



# City of Austin

# MEMO

## Neighborhood Housing and Community Development

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**Date:** April 16, 2013  
**To:** Mayor and City Council Members  
**From:** Betsy Spencer, Director   
**Subject:** East 11<sup>th</sup> and 12<sup>th</sup> Street Development Strategy: Update on the Disposition of Property

This memorandum serves to provide an update on the East 11<sup>th</sup> and 12<sup>th</sup> Street Development Strategy regarding the disposition of Urban Renewal Agency (URA) and City of Austin (COA) owned properties within the Urban Renewal area. Neighborhood Housing and Community Development (NHCD) is working with the Office of Real Estate Services (ORES) in the disposition of both COA and URA owned properties. The East 11<sup>th</sup> and 12<sup>th</sup> Street Development Strategy was released in March 2012 and it available at: [austintexas.gov/department/east-11th-12th-streets](http://austintexas.gov/department/east-11th-12th-streets).

Tracts 12 and 13 were sold by the City of Austin through a competitive Invitation for Bid (IFB) process earlier this year. The Urban Renewal Board (URB) and staff have developed a work plan for disposition of East 12<sup>th</sup> Street properties and are moving forward with two Request for Proposals (RFQs) for Tracts 3 and 5. The RFQs are expected to be released in May 2013.

TRACT	OWNER	ADDRESS	# of PARCELS	STATUS
3	URA	1120 E. 12 <sup>th</sup> Street	1 lot	RFP to be issued in May
5	URA	1320-1336 E. 12 <sup>th</sup> Street	8 lots	RFP to be issued in May
12	COA	1001-1105 E. 12 <sup>th</sup> Street	10 townhome lots	Property sold via IFB
13	COA	1190-1198 Navasota	5 single-family lots	Property sold via IFB

*Urban Renewal Area 12<sup>th</sup> Street Properties*

### Block 17 Proposed Disposition

In February 2013, the Austin Revitalization Authority (ARA) submitted an unsolicited proposal for the development of affordable and market rate townhomes on Block 17 to the Urban Renewal Agency. NHCD is seeking City Council approval April 25, 2013, which will authorize the URA to proceed with the sale and transfer of Block 17 to ARA.

ARA is partnering with Texas Intown Homes, L.L.C, an affiliate of Lovett Homes of Houston for this development. The proposed development is located on the north side of the 1000 Block of East 11<sup>th</sup> Street on Juniper Street. ARA's proposed development consists of a 16-17 unit mixed income housing project with 2 units reserved as affordable housing. The project streetscape will be designed and built in accordance with the City of Austin's Subchapter E Design Standards.

Consistent with our proposal review process, NHCD hired a third party consultant, Economic & Planning Systems (EPS), to conduct an assessment of the financial feasibility of the proposal and developer qualifications and resources. This information was provided to the URB at its regular February 2013 Board meeting. Following a presentation by ARA and Intown Homes, Staff recommended URB approval to sell Block 17 for the following reasons:

- EPS determined the proposal represented a reasonable financial outcome that the development team possessed the basic qualifications and resources required to successfully implement the proposed project.
- ARA had presented the project to area stakeholders. Area stakeholders spoke in support of the proposed project at the February URB meeting.
- The proposal conforms to the area plans and overlays.
- ARA agrees to pay fair market value based on comparable sales identified by a third party, independent appraisal of the property in the amount of \$522,000.
- The Eleven East (ARA) property is already party to the Unified Development Agreement between the two properties which will ensure continuity in the development.

The URB unanimously authorized the sale and transfer of Block 17 to ARA. ORES has placed this item on the April 25 City Council Meeting Agenda to authorize the Urban Renewal Agency of the City of Austin to sell 16 vacant lots (Block 17—Tract II) to the Austin Revitalization Authority.

#### **Urban Renewal Area 11<sup>th</sup> Street Properties**

The URB and staff are also beginning to develop a work plan for disposition of the remaining properties on East 11<sup>th</sup> Street. These properties are all owned by the URA. The properties remaining are:

- **Block 16:** Contains multiple lots and adjoins the new African American Cultural and Heritage Facility. The Urban Renewal Plan calls for mixed-use development on this site.
- **Block 17:** Contains multiple lots that are part of a Unified Development Agreement that includes mixed-use office buildings owned by Eleven East (a limited liability corporation of the Austin Revitalization Authority). This property is proposed for townhome or live-work lofts as it faces the residential portion of the neighborhood.
- **Block 18:** Contains multiple lots and adjoins the Victory Grill and the East Room. This property is proposed for mixed-use development and residential development on the portion of the property facing the residential neighborhood.

We will continue to provide City Council with regular updates on this topic as we move forward with property disposition. Please feel free to contact me if you have any questions.

cc: Marc A. Ott, City Manager  
Bert Lumbreras, Assistant City Manager  
Sue Edwards, Assistant City Manager  
Lauraine Rizer, Real Estate Officer, Office of Real Estate Services