

**Airport and Oak Springs:
East MLK Neighborhood Plan Contact Team Question and Answer Report**

- **The need for more retail in this area so that residents can get the services they need near the homes which exist and are being developed. Why is it necessary to waive the ground floor retail?**

Housing is critical to supporting and sustaining retail and commercial uses. Residents who live near a store are likeliest to continue to patronize that store on an ongoing basis. Additionally, as new residents join a community, they increase the demand for commercial amenities – and thus help support the creation of new businesses in the area.

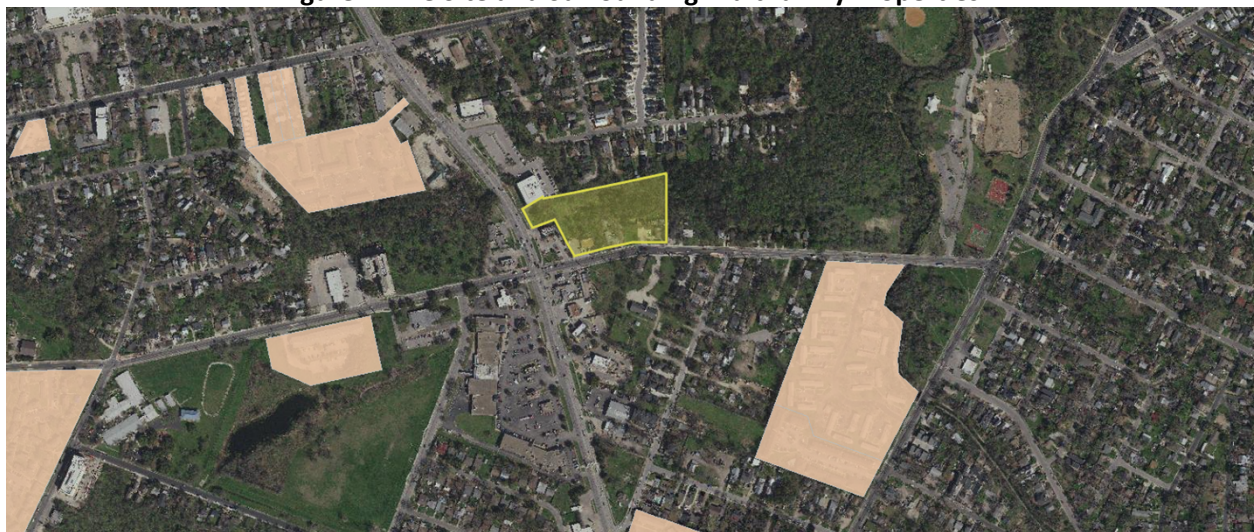
While the applicant has not yet made a final determination regarding whether to proceed as a fully residential building or as a mixed-use building, they have requested that the city waive the ground-floor commercial design requirement, for three main reasons.

First, while the property in this case (shown in yellow in Figure 1) has frontage on both Airport Boulevard and Oak Springs Drive, its Airport frontage is more limited. Though Oak Springs features a small number of businesses today, it primarily consists of residential properties – and the applicant believes a residential project may ultimately be appropriate at this location, as well. If there is strong demand among businesses seeking space at time of development, the applicant could still proceed with commercial space. If not, allowing a fully residential project would alleviate the risk of underutilized or vacant commercial space.

Second, the applicant believes a fully residential project will help add new residents to boost demand for existing area businesses and build demand for future businesses, as well. The Airport Boulevard and Oak Springs Drive features a number of existing commercial spaces that this project could help support. There are also relatively few multifamily properties in the surrounding area today (as shown in orange in Figure 1 below). This project would help provide the additional housing needed to support area businesses.

Third, city regulations, as currently written, would require the applicant to design the ground-floor commercial space oriented toward the limited Airport Boulevard frontage. This would likely mandate a site layout and orientation that may create unnecessary circulation and congestion issues. As noted, the waiver would not *prohibit* ground-floor commercial, but would instead allow the applicant to evaluate the site with these considerations in mind.

Figure 1. The Site and Surrounding Multifamily Properties



- **We also know that across East Austin, there is a need for more grocery stores. Being on a bus line and along a major street, more grocery options would allow for residents to get what they need without getting in their car.**

Grocery stores are an important amenity for residents – and the Airport and Oak Springs case will help support this area's existing grocery store as well as improve the area's ability to support additional retail opportunities (including grocery stores) going forward.

The property currently sits across the street from an existing supermarket (Supermercado Poco Loco). Over the last 15 years, this space has changed over multiple times (from a City Market to an Arlan's Market to a Supermercado Poco Loco). Strategically increasing housing across the street from this supermarket would help boost its customer base – and would strengthen demand for new businesses in the area.

An older briefing on land use issues produced by the U.S. Local Government Commission and supported by the Environmental Protection Agency (EPA) suggested that “a small supermarket requires 18 units per acre” to support it. While there is no ‘one size fits all’ standard for where grocery stores locate – and the specific threshold needed to support a grocery store varies according to many different local factors – this EPA-supported briefing highlights an important ‘anchor’ for grocery stores: the number of people living near (and having easy access to) the store.

For reference, at this time, the Census Tract within which the property is located has roughly 2.67 housing units per acre, while the surrounding Census Tracts range from 1.49 to 3.80 units per acre.

By providing housing for more residents, the Airport and Oak Springs case will help support the existing grocery store and build demand for future commercial amenities, as well.

- **You provided the update today that a traffic study / response from the transportation department is coming up. There were many concerns about existing traffic and the additional traffic which the new development would bring.**

The city requires applicants to pay for their project's share of transportation improvements, including paying a ‘street impact fee,’ or SIF. For this project, we expect the SIF to exceed \$350,000. Additionally, the city's transportation engineers will review the applicant's site plan to ensure it fully complies with all applicable transportation rules and standards.

- **Affordability at 60% may still not be deeply affordable for this area.**

The city has various different strategies for affordability, across a range of incomes. All new construction needs to cover the costs of development in one way or another. Projects are able to provide affordable units only if they are able to identify a funding source to cover the cost of the reduced rents.

For instance, deeply affordable units generally require public-private partnerships, tax credits, or another source of public financing – and developers specialized in navigating that specific form of development – in order to fund the significantly reduced rental rates.

In density bonus programs, like Density Bonus 90 (DB90), the market-rate units generally cover the costs of the reduced rents for the affordable units. Because of this, there is limited ability to reduce rents below 60 percent of Median Family Income (MFI). The city has thus determined the 60 percent MFI level as the current standard for many of its density-bonus programs, including DB90 – and the applicant will fully comply with the city's standards and regulations.

It is also important to note that every unit in this project – regardless of whether it is technically an ‘affordable unit’ or not – will ultimately age and, over time, become naturally occurring, ‘market-rate affordable’ housing.

- **Can there be stepped up building height, to preserve the setback / compatibility for neighbors along Oak Springs?**

The property’s topography (and the topography in the area generally) both constrains the site and provides natural ‘buffering,’ as shown below. The applicant believes this slope will naturally provide appropriate buffering to the project.

Figure 2. The Property and Slope

