



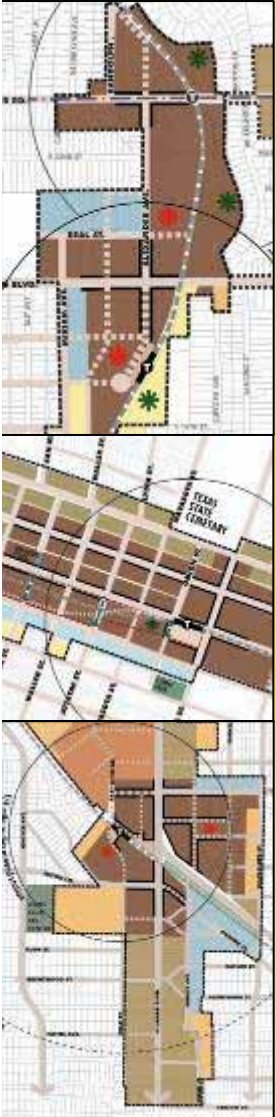
# August 21, 2008



# Station Area Plan (SAP) Recap

## TOD Ordinance adopted May 2005

- Identified TOD districts
- Established interim development regulations
- Defined Station Area Planning process
- Established affordable housing goals





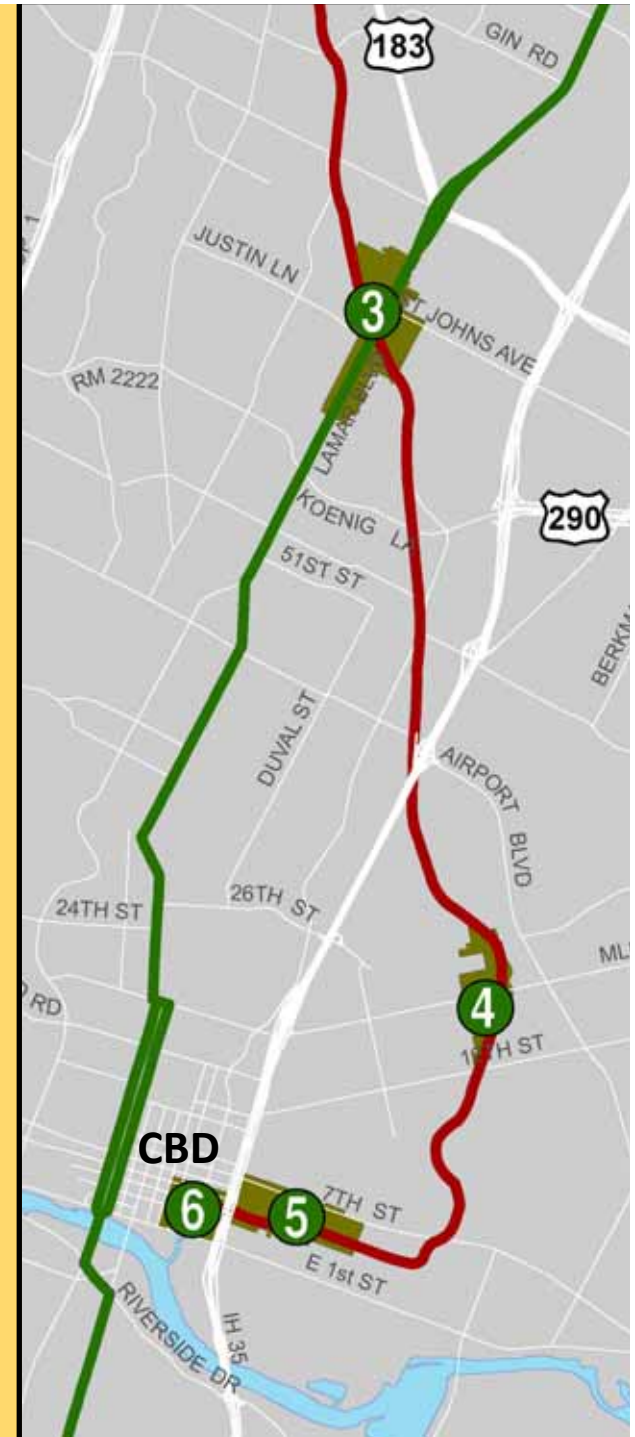
# Station Area Plan (SAP) Recap

## Station Area Planning process – Feb. 2007 - Feb. 2008

- Lamar/Justin (3)
- MLK (4)
- Plaza Saltillo (5)

## SAP first reading - April 2008

- Council amendments identified priorities for TODs and focused on implementation
- Interdepartmental review and coordination to address Council interest





# Council TOD priorities

- Infrastructure
- Parks and open space
- Affordable housing
- Catalyst projects
- Identify funding for implementation





# Infrastructure

## Summary of Council 1<sup>st</sup> reading action:

- Designate Capital Improvement Project (CIP) funds to infrastructure improvement projects in TODs
- Develop utility financing structure similar to that in the University Neighborhood Overlay (UNO) [annual CIP Plan process]
- Investigate methods of funding proposed improvements to the Lamar/Airport intersection
- Examine methods of improving east-west movement across Lamar Blvd. between Koenig and Anderson Lanes;
- Develop plan for traffic mitigation on Morrow, Easy Wind and Justin Lane
- Create interim implementation plan for right-of-way acquisition for the Lance Armstrong Bikeway and implementation of off-street facility as described in Plaza Saltillo Plan



# Infrastructure - Water/Wastewater

## Estimated needs (preliminary):

	<u>Water</u>	<u>Wastewater</u>
Lamar/Justin	3.5 miles	3.2 miles
Plaza Saltillo	3.5 miles	4.2 miles
MLK	1 mile	3.0 miles

*Preliminary engineering for Plaza Saltillo has begun; needs will be refined and cost estimates developed as projects proceed*

## CIP funding proposed:

\$15M for water upgrades and \$15M for wastewater upgrades for all TODs proposed in most recent 10-Year CIP Spending Plan (Fiscal Year 2009-18)

## Staff recommendation:

Continue evaluation of needs and update CIP Plans accordingly



# Infrastructure

## Watershed - assumptions

- **Development in TODs complies with current Code**
- **Water quality and erosion**
  - Controls for new and redeveloped area
  - On-site controls with emphasis on use of green infrastructure
- **Flood control**
  - No adverse impact to other properties
  - Typically requires on-site detention for increases in flows associated with increases in impervious cover, changes in drainage patterns or capacities of the existing downstream systems



# Infrastructure

## Watershed – options

*Primary challenge for urban infill is inadequate downstream capacity*

### Short term option

Provide strategic improvements to storm drains, relocations, partnering and inlet construction

**Estimated cost: \$20 M**

### Long term option

Upgrade TOD and downstream infrastructure to current standards

**Estimated cost: \$70-100 M**

### Staff recommendation:

Proceed with short term improvements





# Infrastructure

## Watershed – funding options

- Tax Increment Finance (TIF)
- Drainage fee
  - Include in FY 2010 Cost of Service Study
- Future General Obligation (GO) bond funding
- Modified Regional Stormwater Management Program (RSMP) for MLK



# Infrastructure - Transportation

## Lamar/Airport intersection improvements

### Staff Recommendation:

- **Implement short-term improvements:**

Sidewalk modifications, pedestrian activated signals, safety lighting, signage, island extensions, etc. (per CMTA study)

#### Recommended funding source:

- Public Works operating budget for minor improvements
- CMTA cost participation

- **Evaluate mid and long term improvements:**

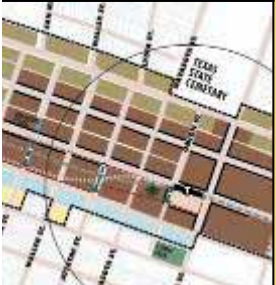
Intersection realignment, creation of alternative travel routes, creation of on-street northbound bus facility

#### Steps:

- Fund and hire consultant to analyze options and estimate costs
- Engage in public involvement process
- Board/Commission review
- Fund, design, and construct

#### Recommended funding source:

- Consultant study – Future budget allocation FY 2009-10
- Improvements – TIF; if TIF not an option, then future transportation bond funding



# Infrastructure - Transportation (cont.)

**Examine methods to improve E/W mobility across Lamar Blvd. between Koenig & Anderson Lanes (Lamar/Justin TOD)**

## **Staff recommendation:**

- **Initiate corridor study of Anderson Lane to evaluate:**

- Improved access from northbound Lamar Blvd.
- Short-to-medium term ways to add capacity
- Streetscape improvements

**Estimated cost of consultant study: \$200-400K**

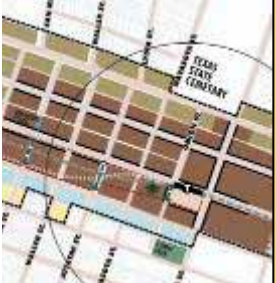
**Recommended funding source:**

- Consultant study – Future budget allocation FY 2009-10
- Design & construction – Future transportation bond funding

- **Initiate process to evaluate westbound access on Morrow across Lamar Blvd.**

**Steps:**

- Engage in staff-led public involvement process with Crestview & Highland Neighborhoods
- Present results to boards/commissions for recommendation



# Infrastructure - Transportation (cont.)

## Develop plan for traffic mitigation on Morrow, Easy Wind, and Justin Lane (Lamar/Justin TOD)

### Current activity:

#### Crestview Neighborhood Traffic Calming Study (Public Works)

- Study to be completed Fall 2008
- Traffic Calming Plan to include recommendations for devices such as speed cushions, traffic circles, and median islands
- Neighborhood approval required
- Implementation follows in accordance with approved Plan

### Staff recommendation:

Add traffic calming on new street connections in TOD and other highly impacted streets as deemed appropriate by the Public Works Department





# Infrastructure - Transportation (cont.)

**Develop plan for ROW acquisition and implementation of off-street Lance Armstrong Bikeway (LAB) facility**

(Plaza Saltillo TOD)

## **Current status of project:**

In the Plaza Saltillo TOD, the LAB is currently an on-street, signed bike route (no lane striping)

**Estimated Cost of off-street facility:** \$600,000

(construction cost; assumes land provided by CMTA at no cost)

## **Staff recommendation:**

Maintain current on-street alignment until rail line relocated; identify project for bond funding and implement in coordination with relocation

## **Recommended funding source:**

Future transportation bond funding (bicycle specific)



# Parks and open space

## Summary of Council 1<sup>st</sup> reading action

- Identify specific parks acquisition sites
- Prepare a park acquisition plan for Council approval
- Consider dedication of public open space on AE site (Lamar/Justin TOD) and that other parkland be provided in and/or near the TOD Districts through parkland dedication funds



# Parks and open space

## Staff recommendation:

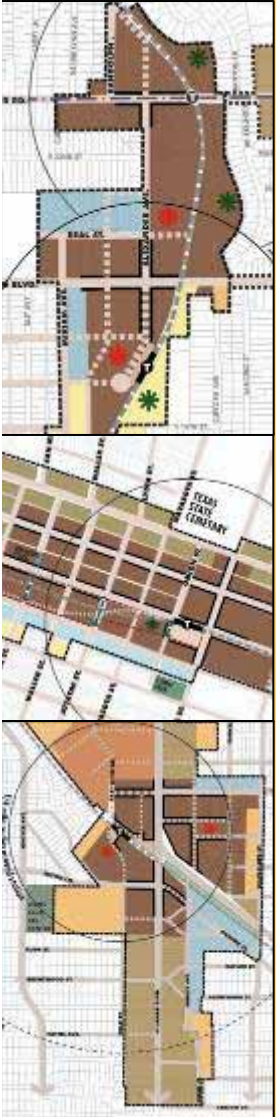
- Upon redevelopment, require on-site dedication of parkland on specific properties, as identified in SAPs
- Apart from sites identified in SAPs, on-site dedication or fee-in-lieu will be determined on a case-by-base basis
- Fees-in-lieu shall be spent in TOD vicinity to fund new and/or improve existing parks/trails



# Affordable housing

## Summary of Council 1<sup>st</sup> reading action

- Provide estimates for subsidies required to achieve affordable housing goals in TODs
- Develop interim implementation plan prior to 2nd reading outlining financial subsidies for meeting the 25% affordable housing goal
- Change 10% to 25% for the affordability required for development bonus
- Amend the scoring process for the allocation of affordable housing General Obligation (G.O.) bond funds so that projects in TOD Districts are prioritized



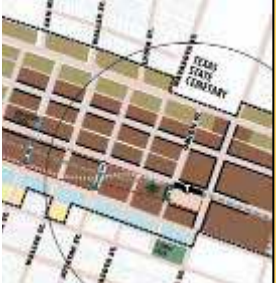




# Affordable housing

## Summary of Council 1<sup>st</sup> reading action (cont.)

- Allow for alternative compliance to the provision of affordable housing required in exchange for a development bonus
- Do not allow a fee-in-lieu of the provision of on-site affordable housing without Council waiver
- Prioritize fee-in-lieu funds generated for affordable housing from a development bonus in a TOD District for future expenditure in the TOD
- Initiate a catalyst project on city-owned land



# Affordable housing

## Required City Subsidies to achieve 25% goal

City subsidy will be required to achieve goals in short-term by 2015 (both rental and ownership)

TOD District	Affordable Housing Potential to 2015	Financial Impact to 2015
Plaza Saltillo	66-103 units	\$2.4 M - \$13 M
MLK	52-86 units	\$2 M - \$11 M
Lamar	50-99 units	\$1.1 M - \$7.5 M
<b>Combined Total (to 2015)</b>	<b>168 - 288 units</b>	<b>\$5.5 M - \$31.5 M</b>

- Financial modeling provided by Diana McIver & Associates (DMA)
- Cost estimates assume no subsidy of development bonus units
- Higher land prices increase costs in Saltillo & MLK

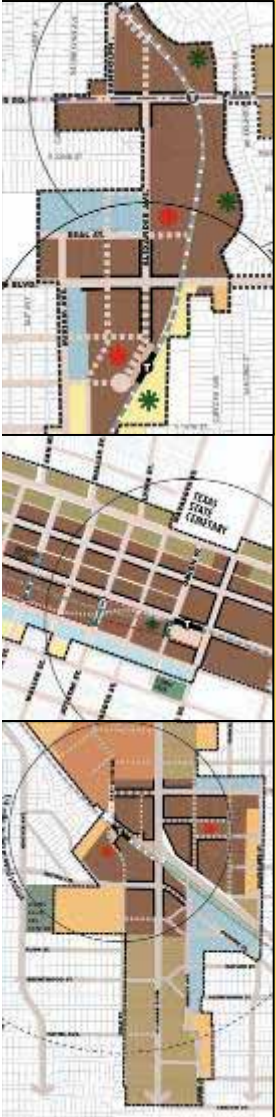


# Affordable housing

## Strategy for achieving affordability goals

### Summary of staff recommendation:

- Encourage affordability via development bonuses
- Provide gap financing with General Obligation bonds & other sources
- Utilize fee-in-lieu funds to build affordable housing
- Facilitate tax credit developments
- Develop catalyst project on City-owned property





# Affordable housing

## Encourage affordability via development bonuses

### Council 1st reading action:

*Change affordability required for development bonus from 10% to 25%*

### Cost analysis:

“Buydown” subsidy estimate of \$127,600 per unit in MLK & Saltillo TODs

### Staff recommendation:

Achievement of 25% affordability level through density bonus or height bonus is subject to funding availability. If City funding not available, a project should still be entitled to utilize development bonuses with corresponding affordability requirements:

- Density bonus: Habitable space equal to 10% of the entire square footage of the development
- Height and density bonus: Habitable space equal to 15% of the entire square footage of the development



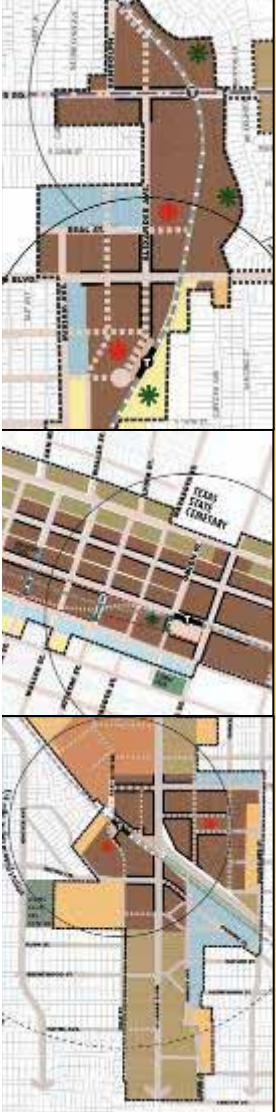


# Affordable housing

Provide gap financing with General Obligation Bonds & other sources

## Staff recommendation:

- **General Obligation (G.O.) Bonds**
  - Amend the scoring process to provide additional points for developments in TOD areas
- **Utilize fee-in-lieu funds to build affordable units**
  - Only those projects meeting strictly defined criteria are eligible for administrative approval of fee-in-lieu
  - Prioritize funds for financing affordable units at TOD areas
- **Facilitate tax credit developments**
  - City can provide gap financing on a case-by-case basis
  - Require lowest amount of City subsidy per unit
- **Initiate catalyst project**
  - Utilize City-owned land (if available)
  - Development should include substantial affordability component



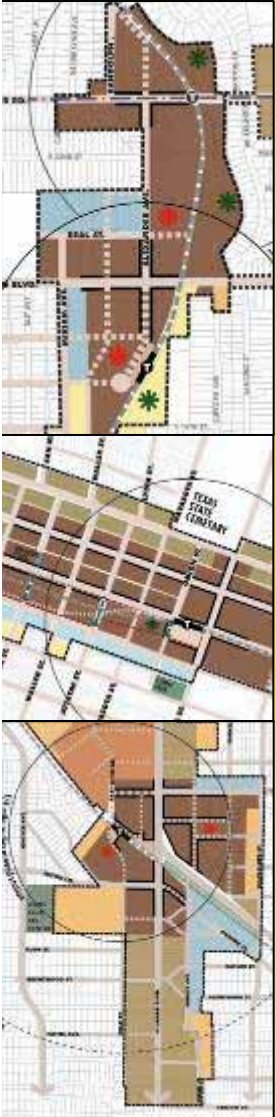


# Catalyst projects

## Council 1<sup>st</sup> reading action

### Initiate catalyst project

- Make the most of City-owned land
- Create demonstration projects that are prime examples of affordable, family-oriented housing and open space

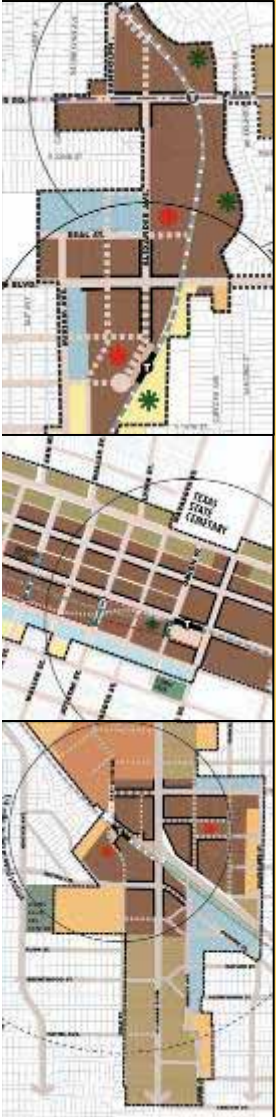




# Catalyst projects

## Potential City sites

- **411 Chicon Street – City of Austin**  
(Plaza Saltillo TOD)
  - Identified during Council 1<sup>st</sup> reading discussion for possible future affordable housing
- **910 Justin Lane – Austin Energy**  
(Lamar/Justin TOD)
  - Identified during Council 1st reading discussion for possible future park site





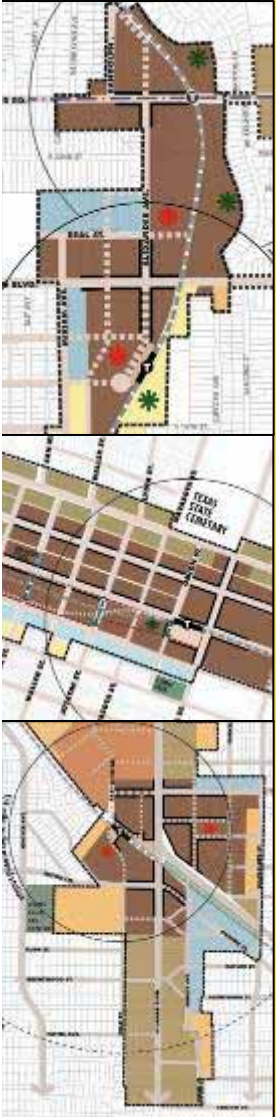
# Catalyst projects

## 411 Chicon Street

**5.33 acre site acquired by Building Services in 2000**

### **Current uses:**

- Building Services headquarters and just-in-time supply warehouse
- City-wide Central Mailroom
- Central office of Materials Management (includes Uniform Services)
- City-wide Voice offices (Communications and Technology Management)
- APD Forensics evidence “cold storage”
- Materials staging for remodeling activities
- Secure, covered parking garage for tool-laden vehicles
- Emergency Medical Services (EMS) Demand Station (opening July 2008)







# Catalyst projects

## 910 Justin Lane

**5.5 acre site acquired by Austin Energy (AE) in September 1997 for use as a laydown yard and for future location of a substation**

### **Current uses:**

- Construction equipment lay-down yard
- Warehouse space for AE facilities, ITT – fiber, and complex metering
- Material Reclamation Operations



# Catalyst projects

## 910 Justin Lane

### Requirements for redevelopment:

- Relocation of AE site functions
  - City proclamation that site is surplus to utility operations
  - Identification of site redevelopment options
- ★ Key: Utility bond covenants require that the utility receive proceeds when utility property is sold or conveyed for a private use



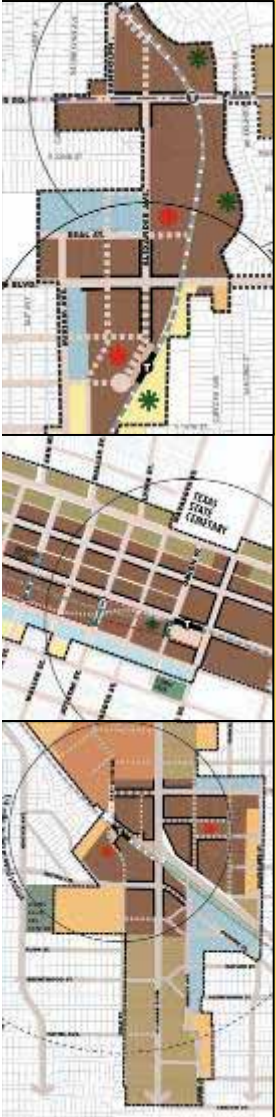


# Catalyst projects

## 411 Chicon Street & 910 Justin Lane

### Staff recommendation:

- Prepare analysis of:
  - cost and impact of replacing/relocating existing city buildings and services
  - availability of space at other sites,
  - potential funding sources
  - redevelopment options
- Present findings to Council for further discussion

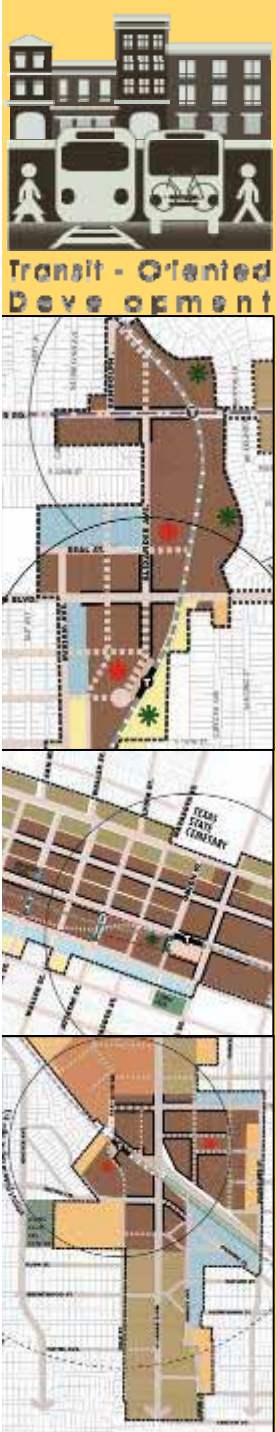




# Tax Increment Financing

Direct the creation of a Tax Increment Finance Zone (TIF) to fund public responsibilities



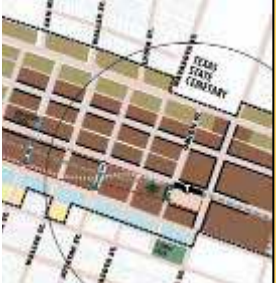


# Overview of TIF process

- Conduct economic and feasibility assessment (Consultant/Staff)

*Staff assesses viability of funding TOD projects through future tax increment and presents findings and recommendation back to Council*

- Create preliminary project & financing plan (Staff/Consultant)
- Conduct briefings with each taxing entity (Staff)
- Public hearing to consider ordinance creating the TIF district and establishing the TIF board (Council)
- Prepare final project and finance plan (Staff/Consultant)
- Approve final project and finance plan (Council/Board)



# TIF project and finance plans

## The project plan:

- identifies improvements funded by the TIF
- can be amended (along with Finance Plan)

## The finance plan:

- shows how the project plan will be funded
- includes estimated project costs, economic feasibility study, description of financing methods, current total appraised value of taxable real property, and estimated captured appraised value of the zone during each year of existence



# Types of projects that can be funded by a TIF

- Street reconstruction
- Streetscape improvements
- Parks
- Structured parking
- Property acquisition
- Water/wastewater/drainage facility upgrades





# TIF considerations

- Allows a dedicated revenue stream to pay for projects that would not happen otherwise
- Reduces the overall general fund revenue available for services citywide
- Increases the effective property tax rate since new property values associated with the TIF are not included in the effective tax rate calculation
- Are more expensive to create and administer than more traditional financing mechanisms
- Must be coordinated with Homestead Preservation TIF to avoid conflicts





# Assessment of TIF

## Staff recommendation:

- Hire consultant to prepare a financial feasibility assessment for each TOD to assess viability of funding TOD projects through TIF
  - Include cost/benefit analysis that considers impact on general fund revenue during life of TIF
- Present findings and recommendations back to Council
- Staff develops preliminary project plans for each TOD if viability assessment is positive



## Council 1<sup>st</sup> reading action:

### Staff recommendation:

- Staff assumes no waiver is allowed on north side of E. 7<sup>th</sup> Street (Plaza Saltillo) and western portion of former Value Sky Park site (MLK) due to specific Council action on 1<sup>st</sup> reading regarding compatibility standards



**Council 1<sup>st</sup> reading action (Plaza Saltillo TOD):**

### Staff recommendation:

- Possible conflict with other Council action on compatibility standards; no discussion at 1<sup>st</sup> reading
- Intent of PC recommendation was to address neighborhood concerns of allowing by-right reductions in compatibility standards



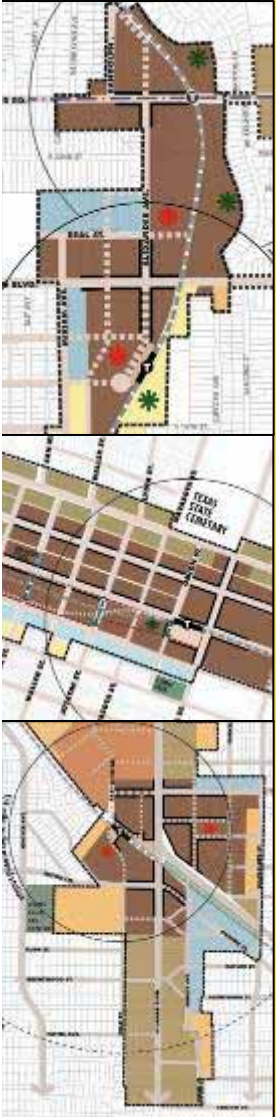
# Development bonuses & compatibility standards

**Council 1<sup>st</sup> reading discussion item:**

*Ensure that only properties used as single family trigger compatibility standards*

Staff recommendation:

Only single family and related “uses” outside of a TOD district shall trigger compatibility standards on properties within TODs







# TOD code amendments

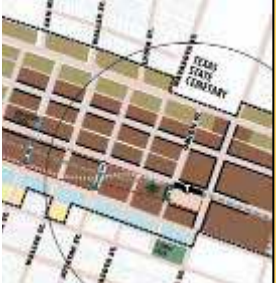
## Staff recommends amendment of the TOD Ordinance to:

- Permit height increase in the Plaza Saltillo TOD to allow for height bonus on limited properties around station (max. 20 feet height bonus)

*Currently the TOD Ordinance prohibits a height increase outside of 11-acre Capital Metro property*

- Allow for a height bonus that provides less than 25% affordability if City is unable to finance gap to reach TOD Ordinance goal

*In the Community Preservation & Revitalization Zone (CP&R) the TOD Ordinance allows for a height increase only if 25% affordability is achieved*



# Summary of next steps

## Infrastructure

- **Water/wastewater & drainage:**  
Update CIP plans to include recommended improvements in TODs (AWU & WPDR)
- **Transportation:**
  - Proceed with Lamar/Airport intersection improvements
  - Explore Anderson Lane corridor study
  - Evaluate Morrow Street access
  - Coordinate implementation of off-street Lance Armstrong Bikeway facility with rail relocation (PW & NPZD)



# Summary of next steps

## Affordable housing

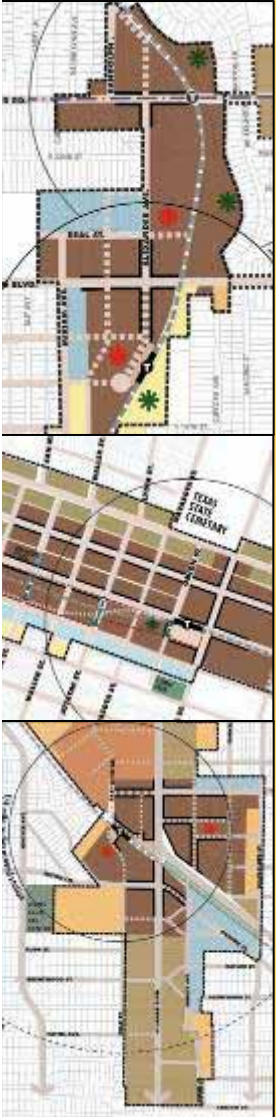
- Focus on development bonuses, gap financing with GO bonds & other sources, fee-in-lieu funds, tax credit developments, and catalyst projects (NHCD)

## Parks and open space

- Accept parkland dedication for sites identified in Station Area Plans (PARC)

## Catalyst projects

- Analyze cost and impact of relocating city facilities at 411 Chicon and 910 Justin Lane and return to Council (AE & Building Services)





# Summary of next steps

## Funding for implementation

- Evaluate financial feasibility of TIF and return to Council with results (Finance & NPZD)

## Code amendments

- Process amendments to the TOD Ordinance (NPZD)

## Station Area Planning report

- Provides additional detail and addresses all 1<sup>st</sup> reading Council action

## Council 2<sup>nd</sup> reading (proposed)

- August 28, 2008