

## ORDINANCE AMENDMENT REVIEW SHEET

**Amendment:** C20-2023-043 Downtown Parking Modifications Phase 1

**Description:**

Amend City Code Title 25 (Land Development) to establish a maximum off-street motor vehicle parking limit for properties zoned Central Business District (CBD) and Downtown Mixed-Use (DMU) and an administrative process, like a variance, to exceed the maximum parking limit under certain conditions.

**Background:** Initiated by [Resolution No. 20240201-054](#)

On February 1, 2024, the City Council adopted [Resolution No. 20240201-054](#), initiating changes to the Land Development Code to modify non-zoning parking regulations so that the regulations meet parking needs more efficiently, achieve the goals of reducing the overall number of new parking spaces built within downtown, and create a more walkable, pedestrian-oriented built environment with fewer large above-ground parking structures. The Downtown Parking Requirements amendment is one of the [transit-supportive code amendments staff is prioritizing in Spring 2024](#) to help ensure adopted regulations intended to benefit the Project Connect Phase 1 Austin Light Rail project can be considered as part of the preliminary ratings package for federal funding that will be submitted in Summer 2024.

**Summary of Proposed Code Amendment:**

The proposed code amendments will:

- 1. Revise the existing “soft parking cap”:**
  - Properties zoned CBD and DMU: Soft parking maximum reduced from 60% to 40% of former Appendix A requirement.
  - Developments under 10,000 sq ft or with 70 or fewer residential units can continue to include up to 60% of parking spaces formerly required by Appendix A.
- 2. Only allow more parking than the “soft cap” under certain conditions:**
  - The director may allow more parking than the soft cap allows if:
    - There is no risk to public health, safety, or welfare and it aligns with planning policies for the area; and
    - Parking is part of a shared parking facility; or
    - Parking is rented or sold separately from the building space; or
    - Parking is designed and constructed for conversion to usable building space in the future; or
    - Parking is underground; or
    - Mitigation Fees are paid for parking built above the parking maximum and go toward multimodal improvements.
- 3. Reduce the absolute maximum amount of car parking allowed:**

- Current parking maximum reduced from 110% to 80% of parking spaces of former Appendix A requirement.
- All developments allowed up to 100% of parking spaces of former Appendix A requirement, if excess spaces above the 80% limit are included underground.

For more detail about the proposed changes, see the draft ordinance.

**Proposed Text Amendment(s):** See attached draft ordinance.

**Staff Recommendation: Recommended**

Staff recommends approval to establish a maximum off-street motor vehicle parking limit for properties zoned Central Business District (CBD) and Downtown Mixed-Use (DMU) and an administrative process, like a variance, to exceed the maximum parking limit under certain conditions.

Prior to creating parking maximums downtown in 2013 ([Ordinance No. 20130411-061](#)), parking minimums were required at 20% of [Appendix A](#) for all developments downtown and 60% of Appendix A for residential uses downtown. Parking maximums replaced parking minimums, capping parking at 60% of spaces calculated using Appendix A. However, the 60% parking maximum can be exceeded up to 110% of Appendix A upon request (LDC Chapter [25-6-591](#)). The only condition required to exceed the parking maximum is if all parking spaces are contained in a parking structure.

A downtown [parking study](#) conducted by Downtown Austin Alliance in 2019 found that parking is provided at a high ratio to the number of employees in downtown and many garages are underutilized even during peak periods. A high parking ratio is not considered transit-supportive under the FTA New Starts application criteria. [FTA New Starts guidelines](#) state that a “more constrained parking supply (fewer spaces per employee or square foot) indicates that transit is likely to be more competitive in this market, and therefore may support a higher land use rating”.

Further, the [Urban Land Institute Technical Assistance Panel](#) published a report on Downtown Austin Parking in March 2024 that found the source of the demand for parking is unclear among those involved in the industry, between lenders, brokers, developers, and appraisers. This leads to developers defaulting to past parking ratios based on fear that not providing enough parking will cause a project to not succeed.

Therefore, prior parking minimums and current ineffective parking maximums have created market distortions, requiring an adjustment to current parking maximums to regulate the oversupply of parking. The FTA New Starts guidelines further state that the “establishment or reduction of maximum requirements, are strategies that are considered transit-supportive and may support a higher rating”. The proposed changes to reduce the current parking maximum are in alignment with this suggested strategy.

For a comparison of the proposed changes to current requirements, see Attachment A. See Attachment B for additional analysis on the recommended code amendment.

**Board and Commission Action:**

April 30, 2024 – To be reviewed by the Planning Commission

**Council Action:**

May 30, 2024 – To be considered by City Council

**Sponsor Department:** Transportation and Public Works Department

**City Staff:**

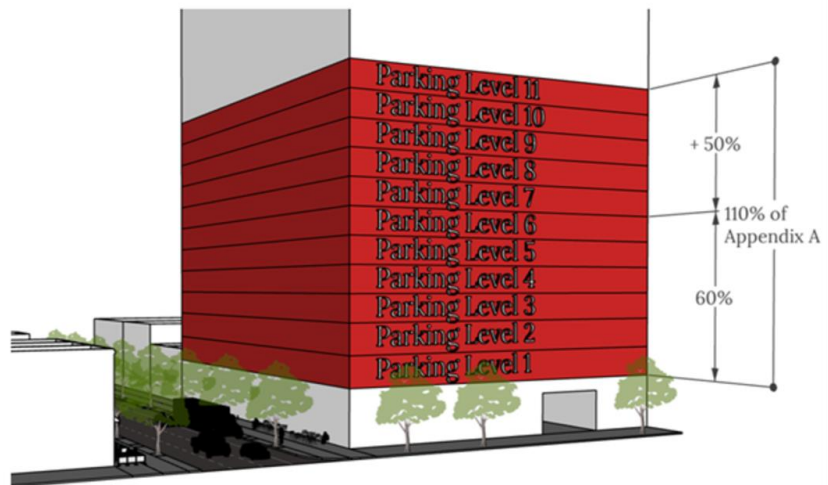
Cole Kitten, Division Manager, Transportation and Public Works Department,  
[LDCUpdates@austintexas.gov](mailto:LDCUpdates@austintexas.gov), (512) 974-6442 (Case Manager)

## Downtown Parking Modifications Phase 1

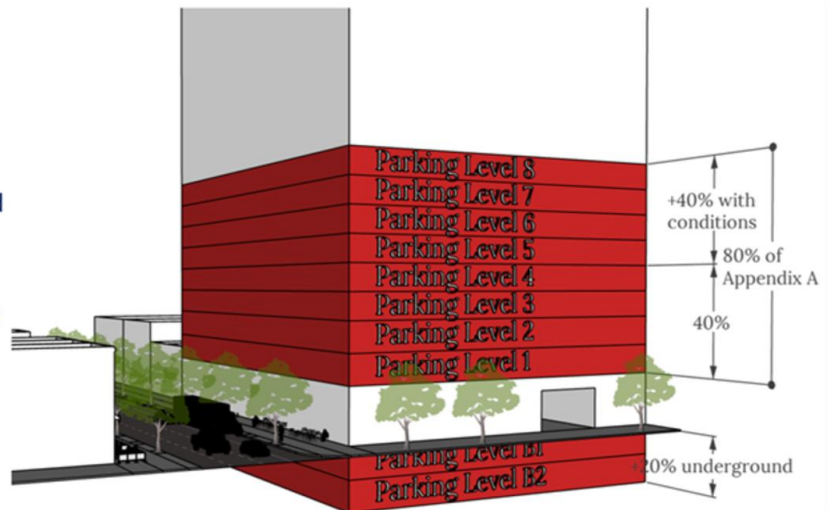
## Attachment A: Current Requirements vs Proposed Changes

**Existing Parking Regulations:**

- No minimum parking requirements
- 60% of Appendix A allowed
- Up to 110% of Appendix A allowed without conditions

**Proposed Parking Regulations:**

- No minimum parking requirements
- **40%** of Appendix A allowed
- Up to **80%** of Appendix A allowed with conditions
- Up to **100%** of Appendix A allowed if the additional parking is underground



*\*Note: Parking Levels in the above diagram are not to scale. Each Parking Level is only shown as a way to represent 10% of Appendix A. Parking garages are designed based on the size of the site and may include more or less than eleven levels and each may not represent 10% of Appendix A.*

Currently, up to 110% of Appendix A is allowed above ground without conditions for approval to exceed 60% of Appendix A. The proposed changes would limit the amount of above ground parking to 80% of Appendix A with conditions required for approval to exceed 40% of Appendix A. An additional 20%, up to 100% of Appendix A in total, would be allowed if the additional parking is underground.

In order to exceed 40% of Appendix A, a development must include one of the following conditions:

- Parking must be provided as part of a shared parking facility.
  - Parking that is shared, rather than reserved, is available for multiple users or destinations to increase the parking facility efficiency. For example, parking for an office can be shared with a restaurant, since peak demand for offices is during typical work hours and peak demand for restaurants is in the evening.

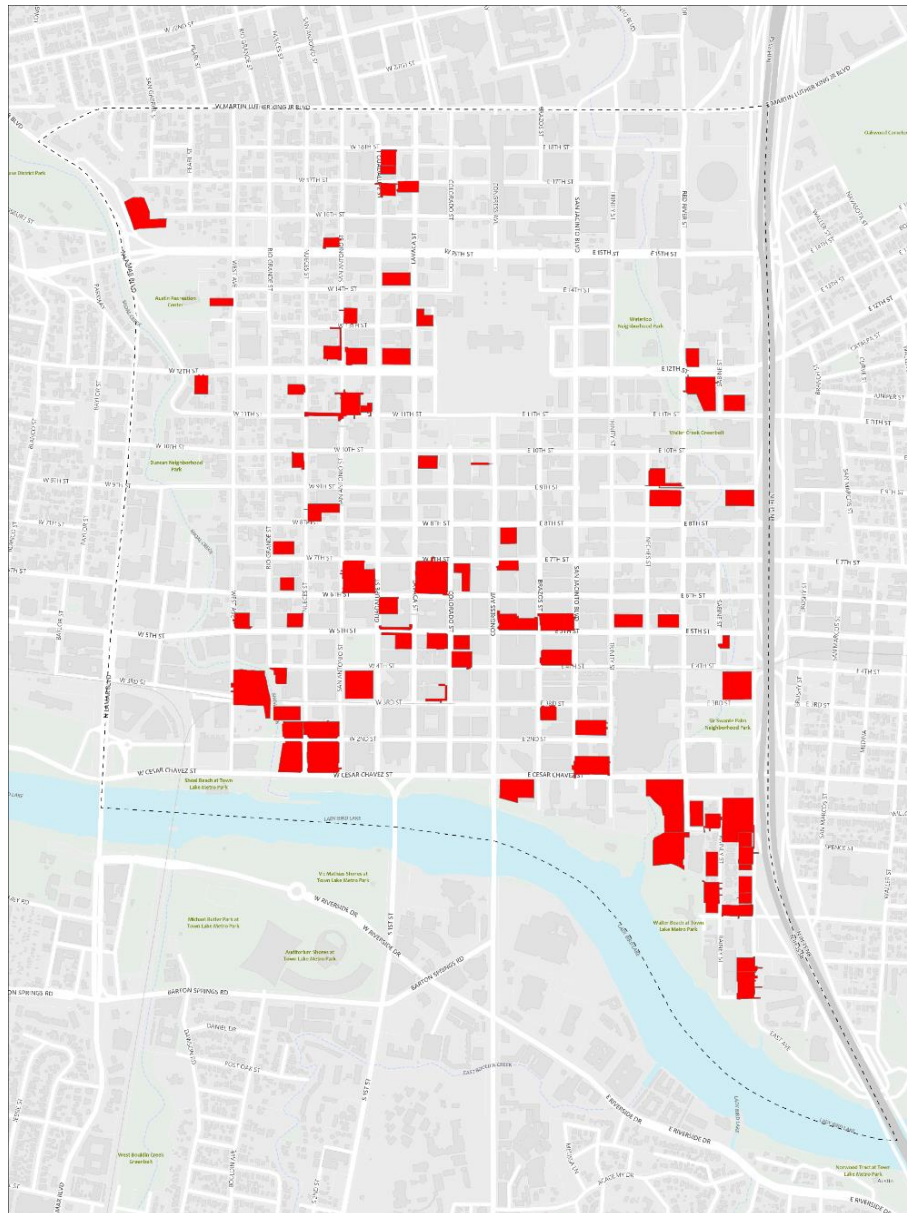
## Downtown Parking Modifications Phase 1

- Parking must be rented or sold separately from the building space.
  - Parking that is decoupled is rented or sold separately from the building space to reduce the demand for parking. For example, an apartment may be rented at a lower rate if the cost of parking is optional and sold or leased separately.
- Parking must be designed and constructed to allow conversion to usable building space in the future.
  - Parking garages may include specific design considerations, such as flat floors and proper floor-to-ceiling height, to make it easier to convert to office or residential uses in the future. A separate Site Plan will still be required in the future to approve the conversion.
- Parking is underground.
- Mitigation Fees must be paid for parking built above the parking maximum.
  - A motor vehicle parking mitigation fund will be established by separate ordinance to allow multimodal improvements to be built off-site, such as Great Streets, bicycle facilities, and transit treatments.

## Downtown Parking Modifications Phase 1

## Attachment B

Approved site plan applications from 2013 to present were inventoried in order to analyze the amount of parking provided compared to the amount allowed under the current parking maximum.



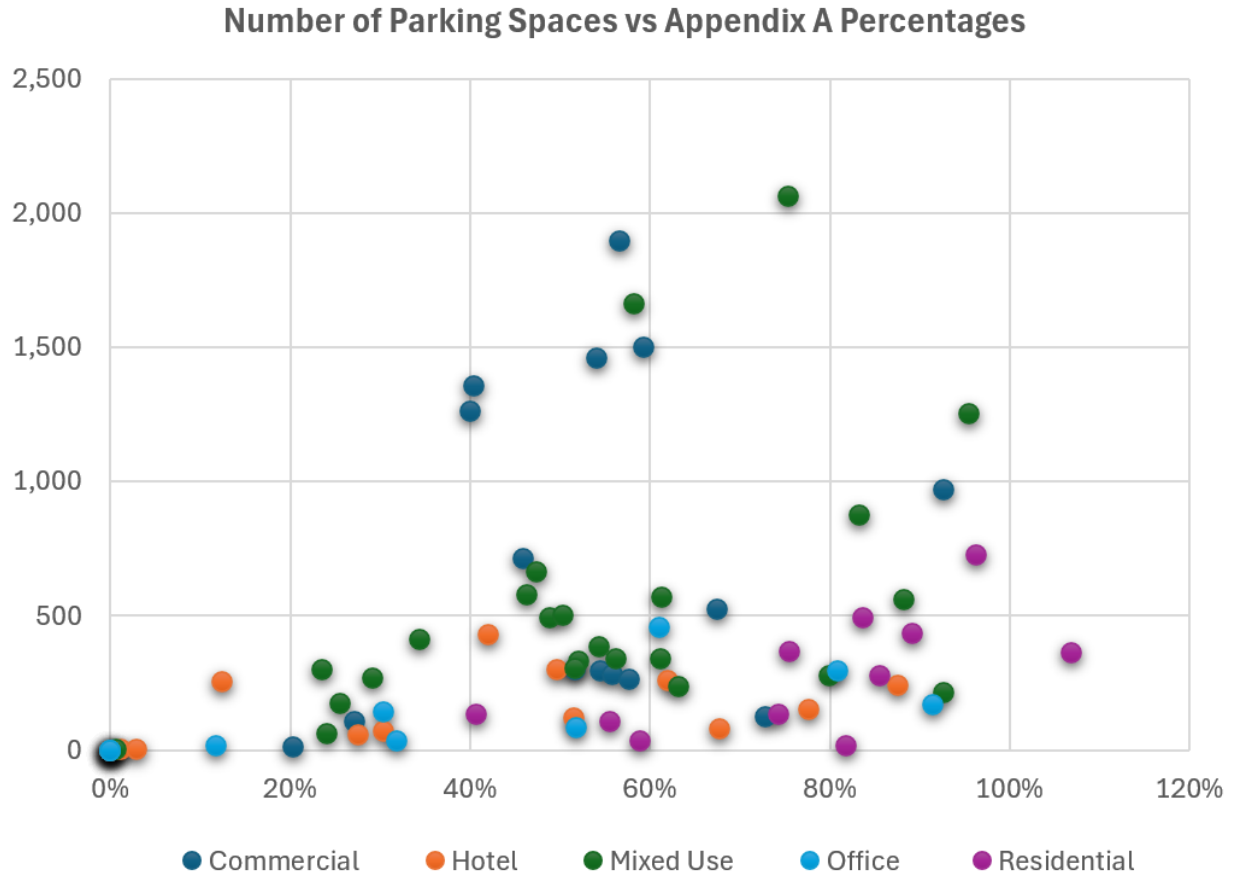
Total Site Plans	76
Total Spaces	30,165

## Parking Spaces

Minimum	0
Average	397
Median	278
Maximum	2,064

### Downtown Parking Modifications Phase 1

The actual number of parking spaces provided was compared to the amount of parking calculated using the parking ratios under Appendix A. The percentage of Appendix A parking ratios (i.e., Actual Parking Provided ÷ 100% Appendix A Calculation) was analyzed to understand the effectiveness of the current parking maximum.



Percent of Appendix A	
Minimum	0%
Average	50%
Median	53%
Maximum	107%
<b>80th Percentile</b>	<b>78%</b>

## Downtown Parking Modifications Phase 1

The summary table below compares the total amount of parking provided to what could have been provided using the different percentages of Appendix A and the soft caps recommended by ULI.

	Actual Parking Provided	Max Spaces at 100% Appendix A	Max Spaces with ULI Caps	Spaces at 40%	Spaces at 50%	Spaces at 60%	Spaces at 80%
Total Spaces	<b>30,165</b>	<b>57,354</b>	<b>29,254</b>	<b>22,944</b>	<b>28,693</b>	<b>34,410</b>	<b>45,881</b>

The number of site plan applications were reviewed against the different percentages of Appendix A to understand how many cases were above and below the current parking maximum.

Percent of Cases compared to Appendix A			Total Spaces	
Less than 40%	23	30%	1,908	6%
40% - 50%	9	12%	5,927	20%
50% - 60%	17	22%	9,859	33%
60%-80%	13	17%	5,585	19%
Greater than 80%	14	18%	6,886	23%

The following conclusions were made:

- 36% of cases exceeded the current 60% parking maximum – making up 41% of total parking provided
- 18% of cases provided greater than 80% of Appendix A – making up 23% of total parking provided
- 1 case exceeded 100% of Appendix A (361 parking spaces provided)
- 30% of cases provided less than 40% of Appendix A
- 51% of cases fell between 40% - 80% of Appendix A – making up 71% of total parking provided



## Downtown Parking Modifications Phase 1

Further analysis was done by looking at the parking ratios provided by product type.

	<b>Percent of Appendix A</b>				
	Commercial	Hotel	Mixed Use	Office	Residential
Minimum	20%	0%	1%	0%	41%
Average	53%	34%	54%	33%	77%
Median	54%	30%	53%	30%	82%
Maximum	93%	88%	95%	91%	107%
80th Percentile	61%	63%	77%	61%	89%

	<b>Number of Cases compared to Appendix A</b>				
Less than 40%	2	8	6	7	0
40% - 50%	3	2	3	0	1
50% - 60%	7	1	6	1	2
60%-80%	2	3	5	1	2
Greater than 80%	1	1	4	2	6
Total Site Plans	15	15	24	11	11
Total Spaces	11,065	1,965	12,858	1,197	3,080
Minimum	12	0	1	0	18
Average	738	131	536	109	280
Median	526	80	363	35	277
Maximum	1,894	429	2,064	455	727



# Affordability Impact Statement

## Downtown Parking Modifications Phase 1

Initiated by: Resolution No. 20240201-054

Date: April 22, 2024

### Proposed Regulation

The proposed amendment would **restructure the soft and hard caps governing parking maximums for CBD and DMU zoned properties.**

- Currently, there is a soft cap at 60% of motor vehicle parking spaces formerly required by [Appendix A](#), and a hard cap at 110%. Both can be waived administratively.
- The proposal would reduce the soft cap to 40% and the hard cap to 100%.
- The soft cap can still be waived administratively by meeting more demanding criteria compared to current conditions, such as by paying a mitigation fee, providing shared parking, designing parking to be converted to usable building space in the future, building parking underground, or by decoupling the sale or rent of parking spaces from the building space.
- All developments could include up to 100% of motor vehicle parking spaces formerly required by Appendix A by including all parking spaces in excess of the 80% hard cap in an underground parking structure.

## Land Use/Zoning Impacts on Housing Costs

The proposed changes would have a **neutral** impact on housing costs via land use and zoning. These modifications are geared towards reducing dependence on automobiles in downtown areas by promoting alternative modes of transportation like walking, cycling, and public transit and disincentivizing vehicular parking. Developers may face optional development costs if they opt to exceed the proposed parking caps. Excluding or reducing parking costs from housing expenses may reduce overall housing costs. In addition, the annual cost of car ownership exceeds \$10,000.<sup>1,2</sup> According to analysis from the Austin Strategic Housing Blueprint, each additional parking space can increase rent by up to \$200/month. Therefore, while exceeding the caps may incur additional costs, developers opting for reduced parking could help to lower overall housing costs.

## Impact on Development Cost

The proposed changes would have a **neutral** impact on development costs. Transportation Public Works (TPW) staff analysis of site plan applications from 2013 to present estimated that it is common for developers to build less parking than the maximum allowed for residential properties, the average was 73% and the median was 79%. Mixed use properties, that include housing, had an even lower average of 56% and median of 54%. Based on current trends, it seems the greater expense of subterranean parking would likely not be incurred as developments do not often exceed 80% of the maximum for residential properties. The additional fees for exceeding the soft cap would either not be incurred because the developer could choose to build less parking but maintain the same square footage of other building uses, or the developer could choose to increase the square footage of other building uses, potentially generating more rentable revenue, or the developer could opt to build more parking and pay the mitigation fee or one of the other conditions, but this would be an optional expense. Downtown Austin has ample alternative transportation modes like transit, walking, and biking, making car ownership optional.

## Impact on Income-Restricted Affordable Housing

The proposed changes would have a **neutral** impact on income-restricted affordable housing.

In areas where development is capped by height, more space could be allocated to other building uses instead of parking. This might lead to an increase in community benefits required for commercial or residential projects utilizing the Downtown Density Bonus Program (DDBP). Under this program, developers can either provide on-site affordable units or pay a fee in lieu for up to 50% of the bonus area granted, which contributes to the Affordable Housing Trust Fund, used for permanent supportive housing.

Considering current trends, it's unlikely that expensive subterranean parking would be necessary since developments typically don't exceed 80% of the current maximum parking requirement. Developers participating in the DDBP could opt to pay the mitigation fee for multimodal improvements to reach the 80% threshold, choose to build less parking, and/or increase the commercial or residential uses which would both increase the amount of revenue generating uses and the affordable housing obligations under the DDBP.

## City Policies Implemented

- The proposal aligns with the Parking section of the Austin Strategic Mobility Plan
- The proposal aligns with The Austin Strategic Housing Blueprint Comprehensive Parking Reform recommendation aimed at helping austinites reduce their household costs
- The proposal will support the Federal Transit Administration (FTA) application for Project Connect
- The proposal aligns with previous 2013 downtown parking and 2023 citywide parking reductions

## Other Housing Policy Considerations

None

Manager's Signature \_\_\_\_\_ *James May* \_\_\_\_\_

<sup>1</sup> AAA, "Annual Cost of New Car Ownership Crosses \$10K Mark," AAA Newsroom, August 2022, accessed April 22, 2024, <https://newsroom.aaa.com/2022/08/annual-cost-of-new-car-ownership-crosses-10k-mark/>.

<sup>2</sup> Center for Neighborhood Technology, "Total Driving Costs," Housing + Transportation Affordability Index, accessed April 22, 2024, <https://htaindex.cnt.org/total-driving-costs/?mapR=310035,-97.74993599999999,30.307994514650975,10,place,25498>.