

UPDATE ON DOWNTOWN AUSTIN PLAN

DENSITY BONUS AND AFFORDABLE HOUSING PROGRAMS

6.03.09

In mid-May, the ROMA team presented initial recommendations for both the Downtown Density Bonus Program and for the Downtown Affordable Housing Strategy. The recommendations were presented and discussed at a Town Hall meeting on May 19th at the Waller Creek Center, and again on the following evening at a joint meeting of the Planning, Design, Downtown, Community Development, and Music Commissions at Town Lake Center.

The purpose of the Downtown Density Bonus Program is to provide a predictable system for acquiring additional density that continues to support healthy growth in the Downtown, and that results in clear community benefits. As proposed, the program would replace the existing interim density bonus ordinance and the CURE re-zoning process as a means to increase density.

The purpose of the Downtown Affordable Housing Strategy is to create a vision for the mix and character of housing in the downtown, set targets for realizing this vision, and recommend short and long-term strategies to meet the targets. While both reports are intended as “stand-alone” documents, they are inter-related in that a key goal of the Density Bonus Program is to promote more affordable housing in the Downtown. (Both reports are available on-line at www.cityofaustin.org/downtown.)

The two meetings provided valuable input from a diverse range of stakeholder groups. In consideration of this input, the consultant team will now conduct additional outreach, review and potentially revise the recommendations, and proceed to finalize the draft reports for presentation to City Council as a briefing in late July following a public meeting to summarize the changes that have been made to the draft reports. A copy of the final draft report with annotated changes will be posted to the City’s website (above) in early July.

The following provides a brief summary of, and additional information regarding, some of the key issues that were raised at the Town Hall and joint commission meetings:

Why is the Affordable Housing Strategy recommending targets for the Downtown of 80 – 120% of MFI (median family income), rather than the deeper levels of affordability consistent with the affordable housing bond? The team concluded that providing a range of affordable housing options will be critical for Austin’s future growth, and recommended that Austin’s efforts focus on providing all levels of affordability: “workforce” housing for those earning approximately 80-120% median family income (MFI – approximately \$69,000 for a family of four), including the average Downtown worker and average government worker, low-income housing for those earning 30-80% of MFI, and very low-income housing for

transitional and special needs populations. The recommended strategy for Downtown focuses on producing units of workforce housing (10% of Downtown's future housing growth, or roughly 1,400 units, by 2020), since these units require the least subsidy in the downtown housing market, where housing is most expensive, and since workforce housing is consistent with Austin's goals for retaining a competitive workforce and supporting amenities, and for creating a jobs/housing balance Downtown. A Downtown Workforce Housing Corporation could lead these efforts and leverage both public and private resources to create the most units per dollar of public investment. The city should also invest in units for very low- and low-income residents, including creating supportive housing units for transitional and special needs populations downtown and creating low-income (30-80% MFI) units where feasible.

Will the recommendations of the Affordable Housing Strategy over-burden adjacent Central City neighborhoods? The strategy would not produce an undue burden for any neighborhood, and does not propose any changes or amendment to adopted Neighborhood Plans, existing zoning or any changes to allowable densities. The strategy recommends that, since it can be significantly less costly to subsidize units of affordable housing outside Downtown, and since neighborhoods within two miles of Sixth and Congress provide transit accessibility to Downtown and amenities and services for families, Central City neighborhoods should be a focus of efforts to create housing for low-income Austinites earning 30-80% of MFI. This income category includes many clerical and service workers as well as artists and musicians, many of whom work and regularly visit Downtown and will benefit from proximity. The strategy did not recommend any numerical target for units in these neighborhoods but suggested that the City seek to create or preserve affordable housing in proportion to the neighborhoods' overall share of housing in Austin. Many of the affordable housing efforts currently at work, including use of public land, direct subsidy through public bond funding, and use of federal and other subsidy programs for affordable housing, will continue to be critical in meeting these goals.

Why is the Affordable Housing Strategy recommending waiving parkland dedication fees which are critical to Austin as we grow more densely, particularly in the Central City? In the report, the consultant team listed a range of development fees that could be waived in order to lower the development cost of building affordable units, including parkland dedication fees. Given the historic deficit in parks funding, there has been considerable concern that waivers of parkland dedication fees would be counter-productive. As a result of these comments, the consultant team is reconsidering this recommendation.

Why is the Density Bonus Program not promoting other community benefits like parks and publicly-accessible open space? In order for it to be successful, the Density Bonus Program needs to focus on community benefits that it can most effectively produce. Trying to distribute a fee-in-lieu, for example, to subsidize multiple community benefits will substantially dilute its effect. From the team's

experience and lessons learned from other cities, it is recommended that we focus fees paid into the Program exclusively for affordable housing. The proposed program provides an emphasis on affordable housing, requiring at least 50% of all bonused residential floor area to contribute to affordable housing, either through on-site construction of affordable units, or by paying a “fee-in-lieu” of constructing the units on-site.

In response to ideas suggested at the Town Hall meeting, the team is considering a density bonus for developers who provide publicly-accessible open space on their sites. In addition, the Downtown Austin Plan will develop a Parks and Open Space Master Plan, which will address the need for more and higher quality open space, and how it can be programmed, managed, funded and maintained. The team believes that the Density Bonus Program will not be an effective tool in funding great parks and open spaces Downtown.

Why is the Density Bonus map showing maximum heights and floor-to-area ratios (FARs) this way? This map is a first draft meant to begin the conversation about what maximum heights and densities are appropriate for each of the areas of the Downtown, as well as what areas should not be allowed to receive greater density—areas that should be *exempt* from the Density Bonus Program. The team received input that some of the heights and densities shown were too high in relation to adjacent neighborhoods west of Lamar Boulevard and to Judges Hill. As the team meets with stakeholders from each of the Downtown districts over the next few weeks, further refinements to the map will be identified.