



Recommendation for Action

File #: 22-3593, **Agenda Item #:** 26.

12/1/2022

Posting Language

Authorize a fee in lieu of on-site affordable housing for a proposed commercial development subject to the Plaza Saltillo Transit Oriented Development Regulating Plan and located at or near 1400 E. 4th 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 1400 E. 4th Street, Austin Texas 78702. The property and development are subject to the Plaza Saltillo Transit Oriented Development Regulating Plan (Regulating Plan).

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 proposed development is located in City Council District 3. The proposed development consists of a commercial building that will be used as a hotel.

The proposed development is located within the Transit Oriented Development Mixed-Use Subdistrict, which does not require a minimum number of residential units. The proposed development seeks a density bonus in the form of waivers of Compatibility Standards. Specifically, the developer seeks a total bonus area of 78,558 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 at \$1,021,254 (for 78,558 additional square feet, \$13 per square foot). The City Code sets the current fee at \$13 per square foot.

Because the proposed development will not include residential housing, 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.