



Recommendation for Action

File #: 20-2256, **Agenda Item #:** 26.

6/11/2020

Posting Language

Authorize a fee-in-lieu of on-site affordable housing for a proposed development located at or near 2900 Martin Luther King Boulevard that is subject to the MLK Transit Oriented Development Station Area Plan and Regulating Plan.

Lead Department

Neighborhood Housing and Community Development.

Fiscal Note

This item has no fiscal impact.

For More Information:

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Additional Backup Information:

If approved, this action will authorize the director of Neighborhood Housing and Community Development (NHCD) to accept a fee-in-lieu of on-site affordable housing for the proposed commercial development located at or near 2900 Martin Luther King Boulevard. The property and development are subject to the MLK Transit Oriented Development Regulating Plan (Regulating Plan).

Under this Regulating Plan, a fee-in-lieu is appropriate if the developer demonstrates a compelling reason not to provide affordable housing on-site. The Regulating Plan requires Council approval before NHCD can accept a fee-in-lieu payment.

The development consists of a commercial component and a residential component that is located at 1909 Alexander Avenue. The commercial component is located south of Manor Road and within the Community, Preservation, and Revitalization (CP&R) Zone of the MLK Transit Oriented Development (TOD). The development is the subject of SP-2015-0383C(R1) under the name: Cityline at MLK Station. The proposed development consists of:

- one four-story office (commercial) with ground floor retail at 2900 Martin Luther King Boulevard;
- two five-story multi-family buildings that will provide 302 for-rent apartments at 1909 Alexander Avenue; and
- one six-level parking garage with approximately 525 stalls will satisfy parking requirements of the development.

Once construction is complete, the multi-family and commercial buildings will be separately owned but share the parking garage (as set forth in an existing Unified Development Agreement).

Each component of the development seeks a density bonus. The commercial component seeks a density bonus in the form of waivers of Compatibility Height Limitations, Maximum FAR, and Maximum Height Limitations. Specifically, the developer seeks a Floor-to-Area (FAR) of 2.28 and a height of 60 feet

(approximately 16,595 square feet). To receive the height and FAR bonus for the commercial component, the Regulating Plan requires on-site affordable housing or, if approved by Council, a fee-in-lieu payment estimated at \$190,140 (16,595 additional sq. ft. * \$12/sq. ft.). The City Code sets the current fee at \$12.

The multi-family building seeks a density bonus in the form of waivers from Compatibility Height Limitations and Maximum Height Limitations. Specifically, the developer seeks a height of 60 feet. To receive the height density bonus for the multi-family component, the Regulating Plan requires the developer to provide 15% of the entire square footage of the development for on-site affordable housing and, within the 15% affordable habitable space, the habitable space must equal at least 25% of the bonus square footage at the applicable Median Family Income (MFI) rates. The MFI served by the Regulating Plan is a household at or below 50%. As required by the Regulating Plan, the developer will provide 110,900 square feet for affordable housing. Assuming a unit size of 900 square feet, this would result in approximately 18 units being affordable for 40 years.

Because the commercial buildings will not include residential and the multi-family buildings will include on-site affordable housing, NHCD recommends Council find that the developer demonstrated a compelling reason to pay a fee-in-lieu of on-site affordable housing for the commercial component of the development.

Strategic Outcome(s):

Economic Opportunity and Affordability.