



Citywide Density Bonus Program

Planning Commission Hearing | April 28, 2026

Agenda

- Background
- Citywide Density Bonus Program Staff Proposal
- Next Steps



Source: City of Austin



Background

Austin's Affordability Challenges and Needs

- Austin has seen population growth over recent decades, and housing production has not kept up with this growth, making it more difficult for people to find affordable housing. Affordable housing is a priority for the City.
- The Strategic Housing Blueprint (2017) calls for various tools, including:
 - Public subsidies and grants
 - Public-private partnerships
 - Fee waivers
 - Tax incentives
 - Density bonuses
- **The greatest need is at and below 50% MFI (\$66,900 for a four-person household).**



Density Bonuses And Economic Context

- A density bonus allows a developer to build more in exchange for a community benefit, usually affordable housing. They are **market-based, voluntary tools**. They depend on current economic conditions for success.
- Density bonuses tend to be more **effective for units affordable between 50%-80% MFI**.
- Austin's real estate and construction market is in a different place than it was previously, with costs and uncertainty rising.
- Recent changes to state law like Senate Bill 840 (SB 840) encourage more market-rate housing, but impact density bonus effectiveness.



Source: City of Austin

City Council's Direction

Austin City Council directed staff to create a new Citywide Density Bonus Program with a tiered structure, offering a range of additional heights in exchange for income-restricted housing, that also considers:

- **Additional Heights:** Consider tiered options that are more or less than 30'
- **Market-Feasible Affordability:** Ensure requirements reflect current market conditions
- **Community Benefits:** Provide benefits beyond affordable housing
- **Compatibility Rules:** Update regulations to allow for more housing
- **Redevelopment Requirements:** Consider one-to-one replacement for demolished affordable units in new developments

Council also asked us to update or align existing programs including DB90, VMU, and DBETOD with the new program.



Source: City of Austin

Citywide Density Bonus Program Goals

- **Encourage creation of new affordable housing** without additional City subsidy.
- **Provide more density bonus options that can be tailored** to different neighborhood contexts across Austin.
- Help make density bonus requirements **more consistent and transparent** for City staff, property owners, builders, and the community.
- **Respond to the implications of SB 840** that impact where and how housing can be built by-right.



Source: City of Austin

Community Engagement

Public input has been gathered through a variety of methods for the last year and a half. Engagement included:

- Virtual open houses
- Compensated focus groups with community members
- Interviews with members of the development community
- Housing Affordability Fair event (co-hosted with Austin Housing)
- Advertisement of online project webpages and survey questions
 - Digital: paid and owned social media; external City of Austin newsletters; CapMetro MetroAlert
 - Analog: Austin utilities newsletter; flyers at all Austin libraries and on all CapMetro buses and trains
- In-person stakeholder briefings to organizations and groups
- Tabling at community events and libraries
- Planning Commission and City Council public hearings



Community Feedback

Though a variety of views have been expressed, several themes have emerged from community feedback on density bonus programs:

- **Affordable housing provision in addition to a mix of other community benefits** (public open space, ground-floor stores, civic/cultural spaces, bike lanes, transit amenities, etc.).
- **Tall buildings near transit;** mid-rise and shorter buildings are more appropriate farther from transit.
- **A mix of income-restricted housing levels,** not just deep affordability or only moderate affordability.
- **Sensitivity to the surrounding neighborhood context.**
- **Intentionally preserving existing affordable housing.**
- **Focus on the areas of greatest need** for those struggling to find housing.





Citywide Density Bonus Program Staff Proposal

Program Structure

The new program will consist of **five new combining districts** corresponding to height tiers. Only one tier can be used per property.

No rezoning is part of Council action in May, and no new DB90 or VMU zoning applications would be accepted going forward.

| Tier | Combining District Name | Comparable Existing Program |
|----------------------|--|-----------------------------|
| No Additional Height | Citywide Density Bonus Program Base (-DBCBase) | Vertical Mixed Use (V) |
| +15' | Citywide Density Bonus Program 15' (-DBC15) | N/A |
| +30' | Citywide Density Bonus Program 30' (-DBC30) | DB90, DBETOD Subdistrict 2 |
| +45' | Citywide Density Bonus Program 45' (-DBC45) | N/A |
| +60' | Citywide Density Bonus Program 60' (-DBC60) | DBETOD Subdistrict 1 |



Source: City of Austin

Applicability

The Citywide Density Bonus will be allowed in the following commercial zones:

- Neighborhood Office (NO)
- Limited Office (LO)
- General Office (GO)
- Neighborhood Commercial (LR)
- Community Commercial (GR)
- General Commercial (CS and CS-1)
- Commercial Highway Services (CH)
- *Potential future mixed-use zones*

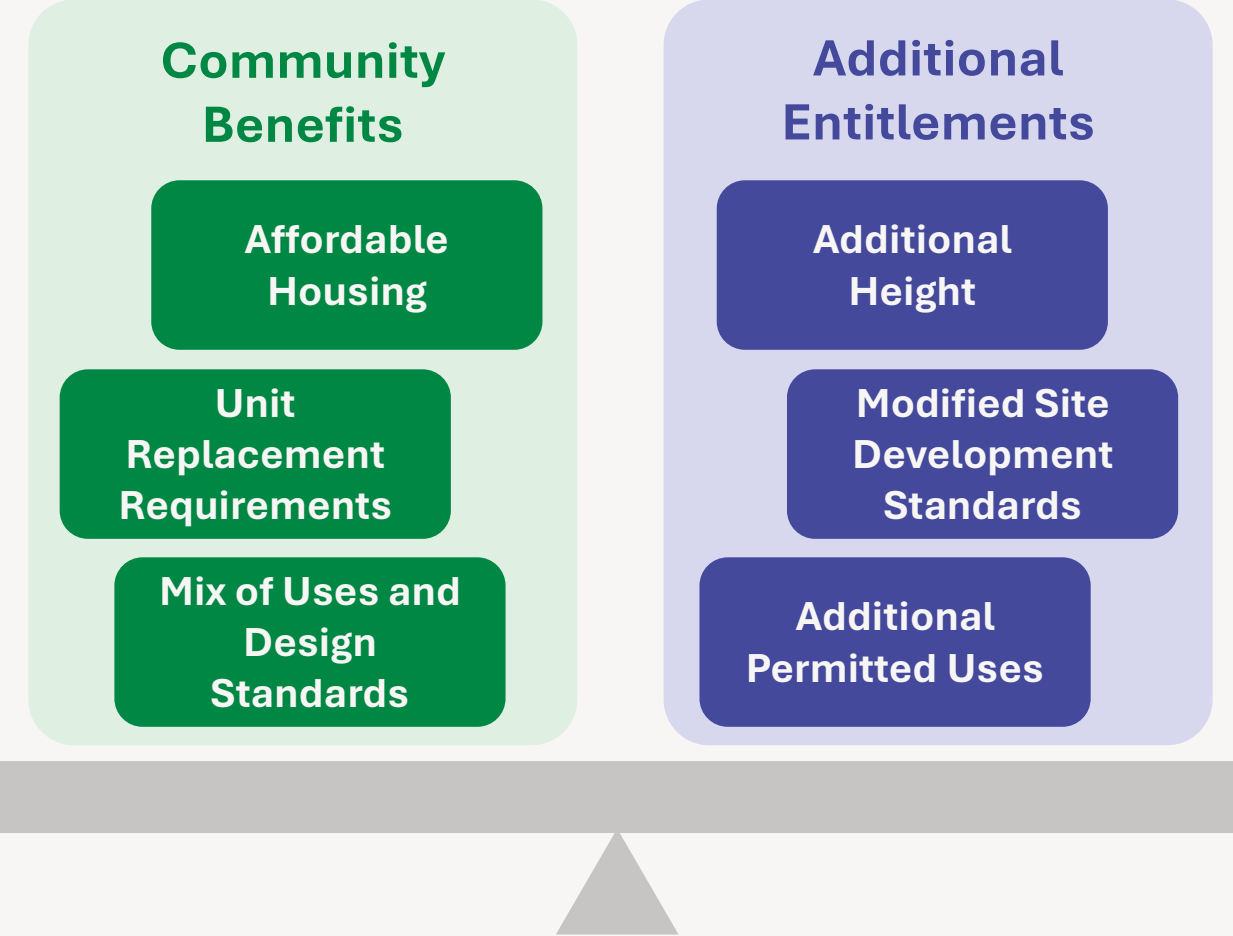
No residential or industrial zones will be eligible for this program.

| | VMU | DB90 | DBETOD | Citywide DB |
|----------------------------------|-----|------|--------|-------------|
| Single Family Residential | N | N | N | N |
| Multifamily Residential | N | N | Y | N |
| Neighborhood Office (NO) | N | N | Y | Y |
| Limited Office (LO) | Y | Y | Y | Y |
| General Office (GO) | Y | Y | Y | Y |
| Commercial (CS, CS-1) | Y | Y | Y | Y |
| Commercial Highway (CH) | N | N | Y | Y |
| Neighborhood Commercial (LR) | Y | Y | Y | Y |
| Community Commercial (GR) | Y | Y | Y | Y |
| Commercial Recreation (CR) | N | N | Y | N |
| Central Business District (CBD) | N | N | Y | N |
| Downtown Mixed Use (DMU) | N | N | Y | N |
| Lake Commercial (L) | N | N | Y | N |
| Warehouse/ Limited Office (W/LO) | N | N | Y | N |
| Industrial (LI, MI, IP, R&D) | N | N | Y | N |
| Potential Future Mixed-Use Zones | - | - | - | Possibly |

Program Components

A density bonus program allows a developer additional **entitlements**, such as the additional heights allowed, in exchange for providing a **community benefit**, usually affordable housing.

The next slides will discuss the specifics of how this balance of requirements and incentives will work under the new program.



Citywide DB Program (DBC) Highlights



Community Benefits

- **Affordability Requirements:**
 - Ownership: 10% of units at 80% MFI or FIL
 - Rental: 10% of units at 50% MFI on-site
- **Redevelopment Requirements (Ch. 4-18):**
 - Separate section with definitions and processes
 - Tenant protections apply to participating sites
 - When redeveloping units at 70% MFI and below, requires at least 10% of units and up to 20% of units to be replaced as income-restricted
- **Mix of Use & Active Design Standards:**
 - Maximum of 35% non-residential use total
 - 75% of ground floor building frontage along the principal street must contain non-residential use
 - Similar building design standards as existing DBs
 - Required to build full recommended width of pedestrian infrastructure

Additional Entitlements

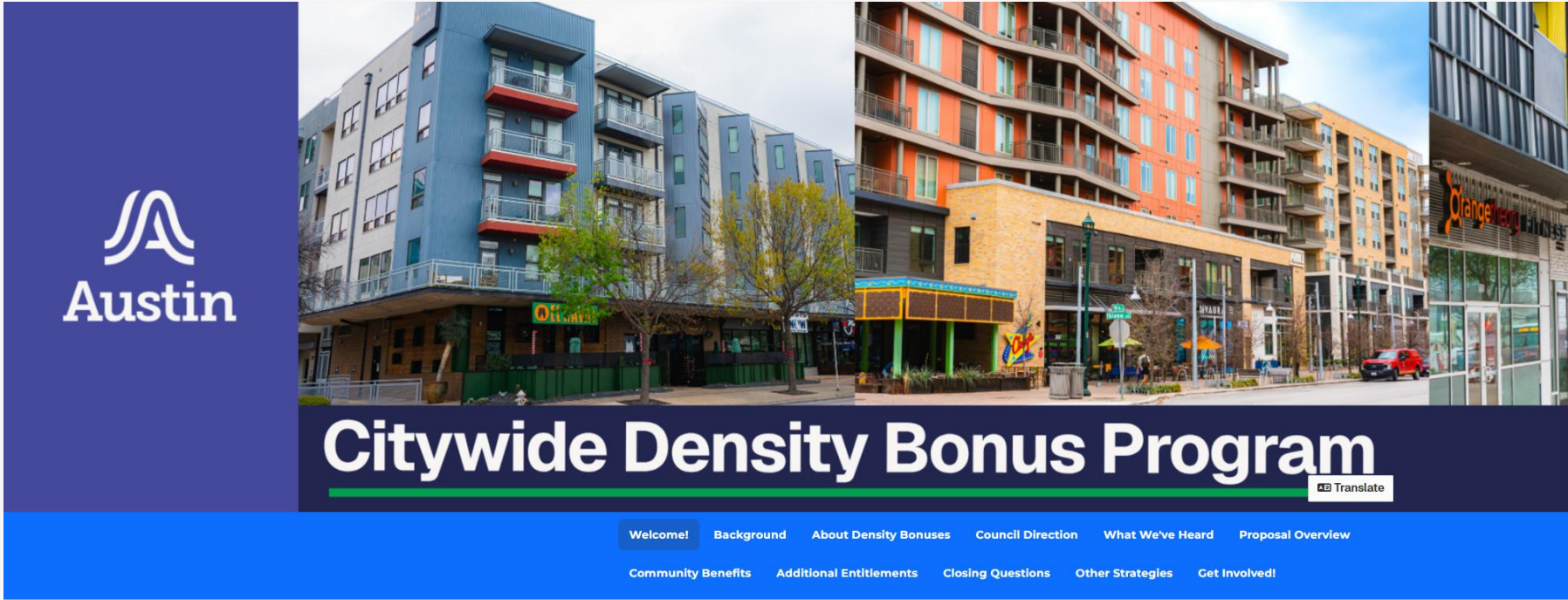
- **Height:**
 - Allows for an additional +0', +15', +30', +45', or +60' beyond base zone maximum height
- **Modified Site Development Standards:**
 - No Floor Area Ratio (FAR), min. site area, max. building coverage, or max. dwelling units/acre
 - Reduced or eliminated setbacks
 - Supersedes other regulations that would otherwise limit height
 - Relaxed compatibility allowing up to 90' tall buildings after a 25' deep no-build zone, and then allowing full height for the DB building beyond 50' from a triggering property
- **Additional Allowable Active Land Uses**

Next Steps

Next Steps



Citywide Density Bonus Program Website



C20-2024-004 Citywide Density Bonus Program

The **Citywide Density Bonus Program** is a possible new program that would allow for some types of properties in neighborhoods across the city to develop with modified standards when they provide income-restricted affordable housing in return. This project has been initiated by Council and also proposes to replace some existing programs going forward, such as Density Bonus 90 (DB90) and Vertical Mixed Use (VMU).

www.SpeakUpAustin.org/CitywideDB

Thank you!

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www.SpeakUpAustin.org/CitywideDB





Reference Material

Affordable Housing

Each Citywide Density Bonus tier has the same affordability requirements.

- Ownership:
 - **10% units** affordable to households making **80% MFI or less** for a minimum of 99 years.
 - Fee-in-lieu is allowed.
- Rental:
 - **10% units** affordable to households making **50% MFI or less** for a minimum of 40 years.
 - On-site only; fee-in-lieu is **not** allowed.

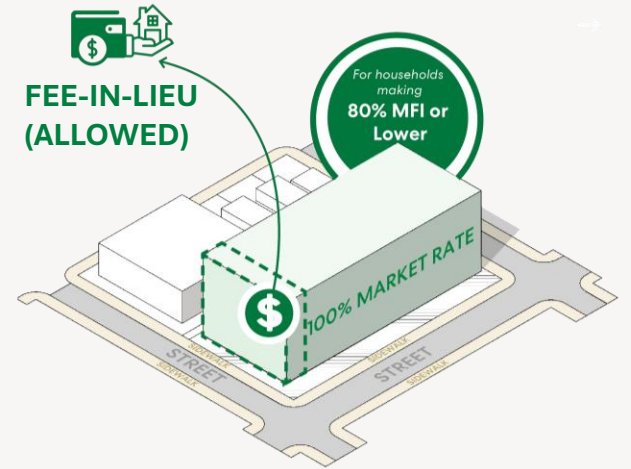
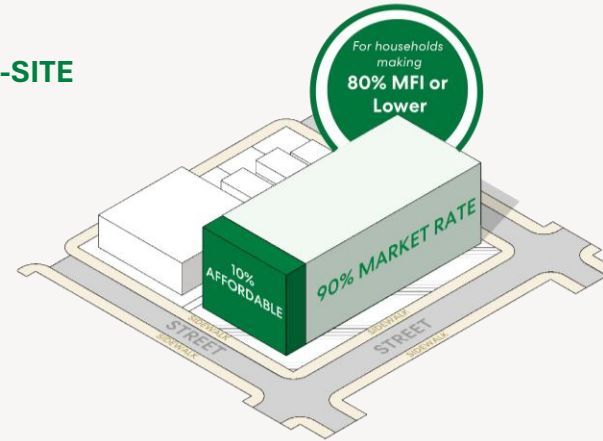
OWNERSHIP UNITS

Duration: For a minimum of 99 years

Affordability Criteria: For a household making 80% MFI or lower

Fee-in-Lieu (FIL): Allowed

ON-SITE



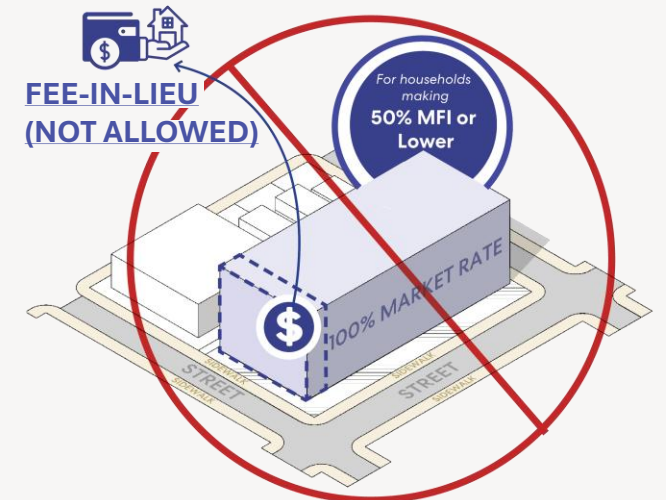
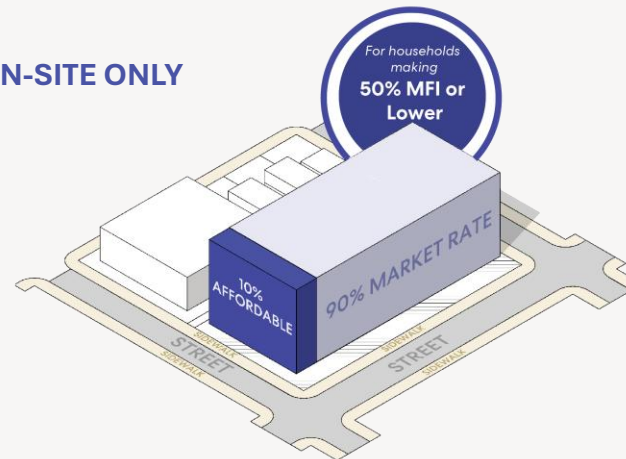
RENTAL UNITS

Duration: For a minimum of 40 years

Affordability Criteria: For a household making 50% MFI or lower

Fee-in-Lieu (FIL): Not Allowed

ON-SITE ONLY



Redevelopment Requirements

Tenant protections outlined in Austin's Chapter 4-18 of City Code today will apply to all Citywide Density Bonus Program developments that redevelop existing multifamily structures, including:

- Required tenant notice information
- Payment of four months rent and fees
- Payment for moving expenses
- Right of first refusal for new units
- Ability to break lease without penalty
- Full return of security deposits

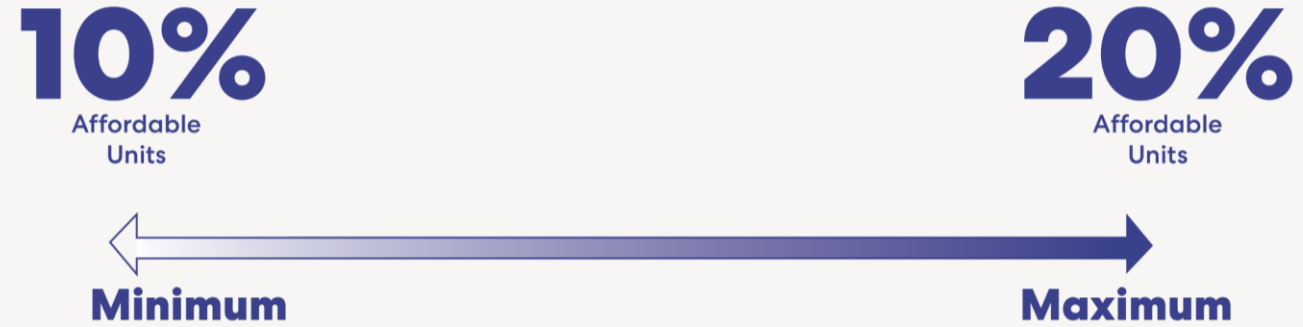


Source: City of Austin

Redevelopment Requirements (cont.)

Unit replacement requirements also help increase the number of affordable units in the new development above the **Citywide Density Bonus Program’s baseline** when redevelopment of lower cost existing housing occurs.

To use the Citywide Density Bonus Program on properties with existing units that are affordable to households earning 70% MFI or less, a developer must replace those units in the new development by providing a **minimum of 10% of units and up to a maximum of 20% of units.**



| Apartment Style | Existing Units (at 70% MFI or below) | Proposed Units | Required Affordable Units | Total Percentage Affordable Units | Full Replacement of Existing Units? |
|--------------------|--------------------------------------|----------------|---------------------------|-----------------------------------|-------------------------------------|
| Low-Rise Example 1 | 25 | 100 | 20 | 20% | No |
| Low-Rise Example 2 | 25 | 200 | 25 | 12.5% | Yes |
| Low-Rise Example 3 | 25 | 300 | 30 | 10% | Yes, and 5 additional units |
| Garden Example 4 | 300 | 600 | 120 | 20% | No |

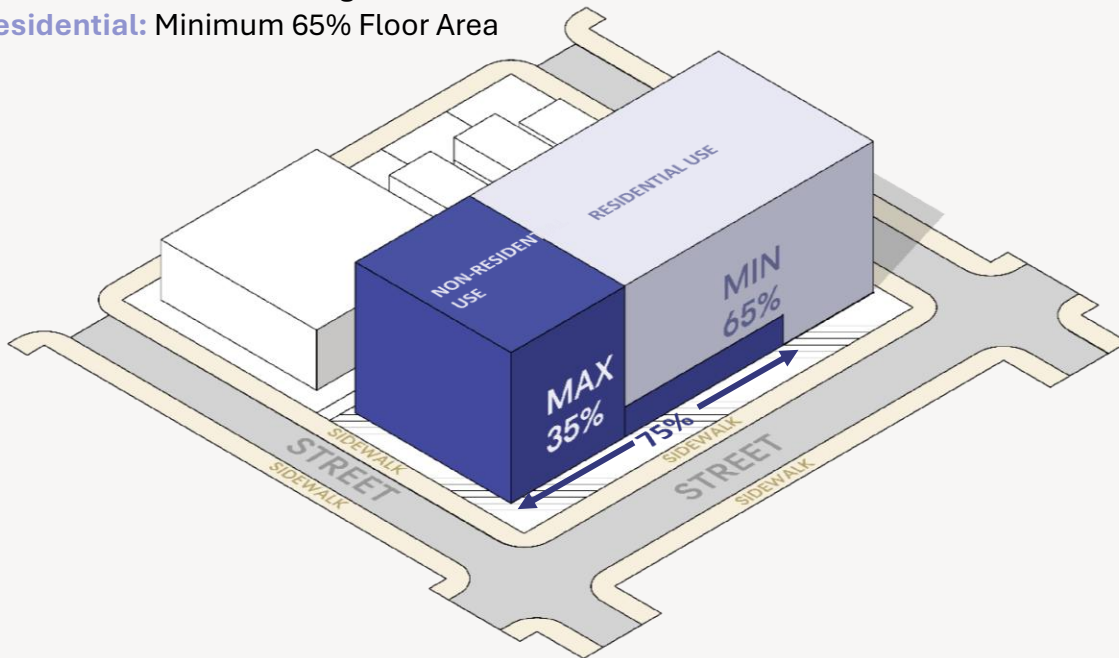
Mix of Use Standards

Development projects using the Citywide DB must be **at least 65% residential**, with the remaining area able to be used for purposes like office, retail, commercial, and restaurants.

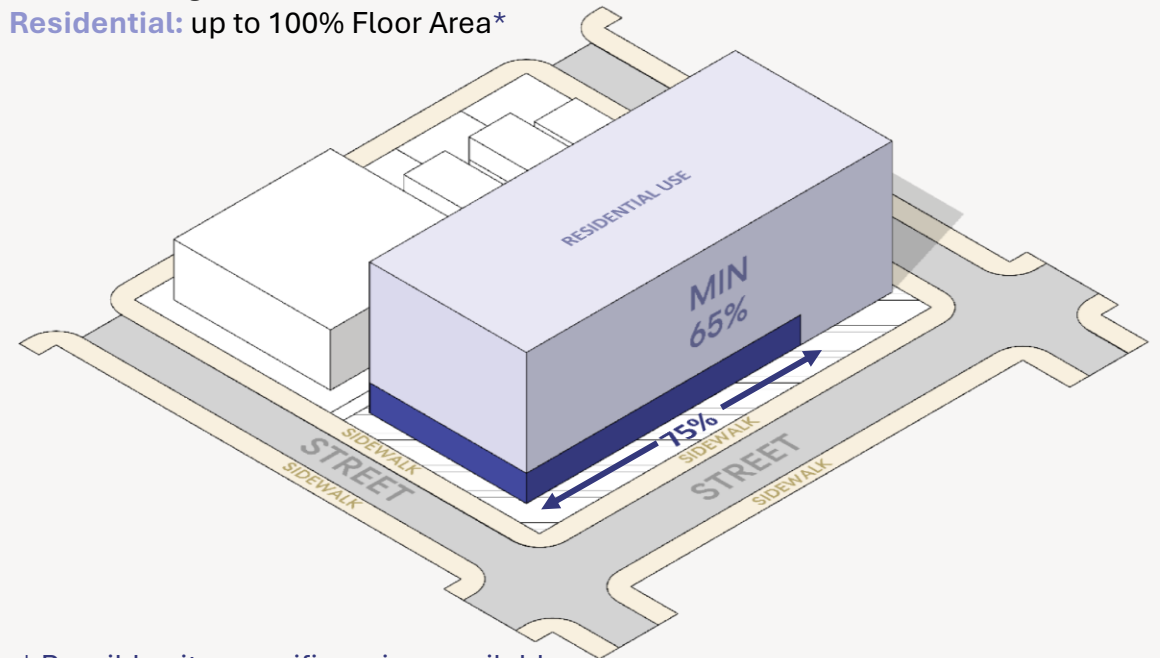
At least **75% of the ground floor building frontage must contain non-residential uses**, although site-specific waivers are allowed.

MIX OF USES

- Non-Residential:** Maximum 35% Floor Area; 75% Ground Floor Street Frontage Minimum
- Residential:** Minimum 65% Floor Area

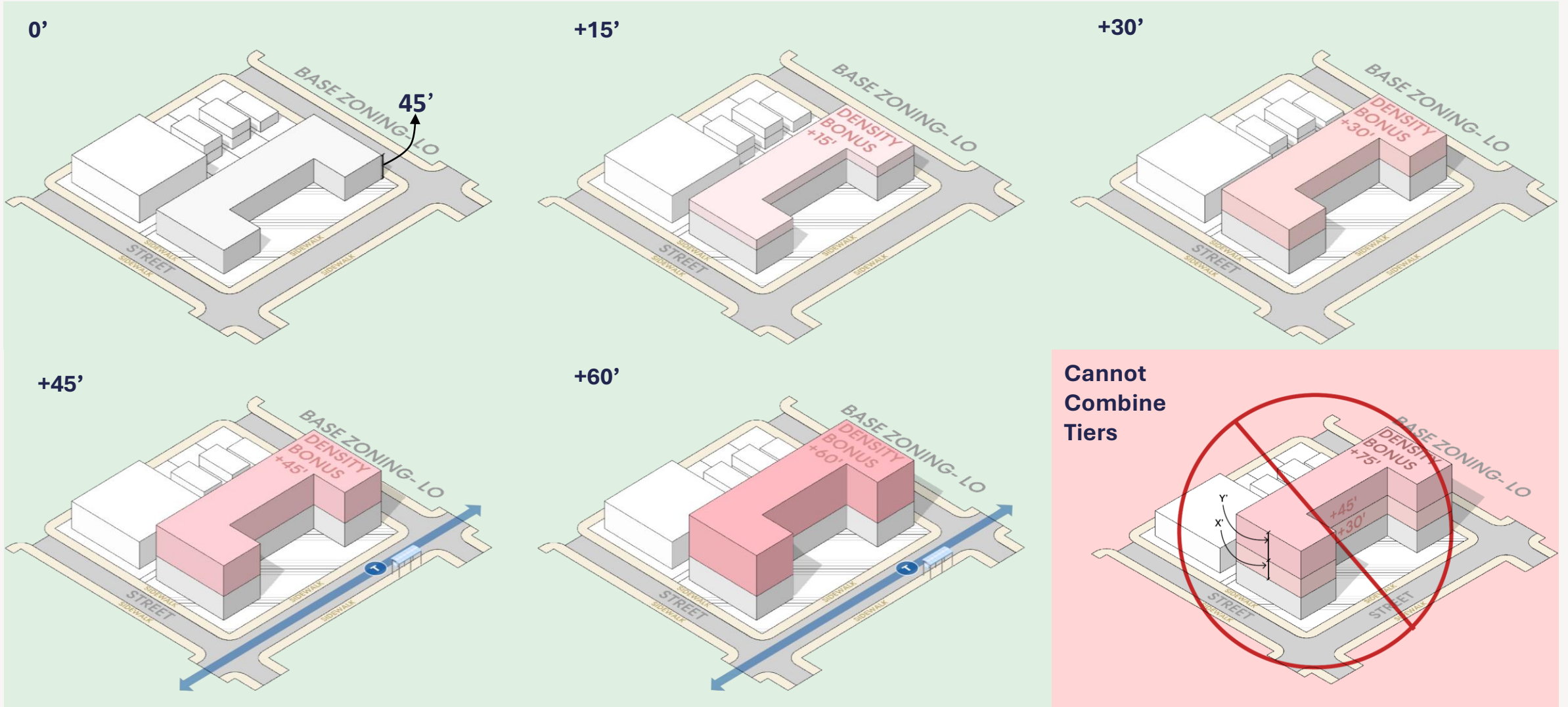


- Non-Residential:** Maximum 35% Floor Area; 75% Ground Floor Street Frontage Minimum
- Residential:** up to 100% Floor Area*



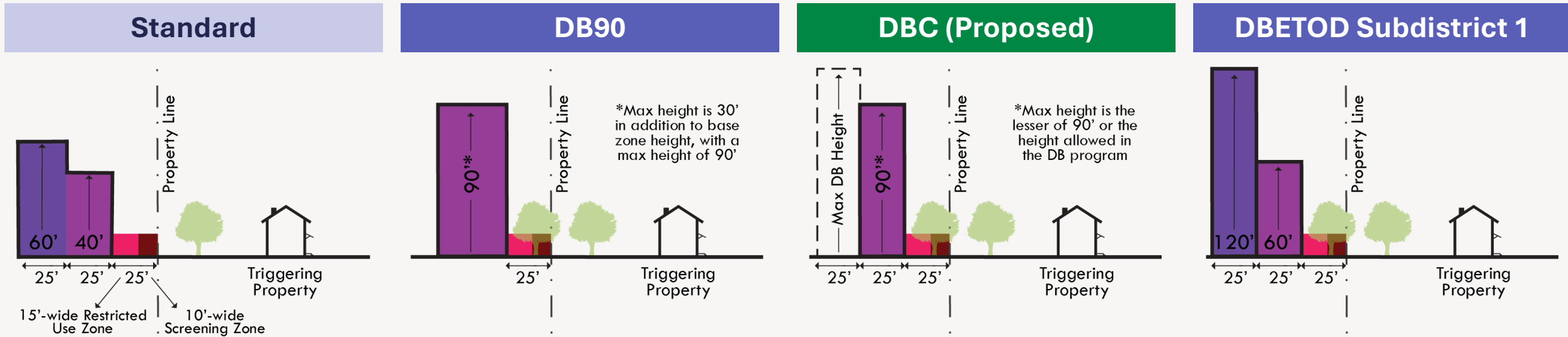
* Possible site-specific waiver available

Height and Site Development Standards



Compatibility Standards

The program recommends a relaxed version of compatibility standards, similar to existing density bonus programs.



Allowable Use Standards

Staff are recommending allowing additional land uses for participating developments to make neighborhoods more pedestrian-friendly and help residents meet their daily needs.

Recommended land uses include:

- adult care services (limited or general)
- art gallery
- art workshop
- business or trade school
- childcare services (limited or general)
- consumer repair services
- consumer convenience services
- counseling services
- cultural services
- custom manufacturing
- financial services without drive-through services
- food sales
- guidance services
- general retail sales (convenience or general)
- personal services
- restaurant (limited or general) without drive-in service, and
- theater



Source: City of Austin