

4-7-05  
#63

**CITY PLANNING COMMISSION**

**March 22, 2005**

**CITY HALL – COUNCIL CHAMBERS**

**301 W. 2<sup>ND</sup> STREET**

**1<sup>st</sup> Floor**

**CALL TO ORDER – 6:00 P.M. COMMENCE 6:15PM, ADJOURN ~1:45AM**

\_\_\_\_ John-Michael Cortez

\_\_\_\_ Matthew Moore, Secretary

\_\_\_\_ Cid Galindo

\_\_\_\_ Jay Reddy

\_\_\_\_ Cynthia Medlin, Vice-Chair

\_\_\_\_ Chris Riley, Chair

**ABSENT** \_ Keith L. Jackson

\_\_\_\_ Dave Sullivan, Parliamentarian

**CITIZEN COMMUNICATION:**

1. The first four (4) speakers signed up to speak will each be allowed a three-minute allotment to address their concerns regarding items *not* posted on the agenda.

***NO SPEAKERS***

**APPROVAL OF MINUTES**

2. Approval of minutes from March 8, 2005.

***MOTION: APPROVE BY CONSENT***

***VOTE: 7-0 (JMC-1<sup>st</sup>, JR-2<sup>nd</sup>; KJ-ABSENT)***

**CODE AMENDMENT**

3. Code C2O-04-008 - Proposed Amendments to Land Development  
Amendment: Code Chapter 25 Relating to the Land Use and Site  
Development Regulations of the Waterfront Overlay (WO)  
District and the Rainey Street Subdistrict of the Waterfront  
Overlay District.

Staff: George Adams, 974-2146, [george.adams@ci.austin.tx.us](mailto:george.adams@ci.austin.tx.us)  
Greg Guernsey, 974-2387, [greg.guernsey@ci.austin.tx.us](mailto:greg.guernsey@ci.austin.tx.us)  
Neighborhood Planning and Zoning Department

George Adams presented the staff recommendation.

**PUBLIC HEARING**

Councilmember Alvarez discussed the two alternatives he has developed. At issue is whether there should be that first density bonus. The second density bonus would be to increase the FAR if certain elements provided. Go straight to CBD height with restrictions, or to limit height with conditions to increase. He explained his two

proposals. He presented the second alternative that is a compromise with property owners. 7pm

Commissioner Sullivan asked Mr. Alvarez if he thought property owners would take advantage of the increased height limit. Council member Alvarez said that before there is increased height, elements should be incorporated. He thinks that normal CBD development is achievable under the proposal, and would like to see the issues be addressed at just the CBD development.

Commissioner Riley expressed his concern with alternative one and how it allows someone to build a five-story building without incorporating desirable elements.

Charles Betts, with the Downtown Austin Alliance, said that they have not taken a position, and do not see a need to, but they do want to express concern about the affordable housing component. One of the real problems from the economics of the development is . They strongly support an affordable housing component with a residential development, but there should be financial incentives. They do not want to see residential development discouraged in the downtown area.

Commissioner Sullivan presented the idea of specifying MFI at 100% or 120% considering the affluent residential market downtown. He also asked that a fee in-lieu of program that results in affordable housing near the area be considered. Mr. Betts said that he thinks a fee in-lieu of program can discourage residential development. He said affordable housing should be incentivized.

Jamil Alam, with Trammel Crow Company, said he does not think the developers should be taxed to support affordable housing. There are ways to tackle the issue. Fee waivers are one idea that would incentivize development. In regards to extension of Red River, and Sandra Muraida is that Sandra Muraida benefits one property owner, whereas Red River benefits several property owners. He said that they would lose about 15% of their property if Red River is extended, which is much higher than the Sandra Muraida extension.

Commissioner Sullivan said that the Red River extension does not necessarily have to be arterial. It could be a narrow road to allow for connectivity that minimizes ROW. Mr. Allen said that the practical benefit of extending Red River would be to connect to the MAC, however the property owner whose property would be affected would not benefit much.

Commissioner Medlin asked why a high-rise project could not be made to be affordable since there were high rise low income projects constructed. Mr. Allen said that unit sizes could be made smaller, and interior finishes not as much. He speculates that the Chicago example of high rise low income buildings had financial assistance from the local government.

***MOTION: CLOSE PUBLIC HEARING***

**VOTE: 7-0 (DS-1<sup>st</sup>, JR-2<sup>nd</sup>; KJ-ABSENT)**

Commissioner Galindo said he wants to make sure Great Streets is done, and so should not be optional. Mr. Adams said that staff has not recommended that it be a requirement because beyond basic sidewalk requirements, Law has advised that the City cannot require Great Streets because they are improvements in the ROW and require the developer to go through the license agreement process. Typically there is not a license agreement required for the twelve foot sidewalk and can justify the sidewalk as meeting a public health and safety.

Mr. Adams explained in response to Commission questions, that the Great Streets is an incentive program in the downtown area that is partially funded by parking meter revenue.

Commissioner Moore asked if a developer would consider improvements in the public realm and streetscape as adding value to the development.

Commissioner Galindo concerned about inconsistent streetscape pattern that would result from making Great Streets optional.

**Perry Lorenz**, chair of the Downtown Commission, said that people will want street trees and sidewalks. No body is going to build a fantastic building with four foot sidewalks. The greatest streets in the world were developed without sidewalk requirements and design standards. He does not think that it is a realistic fear that there will be inconsistency. He wants to see very little design constraints and he insisted that the market should dictate.

In response to Commissioner Reddy's questions about affordable housing, Stuart Hersh with NHCD said that NHCD supports the proposal by Council member Alvarez and the Codes and Ordinances Committee which recognize that without a housing trust fund or something similar, a fee in-lieu of program or any other similar program will be difficult. Staff believes the discussion of such programs should be deferred until there is some money to work with.

Commissioner Medlin said that with the UNO development, the Legal Department said that the fee collected can only be spent in the area it was collected in. She asked if a similar restriction would apply to the Rainey Street area. Mr. Hersh said that it is unknown at this point whether or not that restriction would also apply.

**MOTION: Approve Table 2 with amendments:**

- **Require 10% affordable housing at 80% MFI for the first 60 feet of residential use, regardless of where first floor of residential starts. A fee in-lieu of option will be available.**
- **Revise the sidewalk requirement in alternative 2 to read: "Developer shall provide sidewalks not less than 10 feet in width on both sides of the street on the following two entrances to the Rainey Street Neighborhood:**

- *Red River Street from Cesar Chavez to Driskill; and*
- *River Street from I-35 to the MACC site.*
- *For Projects on Rainey Street bicycle and pedestrian access must be provided from Rainey Street to the adjoining alley.*

***VOTE: 6-1 (JR-1<sup>st</sup>, MM-2<sup>nd</sup>; JMC-AGAINST)***

Stuart Hersh stressed that SMART Housing requires 10% minimum, so he cautioned the Commission of choosing a percentage less than 10%.

Commissioner Sullivan and Moore expressed concern of not having a city-wide policy on affordable housing. Commissioner Riley mentioned he has requested an Executive Session from the Law Department to discuss inclusionary zoning.

Commissioner Cortez said that if affordable housing is a good idea in this area, then it should be mandated. Commissioner Moore countered that the costs of development increase as a result of city regulations. He suggested that if this were to be pursued, that it be applied city-wide. Commissioner Cortez agreed with that, but the only thing under discussion right now is this for the Rainey Street Area. Commissioner Cortez does not support the fee in-lieu of program because the new housing units would most likely end up in East and Southeast Austin.

Commissioner Medlin expressed the same concern as Mr. Hersh did that if it is not stated as 10% of residential units, then its possible that the wording would encourage non-residential development.

***SUBSTITUTE MOTION: Require 10% of units must be at 80% MFI regardless of height. Does include fee in-lieu of option.***

***VOTE: 4-3 (JMC-1<sup>st</sup>, DS-2<sup>nd</sup>)***

***MOTION FAILS.***

Commissioner Galindo offered two ways to close the loophole. One way is to specify 10% for certain. Second, have fee in-lieu of based on non-residential development.

Mr. Hersh clarified that the UNO ordinance bases the fee on the per square foot of the multi-family residential use, not commercial and parking areas.

Commissioner Moore suggested that the substitute motion of 10% affordable housing be contingent on a city-wide housing policy or requirement. He does not think it is fair to exact affordable housing on particular parcels when the requirement is not city-wide. He pointed out that a neighborhood plan on tonight's agenda that will probably be supported by the Planning Commission that reduces affordable housing options.