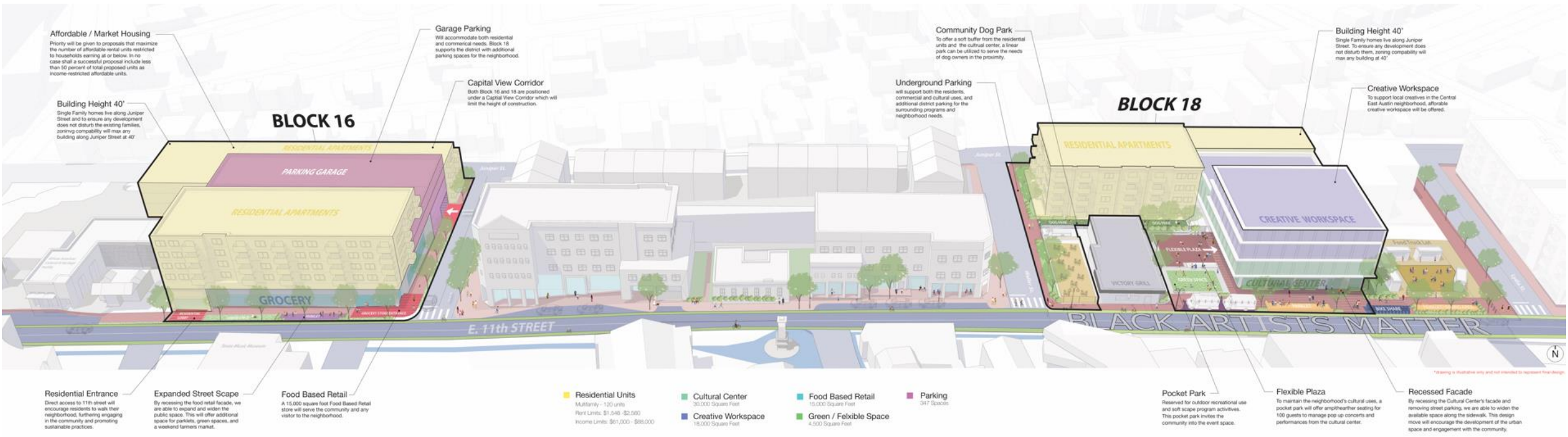




*Implementing inclusive and equitable public development services as a non-profit partner to the City of Austin*

August 7, 2023 Urban Renewal Board-Special Meeting

# Updated Pre Development Analysis



## East 11th St. 16 18

URBAN RENEWAL DISTRICT DEVELOPMENT STUDY

### INTRO

Through the review of prior studies and community engagement throughout the study process, community priorities were identified. The East Austin community and specific residents around these parcels have a strong desire that future development reinforce the area's position as the heart of Austin's Black Cultural District. A cultural facilities in support of this historic position, as well as creative facilities for black-owned business should be given priority for future non-residential spaces. Residential development should prioritize affordable housing opportunities, particularly for families and previously-displaced residents.

### SITE CONTEXT



### DEVELOPMENT STUDY

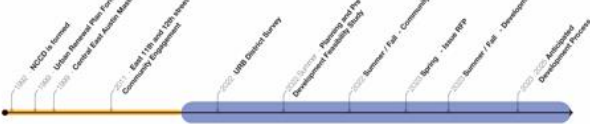
A hybrid scenario was developed as a synthesis of multiple program and density scenarios tested throughout the study. It reflects a balancing of programmatic preferences, maximization of housing accommodations, while not overburdening the neighborhood with excessive height that would be disruptive to existing and historic uses on adjacent properties.

### FEASIBILITY ANALYSIS

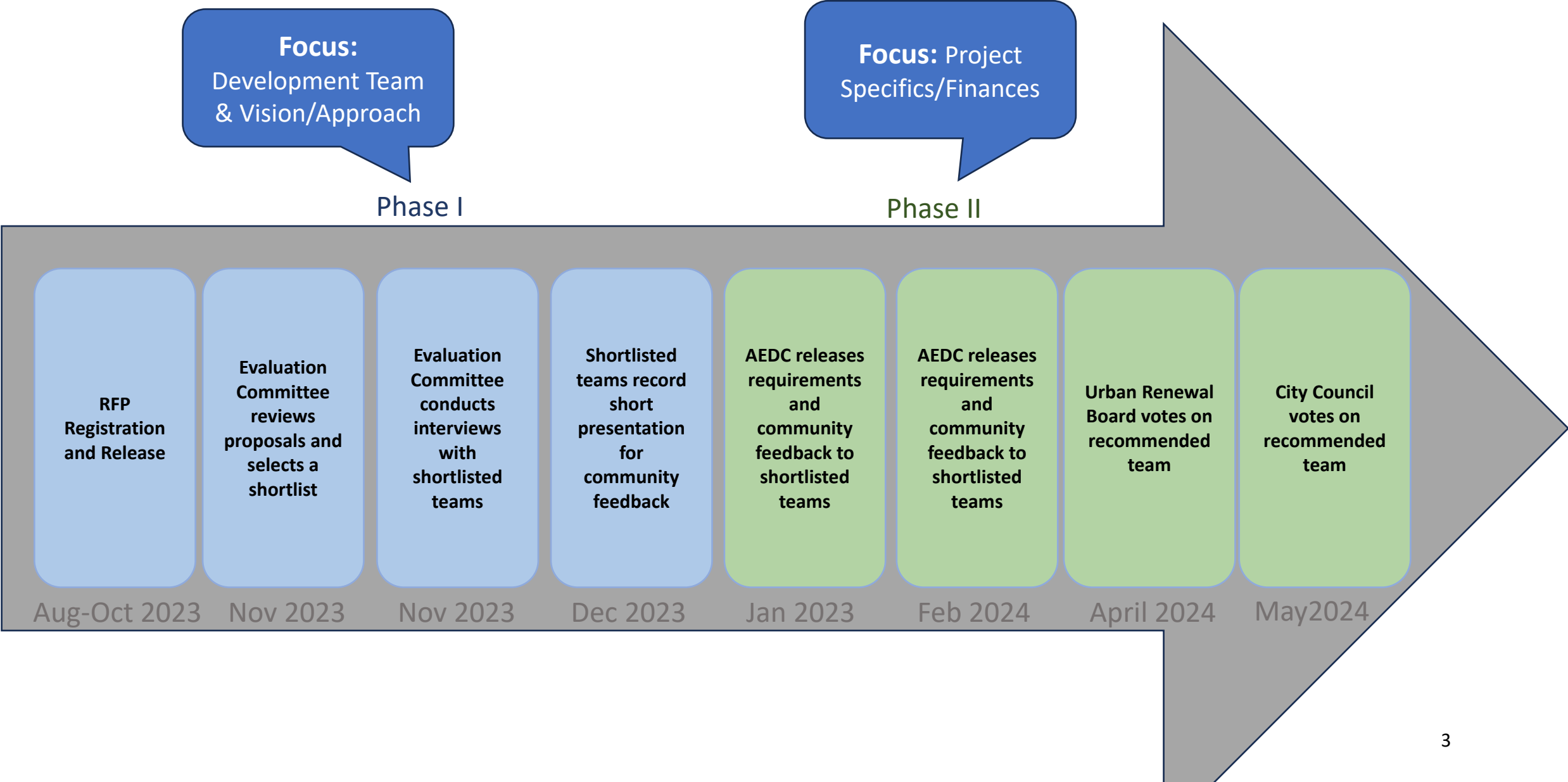
Development of Blocks 16 and 18, through the hybrid scenario, was determined to be market feasible while including the prioritization of community preferences. The study does assume additional public and private funding sources will be available to a selected developer, including but not limited to tax credit programs. Depending on the size of the cultural facility, amount of affordable housing, and level of rent affordability, amount of parking, underground or above-ground, more or less subsidy may be required to achieve the desired outcome.



### TIMELINE



# Block 16 & 18 Disposition- Detail of Development Team Selection



## Evaluation Committee Composition

MOU: 4.c.i: The URA Designated Representative will designate the members of the evaluation committee for the review and scoring of responses. The evaluation committee shall consist of no more than six members comprised of: (A) three members of the URA board of directors (the "URB"); (B) two members recommended by the AEDC having transactional, technical and/or financial expertise relevant to the Project; and (C) one member of the general public representing the interests of the community in which the Project will be located.



# Stakeholder Working Group Proposal

- 11 Members
- Invited representatives, based on experience/role and involvement
- Open seats: Nominations closed (welcomed through July 14)
- Final Stakeholder Working Group approved by Urban Renewal Board

1	1 renter resident
2	1 owner resident
3	1 property owner
4	1 business owner
5	1 business renter
6	1 employee
7	1 neighborhood association rep
8	1 cultural/arts/music organization rep
9	1 local church rep
10	1 institution rep
11	Open
12	Open

Stakeholder  
Committee  
Elects  
representative  
for Evaluation  
Committee

Update:  
Nominations for  
August Meeting

First Meeting:  
September

*Adjacent parcel owners would have dedicated access to the Developer, and could join Stakeholder Group:*

# Key Goals—Final Drafting

## Goal Outcome 1

The Development **will contribute directly to the District's historic African American legacy** by engaging residents, businesses, and community institutions within the historic Six Square Cultural District while catalyzing a contemporary and vibrant hub for arts, culture, business, and living that is open to all Austinites.

## Goal Outcome 2

The Development will achieve best practice in equitable development strategies by considering past inequities and the racial wealth gap experienced by underserved, under-represented, and marginalized individuals and groups in all aspects of bringing the potential of Blocks 16 & 18 to fruition. Most importantly the project will provide affordable housing, cultural venue(s) and neighborhood serving businesses that contribute to equitable opportunity.

## Goal Outcome 3

The Development will engage long-time neighborhood stakeholders (residents and businesses), **encourage the return of prior residents and businesses**, and attract new residents and businesses that represent the historic cultural legacy of the district.

## Goal Outcome 4

The Development will successfully balance programs that **support increased tourism to support local businesses and cultural venues** with maintaining the day-to-day uses by existing residents and businesses.

## Goal Outcome 5

The Development will provide a clear partnering and operating strategy to **accommodate the affordability needs of some of the specialized program uses**, integrating long-time and emerging artists and businesses representing the cultural heritage of the district. As feasible, the development will demonstrate pathways to ownership for residents, businesses and cultural organizations to minimize further displacement by reducing exposure to market rate rent increases.

## Goal Outcome 6

The Development will **contribute directly to the eclectic and vibrant urban character of the neighborhood**—helping facilitate enjoyable user experiences walking in and around the Developments, providing options to support the multi-modal transportation needs of residents and businesses to retain a walkable district, and balancing the amount of any related parking with proposed actual demand.

## Goal Outcome 7

The Development's **architectural and urban design will respond to, and be respectful of, the adjacent and nearby historic landmarks.** This specifically includes, but is not limited to, the Victory Grill (1104 East 11th); African American Cultural and Heritage Facility (912 East 11th); Herman Schieffer House (1154 Lydia) and Moonlight Tower (Intersection of Lydia and East 11th).

# Key Terms/Structure Assumptions-Highlights

- Development Teams: could include multiple developers aligning for the proposal. Blocks could be financed and developed separately
- Align with existing entitlements (URP/NCCD), not including Affordability Unlocked
- Ground Lease for minimum 60 Years, pending final financing terms; Accepting other transaction structure proposals
- Priority will be given to project that provide over 75% of program area to public benefit affordable housing plus cultural venues and, if feasible, affordable retail/working spaces—program area not including outdoor spaces)
- Required Affordable Housing:
  - Maximize the number of affordable housing units, with no less than 50% of units restricted to households earning at or below 60% MFI (on average) for rental units and 80% MFI for ownership units if provided.
  - Prioritize models with pathways to ownership
- Required Cultural Venue
  - Minimum 20,000 SF of Cultural Space (Ref Resolution could be up to 35,000)
- Commercial (Priority Desired)
  - Small neighborhood serving/district aligned business space
  - Food-based retail
  - Pathways to ownership & affordability
- Urban Design/Multi-modal accommodation and shared parking

# Final Evaluation Criteria - Phase I

## Project Team (25%)

- Past project experience confirming that projects of similar scope, size, quality, aesthetics and construction were successfully completed or are near completed
- Professionals' qualifications and expertise as it relates to proposed project
  - Affordable housing financing, development, and operating experience
- Team members have experience working together
- Experience in Austin (regulatory, construction, Project Team member primary offices)
- Experience in urban areas with minimal disruption to community
- Experience partnering on team to align with Equitable Development goals, able to implement innovative models of inclusion, participation and for affordability in operations of commercial/cultural spaces

## Development Program (25%)

- Required program elements of affordable housing and cultural venue(s) (pass/fail)
- Project concept alignment with Development Program, Design and Character Requirements
- Project Concept's alignment with Operation requirements
- Inclusion of desired features, with an emphasis on high priority elements
- Innovations to accommodate affordability for both housing, cultural and working spaces.

## Community Impact (20%)

- Demonstrated collaborative and partnering approach to developing properties with communities, for communities.
- Experience incorporating W/MBE and other underrepresented firms, investors, partners, and occupants in projects
- Inclusion of underrepresented firms, investors, partners, and occupants
- Experience supporting local communities through direct partnering relationships with immediate stakeholders
- Equitable Development Goal Alignment

## Financial Plan (15%)

- Financial capacity for project scale and schedule (pass/fail)
- Access to capital, experience with capital providers included in financial plan
- Reasonableness of notional financing plan
- Alignment with Financial and Structural requirements

## Project Execution and Risk (15%)

- Understanding of major risks with effective tools to mitigate
- Entitlement approach
- Reasonableness of schedule
- Experience with complex urban sites and construction mitigation measures



# **Anticipated Evaluation Criteria - Phase II** (may be amended based on Phase I results)

## **Project Team (10%)**

- Teams demonstrates collaborative approach to developing with and for communities
- Direct partnering relationships with immediate stakeholders for the project

## **Project Proposal Execution & Risk (30%)**

- Reasonableness and desirability of schedule
- Execution plan with mitigation of community impact during construction
- Exceptions to LOI
- Sound project management strategy
- Sound operating plan for private facilities, infrastructure and open spaces

## **Financial Plan (30%)**

- Reasonableness of development assumptions (rental rates, density, absorption, etc)
- Reasonableness of financial structure and funding sources
- Track record of Team's ability to secure unique funding sources

## **Development Program (20%)**

- Program refinement reflects improvements from interview and stakeholder presentation
- Innovations to accommodate affordability for both housing, cultural, and working spaces

## **Community Impact (10%)**

- Final Community Stakeholder Input
- Inclusive Community engagement strategy & activation plans
- Demonstrated commitment to incorporating underrepresented firms, investors, partners and occupants in the project

# Partnering Opportunities/Potential Occupants

## Phase I: Adjacent Parcels

### African American Heritage & Cultural Facility

The existing facility will go through a strategic planning effort and potential expansion in 2023-4. Developers are to consider various ways to integrate new programming space into the development that might complement and integrate the existing facility. Specifically:

- Additional cultural space located along 11th adjacent to the existing facility could provide additional activation and vibrancy to the block.
- Access in and to existing facility must be maintained, including during construction.
- Existing Mural facing Block 16 must be preserved. Opportunities to relocate and/or reposition for best viewing capacity shall be proposed.

### City of Austin

Two parcels immediately adjacent to the African American Cultural and Heritage Facility (AACHF) are not part of this RFP and are currently under Economic Development Department Supervision. Developers are able to propose what/how these parcels could be best utilized as a part of the design of Block 16 if future AAHCF programming expansion is accommodated in Block 16.

### Austin Revitalization Authority

ARA is a long-standing property developer in East Austin, specifically having developed the closeby Street-Jones and Snell buildings. Additionally ARA owns the two parcels to the east of Block 18.

## Phase II: Potential Tenant Occupants

Other organizations and partners have expressed interest, such as cultural venues, a small grocery, a pipeline of potential restaurant and small business tenants, and will be revealed within the second phase RFP, or any related addendum.

*\*partners can be on multiple proposal teams, there will be formal networking opportunities in both phases.*

# Proposed Schedule

Phase I	Registration Open, Info Session for potential Proposers	August 1, 2023
	RFP Release Date	August XX, 2023
	Pre-proposal Meeting-virtual	August 31, 2023
	Site Walk/Networking Event for Proposers and potential project team (Registered Proposers Only)	September 14, 2023
	Deadline for Questions	September 22, 2023 @ 4:00pm CDT
	Q&A and/or Addendum Posted	September 29, 2023
	Phase I Proposals Due	October 27, 2023 @ 4:00pm CDT
	Selection Committee Review	November 2023
	Notification of Interview Invitations	November 2023
	Proposer Interviews	November 2023
	Stakeholder Feedback Period	December 2023
Phase II*	Invitation to Phase II	January, 2023
	Phase II	January – March 2024
	Phase II Developer/Partner Matchmaking (Shortlisted Proposers Only)	January-February 2024
	Final Evaluation	April 2024
	Selection/Council Approval	May 2024

*\*subject to change*

## **August 7- Urban Renewal Board Agenda**

- Review & Approval of Evaluation Criteria, designating remainder of decisions for release to the Designated Representative
- August: Launch of Phase I RFP
- August Meeting: Review & Approval of MOU Revisions
- August Meeting: Stakeholder Working Group