

**DRAFT 2018 Planning Commission recommendation and transmittal letter for Long Range CIP Strategic Plan. Proposed additions to ~~2017-2018 Staff Draft~~ Letter indicated in underline. Proposed deletions from ~~2017-2018 Staff Draft~~ letter indicated in strikethrough.**

**To:** Austin City Council and City Manager

**From:** The City of Austin Planning Commission

**Date:** June 30, 2018

**Re:** Recommendations on the Long-Range Capital Improvement Program Strategic Plan

Each year the City of Austin Planning Commission presents a recommendation letter transmitting the updated Long Range CIP Strategic Plan (LRCSP) to the City Manager. The LRCSP is a data-driven approach to planning for the City's future capital improvements that support the way Austin grows and functions in the coming years, as articulated in the Imagine Austin Comprehensive Plan as well as related plans and priorities that guide City capital investments. The plan is part of a larger Capital Improvement Program planning cycle, a multi-year, continuous process of planning, funding, and implementation of capital improvements, and also includes the Five-Year CIP Plan and the annual Capital Budget. The LRCSP was most recently updated in spring 2017. Moving forward the Long Range CIP Strategic Plan will be updated every 2 years, with the next update anticipated in 2019.

#### **RECOMMENDATION SUMMARY**

This letter includes recommendations related to the LRCSP as directed by the City Charter, which requires that the Planning Commission annually make recommendations on capital improvements that are necessary or desirable to implement the City's Comprehensive Plan, Imagine Austin. The recommendations contained in this letter build on the recommendations that were provided by the Planning Commission in previous years. Our recommendations are:

1. ~~Implement the 2016 Mobility Bond, including the Mobility Bond Corridor Program which identifies specific future Strategic Initiatives funding opportunities for Growth Centers and Corridors. Continue to consider strategic investment needs in 2018 bond package development. Use infrastructure funding to realize Imagine Austin growth models. Focus strategic initiatives on Imagine Austin Centers and Corridors, particularly anticipated high-capacity transit routes.~~
2. ~~Identify additional innovative funding sources for capital renewal, continue to prioritize use of annual Capital Budget funds for the most critical Capital Renewal projects, and in doing so, direct additional resources to Strategic Initiatives in Imagine Austin Growth Centers and Corridors. ["Additional resources" moved to it's own recommendation below. -CK]~~

3. Study who pays for capital investment and long-term maintenance costs of infrastructure in different development patterns to better inform current and future policies that impact Austin growth patterns. [Strike completely? –CK]
4. Adopt CodeNEXT, a new Land Development Code, which leverages CIP and robustly addresses fiscal impact. [Strike completely? Not really what the rec says and an inappropriate vehicle for this rec -CK]
5. If needed, establish a Joint Committee (of the Land Use Commissions) to encourage increased feedback on critical fiscal health issues related to adopted policies, development issues, and infrastructure investment. [Strike completely? Is this an appropriate vehicle for this subject? -CK]
6. Continue to use housing affordability, flood mitigation, ~~and~~ transportation, and barriers to growth near Centers and Corridors as key filters to the planning and implementation of Strategic CIP Initiatives.
7. Provide increased resources to city staff to align CIP Capital Renewal and Strategic Initiatives with the vision of our many current and future planning efforts.
8. Consider issues of equity when developing the CIP Capital Renewal and Strategic Initiatives.
- ~~7-9.~~ Develop proposals for alternative financing mechanisms for capital projects, particularly those in the Strategic Mobility Plan.

The Planning Commission realizes that these are ambitious recommendations that will take time and effort to implement. This year's letter acknowledges the accomplishments of the last year, and identifies some detailed actions that can be taken over the next 12 months to continue to make progress on each of these recommendations as the LRCSP is developed, and we will revisit our recommendations next year as the Plan nears completion. Continuing to address these issues makes it possible to use the CIP as a more meaningful vehicle for implementing Imagine Austin.

Perhaps the most difficult recommendations to implement will be Recommendations 1 and 2, finding resources to fund Strategic Initiatives to realize Imagine Austin's vision, while adequately funding the Capital Renewal projects necessary to keep our existing infrastructure operating as the public expects. This has become especially critical as CodeNEXT moves to implement Imagine Austin's directives to concentrate population in the plan's Centers and Corridors.

However, we believe that CodeNEXT and any follow-up small area plans present a unique opportunity to finance the Strategic Initiatives, especially those related to establishing complete communities and a high-capacity transit system in Austin. We urge Council and City staff to ensure that we are not leaving good financing options on the table when adopting CodeNEXT, the Strategic Mobility Plan, and the LRCSP.

We realize that both are important goals. However, implementing recommendations 3, 5, 6, and 7, which address the connections between infrastructure investments, land use policies, private development, affordability, and the City's fiscal health, should assist the City in meeting those first two goals.

[We are also, for the first time, recommending that the LRCSP be developed through the lens of equity for our city's traditionally neglected and oppressed communities. The Plan directs a massive amount of city resources and must not be above the equity-focused scrutiny the City has applied to other processes. We urge Council and City staff to utilize the equity tools that the City, volunteers, and community members have also invested substantial time and resources to develop equity tools, namely the Equity Office, the Mayor's Taskforce on Institutional Racism and System Inequities, and the Anti-Displacement Task Force.](#)

#### **LAND USE COMMISSION REVIEW**

As was done for the first time in 2016, the preparation of this recommendation letter involved members of both the Planning Commission and the Zoning and Platting Commission. The Comprehensive Plan Joint Committee of PC and ZAP received a briefing and provided comments to Planning and Zoning staff at their meeting on April 12, 2018, and the Zoning and Platting Commission were briefed on the draft letter on June 5, 2018 before the letter went before the Planning Commission for its approval. This collaboration gives us the opportunity to give both the City Manager and City Council more specific recommendations based on the pressing issues each of the commissions deal with regularly. From our key vantage point, our two commissions can assess the opportunities and obstacles presented by our current infrastructure capacity and conditions. Increasingly, we are presented with critical planning decisions that are dependent on the availability of adequate infrastructure. Austin's rapid growth rate strains our ability to meet both planning and infrastructure needs. The Land Use Commissions are presented consistently with many of the following questions:

- Can increased entitlements be tied to provision of increased infrastructure (water, environmental protection, parking, transportation options, connectivity) while reducing escalating impacts on housing costs?
- What is the relationship between existing zoning, realities of the cost of redevelopment, and the needed development intensity to better fund the renewal of surrounding infrastructure?
- How do we best implement needs identified in our [existing-adopted and soon-to-be plans, including Neighborhood and Small Area Plans, the Strategic Mobility Plan, and the Strategic Housing Blueprint](#)?
- How do we achieve more objectivity in the review of city planning and infrastructure issues as we often hear only the most vocal advocacy groups?

These questions, and our review of the LRCSP, lead to the following recommendations based upon identified needs.

It is our goal that our expanded review of the LRCSP and associated recommendations will give City leaders a working guide for making better use the plan each year and to make strategic shifts so that the CIP is more effective in addressing policies and goals identified in Imagine Austin.

## ATTACHMENT: DETAILED PLANNING COMMISSION RECOMMENDATIONS

**1. ~~Identify specific future strategic funding opportunities and focus~~ strategic initiatives on Imagine Austin Growth Centers and Corridors, particularly anticipated high-capacity transit routes.**

**Description:** Actively seek future funding opportunities to focus additional resources on enhancing infrastructure in Imagine Austin Centers and Corridors, particularly those that are anticipated to be served in the future by high-capacity transit routes, as designated in the Strategic Mobility Plan and Project Connect. The city should to incentivize both redevelopment and greenfield development in areas where we can better plan for high density “complete communities” and foster healthy ridership for our future transit system, as envisioned in the Imagine Austin Comprehensive Plan.

**Rationale:** ~~Many of the Comprehensive Plan’s goals are only achievable through the development of 1) “complete communities” where walking and bicycling can replace many trips made by cars today; and 2) a high-capacity transit system. Imagine Austin and CodeNEXT proposals direct population growth to the Comprehensive Plan’s Centers and Corridors in a way that facilitates those complete communities and move towards creating the population densities along corridors that are required to support high-capacity transit. The developing Strategic Mobility Plan and Project Connect plan also overwhelmingly focus on a subset of those Centers and Corridors.~~

For the Comprehensive Plan, Strategic Mobility Plan, and Project Connect to achieve their goals, the City must establish as a top priority the capital investments – in all sectors, including affordable housing – required for complete communities and transit-supportive land use.

The Strategic Investment Analysis phase of the development of the LRCSP – set to run through September 2018 – is when geographic priorities are set for capital investments. While the analysis can anticipate much of the Strategic Mobility Plan and Project Connect, it must be updated after the adoption of those two plans.

#### Accomplishments

- ~~Passage of \$720 Million 2016 Mobility Bond~~
- ~~Bond Election Advisory Task Force presented a recommendation for a potential 2018 Bond package totaling \$851 million to City Council~~
- Formation of Corridor Program Office to ensure Corridor investments support Imagine Austin, and approval of a Corridor Construction Program by City Council
- Capital Metro Adoption of Connections 2025 and launch of Cap Remap implementing the plan with more frequent transit on corridors.
- Austin Strategic Mobility Plan and Capital Metro Project Connect being developed in tandem to align high capacity transit planning with future mobility planning along Imagine Austin Corridors.
- Approval of Strategic Direction 2023 by City Council.
- Release of CodeNEXT staff proposal for text and mapping.

#### Proposed FY 2018-2019 Actions

- Focus on Imagine Austin Corridors and Centers and Austin Strategic Mobility Plan/Project Connect transit routes in the Strategic Investment Analysis.
- Re-appraise the Strategic Investment Analysis upon adoption of the Austing Strategic Mobility Plan, CodeNEXT, and Project Connect.
- Adopt a new land development code and zoning map through CodeNEXT that focuses population growth which leverages strategic investments including 2016 Mobility Bond

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~~investments~~ in Imagine Austin Centers and Corridors.

- Approve Capital Metro Project Connect and adopt Austin Strategic Mobility Plan to align transit planning with CIP Planning in Imagine Austin Corridors.
- Develop a new approach to small area planning which focuses on Imagine Austin Centers and Corridors, and pilot test planning in one or more corridors.
- [PAZ should report back to Planning Commission on how prioritization during the Strategic Investment Analysis aligns with the city's adopted plans.](#)

**2. ~~Identify additional innovative funding sources for capital renewal, and~~  
Continue to prioritize use of annual Capital Budget funds for the most critical  
Capital Renewal projects.**

**Description:** Recognizing that the annual Capital Budget has limited discretionary resources to allocate in any given year, we recommend that the City Council prioritize use of those funds for the most critical Capital Renewal projects. In doing so, we should direct ~~additional-other~~ resources to Imagine Austin Growth Centers and Corridors.

**Rationale:** While wanting to direct capital investments to areas that will begin to implement Imagine Austin in a significant way, we also realize that Capital Renewal remains the largest part of the City's Capital Improvement Program. CIP departments operate a large number of ongoing CIP programs dedicated solely to keeping existing infrastructure operational through rehabilitation or replacement. The City will need to continue focusing resources to protecting the investments we have already made.

**Accomplishments**

- ~~Passage of \$720 Million 2016 Mobility Bond~~
- ~~Formation of Corridor Program Office to ensure Corridor investments support Imagine Austin~~
- ~~Ongoing implementation of Drainage Utility Fee, and modifications to DSD budget allowing a greater portion of DUF to be utilized for CIP.~~
- Bond Election Advisory Task Force presented a recommendation for a potential 2018 Bond package totaling \$851 million to City Council

**Proposed FY 2018-2019 Actions**

- Consider capital renewal needs during review of 2018 Bond package.
- Continue to identify "dig once" opportunities to ensure that capital renewal projects including street maintenance and rehab, sidewalk repair, drainage, and renewal of wet and dry utilities are coordinated where possible.
- Do not fund projects that conflict with conflict with planned high-capacity transit routes.
- Identify innovative funding methods for capital renewal projects that allow eventual transition to funding on-going renewal needs through methods other than issuance of GO Bonds. (Innovative funding could include TIFs, PIDs, etc.)

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[\[DO WE REALLY NEED/WANT THIS TO HAPPEN? WHAT IS THE PURPOSE? IT'S BEEN TWO YEARS SINCE PC FIRST RECOMMENDED THIS STUDY. -CK\]](#)

**3. Study who pays for capital investment and long-term maintenance costs of infrastructure in different development patterns to better inform current and future policies that impact Austin growth patterns.**

**Description:** Initiate a study of who pays for capital investment and long-term maintenance costs of infrastructure with respect to different development patterns: higher density urban infill versus new greenfield development. This study would help identify the long-term fiscal impacts to the City and its residents and business owners from different development patterns. The study should provide guidance to inform current and future policy decisions related to land use development pattern decisions and CIP investments as our city continues to grow.

**Rationale:** As the City rewrites the City's land development code through the CodeNEXT process, those efforts should also consider the relationship between land use and infrastructure, a relationship that the Land Use Commissions see on a regular basis. There is a fundamental disconnect between land use development and infrastructure planning that must be remedied. Decisions made in these two areas also have profound impacts on the issues of affordability and equity in providing services to our citizens. The City needs to evaluate and articulate further the allocation and cost effectiveness of limited infrastructure resources with respect to higher density urban infill versus new greenfield infrastructure outside the urban core.

**Accomplishments**

- CodeNEXT release of staff proposed Land Development Code (includes new zones/development standards, regulations for TIAs, Sidewalk Fee in Lieu, Parkland Fee in Lieu, etc.)
- Exploration of Street Impact Fee during development of Austin Strategic Mobility Plan
- 2013 Update of Water and Wastewater Impact Fees

**Proposed FY 2018-2019 Actions**

- Identify a department lead and conduct a comprehensive inventory of existing City of Austin development fees, requirements, and policies that require private sector investments in public infrastructure (including fiscal surety requirements for subdivisions, TIA requirements, fee-in-lieu policies, water tap fees) and develop analysis and preliminary findings related to whether existing tools strike the right balance between public and private investment and/or are supporting desired development patterns.
- Adopt a new land development code through CodeNEXT which appropriately leverages private sector investments in infrastructure construction and maintenance.



[\[DO WE REALLY NEED TO SAY THIS? ESPECIALLY AT THIS POINT IN CODENEXT? -CK\]](#)

**4. Include potential fiscal impact of code as key consideration factor in the evaluation and formulation of CodeNEXT.**

**Description:** The City Manager should direct the staff and consultants working on CodeNEXT to include considerations related to the City's fiscal health as part of the CodeNEXT rewrite, and determine ways to estimate the impact on fiscal health of proposed code changes.

**Rationale:** Another important issue that should be addressed as the City updates its Land Development Code is that of the City's fiscal health. Decisions regarding the Land Development Code affect not only how private developers make investments but also how the City makes investments in infrastructure, which have a critical impact on the City's overall fiscal health. The code affects land development patterns, which affect decisions on when and where to build infrastructure, and how the City maintains that infrastructure throughout its life. Fiscal health and the forces that shape it are issues that are as important as the issues of affordability, equity, and how compact and connected our future development patterns are. It should be given equal weight to these other concepts as we revise and update our Land Development Code.

**Accomplishments**

- Development of CodeNEXT Prescription Paper analyzing fiscal health related to the Code;
- CodeNEXT release of staff proposed Land Development Code

**Proposed FY 2018-2019 Actions**

- Ensure that fiscal health is adequately addressed through adopted CodeNEXT regulations.
- Adopt a new land development code and through CodeNEXT which leverages strategic investments including 2016 Mobility Bond investments in Imagine Austin Centers and Corridors. Adopt a new land development code through CodeNEXT which ensures that the private sector contributes appropriately to the cost of maintaining and expanding infrastructure through the Transportation Impact Analysis process as well as various development exactions and fees.

[\[THIS IS A LETTER TO COUNCIL – ARE WE REALLY STILL ASKING FOR THIS \(IT’S BEEN TWO YEARS SINCE FIRST RECOMMENDED\) / ARE WE SURE THIS FITS INTO PC & ZAP STRUCTURAL REFORM / IS THIS THE RIGHT FORUM/MEDIUM FOR MAKING THIS REQUEST? –CK\]](#)

**5. Establish a Joint CIP Committee (of the Land Use Commissions) to encourage increased feedback on critical fiscal health issues related to adopted policies, development issues, and infrastructure investment.**

**Description:** Establish the Joint Committee for the CIP composed of membership from the Planning Commission and the Zoning and Platting Commission to study the existing disconnects between adopted policies, realities of development costs, city monetary process, and the CIP.

**Rationale:** During its discussions, the Working Group recognized that Land Use Commission decisions on land use issues are not made independently of other important factors, and recognized the need to discuss long range CIP policies in conjunction with land use policies on an on-going basis.

**Accomplishments**

- Comprehensive Plan Joint Committee discussed and provided feedback to staff that this recommendation should be discussed further after the adoption of CodeNEXT.

**Proposed FY 2017-2018 Actions**

- If still needed, develop recommendation to develop a Joint CIP Committee for consideration by City Council Audit and Finance Committee

[\[NOTE: EQUITY ISSUES MOVED TO THEIR OWN ITEM BELOW. –CK\]](#)

**6. Use housing affordability, flood mitigation, ~~and~~ transportation, ~~and~~ barriers to growth near Centers and Corridors as key filters to the planning and implementation of Strategic CIP Initiatives.**

**Description:** The [CIP Working Group Planning Commission](#) recommends that the City address housing, flood mitigation, and transportation issues on any strategic CIP initiatives it plans and implements in the future. [–The City should also prioritize projects that would eliminate or alleviate issues that are preventing development near Centers and Corridors designated for growth in the Imagine Austin Comprehensive Plan, e.g. roads too narrow to support higher-density development.](#)

**Rationale:** While these recommendations focus primarily on infrastructure and its relationship to the work of our Land Use Commissions, they are also strongly connected to the important public policy issues of public safety, affordability, and [equity/livability](#). As the City plans and implements future strategic CIP projects, those decisions should

**Accomplishments**

- Approval of Flood Mitigation Task Force Report
- Adoption of Strategic Housing Blueprint
- On-going coordination activities, including Housing + Transit + Jobs Action Team
- Bond Election Advisory Task Force presented a recommendation for a potential 2018 Bond package totaling \$851 million to City Council. 2018 Bond package recommendation includes projects supporting housing affordability, flood mitigation, and transportation.

**Proposed FY 2017-2018 Actions**

also take into consideration two key issues affecting affordability: housing and transportation.

- Continue to consider housing affordability, flood mitigation, and transportation needs during review of 2018 Bond package.
- [Consult with planning staff and Land use commissions on developments near Centers and Corridors that were denied or scaled back due to issues that could be addressed with capital projects, and prioritize those projects during review of the 2018 Bond package.](#)
- Adopt a new land development code through CodeNEXT which supports housing affordability, flood mitigation, and transportation and allows for better intergration of housing, transit, and jobs.

**7. Provide increased resources to city staff to align CIP Capital Renewal and Strategic Initiatives with the vision of our many current and future planning efforts.**

**Description:** Provide city staff the resources to align efforts for CIP implementation planning to bridge between the visions of Imagine Austin, related small area plans, and future plans and CIP project development ready for funding.

**Rationale:** In order to best develop a prioritized list of recommendations, the working group noted that the continued development of the Strategic Investment Analysis (page 43) will be instrumental to successfully transitioning our CIP from renewal heavy to more balanced allocation to implement Strategic Initiatives. To take further steps forward towards increased realization of Imagine Austin goals with finite funding streams, we must be clear in our alignment of resources with priorities.

To create a convergence of strategic planning efforts that incentivize sustainable and affordably developed infrastructure in directed growth areas, the efforts of CIP and land use planning departments should be more aligned with increased capacity for implementation of both existing and future plans (i.e. Corridor Plans, Small Area Plans, Existing Neighborhood Plans, Growth Centers identified within Imagine Austin). [Priority should be given during the Rolling Needs Assessment – the CIP process that assigns importance to projects – to adopted planning efforts, particularly as applies to transportation projects and the priorities of the Austin Strategic Mobility Plan.](#)

**Accomplishments**

- Integration of Long Range CIP Plan into city processes.
- Continued development of internal CIP coordination tools.
- Continued alignment of activities of Imagine Austin Priority Program teams
- Continued monitoring and coordination of small area plan implementation including implementation of CIP recommendations within Neighborhood Plans
- Approval of Strategic Direction 2023 by City Council
- Planning and Zoning Department has assumed responsibility for coordinating overall Long Range CIP Strategic Plan process
- Public Works Department launch of update to Comprehensive Infrastructure Assessment.
- PAZ has begun to develop a new approach to small area planning which focuses on Imagine Austin Centers and Corridors, and to identify additional resources that may be needed.

**Proposed FY 2018-2019 Actions**

- Develop future bond packages in the context of workload/project development capacity of staff and vendors.
- Develop future small area plans through collaborative, multi-departmental processes that incorporate community engagement, and develop an approach to Strategic Investment Analysis is tied more closely to these plans
- Develop Long Range CIP Plan updates every two years through a collaborative multi-departmental process
- Continue to develop technology that ensures that regulations and capital investments are operating in tandem to support implementation of Imagine Austin.
- [PAZ should report back to Planning Commission on how priorities were aligned during the Rolling Needs Assessment.](#)

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## 8. Consider issues of equity when developing the CIP Capital Renewal and Strategic Initiatives.

**Description:** The City should utilize equity resources and equity-focused rubrics and evaluative tools when developing strategies and budgets under the Long Range Capital Improvement Program Investment Plan.

**Rationale:** Austin's community has increasingly acknowledged the city's racist past and prioritized addressing ongoing issues of equity in municipal policy and real-world conditions and experiences of our peoples, including racist structures consciously and subconsciously built into our governance processes.

The Long Range Capital Improvement Program Investment Plan directs a massive amount of city resources and must not be above the equity-focused scrutiny the City applies to other processes.

The City, volunteers, and community members have also invested substantial time and resources to develop equity tools, namely the Equity Office, the Mayor's Taskforce on Institutional Racism and System Inequities, and the Anti-Displacement Task Force. These tools must be incorporated into the Plan's process.

### Accomplishments

- Creation of the Equity Office.
- Formation of the Mayor's Taskforce on Institutional Racism and Systemic Inequality.
- Creation of the Anti-Displacement Task Force.

### Proposed FY 2018-2019 Actions

- Have the Equity Office review the Long Range CIP Plan process to identify inequities in low income communities and communities of color.
- Consider recommendations made by the Mayor's Taskforce on Institutional Racism and System Inequality and the Anti-Displacement Task Force that are addressable through CIP projects.

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## 9. Develop proposals for alternative financing mechanisms for capital projects, particularly those in the Strategic Mobility Plan.

**Description:** There will be a potentially huge amount of new property tax revenue coming to the city as redevelopment occurs along Imagine Austin Comprehensive Plan Centers and Corridors due to zoning changes in CodeNEXT and other small area plans. The City must – if possible – seize this opportunity to finance the capital projects necessary to implement particularly the capital projects that would achieve the complete communities and high-capacity transit goals of the Austin Strategic Mobility Plan.

**Rationale:** CodeNEXT and future small area plans are likely follow the directives in the Imagine Austin Comprehensive Plan to concentrate development in the plan's Centers and Corridors. While this may produce the population densities necessary to support the complete communities and high-capacity transit lines necessary to prevent complete gridlock, a massive amount of capital investment will also be required. As building permitted by new zoning occurs, the taxable value of Centers and Corridors on redeveloped land will skyrocket, providing an opportunity to finance capital projects through Tax Increment Financing, which would allow large projects to be built now in anticipation of growth, rather than catching up to it.

Relevant projects could include affordable housing, sidewalks, parks, or other amenities appropriate for an increased population density, but especially the high-capacity transit systems being considered in the Austin Strategic Mobility Plan and Project Connect.

Other financing options including Public Improvement Districts or Transportation Investment Zones should also be considered.

Substantial increases in density along Austin's corridors present a financing opportunity for the City that must not be missed.

### Accomplishments

- Ongoing implementation of Drainage Utility Fee, and modifications to DSD budget allowing a greater portion of DUF to be utilized for CIP.

### Proposed FY 2018-2019 Actions

- City legal should coordinate with relevant departments and advise Council on what provisions must be included in CodeNEXT, the Strategic Mobility Plan, and/or the Long Range CIP Plan to facilitate alternative financing, e.g. conditioning certain up-zonings upon the approval of transportation investments in the Strategic Mobility Plan to satisfy the "if-then" test for Tax Increment Financing.
- Reevaluate the Long Range CIP Plan after the adoption of CodeNEXT, the Strategic Mobility Plan, and other relevant plans or policies, to determine which projects may be financed through alternative means.

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Hi Andrew,

Could you please post the attached materials as backup for item # D1 (Long-Range Capital Improvement Program Strategic Plan)? Could you also distribute to commissioners via email? I will bring copies for commissioners tonight.

The principle exhibit is my proposed changes to the PC letter to Council, which creates two new recommendations, a number of changes throughout, and suggests dropping several recommendations. I have also attached last year's letter as I thought it was informative.

Thank you,  
Conor

**JOINT COMPREHENSIVE PLAN COMMITTEE DRAFT LETTER**

**To:** Austin City Council and City Manager

**From:** The City of Austin Planning Commission

**Date:** April 25, 2017

**Re:** Recommendations on the Long-Range Capital Improvement Program Strategic Plan

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[Note: Strikethrough and underline indicate changes from 2016 Recommendation Letter]

Each year the City of Austin Planning Commission presents a letter to the City Manager during formulation of the Long-Range CIP Strategic Plan (LRCSP). Annually updated, the LRCSP is a data-driven approach to planning for the City's future capital improvements that support the way Austin grows and functions in the coming years, as articulated in the Imagine Austin Comprehensive Plan as well as related plans and priorities that guide City capital investments. The plan is part of a larger Capital Improvement Program planning cycle, a multi-year, continuous process of planning, funding, and implementation of capital improvements, and also includes the Five-Year CIP Plan and the annual Capital Budget.

**RECOMMENDATION SUMMARY**

This letter includes recommendations related to the LRCSP as directed by the City Charter, which requires that the Planning Commission annually make recommendations on capital improvements that are necessary or desirable to implement the City's Comprehensive Plan, Imagine Austin. The recommendations contained in this letter build on the recommendations that were provided by the Planning Commission last year. Our recommendations are:

1. Build on the passage of the 2016 Mobility Bond by continuing to identify specific future Strategic Initiatives funding opportunities for Growth Centers and Corridors. Use infrastructure funding to realize Imagine Austin growth models.
2. Identify additional innovative funding sources for capital renewal, continue to prioritize use of annual Capital Budget funds for the most critical Capital Renewal projects, and in doing so, direct additional resources to Strategic Initiatives in Imagine Austin Growth Centers and Corridors.
3. Study who pays for capital investment and long-term maintenance costs of infrastructure in different development patterns to better inform current and future policies that impact Austin growth patterns.
4. Continue to include potential fiscal impact of code as key consideration factor in the evaluation and formulation of CodeNEXT components and -adopt a new Land Development Code which leverages CIP and robustly addresses fiscal impact.



5. Establish a Joint Committee (of the Land Use Commissions) to encourage increased feedback on critical fiscal health issues related to adopted policies, development issues, and infrastructure investment.
6. ~~Make-Continue to use~~ housing affordability, flood mitigation, and transportation as key filters to the planning and implementation of Strategic CIP Initiatives.
7. Provide increased resources to city staff to align CIP Capital Renewal and Strategic Initiatives with the vision of our many current and future planning efforts.

The Working Group realizes that these are ambitious recommendations that will take time and effort to implement. This year's letter acknowledges the accomplishments of the last year, and identifies some detailed actions that can be taken over the next 12 months to continue to make progress on each of these recommendations. ~~But addressing~~Continuing to address these issues ~~will make~~s it possible to use the CIP as a more meaningful vehicle for implementing Imagine Austin.

Perhaps the most difficult recommendations to implement will be Recommendations 1 and 2, finding resources to fund Strategic Initiatives to realize Imagine Austin's vision, while adequately funding the Capital Renewal projects necessary to keep our existing infrastructure operating as the public expects. We realize that both are important goals. However, implementing recommendations 3, 5, 6, and 7, which address the connections between infrastructure investments, land use policies, private development, affordability, and the City's fiscal health, should assist the City in meeting those first two goals.

While there will continue to be a struggle to find adequate resources to fund both Capital Renewal and Strategic Initiatives adequately, ~~the Working Group found in learning about and reviewing the LRCSP that~~ Strategic and Capital Renewal infrastructure investment need not be mutually exclusive. CIP investments in capital renewal and service demand needs can also be strategic investments if they are planned and coordinated to achieve strategic outcomes in a given area, or in some cases they can be catalysts for strategic investment (e.g., the need for road reconstruction in a major growth corridor can be a critical investment that allows that corridor to develop as planned).

#### **LAND USE COMMISSION REVIEW**

As was done fFor the first time ~~this last~~ year, the CIP working group ~~expanded to include~~included both Land Use Commissions, involving members of both the Planning Commission and the Zoning and Platting Commission. This collaboration gives us the opportunity to give both the City Manager and City Council more specific recommendations based on the pressing issues each of the commissions deal with regularly. From our key vantage point, our two commissions can assess the opportunities and obstacles presented by our current infrastructure capacity and conditions. Increasingly, we are presented with critical planning decisions that are dependent on the availability of adequate infrastructure. Austin's rapid growth rate strains our ability to meet both

planning and infrastructure needs. The Land Use Commissions are presented consistently with many of the following questions:

- Can increased entitlements be tied to provision of increased infrastructure (water, environmental protection, parking, transportation options, connectivity) while reducing escalating impacts on housing costs?
- What is the relationship between existing zoning, realities of the cost of redevelopment, and the needed development intensity to better fund the renewal of surrounding infrastructure?
- How do we best implement needs identified in our existing Neighborhood and Small Area Plans?
- How do we achieve more objectivity in the review of city ~~of~~ planning and infrastructure issues as we often hear only the most vocal advocacy groups?

These questions, and our review of the LRCSP, lead to the following recommendations based upon identified needs.

It is our goal that our expanded review of the LRCSP and associated recommendations will give City leaders a working guide for making better use the plan each year and to make strategic shifts so that the CIP is more effective in addressing policies and goals identified in Imagine Austin.

## ATTACHMENT: DETAILED RECOMMENDATIONS

**1. Identify specific future strategic funding opportunities and focus strategic initiatives on Growth Centers and Corridors.**

**Description:** Actively seek future funding opportunities to focus additional resources on enhancing infrastructure in Imagine Austin Centers and Corridors to incentivize both redevelopment and greenfield development in areas where we can better plan for high density “complete communities” as envisioned in Imagine Austin.

**Rationale:** The City has not set a clear policy direction to shift resources to Strategic Initiatives and seek other resources for Capital Renewal projects. Finding a balance between addressing on-going capital renewal needs, meeting increasing service demands, and addressing strategic planning and policy initiatives will remain a major challenge. To better achieve strategic goals and implement key planning and policy directives, the City needs to be able to focus more CIP resources on Strategic Initiatives. It is clear that additional funding resources are required to address city growth challenges. Previous letters from the Planning Commission have highlighted this need. In the absence of sufficient funding for all renewal and growth needs we must truly prioritize our recommendations.

**Accomplishments**

- Passage of \$720 Million 2016 Mobility Bond
- Formation of Corridor Program Implementation Office to ensure Corridor investments support Imagine Austin
- Capital Metro Adoption of Connections 2025
- Initiation of Strategic Mobility Plan

**Proposed FY 2017-2018 Actions**

- Focus on Imagine Austin Corridors and Centers during development of 2018 Bond package
- Coordinate CodeNEXT mapping with 2016 Mobility Bond Investments
- Coordinate with Capital Metro during development of the Strategic Mobility Plan to align transit planning with CIP Planning in Imagine Austin Corridors.

**2. Identify additional innovative funding sources for capital renewal, and continue to prioritize use of annual Capital Budget funds for the most critical Capital Renewal projects.**

**Description:** Recognizing that the annual Capital Budget has limited discretionary resources to allocate in any given year, we recommend that the City Council prioritize use of those funds for the most critical Capital Renewal projects. In doing so, we should direct additional resources to Imagine Austin Growth Centers and Corridors.

**Rationale:** While wanting to direct capital investments to areas that will begin to implement Imagine Austin in a significant way, we also realize that Capital Renewal remains the largest part of the City's Capital Improvement Program. CIP departments operate a large number of ongoing CIP programs dedicated solely to keeping existing infrastructure operational through rehabilitation or replacement. The City will need to continue focusing resources to protecting the investments we have already made.

**Accomplishments**

- Passage of \$720 Million 2016 Mobility Bond
- Formation of Corridor Program Implementation Office to ensure Corridor investments support Imagine Austin
- Ongoing implementation of Drainage Utility Fee

**Proposed FY 2017-2018 Actions**

- Consider capital renewal needs during development of 2018 Bond
- Continue to identify "dig once" opportunities to ensure that capital renewal projects including street maintenance and rehab, sidewalk repair, drainage, and renewal of wet and dry utilities are coordinated where possible.
- Identify innovative funding methods for capital renewal projects that allow eventual transition to funding on-going renewal needs through methods other than issuance of GO Bonds.

**3. Study who pays for capital investment and long-term maintenance costs of infrastructure in different development patterns to better inform current and future policies that impact Austin growth patterns.**

**Description:** Initiate a study of who pays for capital investment and long-term maintenance costs of infrastructure with respect to different development patterns: higher density urban infill versus new greenfield development. This study would help identify the long-term fiscal impacts to the City and its residents and business owners from different development patterns. The study should provide guidance to inform current and future policy decisions related to land use development pattern decisions and CIP investments as our city continues to grow.

**Rationale:** As the City rewrites the City's land development code through the CodeNEXT process, those efforts should also consider the relationship between land use and infrastructure, a relationship that the Land Use Commissions see on a regular basis. There is a fundamental disconnect between land use development and infrastructure planning that must be remedied. Decisions made in these two areas also have profound impacts on the issues of affordability and equity in providing services to our citizens. The City needs to evaluate and articulate further the allocation and cost effectiveness of limited infrastructure resources with respect to higher density urban infill versus new greenfield infrastructure outside the urban core.

**Accomplishments**

- CodeNEXT release of draft Land Development Code (includes new zones/development standards, regulations for TIAs, Sidewalk Fee in Lieu, Parkland Fee in Lieu, etc)
- Exploration of Street Impact Fee through Strategic Mobility Plan
- 2013 Update of Water and Wastewater Impact Fees

**Proposed FY 2017-2018 Actions**

- Conduct a comprehensive inventory of existing City of Austin development fees, requirements, and policies that require private sector investments in public infrastructure (including fiscal surety requirements for subdivisions, TIA requirements, fee-in-lieu policies, water tap fees) and develop analysis and preliminary findings related to whether existing tools strike the right balance between public and private investment and/or are supporting desired development patterns.

**4. Include potential fiscal impact of code as key consideration factor in the evaluation and formulation of CodeNEXT.**

**Description:** The City Manager should direct the staff and consultants working on CodeNEXT to include considerations related to the City's fiscal health as part of the CodeNEXT rewrite, and determine ways to estimate the impact on fiscal health of proposed code changes.

**Rationale:** Another important issue that should be addressed as the City updates its Land Development Code is that of the City's fiscal health. Decisions regarding the Land Development Code affect not only how private developers make investments but also how the City makes investments in infrastructure, which have a critical impact on the City's overall fiscal health. The code affects land development patterns, which affect decisions on when and where to build infrastructure, and how the City maintains that infrastructure throughout its life. Fiscal health and the forces that shape it are issues that are as important as the issues of affordability, equity, and how compact and connected our future development patterns are. It should be given equal weight to these other concepts as we revise and update our Land Development Code.

**Accomplishments**

- Development of CodeNEXT Prescription Paper analyzing fiscal health related to the Code;
- CodeNEXT release of draft Land Development Code

**Proposed FY 2017-2018 Actions**

- Ensure that fiscal health is adequately addressed through revised CodeNEXT regulations.
- Ensure coordination of CodeNEXT mapping with location of future CIP investments.
- Ensure that the private sector contributes appropriately to the cost of maintaining and expanding infrastructure through the Transportation Impact Analysis process as well as various development exactions and fees.

**5. Establish a Joint CIP Committee (of the Land Use Commissions) to encourage increased feedback on critical fiscal health issues related to adopted polices, development issues, and infrastructure investment.**

**Description:** Establish the Joint Committee for the CIP composed of membership from the Planning Commission and the Zoning and Platting Commission to study the existing disconnects between adopted polices, realities of development costs, city monetary process, and the CIP.

**Rationale:** During its discussions, the Working Group recognized that Land Use Commission decisions on land use issues are not made independently of other important factors, and recognized the need to discuss long range CIP policies in conjunction with land use policies on an on-going basis.

**Accomplishments**

- Discussion occurred, but formal joint committee was not formed.

**Proposed FY 2017-2018 Actions**

- Develop recommendation to develop a Joint CIP Committee for consideration by City Council Audit and Finance Committee

**6. Use housing affordability, flood mitigation, and transportation as key filters to the planning and implementation of Strategic CIP Initiatives.**

**Description:** The CIP Working Group recommends that the City address housing, flood mitigation, and transportation issues on any strategic CIP initiatives it plans and implements in the future.

**Rationale:** While these recommendations focus primarily on infrastructure and its relationship to the work of our Land Use Commissions, they are also strongly connected to the important public policy issues of public safety, affordability, and equity. As the City plans and implements future strategic CIP projects, those decisions should also take into consideration two key issues affecting affordability: housing and transportation.

**Accomplishments**

- Approval of Flood Mitigation Task Force Report
- Initiation of Strategic Housing Plan
- On-going coordination activities of Housing + Transit + Jobs Action Team

**Proposed FY 2017-2018 Actions**

- Incorporate CIP recommendations from Flood Mitigation Task Force Report as appropriate into future Long Range CIP Strategic Plan and Bond Development
- incorporate CIP recommendations from Strategic Housing Plan as appropriate into future Long Range CIP Strategic Plan and Bond Development
- Ensure that H+T+J Action Team recommendations related to leveraging housing affordability, jobs and transit are reflected in revised land development code under CodeNEXT.

**7. Provide increased resources to city staff to align CIP Capital Renewal and Strategic Initiatives with the vision of our many current and future planning efforts.**

**Description:** Provide city staff the resources to align efforts for CIP implementation planning to bridge between the visions of Imagine Austin, related small area plans, and future plans and CIP project development ready for funding.

**Rationale:** In order to best develop a prioritized list of recommendations, the working group noted that the continued development of the Strategic Investment Analysis (page 43) will be instrumental to successfully transitioning our CIP from renewal heavy to more balanced allocation to implement Strategic Initiatives. To take further steps forward towards increased realization of Imagine Austin goals with finite funding streams, we must be clear in our alignment of resources with priorities.

To create a convergence of strategic planning efforts that incentivize sustainable and affordably developed infrastructure in directed growth areas, the efforts of CIP and land use planning departments should be more aligned with increased capacity for implementation of both existing and future plans (i.e. Corridor Plans, Small Area Plans, Existing Neighborhood Plans, Growth Centers identified within Imagine Austin).

**Accomplishments**

- Integration of Long Range CIP Plan into city processes
- Continued development of internal CIP coordination tools
- Continued alignment of activities of Imagine Austin Priority Program teams
- Continued monitoring and coordination of small area plan implementation including implementation of CIP recommendations within Neighborhood Plans

**Proposed FY 2017-2018 Actions**

- Develop future bond packages in the context of workload/project development capacity of staff and vendors.
- Develop future neighborhood, small area, and corridor plans through collaborative, multi-departmental processes that incorporate community engagement.
- Continue to develop Long Range CIP Plan updates annually through a collaborative multi-departmental process.
- Continue to develop technology that ensures that regulations and capital investments are operating in tandem to support implementation of Imagine Austin.