

RESOLUTION NO. 20221201-044

WHEREAS, the City is one of the largest owners of land within the Austin area, owning real property throughout its jurisdiction within each of the 10 City Council districts; and

WHEREAS, decades of City plans and multiple City Council-approved policies have identified vacant or otherwise underutilized City-owned land and facilities as opportunities to expand community services and generate opportunities for basic necessities and City Council priorities, such as affordable and family-friendly housing; and

WHEREAS, the City Council desires to establish a consistent, reliable, and transparent process that incorporates earlier City Council review, evaluation, consideration, and approval of real estate transactions and redevelopment proposals for City-owned land to ensure that the City's policies and goals are prioritized within the City's overall real estate management strategy; and

WHEREAS, earlier City Council input into decisions related to the long-term use, acquisition, and disposition of real estate will ensure that City Council-approved policy and community benefits are incorporated into the negotiations of such transactions before significant staff time and resources are spent on a proposal; and

WHEREAS, earlier City Council input into decisions can help improve efficiencies throughout a proposed real estate transaction by ensuring the transaction is consistent with City Council direction at the beginning and avoid delays at the end of the transaction, when delays can be more problematic; and

WHEREAS, as the stewards of the City's real property, the City Council has a responsibility to its taxpayers to obtain the best value, both in terms of price and efficiency, of the use of the City's real estate interests; and

WHEREAS, the current City Council seeks to share its institutional knowledge with future City Councils and to formalize some of the process improvements taken by professional staff in recent years; and

WHEREAS, the City Council acknowledges that every property or development may have unique characteristics, and this Resolution seeks to provide general guidance to the City Manager, future City Councils, City staff, and community members to facilitate the transparent, consistent, and efficient oversight of real estate assets; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

The City Manager is requested to recommend to the City Council for consideration and approval a consistent, transparent process that includes an early opportunity for City Council to set priorities, determine partners, and receive community input for the proposed development and redevelopment of City-owned land. As part of the proposed process, the City Council requests that the City Manager consider the following guidelines in formulating its recommendation:

- The City Council desires to achieve the maximum value (which could include maximizing community benefits and/or our revenue) from the use of its City-owned property.
- The City Council desires to ensure that proposed ranking matrices for proposed projects align with Council-approved priorities.

- The City Council desires to incorporate the following goals into the solicitation process:
 - **Goal #1. Better Builder or equivalent.** As consistent with projects under Project Connect, any construction project valued at more than \$1 million should be certified by a third party to verify that the construction project either complies with or exceeds the City requirements under the Better Builder Certification program or a similar program approved by ordinance.
 - **Goal #2. Minority-Owned and Women-Owned Business Enterprise Procurement Program.** Any construction project with a total project valuation of more than \$1 million should comply with the requirements of the City's Minority-Owned and Women-Owned Business Enterprise Procurement Program.
 - **Goal #3. Living wages.** Commercial tenants on City-owned property should comply with the City's living wage standards. Staff may offer alternative strategies for consideration by the City Council for nonprofit organizations or other industries that might provide separate community benefits.
 - **Goal #4. Revenue sharing.** When feasible under market conditions, the City Manager should provide revenue sharing as an option for consideration as do current leases for tenants of some park facilities.
 - **Goal #5. Affordable housing.** Public land presents an unmatched opportunity to create affordable housing in parts of town where land costs are high. The City seeks to maximize the amount of housing, as well as the depth of the affordability of those units, rather than using a

percentage target and will pursue partnerships to generate a significant number of affordable units that could not otherwise be achieved without partnership. A significant share of the income-restricted units should be family-sized units (2- and 3-bedrooms), with an affirmative marketing plan to match larger units with households that need them. The project should incorporate the City's standard source of income and tenant protections, as well as a preference policy for current and former residents with generational ties to the City. To the extent possible, the City should also reserve or affirmatively market affordable units to City employees who qualify for those units.

- **Goal #6. Family-friendly features.** Consistent with Resolution No. 20120301-051 and Resolution No. 20210826-108, all new City facilities and City-sponsored projects oriented to the public should include family-friendly features, such as creative play spaces, nature-based play areas, and interactive art spaces.
- **Goal #7. Affordable, high-quality childcare.** Consistent with Resolution No. 20210826-108, where appropriate, new City facilities and City-sponsored projects should include affordable, high-quality childcare, especially childcare facilities that serve infants and toddlers and accept vouchers. The City Manager should work with United Way Success by Six and other professionals to articulate criteria for "affordable childcare," present this proposed definition to the Early Childhood Council for recommendations, and then bring to City Council for approval by March 1, 2023.

- The City Council desires the opportunity to review draft solicitations or the staff's proposed ranking of priorities with sufficient time to allow the City Council to take action as a body, if a vote is necessary.
- The City Council desires that solicitations be structured so that project-specific details (such as the total number of units proposed and affordability levels) can be shared publicly prior to the City Council making its selection of the winning bid.
- The City Council desires to separate out the "negotiation" and "execution" phases of real estate transactions so that the City Council is not approving a document that has not yet been written.

The above-listed guidelines are intended to provide guidelines that the City Council would like included in the formulation of a process. The City Manager should feel free to recommend whatever guidelines or criteria that the City Manager determines appropriate in its recommendation to the City Council.

BE IT FURTHER RESOLVED:

The City Manager shall conduct a review of prior redevelopment, acquisition, sale, or lease of City-owned properties to identify opportunities for process improvements that would have maximized community benefits and efficient delivery. This review should be conducted in collaboration with the Austin Economic Development Corporation and other current or past development partners and other organizations specializing in and providing research regarding public land use and development such as the Urban Land Institute. The City Manager shall present City Council with any recommendations for process improvements based on this review.

BE IT FURTHER RESOLVED:

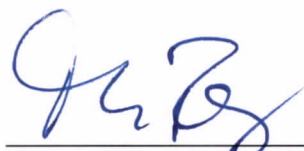
This policy does not apply to:

- long-term leases already approved by the City Council,
- properties put under the management or control of the Austin Economic Development Corporation or Austin Housing Finance Corporation,
- projects undertaken for critical public health infrastructure such as hotels used as non-congregate shelter,
- infrastructure projects and enterprise-specific facilities, such as power plants, airport runways, and water treatment facilities,
- projects in process prior to the date of this Resolution, including Colony Park, St. John's Avenue, Ryan Drive, and Health South.

The City Manager shall engage with the City Council as concerns living wages and better builder or equivalent construction labor requirements as a part of the Convention Center re-development.

ADOPTED: December 1, 2022

ATTEST:



Myrna Rios
City Clerk