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## Going Vertical

*The new VMU zoning could transform your neighborhood – and you'll have 90 days to help decide how*

By Katherine Gregor

*It's the little details that are vital. Little things make big things happen. – John Wooden*

As suggested by Envision Central Texas, if Austin is to remain a sustainable, eco-friendly community as it grows, it must increase central-city density. Yet the prospect of adding more people and cars and high-rises to one's own central neighborhood – even in the noble service of the environment – is often a bitter pill. (Couldn't our one 'hood just donate its fair share of newbies to Round Rock?) But Austin is growing so fast – estimated to add more than 1 million people in the next 20 to 30 years – that the only real growth choice we have is: To sprawl or not to sprawl? In choosing to avoid the ills of sprawl – environmental, economic, social equity, and quality-of-life – Austinites are being asked to accept increased density. The "d" word looks like oodles of people living, working, and public-transporting in the urban core – in your central neighborhood and mine.

Toward that end, city leaders have created a new zoning category, vertical mixed use. If the term makes your eyes glaze, you're not alone. For most folks, zoning code abbreviations like PUD, DMU (and even the alluringly medical CBD-CURE) are alphabet Ambien. But VMU is cool. Think of it this way: Vertical is to well-designed density as horizontal is to ugly sprawl. VMU is the support our city needs to push new projects up, not out – a kind of development Wonderbra.

Now that your heart is racing at the prospect of perky new mixed-use projects sexily arising in neighborhoods near you, let's move on to the particulars.

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### VMU: What It Is

For new projects, layering several floors of housing (required) and offices/other (optional) atop ground-floor commercial space (shops, businesses,

restaurants) is among the "best practices" codified by ordinance in the new citywide design standards that became effective Jan. 13. (That's Article 4 of Subchapter E: Design Standards and Mixed Use, at [www.ci.austin.tx.us/development/downloads/final.pdf](http://www.ci.austin.tx.us/development/downloads/final.pdf), for wonks reading along on the Web.) VMU buildings are, in fact, generally subject to all applicable standards established by the design-standards ordinance (unless they earn "relaxed standards"; more on those in a minute). The intent of VMU is to 1) encourage desirable redevelopment in the central city and 2) encourage each project to pack 'em in by stacking several uses (live, work, play) on one site, like a triple-layer VMU club sandwich. Plus, they guarantee that some affordable housing will be included in each project. If enough projects like this are built, close together, then Austinites will become more likely to walk and use public transit, and – *voilà!* – we become a *real* big city (while keeping the planet cool).

To encourage desirable new projects, VMU zoning offers enticing developer benefits. To earn them, developers must meet specific requirements to make the project conform with Austin's urban vision. These include high-quality building design, meeting-the-street, pedestrian-friendly amenities, and green-building requirements. In addition, 10% of the housing units must be "affordable" (based on area median family income).

To compensate and help pay for all the goodies, civic-minded developers get specific financial incentives. Most valuable, the "relaxed standards" for VMU can allow significantly more condos or apartments on a site (primarily by lifting "minimum site area requirements" that would restrict density). The relaxations also reduce by 60% the parking required by code and add more uses on the ground floor, such as convenience stores and eateries.

In essence, the VMU social contract represents a balancing act between incentives and public benefits. Whether the ordinance, as written, has achieved the right balance (or needs additional tweaking) will become clearer after VMU has been in place for a while. New developer Roy Ross is considering a VMU project on his East Sixth Street property: "I'm from East Austin, born and raised, so I love the idea of it," he said. "Affordable housing – that's fine. But at the end of the day, if there are no profits, no one's going to do it."

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## Where It's Happening

Ready for another helping of alphabet soup? To define where official VMU projects can be built, the city also established by code a Vertical Mixed Use Overlay District. The VMU-OD generally consists of the frontage properties (commercially zoned) along all of Austin's core transit corridors and future core transit corridors. *Important note: Any developer can do a project that acts and quacks like a VMU, without electing to build it under that zoning. But for our purposes here, a "VMU project" means one officially submitted under VMU zoning, with all the requirements and rewards that apply.*

What is a core transit corridor? These are the 16 major, well-populated, developed roads along which the city most wants to direct growth – and encourage use of public transit. Examples include Anderson (Burnet Road to MoPac), South Congress (Riverside to Stassney), East Sixth (I-35 to Pleasant Valley), and Riverside (Lamar to Pleasant Valley). During neighborhood planning, each neighborhood has been encouraged to plan for increased density along its CTC, as a trade-off for protecting the heart of established neighborhoods. (A complete list of CTCs and future CTCs is included in the succinct, if unofficial, Summary of Vertical Mixed Use & Neighborhood Options, drafted by the Austin Neighborhoods Council's Laura Morrison, also available at [www.ancweb.org](http://www.ancweb.org).)

As sites for official VMU buildings, CTCs and future CTCs are the most likely suspects. On other roadways, VMU projects potentially can be

built (on sites larger than 3 acres) under a conditional-use permit as well. While VMU is allowed on all properties zoned mixed-use, the relaxed standards attractive to developers will kick in for MU sites only upon neighborhood and council approval.

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## Neighborhood Options: The 90-Day Window

Here's where the average citizen chimes in. While most elements of VMU are set, a few aspects are "subject to neighborhood considerations and recommendations" – meaning that individual neighborhoods can nix them or customize them. (For this right, Austin can largely thank advocacy by Morrison and ANC Vice President Danette Chimenti.) The opportunity to make changes is now, during a one-time process – called opt-in/opt-out – that offers a 90-day window for neighborhood input. A few fine-tuning amendments to the VMU standards are awaiting action by council, probably on Feb. 15. Within a week after that, letters should go out to neighborhood associations, announcing the start of the 90-day period. (A vote on the VMU amendments was bumped from the Feb. 1 council agenda at the last minute because Mr. Design Standards himself, Brewster McCracken, was out of town; real estate attorney Steve Metcalfe said council was unwilling to act without him because, "Brewster's one of only about 10 people in town who really understand all of this.")

Once the clock starts running, residential property owners and neighborhood associations with opinions on whether VMU is desirable in their neighborhoods – and whether it should apply to a specific tract – need to act quickly to make their preferences known. Individuals should work through their neighborhood planning team, if one exists, or their neighborhood association. Anyone concerned about how VMU might change the face of her neighborhood should be sure to speak up, while she can. A property owner considering a VMU project, for example, will want to be sure her site is within the VMU-OD – and that the neighborhood doesn't target it for an opt-out.

Why would a neighborhood want to opt out of VMU incentives? Basically, to discourage new development. Since the intent of VMU is to encourage redevelopment, a neighborhood that prefers no change and no increased density (good luck with that) may look dimly upon VMU. Or concerns may focus on specific tracts of land, which can get either a specific opt-in or opt-out recommendation. (One of the amendments going to council would permit removal of a specific property from the VMU Overlay District.) VMU may be undesirable if the property is best preserved just as it is. For example, if a property has a historic structure on it or a cultural landmark or an iconic business or affordable housing – or just a cool locally owned coffee shop where the neighbors love to hang – then there's no reason for VMU, which could encourage razing the existing structures.

Environmental issues could also bear on a particular property's advantages for redevelopment. The ANC cites such potential concerns as water quality (e.g., additional runoff to creeks) or saving trees. Another concern: displacing local businesses, in cases where a developer might assemble a large VMU project site by purchasing adjacent, smaller properties. While those businesses potentially could relocate into the new ground-floor retail spaces, forced closure during construction and higher lease rates can be huge barriers for a small business.

Conversely, ANC encourages new VMU projects on underloved and underutilized properties or where they can establish new neighborhood shopping, services, and eateries – on tracts such as those already identified in neighborhood plans. If such a tract isn't already in the VMU-OD, the neighborhood can recommend an opt-in for the tract (or a larger area). The opt-out/opt-in powers are just recommendations; however, neighborhood recommendations will go to the Planning Commission for review and then to council for a final decision (supposedly within 45 days after the 90-day window). And again: A neighborhood can't opt out of allowing VMU or mixed-use development *altogether*, in areas where it's

permitted. All it can do is reject the "relaxed standards" that make VMU more attractive and profitable for the developer.

Neighborhoods also can have a voice on deepening affordability, for rental units only. A project built under VMU zoning must set aside 10% of living units as affordable housing. For apartments, all 10% must be affordable (for 40 years) for households earning 80% of Austin's median family income. For condos, (for 99 years) 5% of units are reserved for 80% MFI households, and 5% are reserved for 100% MFI households. (According to HUD 2006 regional figures, for a couple with no kids, 80% MFI was \$45,500; for a family of four it was \$56,900.) For rental apartments, representatives of a neighborhood planning area can recommend that the income requirement be set as low as 60%. Spokespeople for the neighborhood around East Cesar Chavez, for example, had expressed an interest in this lower level. But neighborhoods need to be careful. Especially on smaller sites (where developers can gain fewer additional units and other benefits), deeper affordability requirements could make projects financially unfeasible, with the result that no VMU projects may get built at all (see "VMU: Affordable for You?" right). Of course, in some cases, that may be the intent.

With the 90-day window now approaching, it's timely for every Austin neighborhood to hold a town-hall meeting (virtually, at least) on VMU. According to Morrison, areas not in the VMU Overlay District should ask the question: Do we have specific properties in our neighborhood that we'd like to see redeveloped as something better? (Plenty of "ugly Austin" candidates along urban roadways likely come to mind.) If so, recommend the sites for an opt-in. For areas with CTCs and future CTCs, the question becomes: Do we have special places we'd hate to lose to redevelopment? Or areas where the increased traffic, parking, and other impacts of allowing denser housing would create more headaches than VMU is worth?

But for the no-growth crowd, it's important to remember that recommending against VMU incentives could backfire. The guaranteed inclusion of affordable units is important to the community and unlikely in other private developments. George Adams of the city's Urban Design Office reports that people already informed about VMU "appear to be quite deliberative and thoughtful" in considering their opts. "Saying 'no' to VMU is not necessarily going to stop redevelopment from occurring," said Adams, noting that the advantage of encouraging VMU is that "you get more certainty about the quality of projects."

Architect Trey Hailey of Hailey/Johnson Architects has experience on a number of projects "in the VMU spirit" – including Saltillo Lofts, which won an Envision Central Texas award. He likes VMU because, "It's an extra incentive for our clients to do things that are more sensitive in terms of urban design." Several planned projects may get done under VMU, he said, depending on its final form and neighborhood input – particularly on the number of units allowed and levels of affordability required. He notes that the Austin market has shifted in favor of mixed-use projects and that developers and the real estate community are becoming more comfortable with them, even though they're more complex to design and develop.

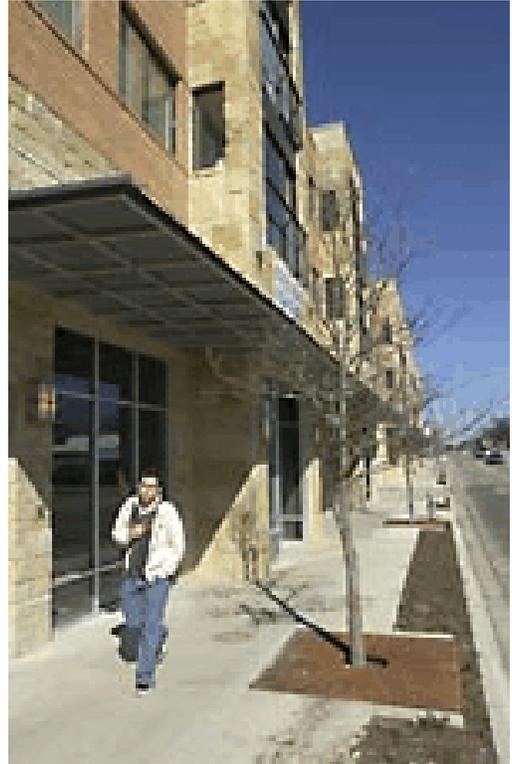
Said Hailey, "I sincerely think our clients get excited about creating these great places; it's not just a real estate deal." No doubt about it: VMU *is* sexy. ■

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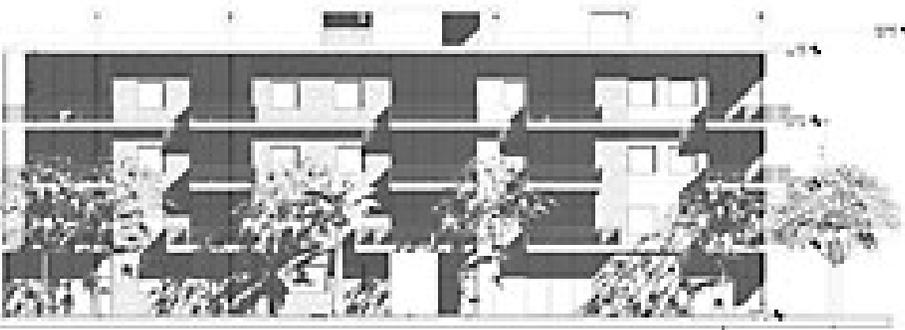
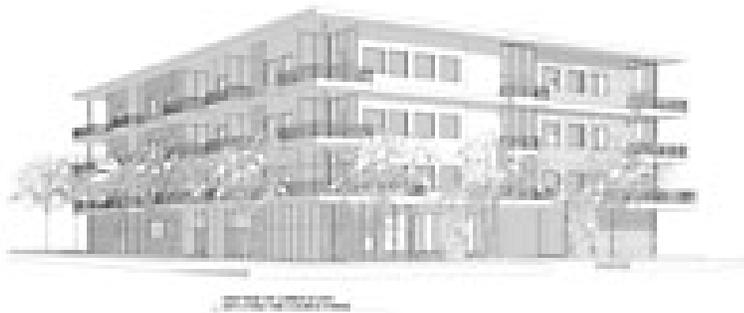
For more info on VMU, see the city's Design Standards and Mixed Use document at [www.ci.austin.tx.us/development/downloads/final.pdf](http://www.ci.austin.tx.us/development/downloads/final.pdf) or a more accessible summary posted at [www.ancweb.org](http://www.ancweb.org).



Storefronts open directly onto wide sidewalks as at the new VMU-like project (3130 Guadalupe)



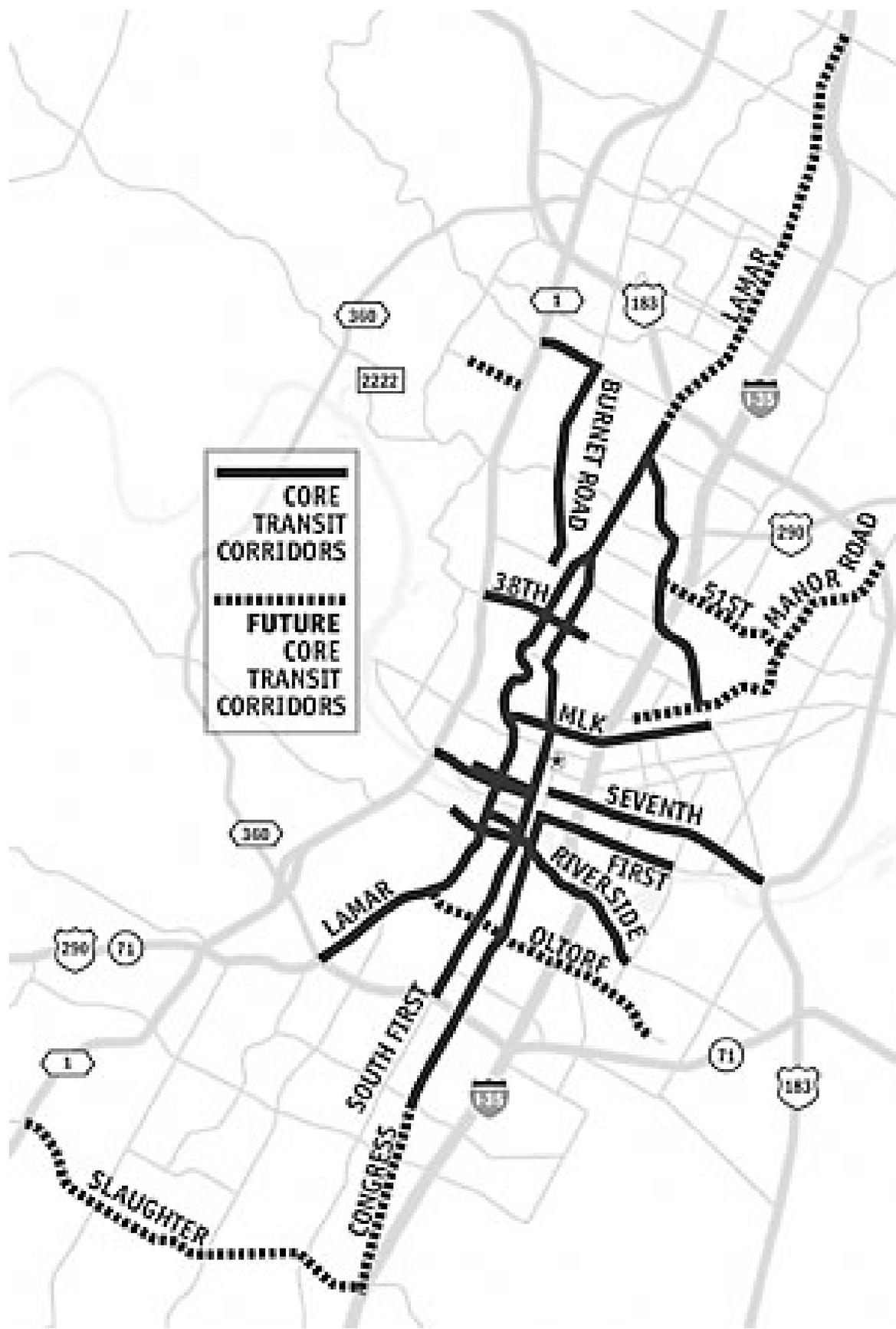
Dense and walkable: VMU promotes the stacking of apartments and condos over shops, cafes, and small offices to create a lively streetscape (2nd Street)



Sixth Street Lofts,: Proposed at 36 units.  
Without the special VMU project incentives, only 21 units would be allowed.  
(1620 E. 6th)

Designed in the VMU spirit, but not in a Core Transit Corridor. This relatively affordable condo-retail project would need a neighborhood "opt-in" recommendation to take advantage of VMU zoning.  
(East End Condos  
East 12th Street)





**CORE  
TRANSIT  
CORRIDORS**

**FUTURE  
CORE  
TRANSIT  
CORRIDORS**

300

2222

1

183

41

36

360

390

71

1

135

11

183

BURNET ROAD

38TH

MLK

SEVENTH

FIRST

RIVERSIDE

OLTORE

LAMAR

SOUTH FIRST

CONGRESS

SLAUGHTER

LAMAR

51ST MANOR ROAD