

1127 Tillery



Request for Proposals

5.15 – acre East Austin Development Opportunity

Proposals Due: July 25, 2020



1127 Tillery

Request for Proposals

5.15 – acre East Austin Development Opportunity

Austin Housing Finance Corporation

Issue Date: Monday June 15, 2020

Submission Deadline: 12:00 a.m. CST Saturday July 25, 2020

Proposals must be postmarked prior to the submission deadline to be considered for award under this solicitation.

Please mail your proposal to the Austin Housing Finance Corporation:

Attn: Alan Fish (1127 Tillery RFP)
1000 E. 11th Street Suite 200
Austin, Texas 78702

Questions regarding this Request for Proposal may be directed to the authorized AHFC contacts below:

Alan Fish
AHFC Procurement Specialist
alan.fish@austintexas.gov

Travis Perlman
AHFC Project Coordinator
travis.perlman@austintexas.gov

The Austin Housing Finance Corporation (AHFC) currently owns and is accepting proposals for the development of an approximately 5.15 – acre property located at 1127 Tillery Street in the Govalle neighborhood of East Austin. AHFC is seeking a qualified developer or development team to design and develop a residential or mixed-use development that includes income-restricted housing that will be leased or sold to low-income renters or homebuyers.

AHFC is non-profit quasi-governmental entity established by the Austin City Council in 1979 to develop affordable housing. Its Board of Directors are composed of the members of the Austin City Council. Upon the close of this solicitation, the selected team shall work closely with AHFC to negotiate and execute an agreement to develop the property, then design, permit, develop, market, lease and sell the dwelling units and any non-residential space.

Proposals must be mailed to AHFC and postmarked prior to 12:00 a.m. CST Saturday July 25, 2020 to be considered. Interested proposers are encouraged to attend the pre-submittal meeting details of which are provided below.

Pre-Submittal Meeting (Voluntary)
8:00 P.M. CST Monday June 22, 2020

To register to attend the pre-submittal meeting visit:

<http://www.austintexas.gov/page/rfp-gardner-and-tillery-housing-projects>



1127 Tillery

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Exhibits

Affidavit of Submission
Certificate of Non-Suspension or Debarment
Affidavit of Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying

Supporting Materials available at:

<http://www.austintexas.gov/page/rfp-gardner-and-tillery-housing-projects>

Boundary, Topographic, and Tree Survey
Tree Condition Assessment
Phase I Environmental Site Assessment
Development Budget, Operating Proforma, & Sales Data Templates



1127 Tillery

Site Description

The Austin Housing Finance Corporation (AHFC) owns and is currently accepting proposals to develop an approximately 5.15 – acre vacant level tract of land located at 1127 Tillery Street in the Govalle Neighborhood of East Austin. The property is surrounded by existing residential housing mostly built between 1930 and 1980 and is located less than two miles from the Central Business District with immediate access to east-west and north-south thoroughfares including Airport Boulevard, Springdale Road, and East 7th and 12th Streets.

The property is located within ½-mile walking distance of Govalle Elementary School, Willie Mae Kirk Public Library, and the Austin Community College Eastview campus with excellent access to public transit and bus stops for two high frequency routes and three local routes within ½-mile walking distance of the property.

The area is historically racially and ethnically diverse and remains so today (although less so) with approximately 80 percent of residents identifying as white, 8 percent black, 12 percent identifying as other or two or more races, and 58 percent of residents identifying as Hispanic. While the area still had a median household income approximately \$23,000 less than the City's and a poverty rate 50 percent greater than the City's in 2018, it has experienced significant gentrification pressures over the last two decades contributing to the displacement of low-income households of color with historic ties to the area. Between the period from 2013 to 2018 median rents in the area increased approximately 45 percent and median homes values more than doubled. Over this same time period Hispanic and black households in the area decreased by approximately 15 and 25 percent respectively.

The property which is an assemblage of 7 separate parcels purchased by AHFC over the course of the last two decades has a unique past, some of which is known and some of which may be lost to history. Early topographic surveys of the area identify the first building on the property as late at 1896. Public records indicate that the property has been used for a variety of residential, commercial, and agricultural uses with buildings on the property appearing, disappearing, and new ones appearing over the course of

Site Description

the 20th Century as indicated from historic aerial photographs.

Aerial photographs from 1981 show the first appearance of young pecan tree saplings, indicating that the pecan orchard which still exists today covering approximately 2.35 acres of the two parcels located at 1129 ½ and 1131 Tillery Street, was planted sometime during the 1970's. In addition to the more than 60 pecan trees that comprise the orchard, a significant number of more mature trees including American elm, hackberry, and bald cypress among other species front the streets and property boundary, possibly planted around previous homesites and established by other natural means prior to 1970.

These trees are a significant feature on the property and will require the utmost consideration when planning and developing the site. Over the years nearby residents have used the property as a de facto park, taking advantage of the considerable tree cover provided by the orchard and the many benefits it provides. In recognition of the uniqueness of an urban infill site with an existing pecan orchard, and the strong public sentiment identifying the orchard as a community asset with cultural value, AHFC has partnered with the City of Austin Parks and Recreation Department to acquire approximately one to two acres of the orchard to dedicate as Parkland. In general, the amount and configuration of this Parkland will be based on that described in the winning proposal for this solicitation.

AHFC conducted a Phase I Environmental Site Assessment in 2016 and found no presence or historical use of hazardous materials on the site. In 2018 AHFC conducted a tree and boundary survey, and a Tree Condition Assessment in 2019, along with capping two existing water wells and one existing gas line in the northeast and northwest corners of the property.

The property is currently zoned SF-3 and must be legally subdivided before being developed.

Site Description

It shall be the responsibility of the selected proposer to obtain all legally required development permits and approvals for this project including paying 100 percent of any costs associated with preparing any necessary applications or plans for such approvals.

AHFC will hold land as necessary and expeditiously sign if requested by selected proposer any applications for funding or development permits necessary to entitle and develop the project.

The Phase I Environmental Site Assessment, Boundary, Topographic, and Tree Survey, and Tree Condition Assessment may be found at:

<http://www.austintexas.gov/page/rfp-gardner-and-tillery-housing-projects>

Development Objectives

A successful proposal will address and balance the following development objectives:

Maximize Number of Affordable Units, Depth of Affordability, and Length of Affordability Period

Priority will be given to proposals that maximize the number of affordable rental units restricted to households earning at or below 50 percent of the area median family income (MFI), and affordable owner-occupied units restricted for households earning at or below 80 percent of the area median family income.

Priority will be given to proposals that include units restricted at deep levels of affordability (<50% MFI), targeting hard-to-serve and especially vulnerable populations, and units restricted at multiple-income levels.

All affordable units shall be restricted for a period not less than 40 years (for rental housing) or 99 years (for owner-occupied housing) from the date a final Certificate of Occupancy is issued for a building constructed on the site that includes affordable units.

Maximize Proportion of Affordable Multi-Bedroom Units for Families & Continuum of Care Units for Persons Experiencing Homelessness

Priority will be given to proposals that include a higher proportion of affordable multi-bedroom units and dedicated continuum of care units for persons experiencing homelessness. In no case shall a successful proposal include less than 25 percent of affordable units as multi-bedroom unless the development is for single room occupancy.

Minimize City Subsidy

Priority will be given to proposals that minimize the average City of Austin subsidy per restricted affordable unit and proposals that offer compelling financial benefits to AHFC either through the purchase of land, ground lease, or partnership benefits.

Development Objectives

Maximize the Dedication of Parkland and Preservation of Trees

Priority will be given to proposals that integrate development on the site in a way that maximizes the area of the existing pecan orchard to be dedicated as Parkland, and maximizes the preservation of Protected and Heritage Trees on the site generally, particularly those in the best health.

Proposals must designate at minimum one acre of the existing pecan orchard to be dedicated as Parkland to be considered for contract award, with the additional contingencies that the Parkland have frontage on Tillery Street and pedestrian access to and from Charles and Henninger Streets.

Evaluation Criteria

All proposals will be evaluated and scored by a panel of subject matter experts based on the criteria listed below. The evaluation and scoring shall be based on how well each proposal addresses the Development Objectives of this solicitation and how thoroughly each proposer demonstrates their ability to successfully complete the development described in their proposal.

1.0 Executive Summary

10 Points

- 1.1 Provide an overview of your proposal and describe how it successfully addresses the development objectives of this solicitation including why your team is well-suited to develop the project.

2.0 Development Concept

20 Points

- 2.1 Discuss one overall development concept including proposed:
 - 2.1.1 building type/s
 - 2.1.2 development intensity by use (gross floor area)
 - 2.1.3 building height/s
 - 2.1.4 impervious cover
 - 2.1.5 type and number of parking spaces by use
 - 2.1.6 amount of AHFC site to be dedicated as Parkland
 - 2.1.7 breakout of total income-restricted and market-rate units by tenure, level of affordability, bedroom count, and average unit size
 - 2.1.8 number of Protected and number of Heritage trees to be removed
- 2.2 Provide data and an explanation justifying market demand for the proposed development
- 2.3 Provide a conceptual plan identifying proposed:
 - 2.3.1 buildings and their distribution of uses
 - 2.3.2 parking
 - 2.3.3 open space
 - 2.3.4 Parkland
 - 2.3.5 existing Protected and Heritage trees to be preserved

Evaluation Criteria

- 2.3.6 and other community amenities to be developed on the site
- 2.4 Identify which zoning district/s your team intends to pursue and provide a timeline for rezoning the property as well as whom on your team will be responsible for applying and ensuring zoning approval
- 2.5 Identify how your proposal aligns with the goals and vision of the Govalle/Johnston Terrace Neighborhood Plan and whether you intend to pursue a Neighborhood Plan Amendment
- 2.6 Discuss any support services you intend to provide for your residents including type of service, provider, and their mission and experience
- 2.7 Discuss your plan for the successful disposal or long-term stewardship of the asset. How will the property be managed post-construction, who will manage it, and describe their property management experience and business philosophy
- 2.8 List any additional affordable housing programs, regulatory, or legal tools you anticipate using to develop the project (i.e. gap financing, density bonuses, ground lease, partnership, low income housing tax credit, private activity bonds, etc.). Information regarding additional City of Austin and AHFC affordable housing programs and tools for developers may be found at:

<http://www.austintexas.gov/department/housing-development-assistance>

- 2.9 If the program or tool requires an application, describe each application, explain when you intend to submit the application, whom on your team will be responsible for submitting and ensuring approval of the application, and when do you expect approval
- 2.10 Discuss whether you intend to purchase or lease the land and provide a proposed purchase price or annual lease amount
- 2.11 If you propose entering into a Partnership with AHFC please note the minimum percentage of developer fee, cash flow, and any additional fees or financial benefits to AHFC, as well as whether you propose allowing AHFC a right of first refusal
- 2.12 Note how much City of Austin Housing Development Assistance gap financing you anticipate the project will need, if any

Evaluation Criteria

3.0 Development Timeline

10 Points

- 3.1 Provide a comprehensive and detailed timeline identifying milestones for the project from contract award to disposition or stabilization

4.0 Development Team

10 Points

- 4.1 Provide an organizational chart identifying the prime firm, all subconsultants, and their relationship to each other
- 4.2 Discuss and provide justification as to why your team and any subconsultants at your employ are well-suited to develop the project, including providing relevant prior experience and resumes for all key staff members across all disciplines
- 4.3 List and describe at least two examples of successful developments completed in the last ten years by the prime firm similar in scope to the one proposed, including at a minimum project name, location, site area, development intensity by use (gross floor area), and development budget and timeline
- 4.4 Provide contact information for at least three references that can attest to the quality of the prime firm's work from at least two separate projects similar in scope to the one proposed
- 4.5 Discuss any previous (within the last five years) litigation for which the prime firm or subconsultants were party to, either as plaintiff or defendant. What were the circumstances and what was the resolution

5.0 Organizational and Financial Capacity

10 Points

- 5.1 Discuss the operational capacity of your team, all ongoing or upcoming projects, and the necessary organizational resources that will be committed by your team to ensure the project's success
- 5.2 Provide sufficient information to substantiate that your organization and your partners have the financial capacity to ensure the project's success, including at a minimum providing a certified financial audit for the prime firm completed within the last two years

Evaluation Criteria

6.0 Financial Feasibility (scored for presenters only)

10 Points

All proposers must provide a response to this Evaluation Criteria when submitting their proposal. However, this Evaluation Criteria will only be scored for proposers selected to present to the RFP Evaluation Panel.

- 6.1 Complete and provide the Development Budget, Rental Housing Operating Proforma, & Home Sales data spreadsheets available at:

<http://www.austintexas.gov/page/rfp-gardner-and-tillery-housing-projects>

AHFC may at their discretion contract with a third-party consultant to provide an opinion regarding the financial feasibility of the proposals selected to present to the Panel

- 6.2 Identify all proposed sources of funding necessary to develop the project and discuss whether these are firm or tentative funding commitments. If you anticipate applying for additional public funding, identify the source of those funds and how they will be obtained, including a timeline for application and award

7.0 Presentation (by invitation only)

20 Points

- 7.1 Provide a presentation to the RFP Evaluation Panel outlining your proposal, including development concept, timeline, financial feasibility, development team, organizational and financial capacity, and describe how your proposal addresses AHFC's development objectives. Proposers should be prepared to answer questions about your proposal from participating panelists

Maximum Possible Score = 90 Points

Timeline & Process

Jun 15, 2020 **Request for Proposal Released**

Jun 22, 2020 **Voluntary Pre-Submittal Meeting**

Register to attend at:

<http://www.austintexas.gov/page/rfp-gardner-and-tillery-housing-projects>

Jul 25, 2020 **Proposals Due**

Proposals must be post-marked prior to the due date to be considered for award under this solicitation.

Aug 5, 2020 **Pre-Presentation Proposal Scoring**

The RFP Evaluation Panel will score Evaluation Criteria 1.0 through 5.0 for each complete proposal submitted prior to the due date.

The Panel may then select up to the top three highest scoring proposers and extend an invitation to each proposer to present to the Panel.

AHFC's Authorized Contact will contact you and extend an invitation to present to the Panel if selected.

The Panel may opt to completely forgo proposer presentations at their discretion, or may select only the highest, or top two highest scoring proposers to provide presentations, if the second or third highest scoring proposers cannot outscore the highest scoring proposer even with the addition of all points allotted for Evaluation Criteria 6.0 and 7.0. If you were not selected by the Panel to present, or the Panel opts to completely forgo proposer presentations, you will be notified by AHFC's Authorized Contact.

Timeline & Process

If selected to present AHFC will submit the proposal to a third-party economic consulting firm to perform a financial feasibility analysis. The results of this analysis shall be provided to the Panel to be considered by Panelists when scoring Evaluation Criteria 6.0 for all Proposers selected to present to the Panel.

The Panel will score Evaluation Criteria 6.0 and 7.0 on the day of proposer presentations.

Aug 26, 2020

Proposer Presentations & Scoring

Following the conclusion of scoring by the Panel AHFC will request approval from the Board of Directors to negotiate an execute an agreement to develop the property with the proposer whose proposal receives the highest score.

If two or more proposers receive the highest score AHFC shall determine which proposal to recommend to the Board for contract award.

Ultimately the Board shall determine which proposal if any are awarded the contract.

Sep 17, 2020

Contract Award

Following contract award the selected proposer shall enter into an Exclusive Negotiation Period with AHFC. Both parties shall diligently pursue contract negotiations within the Exclusive Negotiation Period with the intent of executing an agreement to develop the property prior to the end of the calendar year.

AHFC recognizes that proposals submitted for this solicitation reflect tentative plans that may require additional negotiation, consideration, and adjustment before being finalized. However, terms proposed by each

Timeline & Process

proposer such as number of affordable units or minimum ground lease payment among others shall generally be considered the minimum required terms under any future agreement entered into by AHFC and the selected proposer (i.e. minimum thresholds).

These minimum thresholds may only be amended by mutual agreement of both the selected proposer and AHFC during the Exclusive Negotiation Period, and generally shall only be amended as a result of new information learned not previously known prior to the close of this solicitation.

If no agreement is executed prior to the expiration of the Exclusive Negotiation Period both parties may extend the negotiation period by mutual agreement, or AHFC shall have the right to enter contract negotiations with the next highest scoring team or resolicit for new proposals.

Dec 31, 2020

Development Agreement Executed

Submittal Requirements

Proposal Preparation

All proposals must be provided as one physical document printed on 8.5" x 11" paper with a digital PDF version of the proposal saved on a USB drive and mailed to:

Attn: Alan Fish (1127 Tillery RFP)
Austin Housing Finance Corporation
1000 E. 11th Street Suite 200
Austin, Texas 78702

One of AHFC's Authorized Contacts will notify each proposer upon receiving the proposal.

Any questions about this Request for Proposal must be directed to one of AHFC's Authorized Contacts.

Modifications to proposals previously submitted may be made by proposers up until the close of this solicitation. Modified proposals shall be mailed to AHFC and post-marked prior to the due date to be considered.

Proposers may withdraw their proposal from consideration at any time shall they request. Requests to withdrawal a previously submitted proposal must be made to one of AHFC's Authorized Contacts.

All materials submitted as part of your proposal become public property and are subject to the requirements of the Texas Open Records Act. Any material submitted that you deem as confidential shall be marked as such and addressed in a statement describing what qualifies the material as confidential as defined by Chapter 552 of the Texas Government Code. AHFC shall endeavor, to the extent allowed by law, to protect such information from disclosure.

AHFC reserves the right to cancel this solicitation at any time prior to proposal selection shall they deem appropriate.

Submittal Requirements

Required Forms

Each proposer must sign and submit the following documents along with their proposal to be considered for award:

Affidavit of Submission

Certificate of Non-Suspension or Debarment

Affidavit of Non-Collusion, Non-Conflict of Interest, and Anti-Lobbying

Protest Rights

Proposers may submit protests to AHFC's Treasurer both prior to and after contract award if proposers believe the RFP solicitation and award process is deficient. Proposers who wish to protest the solicitation process shall notify the AHFC Treasurer in writing as soon as they identify an issue so that AHFC may make necessary amendments to the solicitation if needed.

Protests made following the close of this solicitation shall be made by notifying the AHFC Treasurer in writing no more than 10 business days after the contract has been awarded.

Protests shall be made in writing and mailed to:

Attn: Rosie Truelove (1127 Tillery RFP)
Austin Housing Finance Corporation
1000 E. 11th Street Suite 200
Austin, Texas 78702

Protests shall include your name, address, and phone number and clearly state the factual grounds for the protest. Upon receipt, AHFC's Treasurer will review the protest and respond within 10 business days. If the AHFC Treasurer determines the grounds for the protest are sufficient, they will contact the protester to schedule a Protest Hearing. If the AHFC Treasurer does not believe the protest is sufficiently valid, they will notify the protester in writing.

Submittal Requirements

Protesters will be allowed to present their claims and argument to AHFC's Treasurer, project, and legal staff at the Protest Public Hearing. Protesters may bring any additional representatives or materials to support their case. Following the public hearing the AHFC Treasurer may discuss with internal staff, but will issue a ruling in writing within 10 business days of the public hearing.

AHFC will not enter into any agreement with the selected proposer to develop the property prior to the expiration of the post-award protest period, or until after all active protests have been closed, unless the AHFC Treasurer deems that continued delay of award would negatively impact project performance.

Mandatory Requirements

All proposers must be legally incorporated businesses.

The selected proposer must apply for and participate in the City of Austin's S.M.A.R.T. Housing Program as a condition of contract award. If the selected proposer intends to enter into a partnership agreement with a non-profit or apply for the issuance of Private Activity Bonds to finance the development, AHFC shall be the General Partner in the Agreement and the Issuer of the Bonds as a condition of contract award.

The selected proposer must developments shall generally comply with the Housing Preference Policy Criteria described in the memo provided by AHFC to the Mayor and Austin City Council on November 6, 2020 (<http://www.austintexas.gov/edims/pio/document.cfm?id=330910>) specific terms of which shall be negotiated between the selected proposer and AHFC during the Exclusive Negotiation Period.

The selected proposer shall be required to add AHFC as an insured party on their business insurance and purchase additional insurance coverage meeting AHFC's minimum standards prior to the execution of a contract.

The selected proposer must be a registered vendor with the City of Austin prior to the execution of a contract.

Submittal Requirements

The selected proposer must provide the most recent certified financial audit (within the last two years) of the prime firm along with the submission of their proposal to be considered for contract award.

The selected proposer shall be prepared and may be required to furnish AHFC with a performance bond as part of execution of a contract, terms of which may be negotiated during the Exclusive Negotiation Period.

AHFC reserves the right to waive any Mandatory Requirements under this solicitation at their discretion.

Affidavit of Submission

THIS FORM MUST BE FULLY COMPLETED AND SIGNED BY PROPOSER TO BE CONSIDERED FOR CONTRACT AWARD.

I, _____, an authorized representative of _____ (developer entity) a legally formed corporation submit this proposal in response to the solicitation released by the Austin Housing Finance Corporation (AHFC) on June 15, 2020 requesting proposals for the development of income-restricted affordable housing on a property they own at 1127 Tillery Street in Austin, Texas.

If selected for contract award, I do hereby agree to enter into an Exclusive Negotiation Period (ENP) with AHFC, the initial term of which shall begin on the date of contract award and end on December 31, 2020.

I agree to diligently pursue contract negotiations with AHFC within the ENP in a good faith effort to execute an agreement for the development of the property prior to January 1, 2021. If after a reasonable time of negotiation AHFC concludes that little progress has been made towards negotiating a contract AHFC reserves the right to request a termination of negotiations with the selected proposer from the Board, and may request authorization to begin negotiations with the next highest scoring proposer.

I understand and agree that if an agreement for the development of the property is not executed within the ENP, the ENP may be extended as needed by the mutual agreement of both parties. However, I understand and agree that AHFC reserves the right to select the next highest scoring proposer or resolicit for new proposals if at the conclusion of the ENP no agreement has been reached.

AHFC recognizes that proposals submitted under this solicitation reflect tentative plans that may require additional negotiation, consideration, and adjustment before being finalized. However, I understand and agree that the terms I propose in my proposal such as number of affordable units or minimum ground lease payment among others shall generally be considered the minimum required terms under any future agreement (i.e. minimum thresholds). While these minimum thresholds may be amended by mutual agreement of both parties during the ENP, I understand and agree that as a general rule, amendments to minimum threshold terms will only be authorized by AHFC under the justification that the amendments are necessitated by new information learned that was not available prior to the close of this solicitation.

Affidavit of Submission

I understand and agree that I am responsible for any and all costs necessary to prepare and submit my proposal, and agree to pay any and all necessary costs to be incurred prior to the execution of an agreement to develop the property, including but not limited to any and all costs associated with the preparation of plans and applications shall my organization be selected for contract award.

I understand that if selected I will be required to comply with the Mandatory Requirements described in this solicitation as a condition of contract award.

Developer Entity (Printed Name)

Authorized Representative (Printed Name)

Authorized Representative (Signature)

Date

Authorized Representative Email

Authorized Representative Phone Number

Certificate of Non-Suspension or Debarment

I affirm my organization is not currently suspended or debarred from bidding or contracting with the United States Federal Government, State of Texas, or City of Austin.

Developer Entity (Printed Name)

Authorized Representative (Printed Name)

Authorized Representative (Signature)

Date

Affidavit of Non-Collusion, Non-Conflict of Interest, & Anti-Lobbying

I certify and agree that I have not and will not influence the AHFC RFP evaluation and award process in any way either directly or indirectly including but not limited to offering or providing any good or service of value to AHFC staff or officers in exchange for more favorable consideration.

I certify I have no present knowledge of a potential or existing conflict of interest with AHFC that may give my proposal an unfair advantage over other proposers, or unduly benefit my organization in any way. I agree to notify an AHFC Authorized Contact or Project Manager in writing as soon as I become aware of any potential or existing conflict of interest in the future.

I understand and agree to comply with the City of Austin's Anti-Lobbying Ordinance (Ordinance No. 20180614-056) while this solicitation is open.

<https://www.austintexas.gov/edims/document.cfm?id=301199>

Developer Entity (Printed Name)

Authorized Representative (Printed Name)

Authorized Representative (Signature)

Date