

APPLICANT SUMMARY – CITY COUNCIL

March 31, 2016

ITEM 21

310 Comal (District 3)

PROJECT INFORMATION:

- Located at 310 Comal - former Austin Habitat for Humanity Restore location
- Plaza Saltillo Transit Oriented Development (TOD) Regulating Plan - Live/Work Flex Subdistrict
- The Live/Work Flex district requires residential at 17 residential units per acre
 - Project consists of 95,444 gross square feet
 - 78,324 square foot of office
 - 17 residential units
- Required Floor to Area Ratio (FAR) is 2:1. Request is to increase slightly to 2.2:1 FAR (an additional 8,472 square feet) – requires density bonus

REQUEST:

- Allow for a fee in lieu of on-site affordable housing based upon a compelling reason as noted below and recommended by Staff.

JUSTIFICATION FOR FEE-IN-LIEU:

- The Density Bonus process allows the developer to provide for on-site affordable housing or fee in lieu in the following manner:
 - Provide on-site affordable housing (80% median family income) equal to 10% of the entire square footage of the development
 - 10% of the entire square footage of the development equals 9,544 square feet or 61% of the residential units (11 of 18 units originally proposed);
 - this on-site affordable housing square footage would be more than the additional bonus area (8,472 square feet of office) requested in the density bonus; or
 - Pay a fee-in-lieu of on-site affordable housing (\$10/sq. ft.)
- The Developer is requesting to pay the Fee-in-Lieu (\$11/sq. ft. – current market rate or \$93,192)
 - and provide a 1,487 square foot on-site, family-friendly affordable housing unit (80% median family income)
 - 1,487 square feet is 10% of the livable square footage of the residential units
 - The City will work to reinvest the fee in lieu amount of \$93,192 into the 310 Comal project to assist with development of the family-friendly affordable unit
- To further new affordable housing units in the immediate area, the developer has partnered with Austin Habitat for Humanity and:
 - Swapped property the developer owns at 1409-1411 East 4th Street with land Austin Habitat has owned since 1997 at 1600-1602 East 4th Street
 - The new Austin Habitat Tract is larger and better suited for residential development and adjacent to other residential
 - Provided Austin Habitat with a \$200,000 donation; and
 - Paying the cost to bury the overhead lines for Austin Habitat's property which will provide an additional 8,800 square feet of developable area for Austin Habitat.
 - The Developer is working with Habitat's HomeBase Program to minimize the TCAD tax burden on the affordable unit and to qualify the initial buyer and future buyers of the on-site affordable unit
- The current TOD regulations have no metrics or sliding scale for increases in FAR – increasing even 1 square foot triggers the same calculation for affordability based upon the entire square footage as several hundred square feet or more
- **If no Density Bonus is able to be achieved at 310 Comal:**
 - The project will develop with the allowable 2:1 FAR
 - The project will not contain on-site affordable housing
 - The project will not provide a fee-in-lieu
 - The project will not be able to assist Austin Habitat with burying utilities

Benefits to Austin Habitat for Humanity	
Land Swap	\$200,000 donation to Habitat by Developer (Cielo)
	8,800 additional square footage of developable area gained (compared to Habitat's prior lot)
	\$150,000 added value in land from appraisal (compared to Habitat's prior lot)
	Better design capabilities - wider lot, allowing for two rows of residential units
Developer (Cielo) Burying Utility Lines	\$200,000+ cost savings to Habitat Saved time in review process
	4,000 additional square footage of developable area gained
<ul style="list-style-type: none"> Total \$\$ and cost savings to Habitat = \$500,000+ Total additional developable square footage gained for Habitat = 12,800 square feet 	
Benefits to the City of Austin with Density Bonus/Fee-in-Lieu	
Affordable Units	1,487 square foot , 3-bedroom, family friendly unit at 80% Median Family Income on 310 Comal (10% of the saleable/rentable residential square footage on the site)
	30+ affordable units on Habitat's Tract possible
Fee-in-Lieu	\$93,107 to be reinvested in family friendly affordable unit on 310 Comal

No Density Bonus Fee in Lieu	FAR stays 2:1
	No onsite affordable housing provided (1 affordable family friendly unit vs 0 affordable units)
	No fee in lieu of \$93,107 paid
	No burying of utilities for Austin Habitat