



MEMORANDUM

TO: Mayor and Council Members

FROM: Rosie Truelove, Director, Neighborhood Housing and Community Development Department

DATE: December 4, 2018

SUBJECT: East 11th and 12th Streets Urban Renewal Plan and Redevelopment Project Controls extension of Termination Date

An item requesting an extension of the termination date of the East 11th and 12th Streets Urban Renewal Plan and Redevelopment Project Controls (Plan) is scheduled for the December 13, 2018, Council Agenda. This memo is to provide additional background and the basis of staff's recommendation to not extend the termination date for an additional 10 years.

The Plan, originally adopted in January 1999 with a termination date of December 31, 2018, is governed under Chapter 374 of the Texas Local Government Code and is filed for record in the Official Public Records of Travis County, Texas. For the past seven years, the City of Austin (City) and Urban Renewal Board (URB) have operated under an agreement (Agreement) which identifies each parties' roles and responsibilities. Pursuant to the Agreement, the City funds legal fees, insurance, and property maintenance through the Neighborhood Housing and Community Development (NHCD) budget. Currently, the URB holds title to 15 parcels of land located in the 900 and 1100 Blocks of East 11th Street, collectively known as Blocks 16 and 18, respectively. These parcels will automatically revert to the City of Austin upon the termination of the Agreement, currently set to expire September 30, 2019.

Urban Renewal Board Recommendation

The URB recommends City Council approve a 10-year extension, including a reassessment after five years, of the Plan. The URB feels this extension is necessary in order to finish their purpose of eliminating slum and blighting influences within the area by: (1) disposing of the remaining agency-owned properties along East 11th Street; (2) establishing clear and enforceable land use restrictions to control development after disposition of these properties; (3) identifying strategies to encourage and monitor timely, compliant development of current undeveloped parcels; and (4) continuing the facilitation of community engagement. The Organization of Central East Austin Neighborhoods (OCEAN) supports the URB recommendation. (See attached letter from OCEAN.)

Staff Recommendation

NHCD staff does not recommend a 10-year extension and instead recommends extending the Plan from December 31, 2018 to September 30, 2019. Staff will work with the URB to ensure important milestones are achieved during this period, including completion of amendments to the 11th Street Neighborhood Conservation Combining District (NCCD), any amendments to the 12th Street NCCD, and solicitation for proposals for development of Blocks 16 and 18. These milestones are discussed in detail below. Staff and URB will provide City Council with an update in early summer 2019 to determine whether the milestones will be achieved within the proposed timeframe. At that point, staff will provide an interim recommendation regarding termination and/or extension of the Plan beyond September 30, 2019.

Basis for staff's recommendation:

- An Urban Renewal Plan's purpose is to eliminate or prevent the development or spread of slum and blighted areas. Since 1999, the City of Austin has invested more than \$25 million dollars in the area for activities such as acquisition and relocation, streetscaping and infrastructure improvements, historic renovation, small business loans, affordable housing development and commercial development. In addition, several private developments on both East 11th and 12th Streets are either complete or under construction. Although some vacant parcels and boarded up structures remain, it is staff's opinion the slum and blighting influence conditions that existed almost 20 years ago have been addressed. As confirmed by the recently-released study [Uprooted: Residential Displacement in Austin's Gentrifying Neighborhoods and What Can Be Done About It](#), the majority of the Plan area is experiencing late-stage gentrification.
- NCCDs are the zoning tools that implement the Plan. NHCD and Planning and Zoning staff are currently working to align the East 11th Street NCCD and Plan. The alignment between the East 12th Street NCCD and Plan has been completed. Alignment of the East 11th Street NCCD and Plan is scheduled to be completed prior to September 30, 2019. When completed, both the East 11th and East 12th Street NCCDs will continue to promote the vision set by the community under the Plan. The alignment of these two documents further implements recommendations in the East 11th and 12th Street Development Strategy that was completed in 2012.
- Staff is committed to working with the URB in order to ensure the disposition of the parcels of land located in Blocks 16 and 18 of East 11th Street, in compliance with the Plan vision. Currently, the URB is able to consider either solicited or unsolicited proposals for development. Staff will work with both the URB and the community to determine desired community benefits, as well as solicitation scoring criteria in early 2019. Both the City's Office of Real Estate Services (ORES) and NHCD staff will work with URB to develop appropriate land use restrictions to ensure compatibility with the Plan vision. Staff will accomplish appropriate due diligence, including site appraisals, by early summer 2019. Assuming that URB does not receive an unsolicited proposal, ORES in partnership with NHCD staff and the URB, will release a Request for Proposal (RFP) in late summer 2019.
- If City Council adopts NHCD's recommendation, the UR Plan and the URB Agreement will have the same termination date (September 30, 2019).

As mentioned previously, staff will monitor progress of the identified milestones and provide City Council with a mid-year update in early summer 2019. Depending on the progress of the NCCD alignment and Block 16 and 18 solicitation, staff may recommend further extension of the Plan. Staff remains committed to working with the URB and community to ensure the collaborative vision articulated in the East 11th and 12th Street Plan is successfully implemented. Please contact Rosie Truelove, Director, at 512-974-

3064, or Sandra Harkins, URB Staff Liaison at 512-974-3128, or Regina Copic, Real Estate Development Manager at 512-974-3180, should you have any questions.

cc: Spencer Cronk, City Manager
Joe Pantalion, Interim Assistant City Manager

Attachment: Organization of Central East Austin Neighborhoods (OCEAN) Letter

A resolution of the Organization of Central East Austin Neighborhoods (OCEAN) to request extension of the Urban Renewal Plan for East 11th and 12th Streets for a period of at least ten years.

WHEREAS the voters of Austin in 1959 elected to create an Urban Renewal Agency (Agency) to carry out Urban Renewal project powers in accordance with Chapter 374 of the Texas Local Government Code; and

WHEREAS the City of Austin adopted the Urban Renewal Plan for East 11th and 12th Streets (Plan) in 1999 to restore the vitality of formerly thriving African-American business corridors by promoting development of retail, residential and commercial uses that would respect and enhance adjacent neighborhoods; and

WHEREAS it tasked the Agency with implementation oversight, including compliance with the Plan's vision and project controls; and

WHEREAS a preponderance of properties within the Plan area remain undeveloped in accordance with the vision and controls; and

WHEREAS, the Plan area is integral to the African American Cultural Heritage District, and significant historic assets within the Plan area have fallen into neglect, including a City of Austin landmark and buildings identified as eligible for landmark status by the 2016 East Austin Historic Survey; and

WHEREAS the Agency retains ownership of several parcels of land on East 11th Street that require dispossession and development; and

WHEREAS, former Agency properties along East 12th Street that were disposed of via Request for Proposal in 2014 remain undeveloped, and one has been sold to a new owner without authorization of the Urban Renewal Agency; and

WHEREAS the Plan is set to expire on December 17, 2018; and

WHEREAS Austin City Council may extend the Plan's expiration date by ordinance; and

WHEREAS, extension will ensure adequate time to foster compliance of all parcels and to fulfill the promise of a twenty-year renewal effort in which thousands of area stakeholders along and nearby East 11th and 12th Streets have invested their time, energy, and resources; and

WHEREAS all but two blocks of the Plan area lay with the Central East Austin Neighborhood Plan Area boundaries and OCEAN serves as the contact team for six neighborhoods directly impacted by successful implementation of the Plan—including Swede Hill, Robertson Hill, Kealing, Davis-Thompson, Guadalupe and Blackshear-Prospect Hill Neighborhoods;

THEREFORE BE IT RESOLVED that the Board of Directors of the Organization of Central East Austin Neighborhoods supports the extension of the Urban Renewal Plan for East 11th and 12th Streets for at least a ten-year period and encourages Austin City Council to adopt in a timely manner an ordinance to such effect, that being prior to the Plan's current expiration date.

Sincerely,

A handwritten signature in black ink, featuring a large, stylized 'N' followed by a long, horizontal, wavy line that extends to the right.

Nathan Jones

President, Organization of Central East Austin Neighborhoods

June 25, 2018