

Urban Renewal Agency
East 11th & 12th Street Urban Renewal Area
Unsolicited Proposals Requirements

Updated June 13, 2016

Urban Renewal Agency (URA) may consider unsolicited proposals on property owned by the URA for development. These requirements will apply where the majority of the housing will be sold or rented as market rate housing and the project will not be applying for federal, state or local affordable housing dollars to finance the project. A minimum of 10% of the total residential units must be reserved for affordable housing. Rental units will be reserved for households earning no more than 60% percent of the Annual Median Family Income for a minimum of 40 years from the date of certificate of occupancy and ownership units will be reserved for households earning no more than 80% of the Annual Median Family income for a minimum of 99 years from the date of certificate of occupancy. An affordable unit is a unit that is rented or sold to a household that will spend no more than 30% of its gross monthly income on mortgage or rental payments, or up to 35% of its gross income on mortgage if a household member received City-approved homebuyer counseling.

I. Compliance with Regulatory Overlays

- a. Does project comply with current plans and zoning? If project is located in the East 11th and 12th Street Urban Renewal Area, does it comply with the Urban Renewal Plan, as amended and the East 11th and 12th Streets Neighborhood Conservation Combining District, as amended?
- b. If not, proposer must submit evidence of support of the proposal's conceptual plan from the neighboring, City recognized, Neighborhood Associations/Organizations.

II. Proposer's Financial Resources/Access to Capital

- a. Proposer must be able to establish and demonstrate that it has access to financial resources such as the ability to raise debt and equity capital to purchase, develop and complete the redevelopment in a professional and timely manner. Proposals that do not meet this criterion will not be considered.

III. Relevant Experience and Track Record

- a. Proposer must provide relevant experience with respect to the development and operation of other commercial and public projects, clearly distinguishing the experience

of the Proposer (including joint venture partners) from that of consultants and other team members. Proposals that do not meet relevant experience and track record requirements will not be considered.

IV. Total Consideration

- a. Fair market value must be received for the subject property. FMV will be established by an appraisal commissioned by NHCD.
- b. Upon City Council action, proposer must be able to finance and close within 30 days of Council approval to sell property.
- c. The proposer will be responsible for the payment of all closing costs.

V. Other Terms of Purchase to be Negotiated:

- a. To the extent that other terms of purchase of the subject property are required, these terms should be disclosed in the proposal. These terms would be subject to negotiation by NHCD and the Proposer.

VI. Proposal Development Plan:

- a. Proposal must set forth a detailed conceptual plan for the development of the subject property.
- b. Description of the proposed development concept must include the housing type, any mix of uses and square footage.
- c. Description must also include an explanation of the relationship of the project's scale and mass to the surrounding developments. Graphic conceptual plans for the proposed project are required. These graphics must show, at a minimum, a site plan, elevation and sections that illustrate the location, size and parking.
- d. Proposers must also provide a design and construction timetable, including timelines showing all approvals required from other entities involved in the project.

VII. Development Entity

- a. Proposal must provide, at a minimum, the following information about the development entity to be used by the Proposer:
 - i. **Identify the Development Entity:** Identify the legal entity constituting the Proposer that will accomplish the purchase, development and implementation of the project. Include all intended joint venture and limited partners. To the extent the entity is created, provide proof of authority to do business in Texas and, as applicable, a certificate of good standing. If publicly traded, include stock exchange and trading symbol. Indicate the percentage interests of each of the partners and provide a complete listing of names, titles, addresses and telephone numbers. Also, provide the name of the principal in charge.

- ii. **Development Team:** Identify the role of each member of the development team, consisting of the Proposer (including joint venture partners) and major consultants in the conceptualization, design, financing and construction of the project. The consultants identified may include, but are not limited to, design architects, economic/financial analysts, engineers, contractors, legal counsel, marketing firms, leasing agents and property management firms.
- iii. **Identity of Principals:** Provide an accurate and thorough description of the Proposer. Include the names of principals, home office location, number of employees, sales and development volume in dollars per year for the last five years and all office locations.
- iv. **Management Team:** Identify the role and submit the resumes of the key individuals who will be involved in the development, implementation and operation of the project.

VIII. Development Team Experience

- a. Proposal must provide relevant experience with respect to the development and operation of other commercial and public projects, clearly distinguishing the experience of the Proposer (including joint venture partners) from that of consultants and other team members. No more than five examples should be provided. For each project identified, Proposer must provide at least the following information:
 - i. Identification: Statement of the project name and type.
 - ii. Developer: Identification of the developer and an explanation, if different from the identity of the Proposer for the subject property.
 - iii. Location: Identification of the location, including address and photographs of the project.
 - iv. Size and Uses: Description of the size, mix of uses and tenants.
 - v. References: Identification of two references with contact names and telephone numbers.
 - vi. Development Time Line: Submission of the development timeline from selection of the Proposer to completion of construction.
 - vii. Development Cost: Description of the development cost including a brief explanation of the approach used to finance the project, including identification of the financing sources.
 - viii. Public Involvement: Description of the public involvement, if any, including the role of the development entity, involvement of the public sector and unique challenges of the project.
 - ix. Public Entity Contact Information: Identification of involved public entities, including references and contact information.

IX. Financial Capacity and Capability

In order to demonstrate access to equity capital and financing resources to carry out the proposed project, each proposal must provide the information listed below: [Note: The City and URA will treat this portion of the submission as confidential, to the extent that it is not already public and to the extent allowed by law. As such, information considered by the Proposer to be confidential, should be stamped "Confidential" in all capital letters on each page and submitted in a separate sealed envelope attached to the submission. This information will be analyzed by an independent financial management consultant.]

Portfolio: Composition of current real estate portfolio.

- a. Development Financing: Provide evidence of acquisition and development financing.
- b. Financing Commitment History: Recent history (last three years) in obtaining financing commitments including the type of project, financing source(s), amounts committed, etc.
- c. Audited Financial Statements: Audited Financial Statements for the last three years, including cash flow statements and balance sheets and, if publicly held, the most recent 10K and 10Q filings.
- d. Pending Projects: A listing and description of all pending projects under enforceable funded contracts, including status, development schedule and financial commitment required of the Proposer. Also provide a description of the project financing method, sources and amounts and indicate any working relationship on other projects with members of the development team proposed for the subject property.
- e. Sources of Debt and Equity Capital: The identity and description of the specific sources of debt and equity capital, including relationships to the Proposer (e.g., outside lender, parent company) and contact information.
- f. Funding Source Action: Full disclosure of whether any funding sources or financial institutions have threatened to take or have taken any adverse action against the Proposer or joint venture partner, such as terminating or restricting the use of funds, anytime during the past five years.
- g. Legal Action: A description of any pending or past legal action against Proposer, its principals and associates within the last five years including, but not limited to, legal action resulting from charges of financial misconduct or impropriety against the Proposer, its principals or associates. Additionally, provide a description of all notices of termination and claims of damage received on all projects within the last five years. Describe all claims on performance and payment bonds received by Proposer, its principals and associates within the last five years.
- h. Bonding Capacity: A description of Proposer's bonding capacity and any claims of default or termination within the last five years.

X. Proposal Review and Approval Process

1. Initial Review

The proposal is assigned to Neighborhood Housing and Community Development (NHCD) staff who then review the proposal and for the following:

- a. Confirms that the entity is registered and a current Non-Profit with the State of Texas.
- b. Determines if the proposal meets the requirements of the **Developer Unsolicited Proposal Requirements** and requests additional information, if needed.
- c. Determines if the proposal meets the requirements identified in the East 11th and 12th Street Urban Renewal Plan.

If the proposal **does not** meet any of the above requirements, NHCD staff corresponds with the non-profit developer informing them of the deficiencies and providing them an opportunity to correct and/or submit corrected deficiencies.

Once the **proposal meets the Developer Unsolicited Proposal Requirements**, the NHCD staff submits the proposal financials to the NHCD manager. The manager contacts the City of Austin's Finance Services Department to utilize a third party financial consultant from the Finance Services Department's approved financial consultant rotation list and or from an existing contract to complete an assessment. This assessment includes, but is not limited to the following:

- Development financial feasibility
- Developer qualifications and financial resources available to complete project

The appraisal and title commitment for the property is requested via email, on behalf of the Agency, by NHCD staff from the City of Austin's Real Estate Services Department (RES).

Upon the return of a **positive review** of financials from the third party financial consultant, the item then moves forward to the Agency for consideration of approval.

If there is **no positive review** from the third party financial consultant, findings are shared with the non-profit developer.

If all of the above is submitted and approved, NHCD staff contacts the Agency chair, via email using the Agency Chair's assigned City of Austin's Board and Commission email for them or via phone to discuss the proposal and the possibility of adding the proposal to the next Agency meeting agenda.

2. Approval/Disapproval Process

NHCD staff contacts the appropriate Agency Board Liaison and requests the item to be placed on the Agency meeting agenda for discussion and possible action. Staff corresponds with the non-profit developer, letting them know they will need to attend the Agency meeting and present their proposal to the Agency. The date, time and location of meeting are provided.

NHCD staff then prepares a recommendation for approval/disapproval to present at the Agency meeting.

If the item is **approved** by the Agency, the item goes before the Austin City Council for final consideration in accordance with Texas Local Government Code Section 374.017.