



MEMORANDUM

TO: Mayor and City Council Members

THROUGH: Veronica Briseño, Assistant City Manager

FROM: Lauren Middleton-Pratt, Director, Planning Department

DATE: January 2, 2025

SUBJECT: **Comprehensive Analysis of Density Bonus Programs**

This document provides information regarding the work that has been completed as part of the Comprehensive Analysis of Density Bonus Programs by Clarion Associates and Economic & Planning Systems (EPS).

On June 5, 2023, staff provided a [memorandum to the Mayor and City Council](#) about the timing of Land Development Code (LDC) amendments, which indicated that City staff was working on a comprehensive analysis of density bonuses in response to multiple Council-initiated resolutions. On November 14, 2023, Housing Department staff [presented](#) the findings from an inventory of existing density bonus programs to the Housing and Planning Committee. Subsequently, the Housing and Planning Departments have completed the transition into separate departments, and the Planning Department has onboarded staff to work on this important effort.

At the March 7, 2024, City Council meeting, the City Council approved a contract for planning and consulting services with Clarion Associates of Colorado d/b/a Clarion Associates. Clarion and their subconsultants Economic & Planning Systems (EPS) provided planning and economic analysis to support the Comprehensive Analysis of Density Bonus Programs.

The final report for the Comprehensive Analysis of Density Bonus Programs (Attachment A) completed by the consultants includes the following information:

- Density Bonus Program Compare/Contrast Analysis
- Density Bonus Economics
- Density Bonus Program Performance
- Stakeholder Feedback
- Peer City Case Studies
- General & Project Specific Recommendations

The timeline for adopting amendments to the Land Development Code, which Planning staff updates regularly, has several density bonus programs scheduled to be reviewed and amended at the City Council's request. These density bonus programs will incorporate the general and project-specific recommendations from the study as appropriate. The updates will include community benefit calibration as well as programmatic changes that apply. While a large-scale consolidation of programs is not feasible due to legal complexity, staff will be streamlining, calibrating, and aligning program requirements during the individual density bonus program updates.

The following density bonus programs are shown on the Planning staff's timeline (Attachment B) for Land Development Code amendments that will occur over the next 18-24 months:

- University Neighborhood Overlay
- Lamar/Justin TOD
- East Riverside Corridor
- Downtown Density Bonus
- North Burnet Gateway
- DBETOD Phase 2
- S.M.A.R.T. Housing

Additionally, staff recommends updating vertical mixed use (VMU) to align the median family income (MFI) affordability requirements with other density bonus programs. Alternatively, should the City Council be interested in replacing VMU with another citywide tiered program that allows for heights up to 60 feet, staff recommends initiating such a density bonus program.

Staff anticipates creating a tiered density bonus program for varying heights that could be applied in the vicinity of transit corridors citywide as part of ETOD Overlay Phase 2 and creating a new density bonus program that would grant height entitlements above 60 feet and below 90 feet of maximum height. Concurrently and in coordination with that work, staff will continue to explore the need for additional tools. It could be recommended that the City Council initiate Land Development Code amendments to support the creation of additional height-based tiers beyond the transit corridors.

Finally, staff recommends recalibration of additional previously adopted density bonus programs as needed to work within the context of the tiered density bonus program.

For any questions or additional information, please contact Alan Pani, Planner Principal, at 512-974-8084 or via email at Alan.Pani@austintexas.gov.

cc: T.C. Broadnax, City Manager
CMO Executive Team

Attachments:

Attachment A - Austin Density Bonus Programs Assessment
Attachment B – Schedule of Active Code Amendments