

ORDINANCE AMENDMENT REVIEW SHEET

Amendment:

C20-2022-003 South Central Waterfront Combining District and Density Bonus Program.

Description:

Conduct a public hearing and consider an ordinance amending City Code Title 25 to create a new zoning district and modify related site development regulations and compatibility standards; and create a new zoning district for density bonus that includes granting additional floor-to-area ratio in exchange for providing community benefits; to establish boundaries for the new zoning districts located in the vicinity commonly known as the South Central Waterfront; and initiating zoning and rezoning for all properties within the South Central Waterfront District except those with Planned Unit Development zoning, Planned Development Area zoning, or subject to a Planned Development Agreement, and initiate necessary neighborhood plan amendments for the properties located in the new zoning district's boundaries.

Background:

On June 16, 2016, the [South Central Waterfront Vision Framework Plan](#) (Vision Plan) was adopted as an amendment to the [Imagine Austin Comprehensive Plan](#). As defined in the Vision Plan, the South Central Waterfront district encompasses roughly 118 acres.

The intent of the Vision Plan was to leverage forecasted development through a districtwide approach that creates a dynamic people-centered district in Central Austin by:

- Establishing a lively, attractive pedestrian environment;
- Expanding open space and creating great public places;
- Enhancing connections to and along the waterfront; and
- Providing new onsite affordable housing units.

A districtwide approach was identified as the method to realize the intent of the Vision Plan. Through this more holistic approach, the South Central Waterfront is hoped to become a model for how a districtwide green infrastructure system, paired with quality urban design, can provide an interconnected network of public spaces – streets, streetscapes, lakeside trails, and parks – that provides the framework for redevelopment and collection of in-lieu fees throughout the district to fund other community benefits, such as affordable housing and parks.

The urban development envisioned in the Vision Plan requires modifications to the zoning and development regulations. To support the development envisioned in the Vision Plan, the City Council passed [Resolution Number 20220915-090](#) on September 15, 2022, to initiate the development of regulations for the South Central Waterfront area. In the resolution, Council asked staff to create regulations that consider today's market realities, anticipate future demand, and realize the intent of the Vision Plan to:

- Maximize the number of affordable units inside and nearby the district;

- Create a density bonus program “akin” to the Downtown Density Bonus Program;
- Allow building height, floor-to-area ratio (FAR), and entitlements that support the economics required to achieve infrastructure and community benefits;
- Allow additional entitlements exclusively through density bonus;
- Conduct regulation updates, at a minimum, every five years;
- Ensure development entitlements are sufficient to sustain and address increasing market demands and the rising inflation of labor and materials;
- Maximizes infrastructure investments for new streets, parks, bicycles infrastructure and trails;
- Maximize other on-site community benefits;
- Ensure enhanced environmental standards and protection;
- Support Project Connect; and
- Create a connected, pedestrian-oriented, mixed-use district where thousands more Austinites can live, work, and play.

Summary of Proposed Code Amendment:

Note: Planning Commission’s April 9, 2024, recommended changes can be identified by a blue text box with a brief explanation of staff’s adjustments (or suggested omission) in the draft “Staff-recommended” code offered for Council consideration.

The creation of the South Central Waterfront Density Bonus Program and Combining District has been a cooperative effort between city departments, boards and commissions, property owners, and the general public. Planning Commission approved the draft code with recommendations and proposed amendments on April 9, 2024.

During draft code development, staff contracted with two consulting firms to analyze the structure of the South Central Waterfront Density Bonus Program (Density Bonus Program). One contracted team looked at the Density Bonus Program to analyze various alternatives including different fee rates and affordable housing rates under current and improved market conditions. The second consultant team analyzed the cost of various on-site community benefits identified in the program to inform the bonus structure, and aided in the development of the Density Bonus Calculator to easily determine the number of affordable units, fees, and community benefits owed based on a project’s characteristics.

In alignment with recent legal findings, this Land Development Code (LDC) amendment is written as a combining district, similar to an overlay and optional for landowners, with an associated density bonus program. While Council requested a regulating plan, which requires certain steps by developers, the opt-in nature of a density bonus program better fits the needs of the South Central Waterfront District.

If approved by City Council, the adopted Combining District and Density Bonus Program will become regulations that can then be applied to properties by rezoning them. As part of this item, staff is requesting that Council initiate rezonings for properties in the SCW District that are not approved Planned Unit Developments (PUDs), Planned Development Areas (PDAs), or have an existing Planned Development Agreement. Properties meeting PUD, PDA, or Planned Development Agreement criteria are eligible to participate in the Combining District and Density Bonus Program,

but would need to request rezoning through Council. **Exhibit 1** shows the boundary and existing (PUDs), (PDAs), and Planned Development Agreements within the South Central Waterfront.

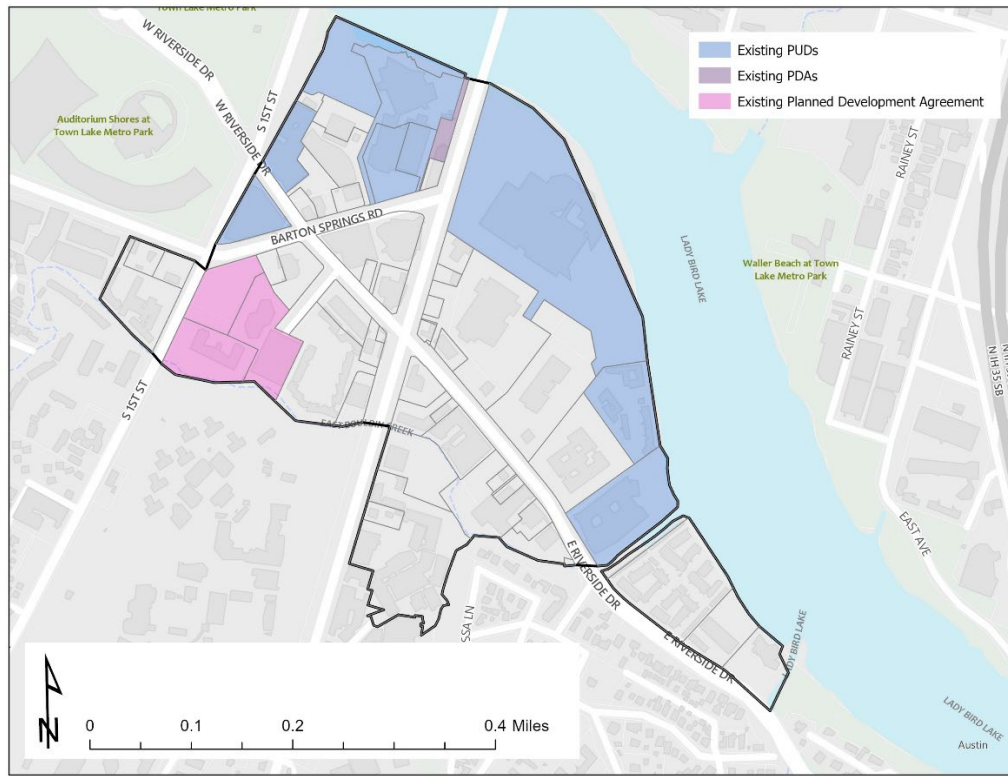


Exhibit 1 (South Central Waterfront District Boundary with existing PUDs, PDAs, and Planned Development Agreements)

The South Central Waterfront **Combining District** element of the code includes:

- Background
 - o A high-level overview of the area’s planning efforts, development, and current conditions today.
- Article 1: General Provisions
 - o The detailed guide for how to participate and apply for new development projects in the South Central Waterfront Combining District.
 - o A review of requirements, conflicting provisions, exemptions, and program evaluation.
- Article 2: Land Use Standards
 - o The permitted, permitted with conditions, and conditional land uses.
- Article 3: Development Standards
 - o The development regulations that shape the built environment of the South Central Waterfront Combining District.
- Article 4: Design Standards
 - o The quality design standards within the South Central Waterfront that promote human-scale, visually interesting, and walkable streetscapes that emphasize a balance between natural and built elements.

- Article 5: Definitions

The South Central Waterfront **Density Bonus Program** element of the code includes:

- Subdistricts and Maximum Floor-to-Area Ratios (FAR) and Building Heights
 - o The South Central Waterfront Combining District has been divided into 4 subdistricts with corresponding FARs and building height maximums.
- Program Requirements
 - o Gatekeeper requirements that must be met to participate in the Density Bonus Program, as well as Planning Director and Housing Director determinations.
- Community Benefits
 - o An itemized list of individual on-site community benefits each assigned their own programmatic requirements.

Key components of the South Central Waterfront Combining District and Density Bonus Program are explained in further detail below.

Note: On April 9, 2024, Planning Commission passed a recommendation to modify the code to “strike all the requirements for density bonus within the South Central Waterfront and replace with Section 25-2-586 Part I of existing code (Downtown density bonus program), taking out references that may not be pertinent such as Rainey Street related provisions and live music provisions.”

Staff has not incorporated it into the Planning Commission version of the code because, if recommended by Council, this would mean an entire redrafting the code.

Further, staff does not support the intent of the proposed amendment and has not incorporated it into the updated Staff-recommended version of the draft code to be considered by Council.

The Downtown Density Bonus Program omits a number of key elements that community, staff, and Council have asked to accomplish within the South Central Waterfront through the SCW density bonus code.

The Downtown Density Bonus (DDB) Program is calibrated to CBD base zoning, the existing infrastructure in the area, and the uniform lot sizes and shapes of downtown blocks. DDB is not calibrated for the irregular sizes and shapes of South Central Waterfront District’s parcels and would allow buildings to exceed scales necessary to maintain room for the pedestrian-friendly and open space goals set forth in the SCW Vision Plan. There is no onsite affordable housing or open space required in the DDB.

The South Central Waterfront Density Bonus Program is calibrated to the unique lot sizes and shapes in the district, accounts for non-existing infrastructure that will need to be developed, and the community’s vision for onsite affordable housing and open space and parks. To accommodate a wide variety of lot sizes and to initiate community benefits early on in development, community benefits for South Central Waterfront start at 2:1 FAR.

Whereas the Downtown Density Bonus Program does not:

- Require onsite affordable housing,
- Require open space,
- Provide additional fees for parks and community supportive infrastructure,
- Accommodate varied lot sizes and shapes like those of SCW to support the creation of a pedestrian-oriented environment,
- Have geographic boundaries for the fees-in-lieu generated, or
- Achieve the diversity of other community benefits to achieve Council’s vision for the South Central Waterfront as set forth by the SCW Vision Framework or Resolution Number 20220915-090,

the South Central Waterfront Density Bonus Program is designed to accomplish these things to the best of a zoning code amendment’s ability to do so.

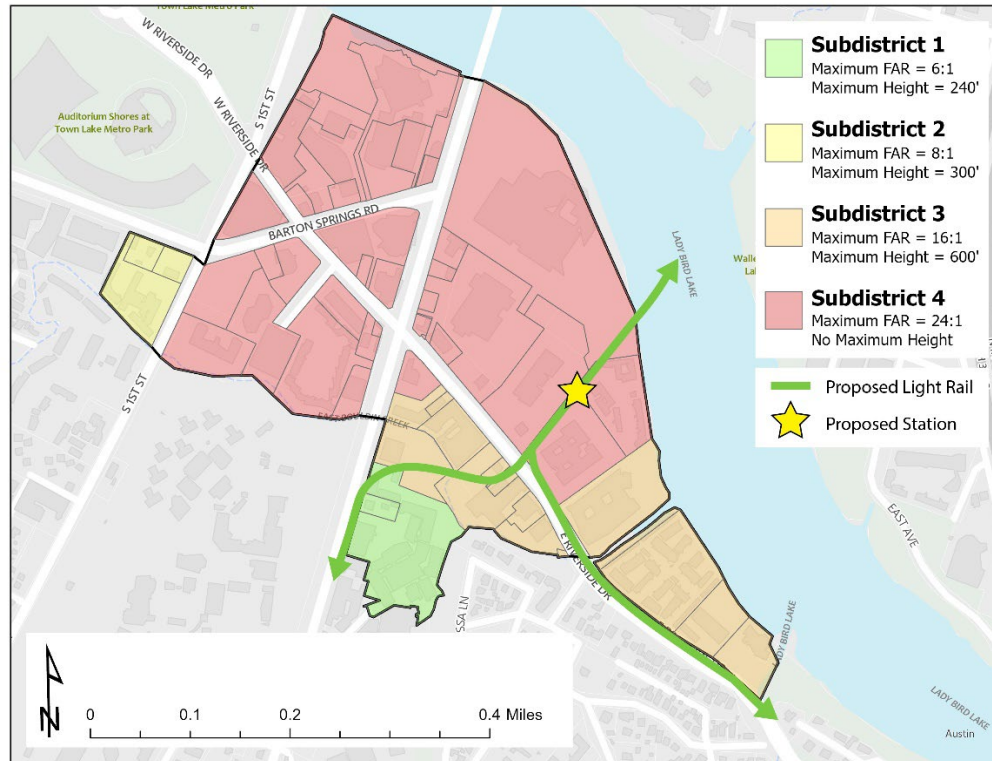


Exhibit 2 (South Central Waterfront Subdistrict Map)

FAR and Height Limits

Note: On April 9, 2024, Planning Commission recommended changes to FAR and Height Limits. Staff have incorporated all proposed changes in the Staff version (red line / yellow highlight) of the proposed code.

The South Central Waterfront is divided into four subdistricts with distinct FAR and height limits (See **Exhibit 2**). These subdistricts provide a gradient between the highest level of development nearest Downtown, and the proposed light rail stop tapering off towards the south and west. As a result of the February 2024 public input process and a Planning Commission amendment on April 9, 2024, staff proposes the following adjustments to the subdistricts in South Central Waterfront that differ from the maps presented to the community during the input process:

- The South Central Waterfront boundary has been expanded from the Vision Plan to include:
 - Three additional parcels to the southernmost boundary to include those parcels directly impacted by Project Connect and to support cohesive transit oriented development. These parcels are within Subdistrict 1.
 - Three additional properties added on the southwest corner of Barton Springs Road and South 1st Street. These parcels are within Subdistrict 2.

- Additionally, FAR is increased on the parcels adjacent to and due east of the proposed light rail station. This is to directly support the goals of transit oriented development on the parcels closest to the station area.
- In the initial draft proposal, there were five subdistricts. Based on the April 9, 2024, Planning Commission recommendations, they have been consolidated into to four subdistricts. Where initially proposed by staff as two subdistricts, the southern most properties have now been consolidated into one subdistrict.
- FARs and height limits for the subdistricts are as follows:
 - o Subdistrict 1: 6:1 FAR and 240 ft;
 - o Subdistrict 2: 8:1 FAR and 300 ft;
 - o Subdistrict 3: 16:1 FAR and 600 ft; and
 - o Subdistrict 4: 24:1 FAR and no height limits.

Additional FAR and height are available beyond the maximums shown on the map if approved by Council.

The Density Bonus Program includes above-grade parking past a certain entitlement (based on the uses in the building) in the FAR calculation. Parking has not generally been included in FAR in the past. The intent is to discourage large above-ground parking plinths.

Note: On April 9, 2024, Planning Commission recommended that all above ground structured parking be counted towards FAR calculations. Staff does not recommend this change and did not incorporate the change in the Staff version of the code. Staff recommends keeping the “soft” parking cap that is included in the Staff version to avoid penalizing property owners for a parking entitlement they would have had under base zoning.

Waterfront Overlays within the South Central Waterfront

The South Central Waterfront Overlays (See **Exhibit 3**) for Auditorium Shores, South Shore, and Travis Heights will mostly continue to apply to projects that participate in the Density Bonus Program.

- Regulations maintained include design standards such as building materiality, utility screening, and base wall structures.
- New regulations in the South Central Waterfront Combining District supersede some elements of the existing overlays, including:
 - o Maximum building height, impervious cover regulations, Land Use Commission site plan approval, and the 70 degree building step back.
 - o Additional pedestrian-oriented land uses were added as permitted, conditional, or permitted with conditions.

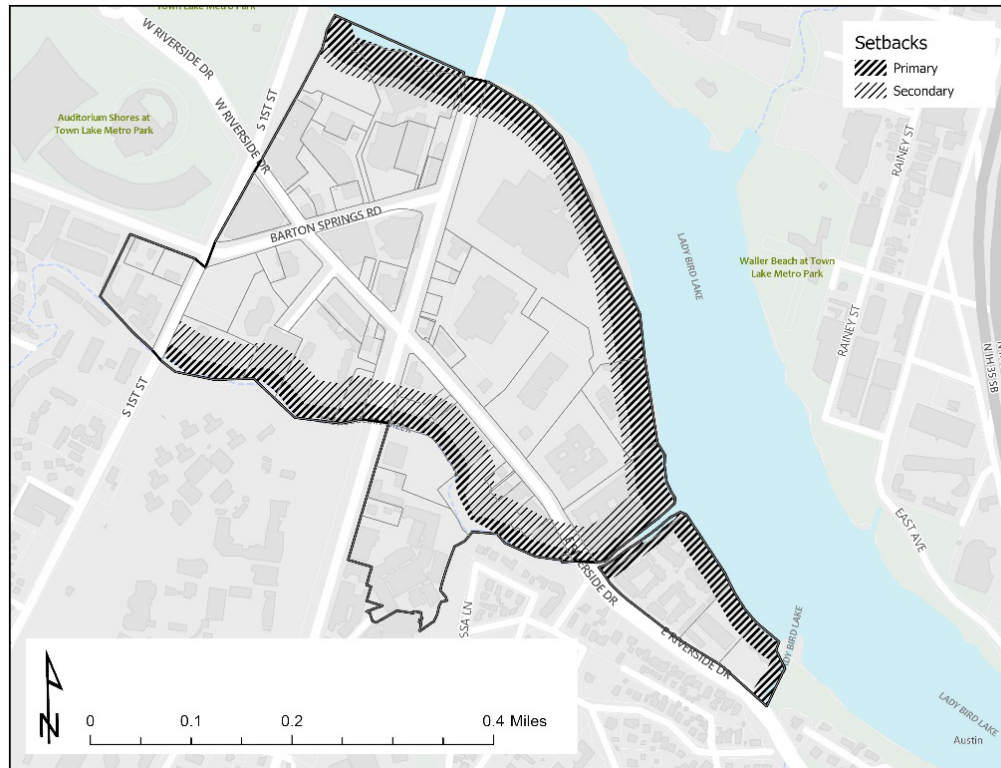


Exhibit 3 (South Central Waterfront Overlay Primary & Secondary Setbacks)

Open Space & Parks

- A minimum of 5% of gross site area shall be provided as private common open space with public access easements. Additional bonus is provided for exceeding the minimum required open space.
- Additional bonus area is provided for park buildout. This would initiate a reduction of the fees-in-lieu.
- Properties may dedicate additional land (beyond the maximum legal limit of 10%). In this instance, the fees-in-lieu would be reduced accordingly.

Critical Water Quality Zones

- Compliance to Critical Water Quality Zone criteria must meet or exceed the ecological outcomes of water quality, riparian habitat restoration or preservation, erosion control and prevention, and vegetation diversity.
- Critical Water Quality Zones along the shoreline of Lady Bird Lake are measured from the shoreline boundary. The buffer width is 100 feet.
- Critical Water Quality Zones along Bouldin Creek are measured at 50 feet from creek centerline.

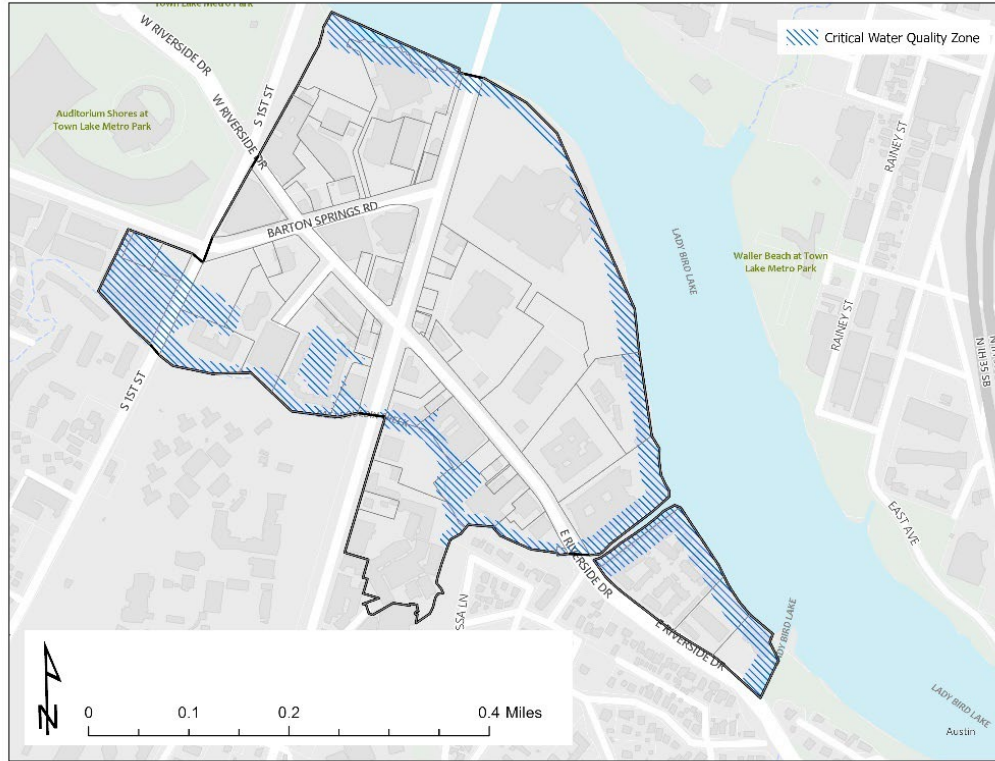


Exhibit 4 (Critical Water Quality Zones)

Transportation & Project Connect

All pedestrian, bicycle, and vehicular right of way shall adhere, at a minimum, to the standards outlined in the Transportation Criteria Manual (TCM) and Austin Strategic Mobility Plan (ASMP), as shown in **Exhibit 5**.

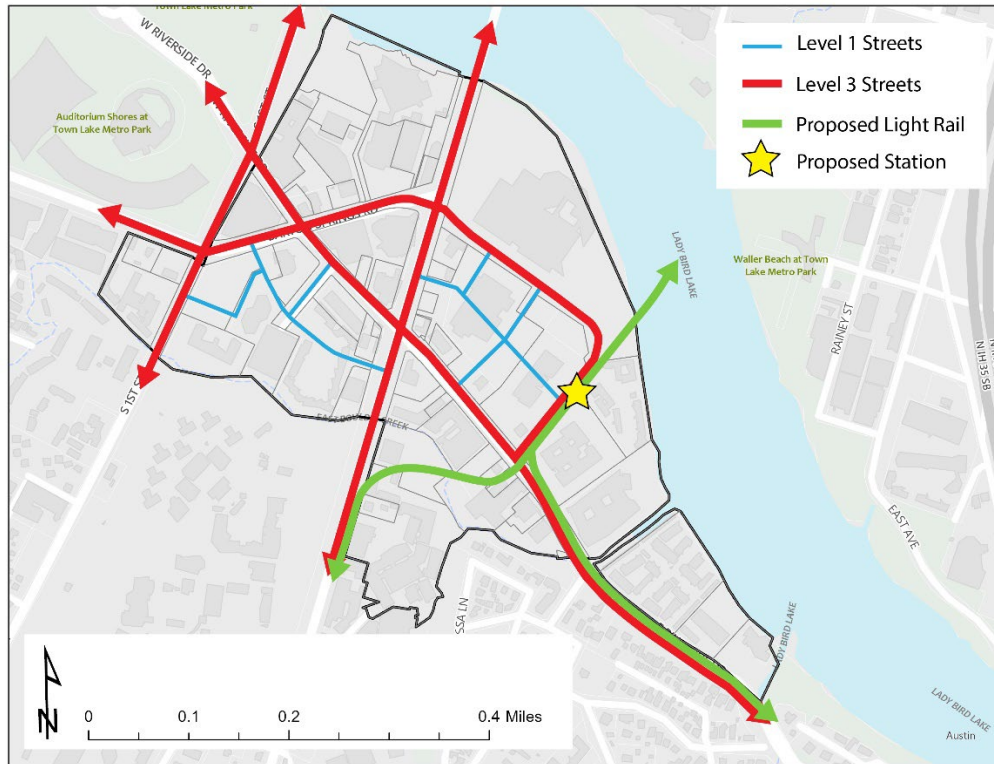


Exhibit 5 (South Central Waterfront Roadway Network)

The South Central Waterfront transportation network is comprised of:

- **Level 3 streets,**

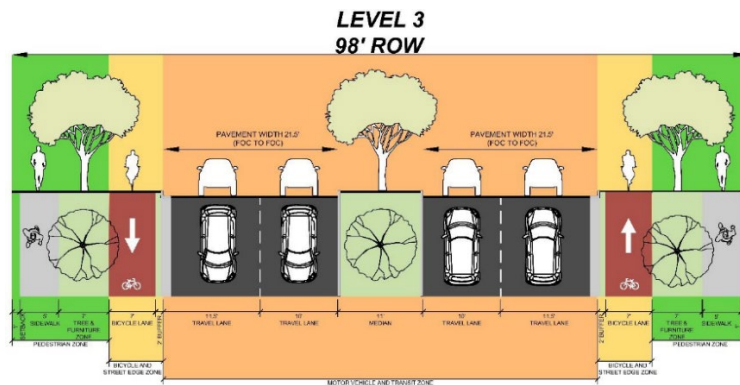


Exhibit 6 (Level 3 Street)

- Level 1 streets, and

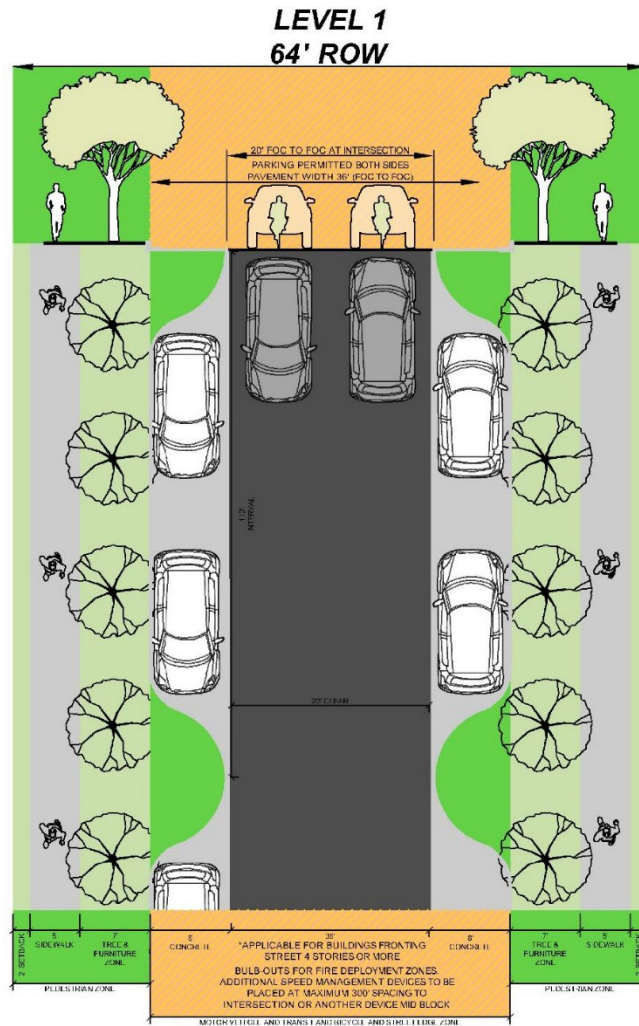


Exhibit 7 (Level 1 Street)

- Proposed alignment of the Project Connect Light Rail (see Exhibit 5).

Density Distribution Areas

- To account for the wide variation of parcel sizes and shapes in the district, and to prevent the creation of visually massive buildings, the concept of “Density Distribution Areas” (DDAs) was developed to distribute density across large sites.
- Density Distribution Areas (DDA) are to be no larger than 90,000 square feet (approximately the size of a downtown city block).
- FAR maximums apply separately to each DDA within a site, preventing all of a project’s density from being located in a single portion of the site or in a singular building that does not adhere to a pedestrian-friendly scale.

- To encourage good pedestrian circulation through a site, internal circulation routes are required along each of the dividing lines of the DDAs. Multiple design options exist for internal circulation including options that allow for pedestrian, vehicular, and bicycle circulation and are provided in **Exhibits 8 through 11**.

Note: On April 9, 2024, Planning Commission recommended changes to Internal Circulation Route options to further encourage walking, biking, and being outdoors. Staff have incorporated the amendments with further enhancements in the Staff version (red line / yellow highlight) of the proposed code to aid in the creation of a pedestrian- and multi-modal environment.

Density Bonus Program

The Vision Plan and Council Resolution Number 20220915-090 identified multiple goals for the SCW. To incentivize development to meet the broad intent of the Vision Plan and the resolution, and provide community benefits in South Central Waterfront, the Density Bonus Program is constructed with gatekeeper requirements, fees-in-lieu, and other onsite community benefits.

- **Gatekeeper Requirements.** If a project is applying the Combining District, it will automatically have a 2:1 FAR, regardless of its base zoning. To access the Density Bonus Program, a development must adhere to the gatekeeper requirements for the South Central Waterfront. Gatekeeper requirements, as further explained below, allow for a development to access up to 3:1 FAR:
 - o **Enhanced Environmental Standards**
 - Heritage Tree and Protected Tree preservation requirements will continue to apply.
 - All landscaped areas shall be irrigated with a non-potable water reuse system if not located within a Critical Water Quality Zone.
 - New development shall make provisions to connect to the City's reclaimed water distribution system.
 - At a minimum, all projects shall receive a 2-Star Austin Energy Green Building rating or have LEED certification.
 - Rain gardens shall be planted with native species in accordance with the Environmental Criteria Manual.
 - Bird friendly design criteria for light pollution reduction and collision deterrence.
 - o **Enhanced Streetscape and Urban Design Standards** - As a requirement of the Combining District, all site development, building design, and streetscapes shall meet the minimum requirements outlined in Subchapter E: Design Standards and Mixed Use.
 - If opting into the Density Bonus Program, projects shall exceed Subchapter E: Design Standards and Mixed Use requirements by providing streetscapes that meet sidewalk width, street furnishing, and shade tree elements found in the Great Streets Program. Additionally, Urban Design Guidelines shall substantively be met if participating in the Density Bonus Program.

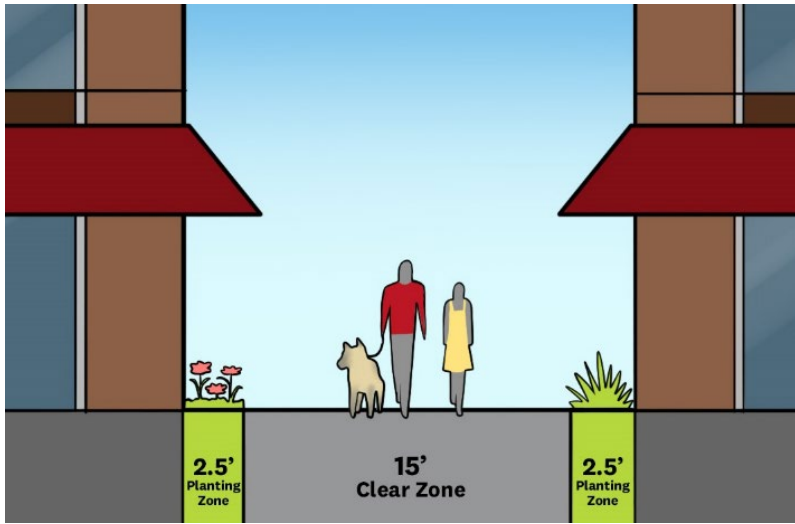


Exhibit 8 (Internal Circulation Route Option 1)

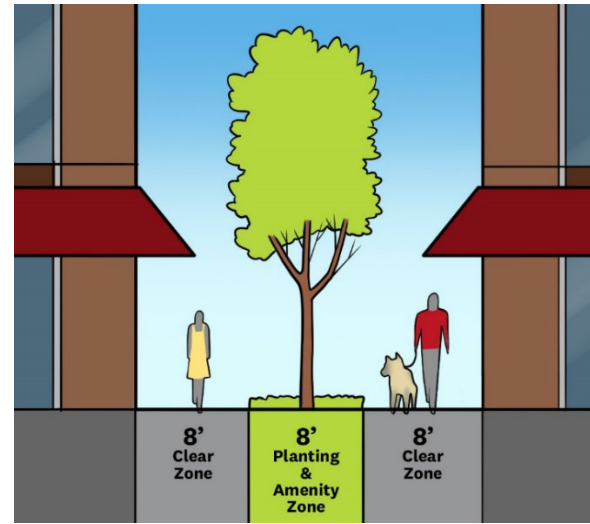


Exhibit 9 (Internal Circulation Route Option 2)

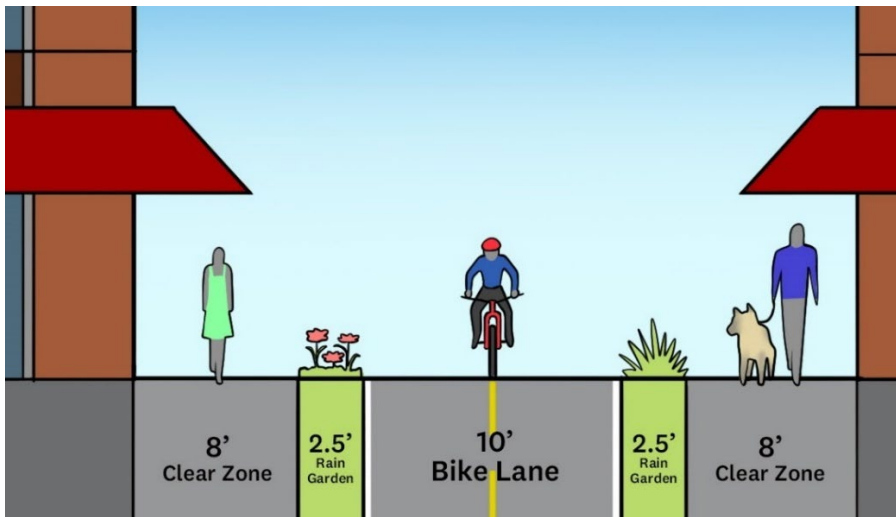


Exhibit 10 (Internal Circulation Route Option 3)

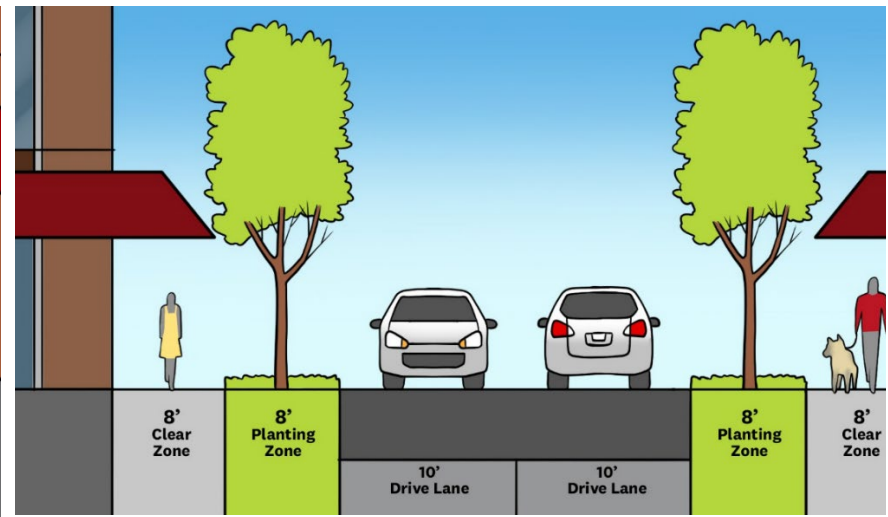


Exhibit 11 (Internal Circulation Route Option 4)

- **On-site Affordable Housing** - If a development opts into the South Central Waterfront Density Bonus Program, 5% of housing units within 3:1 FAR must be affordable at:
 - 60% of median family income (MFI) for rental units; and
 - 80% MFI for on-site units for condominium units, or a fee-in-lieu equivalent for market-rate condominium units.
- **Fees-in-Lieu.** Beyond 3:1 FAR, 70% of bonus area must be achieved through fees-in-lieu and dedications and 30% must be achieved through on-site community benefits. Fees-in-lieu include fees for affordable housing, parks, and infrastructure.
 - **Affordable housing fee-in-lieu** is to be spent in the SCW Affordable Housing Investment Area. Additional affordable housing may be achieved in the south central Austin area from the affordable housing fee-in-lieu generated from the Density Bonus Program.
 - The Affordable Housing Investment Area boundaries for South Central Waterfront are:
 - Lady Bird Lake to the north, Ben White Boulevard/US 290 to the south, I-35 to the east, and Mopac to the west.
 - Funds must be spent within 1/2 mile of a rail station or 1/4 mile of a bus stop.

Additional onsite affordable units may be dedicated for credit towards the fee-in-lieu amount.

Note: On April 9, 2024, Planning Commission recommended that the affordable housing fee-in-lieu be prioritized for the preservation of affordable housing and the expenditure of funds to support homelessness initiatives. Staff recommends incorporating this language in a manner that is in alignment with other codes.

- The **parks fee-in-lieu** is added to the amount owed for the standard Parks Fee used elsewhere in the city and is to be used within a distance of the property from which it is obtained based on existing PARD expenditure procedures. Dedication of parkland may be credited towards the fee-in-lieu amount.
- The **infrastructure fee-in-lieu** is to be used within the SCW District itself to provide area-benefitting public infrastructure including, but not limited to, new arterial roadways; upgrades to water and wastewater, reclaimed water, and stormwater infrastructure, and watershed improvements.
- **Other Onsite Community Benefits & Bonus Schedule.** Numerous onsite community benefits have been identified for the South Central Waterfront in support of the Vision Plan and 2022 Council resolution. The following is a list of the onsite community benefits and their associated bonus rate. The bonus schedule has been produced with bonus rates that are economically calibrated to ensure approximately the same cost for bonus area regardless of the community benefits being provided.
- **Note:** Several bonuses are temporarily being given a value of 0 until improved enforcement options are evaluated to ensure compliance with maintaining tenants for particular benefits. This evaluation is anticipated to occur within 2024.

Community Benefit	Notes	Bonus Rate
Private Common Open Space	Plazas, squares, greenspace, etc.	15 bonus SF per 1 SF
Childcare and Adult Care Services		0 bonus SF per 1 SF
Affordable Childcare		67 bonus SF per 1 SF
Affordable Creative Space	Gallery, art workshop, theater, etc.	0 bonus SF per 1 SF
Live Music Venues	Concert halls, etc.	0 bonus SF per 1 SF
Grocery Uses	8,000 square foot minimum grocer	0 bonus SF per 1 SF
Public Parkland Buildout	Adding amenities and improvements to public parkland, such as landscaping and playground equipment	11 bonus SF per \$100
Transit Supportive Infrastructure Buildout	Bus stations, bikeshares, etc.	11 bonus SF per \$100
Public Art	Permanent installations as approved by the Arts Commission and Art in Public Places Panel	11 bonus SF per \$100
Alternative Community Benefits Not Described	Community benefits as approved by City Council	Will vary

Adjustments Resulting from Public Comments

On February 20, 2024, the first draft Combining District & Density Bonus Program was released for public access and review (www.SpeakUpAustin.org/SouthCentralWaterfront).

Concurrent to the draft release, the public was provided a survey with questions on various topic areas including land use, desired built environment, and potential boundary adjustments. Staff received 439 survey results with 1,434 comments to open ended questions, and 2,111 responses to a priority ranking question. Three public meetings, two virtual and one in-person, were conducted during the public input period that concluded on March 20, 2024. Staff also received comments and questions via emails and phone calls.

Engagement numbers for the methods of engagement include:

- 439 survey responses
- 32 attendees at the in-person meeting
- 44 attendees combined in the two virtual meetings

Staff presented and received feedback from numerous Boards and Commissions including the:

- South Central Waterfront Advisory Board
- Environmental Commission
- Downtown Commission
- Small Area Planning Joint Committee
- Codes and Ordinances Joint Committee
- Urban Transit Commission
- Project Connect Community Advisory Committee

Near-Term Future Considerations

In support of realizing the South Central Waterfront, there are a number of activities staff recommend as near-term activities once the Combining District and Density Bonus Program are adopted by Council:

- Staff recommend initiating an areawide rezoning of all parcels in the district with the exception of those that are currently zoned Planned Unit Development (PUD), Planned Development Area (PDA), or have a Planned Development Agreement (see **Exhibit 1**).
- For certain non-residential onsite community benefits, **re-examine density bonus rates once compliance options have been determined by staff**. As discussed above, staff are reviewing the ability to effectively administer compliance. These discussions are expected to conclude in 2024.
- **Explore all financing tools to achieve the vision; re-examine distribution of fees if needed**. As the city is examining other funding mechanisms to realize this district, it may inform the distribution of fees.
- **Re-evaluate fees once the citywide density bonus analysis is complete**. If the citywide density bonus study impacts SCW, those changes will be reflected early in the life of the Density Bonus Program.
- **Explore the addition of Transfer of Development Rights**. Staff will explore the Transfer of Development Rights concept discussed during the February 22, 2024, SCWAB Meeting. Transfer of Development Rights, if a viable option for the South Central Waterfront, could allow properties to exchange bonus entitlements gained through community benefits with other properties.
- As discussed during the Downtown Commission and Codes and Ordinances meetings in February, for Council priorities such as affordable childcare, affordable creative space, etc., staff will **explore opportunities for below market rent for select non-residential uses** with adjustments over time.

Proposed Text Amendment:

See attached South Central Waterfront Combining District and Density Bonus Program – Staff Recommendations document.

Staff Recommendation: Recommended

Staff recommends the Staff-Recommended version of the code amendment for approval in order to provide the regulatory tools necessary to dynamically transform the South Central Waterfront from an underutilized neighborhood into a connected, pedestrian-oriented, mixed use district where thousands more Austinites can live, work, and play.

The interconnected nature of a Combining District with a Density Bonus Program facilitates both baseline regulations and provides a structure for future development to go above and beyond those baseline regulations with additional on-site community benefits in exchange for added density to further enhance the area.

Lastly, through an extensive cross coordination effort between various city departments, property

owners, and the general public, staff believes that the South Central Waterfront Combining District and Density Bonus Program fulfills the intent of the 2016 South Central Waterfront Vision Framework Plan and Resolution No. 20220915-090 to the greatest extent possible. This districtwide initiative establishes a tangible and effective tool to source investment for future parks and open space, crucial infrastructure expansion, and affordable housing.

Board and Commission Action:

April 9, 2024 – Approved with recommendations and amendments by the Planning Commission.

Council Action:

[Ordinance Number 20160616-074](#) (South Central Waterfront Vision Framework Plan adoption) on June 16, 2016.

[Resolution Number 20220915-090](#) on September 15, 2022.

Sponsor Department:

Planning Department

City Staff:

April Geruso, Division Manager, Planning Department, LDCupdates@austintexas.gov, 512-974-7220.



Affordability Impact Statement

South Central Waterfront Combining District and Density Bonus Program

Case number: C20-2022-003

Date: March 27, 2024

Proposed Regulation

- The proposed code amendments will create the South Central Waterfront Combining District (SCWCD) and the South Central Waterfront Density Bonus (SCWDB). The SCWCD is established to implement the intent of the 2016 South Central Waterfront Vision Framework Plan (Vision Plan). The SCWDB will allow for additional density beyond the South Central Waterfront SCWCD standard regulation in exchange for implementing certain design criteria and providing community benefits.
- The affordable housing component includes:
 - Require 5% of housing on-site within 3:1 Floor Area Ratio (FAR) must be affordable
 - For rental units:
 - 60% MFI; or
 - For ownership units:
 - 80% of ownership units; or
 - A fee in lieu equivalent to the otherwise required on-site set-aside percentage of the total residential units, including the mix of bedrooms required, at the rate set in the fee schedule at the time of final site plan submission.
- Apart from meeting the on-site requirements within the 3:1 FAR, up to 70% of the additional bonus area can be attained through fees-in-lieu and dedications. These fees-in-lieu will be equally allocated among affordable housing, parks, and infrastructure.

- The funds designated for affordable housing will be spent within a boundary delineated by Ladybird Lake to the North, E Ben White to the South, IH-35 to the East, and MoPac to the West and within a ½ mile of a rail stop or ¼ mile of a bus stop.
- Recently, the City Council approved changes to City Code Chapter 4-18, impacting both residential and non-residential redevelopment. These changes included regulations for density bonus programs, with specific focus on residential redevelopment requirements. Initially, the ordinance called for the replacement of all units affordable to households earning 80% or less of the Median Family Income (MFI). However, subsequent collaboration among various City departments led staff to conclude that a more finely-tuned threshold for triggering unit replacement under this requirement would be to replace existing units affordable to a household earning 60% MFI or below. This adjustment aligns with the goals outlined in the Strategic Housing Blueprint, prioritizing deeper levels of affordability, and aiming to enhance participation in density bonus programs. Staff recommends bringing forward an item on a future Council agenda to update this provision of Chapter 4-18.
- The staff proposal for redevelopment protections for existing multi-family, include:
 - Confirm extensive repairs exceeding 50% of market value as deemed necessary by the Building Official.
 - Ensure that rents for units affordable to households earning 60% of the Median Family Income (MFI) or below have not risen by more than 10% within the last 24 months.
 - Replace existing units affordable to households earning 60% of MFI or below in the past 12 months with units of comparable affordability and size.
 - Provide current tenants with notice and information about the redevelopment plans, using an approved form.
 - Furnish current tenants with relocation benefits consistent with the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
 - Offer current tenants the option to lease a unit of comparable affordability and size following the completion of redevelopment.

Land Use/Zoning Impacts on Housing Costs

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

The South Central Waterfront District is in a highly desirable location directly across from Downtown and adjacent to Lady Bird Lake. The current zoning for many of the parcels in the South Central Waterfront District does not result in a financially feasible project because the density allowed by-right does not generate enough value to justify the land costs. Today, to achieve a financially viable project, developers pursue rezoning the

property to a Planned Unit Development (PUD), which is a unique zoning district with negotiated land uses and development standards approved by City Council. PUDs can result in a lengthy negotiation process which can be costly and time consuming. A recent report developed by city staff and UT researchers found that in Austin, additional regulatory costs, including rezoning, affect the cost of multifamily housing more than low-intensity uses like single-family.¹

To take advantage of the additional entitlements allowed by the SCWCD and SCWDB, a property must be rezoned to add the combining district to a property's base zoning. Every zoning case contains varying levels of uncertainty; however, a case to add combining district would likely not affect a project's timeline as compared to the PUD rezoning process. To further address the uncertainty, time delays, and associated costs, staff is requesting that the Council initiate a South Central Waterfront District-wide rezoning case to add the SCWCD to properties within the district with the exception of those present zoned Planned Development Area (PDA) or PUD and those subject to a Planned Development Agreement. Once a site is rezoned, a project would then be subject to administrative approval if they choose to develop under these regulations.

Impact on Development Cost

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

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 60% MFI and ownership supply at 80% MFI without direct public subsidies.
- The program would also generate fee-in-lieu for affordable housing to be within a boundary delineated by Ladybird Lake to the North, E Ben White to the South, IH-35 to the East, and MoPac to the West and within a ½ mile of a rail stop or ¼ mile of a bus stop.

City Policies Implemented

The proposed amendment aligns with council adopted plans, including the ETOD Policy Plan, Imagine Austin, and the Austin Climate Equity Plan.

Other Housing Policy Considerations

None

Manager's Signature Marla Torrado

1. Kennedy, B., Lopez, S., Hemeon-McMahon, A., Pepper, A. (2022). *Smart Cities Policy Research Project: Cost of Housing in the City of Austin*. City of Austin, University of Texas at Austin.