

ORDINANCE NO.

AN ORDINANCE AMENDING CHAPTER 4-18 OF CITY CODE RELATED TO REDEVELOPMENT REQUIREMENTS FOR DENSITY BONUS AND INCENTIVE PROGRAMS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. City Code Section 4-18-31 (*Existing Non-Residential Space*) is amended to amend Subsection (B) and to add a new Subsection (C) to read:

§ 4-18-31 EXISTING NON-RESIDENTIAL SPACE.

(B) For redevelopment with an existing non-residential space, an applicant must:

- (1) redevelop the site to replace all existing non-residential spaces with non-residential spaces of comparable size;
- (2) provide current non-residential space operators with:
 - (a) notice and information about the proposed development on a form approved by the director;
 - (b) relocation benefits that are consistent with the Federal Uniform Relocation Assistance and Real Acquisition Policies Act of 1970, 42 U.S.C. 4601, et seq., except that the average rent payments must equal six months of rental payments; and
- (3) grant a non-residential space operator the option to lease a non-residential space of comparable size and affordability following the completion of redevelopment.

(C) The amount of the average rent payment required in Subsection (B)(2) is calculated by comparing current submarket rents within a one-mile radius of the existing non-residential location and must be approved by the director of the Economic Development Department.

PART 2. City Code Section 4-18-32 (*Existing Multi-Family Structure*) is amended to amend Subsection (A) and to add a new Subsection (C) to read:

§ 4-18-32 EXISTING MULTI-FAMILY STRUCTURE.

(A) For redevelopment with an existing multi-family structure, an applicant must:

- (1) establish that:

- (a) the existing multi-family structure requires extensive repairs for which costs will exceed 50 percent of the market value, as determined by the building official;
- (b) the average rents for all units that were affordable to a household earning 60[80] percent MFI or below were not raised by more than 10 percent within the previous 24 months;
- (2) replace all existing units that were affordable to a household earning 60[80] percent MFI or below in the previous 12 months and have at least as many bedrooms as those units;
- (3) provide current tenants with:
- (a) notice and information about the proposed development on a form approved by the Housing director;
- (b) relocation benefits that are consistent with Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. 4601, et seq.; and
- (4) grant current tenants the option to lease for a minimum of 12 months a unit of comparable affordability, number of bedrooms, and size following completion of redevelopment.

(C) A unit required to be replaced under Subsection (A)(2) must be rented to a household earning 60 percent MFI or below and in accordance with Section 4-18-23 (Affordability Requirements – Dwelling Units). A unit required to be replaced counts towards the minimum affordability requirements established in the applicable density bonus or incentive program.

PART 3. This ordinance takes effect on _____, 2024.

PASSED AND APPROVED

_____, 2024 § _____

Kirk Watson
Mayor

APPROVED: _____ **ATTEST:** _____

Anne L. Morgan Myrna Rios
City Attorney City Clerk