ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS

Solicitation: RFP 5500 SMW3010 **Addendum No: # 6** **Date of Addendum: December 23, 2020**

This addendum is to incorporate the following changes to the above referenced solicitation:

I. Section 10.2.6 of the Solicitation regarding requirements for the public information Packet submission is hereby deleted and replaced with the following which has been updated in the actual Solicitation pack online:

10.2.6 Public Information Packet. All Proposers shall also include a project summary of no more than four pages that describes the overall concept and community benefits and must include conceptual renderings. Please describe and quantify the total number of housing units by type, square footage of non-residential uses, acreage and programming of public open space, and the overall parking program. Please also describe and quantify the number of affordable housing units, including the mix of unit sizes by bedroom count and the level of affordability and tenure (e.g., 100 total affordable multifamily rental units including 50 2-bedroom units at 50% MFI and 50 3-bedroom units at 60% MFI) and provide an explanation as to how the Proposal achieves 50% of the total residential units as income-restricted affordable. Please also describe the proposed duration of the affordability period, including any variation by product type or tenure. Please describe your affirmative marketing plan to ensure residents become aware of affordable housing opportunities. Any additional community benefits proposed should be described, including the size and location of space dedicated to non-profits or other community-oriented activities . Please also describe the size and location of open spaces, how they interconnect, and how they relate to the overall proposed Open Space Program. Nothing in this submittal may be marked as confidential or proprietary. City staff may release Public Information Packets from all Proposers once an award recommendation from staff to Austin City Council is announced; however, the Public Information Packet from the firm recommended by staff will be included in staff's recommendation to Council for contract authorization.

II. <u>The following exhibits are hereby added to the solicitation and are now also listed in section G (Exhibits) of the solicitation pack:</u>

18. Boundary and Improvement Survey
    a. Adobe Format
    b. AutoCAD format
19. Existing Electrical Service Map

III. The following are questions with City responses which have been received in regards to this solicitation:

Question 1: Do you know if there are CAD files or a survey with metes and bounds for this site?

Response: A 2007 Boundary & Improvement Survey for the site is hereby added for informational purposes and is now also listed in Section F (Exhibits) of the solicitation packet, where both PDF and AutoCAD files are available as Exhibit 18.

Question 2: Regarding affordability levels, can you clarify this statement in the solicitation:
"A mixed-income housing development with at least 300 total housing units, of which not fewer than half (50%) shall be affordable to households earning at or below 80% of the Area Median Family Income (MFI) for ownership units and 60% MFI for rental units, consistent with the City's Affordability Unlocked Program;"
Affordability Unlocked by city ordinance allows income averaging to achieve those MFI levels. I want to confirm that by "consistent with the City's Affordability Unlocked Program," the solicitation means that, as with Affordability Unlocked, income averaging can be used to achieve the requisite number of affordable units.

Response: The community feedback clearly endorsed meeting the Affordability Unlocked requirements and achieving the bonus density allowed thereunder. A proposal that achieves these objectives through the use of income averaging as allowed under the Affordability Unlocked (AU) ordinance will be considered responsive, but may not score as highly on this metric as a proposal that provides all affordable units at or below the targets indicated in the RFP text.

AU does allow income averaging of MFI levels; however, for a rental project, 20% of units must be at 50% MFI or less. For example, in a 10-unit development, 5 units must be affordable (50% x 10 = 5). Two (2) of those units must serve households at or below 50% MFI. The remaining 3 affordable units can serve different combinations of income levels, as long as the average income level served by all 5 affordable units is less than or equal to 60% MFI. The 3 remaining affordable units could be distributed in a variety of combinations, such as:

- 1 unit at 30% MFI and 2 units at 80% MFI
- 1 unit at 80% MFI and 2 units at 60% MFI
- all 3 units at 60% MFI

Question 3: Regarding Proposers, if there are multiple entities partnering on a proposal, and thus all of our qualifications are highly relevant under "Proposer Experience", should we a) submit jointly; b) submit under a "lead partner" but still list all of our partners' experience under "Proposer Experience"; or c) apply as a yet-to-be-formed joint venture and list all of our partners' experience under "Proposer Experience."

Response: The City has experience working with combined developer teams, and such teams are welcome to respond to this solicitation. Please provide a description of the current or anticipated nature of the partnership, including an organization chart that clearly demonstrates whether one company is a "lead partner" or otherwise in primary position, and what roles the other partner firms will assume (e.g., market-rate vs. affordable housing, project manager vs. equity provider, etc.). Please also provide relevant qualifications for all key entities that are part of your team.

Question 4: If the Ryan strip is incorporated into our site plan as public park, can this count towards the minimum 1.25 acres?

Response: It is the City's intention that if a proposer elects to propose to incorporate the Ryan strip into their site, this existing parkland would be in addition to the 1.25 minimum acres of open space set as a project goal in the RFP. Please describe in the proposal how the open space provided meets the project goals.

Question 5: If 50% of the Net Rentable Area is affordable, but not 50% of the units, will we meet the 50% affordability requirement? This would allow the affordable units to include more 'family-friendly' 2 bedroom and 3 bedroom units.

Response: The RFP indicates the community and City desire for 50% of the minimum 300 units to be affordable. Proposals should clearly indicate the total number of units planned; by unit type, income level, and number of bedrooms; whether rental or for-sale or some combination of both; and whether there are any particular market segments being targeted. A proposal that included a lower number of overall units, but with more larger units will be considered, but may not score as highly as a proposal that provides the minimum number of affordable units indicated in the RFP. In addition, if a proposal intends to seek benefits under the City's Affordability Unlocked Program Development Bonus Program, it must meet all requirements under the ordinance, including those related to both income and size, and the requirement that at least 25 percent of the affordable dwelling units include two or more bedrooms.

Note, Affordability Unlocked (AU) is only calculated based on units. In order to meet AU requirements at least 50% of the units must be affordable at the prescribed program levels. If your proposal does not meet the standard to utilize AU's bonus density, please explain what regulatory changes may be necessary to achieve the desired 300-unit minimum.

Question 6: Regarding the requirement for references from at least three public sector representatives, does this conflict with the anti-lobbying ordinance? Are we allowed to request references from city staff?

Response: City employees may be contacted, and a general reference may be requested for your firm, however no discussions specifically in reference to this solicitation may occur with a City employee or Official. If you would like to request information specific to this solicitation from them, please send a request with all the information to the Authorized Contact Person listed on the solicitation cover page and they can share it with the City staff to coordinate a reference if appropriate.

Question 7: How should we calculate the reversion value? Should it be gross or net of debt and equity?

Response: The reversion value is meant to estimate the price an informed buyer would pay to acquire an existing income-producing property. Typically, this calculation reflects the net operating income of the property (gross revenues minus operating costs but excluding debt and equity payments), divided by a capitalization rate consistent with transactions with similar market and risk profiles.

Question 8: Will items marked proprietary and confidential be protected from public information requests?

Response: Per Section 4.4 of the Solicitation the Texas Attorney General's office has final determination of what may or may not be protected from such requests:

4.4 Proprietary/Confidential Information. All material submitted to the City becomes public property and is subject to the Texas Public Information Act, Chapter 552, Texas Government Code, upon receipt. If a Proposer does not desire proprietary information in the Proposal to be disclosed, each page containing such proprietary information must be identified and marked proprietary at the time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The City may request a review and determination from the Attorney General's Office of the State of Texas, of any Bid contents marked as "Proprietary." A copyright notice or symbol is insufficient to identify proprietary or confidential information.

Question 9: Is there an existing survey available for the property? Specifically, one that includes any existing easements, restrictions, etc.

Response: A 2007 Boundary & Improvement Survey for the site is hereby added for informational purposes and is now also listed in Section F (Exhibits) of the solicitation packet as Exhibit 18. This survey does not contain information related to easements or other restrictions. Note a current Title Commitment for this property is provided as Exhibit 1.

Question 10: Is the city aware of any existing building encroachments into the site from the neighboring site to the south?

Response: A 2007 Boundary & Improvement Survey for the site is hereby added for informational purposes and is now also listed in Section F (Exhibits) of the solicitation packet as Exhibit 18. The City is not aware at this time of any building encroachments into the site from the neighboring site to the south.

Question 11: Did the previous site reviews efforts verify if the site is eligible for fee in lieu of on-site water quality, and/or Regional Stormwater Management Program (RSMP) participation? The site is located within two watersheds (Shoal Creek and Waller Creek); however, the majority of the site is within the Waller Creek watershed. The Waller Creek watershed is not listed as eligible for RSMP participation (per DCM 8.2.2), but Shoal Creek is listed as eligible.

Response: The site planning exercises anticipated onsite compliance for both detention and water quality. A proposer may consider utilizing the Regional Stormwater Management Program (RSMP), eligibility for which would be determined by City staff. It is our understanding that both the Shoal Creek and Waller Creek watersheds are eligible; see https://www.austintexas.gov/department/regional-stormwater-management-program.

Question 12: When will the results of the groundwater investigation and any other environmental studies after 2013 be made available?

Response: The latest environmental report for the site is provided in Exhibit 13-E 2020 Completed Limited Subsurface Investigation Report. Additional environmental studies are ongoing. The City anticipates another report to be made available in early 2021 and will make it public as an Addendum to this RFP if available prior to the closing of the RFP. It may be worth noting that for the City's own exploration of site development alternatives, groundwater and other environmental issues were not assumed to be permanent constraints on design, construction, or uses on the site.

The City understands that this uncertainty presents a challenge for preparing design and financial proposals by the February 11, 2021 deadline. Please proceed with the best information available to you and make clear what information you were able to incorporate, and how that affected your proposal. The City's evaluation panel for this RFP will consider the uncertainty of this and related issues as proposals are reviewed. As noted in the RFP, the City is seeking well-considered proposals using the best available information, but will expect to negotiate design and financial terms with the selected developer following selection as more due diligence is conducted.

Question 13: Has there been any requirement or preference stated for vehicular access to be from Justin or Grover from Transportation, the TOD, or from the neighborhood?

Response: The site planning exercises presented in public have assumed site access could be provided from Ryan Drive and/or Justin Lane. From a transportation and TOD planning perspective, there is preference for the primary site access to remain from Justin Lane, with secondary access as needed from Ryan Drive. It is anticipated that details for access and transportation improvements would be dependent on the site proposal and finalized later during the design phase.

Question 14: Does Cap Metro have standards or concepts for the "Transit Plaza"? Is the intent that the 20' requested easement be a separate pedestrian space or incorporated into the station with an additional platform?

Response: No, Capital Metro does not have any standards or concepts for the transit plaza. It would be up to proposers to consider how this amenity would best serve the proposed development and Crestview station. It is anticipated that the 20-foot requested easement would benefit Capital Metro's ability to double track the existing rail line and/or make potential platform changes in this area. This work however is yet to be designed by Capital Metro, so it is not known how exactly the 20-foot requested easement would be utilized.

Question 15: Are improvements in the easement to be completed by the developer or by Cap Metro?

Response: Transit improvements within the right-of-way are assumed to be funded and completed by Cap Metro. However, transit-supportive amenities such as the transit plazas shown in the site planning exercises may be a cost to the developer, or the developer may indicate that grants or other subsidies may be required to fund such amenities.

Question 16: Do the power lines on the interior of the site serve any other properties and are they within easements?

Response: The existing overhead line on the interior of the site serves this property only. An Electrical Service Map for this area is added for informational purposes and is now also listed in Section F (Exhibits) of the solicitation packet as Exhibit 19. Note, any existing electrical service or infrastructure would either need to relocated or included in an easement as part of the site development process.

Question 17: Are the five existing monitoring wells able to be relocated or do they need to remain? If they remain, what access requirements are there for them and is there a document available that locates them in a survey for our use?

Response: The five existing monitoring wells need to stay in place and remain accessible until the end of the environmental investigation or receipt of a closure letter from the Texas Commission on Environmental Quality (TCEQ). The timing for such closure is uncertain at this time; however, it may be worth noting that for the City's own exploration of site development alternatives, the wells and other environmental issues were not assumed to be permanent constraints on design, construction, or uses on the site. There is not a survey that provides the locations of these wells. They are shown in Exhibit 2 of the 2020 Completed Limited Subsurface Investigation Report (Exhibit 13-e to this RFP).

The City understands that this uncertainty presents a challenge for preparing design and financial proposals by the February 11, 2021 deadline. Please proceed with the best information available to you and make clear what information you were able to incorporate, and how that affected your proposal. The City's evaluation panel for this RFP will consider the uncertainty of this and related issues as proposals are reviewed. As noted in the RFP, the City is seeking well-considered proposals using the best available information, but will expect to negotiate design and financial terms with the selected developer following selection as more due diligence is conducted.

Question 18: Is there a topo survey available in PDF or autocad?

Response: There is no topographic survey available for the site.

Question 19: Please confirm that the cinder block wall along the east property line is off-site.

Response: A 2007 Boundary & Improvement Survey for the site is hereby added for informational purposes and is now also listed in Section F (Exhibits) of the solicitation packet as Exhibit 18. The cinder block wall in question is shown on this survey.

Question 20: What will be the condition of the site when the City of Austin conveys it to the awardee? Will all improvements, including all the existing buildings, and pavements be removed prior to conveyance?

Response: The City intends to remove asbestos-containing materials and demolish all structures on the site, including the removal of asphalt paving materials. It is anticipated that the City would complete additional an environmental assessment to determine if there is additional soil remediation needed to bring the site to residential standards.

IV. ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

ACKNOWLEDGED BY:

_____	_____	_____
Name	Authorized Signature	Date

RETURN ONE COPY OF THIS ADDENDUM TO THE PURCHASING OFFICE, CITY OF AUSTIN, WITH YOUR RESPONSE OR PRIOR TO THE SOLICIATION CLOSING DATE. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION.