

RESOLUTION NO. 20220324-056

WHEREAS, the Colony Park Sustainable Community Initiative began in 2012 as a three-year master planning process supported through a \$3 million U.S. Department of Housing and Urban Development Sustainable Communities Challenge Grant; and

WHEREAS, the Colony Park Sustainable Community Initiative is a City and community-led effort to develop 208-acres of City-owned property in northeast Austin, located off Loyola Lane between the Colony Park and Lakeside neighborhoods; and

WHEREAS, the project area is defined by five census tracts-22.01, 22.02, 22.08, 22.11, 22.12-roughly bounded by U.S. Highway 183 to the West, U.S. Highway 290 to the North, Toll Road 130 to the East and FM 969 to the South; and

WHEREAS, the population in the project area is 19 percent African-American, and 68 percent Hispanic, the median per capita income is \$18,462, only 15 percent of the population has earned a bachelor's degree or higher, and 23 percent of the population live in poverty; and

WHEREAS, this area of the eastern crescent has historically suffered from inequity and lack of financial investment; and

WHEREAS, the City engaged hundreds of community stakeholders through community meetings, workshops, and family-focused events to create a community vision for the Colony Park Sustainable Community; and

WHEREAS, City Council adopted the Colony Park Sustainable Community Initiative Master Plan (the "Master Plan") (Ordinance No. 20141211-197) and

Planned Unit Development (PUD) zoning (Ordinance No. 20141211-150) in December 2014; and

WHEREAS, Resolution No. 20140807-104 directed the inclusion of neighboring connectivity, public amenity maintenance and governance, and financing options within and adjacent to the 208-acre Colony Park Sustainable Community Initiative PUD; and

WHEREAS, Resolution No. 20141211-120 affirmed City Council's commitment to implementing the Colony Park Master Plan and requested a Tax Increment Reinvestment Zone (TIRZ) to be studied for Colony Park; and

WHEREAS, Resolution No. 20201112-043 directed the City Manager to analyze and recommend a financing plan for the development of the City assets within the Northeast Austin District area; and

WHEREAS, the development of the 208-acre site of the Colony Park Sustainable Community Initiative is a significant component of the Northeast Austin District (Resolution No. 20201112-043); and

WHEREAS, the development of the 208-acre site is projected to deliver approximately 1,072 single-family homes, 831 multi-family apartments, 230,000 square feet of mixed-use office/institutional space, 130,000 square feet of mixed-use retail space, 53 acres of parks, trails, and open space; and

WHEREAS, the Colony Park Sustainable Community must provide 20 percent of the total residential units to households whose income is 80 percent or below the median family income of the Austin metropolitan statistical area for ownership units and 60 percent or below the Austin metropolitan statistical area for rental units; and

WHEREAS, equitable housing practices give families of all income levels access to housing that costs no more than 30 percent of their household income; and

WHEREAS, the continuance of a shortage of housing options available to persons of low and moderate income is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, the development of the 208-acre site is estimated to add approximately \$690 million in assessed property value upon completion; and

WHEREAS, the Colony Park Sustainable Community Initiative is projected to generate \$3.5 million in annual property tax and sales tax revenue and create approximately 2,900 construction jobs and 1,200 permanent jobs; and

WHEREAS, building development within the Colony Park Sustainable Community Initiative must comply with the requirements of the Austin Energy Green Building Program (AEGBP), single-family, multi-family, or commercial rating system for a minimum two-star rating; and

WHEREAS, on May 19, 2020, the Economic Development Department signed an Exclusive Negotiating Agreement with Catellus Development Corporation (Catellus) for the Colony Park Sustainable Community project; and

WHEREAS, on October 10, 2020, Catellus Development Corporation prepared the Colony Park Sustainable Community Exclusive Negotiating Agreement Phase 1 Report (the "Phase 1 Report") and presented the report to the City and the community; the Phase 1 Report was subsequently updated on May 25, 2021, and provided project phasing, preliminary proforma, economic feasibility, and comprehensive project funding recommendations; and

WHEREAS, the May 25, 2021, the Exclusive Negotiating Agreement Phase 1 Report indicated a decrease in the project financial gap of \$127.4 million from 2018 to \$103.3 million in 2021, and the report identified off-site infrastructure costs and parks and opens space costs totaled \$43.4 million and City and Texas Gas Service charges and fees totaled \$10.4 million; and

WHEREAS, the Phase 1 Report identified funding sources to close the financial gap, including: a Public Improvement District, a TIRZ, and other funding sources such as Travis County participation in the TIRZ and City participation for select capital improvement projects and fee waivers; and

WHEREAS, the construction of Colony Loop Drive, a capital improvement project whose design has been funded by the 2016 Mobility Bond Program and includes both the existing and missing sections, would connect the existing neighborhoods of Colony Park and Lakeside, which have been divided by the 208-acre City-owned parcel since 1984, with a multimodal street served by high-quality pedestrian and bicycle facilities and high capacity transit associated with the work approved by the voters as “Project Connect”; and

WHEREAS, equitable transportation practices integrate transit into walkable, livable, and affordable land use practices to enhance healthy living within underserved communities; and

WHEREAS, the proposed MetroRail Green Line and MetroRapid Expo and MLK lines will connect the Colony Park Sustainable Community to Downtown, and other beneficial city centers and assets, with high-capacity transit lines and presents the opportunity to create thoughtful, equitable Transit-Oriented Development (TOD); and

WHEREAS, equitable TOD is development that enables all people regardless of income, race, ethnicity, age, gender, immigration status or ability to experience the benefits of dense, mixed-use, pedestrian-oriented development near transit hubs; and

WHEREAS, in August 2020, the City Manager's Office established an executive leadership team for the Colony Park Sustainable Community Initiative to ensure cross-departmental coordination and expedite the execution of the Master Plan; and

WHEREAS, on September 2, 2021, Council approved the negotiation and execution of a purchase and sale agreement, and related interlocal agreements with Central Health authorizing the City to sell a parcel in the Colony Park Sustainable Community to Central Health for the development of a health and wellness center; and

WHEREAS, Resolution Nos. 20211021-045 and 20211021-044 directed the City Manager to provide Council an implementation plan and schedule for creating a TIRZ for the Colony Park project within calendar year 2022; and

WHEREAS, on November 16, 2021, staff presented an update on the Colony Park Project TIRZ that stated a public finance plan recommendation would be brought to Council the first quarter of 2022; and

WHEREAS, as of March 2022, a financial plan for the Colony Park Sustainable Community Initiative has yet to be finalized; and

WHEREAS, the timely creation of a financial plan is critical to the execution of the Master Development Agreement and adopted project plan for the Colony Park Sustainable Community Initiative; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY OF AUSTIN CITY COUNCIL:

The City Council affirms that the Colony Park Sustainable Community Initiative is a top priority and a critical investment needed to create and expand diverse housing options and stimulate economic opportunity in a historically disinvested area of the City. The City Council understands the need to utilize all viable financing and available funding sources to develop the financing and funding plan for the project, and directs the City Manager to, using all resources that may be necessary:

1. Bring the public finance plan and funding source strategy recommendations to Council for consideration no later than the end of the 2022 calendar year, City Council Meeting; and
2. Bring forth the finalized Master Development Agreement to Council for consideration no later than end of the 2022 calendar year; and
3. Provide Council with an update on the Colony Park project no later than June 30, 2022.

BE IT FURTHER RESOLVED:

The City Manager is directed to submit a formal request for:

1. Travis County to participate in the TIRZ; and,
2. Austin Transit Partnership to participate in the TIRZ.

BE IT FURTHER RESOLVED:

The City Manager is directed to:

1. Request various City departments prioritize/advance identified Capital Improvement projects in proximity to the Colony Park Sustainable Community.
2. Consider any other necessary or appropriate actions to facilitate the recommendations contained in the Phase 1 Report.

BE IT FURTHER RESOLVED:

The City Manager is directed to expeditiously engage the Housing and Planning Department and all other relevant City departments to work interdependently and cooperatively with third parties, such as, but not limited to, Colony Park/Lakeside Community Development Corporation (CDC), the Colony Park Neighborhood Association (CPNA), Austin Revitalization Authority (ARA), Catellus, Equidad ATX, Central Health, and Colony Park residents (collectively, “Co-creators”) to develop holistic, sustainable, transformative and equitable programs and strategies for existing neighborhoods adjacent to the 208-acre site to create a sustainable framework of displacement mitigation, and new housing and business development. These strategies/programs should include, but are not limited to:

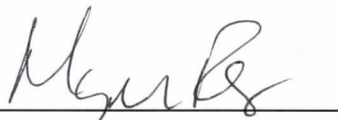
1. Targeted outreach to inform the community of available housing resources and options, including, but not limited to:
 - a. Utilization of the home repair program.
 - b. A strategy to inform residents at risk of displacement of available options and services such as homestead exemption application assistance and connecting residents with financial counseling or legal services.

- c. Homebuyer education and down payment assistance programs.
 - d. Emergency rental assistance and/or other emergency loan financial assistance programs.
2. Working with Co-creators to explore and develop strategies that, among other things, promote community stewardship of land, secure long-term housing affordability, stimulate mixed-income development, and promote sustainable ownership of commercial and residential properties by Colony Park residents. For example, strategies could include dedicating resources, including but not limited to City staff, financial resources, consultants, and capacity building opportunities to work with the Colony Park/Lakeside CDC and other Co-creators on creating community land trusts, including exploring ways existing homeowners could opt-in to a community land trust managed by a to be determined entity in the future.
 3. Adopted preference policy is integrated into any City-financed developments.
 4. Ongoing monitoring of displacement risk and a bi-annual report of demographic shifts to analyze neighborhood change.
 5. Evaluation of a workforce program, in accordance with the City's Construction Training Program, that will prioritize training and hiring of existing residents for the projected 2,900 construction job opportunities and 1,200 permanent jobs that will be created by this development.
 6. Ensure future expansion plans of the existing street network provide enhanced connections to and within surrounding neighborhoods.

7. Working with Capital Metro and the Austin Transit Partnership to evaluate how Project Connect can provide enhanced connections to and withing surrounding neighborhoods.
8. Economic development initiatives and tenanting programs to cultivate historically underrepresented businesses in alignment with increased residential activity.
9. Evaluate the need for community improvement projects in the existing adjacent neighborhoods and then follow through with implementation as appropriate.
10. Working with Catellus to explore the development of economic drivers, including but not limited to, facilities to address the structural lack of retail, comprehensive grocery, and financial establishments.
11. Explore the creation of community health and wellness assets beyond Central Health's pending Northeast Health and Wellness Center.

ADOPTED: March 24, 2022

ATTEST:



Myrna Rios
City Clerk