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HOUSING  
DEPARTMENT

# Downtown Density Bonus Program (DDBP) Affordable Housing Implementation

Design Commission Briefing, August 26, 2024

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- Discussion



# Program History and Requirements

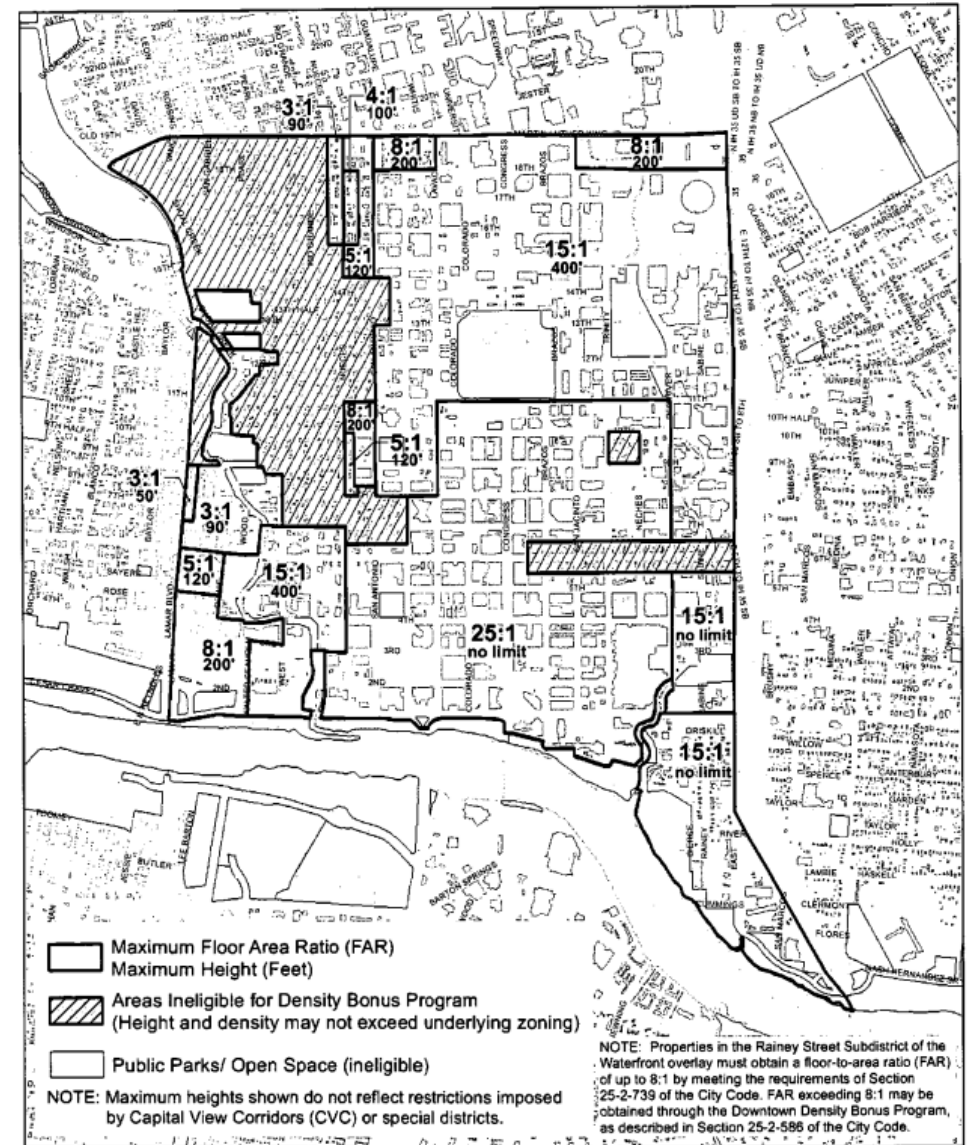


# Downtown Density Bonus Program History

**2013:** Downtown Density Bonus Ordinance 20130627-105 passes replacing CURE (Central Urban Redevelopment).

**2014:** Downtown Density Bonus program is updated with a new ordinance 2014022-054 that provides additional definitions and sets up current Rainey Street subdistrict requirements

**2021 and 2022 Recalibration:** Added commercial fees, increased residential



Downtown Density Bonus Program - Eligibility, Floor Area Ratio (FAR) and Height Map  
Figure 2: Page 1



# Fee Recalibration

	2014 Fee (\$/SF Bonus Area)	2021 Interim Fees (\$/SF Bonus Area)	2022 Proposed Fee (\$/SF Bonus Area)
Residential - CBD zoned properties	\$10 or \$5	\$12	\$12
Residential - all other	\$5 or \$3	\$10	\$10
Residential - Rainey Street district	\$5	\$5	\$5
Commercial - CBD zoned	\$0	\$18	\$9
Commercial - all other	\$0	\$12	\$6



# 2024-2025 DDBP Fee-in-Lieu

<b>Planning - General Fund</b>	<b>Fee</b>	<b>Note</b>
Development Services Surcharge	4%	
Downtown Density Bonus in-lieu fees		
Commercial Properties with CBD zoning - All Districts	\$9.00	per sq. ft. bonus area
Commercial Properties with zoning other than CBD - All Districts	\$6.00	per sq. ft. bonus area
Core/Waterfront Subdistrict (Residential Use)	\$10.00	per gross bonus square foot
Lower Shoal Creek & Rainey Subdistricts (Residential Use)	\$5.00	per gross bonus square foot
Other Subdistricts (Residential Use)	\$3.00	per gross bonus square foot
Residential - Rainey Street District	\$5.00	per sq. ft. bonus area
Residential Properties with zoning other than CBD - All Districts other than Rainey Street District	\$10.00	per sq. ft. bonus area
Residential properties with CBD Zoning - All Districts other than Rainey Street District	\$12.00	per sq. ft. bonus area



# Affordability Requirements

- 50% of bonus area must be achieved thru affordable housing benefits which can be done through a fee-in-lieu or on-site affordable units
- Rainey Street Subdistrict is only subdistrict that requires on-site affordable units calculated as 5% of the square footage of dwelling units developed within the FAR ratio of 8:1 and made affordable at 80% MFI or below

## On-site Affordability Terms

### Ownership:

120% MFI or below for 99 years

*\*Rainey Street Subdistrict is an exception with an 80% MFI limit*

### Rental:

80% MFI or below for 40 years



# Program Outcomes To Date





# Program Outcomes

Project Status As of 08/14/2024	DDB Program	Rainey Street Subdistrict
Certified	2	1
Site Plan Under Review	4	0
Under Construction	7	4
Project Completed	6	7

These totals are only inclusive of projects that included an affordability community benefit contribution and were tracked through the [Affordable Housing Inventory](#). These totals do not include non-residential projects that did not pay a fee in-lieu of Affordable Housing but may have utilized the Downtown Density Bonus Program. These totals also do not include cancelled projects.

Certified Projects** by year	Overall DDB Program	Rainey Street Subdistrict
2012	0	1
2013	0	1
2014	1	1
2015	2	0
2016	0	0
2017	1	0
2018	1	1
2019	2	1
2020	2	1
2021	1	4
2022	1	1
2023	6	0
2024	2	0
<b>Total</b>	<b>19</b>	<b>12</b>

\*\*Projects certified by Housing Dept. Does not reflect Design Commission approval

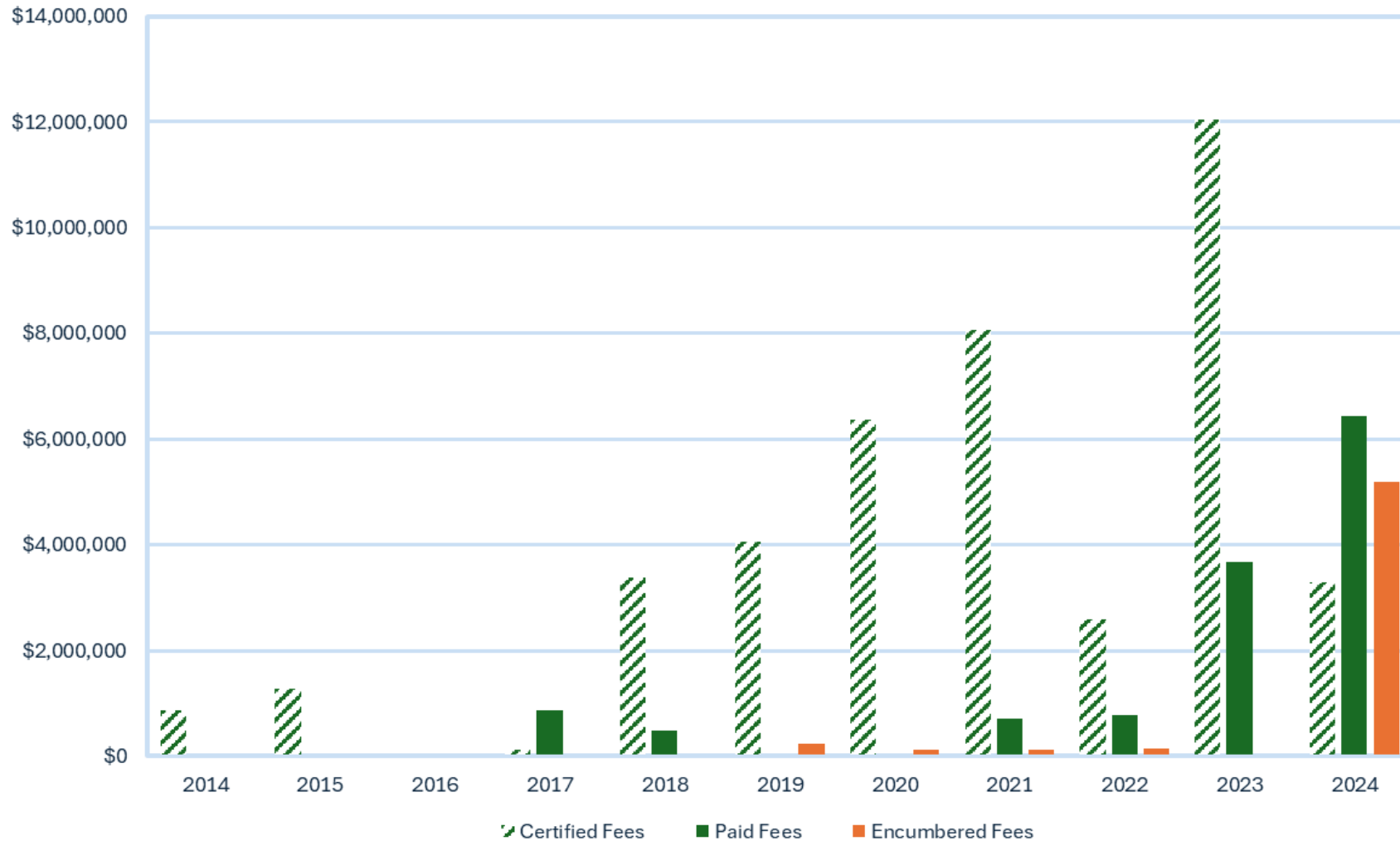


# Development Pipeline

Certified/Site Plan Under Review/Building Permit Issued Projects	Downtown Density Bonus Program	Rainey Street Subdistrict
Estimated Total Rental Units	2,964	1,389
Estimated Affordable Rental Units	610	69
Estimated Total Ownership Units	215	646
Estimated Affordable Ownership Units	10	26
Estimated Total Fee-in-lieu Pending	\$26,533,356	\$5,305,640



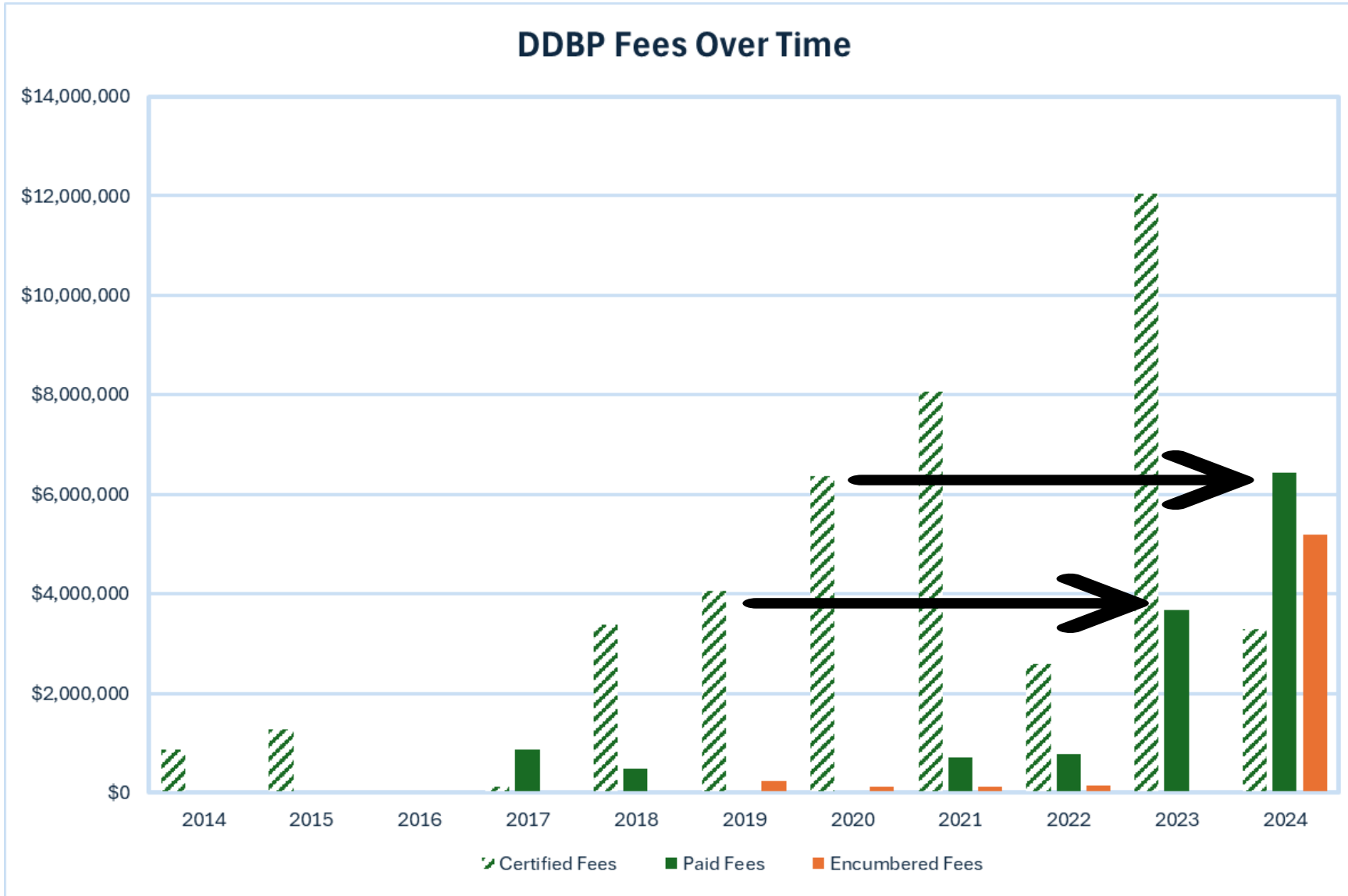
**DDBP Fees Over Time**



**Certified fees are estimated pending final as-built dimensions**

**Fees are paid at completion of construction**

**Average time from certification to payment: 4.07 years**



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# Downtown Density Bonus Funds at work: Seabrook Square II

On February 29, 2024, the board of the Austin Housing Finance Corp. (AHFC) approved a \$7.9 million loan for Seabrook Square II. This loan included \$5.18 million in DDBP funds.

Seabrook Square II is a planned 60-unit permanent supportive housing development located at 2210 Pershing Drive. AHFC will own the land, entering into a long-term ground lease with partners including Integral Care.





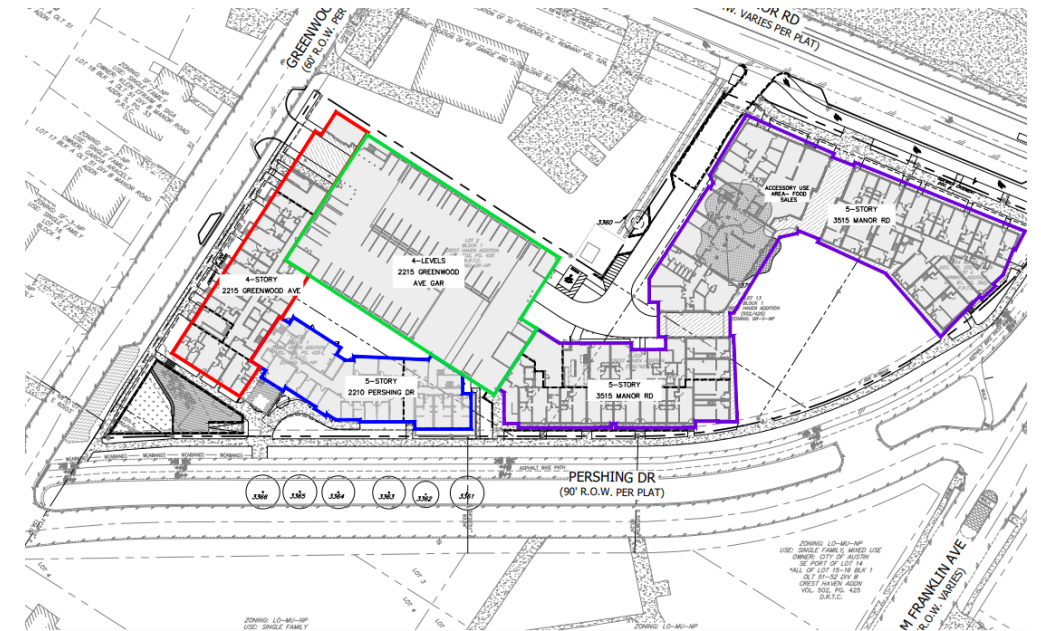
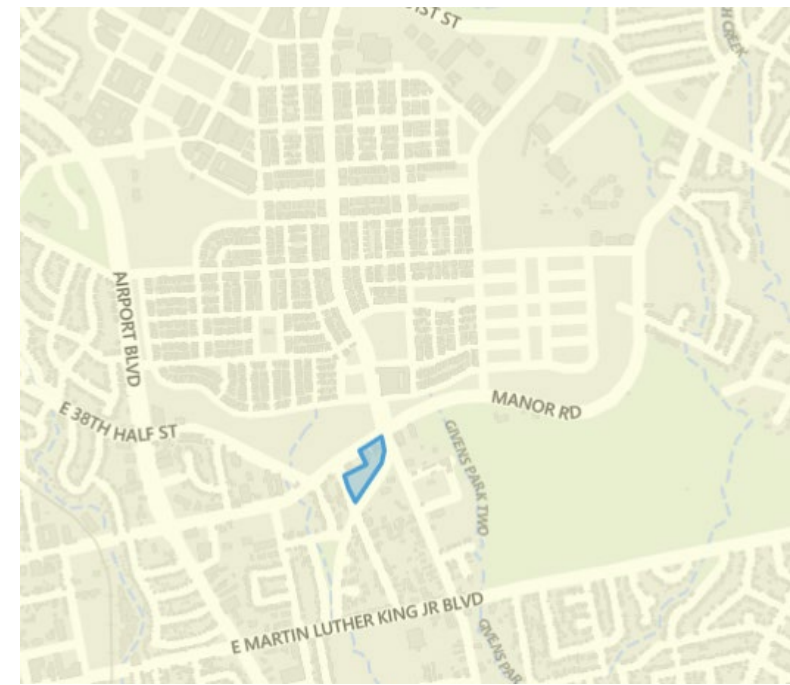
# Seabrook Square

The 60-unit PSH Seabrook Square II will be the second phase of a larger mixed-income community known as Seabrook Square.

The overall Seabrook Square community will deliver 264 affordable units at 60% MFI, 50% MFI and 30% MFI. The community will include a large public plaza, a private courtyard for PSH residents, live/work units and non-residential space including a community artist incubator.

The property is owned by AHFC and was developed following a public engagement and RFP process.

Both phases broke ground in 2024.





# Downtown Density Bonus Funds at work: Other Services Funded

Part 5. from 2013 Downtown Density Bonus Ordinance states: "Monies generated by the fee in Section 25-2-586(E)(I)(a)(ii) shall be prioritized for permanent supportive housing for low barrier approaches for the chronic homeless."

In total \$480,333 from the Downtown Density Bonus fund was spent on two contracts with ECHO for programs that offered a housing subsidy to individuals experiencing homelessness. An additional \$156,000 was spent for CoC consulting.

All individuals receiving a subsidy under the pilot were transitioned to a more permanent housing subsidy before the pilot ended.

Downtown Density Bonus Fund		
Service Expenditures		
Contract- Permanent Supportive Housing Pilot Program		\$234,822
Low Barrier Housing Voucher Program		\$245,511
ECHO Continuum of Care Consulting		\$156,000

