

**ST. JOHN SITE
SUMMARY OF ESSENTIAL TERMS**

ATTACHMENT A

VERSION 12: December 1, 2022

For Discussion Purposes Only. This summary of essential terms is not a binding agreement or an offer to enter into a binding agreement. It is intended only to provide the basis for negotiations of an agreement. This letter will be superseded by, and the parties identified as parties in Section 1(A) will only be bound by, the terms and conditions of written agreements fully executed and delivered to the respective parties.

TERM	DESCRIPTION	NOTES
1. GENERAL		
A. Parties	1) City of Austin 2) Greystar Development Central, LLC 3) Housing Authority of the City of Austin (HACA) – South Congress Public Facilities Corporation (PFC)	
B. Property/Site	1) 19 acres of land comprised of two parcels located at 7211 and 7309 N IH 35	
C. St. John Site Vision	1) The Austin City Council adopted St. John Site vision initiated by Resolution 20171207-058 and outlined in Exhibit ‘A’ of Resolution 20200729-117 was widely vetted by the surrounding community and reflects community objectives. This vision was solicited in RFP 5500 SMW3005 and included the following three key policy goals: 1) The site will be a mixed-income, mixed-use district with affordable housing, particularly accessible to current and past residents; 2) The site will provide open space for recreation and congregation; 3) The site will provide space for community retail and support services that are needed in the St. John Neighborhood.	
2. DEVELOPMENT COVENANTS AND AGREEMENTS		
A. Affordable Housing	1) Affordable Housing Program (see chart):	

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Greystar and HACA					
MFI	Rental				
	Studio	1BR	2BR	3BR	Total
50%	29	53	18	4	104
60%	37	65	22	8	132
70%	7	12	5	3	27
80%	0	0	0	0	0
BMR ≤ 60%	66	118	40	12	236
BMR > 60% and ≤ 80%	7	12	5	3	27
Market	<u>73</u>	<u>130</u>	<u>45</u>	<u>15</u>	<u>263</u>
Total	146	260	90	30	526
MFI	Rental				
	Studio	1BR	2BR	3BR	Total
50%	6%	10%	3%	1%	20%
60%	7%	12%	4%	2%	25%
70%	1%	2%	1%	1%	5%
80%	0%	0%	0%	0%	0%
BMR ≤ 60%	13%	22%	8%	2%	45%
BMR > 60% and ≤ 80%	1%	2%	1%	1%	5%
Market	<u>14%</u>	<u>25%</u>	<u>9%</u>	<u>3%</u>	<u>50%</u>
Total	28%	49%	17%	6%	100%

- 2) **Affordability Restrictions:** Rental – average 60% MFI or below for affordable units
- 3) **Affordability Period:** 99 years.
- 4) **Affordable Unit Size:** Studio, One-Bedroom, Two-Bedroom, Three-Bedroom
- 5) The developer will commit to tenant protections which are to be negotiated.
- 6) Restrictive covenants to preserve affordability and provide for community benefits. This is in addition to HACA's regulatory agreement.
- 7) Provide for Source of Income protection by accepting housing choice vouchers from the HUD Housing Choice Voucher program under 24 CFR Part 982, the City's local housing vouchers, and other lawful, regular, and verifiable rental subsidies.
- 8) Adjust Income restrictions (and rent restrictions) for household size under HUD Guidelines
- 9) Location of affordable housing units and vouchers distributed throughout the buildings across unit sizes

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	<p>10) The affordable housing is distributed throughout the buildings and are indistinguishable from the market units.</p> <p>11) Developer will apply an occupancy standard that is consistent with occupancy standards applied in HUD-subsidized development.</p>	
B. Tenanting/Local Business	<p>1) Minimum of 15,000 square feet of commercial space. Requirements in Restrictive Covenants.</p> <p>2) Developer will use commercially reasonable efforts to lease a significant percentage of the commercial space to local vendors or vendors with one of the following main purposes (this list was curated from the community engagement process, which will be ongoing):</p> <ul style="list-style-type: none"> a) Not-for-profit office or meeting space b) Small scale grocer c) Workforce/Vocational training d) Youth development e) Health care f) Small business office, workspace or incubator g) Health/Medical space h) Creative Space i) Community Center <p>3) Living Wage rates will not apply to commercial tenants.</p>	
C. St. John Neighborhood	<p>1) Developer and City will work together to create a publicly accessible art/memorial to highlight the history of the St. John Neighborhood as informed and identified through continued community engagement. The parties expect that the total costs will be \$200,000 to which Developer will contribute \$50,000.</p> <p>2) Affirmative Marketing: Developer should work with City to connect with local community organizations to ensure that community groups, especially those with ties to the St John community, participate in the affirmative marketing. The affirmative marketing should focus on communities that may not know about affordable housing opportunities, including families who have been displaced from Austin and</p>	

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	<p>families who speak a language other than English as their first language.</p> <p>3) Preference Policy:</p> <p>a) At initial lease:</p> <ol style="list-style-type: none"> i. For affordable units, unit sizes and MFIs must be evenly distributed between preference and non-preference units. ii. At least 60% of the units must be available to the general public. iii. No more than 40% of the Affordable Units should be filled using a ranked preference. iv. Use two or more the following factors with the understanding that Greystar will be responsible for verifying applicant eligibility in all categories, but the City will conduct the audit of each application concerning category 3 below. Each household may receive 1 point for each category in which it qualifies. Households that include an individual with a disability will be given preference for units with disability modifications. If there are more applicants in any category than units, then they may be allocated by lottery. <ol style="list-style-type: none"> 1. Household holds a voucher. 2. Households that currently reside in census tracts identified as vulnerable in the Uprooted study (Addresses: Households that are at risk for displacement). 3. One or more household members was displaced due to government action or private redevelopment (City of Austin Tenant Notification and Relocation provisions). 4. Households that include an individual with a disability. <p>4) Developer will identify partnerships that market to qualified participants of the Preference Policy</p> <p>5) Developer will provide connections from the project into the St. John Neighborhood as determined through City-approved Conceptual Site Plan.</p> <p>6) These requirements will be set forth in the MDA or the Restrictive Covenants.</p>	
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<p>D. Infrastructure</p>	<p>1) <u>OPEN SPACE/PARKLAND</u></p> <p>a) Conceptual plan is attached to this Term Sheet. Developer will meet applicable regulations concerning parkland dedication and open space on the site.</p> <p>b) Developer will include amenities outlined in the 2022 Standard Park Amenity Manual, such as benches, trash receptacles, bike racks, and the like. In addition, Developer and City will negotiate to include some or all of the following improvements, the cost of which will be credited against development fees, as approved by City:</p> <ul style="list-style-type: none"> i. Children’s playground, ii. Walking trails, iii. Central community gathering space, iv. Community garden, v. Multigenerational splash pad, vi. Pavilion <p>c) Maintenance and operation of dedicated parkland will be the responsibility of PARD, which will be subject to future budget appropriations.</p> <p>d) Developer may include the area of parkland as needed in order to obtain approval of the FAR and Site Area Requirements to build the improvements shown on the Conceptual Site Plan attached to the MDA.</p> <p>2) <u>STORM WATER DETENTION</u></p> <p>a) Designed as an amenity and integrated into the open space and parkland program</p> <p>b) Developer will install amenities such as walking trails and/or vegetation as approved by the City.</p> <p>These requirements will be included in the Restrictive Covenants.</p>	
<p>E. Council adopted Third-Party Requirements</p>	<p>1) Prevailing Wage Requirements (Resolution 20080605-047)</p> <p>2) Worker Safety Program Requirements (Resolution 20110728-106)</p> <p>3) MBE/WBE Requirements (Resolution 20071108-127; Resolution 20120112-058)</p>	

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	<p>4) Construction Training Requirements (Resolution 20180628-061)</p> <p>5) Better Builder Requirements (Resolution 20190619-091), which requires payment of Prevailing Wage as adjusted by the City's Living Wage.</p> <p>These requirements will be included in the Restrictive Covenants.</p>	
3. FINANCING PLAN		
A. Bond Debt Defeasement	<p>1) The Developer will make an upfront lump sum payment in the amount of \$11M that will be used to fully pay off and defease the bonded indebtedness on 7211 and 7309 N IH 35. Payment is made upon the closing of the defeasance, which will be at least a week before the real estate closing.</p> <p>2) Bond defeasement to coincide with conveyance of property at completion of building and site plan approval processes.</p>	
B. Land Price/Land Value	\$11 million upfront payment.	
C. Site Conveyance	1) Sale	06/17/2022: Council approved sale of site to HACA controlled PFC in Resolution 20220616-088
D. Public Facilities Corporation	1) City to review and confirm South Congress PFC to confirm it is consistent with these terms.	06/17/2022: Council approved sale of site to HACA-controlled PFC in Resolution 20220616-088
4. TERMS OF PERFORMANCE		
A. Closing	<p>1) Purchase and Sale Agreement (PSA, part of the MDA)</p> <p>2) Bond defeasement costs will be paid from \$11 million upfront payment.</p> <p>3) Closing costs will be shared as customary between buyers and sellers in Travis County.</p> <p>4) City shall be responsible for the vertical demolition of the former Home Depot building on the property pending City Council approval. Within 30 days from receipt of invoice, the developer shall reimburse the</p>	

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	<p>City for any demolition costs that exceed the difference between the \$11M payment and the amount needed to defease the bonds, including the costs related to defeasement. If the sale of the property to developer does not occur for any reason (other than a default by the City), the developer shall reimburse the City for the entire amount of the vertical demolition costs. The aforementioned reimbursement obligations from the developer shall not become effective prior to September 1st, 2023.</p> <p>5) Conditions of Closing</p> <ul style="list-style-type: none"> a) Approval of Site Development Permit Application + Plat (if required) b) Receipt of upfront payment c) No prior interest in the property d) Approval of the partnership with Greystar, HACA, other investors to confirm it is consistent with these terms. e) Approval of ground lease from the PFC to the partnership. f) Purchase price and community benefits meet or exceed the requirements for the City to sell the Property. g) City’s approval that Greystar has the funds to develop. h) Zoning 	
B. Terms of transfer to HACA-controlled Public Facilities Corporation	<ul style="list-style-type: none"> 1) MDA and Declaration will address the sale, lease, and sublease. 2) Declaration will contain the terms of the “buy-back agreement” at the end of the specified term. Purchase price is \$1.00 3) Declaration will address the Right of First Refusal on the property and improvements. 4) Declaration will address the City’s rights if Greystar fails to start or complete. 	
C. MDA Master Plan	<ul style="list-style-type: none"> 1) The “Conceptual Site Plan and Building Massing” will be used to inform the final “MDA Master Plan” as the basis for design, permitting and construction of horizontal and vertical improvements on the St. John Site and will include: <ul style="list-style-type: none"> a) Building location and relationship to the street 	

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	<ul style="list-style-type: none"> b) Parking layout c) Storm water detention location d) Open Space/Parkland Location e) Commercial layout f) Public access and mobility facilities <p>2) The MDA Master Plan will be reviewed and approved by the City and included as an exhibit to the executed MDA;</p>	
D. Subdivision & and Utility Easements	<ul style="list-style-type: none"> 1) If required, a subdivision plat acceptable to the City (in its regulatory capacity) will be approved and recorded for the Closing. 2) City agrees to cooperate, at no cost to the City, with any efforts Developer may undertake to relocate utility easements. 	
E. Zoning/NPA	<ul style="list-style-type: none"> 1) Resolution 20200729-117 initiated the rezoning of 7211 N IH 35 from limited office-mixed use-neighborhood plan (LO-MU-NP) to general commercial services-mixed use-vertical mixed use building-neighborhood plan (CS-MU-V-NP) and 7309 N IH 35 from public-neighborhood (P-NP) to general commercial services-mixed use-vertical mixed use building-neighborhood plan (CS-MU-V-NP) with associated Future Land Use Map (FLUM) amendments. 2) Rezoning shall coincide with Council authorization of MDA Terms and Execution 	<p>09/20/2022: Neighborhood Plan Amendment Public Meeting; 10/11/2022 Planning Commission Approval; 12/01/2022: Council Action</p>
F. Events of default & remedies	<ul style="list-style-type: none"> 1) MDA and Restrictive Covenants will include specifications for defaults, such as failure to deliver buildings within specified time periods and failure to provide and maintain affordability and other expected community benefits. 2) MDA and Restrictive Covenants will also include cure provisions and penalties for such defaults, which may include specific performance, termination of ground leases, and financial damages and penalties. 	
G. Public Comment and Outreach	<ul style="list-style-type: none"> 1) Continued community engagement will continue during negotiation and execution of the MDA and City-approved Site Development Permit. Issues for community feedback, include but are not limited to site plan layout, design and programming of the 	

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	parkland and open space, and highlighting the history of the St. John community.	
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