



The Cherrywood Neighborhood is bounded by I-35, E. 38 ½ Street, Airport Boulevard, and Manor Road. We are a flourishing neighborhood of homes, businesses, and green spaces in Central Austin.

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January 18, 2024

The Cherrywood Neighborhood Association (CNA) Steering Committee met on January 10, 2024 and considered the rezoning request (C14-2023-0110) to lift the 40' height restriction and voted to request a postponement in the Planning Commission hearing of this request until at least February 27. We understand the applicant, via their representatives with Drenner Group, have agreed to this postponement.

There are three primary drivers of our position: timeliness, affordability, and design. All are discussed below. We will use the postponement period for a voluntary planning collaboration between the neighborhood, additional stakeholders and the applicants to draft principles and goals to guide future redevelopment, including creative approaches to the enforceability of these principles and goals.

We appreciate the applicants and Drenner Group attended a recorded meeting in September 2023 to answer questions. The Drenner Group representatives have been communicative and responsive throughout the process.

Background

The CNA has a long history of trying to shape the inevitable changes in the density and character of our neighborhood, with special consideration of changes along the transportation corridors that transect our area. We are not opposed to change in our neighborhood. Cherrywood is a central neighborhood in a housing-strapped city, and CNA supports increasing density of new structures and population in balance with preservation of existing structures and character.

The properties impacted by this zoning request are important to the Cherrywood neighborhood. Currently the properties include the Alma Apartments, 74 unsubsidized, market affordable units, an increasing rarity in central Austin. The properties also include three locally owned businesses that have been a part of the Cherrywood neighborhood for many, many years: Cherrywood Coffeehouse (previously Pato's Good Tacos in the 1980s-2002), Monarch Mart, and G&C Cleaners (previously Delwood Cleaners, we believe dating back to the 1960s or before). We are especially grateful for the applicants' repeated commitments to honor the existing lease agreements (including the provisions for extensions of the leases) for these local businesses. If these leases are honored, it is our understanding redevelopment of the properties would likely not occur within the next 10 years.

The CNA has well documented support for increasing density on this section of the E. 38 ½ St. corridor – most notably across several sections and action items in the 2002 Upper Boggy Creek Neighborhood Plan and as well in our 2019 Alternative Plan in response to the Land Development Code rewrite (both documents are online at www.cherrywood.org). These specific parcels are directly addressed in the 2002 UBC NP, which is also the origin of the 40' height restriction.

Considerations

This is a narrow rezoning request, targeting the removal of the 40' height restriction and not changing any of the base zoning categories, thereby avoiding an amendment to the adopted Neighborhood Plan. If the request is approved, the base zoning would revert to 60' height, retaining the VMU options for additional height up to 90' if affordability targets are pursued. Our understanding is that the applicant may be interested in some or all of the additional height permitted by opting into the VMU overlay.

The owner of the parcel currently occupied by the Alma Apartments, Narrow Road Group, is also a local developer with several other multi-family projects in the urban core. They have stated they would be leading any redevelopment of the Alma Apartments parcel.

But to date, the applicants have offered no specific redevelopment plans or concepts other than what is required to be stated in submittals: a future project of “200,000 square feet, 5 stories, up to 250 units.”

Position points

As noted above, our position and concern about the rezoning request has little to do with the current applicants (who we believe have been honest brokers to date) or with the idea of increased density. Our position has everything to do with the lack of a future redevelopment plan or concept, which leaves multiple concerns unaddressed, but which we intend to address in a collaborative process with the applicants by February 23. Our process will address the main drivers of our request to postpone.

Timeliness. As it is, this appears to be a speculative rezoning to increase the entitlements and market value of all four parcels but the timing is valid to question. We understand Texas private property owners have the right to pursue changes to property restrictions to increase property value, but the community and City are not obligated to agree with a private owner's sense of urgency.

We also understand the desire for a property owner to have predictability with their property. This desire is equally shared, albeit from a different perspective, by both neighborhoods and developers – and we must note, by the current residents of the Alma Apartments. We hope our collaborative process will yield clearer predictability on the future redevelopment of the site for all parties.

A neighborhood association also has the responsibility of long-range vision. We believe the parcel adjacent to the Alma Apartments to the west, currently occupied by the Fiesta complex (over 12 acres and with over 500' of rail line frontage), may also pursue redevelopment within the next decade as major transportation projects in the area unfold. The future redevelopment of the four parcels in this case, especially the Alma Apartments, will influence the overall potential of the much larger adjacent parcel and the entire area. Our great preference, aside from the case at hand, is that this larger grouping of parcels be thoughtfully and ambitiously planned together.

Depending on the actual site plan and circumstances, the CNA can support greater height and density in this location, and we believe the City and community will be better served being patient until a future development plan is established.

Affordability. As recent City Council actions have demonstrated, increasing the number and impact of affordable units across Austin is a priority. The CNA supports this goal wholeheartedly. The Alma Apartments is 74 units of older, unsubsidized, market-affordable multi-family housing. These units will be lost in a future redevelopment.

With no near-term development plan outlined, there is no way to start a conversation about affordability goals in a future redevelopment or to support housing stability and predictability for the current tenants of the Alma Apartments. We will pursue an affordability commitment by the property owner /

developer, and search for a transparent and effective way to enforce the commitment. It seems highly unlikely that 250 new units will be naturally priced comparably to the rates of the existing 74 units, i.e., there will be an increase in *supply* of units, but a decrease in *affordable* units, which will have ripple effects across the neighborhood. We believe the City and community will be better served with the neighborhood and applicants working together to secure a commitment to future affordability on these parcels, potentially in concert with (but not as a condition of) the removal of the height limit.

We understand via Drenner Group representatives that Narrow Road Group is open to a discussion about affordability.

Design. Good design cannot be guaranteed through zoning or building code, and it is often the differentiating factor in value and success between projects of equal size and risk. Projects fare better politically and economically when they are designed in context with their surroundings, take advantage of future transit access, include trail and bicycle access, take responsibility for environmental impacts and opportunities, and incorporate cultural touchstones such as local businesses.

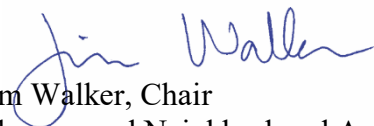
Height and site area are key considerations in design, as are surrounding uses and an intelligence for compatibility. Some Cherrywood residents in the immediate area of these parcels are concerned about height above 40', especially on the most easterly of the parcels. We have general consensus that greater height is increasingly appropriate from east to west across these parcels; to extend this idea, greater height than even 90' closer to I-35 may yield greater neighborhood and city benefits over the long-term.

In that vein, we understand there is a complex, proportional relationship between height (including as limited by construction code), design, affordability, and other community benefits. This complexity and the nuance of the inevitable trade-offs are precisely why we look forward to a collaborative planning process with the applicant/developer.

We believe the City and community will be better served in working with the applicants to develop a program that can shape the future redesign of these parcels either as stand-alone projects or withing a larger grouping with adjacent parcels.

We understand that the applicant, via the Drenner Group, has agreed to the CNA request to postpone their rezoning case in order to collaborate with us to convene design workshops over the next several weeks, that include current Alma Apartment residents and local small business owners, to outline a program for these parcels. We believe the applicant/developer, Narrow Road Group, could use this program to solicit investment partner(s) who can further assist in addressing questions of design and affordability commitments.

Respectfully,



Jim Walker, Chair
Cherrywood Neighborhood Association

Cc: Planning Commission members
Councilmember Zo Qadri
Mayor Kirk Watson
Austin City Councilmembers