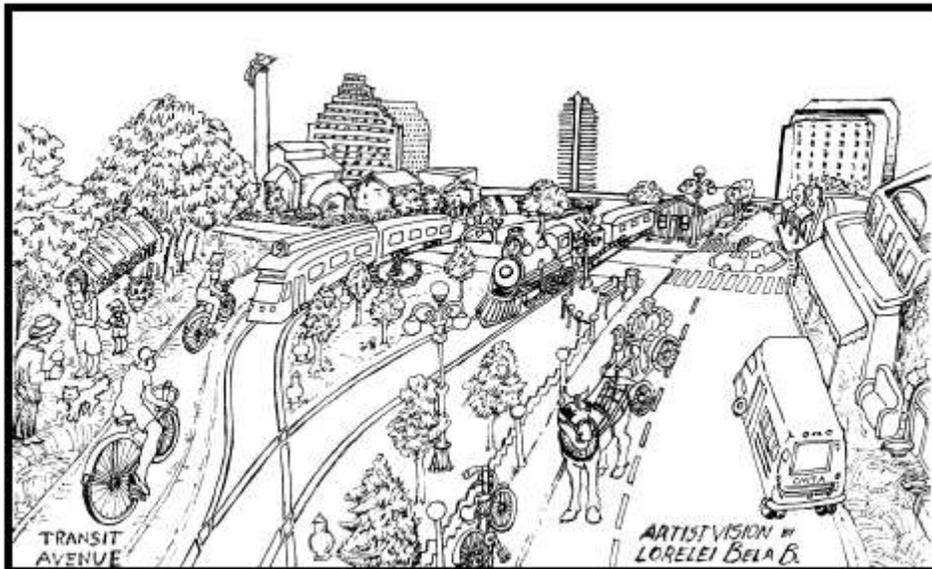


**Saltillo District Redevelopment
Community Advisory Group**

Response to

**Saltillo District Redevelopment Plan
Prepared by ROMA Design Group for Capital Metro & the City of Austin**



Last Revised April 25, 2006

Table of Contents

Purpose.....	1
Introduction.....	2
I. Affordable Housing.....	3
Introduction	
Recommendations	
II. Business Development and Job Creation.....	5
Introduction	
Recommendations	
III. Public Space, Pedestrian Connections, and Scenic Elements.....	7
Introduction	
Recommendations	
IV. Land Disposition and Development Strategies.....	9
V. Next Steps.....	10
VI. Community Advisory Group Members.....	11

Purpose

Pursuant to the purpose of the Community Advisory Group (CAG), this report is offered as advice to the Austin City Council and the Cap Metro Board of Directors to assist them with future policy-making and decision-making regarding the form, objectives and implementation of a Saltillo District Redevelopment Master Plan.

The CAG sees the Saltillo District redevelopment as an opportunity to transform a long-neglected, yet truly critical 11-acre tract, located within the East César Chavez Neighborhood, into a national model of urban redevelopment. The redevelopment of the Saltillo District offers a remarkable challenge to the City of Austin, Capital Metro and Travis County to use publicly held land with responsibility, intelligence, and innovation in order to protect the traditional residents and business owners currently threatened by soaring property values and gentrification.

This report is a response to the draft Saltillo District Redevelopment Master Plan (Master Plan), compiled by ROMA Design Group for Capital Metropolitan Transit Authority and the City of Austin. On April 7, 2006, the Saltillo Community Advisory Group voted unanimously to formally oppose the Master Plan because, in its current form, it would fail to achieve its expressed overarching goal. Although there is considerable common ground, this report defines differences, omissions, and provides more aggressive and specific measures that the CAG believes are essential for a successful project.

Saltillo District Community Advisory Group (CAG) Report

Introduction:

The consensus of the Saltillo District Community Advisory Group (CAG) is that the “overarching goal”, stated on the first page of the draft Saltillo District Redevelopment Master Plan (Master Plan), should guide and shape all aspects of the plan. The Master Plan states, ***“The overarching goal... is to develop a plan that preserves, protects and enhances the unique qualities and socio-economic fabric of the surrounding neighborhood, and that realistically can be implemented through a balanced program of public and private investment with meaningful involvement by the community.”***

It is crucial, therefore, that the Master Plan include innovative and challenging proposals for affordable housing, significant participation by small, minority-owned businesses, links with the adjacent streetscapes and sidewalks, and design elements that reflect the traditional character of the surrounding neighborhood. By failing to pay sufficient attention to these elements, it becomes far more likely that the plan will fail to be a resource, “...that preserves, protects and enhances the unique qualities and socio-economic fabric of the surrounding neighborhood.” It may also miss the mark toward creating a “well designed transit village.” It is crucial that the plan coordinate with parallel efforts in the community toward preventing displacement of the neighborhood’s traditional residential population and business enterprises, protecting its unique culture.

The current draft Master Plan does not give adequate consideration to the resources and potential beneficial impact and of House Bill 525 and the proposed Homestead Preservation District, the Community Preservation and Revitalization Program (CP&R), gentrification reports by the City of Austin and PODER, and the ability of non-profit organizations to significantly increase affordability and protect the existing population. According to City staff and Cap Metro consultants, the draft Master Plan is formulated on a premise that the development will result in a successful transit oriented district that is self-sustaining. In other words, the development proposed in the Master Plan, for the most part, could finance itself. This approach would be fine if there are no other goals. However, because the paramount goal is to preserve, protect and enhance the unique qualities of surrounding neighborhood, there needs to be serious and extensive exploration of all the available resources. Providing a Master Plan for a development that pays for itself is not acceptable if it does not also strengthen the “fabric of the surrounding community.”

If left uncorrected, the redevelopment is unlikely to gain support from the community it will most heavily impact. In fact, it very likely will increase the growing antagonism that exists between long-time residents and the trend for higher density, non-affordable projects in the area.

I. Affordable Housing

Introduction

The current Master Plan proposes redevelopment that may help create a successful Transit Oriented District, but it does so at the expense of the neighborhood. Whereas the Master Plan increases the heights and density that would trigger requiring affordable housing, the percentage of units and the ranges of median income persons served do not reflect the “...*unique qualities and socio-economic fabric of the surrounding neighborhood.*” The Master Plan also fails to make any recommendations related to the percentage of rental versus ownership units; and offers nothing regarding units types, such as one, two, three and four bedrooms. These are critical issues that should be addressed in the Master Plan, both as requirements and as goals. It is essential to establish such requirements and goals before a request for proposals for development partners or a master developer is released.

The CAG, therefore, has adopted rather detailed affordability requirements and goals that more clearly frame the percentages and levels of income that should be targeted in the Saltillo Redevelopment District. Because the CAG wants a project that will succeed, it recognizes the need for flexibility as the implementation process moves forward. Yet, at this point, requirements and goals must be established that will gain significant support from the impacted community.

Furthermore, discussions sometimes have revealed what appears to be a fundamental conflict between achieving the density of development that typically sustains transit-oriented projects and development that is affordable to a low-income population and with a predominance of micro-enterprises (“mom and pop shops”). Is it possible to develop moderately dense, mix-used projects with expensive structured parking while also providing a significant percentage of spaces that are affordable to low-income families and small, homegrown businesses? Lessons need to be learned from recent projects developed by the Austin Revitalization Authority where massive government subsidies have provided much needed and long-awaited redevelopment, but has largely priced out the traditional businesses and residents. Creating class-A office space, essentially extending the central business district market into East Austin, means it either will be extremely costly to the public or next to impossible to include the traditional residents and businesses of East Austin.

A serious effort needs to be made to make use of the numerous tools and harvest from all available resources to achieve the requirements and goals being recommended by the CAG. Organizations with the best practices in the City and region regarding affordable housing and successful small businesses need to be brought into the project as partners. And, perhaps most importantly, Capital Metro, the City of Austin and Travis County must have resolute determination to redevelop the Saltillo District in a way that makes it a model to the country. The final Saltillo District Redevelopment Master Plan needs to include clear objectives that not only redevelop a neglected area into a successful transit district, but also “...*preserves, protects and enhances the unique qualities and socio-economic fabric of the surrounding neighborhood.*”

Affordable Housing Recommendations

Overall Percentage: At least 50% of all the new housing units in the Project area should be affordable to households below 80% of the Austin Median Income. The percentage of these affordable units at various income-levels is provided below. In addition, specific ratios of housing use [ownership or rental] and unit type [number of bedrooms] is provided below. For illustrative purposes, it is assumed here that 600 residential units are planned for the entire Saltillo District. Under this scenario 300 of the units in the Saltillo District would be set aside as affordable housing.

Housing Use Mix: The CAG recommendation is that the Saltillo District Redevelopment will create permanent affordable rental and ownership housing. Therefore, it is reasonable to require that the affordable rental housing will be owned by one or more non-profit corporations and that a significant portion, perhaps even all of the land used for rental units, will be placed in a community land trust (CLT). Ideally, a significant percentage of ownership units, perhaps 25%, would participate in a CLT.

This means the owners would own the dwelling, but not the land beneath it, similar to condominium arrangements and, at the time they sell the home, they would be required to sell it to another low to moderate-income buyer. Community Land Trusts are one of the most effective means to ensure lasting affordability.

Other units would initially be rental, but would offer tenants an opportunity to purchase after a specific time period. Rental units offering a lease-to-own opportunity could also have land that is placed in a land trust. The Project would start with approximately 60% of its affordable units as Rental units (180 units) and 40% owner-occupied (120 units). Yet, several years after initial occupancy, the ratio could be reversed so the Project would have approximately 60% of the affordable units as owner-occupied and 40% as permanently affordable rental housing. This would closely mirror ratios in the surrounding East Austin neighborhoods.

Recommended percentages for the mix of uses (Adopted by the CAG 1-20-2006):

- Ownership- maximum of 40% [120 units]
- Rental in perpetuity- minimum of 40% [120 units]*
- Rental w/ rent-to-own option- minimum of 20%* [60 units]

*This would be for properties where the land is in a Community Land Trust.

Home Ownership Income Percentages (Adopted by the CAG 1-20-2006)

- 25% of the units at 70-80% MFI [30 units at \$1,150 - \$1,325]
- 25% at 60-70% MFI [30 units at \$995 - \$1,150]
- 20% of the units at 50-60% MFI [24 units at \$825 - \$995]
- 20% at 40-50% MFI [24 units at \$660 - \$825]
- 10% below 40% MFI [12 units at \$495 - \$660]

120 UNITS

*Mortgages at 6.5% interest, taxes & insurance at \$275 to \$325 would range from \$34,800 to \$158,200. If taxes were essentially removed, as with a Community Land Trust, and insurance is figured at \$50 per month, the mortgages would range from \$69,600 to \$201,000.

Rental Percentages (Adopted by the CAG 1-20-2006)

- 50% between 50% and 60% Austin MFI [90 units]
- 25% between 30% and 50% Austin MFI [45 units]
- 25% below 30% Austin MFI [45 units]

180 UNITS

Unit Mix:

Home Ownership

- 5% maximum one-bedroom units [6 one-bedroom units]
- 20% maximum two-bedroom units [24 two-bedroom units]
- 75% minimum three-bedroom or larger [90 3-bedroom or larger]

Rental

- 15% maximum one-bedroom units [max. 24 1-bedroom units]
- 25% maximum two-bedroom units [max. 45 2-bedroom units]
- 60% minimum three-bedroom or larger [min. 108 3-bedroom units]

Other affordable housing standards (Adopted by the CAG 1-20-2006)

The CAG also endorsed an affordable housing goal that, whenever possible, there should be an integration of affordable housing units with market rate units in specific projects. Also, that there be, whenever possible, and a uniform quality of construction with the affordable housing units and market rate units throughout the district.

II. Business Development and Job Creation

Introduction

Plaza Saltillo was created in large part because of an initiative called Olé Mexico organized in 1992 by business owners in the East 6th and East 7th Street area. The dream of Olé Mexico was to create a vibrant commercial district, evoking the Hispanic heritage of this particular area of Austin, that would serve both as a cultural district and tourist draw. It appeared then as it does today that, despite a historic presence of the Hispanic community since its founding, Austin lacks the type of commercial heart through which it could celebrate the music, art, food and culture of its Hispanic population. Plaza Saltillo was meant to be a catalyst for the development of such a commercial and cultural district. The redevelopment of the Cap Metro site and the surrounding community is the opportunity to realize the dream begun over a decade ago with Olé Mexico.

Just as the CAG recommends that City Council and Cap Metro look at the broader neighborhood when implementing housing components for the Saltillo District, the existing commercial context must be used as a springboard for future development. The goal should be to ensure that existing businesses are not displaced by new development. The new development should enhance the good qualities, respect the cultural heritage and revitalize within a community context rather than in isolation. It must be recognized that creating a successful *transit district* is not the main goal. Instead, the overarching goal is to create a *cultural district* with a vital transit component that enhances the socio-economic fabric of the existing community.

It is critical that the agencies overseeing the redevelopment offer non-compete agreements with local existing businesses. It must be an expressed high priority goal that displacement of existing businesses will be avoided.

Part of the redevelopment's goals must be to provide much needed neighborhood services and goods for existing residents. A neighborhood pantry grocery would be a welcome addition. Preserving space for the Farmers' Market and improving its facilities is recommended.

Sidewalk, streetscape and other improvements along the rail corridor east of Comal Street should be made part of the redevelopment process. Infrastructure improvements and beautification efforts should extend along East 5th Street to Pleasant Valley Road and adjacent streets north of the Saltillo District need improvements if the Project is to mesh and link successfully with the surrounding commercial activities. Cap Metro's funding set-aside, administered through the Austin City Council ("Build Austin"?), should be used to target needed improvements in these areas.

The creation of a lively commercial district should focus on the area closest to Plaza Saltillo. A ***Saltillo Mercado*** should be developed in this area. The eastern side of Tract D through Tract H and the Plaza are viewed as the most appropriate place within the district for the Hispanic community and others to perform live music, host open air events, hold markets, have galleries and operate small shops. The end result should be a district that draws people not only from East Austin but from the region and state.

A small community center at this location would be essential for providing a cooler indoor venue for such events as well as for stage performances and film presentations. Tract F is ideal for an enclosed community space, a small business incubator and an administrative office for the Saltillo District itself. Tracts E, G and H are also well suited for commercial development; ideally small, minority-owned and women-owned businesses. The eastern edge of Tract D should also be developed in a way that coordinates with the small business and Latino emphasis and themes created closer to and within Plaza Saltillo. Tract H has a loading dock and garden area that can be adapted for performances. It also has some of the oldest structures in the area, reminders of the importance of the railroad to Austin and the immediate neighborhood. An Austin railroad museum might be a point of interest for the district.

Recommendations

The CAG makes the following flexible recommendations regarding the development of civic and commercial/flex space development:

- Recognize the need for and benefits of developing a Hispanic cultural and commercial center for Austin to be located in the Plaza Saltillo area.
- Develop and design Tracts E, F, and G in a way that facilitates their function as the heart of a Hispanic commercial and cultural district.
- Develop a plan to protect existing businesses in the area that includes a non-competition element.
- While serving civic functions, Tract F should be viewed as a source of revenue, a place for job creation and increased tax base.
- Develop a program to educate and assist existing local businesses on the future markets that the District will bring so they can be prepared to adjust and accommodate these markets.
- Set aside at least 50% of the commercial/flex space within Tracts E, F, G and H, and 15% of the commercial/flex space within Tract D for small businesses and vendors at below market rates.
- Develop a plan for and identify funding for infrastructure improvements to the north and east of the Saltillo District as far as East 6th Street on the north and Pleasant Valley to the east. Earmark Cap Metro funds managed by the City Council for this purpose.
- Develop several kiosks or other notification methods to announce events and activities in the district.
- Redevelop Tract F at three to four stories (rather than 5 in the Master Plan) for Civic and Commercial uses and without residential uses.
- Consider covering Tracts G, slated for detention ponds in the draft Master Plan, to be used for parking and other needs.

Of this 50%:

- Develop 15% percent of the commercial/flex spaces with a maximum of 500 square feet.
- Develop 35% of the commercial/flex spaces with a maximum of 1000 square feet.
- Develop 25% of the commercial/flex spaces with a maximum of 1500 square feet
- Develop 25% of the commercial/flex spaces with a maximum of 2000 square feet.
- Set aside 30% of the commercial/flex spaces in Tract F as a small business incubator.
- Develop a tax adjustment, abatement or freeze system for existing businesses in the T.O.D. area
- Establish a program to assist local businesses to locate within the Saltillo District if they are displaced by increased taxes or lease termination.

Incentives:

- Reduce on site parking requirements in Tract E, F, G and H to 60% of the Land Development Code requirement and Tract D to 60%
- Provide 50% property tax abatement in the form of a refund to owners of property where 25% or more of the commercial space is leased at rates at or below 80% below market rates (and 50% of owners/employees/staff are minorities)
- Provide 75% property tax abatement in the form of a refund to owners of property where 25% or more of the commercial space is leased at rates at or below 60% below market rates (and 50% of owners/employees/staff are minorities).
- Provide 100% property tax abatement in the form of a refund to owners of property where 75% or more of the commercial space is leased at rates at or below 60% below market rates (and 50% of owners/employees/staff are minorities).
- Provide 100% property tax abatement in the form of a refund to owners of property where 50% or more of the commercial space is leased at rates at or below 50% below market rates (and 50% of owners/employees/staff are minorities).

III. Public Space, Pedestrian Connections, and Scenic Elements

Introduction

Attention to the outdoor environment of the Saltillo redevelopment is critical to the success of the district. Public space connects buildings to each other, the project to the neighborhood, and will define the look and feel of a future Saltillo District. The treatment of these outdoor spaces and relationships will in part determine the nature of this future transit village.

Currently, the Saltillo District's outdoor environment is the byproduct of its former use as a rail corridor and rail yard, and decades of historical neglect, both public and private. East 5th Street is unpaved and incomplete. A locomotive roundhouse once stood just west of Plaza Saltillo, but very few structures remain from Southern Pacific Railway. Adjacent warehousing operations are gone, with the exception of cotton warehouse owned by Reji Thomas at Waller and 5th Street and the two timber-frame warehouses owned by Lorelei Bela Brown. All of these buildings sit on land owned by Cap Metro.

Half a decade after the East Cesar Chavez and Holly neighborhood plans were adopted, only developer Perry Lorenz, with City assistance, is meeting the challenge of implementing desired "great street" type sidewalks along 5th Street. This kind of good practice should not remain isolated and disconnected. As the Saltillo redevelopment Master Plan is refined, broader corridor issues should not be neglected. It is vital to the community that Cap Metro and the City not limit the Saltillo redevelopment only to the 11 acres owned by Cap Metro.

Recommendations

Lance Armstrong Bikeway alignment

The Lance Armstrong Bikeway (LAB), essentially a bike and pedestrian street, emerges from under IH35, where a significant gateway should welcome visitors to our unique cultural community. 4th Street at IH35 should be considered as a dramatic entry into the Saltillo District, with a similar "gateway" element at 5th Street. Following the commuter rail alignment, the bikeway should define the Saltillo redevelopment south side as a green edge. The expansive design of the proposed 4th Street R.O.W. should be compensated by the planting of semi-mature trees, native plantings, and diminutive fences.

Bikeway improvements under IH35 and -TO- the Convention Center should be completed concurrently with this plan, so as to immediately capture convention visitors and tourist dollars by functionally and creatively linking the Saltillo District with downtown. An "Arts in Public Places" program should be launched including partnerships with local non-profits, community artists, and the IH35 Makeover Coalition to create culturally and environmentally relevant installations at IH35 and throughout the Saltillo District.

Medina Paseo

The Medina Paseo, at the center of the Saltillo redevelopment, is perhaps the most critical provision of open space proposed in the Master Plan. Linda Johnston has designed the "Austin Spanish Steps" pocket park concept for the 500 block alongside T.O.P.S. building and 1000 block of 5th Street. This pocket park has been funded. Looking south across the Cap Metro property, the former foundry smokestack looms as an iconic element central to a district way-finding program.

Execution of thoughtful architectural designs should include enhancing the Medina Paseo as the prominent Saltillo District open space. The buildings facing this space should reflect the centrality of this public space within the district.

Attayac Paseo

As the rail alignment transitions from 4th to 5th Streets, a "triangle" south of the rail R.O.W. between Waller and Navasota is created. This area should become a unified green-space including (parcel I), the Attayac Paseo, parcel H, and detention ponds (parcel G), embracing Red Scoot Inn. The timber-framed warehouses at 1300 E. 4th Street owned by Lorelei Bela Brown, on land owned by Cap Metro (parcel H), should be preserved for creative reuse. The bikeway becomes a unique human-scale street through this triangle connecting the Medina Paseo with Plaza Saltillo.

Design Guidelines

The redevelopment should establish architectural and design standards that embrace and reflect local culture and character; including materials, colors, structural elements, covered esplanades, clerestories, raised roof peaks, and other elements found throughout the neighborhood and along the rail corridor. The Design Guidelines in the East Cesar Chavez Neighborhood Plan should serve as a starting point.

It should be a goal to encourage and facilitate district-wide uniform "great streets" sidewalks and streetscapes appropriate to the neighborhood, including a "Saltillo Corridor" initiative similar in nature to the City of Austin's "great streets" program

Significant features of the Saltillo rail corridor should be incorporated into broader open space and streetscape through "Art In Public Spaces", way-finding devices and historical interpretation strategies. This initiative should be coordinated through the entire Saltillo District and the larger rail corridor. These could or should include: 1) IH35 Lance Armstrong Bikeway under-crossing 2) Austin Foundry Smokestack, 3) the Medina "Austin Spanish Steps" pocket park, 4) Medina and 4th Street view of the Balcones Escarpment to the west, 5) the view from 4th and Attayac of the Our Lady of Guadalupe Church steeple, 6) 1300 East 4th Street timber-frame buildings and adjacent "Triangle", and 7) the site of former locomotive roundhouse.

The following are issues outside the 11-acre Saltillo District that need to be addressed by Cap Metro, the City of Austin, and those involved with Station Area Planning:

- **Cap Metro rail crossings are primarily ADA non-compliant:** Only crossings at Comal, Tillery and Webberville (north side only) would meet the letter of an ADA compliant crossing. Pleasant Valley has uneven pavement and sidewalk obstructions.
- **Require/incorporate sidewalks into projects per Saltillo District design guidelines.** Pedernales Lofts and Saltillo Lofts projects received COA Smart Growth "great streets" and Cap Metro 1/4 cent funding respectively. The proposed Medina "Austin Spanish Steps" pocket park is also funded through Cap Metro 1/4 cent. It is unfortunate that no similar arrangements were made for the "Villas on Sixth Street" project, especially to improve the north side of 5th Street.
- **Implement a Saltillo corridor "great streets" type program throughout Cap Metro rail corridor.** A Saltillo "transit village" must see corridor-wide pedestrian infrastructure improvements concurrently with, if not preceding, redevelopment of any particular adjacent private parcel.
- **Create an accurate inventory of corridor rail R.O.W. remnants and former rail spurs.**
- **Consider 5th Street rail wye** as additional neighborhood pocket park and community garden space, as desired by Holly Neighborhood Plan
- **Make the reconstructed Pedernales rail crossing ADA compliant**
- **The pedestrian-way along 4.50 Camacho St. at rear of Saltillo Lofts project should be encouraged per developer agreement to comply with ECC planning team**
- **Improve the Calles Street pedestrian crossing** of Cap Metro rail R.O.W. (topographical conditions suggest future underpass), as desired by Holly Neighborhood Plan

IV. Land Disposition and Development Strategies

Introduction

The initial draft Master Plan, presented in September 2005, recommended a disposition strategy in which all the Cap Metro land would be sold to a master developer. It also stated that the master developer “might” partner with a non-profit to do affordable housing and other community services on the tract. The CAG received a briefing by ROMA and Economic & Planning Systems (EPS) in September, 2003 regarding disposition strategies and EPS sent a report to staff on November 12th outlining 4 strategies: Master Developer, Fee Developer, Non-profit Developer, and Organic Development. The CAG received a copy of this report, briefly discussed it and asked many questions on December 2, 2003. A follow-up meeting on disposition was scheduled for January 2004; however, due to time restraints, CAG never fully developed a recommendation and no formal vote was taken by the CAG regarding this issue.

When the CAG reviewed the first draft of the Master Plan two years later in September, 2005, it objected to this being listed as the disposition recommendation since the CAG never had time to fully discuss, understand and make a recommendation regarding the different strategies offered by EPS. The CAG therefore requested that ROMA revise the draft Master Plan to, at a minimum, add the option of leasing the land rather than selling the entire tract to a Master Developer. That was the only revision to the disposition strategy that the consultants and staff were willing to make to the final draft. CAG continued to ask for disposition discussion time on the agenda but time always ran out.

At a January 2006 meeting, CAG members agreed to make our own recommendation regarding disposition of the land and strategies for development. It appears that the EPS report from November 2003 cannot be used to form a recommendation because East Austin's real estate market has dramatically changed in the last 3 years. Graduate students in the UT School of Architecture's Center for Sustainable Development, led by Sergio Palleroni, at the request of the East Cesar Chavez Neighborhood Planning Team presented alternate land use plans at a December 2005 CAG meeting. Many of their ideas have shaped this recommendation.

Recommendations

The CAG recommends the Saltillo redevelopment project be implemented with and Organic Development Strategy. This strategy seems best suited to slow or counteract the gentrification of East Austin. Organic, phased development, is also far more likely to involve smaller, local developers and non-profits. In contrast to a master developer strategy, it will be easier to focus development that is phased in over time, tract by tract, on providing opportunities for both existing East Austin residents as well as for new members of the community. An organic strategy will bring a larger group of stakeholders into the project than Capital Metro draft Master Plan suggests. The CAG puts major importance on involving local investors, architects, craftsmen, business people, non-profit community organizations, and the residents of East Austin. Using a phased and organic development strategy will benefit all stakeholders without alienating any one of these groups.

The CAG recommends that, rather than having one master developer, there should be multiple developers and investors working on the project under the direction of an expanded Community Advisory Board. This board would include volunteers with expertise in business, real estate development, financing, and construction implementation with technical support provided by City of Austin and Capital Metro project managers (or a consulting project manager/team). The CAG's revised Land Use Plan (?) describes the desired mix of uses on each tract and developers who competitively bid for a tract should either work with local non-profits to provide affordable housing, and/or non-profits should act as developers for various tracts. Developing organically over time, with multiple and diverse development and investment firms that includes local companies and non-profit organizations, will ensure the Saltillo District will not have a generic, “redevelopment project” look. Whereas this type of development strategy is more complex than a master developer approach, it is far more apt to reflect the unique and eclectic mix of buildings in the surrounding neighborhood.

The Saltillo tract was bought with federal funds for a public purpose. Similar to the Robert Mueller Municipal Airport redevelopment, the CAG recommends the property be treated as surplus land. And, as with RMMA, a percentage of tax revenue should be dedicated as a means to fund public purposes such as infrastructure, affordable housing, small business development and public spaces. Additionally, the net sale proceeds of any tract of land should be dedicated to meeting the affordable housing unit mix and commercial space subsidies recommended by the CAG. It is worth noting that the EPS report states, **".... the use of a Master Developer approach may limit the public sector's ability to maintain long-term control of the land. For assuming substantial risk, Master Developers typically will want to own the land rather than leasing it, as the land can serve as some security in the event of an underperforming project. In other disposition approaches, the public sector can maintain ownership of the land, and offer long-term (perhaps 99 year) ground leases to vertical developers."** Considering the healthy real estate market and current growth in East Austin and Austin in general, the developers will have relatively low risk of producing an underperforming project. Land values are so high and this tract is so valuable, that local developers probably would jump at the chance to invest in the vertical development of the buildings with lease payments built into the financing plan.

City staff and Cap Metro Consultants have told the CAG that the only way to cover the costs of infrastructure on the tract may be the through sale of the land to a master developer. This explanation is not acceptable to the CAG. Historic neglect of this tract by Capital Metro and its failure to develop the property for almost 20 years leaving the neighborhood blighted is a major contributing factor behind why the costs of infrastructure are now close to \$10 million dollars. Whereas Cap Metro directed ROMA to develop a Plan that could pay for itself, and the use of utility revenue bonds, certificates of obligation, and setting aside Capital Improvement general revenue bonds are reasonable ways to pay for infrastructure improvements. We believe that the taxpayers and ratepayers would support a creative combination of infrastructure financing to make the Saltillo Project a model for true public-private partnerships to develop the most interesting, affordable and diverse Transit Oriented Development Project in the nation. This project can serve as an international model for public redevelopment that alleviates gentrification and celebrates cultural diversity.

Finally, although the EPS report never discussed using a Community Land Trust to ensure long-term affordability for extremely low to moderate-income residents, it is recognized around the country and is currently being proposed here in Austin as perhaps the best means to ensure long-term affordability. Since EPS released its report, the City Council has begun exploring the benefits of the Community Land Trust concept and has even used it to provide low-cost commercial space for the Austin Children's Museum in the downtown Block 21 development. The City's Neighborhood Housing and Community Development Office is considering using the Community Land Trust in an 81-unit single-family development in Montopolis. The CAG recommends that Cap Metro transfer some of the tracts to the City of Austin to be put into a Community Land Trust so that the CAG's desire for low-cost housing and commercial space is provided for generations to come.

V. Next Steps

It is of the utmost importance that Cap Metro and the City commit funds to complete the planning process. The CAG was extremely disappointed that funds for revising the Master Plan are not in place. Therefore, it is not known how or if CAG recommendations and ideas that result from a Community input process in response to ROMA's draft Master Plan will be incorporated. To give justice to the importance of the redevelopment of Cap Metro's 11-acre site means a balanced and sincere effort must be made to modify and shape the Master Plan in ways that reflect the ideas, goals and sensibility of the impacted community. It is doubtful that one Community input meeting will be sufficient to gather a meaningful sense of what is important to the residents and business owners who have the greatest stake in the redevelop process. Funds must be allocated to enable consultants to execute a meaningful input process and then to be able to revise the Master Plan based on that input.

Secondly, the financial feasibility of a Master Plan that incorporates the CAG recommendations as relates to housing, business and infrastructure needs to be explored. There is no question that

implementation of a Master Plan that includes the levels of housing affordability, small business development and infrastructure improvements cannot be financed through the redevelopment itself. The City of Austin's Neighborhood Housing and Community Development Office has engaged Diana McIver and Associates (DMA) to perform a feasibility study for the affordable housing component proposed in the Transit Oriented Development zones. This contract should be expanded to include a response to the CAG recommendation for the Saltillo T.O.D. Specifically, it would be beneficial to have DMA report not only on feasibility, but on what tools are available that could achieve or move towards achieving the goals recommended by the CAG.

Finally, the City and Cap Metro should commit to continuing some formal community advisory or oversight group as the planning moves forward into implementation. The Austin Revitalization Authority was established not simply as an advisory group, but as a non-profit co-developer for the planning and implementation of the East 11th and 12th Street corridors. Something similar should be considered for the Saltillo District.

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