

C1

## **Downtown Austin Plan: Recommendation Regarding CURE Combining District**

9 September 2011

City of Austin staff has recommended retaining -- but amending -- the CURE combining district as a means of obtaining increased height and/or FAR in the context of the Downtown Austin Plan's proposed Downtown Density Bonus Program. This document provides further information about the staff recommendation.

### **Background**

The CURE (Central Urban Redevelopment) combining district can be found at Sections 25-2-163, 25-2-311, and 25-2-312 of the Land Development Code. As stated in Section 25-2-163, the CURE combining district may be used:

- for sustainable redevelopment of homes, multifamily housing, and small businesses;
- to accommodate high priority projects;
- to improve the natural environment; and
- to encourage high quality development with architectural design and proportion compatible with the neighborhood.

In accordance with Section 25-2-311, the CURE combining district may be applied only to properties located in the "central urban area," and that area is shown on a map adopted by Ordinance No. 001130-110. That map is attached to this document.

Section 25-2-312 specifies that the CURE combining district may be used to modify:

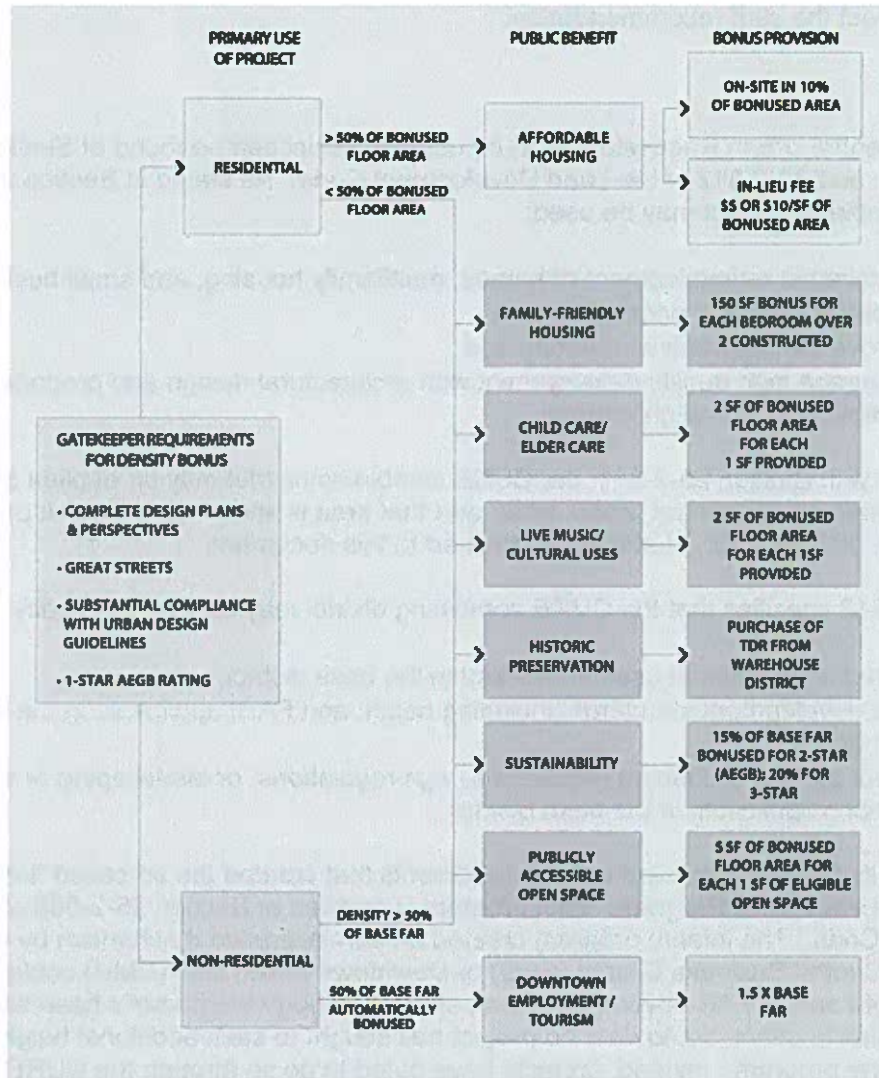
- permitted or conditional uses authorized in the base district;
- the site development standards [including height and FAR] applicable in the base district; or
- off-street parking or loading regulations, sign regulations, or landscaping or screening regulations applicable in the base district.

In 2008, the City Council approved code amendments that created the so-called "interim" Downtown Density Bonus Program. That program is codified at Section 25-2-586 of the Land Development Code. The interim program created an administrative mechanism by which a parcel zoned Central Business District (CBD) or Downtown Mixed Use (DMU) could obtain additional height and/or FAR beyond what was allowed through the parcel's base zoning. This program remains in effect, but to date no project has sought to seek additional height and/or FAR through the program. Instead, projects have opted to do so through the CURE combining district.

### **Draft Downtown Austin Plan Recommendation**

The draft Downtown Austin Plan (DAP) was released for public review in November 2010. The draft DAP recommended the creation of a new Downtown Density Bonus Program (to replace the "interim" program), and further recommended that CURE be modified to eliminate it as a route for seeking additional height and/or FAR. City staff has revised the recommendation with regard to CURE, and the following paragraphs provide information on that recommendation.

Staff now recommends that the CURE zoning provision should be retained, but amended, so as to require an applicant to demonstrate that the proposed project has achieved the provisions of the Density Bonus Program to the maximum amount feasible. I.e., an applicant must describe which community benefits can be achieved and which cannot. In order to make that demonstration, an applicant would use the "framework" for the Density Bonus Program shown here.



If this recommended approach to CURE was taken, then a project seeking additional height and/or density could choose from two alternative routes to obtain that height or density:

1. Projects that wanted to be granted a density bonus administratively could proceed as described in the Downtown Density Bonus Program, with no approval by the Planning Commission or City Council required.
2. Projects that chose not to use the administrative route could still seek CURE zoning, but pursuant to the amendments to CURE, project applicants would be required to identify the elements of the Density Bonus Program that could be met by the project, and to

demonstrate to the satisfaction of Council that compliance with certain elements of the Density Bonus would make the project financially infeasible. The applicant would be required to provide as many of the community benefits as possible while still keeping the project financially feasible.

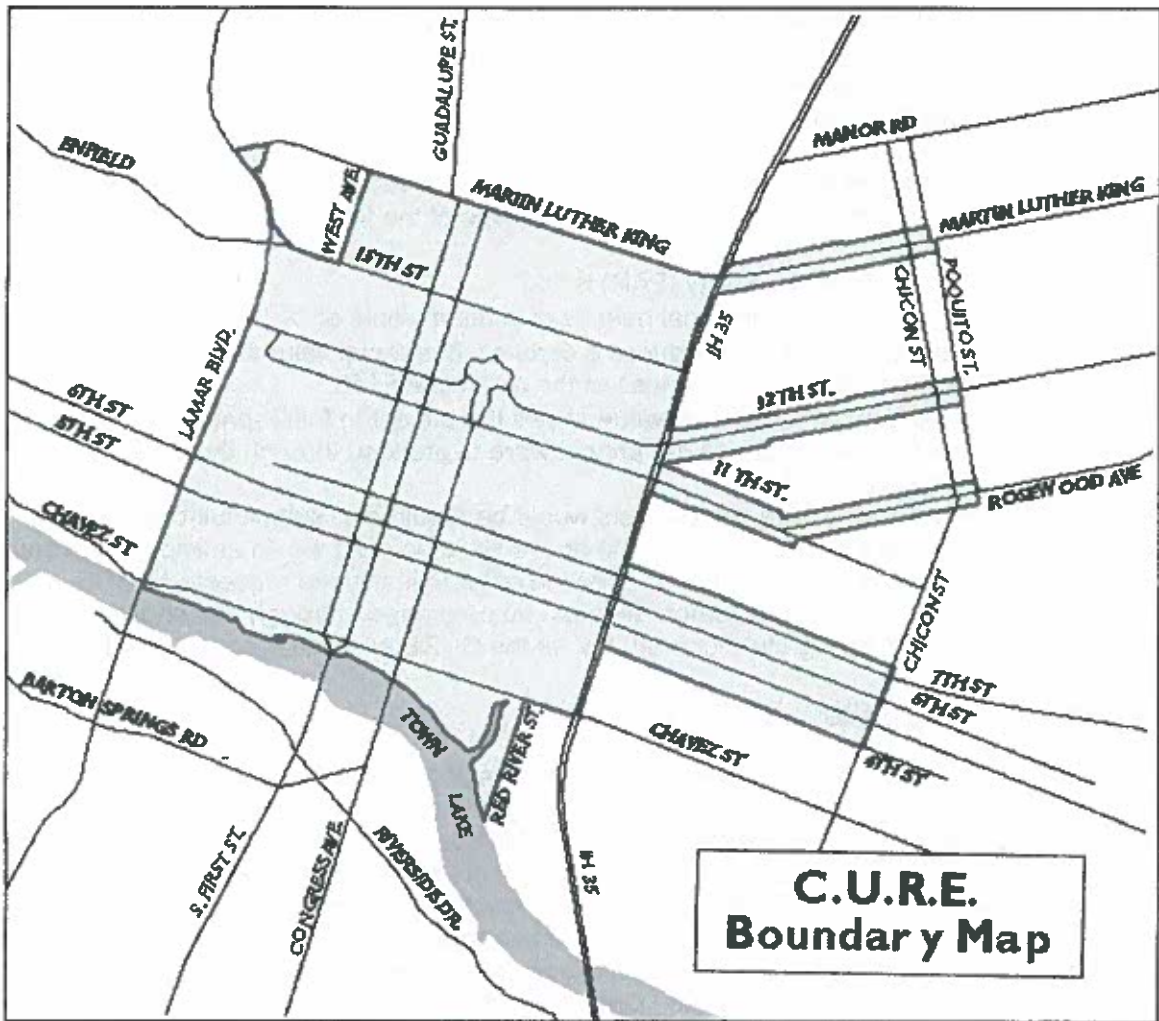
In order to make the required showing under the amended CURE regulations, the applicant would present information along the lines of the following:

- The project's base density (FAR) is "X."
- The project seeks additional density of some multiple of "X."
- This additional density produces a certain incremental value for the project – i.e., the project gains value because of the additional FAR.
- That incremental additional value allows the project to fulfill some – but not all – of what would be required if the project were to proceed through the purely administrative route.

Currently, staff does not anticipate that projects would be required to submit full-blown and highly detailed pro-forma's in order to make the above showing. But we do anticipate that some level of financial documentation would be required in order to justify the requested CURE zoning. The exact nature of that documentation will be determined through stakeholder and public engagement, and through further analysis, as the CURE amendments are developed.

#### **Anticipated Benefits of CURE Recommendation**

This bifurcated approach – administrative Density Bonus or Council-approved CURE -- could prove beneficial in putting in place and (over time) calibrating a Downtown Density Bonus Program. First, leaving the CURE option in place would serve as a source of useful information for periodically updating and modifying the Density Bonus Program to take into account market realities and changes. I.e., the CURE cases would provide useful information on the economic and financial realities of compliance with the Downtown Density Bonus Program. Second, leaving the CURE option in place may be a justifiably "conservative" approach towards introducing a new density bonus program. One of the charges made against a density bonus program (when CURE is not an option) is that it unduly "penalizes" projects. If, in fact, a density program did do that, and if CURE was not available, then no projects would seek additional density – and no community benefits would be achieved. Thus, retaining CURE might serve as an important "interim" step; and once there is confidence that the Density Bonus Program is properly calibrated, a decision could then be made to do away with CURE as a means of obtaining additional height or density.



**C.U.R.E.  
Boundary Map**