

Density Bonus 90 (DB90) Applicant Guide

Effective Date: February 20, 2025



Contents

Overview	1
Required Rezoning	
Required Affordability Levels	
Bonuses Offered	
Application and Certification Process	
Design Requirements and Site Plan Review	6
Other Requirements and Regulations	7

Thank you for your interest in providing affordable housing through the DB90 program.

For questions about the information contained in this guide, please contact $\underline{\text{HousingIncentives@austintexas.gov}}$

or call 512-974-3100 to speak with the Housing Dept. main line.

Information on other programs may be found on the <u>Development Incentives Webpage</u>.



Overview

The Density Bonus 90 (DB90) combining district and density bonus program was created to allow for a voluntary affordable housing incentive program on certain sites within the City of Austin. DB90 allows residential uses on sites with certain commercial base zoning districts, modifies compatibility requirements, and grants additional height in exchange for income-restricted housing. To participate, applicants must request a rezoning to add the -DB90 combining district to the property's zoning string.

For proposed developments on a site with -DB90 zoning, applicants must submit a Housing Development Incentives Application to request certification from the Housing Department. The Housing Department will review the application, confirm all requirements have been met, and execute a binding contractual agreement for the property before issuing a DB90 Certification Letter. This Certification Letter will confirm the proposed development's eligibility for the DB90 density bonus and will allow the applicant to submit a site plan utilizing the bonus. First-time applicants should review this guide thoroughly before applying.

Required Rezoning

Before applying to the Housing Department for certification into the program, applicants must demonstrate that their -DB90 combining district zoning has been approved. If you have not initiated a rezoning, please follow the <u>City of Austin's Rezoning Process</u> to request -DB90 combining district zoning. Applications will not be accepted without proof of appropriate zoning.

A DB90 combining district may be combined with CS, CS-1, GR, LR, GO, and LO base districts.



Required Affordability Levels

The required amount of on-site affordable housing will vary based on the housing tenure and, for rental developments, on the proposed affordability level of the income-restricted units.

- Rental (affordable for 40 years from date of C.O.)
 - o 12% of units at or below 60% MFI; or
 - o 10% of units at or below 50% MFI
- Ownership (affordable for 99 years from date of C.O.)
 - o 12% of units at or below 80% MFI; or
 - Fee-in-lieu equivalent to 100% of required on-site units, with per-unit fee rate established by annual fee schedule

All affordable units must meet the following standards established by Chapter 4-18:

- The bedroom count for affordable units shall be comparable to the bedroom count for market-rate units.
 - When calculating this requirement, applicants must determine the proportion of each bedroom type within the overall development. To determine how many affordable units of each bedroom type to provide, the applicant must then multiply this proportion by the required number of affordable units in the development. If this produces a decimal, the applicant may either round up or down to the nearest number as long as at least one unit is provided and the overall set-aside requirement is met.
 - For the purposes of bedroom count comparison, efficiency units are classified as a distinct bedroom type, and may not be used in place of onebedroom units.
 - Applicants may submit a request to count two-bedroom or three-bedroom units as two or three one-bedroom or efficiency affordable units.
 - Example: a 100-unit development contains 20 efficiency units (20%) and 80
 1-bedroom units (80%). The development is required to set aside 12
 affordable units. The development may provide 2 efficiencies and 10 1 bedroom units, or 3 efficiencies and 9 1-bedroom units. Affordable units
 must include interior components that are functionally equivalent to market rate units.
- Affordable units must be dispersed throughout the residential units.



- Affordable units must have equal access and use of on-site amenities, common areas, and parking facilities.
- Affordable units must have shared access routes with market-rate units.
- Discrimination on the basis of an individual's source of income is prohibited.
- Affordable units are limited in use as a Type 2 or Type 3 short-term rental.
- Affordable units must be available for occupancy concurrently with market-rate units. For a multi-phase development, applicants must submit a development phasing plan to demonstrate compliance with this requirement.
- Applicants shall prepare and follow an affirmative marketing and outreach plan for the affordable units in a form approved by the Housing Department.
- All affordable units must include a tenant lease addendum in the same form approved by the Housing Department as a condition to receive City of Austin AHFC funds.
- All units must be leased or sold at no more than the maximum price published annually by the Housing Department.

All affordability requirements <u>must</u> be memorialized in a contractual agreement that will be executed by the applicant/property owner and the City prior to certification. This process is described below in "Application and Certification Process".



Residential Redevelopment Requirements

The residential redevelopment requirements only apply to a property that is rezoned density bonus 90 (DB90) combining district and the rezoning application was submitted on or after October 1, 2024. If the rezoning was initiated in Part 5 of Ordinance No. 20240229-073, then these requirements take effect only for rezonings submitted after December 31, 2024.

Any application for property which includes certain existing multifamily residential uses will be required to meet <u>certain redevelopment requirements</u> (Division 1, Article 2 of Chapter 4-18 and, when applicable, Section 4-18-32(A)(2)-(5)). Please note that the unit replacement requirement in Section 4-18-32(A)(1) does not apply.

Applicants who trigger the residential redevelopment requirements will be required to provide a current rent roll, or the most current rent roll available dating back 12 months.

Applicants will be required to provide all current tenants with notice and information about the proposed development, relocation benefits (equal to four months of rent and fees as well as a fixed payment for moving expenses consistent with the federal Uniform Relocation Act), an option to lease a comparable unit for a minimum of 12 months following completion of redevelopment, the ability to terminate an existing lease without penalty, and a return of security deposits.

The rights of a tenant to terminate their lease, receive payment of relocation benefits, and receive their security deposit begin when the notice required by City Code Sections §25-1-712 and §4-18-32 are provided to tenants of a pending demolition. An applicant must provide this notice to all tenants at least 120 days prior to approval of the demolition permit.

Tenants must receive full payment of the relocation benefits required by §4-18-32 prior to approval of a demolition permit, and tenants are not entitled to this payment prior to receipt of notice. Tenants may terminate their lease without penalty at any point upon receipt of notice. Security deposits must be returned to tenants by the earlier of 60 days following the tenant's moveout date or the date required by the tenant's lease.



Bonuses Offered

The DB90 program offers additional height and density to a certified development. The specific bonuses offered through the program are:

- 30 feet of additional height up to 90 feet total
- Residential uses permitted
- Certain additional uses permitted in general office (GO) and limited office (LO) base zoning districts, to include:
 - Consumer convenience services
 - Food sales
 - o General retail sales (convenience or general)
 - o Restaurant (limited or general) without drive-in service
- Compatibility modified per §25-2-652 (G)
- Certain base zoning requirements waived:
 - o Minimum site area requirements (if applicable)
 - Maximum floor area ratio (FAR)
 - Maximum building coverage
 - Maximum number of stories
 - o Minimum street yard setback and interior yard setback
 - Minimum front yard setback; provided, however, that if the right-of-way is less than 60 feet in width, the minimum front yard setback for buildings three or more stories in height shall be 30 feet from the centerline of the street to ensure adequate Fire Department access.



Application and Certification Process

The Housing Department must certify that a proposed development meets the requirements of the DB90 program before a development permit application can be submitted for that development. Therefore, applicants should apply for DB90 certification as early as possible in the development process.

Applicants may request a pre-submittal meeting with Housing staff prior to submission of a Housing Development Incentives Application. To request a meeting, please email HousingIncentives@austintexas.gov with the subject line "Pre-Submittal Meeting Request – DB90 – PROJECT ADDRESS".

To obtain a DB90 Certification Letter, applicants must first complete and submit a <u>Housing Development Incentives Application</u>. Housing will provide an initial review of all completed applications within 10 business days. Once all review comments have been addressed, Housing staff will initiate the drafting process for a contractual agreement between the owner and the City of Austin. This agreement must be fully executed before Housing will certify that the proposed development meets the DB90 program requirements.

Design Requirements and Site Plan Review

Applicants must receive a signed DB90 Certification Letter from the Housing Department before submitting an application for a site plan or building permit that relies on the DB90 entitlements. A DB90 Certification Letter confirms that the proposed development is eligible for the entitlements included in the DB90 program.

A certification letter does not confirm that a proposed development meets other applicable design and development standards, including the program's mixed-use design standards. These requirements will be addressed during the permitting process.

Applicants with questions or concerns about project design are highly encouraged to schedule a pre-application meeting with the Development Services Department prior to submitting a site plan application.

The requirements of the DB90 program must be met within the building which receives the bonuses offered by the program. Bonuses cannot be applied to a separate structure.



Other Requirements and Regulations

This guide provides an overview of affordable housing requirements for DB90, however other requirements and regulations will apply to the proposed development. Staff with the Housing Department would be happy to connect you with the appropriate contact for any questions you may have. Some common questions, and the Department best suited to address them, are below:

- For general permitting and Land Development Code questions, please schedule a meeting at the Permitting and Development Center.
- For applicants with a substantially complete plan set seeking a pre-application meeting to address project design, please reach out to the <u>Development Services</u> <u>Department</u>.
- For questions about permitted uses within the -DB90 combining district, please reach out to the Land Development Information Services in the Development Services Department.