

City of Austin



Recommendation for Action

File #: 25-0706, **Agenda Item #:** 5.

5/8/2025

Posting Language

Authorize negotiation and execution of all documents and instruments necessary or desirable to grant in fee simple approximately 0.16 acres (7,000 square feet) of land located at 2801 Castro Street, Austin, Texas, 78702, being Lot 24, Block 5 of Chernosky Subdivision No. 12, a subdivision of record in Volume 4, Page 235 of the Plat Records of Travis County, Texas, to the Guadalupe Neighborhood Development Corporation for the purpose of developing a minimum of two units of affordable housing for low-income households. Funding: This item has no fiscal impact. This item is related to Item #4.

Lead Department

Austin Housing Finance Corporation.

Fiscal Note

This item has no fiscal impact.

Prior Council Action:

April 24, 2025 - The City of Austin (the "City") Council authorized negotiation and execution of all documents and instruments necessary or desirable to sell and convey approximately 0.16 acres (7,000 square feet) of land located at 2801 Castro Street, Austin, Texas, 78702, being Lot 24, Block 5 of Chernosky Subdivision No. 12, a subdivision of record in Volume 4, Page 235 of the Plat Records of Travis County, Texas, to the Austin Housing Finance Corporation ("AHFC"), for the purpose of contracting with a local nonprofit organization to construct and maintain a minimum of two units of housing for low-income individuals and families on the property, for an amount not to exceed \$3,000, including closing costs.

For More Information:

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

Additional Backup Information:

The property is currently owned by the City and maintained by the City's Watershed Protection Department. The property will be conveyed to AHFC and then granted to the Guadalupe Neighborhood Development Corporation ("GNDC") for the development of a minimum of two units of affordable housing for low-income households. The property is located in Council District 3 within/along:

- an area experiencing Active Gentrification as defined by the Anti-Displacement Racial Equity Report;
- one mile of Govalle Elementary School;
- one half mile of Parque Zaragoza Neighborhood Park;
- one half mile of a full-service grocery store;
- one-quarter mile distance by walkable route of stops for local bus routes.

The grant of property will be subject to the following restrictions placed upon the property by the City in its conveyance of the land to AHFC, so as to effectuate and maintain a public purpose:

1. For not less than 40 years following the issuance of the certificate of occupancy, any rental units on the property will be reserved for households earning no more than 50 percent of the Median Family Income ("MFI") limits published annually by the U.S. Department of Housing and Urban

Development (“HUD”) for the Austin-Round Rock, Texas Metropolitan Statistical Area (“MSA”), in accordance with the affordability requirements of AHFC’s Rental Housing Development Assistance Program Guidelines.

2. For not less than 99 years following the issuance of the certificate of occupancy, any owner-occupied units on the Property will be reserved for ownership and occupancy by households earning no more than 80 percent of the MFI limits published annually by HUD for the Austin-Round Rock MSA, in accordance with the affordability requirements of AHFC’s Ownership Housing Development Assistance Program Guidelines.
3. If GNDC is unable to construct at least two units of affordable housing on the property within three years of the date of the conveyance to AHFC, as such time may be extended by the City Manager in his reasonable discretion, the City will have the right, but not the obligation, to reenter the property.

The grant of property will also require the following conditions for construction of the affordable housing on the property:

1. The finished floor elevation of any building constructed on the property must be elevated at least two feet above the top of the Boggy Creek channel bank or the regulatory flood elevation, whichever is greater.
2. No environmental variances, either administrative or land use commission, will be granted for the proposed development.
3. The grant of property will be subject to a drainage easement on the property, which the City reserved in its conveyance of the property to AHFC, in order for the City to install, construct, operate, use, maintain, repair, modify, upgrade, monitor, inspect, replace, make connections with, remove, and decommission the drainage channel, drainage conveyance structures, detention and water quality controls, culverts, gabion wall, bank of the creek, and all associated roads, gates, bridges, erosion control structures and associated appurtenances, and to allow the flow of water over, across, and upon a portion of the property, together with the right of access across the remainder of the property and a hold harmless provision in favor of the City. “Associated appurtenances” includes tiebacks located underground, which help provide structural stability for the wall. No portion of this easement will be vacated, and no proposed buildings will encroach within the easement.
4. No flatwork, such as driveways, will be allowed within the drainage easement. In addition, any proposed flatwork within the property may have to be demolished and rebuilt if the City needs to maintain the creek bank wall.
5. Any proposed fence on the property must be outside of the 100-year floodplain or 10 feet back from the top of the bank of the creek, whichever is farther from the top of the bank.
6. Any development on the property must comply with all applicable federal, state, and local laws, rules, and regulations, including all City ordinances and the City’s Land Development Code.