


MEMORANDUM

TO: AHFC Board of Directors

FROM: Rosie Truelove, Treasurer, Austin Housing Finance Corporation 

DATE: November 28, 2023

SUBJECT: **Drowsy Willow RFQ Solicitation Award**

This memo provides a summary of Austin Housing Finance Corporation (AHFC) staff recommendation for the development of an AHFC-owned property at 5901 Drowsy Willow Trail. As detailed below, staff recommends that the AHFC Board authorize negotiation with Industry ATX for the development of the approximately 2.7-acre site.

Background

AHFC purchased 5900 S. Pleasant Valley Rd. and 5901 Drowsy Willow Trail in 2021 using a portion of the 2018 General Obligation Bond funds dedicated to the acquisition of land by AHFC in the Contract with the Voters. In 2022, AHFC initiated the first steps in preparing for the solicitation and ultimate redevelopment of these tracts by engaging hatch + ulland owen architects to determine preliminary site yields and conceptual massing and, in turn, to create preliminary development concepts and priorities for presenting to the community.

Between January and March 2023, AHFC invited the community to provide feedback on these preliminary development priorities and concepts. To help share information, AHFC launched a bilingual project website with an online survey, overview video, and additional informational materials: <https://publicinput.com/5900southpleasantvalley>. To solicit feedback, AHFC met with ten community groups and stakeholders, tabled at five community events, promoted the website and survey through social media and newsletters, posted yard signs in the immediate neighborhood advertising ways to provide feedback on the project, and mailed flyers and surveys to all addresses within 500 feet of the project site.

Among the feedback received, the following themes were identified:

- Support for **mix of ownership and rental housing** opportunities.
- Support for **serving existing residents at risk of displacement** from and **households with generational ties** to the neighborhood.
- Concerns related to **traffic on Village Square Drive, Nuckols Crossing Road, and Pleasant Valley Road**; some residents requested ingress/egress to the developments on Nuckols Crossing Road and Pleasant Valley Road, in addition to Village Square Drive, as the road currently experiences

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heavy school and resident traffic; others shared concerns about inadequate capacity on Nuckols Crossing Road / Pleasant Valley Road to accommodate additional residents.

- Concerns related to **parking**, including not enough parking provided within the development concepts and limited/strained existing street parking supply.
- Concerns related to **flooding** and desire for flood mitigation considerations as well as evacuation plans.
- Concerns related to **good neighbor practices**, particularly with regards to the existing Village at Pleasant Valley condominiums; desire for consideration of construction noise, traffic, debris, safety, and fencing; desire for a permanent fence around the development; desire for no balconies along eastern lot line; desire for lower building heights overall and/or adjacent to existing condominiums.
- Concerns related to **incomes served**; mixed input with some residents preferring deeper income targeting (e.g., majority of rental units serving $\leq 50\%$ MFI), higher incomes served, or no income-restricted housing whatsoever.
- Desire for **additional community amenities**, including general interest in indoor facilities (e.g., laundromat, daycare, community space, theater, weight room, coffee shop, affordable grocery, bike storage) and outdoor spaces (e.g., playground, dog park, pickleball/hand ball courts, trails, garden, bike and e-bike rental, pool).

AHFC incorporated community input into the development concepts and priorities, as well as a competitive Request for Qualifications (RFQ). A summary of the feedback received during these efforts and ways feedback was addressed in the first solicitation for 5900 S. Pleasant Valley Road is available on the Active RFP webpage: <https://www.austintexas.gov/page/request-proposals>.

Solicitation and Evaluation

On March 29, 2023, AHFC released the RFQ solicitation to develop, own, and operate a proposed approximately 90 to 100-unit multifamily apartment on 5900 S. Pleasant Valley Road. The AHFC Board awarded this development opportunity to Structure Development + JCM Ventures on July 20, 2023. On August 25, 2023, AHFC released a separate solicitation to identify a preferred developer to partner with AHFC to develop approximately 30 to 50 units using AHFC's community land trust (CLT) model on the eastern lot (Block 4, 5901 Drowsy Willow Trail). Both solicitations feature the development concepts refined through community engagement efforts.

Applications for the Drowsy Willow tract (Block 4) were due September 22, 2023. AHFC received four applications, all of which met the minimum requirements for responsiveness.

AHFC assembled a panel of subject matter experts to review and score the applications. The evaluation panel was comprised of city/AHFC staff. The panel reviewed applicant qualifications, financial capacity, and sample work following the scoring criteria outlined in the RFQ. The top two scoring applicants were invited to participate in an interview to share more about their qualifications; interviews were held on October 6. The final applicant scores, recorded interviews, and redacted applications were released on October 11 for Public Evaluation; the Public Evaluation period lasted one month. Through November 11, 2023, the public was invited to review the applications, watch the interviews of the two invited respondents, and then vote for their preferred development partner via a survey.

The city received 13 unique responses to the survey. Industry ATX received all but one vote. Three of the 12 participants who voted for Industry ATX indicated they and/or their employer are affiliated with an applicant(s) under consideration. Only three participants reported they live in the project zip code

(78744); of these, two voted for Industry ATX and one voted for Citrine Development + Summertree Development.

While all applicants presented compelling qualifications and it was a close competition between the top two candidates Industry ATX provided stronger responses to the interview questions and received greater public support.

Additional Information

Additional information, such as the panelist scoring matrix and the public survey summary, is provided in backup to this item. Additionally, solicitation information and all responsive applications can be found on the RFP website: <https://www.austintexas.gov/page/request-proposals>

Should you have any questions, please do not hesitate to contact me at Rosie.Truelove@austintexas.gov or (512) 974-3064, or James May, James.May@austintexas.gov or (512) 974-3192.