



# City of Austin

# MEMO

## Neighborhood Housing and Community Development

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Date: May 9, 2013

To: Greg Guernsey, Director  
Planning and Development Review Department

From: Elizabeth A. Spencer, Director  
Neighborhood Housing and Community Development

*Copy for Betsy Spencer*

Subject: Planned Unit Development Affordability Requirements  
211 South Lamar PUD

The purpose of this memorandum is to provide affordability requirements in the 211 South Lamar Planned Unit Development (PUD), in accordance with the Planned Unit Development zoning district of the Land Development Code. This item is scheduled for a public hearing at Planning Commission on May 14, 2013.

The PUD Ordinance outlines a variety of ways affordable housing may be incorporated in a development – on site; land donation; or fee in lieu of on-site affordability. Affordable housing is a Tier Two option, which indicates that it is a part of a menu of criteria that a developer may pursue to achieve superiority. Affordability does however, become a required element when the development proposes to exceed baseline site development regulations for maximum height, floor area ratio (FAR), and building coverage. The South Lamar PUD proposes to exceed FAR and height; and therefore affordability is required.

The current recommendation by the Planning and Development Review Department (PDRD) proposes a bonus that is calculated on the delta between the FAR the applicant proposes and the FAR that would be achieved pursuant to existing zoning and existing site development regulations. This interpretation results in a calculation that accounts for the bonus area exceeding the baseline entitlements. In addition, PDR is proposing the fee to be calculated only for 10% of that bonus square footage. Likewise, if units were provided on site, it would be 10% of the units in the bonus square footage.

As the ordinance is currently written, the calculation for determining number of affordable units is based on the **total number of units or total habitable square footage within the PUD**. The fee in lieu donation is the established fee multiplied by **each square foot of climate controlled space within the PUD**. The ordinance designates this square footage as both residential and non-residential square footage.

A component of the ordinance requires PDRD to establish baseline entitlements. The South Lamar PUD site area is 40,641 square feet with 2:1 FAR. Due to increased entitlements achieved through the Waterfront Overlay, PDRD established the baseline square footage at 130,051.

The development proposes a 5:1 FAR to build 203,207 square feet that includes 175 units and 11,000 square feet of retail. Bonus square footage would be 73,154. This information provides the basis for determining the fee in lieu.

The following illustrates the calculation of the proposed fee in lieu based on (1) PDRD's recommendation and calculation of the fee in lieu; (2) the developer's calculation and proposed fee in lieu; and (3) NHCD staff's calculation and recommendation for the fee in lieu.

**(1) PDRD staff's calculated fee is based on 10% of the bonus square footage:**

$$73,154 \times 10\% = 7,315 \times \$6 = \$43,890 \text{ fee in lieu}$$

**(2) The developer's proposed fee is based on the overall bonus square footage:**

$$73,154 \times \$6 = \$438,924 \text{ fee in lieu}$$

**(3) NHCD's recommended fee in lieu is based on the total square footage within the PUD:**

$$203,207 \times \$6 = \$1,219,242 \text{ fee in lieu}$$

NHCD staff recognizes the importance of the many competing benefits as Austin continues to develop in an evolving and dynamic environment. With a central focus to maximize existing affordable housing policy tools, NHCD recommends a fee in lieu that is aligned with the strictest interpretation of the PUD ordinance.

Please contact me if additional information is required. I can be reached at 512.974.3182.

cc: Bert Lumbreras, Assistant City Manager  
Sue Edwards, Assistant City Manager