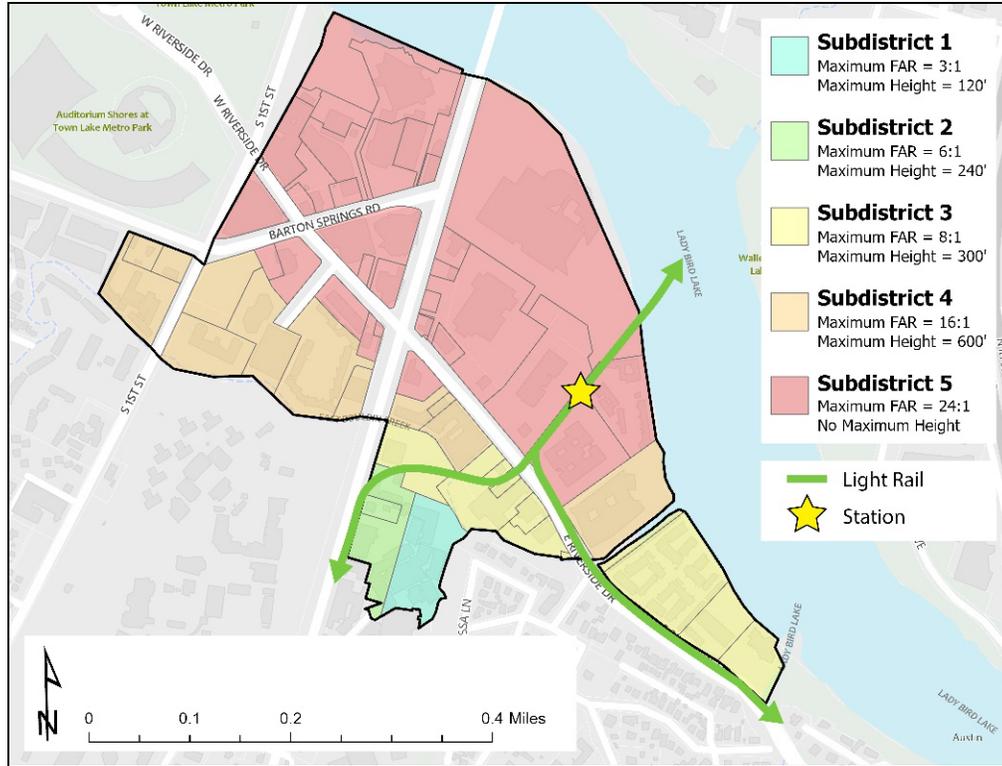
While all properties within the South Central Waterfront boundary are eligible to participate in the Density Bonus Program, only those properties that are not an existing PUD, PDA, or Planned Development Agreement are included for city-initiated rezoning.



**Exhibit 1** (South Central Waterfront District Boundary with existing PUDs, PDAs, and Planned Development Agreements)

The South Central Waterfront Combining District element of the code includes:

- Background
  - o A high-level overview of the area’s planning efforts, development, and current conditions today.
- Article 1: General Provisions
  - o The detailed guide for how to participate and apply for new development projects in the South Central Waterfront Combining District.
  - o A review of requirements, conflicting provisions, exemptions, and program evaluation.
- Article 2: Land Use Standards
  - o The permitted, permitted with conditions, and conditional land uses.
- Article 3: Development Standards
  - o The development regulations that shape the built environment of the South Central Waterfront Combining District.
- Article 4: Design Standards
  - o The quality design standards within the South Central Waterfront that promote human-scale, visually interesting, and walkable streetscapes that emphasize a balance between natural and built elements.
- Article 5: Definitions



**Exhibit 2** (South Central Waterfront Subdistrict Map)

The South Central Waterfront **Density Bonus Program** element of the code includes:

- Subdistricts and Maximum Floor-to-Area Ratios / Building Height
  - o The South Central Waterfront Combining District has been divided into 5 subdistricts with corresponding FARs and building height maximums.
- Program Requirements
  - o Gatekeeper requirements that must be met to participate in the Density Bonus Program, as well as Planning Director and Housing Director determinations.
- Community Benefits
  - o An itemized list of individual on-site community benefits each assigned their own programmatic requirements.

Key components of the South Central Waterfront Combining District and Density Bonus Program are explained in further detail below.

### **FAR and Height Limits**

The South Central Waterfront is divided into five subdistricts with distinct FAR and height limits (See **Exhibit 2**). These subdistricts are intended to provide a gradient between the highest level of development nearest Downtown and tapering off towards existing single-family housing. As a direct result of the public input process, staff proposes the following adjustments to the subdistricts in South Central Waterfront:

- The South Central Waterfront boundary has been expanded from the Vision Plan to include:
  - o Three parcels added to the southern most boundary to include those parcels directly impacted by Project Connect and to support cohesive transit oriented development.
  - o Three additional properties added on the southwest corner of Barton Springs Road and South 1st Street based on additional community feedback.
- Additionally, FAR is increased (from the initial public version released on February 20, 2024) on the parcels adjacent to and due east of the proposed light rail station. This is to directly support the goals of transit oriented development on the parcels closest to the station area.
- Height limits have been added for Subdistricts 1-4 as follows:
  - o Subdistrict 1: 120ft
  - o Subdistrict 2: 240ft
  - o Subdistrict 3: 300ft
  - o Subdistrict 4: 600ft
  - o Subdistrict 5: Continues to have no height limits.

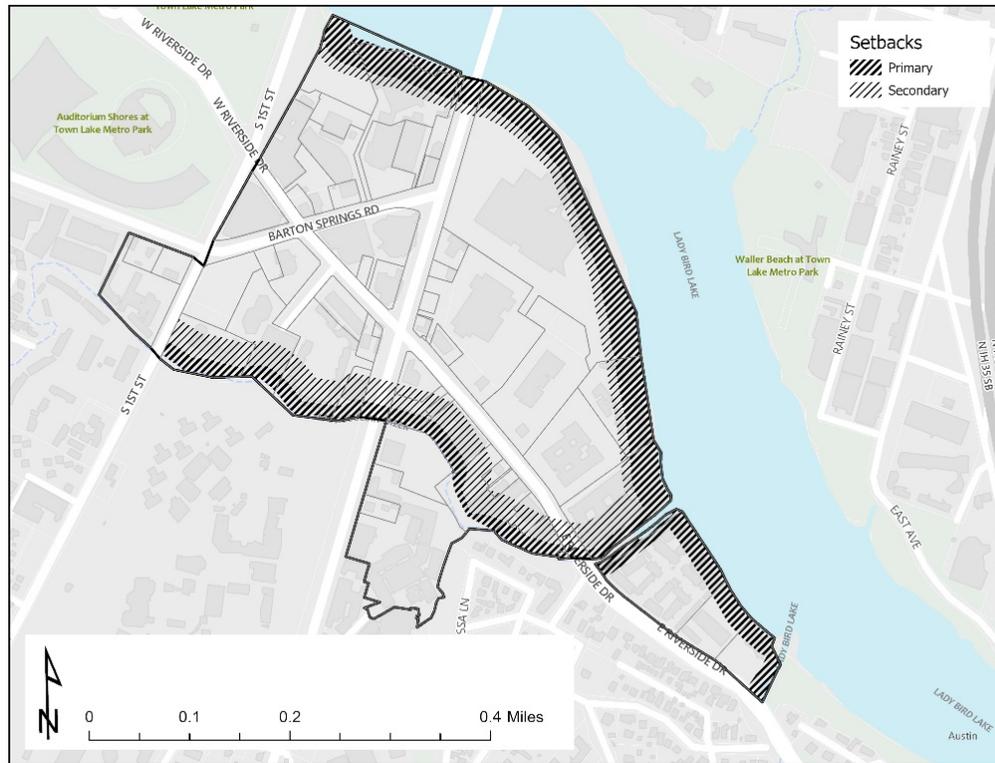
Additional FAR and height are available beyond the maximums shown in the map subject to approval by Council.

The Density Bonus Program includes above-grade parking past a certain entitlement (based on the uses in the building) in the FAR calculation. Parking has not generally been included in FAR in the past and this disincentivizes large parking plinths.

### **Waterfront Overlays within the South Central Waterfront**

The South Central Waterfront Overlays (See **Exhibit 3**) for Auditorium Shores, South Shore, and Travis Heights will continue to apply to projects that participate in the Density Bonus Program.

- Regulations maintained include design standards such as building materiality, utility screening, and base wall structures.
- New regulations in the South Central Waterfront Combining District supersede some elements of the existing overlays, including:
  - o Maximum building height, impervious coverage, Land Use Commission site plan approval, and the 70 degree building step back.
  - o Additional pedestrian-oriented land uses were added as permitted, conditional, or permitted with conditions.



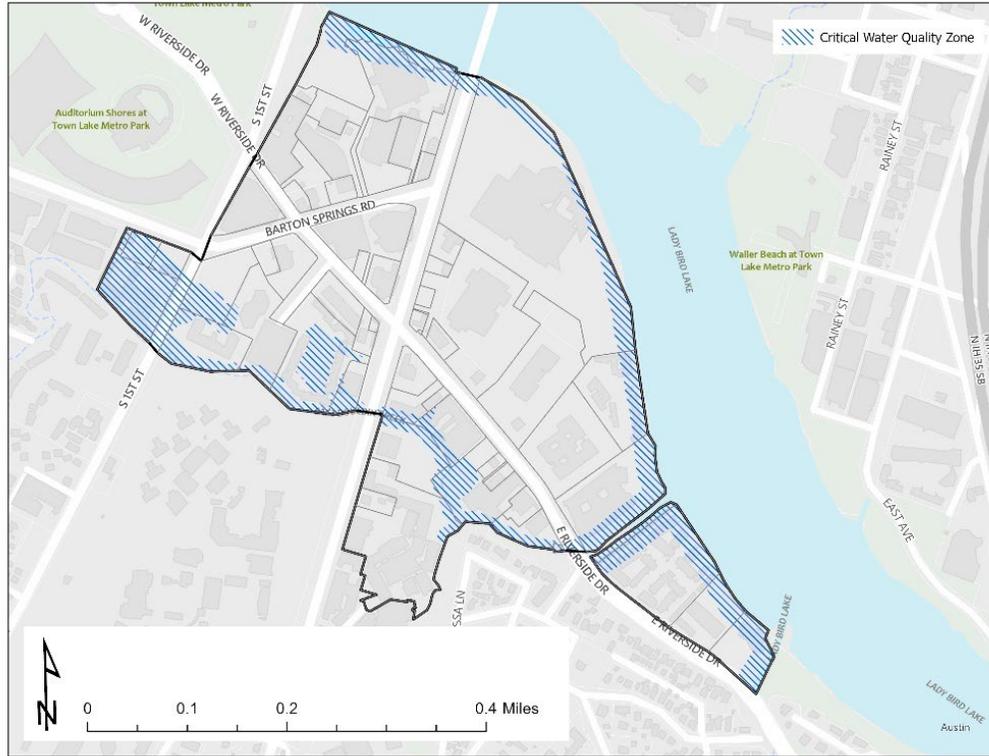
**Exhibit 3** (South Central Waterfront Overlay Primary & Secondary Setbacks)

### Open Space & Parks

- A minimum of 5% of gross site area shall be provided as Private Common Open Space with Public Access Easements.
- For projects opting into the Bonus Program, the Parks and Recreation Department may require up to 25% of gross site area to be dedicated as public parkland. If not opting into the Density Bonus Program, state law limits parkland dedication to a maximum of 10% of gross site area.

### Critical Water Quality Zones

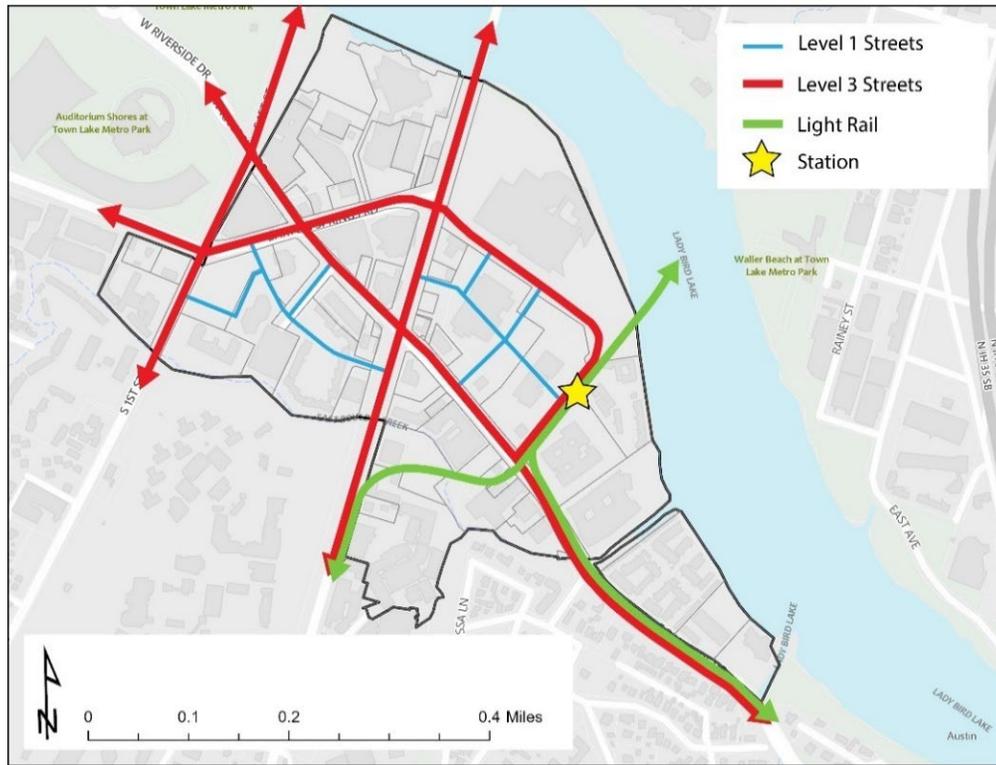
- Compliance to Critical Water Quality Zone criteria must meet or exceed the ecological outcomes of water quality, riparian habitat restoration or preservation, erosion control and prevention, and vegetation diversity.
- Critical Water Quality Zones along the shoreline of Lady Bird Lake are measured from the shoreline boundary. The buffer width is 100 feet or 75 feet for a detached single-family residential use.
- Critical Water Quality Zones along Bouldin Creek are measured at 50 feet from creek centerline.



**Exhibit 4 (Critical Water Quality Zones)**

**Transportation & Project Connect**

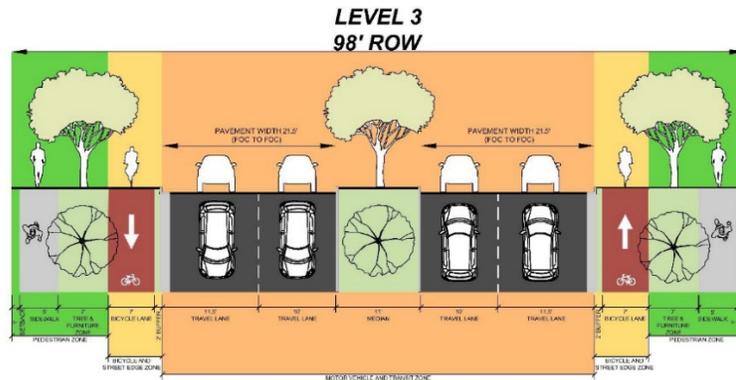
All pedestrian, bicycle, and vehicular right of way shall adhere, at a minimum, to the standards outlined in the Transportation Criteria Manual (TCM) and Austin Strategic Mobility Plan (ASMP), as shown in **Exhibit 5**.



**Exhibit 5** (South Central Waterfront Roadway Network)

The South Central Waterfront transportation network is comprised of:

- **Level 3 streets,**



**Exhibit 6** (Level 3 Street)

- Level 1 streets, and

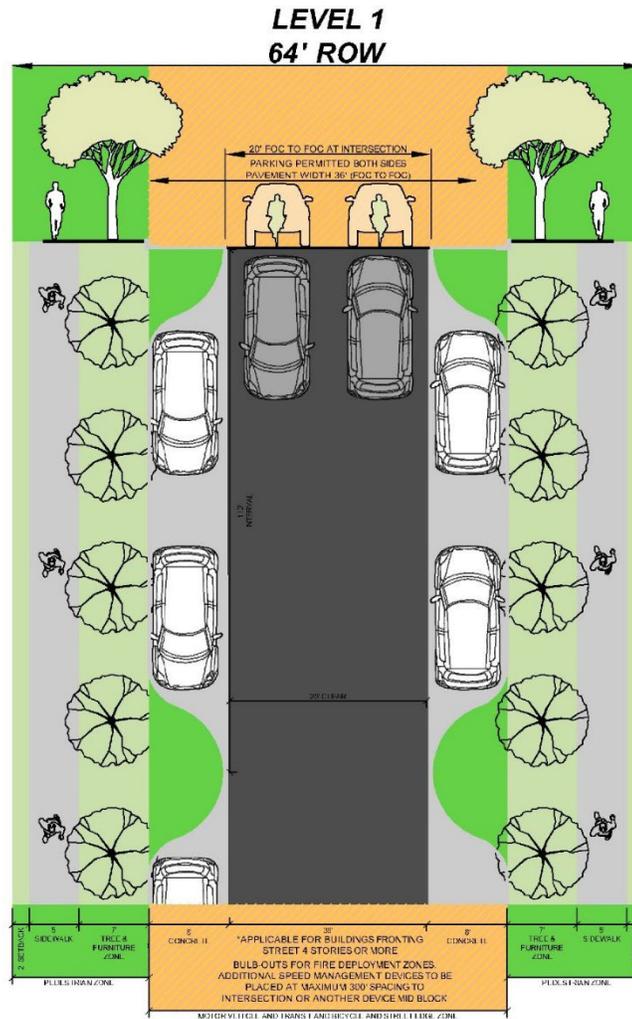


Exhibit 7 (Level 1 Street)

- Proposed alignment of the Project Connect Light Rail (see Exhibit 5).

### Density Distribution Areas

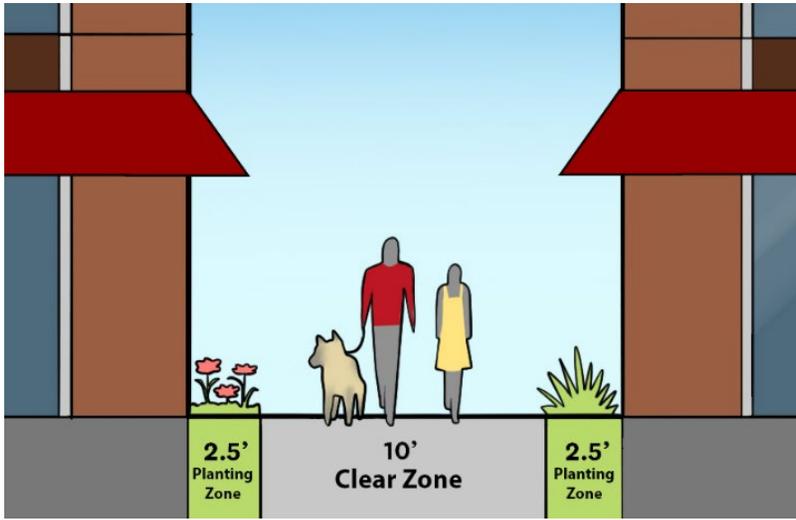
- To account for the variation of the sizes and shapes of the parcels in this district, and to prevent the creation of monolithic structures, the concept of “Density Distribution Areas” (DDAs) is created to distribute density throughout large sites.
- Density Distribution Areas are to be no larger than 90,000 square feet (approximately the size of a downtown city block).
- FAR maximums apply separately to each DDA within a site, preventing all of a project’s density from being located in a single portion of the site or in a singular building that does not adhere to a pedestrian-friendly scale.

- To encourage good pedestrian circulation through a site, internal circulation routes are required along each of the dividing lines of the DDAs. Multiple design options exist for internal circulation including options that allow for vehicular or bicycle circulation and are provided **in Exhibits 8 through 11**.

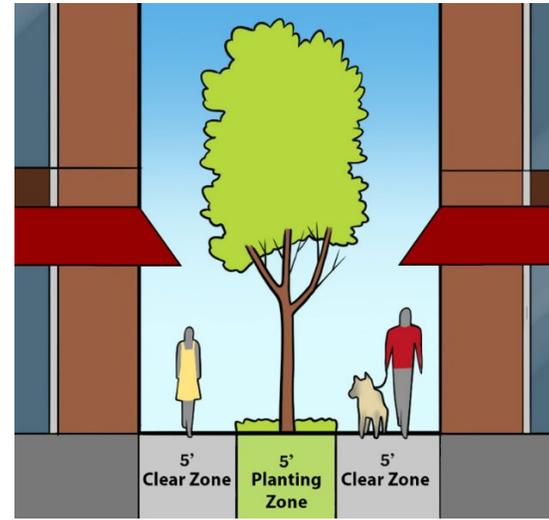
### **Density Bonus Program**

The Vision Plan for the South Central Waterfront and subsequent Council resolution identified a number of goals for this area. To incentivize development to meet the diverse intent of the Vision and the Council resolution's community benefits as the South Central Waterfront develops in the coming decades, the Density Bonus Program is constructed with gatekeeper requirements, fees-in-lieu, and other onsite community benefits.

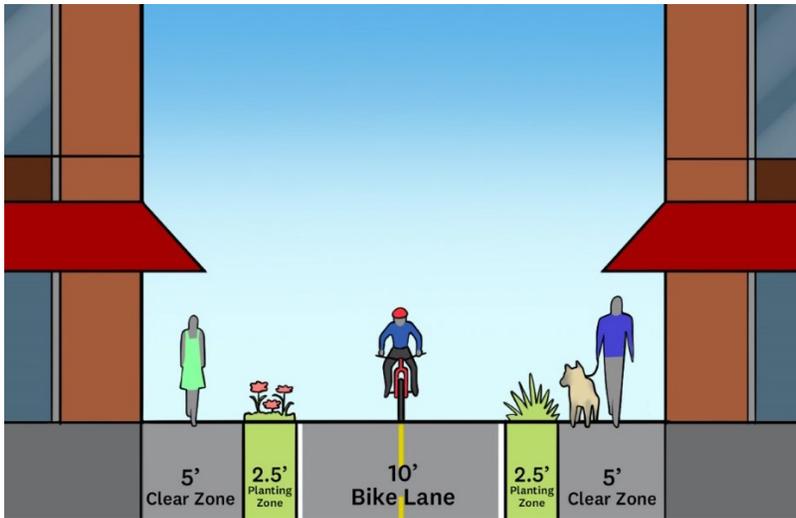
- **Gatekeeper Requirements.** If a property is using the Combining District, it will automatically have a 2:1 FAR. To access the Density Bonus Program, a development must adhere to the gatekeeper requirements for the South Central Waterfront. Gatekeeper requirements, as further explained below, allow for a development to access up to 3:1 FAR:
  - **Enhanced Environmental Standards**
    - Heritage Tree and Protected Tree preservation requirements will continue to apply.
    - All landscaped areas shall be irrigated with a non-potable water reuse system if not located within a Critical Water Quality Zone.
    - Development projects shall make provisions to connect to the City's reclaimed water distribution system.
    - At a minimum, all projects shall receive a 2-Star Austin Energy Green Building rating or have LEED certification.
    - Rain gardens shall be planted with native species in accordance with the Environmental Criteria Manual.
    - Bird friendly design criteria for light pollution reduction and collision deterrence.
  - **Enhanced Streetscape and Urban Design Standards** - As a requirement of the Combining District, all site development, building design, and streetscapes shall meet the minimum requirements outlined in Subchapter E: Design Standards and Mixed Use.
    - If opting into the Density Bonus Program, projects shall exceed Subchapter E: Design Standards and Mixed Use by providing streetscapes that meet sidewalk width, street furnishing, and shade tree elements found in the Great Streets Program. Additionally, Urban Design Guidelines shall substantively be met if participating in the Density Bonus Program.



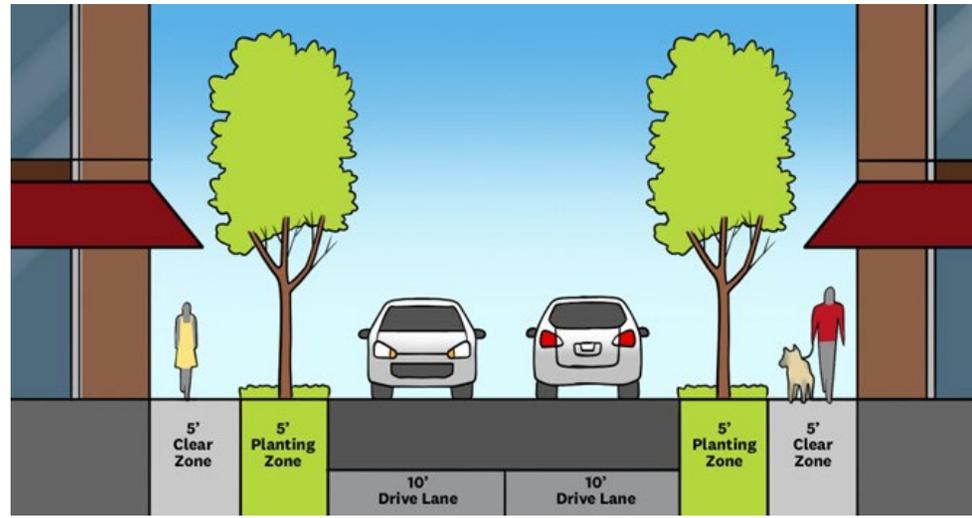
**Exhibit 8** (Internal Circulation Route Option 1)



**Exhibit 9** (Internal Circulation Route Option 2)



**Exhibit 10** (Internal Circulation Route Option 3)



**Exhibit 11** (Internal Circulation Route Option 4)

- **On-site Affordable Housing** - If a development opts into the South Central Waterfront Density Bonus Program, 5% of housing units within 3:1 FAR must be affordable at:
  - 60% of median family income (MFI) for rental units; and
  - 80% MFI for on-site units for condo units, or
    - a fee-in-lieu equivalent for market-rate condo units.
- **Fees-in-Lieu.** Beyond 3:1 FAR, 70% of bonus area must be achieved through fees-in-lieu and dedications and 30% must be achieved through on-site community benefits. Fees-in-lieu include fees for affordable housing, parks, and infrastructure.
  - **Affordable housing fee-in-lieu** is to be spent in the SCW Affordable Housing Investment Area. Additional affordable housing may be achieved in the south central Austin area from the affordable housing fee-in-lieu generated from the Density Bonus Program.
    - The Housing Department may spend funds generated by the Density Bonus Program within the area defined by Lady Bird Lake to the north, Ben White Boulevard to the south, I-35 to the east, and Mopac to the west.
    - Additionally, funds must be spent within 1/2 mile of a rail station or 1/4 mile of a bus stop.

Additional onsite affordable units may be dedicated for credit towards the fee-in-lieu amount.

  - The **parks fee-in-lieu** is added to the amount owed for the standard Parks Fee used elsewhere in the city and is to be used within a distance of the property from which it is obtained based on existing PARD expenditure procedures. Dedication of parkland may be credited towards the fee-in-lieu amount.
  - The **infrastructure fee-in-lieu** is to be used within the SCW District itself to provide area-benefitting public infrastructure including but not limited to new arterial roadways; upgrades to water, wastewater, reclaimed water, and stormwater infrastructure; and watershed improvements.- **Other Onsite Community Benefits & Bonus Schedule.** Numerous onsite community benefits have been identified for the South Central Waterfront in support of the Vision Plan and 2022 Council resolution. The following is a list of the onsite community benefits and their associated bonus rate.
  - **Note:** Several bonuses are temporarily being given a value of 0 until improved enforcement options are evaluated to ensure compliance with maintaining tenants for particular benefits. This evaluation is anticipated to occur within 2024.
  - The bonus schedule has been produced with bonus rates that are economically calibrated to ensure approximately the same cost for bonus area regardless of the community benefits being provided.

<b>Community Benefit</b>	<b>Notes</b>	<b>Bonus Rate</b>
<b>Private Common Open Space</b>	Plazas, squares, greenspace, etc.	<b>15 bonus SF</b> per 1 SF
<b>Childcare and Adult Care Services</b>		<b>0 bonus SF</b> per 1 SF
<b>Affordable Childcare</b>		<b>67 bonus SF</b> per 1 SF
<b>Cultural Uses</b>	501(c) uses that are eligible to participate in the City of Austin Core Cultural Funding Program	<b>0 bonus SF</b> per 1 SF
<b>Affordable Creative Space</b>	Gallery, art workshop, theater, etc.	<b>0 bonus SF</b> per 1 SF
<b>Live Music Venues</b>	Concert halls, etc.	<b>0 bonus SF</b> per 1 SF
<b>Grocery Uses</b>	8,000 square foot minimum grocer	<b>0 bonus SF</b> per 1 SF
<b>Public Parkland Buildout</b>	Adding amenities and improvements to public parkland, such as landscaping and playground equipment	<b>11 bonus SF</b> per \$100
<b>Transit Supportive Infrastructure Buildout</b>	Bus stations, bikeshares, etc.	<b>11 bonus SF</b> per \$100
<b>Public Art</b>	Permanent installations as approved by the Arts Commission and Art in Public Places Panel	<b>11 bonus SF</b> per \$100
<b>Alternative Community Benefits Not Described</b>	Community benefits as approved by City Council	<b>Will vary</b>

### **Adjustments Resulting from Public Comments**

On February 20, 2024, the first draft Combining District & Density Bonus Program was released for public access and review ([www.SpeakUpAustin.org/SouthCentralWaterfront](http://www.SpeakUpAustin.org/SouthCentralWaterfront)).

Concurrent to the draft release, the public was provided a survey with questions on various topic areas including: land use, desired built environment, and potential boundary adjustments. Staff received 439 survey results leaving left 1,434 comments to open ended questions and completing a priority ranking question which generated 2,111 responses. Three public meetings, two virtual and one in-person, were conducted during the public input period that concluded on March 20, 2024. Staff also received comments and questions via emails and phone calls.

Engagement numbers for the methods of engagement include:

- 439 survey responses
- 32 attendees in the in-person meeting
- 44 attendees combined in the two virtual meetings

Staff additionally presented and received feedback from numerous Boards and Commissions including the: South Central Waterfront Advisory Board; Environmental Commission; Downtown Commission; Small Area Planning Joint Committee; and the Codes and Ordinances Joint Committee.

After the public comment period, all feedback was catalogued and analyzed. Staff made adjustments to the draft Combining District and Density Bonus Program based on this feedback. Community feedback resulted in the following adjustments to the initial draft:

- The boundary was expanded further to the west with three additional properties west of South 1st Street.

- Height limits were added to 4 of 5 Subdistricts.
- Properties near to the proposed rail station were adjusted to higher FARs.
- The Affordable Creative Space community benefit was added.
- Additional multi-modal mobility options were added to internal circulation routes.
- Design provisions have been established to prevent conflict between cantilevered, affixed, or freestanding shade structures and shade tree canopies.
- The Parks and Recreation Department can require up to 25% property dedication.
- Public access easements to be required for publicly accessible open space.
- The Affordable Housing Investment Area, where the portion of the fee-in-lieu that will go to affordable housing will be invested, is adjusted: the boundary has been expanded to now have a southern border of Ben White Boulevard, and the investment will now be limited within ½ mile of light rail stations, and/or ¼ mile of bus stops.

### **Near-term Future Considerations**

In support of realizing the South Central Waterfront there are a number of activities staff recommend as near-term activities once the Combining District and Density Bonus Program are adopted by Council:

- Staff recommend initiating a holistic rezoning of all parcels in the district with the exception of those that are currently zoned Planned Unit Development (PUD), Planned Development Area, or Planned Development Agreements (PDAs) (see **Exhibit 1** for parcels with those zoning classifications).
- For certain non-residential onsite community benefits, **re-examine density bonus once compliance options have been determined by staff**. As discussed, staff are reviewing the ability to effectively administer compliance. These discussions are expected to conclude in 2024.
- **Explore all financing tools to achieve the vision; re-examine distribution of fees if needed**. As the city is examining other funding mechanisms to realize this district, it may inform the distribution of fees.
- **Re-evaluate fees once the citywide density bonus analysis is complete**. If the citywide density bonus study impacts SCW, those changes will be reflected early in the life of the Density Bonus Program.
- **Explore the addition of Transfer of Development Rights**. Staff will explore the concept discussed during the February 22, 2024, SCWAB Meeting. Transfer of Development Rights, if a viable option for the South Central Waterfront, could allow properties to exchange bonus entitlements gained through community benefits with other properties.
- As discussed during the Downtown Commission and Codes and Ordinances meetings in February, for Council priorities such as affordable child care, affordable creative space, etc., staff will **explore opportunities for below market rent for select non-residential uses** with adjustments over time.

**Proposed Text Amendment:**

See South Central Waterfront Combining District and Density Bonus Program document.

**Staff Recommendation: Recommended**

Staff recommends this code amendment for approval in order to provide the regulatory tools necessary to dynamically transform the South Central Waterfront from an underutilized neighborhood into a connected, pedestrian-oriented, mixed use district where thousands more Austinites can live, work, and play.

The interconnected nature of a Combining District with a Density Bonus Program facilitates both baseline regulations and provides a structure for future development to go above and beyond those baseline regulations with additional on-site community benefits in exchange for added density to further enhance the area.

Lastly, through an extensive cross coordination effort between various city departments, property owners, and the general public, staff believes that the South Central Waterfront Combining District and Density Bonus Program fulfills the intent of the 2016 South Central Waterfront Vision Framework Plan and Resolution No. 20220915-090 to the greatest extent possible. This districtwide initiative establishes a tangible and effective tool to source investment for future parks and open space, crucial infrastructure expansion, and affordable housing.

**Board and Commission Action:**

April 9, 2024 – To be reviewed by the Planning Commission.

**Council Action:**

[Resolution Number 20220915-090](#) on September 15, 2022.

**Sponsor Department:**

Planning Department

**City Staff:**

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