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RESOLUTION NO.

WHEREAS, the Downtown Density Bonus program was established in 2014 to promote a vibrant, dense, and pedestrian friendly downtown area while also encouraging the development of affordable housing and other community benefits; and

WHEREAS, the Urban Land Institute's (ULI) Technical Assistance Panel for Downtown Austin Parking created land use recommendations released on March 2024 related to updating and improving the Downtown Density Bonus program; and

WHEREAS, many new downtown buildings have an estimated 60 percent parking occupancy, and replacing empty parking spaces with building programming increases opportunities for ground-floor retail and restaurants accessible to the general public, additional affordable housing units, or other community benefits for a more equitable and inclusive Austin; and

WHEREAS, Resolution No. 20230309-016 regarding Equitable Transit Oriented Development, initiated amendments to downtown parking requirements and adjustments of floor-to-area ratio (FAR), including decoupling parking from residential units, counting parking toward FAR, adjusting the base FAR, and a fee for parking beyond a parking cap; and

WHEREAS, Resolution No. 20240321-039 initiated efforts to provide rules for and analyze barriers to planting street trees and other green infrastructure in Austin's rights of way for all future right-of-way projects while ensuring safety and reliability of utility infrastructure; and

25 **WHEREAS**, Resolution No. 20240418-077 initiated amendments to the
26 land development code to update the University Neighborhood Overlay, the City’s
27 most effective density bonus, which included expanding its boundaries; and

28 **WHEREAS**, the City’s downtown consists of five National Register
29 Historic Districts, including Sixth Street, Congress Avenue, Rainey Street,
30 Bremond Block, and most recently West Downtown, that provide layers of cultural
31 heritage and historic significance to the City’s urban fabric; and

32 **WHEREAS**, current cultural and economic district initiatives, including
33 African American Cultural Heritage District (Resolution No. 20071213-058), 5th
34 Street Mexican American Heritage Corridor (Resolution No. 20110825-067), Red
35 River Cultural District (Resolution No. 20131017-036), South Shore Cultural
36 District (Resolution No. 20230720-128), Souly Austin District Development
37 (Fiscal Year 19 Commitments), and existing economic and cultural districts
38 located on East 12th Street, East Cesar Chavez Street, North Lamar International
39 District, and South Congress lack financial tools, but could be considered as
40 community benefits in new developments; and

41 **WHEREAS**, the City has embarked on a comprehensive update and
42 streamlining of density bonus programs, including geographic-specific programs;
43 and

44 **WHEREAS**, Council should provide policy guidance for the update,
45 particularly as it relates to updated market conditions, city goals, and implementing
46 the ETOD Policy Plan and ULI Technical Assistance Panel report
47 recommendations; **NOW, THEREFORE**,

48 **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

49 City Council initiates amendments to City Code Title 25 (*Land*
50 *Development*) to amend the Downtown Density Bonus program to achieve the
51 following:

- 52 1. Removal of caps on floor-to-area ratio and height and updating gatekeeper
53 requirements as needed;
- 54 2. Integration of Rainey Subdistrict into the overall Downtown Density Bonus
55 program to simplify the program, cohesively bringing Rainey into the
56 downtown vision, and applying Rainey best practices to the rest of the
57 program;
- 58 3. Creation of subdistricts within the downtown area defined by the Downtown
59 Austin Plan (Martin Luther King Jr. Boulevard to Lady Bird Lake and North
60 Lamar Boulevard to Interstate 35) that achieve the prioritization of the
61 following goals and calibrate each subdistrict accordingly:
 - 62 a. A University Neighborhood Overlay Subdistrict south of the
63 University of Texas at Austin to prioritize community benefits geared
64 toward providing affordable student housing and commercial space in
65 alignment with best practices and the City's housing reports;
 - 66 b. An Equitable Transit Oriented Development Subdistrict adjacent to
67 the Phase 1 light rail transit alignment to provide an option for Project
68 Connect infrastructure and other transit-related community benefits in
69 new developments;
 - 70 c. Cultural subdistrict(s) for Red River, 6th Street, and the Mexican-
71 American Heritage Districts to prioritize community benefits for
72 cultural preservation of existing businesses and affordable space in
73 new developments and redevelopments;

- 74 d. A Northwest Subdistrict, excluding single-family zoning, to preserve
75 and enhance the cultural, historic, and neighborhood character of the
76 West Downtown Austin and Bremond Block historic districts while
77 providing for additional housing capacity through tools such as
78 density bonus programs, facade preservation requirements, design
79 standards, street furniture and pedestrian realm design standards, or
80 other tools that achieve the intent of the subdistrict;
- 81 4. Completion of parking regulations initiated in Resolution No. 20230309-016
82 regarding Equitable Transit Oriented Development (ETOD);
- 83 5. Updates to pedestrian realm design standards that prioritize sidewalk
84 accessibility and shade opportunities such as more trees and awnings
85 through flexible design options that meet the same intent as the Great Streets
86 program, while updating development requirements in accordance with the
87 City's goals regarding green infrastructure and street trees;
- 88 6. A simplified affordability program by subdistrict with the aim of
89 maximizing participation in the density bonus program; and
- 90 7. Alignment with the ETOD overlay, including but not limited to stricter
91 ground floor activation and bonus entitlement in exchange for transit-
92 supportive infrastructure.

93 **BE IT FURTHER RESOLVED:**

94 The City Manager is directed to provide a recommendation and identify
95 resources needed to maintain a proactive cycle of recalibration for the parking
96 regulations initiated in Resolution No. 20230309-016 regarding Equitable Transit
97 Oriented Development (ETOD).
98

99 **BE IT FURTHER RESOLVED:**

100 The City Manager is directed to continue to maintain a focus on permanent
101 supportive housing and other initiatives aimed at addressing homelessness for use
102 of fee-in-lieu funds generated by the Downtown Density Bonus program and return
103 to Council with any further recommendations.

104 **BE IT FURTHER RESOLVED:**

105 The City Manager is directed to research, solicit stakeholder input, and
106 provide recommendations on economic development incentives that may
107 encourage new developments with drastically lower parking ratios or no on-site
108 parking; and to consider incentives for reduced parking that are calibrated for
109 density bonus and non-density bonus developments so that building owners can
110 achieve financing, as well as sunset parameters for the program based on
111 achievement metrics.

112 **BE IT FURTHER RESOLVED:**

113 The City Manager is directed to test the proposed changes to the Downtown
114 Density Bonus program through real-world modeling, engage area stakeholders on
115 proposed changes to the Downtown Density Bonus program, in alignment with
116 existing density bonus recalibration and streamlining efforts, and return with a
117 final ordinance for Council approval by Spring 2025.

118
119 **ADOPTED:** _____, 2024

ATTEST: _____

Myrna Rios
City Clerk