

MEMORANDUM

TO: AHFC Board of Directors

FROM: Mandy DeMayo, Treasurer, Austin Housing Finance Corporation 

DATE: May 1, 2024

SUBJECT: 6909 Ryan Drive RFQ Solicitation Award

This memo provides a summary of Austin Housing Finance Corporation (AHFC) staff recommendation for the development partner of AHFC-owned property at 6909 Ryan Drive. As detailed below, staff recommends that the AHFC Board authorize negotiation with DMA Development Company, LLC for the development of the approximate 5.5-acre site.

Background

AHFC purchased 6909 Ryan Drive from Austin Energy in 2023 using 2018 general obligation bonds approved by City residents. The property is an approximately 5.5-acre site located in the Crestview neighborhood of central Austin. Prior to AHFC, Austin Energy purchased the property in 1997 for operations and storage. Austin Energy completed demolition of existing buildings and site cleanup in summer 2023. This process included participating in TCEQ's Voluntary Cleanup program, which the site subsequently received a Certificate of Completion. The Economic Development Department issued a solicitation for a development partner in 2020, however, the solicitation was terminated in 2023 as a Master Agreement with the selected development partner could not be achieved.

The site is level, roughly rectangular in shape, and fronted on the east by the Red Line railway and the west by Ryan Drive and a small portion along Justin Lane. The property is bordered on the north and south by privately owned properties. The property is in the Lamar Blvd./ Justin Lane Transit Oriented Development (TOD) district with a subdistrict designation of TOD Mixed-use.

AHFC conducted public engagement between October to December 2023 to identify community priorities and sentiments, building upon the significant community engagement work done for the Economic Development Department's prior solicitation. Through this process, it was determined that the community remained committed to prioritizing **affordable housing, park space, and connectivity to transit**.

Solicitation and Evaluation

On February 21, 2024, AHFC released the RFQ solicitation to develop, own, and operate a proposed approximately 300-unit multifamily apartment at 6909 Ryan Drive.

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AHFC assembled a panel of subject matter experts to review and score the applications. The evaluation panel was comprised of City/AHFC staff. The panel reviewed applicant qualifications, financial capacity, and sample work following the scoring criteria outlined in the RFQ. The top three scoring applicants were invited to participate in an interview to share more about their qualifications; interviews were held on March 29, 2024.

The highest scoring applicant was DMA Development Company, LLC, earning 104 points. Foundation Communities and Pennrose, LLC earned 100 and 99 points respectively. DMA Development Company, LLC scored strongly throughout the process, but performed exceptionally well in the interview and example development portions of the evaluation. DMA Development Company, LLC demonstrated its ability to achieve creative projects with an example project located in a TOD and another project requiring a public-private partnership.

The final applicant scores, recorded interviews, and redacted applications were released on April 1, 2024, for Public Evaluation; the Public Evaluation period closed April 14, 2024. The public was invited to review the applications and watch the interviews of the respondents before ultimately voting for their preferred development partner via survey.

The city received 196 unique responses to the survey over the two-week period. The candidate with the most support was Pennrose, LLC. 143 participants (73%) selected Pennrose, LLC as their preferred candidate, while 36 participants (18%) and 17 participants (9%) chose Foundation Communities and DMA Development Company, LLC. While Pennrose, LLC received a majority of the support, the development team only earned 30% of the responses from the 78757 zip code that the project is located in. There was a strong theme in the survey comments of public interest in all three candidates for their track record in providing additional resident services such as daycare and financial literacy courses to support affordable housing residents. AHFC will ensure this feedback is incorporated into partnership negotiations following the selection made by the AHFC Board.

While all applicants presented compelling qualifications, DMA Development Company, LLC performed the strongest throughout the RFQ evaluation which is why AHFC staff is recommending they be awarded the Ryan Drive development opportunity.

Additional Information

Additional information, such as the panelist scoring matrix and the public survey summary, is provided in backup to this item. Additionally, solicitation information and all responsive applications can be found on the RFP website: <https://www.austintexas.gov/page/request-proposals>

Should you have any questions, please do not hesitate to contact me at 512-974-1091 or Mandy.DeMayo@austintexas.gov or James May at 512-974-3192 or james.may@austintexas.gov.