

3811 Tannehill



Request for Proposals

7.96 – acre East Austin Development Opportunity

Proposals Due: July 22, 2021

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7.96 – acre East Austin Development Opportunity

Austin Housing Finance Corporation

Publication Date: Wednesday June 9, 2021

Submission Deadline: 5:00 p.m. CST Thursday July 22, 2021

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 (Tannehill 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 a 7.96 – acre property located at 3811 Tannehill Lane in the East MLK neighborhood of 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 5:00 p.m. CST Thursday July 22, 2021 to be considered.

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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/request-proposals-tannehill-housing-project>

Boundary, Topographic, & Tree Survey
Phase I Environmental Site Assessment
Development Budget, Operating Proforma, & Sales Data Templates
AISD Restrictive Covenant
Special Warranty Deed

Site Description

AHFC owns and is currently accepting proposals to develop a 7.96 – acre vacant tract of land located just west of US Highway 183 fronting Tannehill Lane in the East MLK neighborhood of Austin, Texas. The site is surrounded by Norman-Sims Elementary School to the North, Industrial Uses to the East, Commercial and Civic Uses to the South, and Civic and Residential uses to the West. The site has immediate access to East Martin Luther King Jr. Boulevard and U.S. Highway 183.

The site is less than four miles from the Central Business District, adjacent to Norman-Sims Elementary School, and within walking distance to Springdale Neighborhood Park. The property has immediate access to public transportation with bus stops for one high-frequency and three local routes located within one-half mile walking distance.

AHFC purchased this property in 2018 from the Austin Independent School District (AISD) and committed to them that any future development would include at least 25 percent of all units to be reserved for households earning at or below 120 percent of the area median family income.

Prior to purchasing the property AHFC conducted a Phase I Environmental Site Assessment and found no Recognized Environmental Concerns.

The property is currently zoned Public and will need to be rezoned and subdivided prior to development.

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,

Site Description

AlSD Restrictive Covenant, and Deed for this property may be found at:

<http://www.austintexas.gov/page/request-proposals-tannehill-housing-project>

Development Priorities

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

Maximize the Number of Affordable Units

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. In no case shall a successful proposal include less than 50 percent of total proposed units as income-restricted affordable units.

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 the Proportion of Affordable Multi-Bedroom Units for Families

Priority will be given to proposals that include a higher proportion of affordable multi-bedroom units. In no case shall a successful proposal include less than 35 percent of affordable units as multi-bedroom.

Prioritize Affordable Units for Households Who've Been Previously Displaced or are At-Risk of Being Displaced from the Area

Proposers must commit to working with AHFC to implement a Right to Stay/Return Preference Policy that meets the criteria described in AHFC's memo to City Council on November 6, 2020 (<http://www.austintexas.gov/edims/pio/document.cfm?id=330910>).

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 Priorities

Proposals that propose a total City subsidy less than \$50,000 per restricted affordable unit (50% MFI and below for rental and 80% MFI and below for ownership) including the original purchase price (\$1,960,000) paid by AHFC shall be given priority.

Community Priorities

AHFC conducted public engagement during the first half of 2021 to both notify and inform the public of this upcoming project and better understand Community Priorities and concerns around the development of the property. Public engagement consisted of three virtual meetings held between February and May 2021. Participants and those not able to attend were provided multiple ways to provide feedback on the project including at the meeting, through email, phone, and surveys, all of which were advertised through a variety of mediums and platforms.

Those conversations identified the strongest community support for affordable housing development that:

- Provide affordable home ownership opportunities for low-income households to build wealth
- Provide deeply affordable units (less than 50% MFI) to serve those households most in need

Proposals that best respond to and incorporate one or both of these Community Priorities shall be given additional consideration upon evaluation. Videos of the three virtual public meetings may be found on the public engagement webpage for the project:

<https://www.speakupaustin.org/tannehill-st-project1>

Evaluation Criteria

All proposals will be evaluated and scored by a panel of subject matter experts (convened by AHFC) based on the criteria listed below. The evaluation and scoring shall be based on how well each proposal addresses the Development and Community Priorities described in this solicitation, as well as, 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 Priorities and Preferred Development Concept described in this solicitation, including why your team is well-suited to develop the project

2.0 Development Concept

40 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 percentage of site allocated to open space
 - 2.1.7 breakout of total income-restricted and market-rate units by tenure, level of affordability, bedroom count, and average unit size
- 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 and other proposed uses to be developed on the site
- 2.4 Provide a comprehensive and detailed timeline identifying all important milestones for the project from contract award to disposition or stabilization
- 2.5 Identify which zoning district/s your team intends to pursue and discuss why the proposed zoning district designation is most appropriate for the proposed development

Evaluation Criteria

- 2.6 Identify how your proposal aligns with the goals and vision of the East MLK Combined Neighborhood Plan
- 2.7 Discuss any support services you intend to provide for your residents including type of service, provider, and their mission and experience
- 2.8 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
- 2.9 Describe (generally) how you intend to implement the Right to Stay/Return Policy described in AHFC's memo to Mayor and City Council on November 6, 2020 (<http://www.austintexas.gov/edims/pio/document.cfm?id=330910>)
- 2.10 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/departments/housing-development-assistance>)
- 2.11 Discuss whether you intend to purchase or lease the land and provide a proposed purchase price or a one-time or annual lease payment
- 2.12 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 to purchase the development or additional interest in the development
- 2.13 Note how much City of Austin Housing Development Assistance gap financing you anticipate the project will need, if any

3.0 Development Team

25 Points

- 3.1 Provide an organizational chart identifying the prime firm, all subconsultants, and their relationship to each other
- 3.2 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
- 3.3 List and describe at least two examples of successful developments completed in the

Evaluation Criteria

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

- 3.4 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
- 3.5 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
- 3.6 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

4.0 Financial Feasibility

25 Points

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

<http://www.austintexas.gov/page/request-proposals-tannehill-housing-project>

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

- 4.2 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
- 4.3 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 the most recent certified financial audit for the prime firm completed within the last two years

Maximum Possible Score = 100 Points

Timeline & Process

Jun 9, 2021 **Request for Proposals Published**

Jul 22, 2021 **Proposals Due**

All submissions must be post-marked prior to the due date to be considered under this solicitation.

Aug 23, 2021 **Proposal Scoring**

The RFP Evaluation Panel will score each complete proposal submitted prior to the due date.

Aug 27, 2021 **Public Evaluation**

Following the conclusion of scoring by the Panel, AHFC shall publish a summary of the RFP Evaluation Panel's scores online, as well as all complete proposals submitted prior to the due date, less any redactions requested, and financial disclosures provided by each Proposer. AHFC shall provide an online platform available to the public for three weeks in which they may choose which Proposal they prefer most. This information shall be provided to the AHFC Executive Team and Board of Directors in addition to the RFP Evaluation Panel Scores, to aid each in recommending and selecting a preferred Proposal.

Sep 20, 2021 **Executive Team Recommendation**

The AHFC Executive Team reviews RFP Evaluation Panel Scores and Public Preference and recommends a Proposal to the Board of Directors for selection.

Oct 14, 2021 **Board Selection**

Timeline & Process

The Board convenes publicly and awards the development opportunity to the preferred development partner.

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 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 shall only be amended as a result of new information learned not previously known prior to the close of this solicitation.

Dec 31, 2021 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 (Tannehill 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 all proposals.

Any questions about this Request for Proposal must be directed to one of AHFC's Authorized Contacts. Any future clarifications to this RFP made by AHFC will be posted on the RFP webpage:

<http://www.austintexas.gov/page/request-proposals-tannehill-housing-project>

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, or that which you would like to be redacted prior to public release shall be marked as such, an addressed in a statement describing why the request for redaction was made. AFHC shall endeavor to protect such information from disclosure to the extent allowed by law (Texas Government Code Chapter 552). AHFC shall not make public any certified or compiled financial documents submitted with the Proposal.

Submittal Requirements

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

Required Forms

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

Affidavit of Submission

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

Non-Suspension or Debarment Declaration

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 contract award 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 (Tannehill 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 Hearing.

Protesters may bring any additional representatives or materials to support their case. Following the protest hearing, the AHFC Treasurer may discuss with internal staff, but will issue a ruling in writing within 10 business days of the hearing.

AHFC will not enter into any agreement with the winning 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.

Minimum Requirements

Proposers must be legally incorporated businesses.

Proposers must be a registered vendor with the City of Austin prior to the execution of a contract.

Proposers 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.

Proposers 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 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.

Submittal Requirements

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

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.

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 9, 2021 requesting proposals for the development of income-restricted affordable housing on a property they own at 3811 Tannehill Lane in Austin, Texas.

If selected for contract award I do hereby agree to enter into an Exclusive Negotiation Period (ENP) with AHFC the term of which will begin on the date of contract award and end on March 1, 2022.

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 March 1, 2022. 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.

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 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

Affidavit of Submission

amendments are necessitated by new information learned that was not available prior to the close of this solicitation.

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