

Final Plan as Adopted on June 16th, 2016

SOUTH CENTRAL WATERFRONT VISION FRAMEWORK PLAN

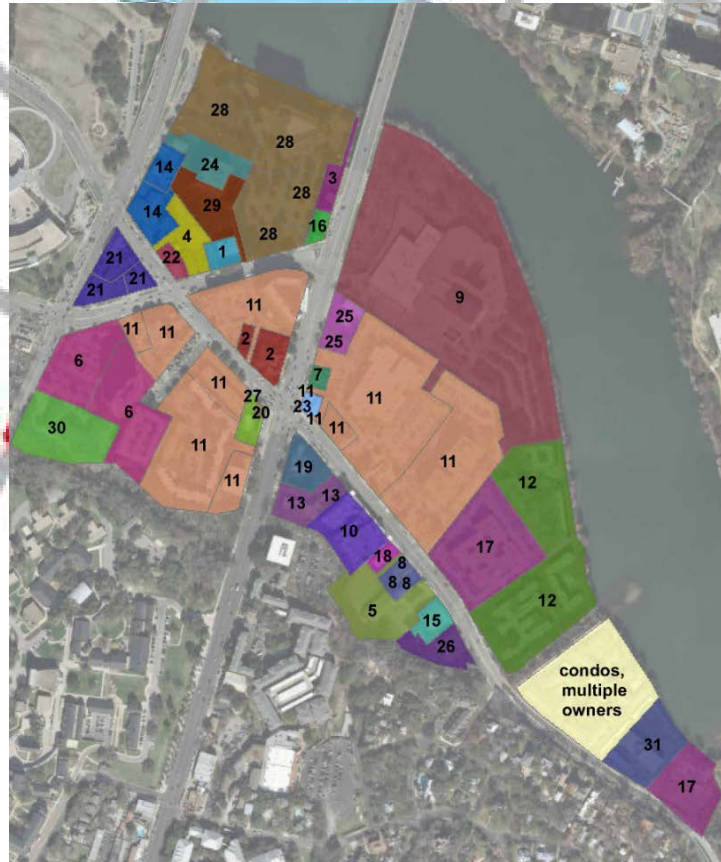


June 2016



Austin, Texas

South Central Waterfront Today



- ❖ Strategic location – Redevelopment Pressures
- ❖ Lack of Infrastructure, Connectivity
- ❖ Patchwork of Private Parcels

South Central Waterfront Vision Framework Plan

Three requirements for successful transformation:

- **A Physical Framework:** green streets, pedestrian connections & open space for a great public realm.
- **A Financial Framework:** district-wide value capture, strategic capital investments and bonus entitlements to fund public realm and affordable housing.
- **A Proactive City Framework:** public-private partnerships and leverage city assets in order to achieve community goals.

Public Realm First for Rational Development

1. Expanded Waterfront Open Space
2. Catalyst Open Space, Trails & Green Streets
3. Developer added Green Streets
4. Existing Roadway Improvements
5. Public Realm Framework for development



Existing Conditions & Alternative Futures:

The Public Realm *(open spaces & public right-of-ways)*

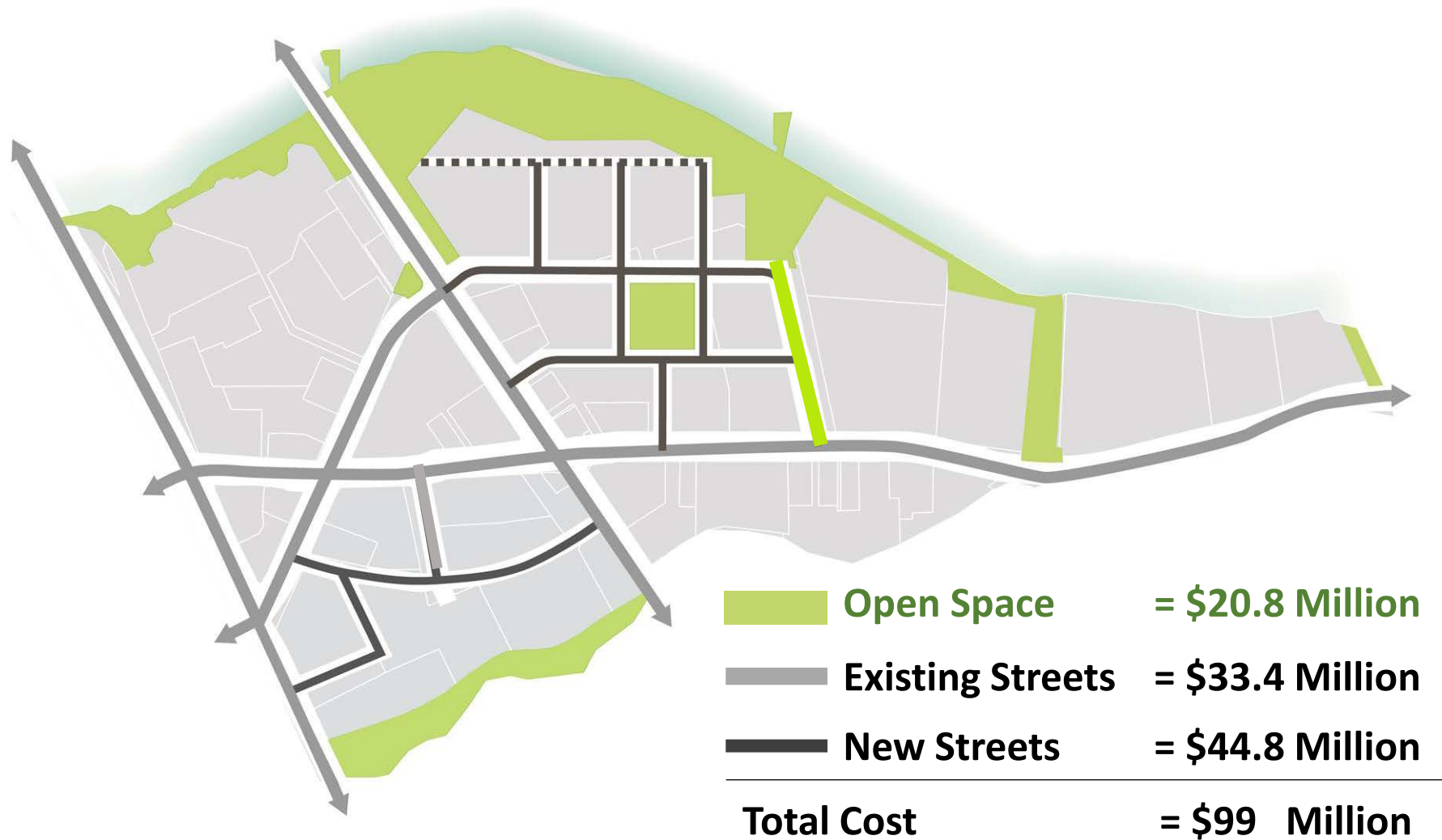


SCW Initiative: Imagining the Future



Stephanie Bower | Architectural Illustration

Dollars & Sense: Funding the Public Realm Vision



Dollars & Sense: Funding the Public Realm Vision

Making Density Work: The Financial Toolkit

	Transportation Infrastructure	Parks & Open Spaces	Affordable Housing 20% all new units
Privately Funded			
Public Improvement District	✓	✓	✓
Transfer of Development Rights		✓	✓
Philanthropy		✓	✓
Publicly Funded			
Tax Increment Financing	✓	✓	✓
CIP Funds	✓	✓	
Parking Fund	✓		✓
Affordable Housing (tax abatements/credits, REIT)			✓

Affordable Housing Strategies

The City and its partners have developed a preliminary toolkit for affordable housing in the district that includes, but is not limited to the following tools:

Housing Trust Fund

In 2015, Austin City Council made a decision to increase the amount of revenue directed to the Housing Trust Fund. Previously, only 40% of the increment from formerly publicly-owned properties was going into the fund. Now, 100% is going into the HTF. That could produce a significant, sustainable source of funding for affordable housing.

Public Improvement District

The development, rehabilitation, or expansion of affordable housing is an allowed use in a PID, and should be further explored in a PID Feasibility Study.

Vertical Development Program

This program allows for additional height in exchange for the commitment to include a percentage of affordable units at 80% of Median Family Income. If combined with other incentives (like low interest loans through a PID financing program), this bonus would produce more units or a different mix of units.

Preservation Strike Fund

In 2014, the City recommended implementation of a preservation strike fund that was identified in Housingworks 2014 report, "Taking Action: Preservation of Affordable Housing in the City of Austin." The fund can be used to acquire sites for affordable housing. The City is working on development of a sustainable economic model for the fund, a determination of a fund structure and a framework for the housing portfolio, and options for seeding the fund. This fund could provide seed money for the development of housing that meets fund criteria within SCW.

Tax abatements

The City allows tax abatements for non-profit owned affordable housing, limited to the City's portion (20%) of the total property tax. The City will continue to explore expanding tax abatements for privately developed/ owned affordable units that are part of mixed-income developments.

Low Income Housing Tax Credits

This program directs private capital toward the development and preservation of affordable rental housing for low-income households. Tax credits are awarded to eligible participants to offset a portion of their federal tax liability in exchange for the production or preservation of affordable rental housing. Both the 9% and 4% credits can be pursued for affordable housing in SCW. These credits can also be supplemented with TIF participation. For example: The Housing Authority has been successful with securing 4% tax credits and partnering with private developers to create more affordable housing (through its subsidiary, Austin Affordable Housing Corporation). HACA typically owns the land, thereby securing tax exempt status, and leases to the partnership. Exemption can reduce operating expenses in the 20% range, thereby enabling lower rents.

Real Estate Investment Trust

The Trust is a vehicle that allows local investment in the SCW's affordable projects.

Tax Increment Financing

Tax increment financing allows a jurisdiction to finance infrastructure improvements and other projects using a portion of proceeds from property and sales tax within an established boundary.

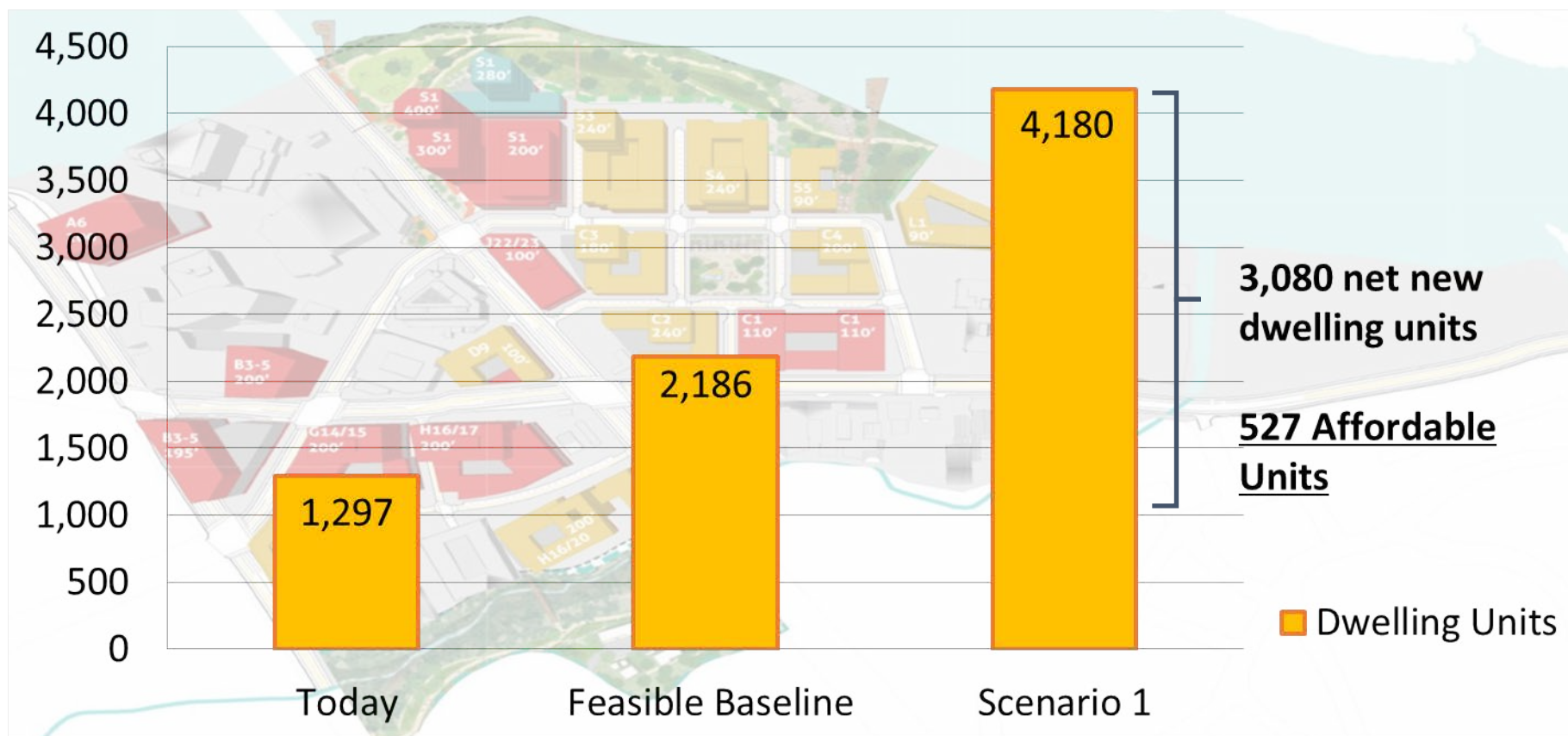
Making Density Work: Fueling the Financial Toolkit



Commitment to Affordable Housing

SCW Goal: 20% of net new units as affordable

Test Scenario: 527 Affordable Units achieved (17%)



Leadership: Leveraging City Assets

Affordable
Housing @ OTC
parking lot.
150 dwellings,
family-friendly

South First Street

OTC
office
tower

OTC
parking
garage

Extended Stay Suites

BOULDIN CREEK

Next Steps

City Action	Timeframe		Key Partners	
	0-1 yr	2+ yr	City	Other
Identify lead entity in City to coordinate efforts moving forward and assign lead person	X		CMD	
Create cross-departmental City team with assigned departmental points of contact	X		Multiple Departments	
Create a South Central Waterfront Advisory Group	X		Council	
Coordinate with ongoing city initiatives The adoption of the SCW Vision Framework Plan includes recommendations that should be coordinated with the following initiatives (not a complete list): <ul style="list-style-type: none"> Congress Avenue Urban Design Study CPO Strategic Capital Planning ATD Transportation Criteria Manual Bicycle and Sidewalk Master Plans CodeNEXT Revision of Watershed Ordinance and update of Watershed Master Plan Downtown Austin Parking Strategy Movability Austin Project Connect 	X	X	ATD, CPO, Planning, PWD, Watershed, NHCD, Others	Downtown Austin Alliance, Downtown Austin Transportation Management Assoc., CapMetro
Closure of free-right turn lane and creation of Barton Springs Rain Gardens <ul style="list-style-type: none"> Continue coordination with key properties and multiple departments to implement SCW Vision. Develop Policy and program for Council consideration to facilitate conversion of ROW from transportation to public space. Develop and implement tactical, interim, and long-term implementation to realize Barton Springs Rain Gardens. 	X		Planning, Transportation, Public Works, Water Energy, Real Estate, Legal	Affected Property Owners
Develop a SCW Public Art Master Plan	X		Art in Public Places, Economic Development	Artists and arts groups
Coordinate with Texas School for the Deaf / Texas Facilities Commission <ul style="list-style-type: none"> Coordinate with the Texas Facilities Commission and the TSD to incorporate the SCW schematic designs into the TSD Master Plan. Explore public/private partnerships, State and Federal funding, and other grants and philanthropic donors to realize the trail along Bouldin Creek. 	X		Parks, Planning, Public Works, Watershed	Texas School for the Deaf, Texas Facilities Commission
Initiate Public Improvement District evaluation To evaluate the feasibility of a Public Improvement District, the City will need to engage property owners in a similar process to the tax increment study. The process should: <ul style="list-style-type: none"> Engage with private property owners and the Downtown Austin Alliance. Since part of the area is already within a PID, the City will need to 1) assess the benefits and costs of expanding the PID or creating new one. Identify potential PID eligible projects and programs and conduct detailed PID projections on project/program costs. Identify assessments required to achieve PID goals Complete the steps required for PID adoption, detailed in the Local Government Code Chapter 372, Improvement Districts in Municipalities and Counties (http://www.statutes.legis.state.tx.us/Docs/LG/htm/LG.372.htm) 	X		Economic Development, Finance	Coordinate with taxing jurisdictions, Downtown Austin Alliance, Potential consultant support
Initiate Development Corporation / Authority Evaluation <ul style="list-style-type: none"> Evaluate potential structures for a South Central Waterfront Development Authority 	X		Economic Development, Finance, Legal	Potential consultant support
Transfer of Development Rights. Evaluate the potential of a TDR ordinance that defines TDR areas and develops a sender and receiver structure. The structure would address among other factors: <ul style="list-style-type: none"> How to value development rights. How the development rights can be used by the receiving entity (e.g., more FAR and/or height as well as other conditions such as possible affordable housing commitment either on site or a fee-in-lieu). Who is eligible to buy the rights (e.g., private property owners and developers, the City, non-profits). There are several possible "sender" properties. Three of these could include One Texas Center (related to affordable housing), the Cox properties (related to the waterfront park), and the Crockett properties (related to the plaza). 	X		Legal, CodeNEXT	Potential consultant support
Develop a Regulating Plan The City should aim to set up regulatory conditions that lead to changes in the entitlements to the area over time. <ul style="list-style-type: none"> Incorporate incentives and form-based code provisions to provide clarity for public realm and urban design intentions 		X	Coordinate with CodeNEXT staff and consultants	
Evaluate the feasibility of Tax Increment Financing in the SCW Prepare a TIF/TIRZ feasibility study that builds on the preliminary projections in the SCW framework plan. <ul style="list-style-type: none"> clarify that the area meets statutory blight requirements assess projected absorption potential for varying product types factor in possible sales tax increment in addition to property tax evaluate alternative boundaries make assumptions about projects that may be tax-exempt identify desired TIF eligible projects and programs Additional information on the process to set up a TIRZ are summarized in the Local Economic Development Handbook.[1]	X		Transportation, Economic Development, Finance	Coordinate with taxing jurisdictions, Potential consultant support.
Evaluate the potential of a Parking Management District. The City should evaluate the potential for investment in district parking options that can provide public parking to support area uses.	X		Transportation, Economic Development, Finance	
Refine affordable housing implementation strategy This includes refining MF1 target goals, identifying phased opportunities for site acquisition and implementation of various product types. Identify key partners and lead roles for each component of the toolkit.	X		NHCD, Real Estate	Potential affordable housing partners.
Initiate conversations with potential philanthropic donors. The City has had initial discussions with existing foundations and trusts such as The Trail Foundation, and the St. Davis Foundation about potential partnership. As part of continuing conversations, the City will discuss the feasibility of developing a South Waterfront Conservancy.	X	X	City Council, Departments TBD	

Create a South Central Waterfront Advisory Group

Composed of nine voting members, including a “representative with expertise in affordable housing, nominated by the Community Development Commission.”

SCW Initiative: www.austintexas.gov/waterfront

