



October 20, 2025

Dear Mayor and Council Members,

On behalf of the Downtown Austin Alliance Board of Directors, I am writing to respectfully request a 120-day delay on Item 63 to allow sufficient time for the City:

- 1) to conduct financial analysis and modeling to test the full impacts of the proposed amendment,
- 2) to provide adequate time for stakeholder engagement and feedback, and
- 3) to explore alternate methods to fund affordable housing and other community benefits.

We understand that this amendment is in response to the State of Texas' Senate Bill 840 (SB 840), which went into effect on September 1 and functionally removed Floor-Area-Ratio (FAR) as a regulatory tool for the Downtown Density Bonus Program (DDBP), however the full economic and built form impacts of the proposed height limit are not well understood enough to pass this amendment at this time.

Further, downtown Austin is one of the main economic engines of the City of Austin, producing revenues – *not just fees* - that fund many important programs citywide. If we do not take the time to develop a well-considered regulatory response to SB 840, we may further stifle growth at a time when additional property tax revenue is needed most.

Challenges resulting from reduced federal involvement, persistent office vacancies, and rising business costs require all of us to work together to find creative policy and funding solutions to support robust economic centers such as downtown Austin. Item 63 does not address the complexity of the situation, instead only reacting to State legislation. SB840 was designed to unleash the market to supply housing in volume – something desperately needed statewide and here in Austin to help address our ongoing affordability crisis – and its effects should be seen as an opportunity for new and creative thinking about how we fund City programs.

We believe a 120-day delay will provide City staff and stakeholders sufficient time to understand the impact of the proposed amendment *and* explore alternative approaches to funding affordable housing and other community benefits in this new regulatory environment and challenging economic climate.

The Downtown Austin Alliance mission:

To create, preserve and enhance the vibe, vitality and value of downtown Austin for everyone.

The real estate community and capital markets seek market stability, stable construction costs, lower interest rates, and reduced inflation pressure. If a delay to this proposed amendment is not possible, let us act with urgency to fully update the DDBP to carefully "prime the pump" for additional real estate development that awaits improvements in overall macroeconomic conditions.

Thank you for your consideration, your service to the city of Austin, and your continued support of Downtown Austin. If you have any questions about this letter, please contact Matt Geske, VP of Public Affairs at mgeske@downtownaustin.com.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Barbour', with a horizontal line extending to the right.

Davon Barbour
President & CEO
Downtown Austin Alliance