

City of Austin



Recommendation for Action

File #: 24-4969, **Agenda Item #:** 2.

7/18/2024

Posting Language

Authorize negotiation and execution of a ground lease, and all other documents necessary or desirable, with AHFC Drowsy Willow Non-Profit Corporation for the development, construction, finance, management, and sale of approximately 42 affordable, ownership units as part of a new Community Land Trust development located at or near 5901 Drowsy Willow Trail, Austin, Texas 78744, for an amount not to exceed \$10,000 per year.

Lead Department

Austin Housing Finance Corporation

Fiscal Note

There is no fiscal impact.

For More Information:

Mandy DeMayo, Treasurer, Austin Housing Finance Corporation, 512-974-1091.

Council Committee, Boards and Commission Action:

November 30, 2023: Austin Housing Finance Corporation (AHFC) authorized negotiation and execution of all necessary agreements and instruments with Industry ATX, or other qualified applicant, to develop affordable housing on approximately 2.7 acres located at or near 5901 Drowsy Willow Trail, Austin, Texas 78744. District(s) Affected: District 2.

August 26, 2021: AHFC authorized the negotiation and execution of all documents and instruments necessary or desirable to acquire approximately 2.7 acres for affordable housing purposes located at or near 5901 Drowsy Willow Trail, in an amount not to exceed \$2,050,000, including closing costs. District(s) Affected: District 2.

July 18, 2024: AHFC will be asked to approve a resolution authorizing the formation of AHFC Drowsy Willow Non-Profit Corporation, a Texas nonprofit corporation and instrumentality of the Austin Housing Finance Corporation; approving its certificate of formation and bylaws; appointing its board of directors and president; authorizing a ground lease; and authorizing AHFC Drowsy Willow Non-Profit Corporation to construct, finance, manage, and sell approximately 42 affordable, ownership units as part of a new Community Land Trust located development located at or near 5901 Drowsy Willow Trail, Austin, Texas 78744.

Additional Backup Information:

This item requests AHFC to authorize the negotiation and execution of a ground lease, and all other documents necessary or desirable, with AHFC Drowsy Willow Non-Profit Corporation (Nonprofit Corporation). AHFC owns the land upon which the Development will be constructed and will initially ground lease it to the Nonprofit Corporation. The Nonprofit Corporation will develop approximately 42 affordable, ownership units as part of a new Community Land Trust located at or near 5901 Drowsy Willow Trail, Austin, Texas 78744. The ownership units will be governed by a condominium association. Once the Nonprofit

Corporation creates the condominium association, the Nonprofit Corporation will assign the ground lease to the condominium association with AHFC as landlord and the condominium association as tenant. The ground lease will contain median family income and community land trust provisions to ensure that the ownership units remain affordable.