

Stakeholder Feedback Summary: Planned Unit Development Density Bonus Program

On June 24th, 2015 Neighborhood Housing and Community Development facilitated a stakeholder meeting to review draft staff recommended amendments to the Planned Unit Development Density Bonus Program. Meeting attendees included representatives from:

- Austin Tenants Council (ATC)
- Ending Community Homelessness (ECHO)
- Home Builders Association (HBA)
- Housing Works Austin
- Real Estate Council of Austin (RECA)
- Affordable and market rate housing development community
- Private citizens
- Neighborhood Housing and Community Development
- Planning and Zoning Department
- City Council offices

In response to City Council Resolution 20140925-090 NHCD has prepared draft recommendations for potential code amendments to the Planned Unit Development Density Bonus Program specifically related to the sections regulating the requirement for on-site affordable housing units and the potential for developers to pay a fee-in-lieu of this requirement.

Stakeholder feedback was focused on three major themes:

1. Benefits and challenges of required on-site affordable units versus a fee-in-lieu of on-site affordable units.
2. Should developments made up solely of non-residential uses be subject to an affordability requirement in exchange for receiving a density bonus?
3. Additional recommendations and concerns related to the Planned Unit Development ordinance but not addressed in the staff recommended amendments

Fee-in-Lieu option vs. Onsite only

- on-site affordable units requirement helps City to achieve geographic dispersion goals
- fee-in-lieu option should be an administrative process rather than require City Council approval
- in the staff recommended amendments the “infeasibility” required for fee approval should be tied to more than just economics alone
- fee-in-lieu should also be considered in low opportunity areas with a high concentration of affordable units
- staff should clarify language in recommended amendments to reflect that all requests for a fee-in-lieu approval will be taken forward to City Council
 - this could be stated explicitly in procedural guidelines or rules

Require developments with non-residential uses to pay a fee-in-lieu of affordable housing units

- Planned Unit Developments with no residential use provide community benefits in the form of additional tax revenue and jobs
- There is a nexus between the additional jobs created by commercial developments and an increased demand for affordable housing and therefore commercial developments receiving a density bonus should make a contribution to affordable housing
- Adding a fee on non-residential uses could create a disincentive for participation in the density bonus program
- In place of a fee-in-lieu of on-site affordable units in commercial developments, a portion of the additional tax revenue created by new commercial developments could be dedication to the City's Housing Trust Fund (ex: a percent of the bonus area)

Additional recommendations and comments

- There should be a set process for determination of Planned Unit Development baseline zoning that is inclusive of many departments including Neighborhood Housing and Community Development
- The City should review the current policy related to requests for a fee-in-lieu payment refund
- Could the options of all on-site affordable units, all fee-in-lieu, or a portion of each be handled administratively rather than the fee requiring City Council approval?
- It is important to have the fee-in-lieu requests be approved by City Council because the affordability question should be a public conversation
- The City should review the set fee-in-lieu amount for Planned Unit Developments