

**ORDINANCE NO. 20190509-027**

**AN ORDINANCE AMENDING CITY CODE TITLE 25 (*LAND DEVELOPMENT CODE*) CREATING A RESIDENTIAL AFFORDABLE HOUSING DEVELOPMENT BONUS PROGRAM; WAIVING, MODIFYING, AND ESTABLISHING REQUIREMENTS; CREATING AN OFFENSE; AND ESTABLISHING A PENALTY.**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:**

**PART 1. FINDINGS.**

The council finds the following:

- (1) The Strategic Housing Blueprint (Blueprint) establishes a City-wide goal to produce a total of 135,000 new units with a goal of at least 60,000 new income restricted units by 2027.
- (2) There is a need for affordable housing of all types throughout the City including, but not limited, to single family, duplex, townhome, condominium, and multi-family.
- (3) The City is dedicated to finding creative, innovative solutions to address the City's affordable housing crisis, to create more affordable housing, to increase the effectiveness of public dollars used for affordable housing, and to meet the goals of the Blueprint.
- (4) In November 2018, voters approved \$250 million for affordable housing. Additionally, 4% and 9% Low Income Housing Tax Credits (LIHTC) are popular financing tools to create affordable housing and require at least 50% of a development's dwelling units to serve households that average 60% median family income.
- (5) This city-wide program, which was initiated in Resolution No. 20190221-027, is necessary to encourage the development of affordable housing throughout the City.

**PART 2.** City Code Chapter 25-1, Article 15 (*Housing*) is amended to add a new Division 4 (*Affordability Unlocked Bonus Program*) to read as follows:

#### ***Division 4. Affordability Unlocked Bonus Program.***

##### **§ 25-1-720 PURPOSE, APPLICABILITY, SHORT TITLE, AUTHORITY, AND CONFLICT.**

- (A) The purpose of this division is to establish a voluntary affordable housing bonus program that allows for increased density for residential dwelling units.
- (B) This division applies within the zoning jurisdiction.
- (C) This division may be cited as “Affordability Unlocked Bonus Program”.
- (D) The director may adopt, implement, and enforce:
  - (1) program guidelines; and
  - (2) administrative rules in accordance with Chapter 1-2 (*Administrative Rules*).
- (E) A provision of this title that is specifically applicable to a qualifying development governs over a conflicting provision of this title.

##### **§ 25-1-721 DEFINITIONS.**

In this division,

- (1) **GOVERNMENT-OPERATED AFFORDABLE HOUSING PROGRAM** means a program operated by a federal, state, or local department that provides financial or other form of subsidy for the purpose of providing affordable housing.
- (2) **HOUSING FOR OLDER PERSONS** means housing for households with at least one individual who is at least 62 years of age at the time of initial occupancy.
- (3) **MFI** means median family income for the Austin metropolitan statistical area.
- (4) **QUALIFYING DEVELOPMENT** means a development certified under Section 25-1-724 (*Certification*) and participating in the Affordability Unlocked Bonus Program.
- (5) **SLEEPING UNIT** means a bedroom in a structure that serves as a dwelling unit for seven or more unrelated individuals who share amenities, such as a kitchen, bathrooms, or living areas.
- (6) **SUPPORTIVE HOUSING** means housing that includes non-time-limited affordable housing assistance with wrap-around supportive

services for individuals experiencing homelessness, as well as other individuals with disabilities.

**§ 25-1-722 ELIGIBILITY.**

(A) A proposed development qualifies as a Type 1 development and is eligible for this program if:

- (1) it includes:
  - (a) a minimum of three dwelling units,
  - (b) only affordable dwelling units; or
  - (c) one or more structures that serve as a dwelling unit for seven or more unrelated individuals who share amenities, such as a kitchen, bathrooms, or living areas;
- (2) at least 25 percent of the affordable dwelling units include two or more bedrooms, supportive housing, housing for older persons, or any combination of the three;
- (3) not more than 25 percent of the proposed development's gross floor area is for commercial uses;
- (4) it is new construction, it is redevelopment of a site without existing multi-family structures, or the existing development on the site complies with the requirements in Subsection (D); and
- (5) it meets the requirements set forth in Section 25-1-723 (*Affordability Requirements*).

(B) Except for a proposed development participating in a government-operated affordable housing program with stricter requirements, the applicant for a proposed rental development:

- (1) shall incorporate lease provisions that are consistent with:
  - (a) the U.S. Department of Housing and Urban Development (HUD) Section 8 Tenant-Based Assistance Housing Choice Voucher (HCV) Program related to the termination of tenancy by owner;
  - (b) any lease addendum required as a condition to receive city or Austin Housing Finance Corporation (AHFC) funds; and
  - (c) 24 C.F.R. § 245.100 related to a tenant's right to organize; and

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First appeared as part of the conference materials for the  
25<sup>th</sup> Annual Land Use Conference session  
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