



April 17, 2024

Re: Centro East and East César Chavez Neighborhood Affordable Housing Challenges

Dear Mayor, Mayor Pro-Tem, and Council Members,

On behalf of the East César Chavez Neighborhood Association & Plan Contact Team (ECCNA-NPCT), I'm writing to support the applicant's request to pay a fee-in-lieu of offering affordable units at the Centro East project at 1501 East 6th Street.

Centro East was considered an exemplary project compared to others in the Plaza Saltillo Transit Oriented Development (TOD) because it was one of the few that included affordable housing rather than fee-in-lieu from the outset. However, during an update in March, the applicant explained that that path is no longer financially viable. The applicant also shared that the Plaza Saltillo TOD Regulating Plan is too rigid for them to reduce affordable housing from 10% to 5% and pay half of the fee-in-lieu (FIL).

Since its creation in 2009, the Plaza Saltillo TOD has generated **\$9,202,443 planned or paid FIL dollars versus 370 affordable housing units**. By comparison, the City's other TODs have generated only 166 affordable housing units and \$0 FIL dollars. **Of the \$9,202,443 allocated FIL, almost none has benefited the ECC neighborhood to date.**

Austin had more ambitious goals than creating **536 total affordable housing units** with TOD incentives. While there's been rapid progress on the ETOD planning framework for Light Rail, the ETOD studies and proposals all seem to have excluded Plaza Saltillo TOD from consideration. Accordingly, the Contact Team requests that City Council:

- Amend the Plaza Saltillo TOD to recalibrate the affordable housing bonus program and ensure it is flexible and responsive, such that Projects like Centro East have more flexibility to split affordable housing with fee-in-lieu dollars;
- Prioritize changes to the Plaza Saltillo TOD, as it is one of the most rapidly changing and gentrifying residential areas in Austin; and
- Create a means for fee-in-lieu dollars to more readily benefit the neighborhood from which they were derived.

The ECC neighborhood appreciates the applicant's support of these recommendations and offer to contribute to our ongoing efforts to revitalize Saltillo Plaza as a vibrant public community space.

Sincerely,


Eric Pace, Chair

ECCNPCT / ECCNA

cc:

T.C. Broadnax, City Manager

Jesús Garza, Interim City Manager

Veronica Briseno, Assistant City Manager

Lauren Middleton-Pratt, Director of Planning

Claire Hempel, Chair, Planning Commission

Holly Neighborhood Association

East Town Lake Citizens Neighborhood Association