

## ORDINANCE AMENDMENT REVIEW SHEET

**Amendment:** C20-2025-010 Central Business District Amendments

**Description:**

Amend City Code Title 25 (Land Development) to establish a maximum building height limit within the Central Business District (CBD) zoning district and to amend the Downtown Density Bonus Program (DDBP) and Rainey Street Subdistrict regulations to modify allowable maximum building height when participating in the DDBP.

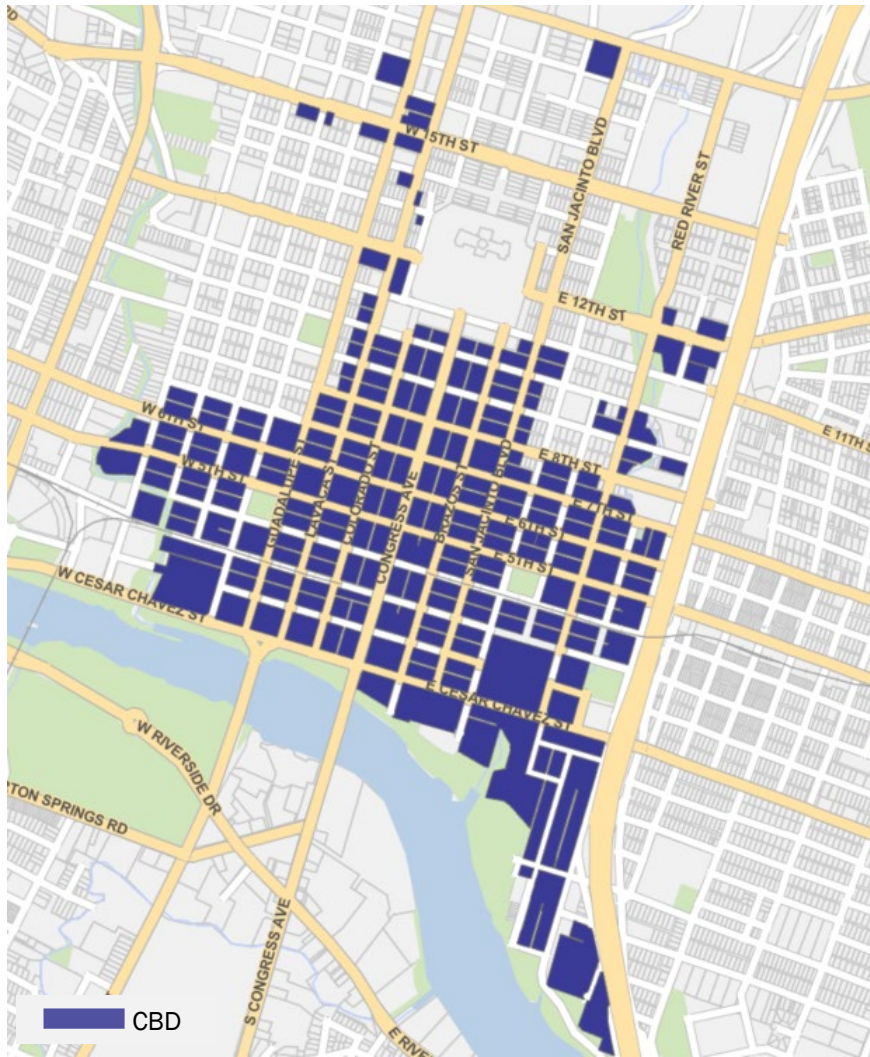
**Background:**

This amendment is in response to the State of Texas' Senate Bill 840 (SB 840), which went into effect on September 1, 2025. This legislation addresses how cities of a specific size regulate mixed-use and multifamily development projects, as well as the conversion of certain commercial buildings into mixed-use and multifamily residential occupancy.

SB 840 allows multifamily or mixed-use development in any commercial zone and specifies how cities can regulate multifamily and mixed-use developments. Under SB 840, multifamily and mixed-use residential developments in commercial zones will, by right, be able to:

- Reach a height that is the greater of 45 feet or the height that applies to commercial uses for the site.
- Reach a density of up to 54 units per acre.
- Include setbacks that are the lesser of 25 feet or the setbacks imposed on commercial uses.
- Develop unlimited floor-to-area ratio (FAR).

The Central Business District (CBD) zone applies to certain sites within downtown Austin and allows a variety of uses including office, commercial, residential, or civic use. The site development regulations applicable to a CBD use are designed to, amongst other things, promote the downtown area as a vital commercial retail area; ensure that a CBD use is compatible with the cultural, commercial, historical, and governmental significance of downtown; enhance existing structures, historic features, and circulation patterns in the downtown area; and, consider significant natural features and topography in the downtown area.



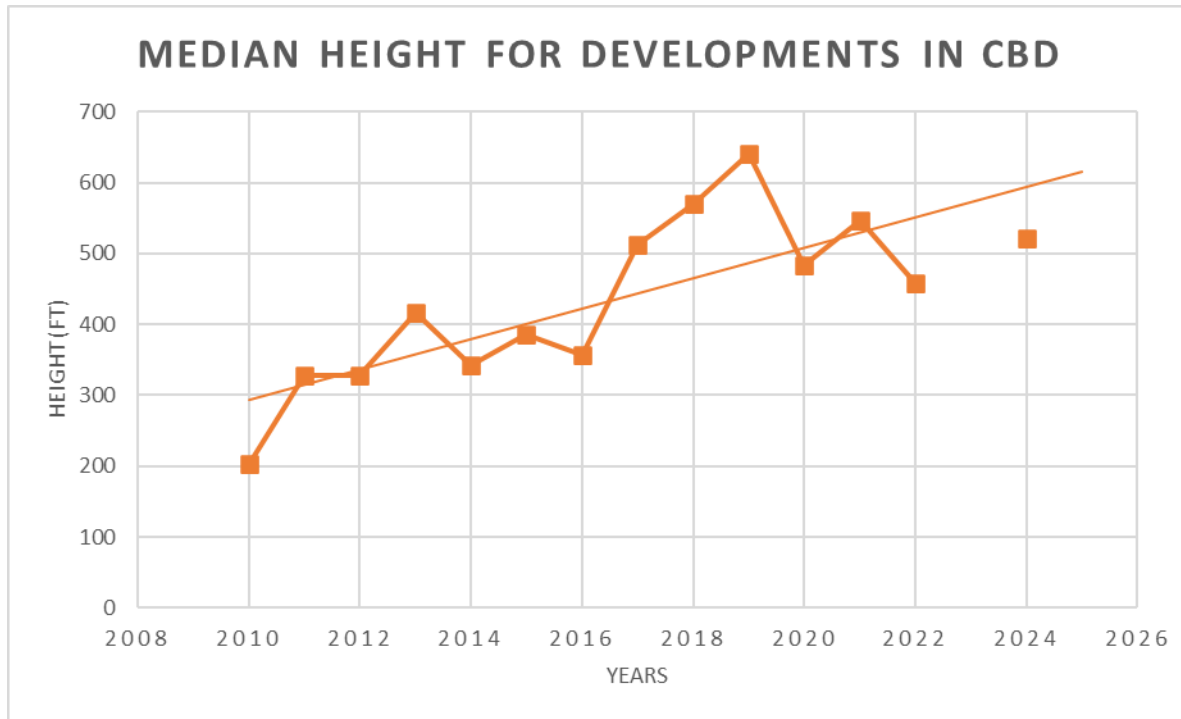
CBD zoning regulates development via floor-to-area ratio (FAR) and does not state a maximum building height. The allowed FAR for CBD is eight to one. Downtown development that proposes to exceed the allowed FAR or the maximum height allowed under the site's primary entitlements may participate in the Downtown Density Bonus (DDB) program to receive additional entitlements in exchange for specified community benefits.

Austin Planning has analyzed developments that have been built under CBD zoning to estimate what heights the current 8:1 FAR has resulted in.

		Site Area (acres)	Floors with 8:1 FAR*	Height with 8:1 FAR*
Density Bonus Sites	CBD Median	0.55	16	207
	CBD Average	0.72	18	223

\* Base floor and height with 8:1 FAR equivalent for developed sites.

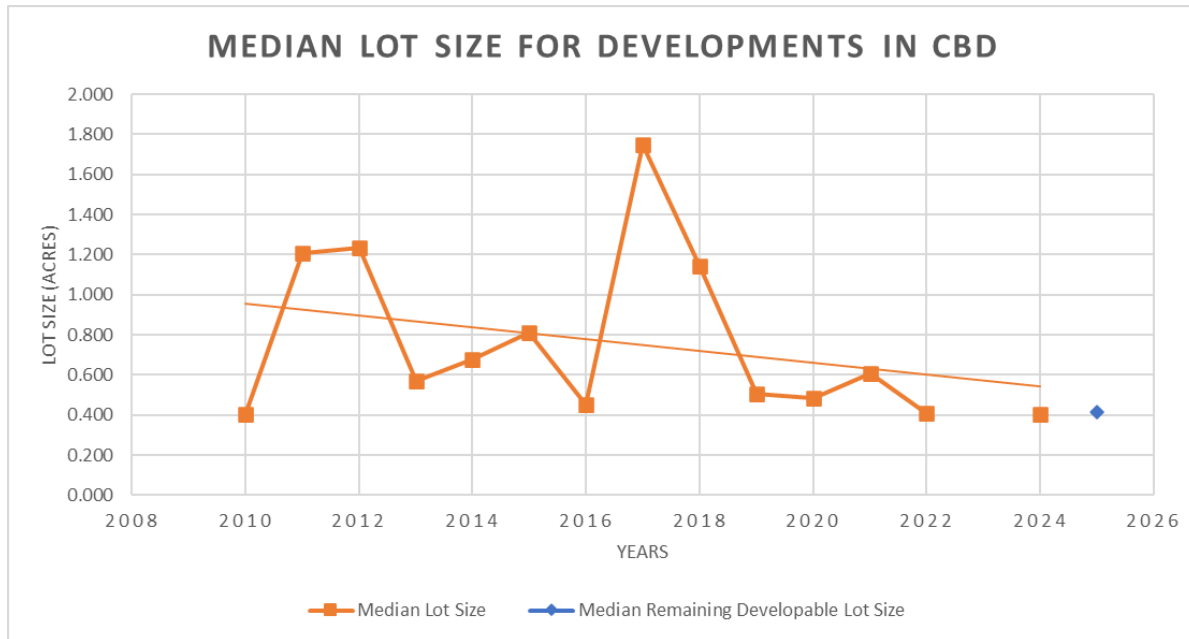
The results of this analysis have shown that the median development utilizing the DDB program since its inception has reached approximately 210 feet of height when using their 8:1 FAR. In the same time period, development heights for projects utilizing the density bonus have been increasing, indicating a trend toward taller buildings.



Source: City of Austin permit data

Additionally, as development continues to occur on CBD-zoned lots, the median lot size has continued to decrease resulting in the requests for additional height to maximize the site's development. This has yielded projects that request substantially higher FAR and height through the DDB program.

With SB 840 in effect, the City can no longer impose a limit to FAR for mixed-use residential and multifamily residential development occurring in commercial zones, but may limit these developments to the height limit that would apply to commercial development on the site. This will create an unintended consequence within Austin's CBD zone, which currently uses a FAR limit to regulate height. Applying SB 840 in the context of the existing CBD zone will result in removing the effective base height limit for mixed-use and multifamily development within this zone.



Sources: TCAD, City of Austin Land Database

To address this unintended consequence of SB 840, staff recommends establishing a maximum base height limit for the CBD zone. To address overall increased heights and smaller site sizes in downtown, staff recommends setting the new maximum base height limit for CBD above the height that corresponds to the current 8:1 FAR limit.

Staff is proposing a new maximum base height limit for the Central Business District of 350 feet. This proposed height of 350 feet follows the trend for increased heights in Downtown and supports development and growth in the city center.

Additionally, the proposed base height will still allow developments to participate in the DDB program, which grants additional entitlements in exchange for community benefits, to achieve even greater heights to accompany the unlimited FAR allowed by SB 840 for mixed-use residential and multifamily residential developments. Staff is proposing amending the DDB program and Rainey Street Subdistrict regulations to incorporate the CBD height limit and ensure developments can request Council approval for additional height.

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

The proposed code amendments will amend the 25-2-492 CBD site development regulations to add a maximum base height of 350 feet and amend 25-2-586 Downtown Density Bonus Program and 25-2-739 Rainey Street Subdistrict Regulations to modify allowable maximum height when participating in the DDBP.

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

**Staff Recommendation: Recommended**

Staff recommends the addition of the new Central Business District maximum base height of 350 feet and edits to the Downtown Density Bonus program and Rainey Street Subdistrict. The new site development regulation, which sets a maximum base height, will update the standards for the Central Business District to the increased development heights seen in the downtown area. The code amendments will also enable properties to continue to participate in the Downtown Density Bonus to develop beyond this new maximum base height.

**Board and Commission Action:**

September 24 – Considered by Codes and Ordinances Joint Committee. No recommendation was made.

October 14 – To be considered by Planning Commission

October 15 – To be considered by Downtown Commission

**Council Action:**

October 23 – To be considered by City Council

**Sponsor Department:** Austin Planning

**City Staff:**

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