



Recommendation for Action

File #: 22-2985, Agenda Item #: 37.

9/29/2022

Posting Language

Authorize a fee in lieu of on-site affordable housing for a proposed commercial development subject to the Plaza Saltillo Transit Orient Development Regulating Plan and located at or near 1100, 1108, and 1110 E. 5th Street, Austin, Texas 78702.

Lead Department

Housing and Planning Department.

Fiscal Note

This item has no fiscal impact.

For More Information:

Rosie Truelove, Director, Housing and Planning Department (512) 974-3064; Jamey May, Housing and Community Development Officer, Housing and Planning Department (512) 974-3192.

Additional Backup Information:

If approved, this action will authorize the director of the Housing and Planning Department (HPD) to accept a fee in lieu of on-site affordable housing for the proposed commercial development located at or near 1100, 1108, and 1110 E. 5th Street, Austin, Texas 78702. The property and development are subject to the Plaza Saltillo Transit Oriented Development Regulating Plan (Regulating Plan). The proposed development is located in City Council District 3.

Under this Regulating Plan, a fee in lieu is appropriate if a development demonstrates a compelling reason not to provide affordable housing on-site. The Regulating Plan requires Council approval before HPD can accept a fee-in-lieu payment. The City Code sets the current fee at \$13.

The proposed development is located within the Regulating Plan's Mixed-Use Subdistrict, which does not require a minimum number of residential units. The proposed development consists of a commercial building that will be used as a hotel. The developer seeks a density bonus in the form of waivers of Compatibility Standards. Specifically, the developer seeks a total bonus area of 80,691 square feet. To receive the height bonus, the Regulating Plan requires on-site affordable housing or, if approved by Council, a fee-in-lieu payment estimated \$1,048,983 (80,691 additional sq. ft. * \$13/sq. ft.).

Because the proposed development will not include residential, HPD recommends Council find that the developer demonstrated a compelling reason to pay a fee in lieu of on-site affordable housing.

Strategic Outcome(s):

Economic Opportunity and Affordability.