



Citywide Density Bonus Program

Council Work Session Briefing | May 5, 2026

Agenda

- Background
- Citywide Density Bonus Program Staff Proposal
- Planning Commission Recommendations
- 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*

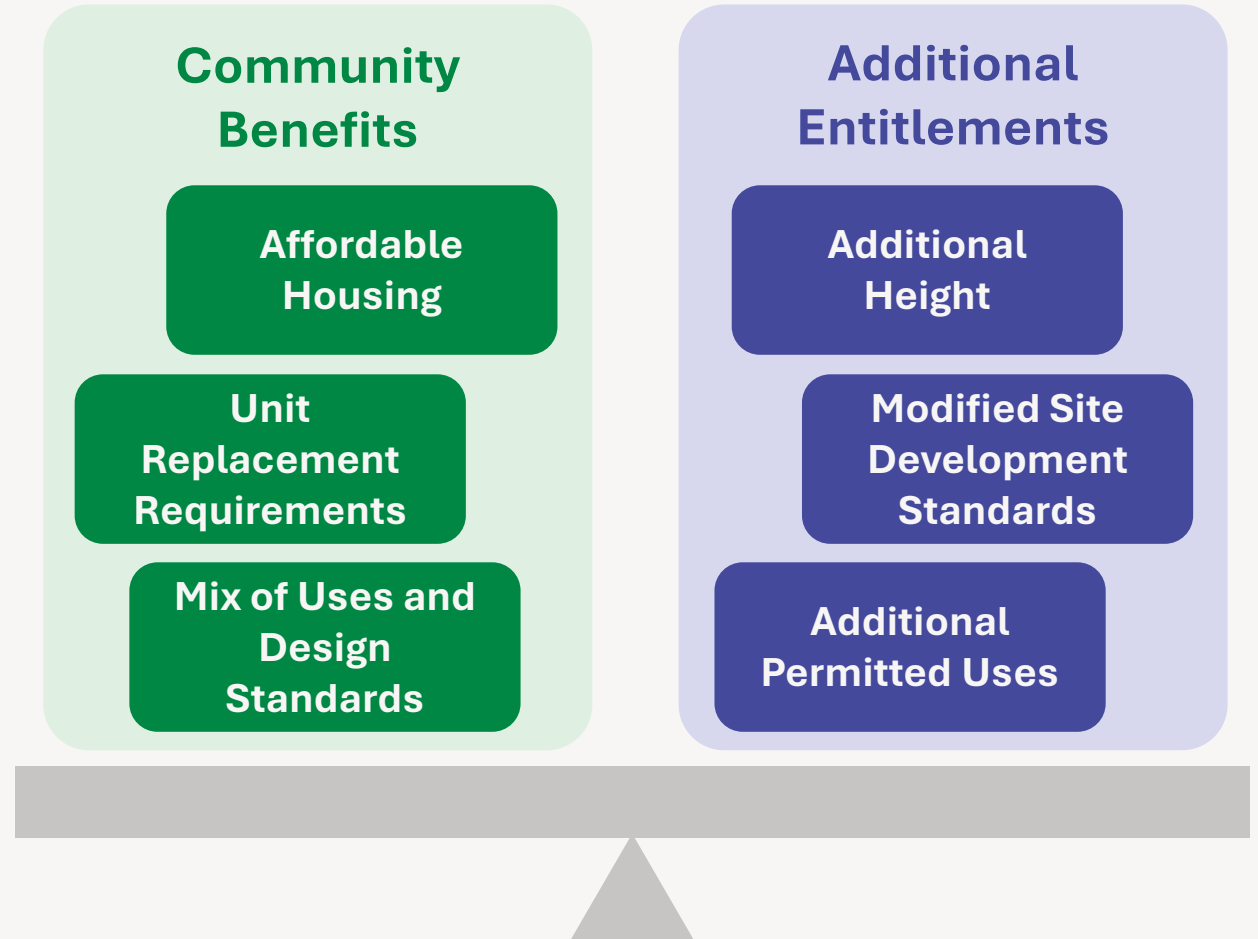
No residential or industrial zones will be eligible for this program.

	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.



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.

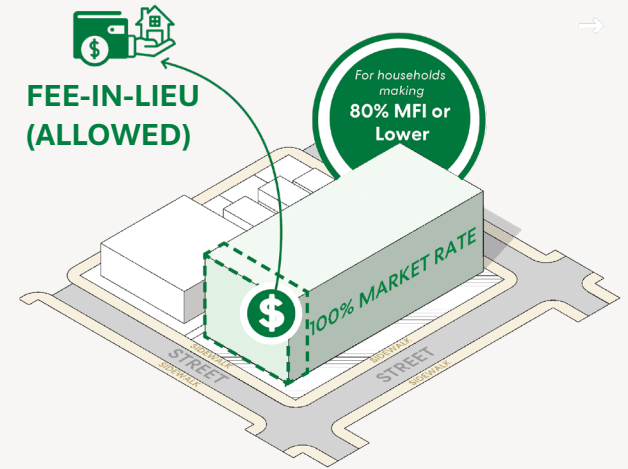
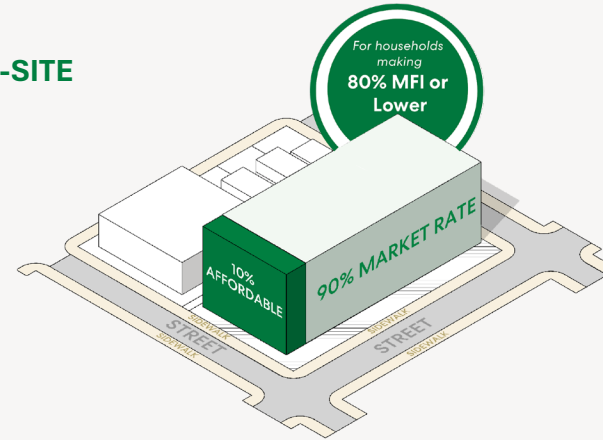
OWNERSHIP UNITS

Duration: For a minimum of 99 years

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

Fee-in-Lieu (FIL): Allowed

ON-SITE



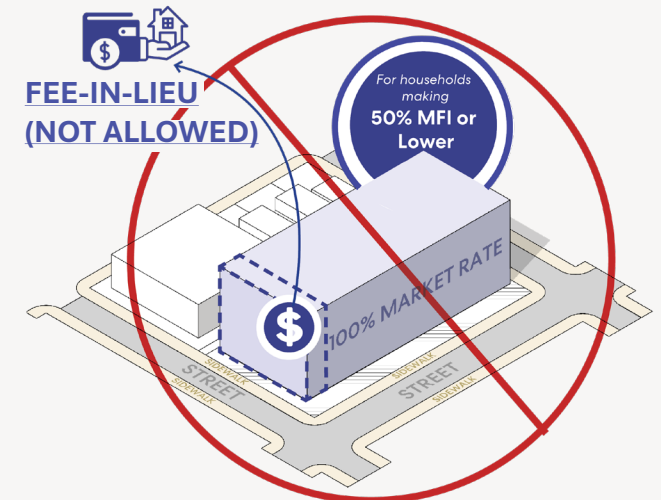
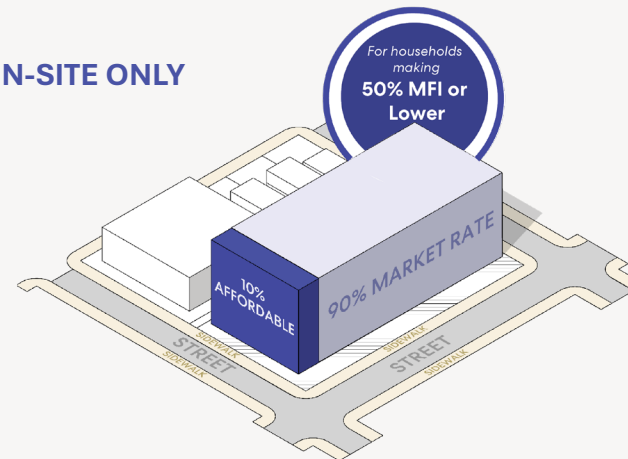
RENTAL UNITS

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

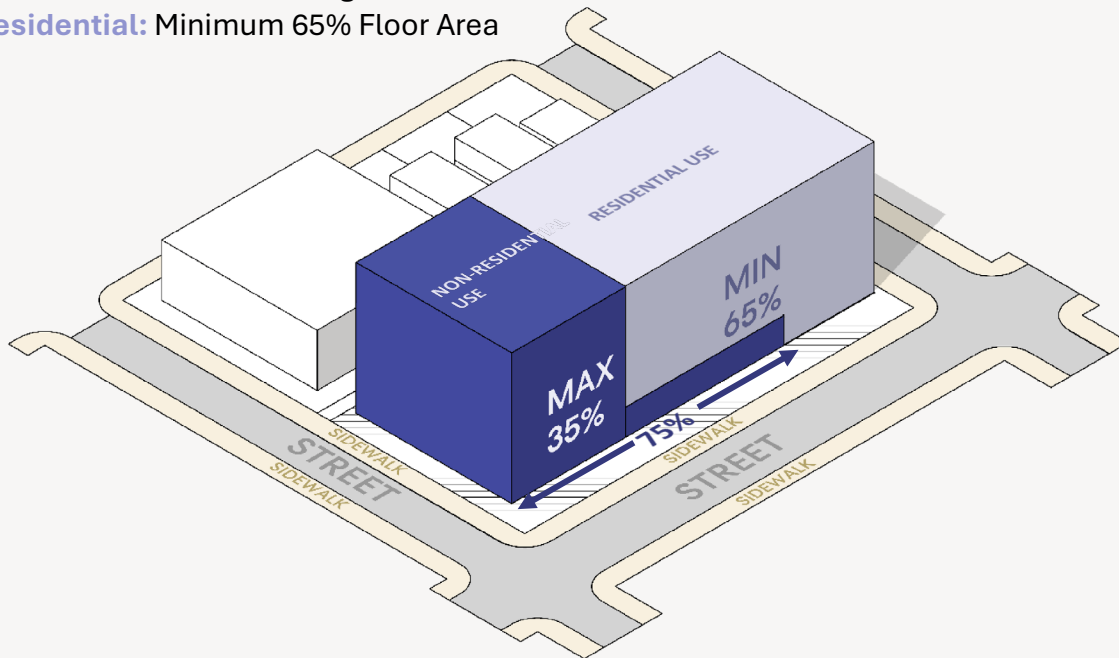
Mix of Use Standards

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.

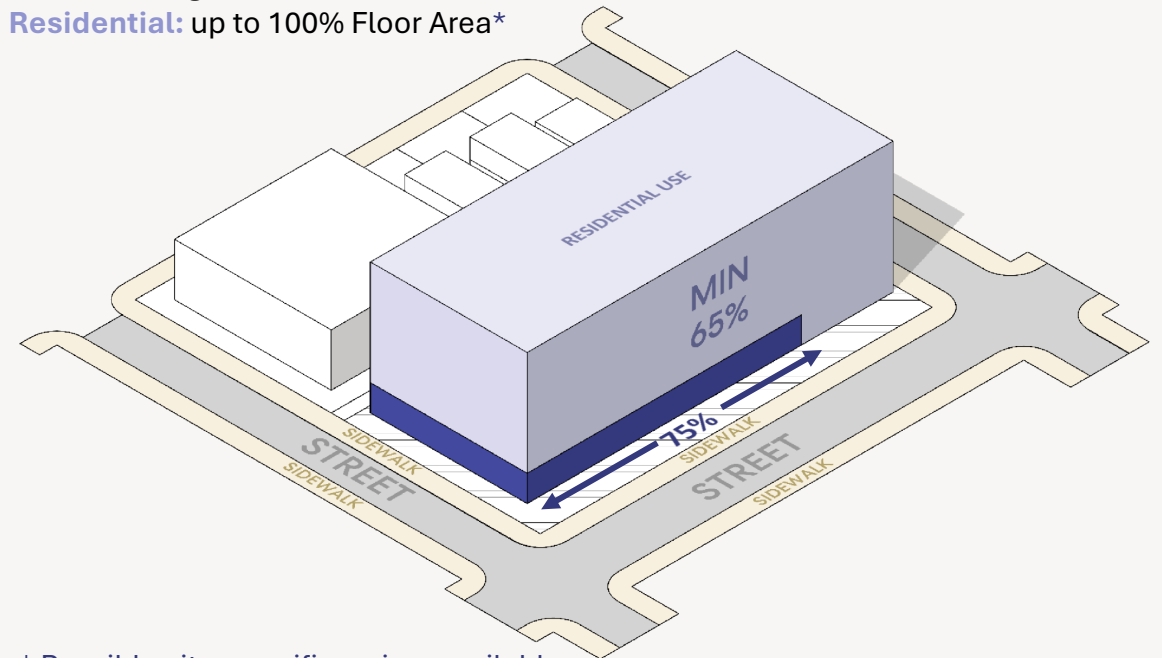
At least **75% of the ground floor building frontage must contain non-residential uses**, although site-specific waivers are allowed.

MIX OF USES

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

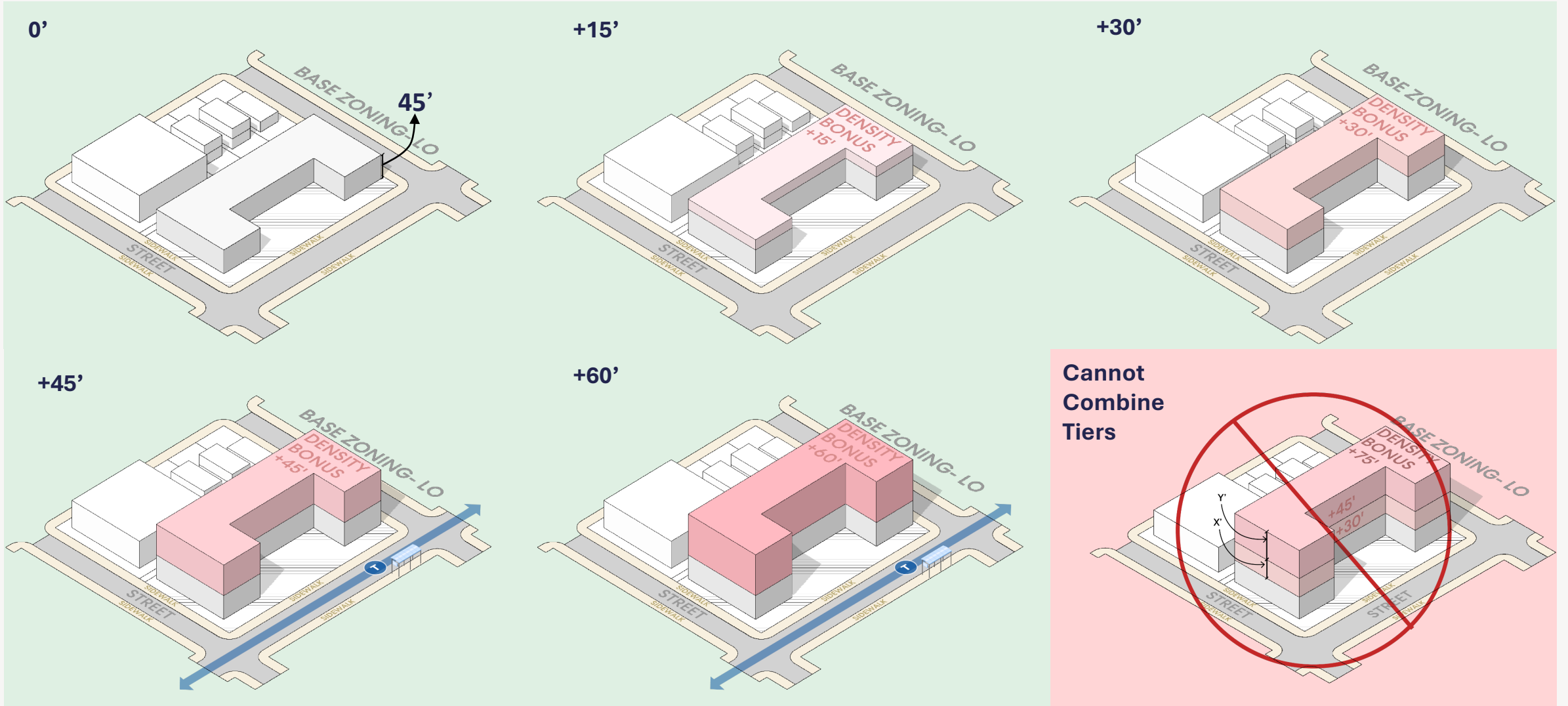


- Non-Residential:** Maximum 35% Floor Area; 75% Ground Floor Street Frontage Minimum
- Residential:** up to 100% Floor Area*



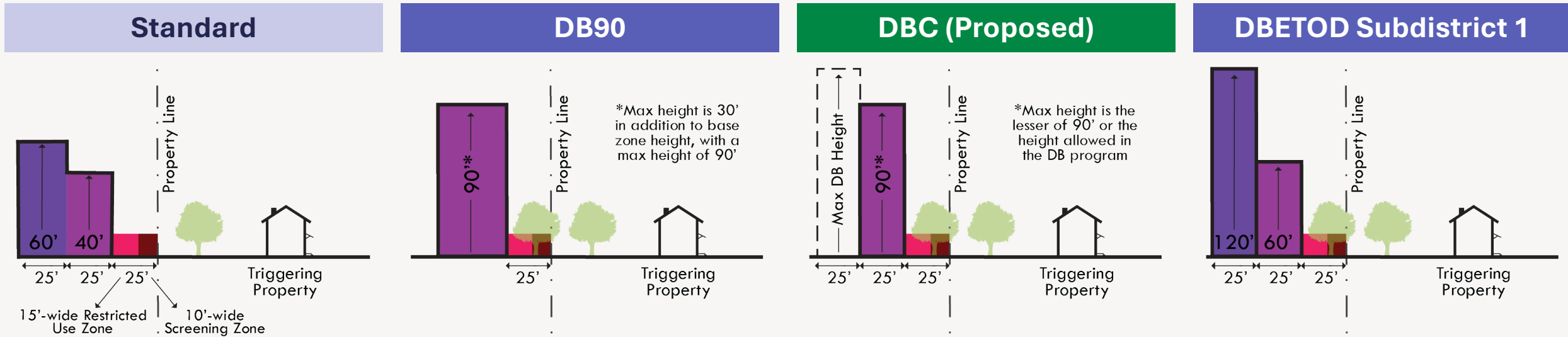
* Possible site-specific waiver available

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



Planning Commission Recommendations

Planning Commission– Recommended Text Amendments



PC Amendment		Staff Response
1	Allow fee-in-lieu for rental; restricted to RDHA/OHDA funding within 1.5 mi of project	Not recommended
2	Exempt projects with ≤ 16 units, or lots zoned MF-3 or more restrictive, from compatibility	Neutral; changes recommended
3	Use a scaling factor of +25ft, +50ft, +75ft	Not recommended
4	Create +120ft and +190ft tiers applicable to properties meeting criteria defined by staff pertaining to: adjacency to transit, roadway class, parcel size, proximity to Imagine Austin corridors	Neutral; changes recommended

Planning Commission – Recommended Text Amendments



PC Amendment		Staff Response
6	Allow developers to round fractional affordable units under ½ down, instead of up	Not recommended
8	Allow DBC on MF-1-MF-4 lots under ½ acre, waiving: ground floor mixed use, subchapter E, minimum lot size	Not recommended

Planning Commission – General Recommendations



PC General Recommendation

5	Create “ground floor menu,” based on updated Urban Design Guidelines, to offset 75% ground-floor street frontage requirement
7	Consider a height bonus increase in addition to proposed tiers within specific distance of certain corridor types
9	Include superior compatibility/design requirements similar to those recommended by PC in DDB
10	Consider allowing uses that offer significant community benefits to offset/replace housing or other requirements, similar to DDB

Planning Commission – General Recommendations



PC General Recommendation	
11	Consider parking limitations like in DDB to incentivize/require non-car transportation options
12	Consult development community to calibrate affordability requirements for +30ft and under tiers to enable smaller projects
13	Calculate FIL based on \$/sq ft bonus area beyond base zoning, regardless of use
14	Create mechanism to buy out additional sq ft for limited selection of commercial uses beyond 35% cap

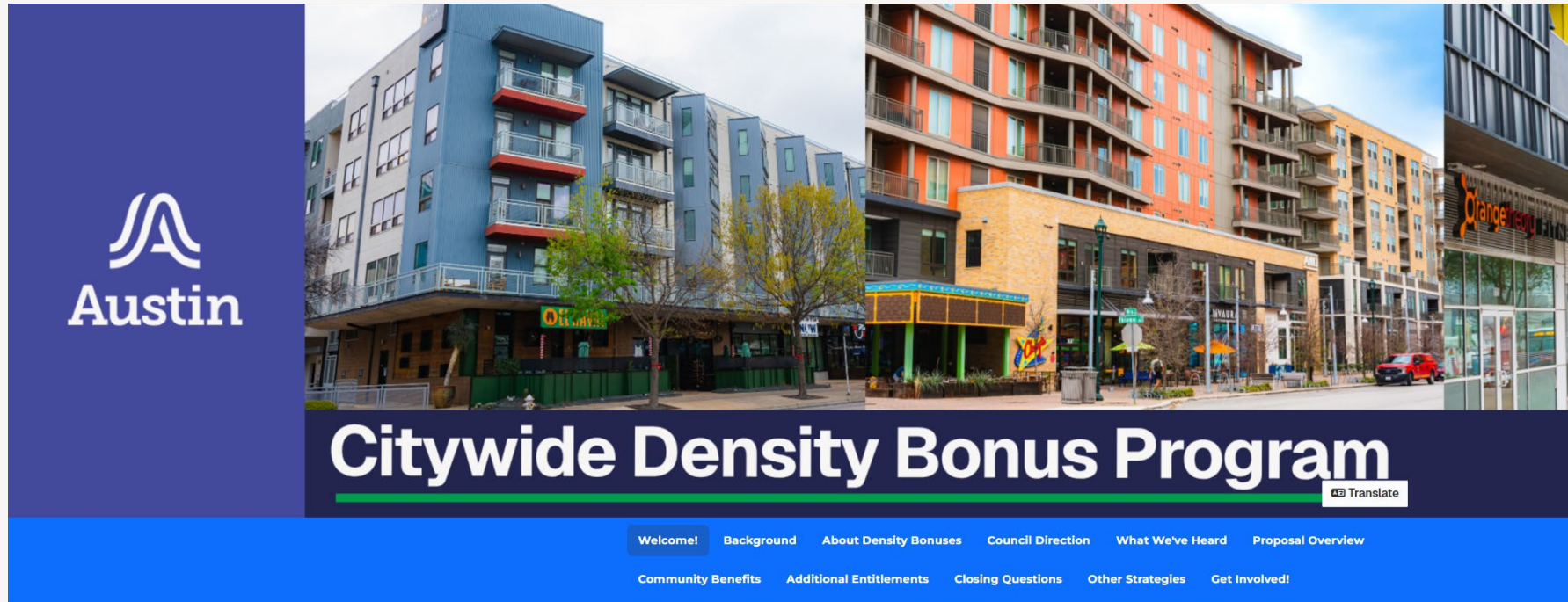


Next Steps

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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