

## A G E N D A



## Recommendation for Council Action

Austin City Council		Item ID	56246	Agenda Number	21.
Meeting Date:	3/31/2016			Department:	Neighborhood and Community Development
Subject					
Approve a resolution authorizing granting partial use of the fee-in-lieu option, under the Plaza Saltillo Transit Oriented Development Density Bonus regulations, to allow development of a project at 310 Comal Street (District 3).					
Amount and Source of Funding					
Fiscal Note					
There is no unanticipated fiscal impact. A fiscal note is not required.					
Purchasing Language:					
Prior Council Action:					
For More Information:	Elizabeth A. Spencer, Director, Neighborhood Housing and Community Development, (512) 974-3182. Jessi Koch, Senior Planner, Neighborhood Housing and Community Development (512) 974-3184.				
Council Committee, Boards and Commission Action:					
MBE / WBE:					
Related Items:					

## Additional Backup Information

If approved, the resolution would allow a fee to be paid in lieu of the onsite affordable housing requirement of the Plaza Saltillo Transit Oriented Development Regulating Plan. The Regulating Plan allows for Council approval of the "fee-in-lieu" if the Council finds the developer has demonstrated a compelling reason.

The development under consideration is located in City Council District 3 at 310 Comal Street within the Live/Work Flex Subdistrict of the Plaza Saltillo Transit Oriented Development (TOD) and is being processed under City Case Number SP-2015-0390C. The Live/Work Flex Subdistrict requires that all developments include a residential component. Therefore, a 78,324 square foot office project with 17 residential units is proposed. The Live/Work Flex Subdistrict allows for a Floor-to-Area (FAR) ratio of 2:1. The developer is seeking an FAR of 2.2:1 (approximately 8,472 square feet of additional office space) to allow for a more functional design of the office space. In order to achieve additional FAR, a request for a density bonus is required.

The density bonus can be utilized through providing either (1) on-site affordability, or (2) a fee in lieu of on-site affordability. The Plaza Saltillo TOD Regulating Plan states that a fee-in-lieu of on-site housing must be approved by the City Council and that property owner/developer "must demonstrate a compelling reason to not provide housing on-site" (Section 4.3.2.D.1). The developer has demonstrated a compelling reason to grant a fee-in-lieu based

upon the following justifications:

1. To receive a density bonus, the developer is required to provide on-site affordable housing of at least 10% of the project's entire square footage, which equates to 9,544 square feet. Assuming a unit size of 951 square feet, this would result in approximately 11 of the 18 units being affordable (61% of the units); which is substantial compared to the square footage gained for additional office space (8,472 square feet);
2. The developer will be required to pay a fee in lieu of \$93,192 (8,472 additional sq. ft. \* \$11/sq. ft.) as required by the TOD; (the current fee amount required by code is \$10)
3. The developer will provide for at least 10% of the rentable or sellable residential unit square footage (approximately 1,487 square feet) to be provided as one onsite family-friendly, affordable unit within the 310 Comal project. The addition of the family friendly unit will reduce the original planned 18 total units to 17 total units. The City will reinvest the fee in lieu amount of \$93,192 into the 310 Comal project to assist with the development of the family-friendly affordable unit.
4. The developer has a partnership with Austin Habitat For Humanity ("Austin Habitat") to help accelerate development of more onsite affordable housing across the street in the form of condominium units. Specifically, the developer has swapped land they own at 1409-1411 East 4th for land that Austin Habitat has owned since 1997 at 1600-1602 East 4th at no cost to Austin Habitat. The developer's land swapped to Austin Habitat provides for a better buildable lot that can achieve a denser, affordable housing development for Austin Habitat (approximately 8,800 more square feet of affordable units). Additionally, the developer is providing an additional \$200,000 to Austin Habitat;
5. The developer is assisting the new Habitat site at 1409-1411 East 4th by paying to bury the overhead utility lines, which would be a substantial cost for Habitat to incur. Additionally, burying the lines provides for more developable space on the Habitat site; and

The end result is that the fee in lieu request spurs not only the development of more onsite affordable housing on the new Austin Habitat site, but achieves a desirable, family friendly affordable unit within the 310 Comal project. Lastly, the alternative of no fee in lieu being granted would result in the developer reducing the project FAR to 2:1, providing no onsite affordable housing, providing no fee in lieu and providing no additional assistance to Austin Habitat with regard to the burying of utilities. Based upon these justifications, the staff recommends the request for fee in lieu.