

AGENDA



Thursday, June 7, 2007

**Neighborhood Housing and Community Development
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 14

Subject: Approve an ordinance authorizing negotiation and execution of a cost reimbursement agreement with Ardent Residential, L.P. providing terms and conditions for construction of a 16-inch water main and appurtenances to provide water service to the Stoneridge Apartment located at 1418-1500 South Lamar Boulevard with City cost reimbursement for: (1) an amount not to exceed \$200,000 for actual "hard" construction costs; (2) an amount not to exceed \$197,650 for soft costs, including capital recovery fees, inspection fees, engineering, review, design, platting, plan review, and permitting fees; for a total amount not to exceed \$397,650; waiving the requirements of Section 25-9-61 of the City Code relating to eligible projects; waiving the requirements of Section 25-9-62 of the City Code relating to amount of cost participation; and waiving the requirements of Section 25-9-67 of the City Code relating to the schedule for cost reimbursement payments.

Amount and Source of Funding: Funding in the amount of \$268,075 is available in the Fiscal Year 2006-2007 Capital Budget of the Austin Water Utility. The balance of funding, in the amount of \$129,675, is included in the Fiscal Year 2006-2007 General Fund.

For More Information: Paul Hilgers 974-3108 (NHCD), Perwez Moheet 972-0125 (AWU), Victoria Hsu 974-9195 (WPDR)

Boards and Commission Action: Recommended by the Water and Wastewater Commission.

The Stoneridge Apartments are located on approximately 3.8 acres of land located at 1418 - 1500 South Lamar Boulevard (Property), currently inside the corporate limits of Austin. Ardent Residential, L.P. (Developer), is requesting the extension of City water utility service to the Property, which is within the Desired Development Zone and West Bouldin Creek Watershed.

The Developer is proposing to provide affordable rental housing required by the Commercial Design Standards and Vertical Mixed-Use (VMU) Ordinance. Under the VMU Ordinance, the developer is required to provide 10 percent of the units to serve households at or below 80 percent Median Family Income. On November 16, 2006, City Council directed staff to develop options to reach deeper levels of affordability. On April 19, 2007, the Austin Housing Finance Corporation's Board of Directors approved the negotiation and execution of a loan from the Rental Housing Development Assistance Program in the amount of \$710,350 and a Fee Reimbursement Agreement in the amount of \$397,650 (subject to Council approval) to assist in the development of not less than 30 units to serve households at or below 50 percent Median Family Income. The Developer is requesting the reimbursement of offsite water improvements, water and wastewater capital recovery fees, water and wastewater inspection fees, water meter drop-in fees and water and wastewater engineering review and inspection fees. The developer is also requesting the reimbursement for the plat, site plan, and building permit related fees. Those fees consisting of: (1) final plat fee, right-of-way vacation fee, consolidated site plan fee, and landscape inspection fee; and (2) building permit fees, consisting of plan review fee, pool permit fee, building permit, electric fee, mechanical fee, plumbing fee, and fire fee.

Under the proposed cost reimbursement agreement, the Developer would construct approximately 750 feet of 16-inch water main from the existing 12-inch water main in Collier Street at South Lamar Boulevard, north along South Lamar Boulevard to the existing 6-inch water main in South Lamar

Boulevard at the northern property line of the Property. The proposed 16-inch water main will replace the existing 6-inch water main. The existing 6-inch water main in South Lamar Boulevard will be abandoned between the northern property line of the Property and the existing 6-inch water main in Evergreen Avenue at South Lamar Boulevard. The Developer will also reconnect all existing water services and water mains within South Lamar Boulevard from the existing 6-inch water main to the proposed 16-inch water main.

The City will reimburse the Developer for the actual "hard" construction costs of the 16-inch water main and appurtenances constructed within public right-of-way or easements for a total amount not to exceed \$200,000 in one payment upon satisfactory documentation of lease-up of not less than 30 units to income eligible households. The City will reimburse the Developer for the actual costs associated with the domestic and irrigation water meters capital recovery fees, wastewater capital recovery fee, water and wastewater tap inspection fees, and water meter drop-in fee in an amount not to exceed \$54,075, and the water and wastewater engineering review and inspection fees in an amount not to exceed \$14,000 in one payment upon satisfactory documentation of lease-up of not less than 30 units to income eligible households.

The City will also reimburse Ardent Residential L.P. for the plat, site plan, and building permit related fees. Those fees consisting of: (1) final plat fee, right-of-way vacation fee, consolidated site plan fee, and landscape inspection fee in an amount not to exceed \$5,660; and (2) building permit fees, consisting of plan review fee, pool permit fee, building permit, electric fee, mechanical fee, plumbing fee, and fire fee, in an amount not to exceed \$123,915 in one payment upon satisfactory documentation of lease-up of not less than 30 units to income eligible households. Ardent Residential L.P. will bear all other costs for engineering, design, project management, financing, accounting, and legal services associated with this construction.

Because the Developer will provide affordable housing beyond the requirements established by the VMU Ordinance, the Developer is requesting a waiver from City Ordinance requirements of:

(a) waiver of the requirements in Section 25-9-61 of the City Code relating to eligible projects. Under this Section, only water mains that are oversized at the request of the City to serve additional property are eligible projects;

(b) waiver of the requirements in Section 25-9-62 of the City Code relating to the amount of cost participation. This Section, addresses the manner for calculating the amount of cost participation for a water main oversized at the request of the City; and

(c) waiver of the requirements in Section 25-9-67 of the City Code relating to the schedule for cost participation or cost reimbursement payments. Under this Section cost participation or cost reimbursement payments are to be made in one payment on March 1 of the second year following the year in which the water improvements are accepted; and

This action waives the requirements of Sections 25-9-61 and 25-9-62 of the City Code to allow for cost reimbursement of the proposed 16-inch water main and appurtenances.

The Developer will conform to the City of Austin design criteria and construction standards in all respects. The Developer agrees to allow the City to use the Plans and Specifications approved by the Director to solicit and publish invitations for bids for the construction of the improvements following standard City bidding practices and procedures, including the minority-owned business enterprise procurement program found in Chapters 2-9, 2-9A, 2-9B, and 2-9C. City Code, as amended, and Chapters 212 and 252, Texas Local Government Code, as amended.