ORDINANCE NO.

AN ORDINANCE AMENDING CHAPTER 4-18 OF CITY CODE RELATED TO REDEVELOPMENT REQUIREMENTS FOR DENSITY BONUS AND INCENTIVE PROGRAMS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. City Code Section 4-18-31 (*Existing Non-Residential Space*) is amended to amend Subsection (B) and to add a new Subsection (C) to read:

§ 4-18-31 EXISTING NON-RESIDENTIAL SPACE.

(B) For redevelopment with an existing non-residential space, an applicant must:

(1) redevelop the site to replace all existing non-residential spaces with non-residential spaces of comparable size;

(2) provide current non-residential space operators with:

(a) notice and information about the proposed development on a form approved by the director;

(b) relocation benefits that are consistent with the Federal Uniform Relocation Assistance and Real Acquisition Policies Act of 1970, 42 U.S.C. 4601, et seq.<u>, except that the average rent payments must equal six months of rental payments</u>; and

(3) grant a non-residential space operator the option to lease a non-residential space of comparable size and affordability following the completion of redevelopment.

<u>(C) The amount of the average rent payment required in Subsection (B)(2) is calculated by comparing current submarket rents within a one-mile radius of the existing non-residential location and must be approved by the director of the Economic Development Department.</u>

PART 2. Subsection (A) of City Code Section 4-18-32 (*Existing Multi-Family Structure*) is amended to read:

§ 4-18-32 EXISTING MULTI-FAMILY STRUCTURE.

(A) For redevelopment with an existing multi-family structure, an applicant must:

(1) establish that:

(a) the existing multi-family structure requires extensive repairs for which costs will exceed 50 percent of the market value, as determined by the building official;

(b) the average rents for all units that were affordable to a household earning 60[~~80~~] percent MFI or below were not raised by more than 10 percent within the previous 24 months;

(2) replace all existing units that were affordable to a household earning 60[~~80~~] percent MFI or below in the previous 12 months and have at least as many bedrooms as those units;

(3) provide current tenants with:

(a) notice and information about the proposed development on a form approved by the Housing director;

(b) relocation benefits that are consistent with Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. 4601, et seq.; and

(4) grant current tenants the option to lease for a minimum of 12 months a unit of comparable affordability, number of bedrooms, and size following completion of redevelopment.

(C) A unit required to be replaced under Subsection (A)(2) must be rented to a household earning 60 percent MFI or below and in accordance with Section 4-18-23 (*Affordability Requirements – Dwelling Units*). A unit required to be replaced counts towards the minimum affordability requirements established in the applicable density bonus or incentive program.

PART 3. This ordinance takes effect on _____, 2024.

PASSED AND APPROVED

§
§
_____, 2024 § _____
Kirk Watson
Mayor

APPROVED: _____ **ATTEST:** _____

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Anne L. Morgan City Attorney	Myrna Rios City Clerk

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