



# Affordability Impact Statement

## Density Bonus Combining District (DB-90) & Amendments to Chapter 4-18 of city code related to density bonus and incentive programs

Case number: C20-2023-044

Date: February 8, 2024

### Proposed Regulation

- The proposed amendments to city code Chapter 25-2 will create the DB-90 combining district, a zoning category that enables entitlements and mixed uses in commercial zoning in exchange for affordable housing, similar to the City's existing Vertical Mixed-Use program. The combining district will:
  - Be available via rezoning request for properties in a range of commercial base zoning
  - Require a minimum number of on-site income-restricted units
    - For rental units:
      - 10% of units set-aside affordable to 50% Median Family Income (MFI); or
      - 12% of units set-aside affordable to 60% MFI; or
    - For ownership units:
      - 12% of ownership units set-aside affordable to 80% MFI; and
  - Offer applicants up to 90 feet of total project height and exemptions to select design standards
- The proposed amendments to city code Chapter 4-18 will:
  - Add guidelines for applicants who intend to redevelop occupied residential units and require benefits for tenants in these scenarios
  - Require applicants to replace dwelling units at and below 80% MFI (market-rate or income-restricted) that would be removed in redevelopment
  - Prevent income source discrimination
  - Apply only to density bonus programs created after Feb 1, 2024

## Land Use/Zoning Impacts on Housing Costs

The proposed changes would have a **positive** impact on housing costs via land use and zoning.

The DB-90 program would expand opportunities for mixed use development patterns and housing adjacent to transit, in line with city goals for efficient growth.

## Impact on Development Cost

The proposed changes would have a **neutral** impact on development costs.

There are no direct impacts to development cost anticipated as a result of these amendments.

## Impact on Affordable Housing

The proposed changes would have a **positive** impact on subsidized affordable housing.

This incentive program would create an additional pathway to increasing subsidized affordable rental supply at 50 and 60% MFI and ownership supply at 80% MFI without direct public subsidies. In addition, the City may elect to subsidize additional for-sale and rental residential units in the building.

The proposed amendments to Ch 4-18 will ensure that dwelling units created through the city's incentive programs are more accessible to renters regardless of income source. They will further prevent long-term loss of affordable units through redevelopment, by requiring that participants in qualifying density bonus programs replace affordable units that are redeveloped.

## City Policies Implemented

These amendments are supported by adopted policy direction in the Austin Strategic Housing Blueprint (Austin's 10-year affordable housing goals of adding 25,000 units at 31-60% MFI and 15,000 units at 61-80% MFI and the goal to "Protect Renters from Discrimination Based on Source of Income"), the Displacement Mitigation Strategy (Action 3: Incorporate Robust Tenant Protections for All Rental Properties Receiving City Support, and Action 4: Streamline and Expand Density Bonus Programs to Serve Renters at or Below 60% MFI), and the City of Austin's Fair Housing Action Plan (Fair Housing Goal: Require units with city incentives or subsidies to accept vouchers to be consistent with the recently adopted addition of source of income protection in the City's Fair Housing ordinance).

## Other Housing Policy Considerations

None

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