

City of Austin



Legislation Details (With Text)

File #: 24-4982
Type: Consent **Status:** Agenda Ready
File created: 6/18/2024 **In control:** Austin Housing Finance Corporation
On agenda: 7/18/2024 **Final action:**
Title: Authorize negotiation and execution of a Housing Assistance Payment Contract and related documents with the City for 78 Local Housing Vouchers that will pay fair market rent for a permanent supportive housing project to be known as Pecan Gardens, located at 10813 Pecan Park Blvd, Austin, Texas 78750 (formerly known as 10811 Pecan Park Blvd).

Sponsors:

Indexes:

Code sections:

Attachments: 1. Recommendation for Action

Date	Ver.	Action By	Action	Result
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Posting Language

Authorize negotiation and execution of a Housing Assistance Payment Contract and related documents with the City for 78 Local Housing Vouchers that will pay fair market rent for a permanent supportive housing project to be known as Pecan Gardens, located at 10813 Pecan Park Blvd, Austin, Texas 78750 (formerly known as 10811 Pecan Park Blvd).

Lead Department

Austin Housing Finance Corporation.

Fiscal Note

There is no fiscal impact.

For More Information:

Mandy De Mayo, Treasurer, Austin Housing Finance Corporation, 512-974-3064
James May, Community Development Administrator, Housing Department, 512-974-3192

Council Committee, Boards and Commission Action:

Dec 8, 2022 - The Austin Housing Finance Corporation (AHFC) Board authorized negotiation and execution of a Housing Assistance Payment Contract and related documents with Family Eldercare for 28 Local Housing Vouchers that will pay fair market rent for a permanent supportive housing project known as Pecan Gardens, located at 10811 Pecan Park Boulevard, Austin, Texas 78750.

Additional Backup Information:

On December 8, 2022, the AHFC Board approved the negotiation of a contract with Family Eldercare for 28 Local Housing Voucher Program (LHVP) units. Subsequently, AHFC has determined that the contract is required to be between AHFC and the property owner, which in this case is the City. If approved, AHFC will be authorized to negotiate and execute a Housing Assistance Payment Contract and related documents with the City, in order to provide a project-based rental subsidy to Continuum of Care and Permanent supportive housing units. The Contract term is for one year, with the option to extend for additional one-year terms, not to exceed 15 years in total. The renewal terms for the contract are subject to the availability of sufficient

appropriations from the City to the Housing Trust Fund (HTF).

This contract stems from the City's recently launched LHVP. The LHVP is supported by the City's HTF. Council made its first appropriations to the LHVP in Fiscal Year 2020-2021 and Fiscal Year 2021-2022. With the Fiscal Year 2023-2024 appropriation, \$9,1590,000 now sits in the LHVP. Housing Department staff estimate that, with these ongoing accruals for the next two years and with modest increases in appropriations over the coming years, the LHVP can subsidize approximately 375 to 425 permanent supportive housing (PSH) units once the LHVP funding is fully committed. These 375-425 PSH units are estimated to be spread across six developments. In effect, the LHVP will have helped to finance the construction of six developments with a total unit count of approximately 850 PSH units. The ongoing, annual commitment to those 375-425 PSH units is dependent on ongoing funding to support the LHVP.

In 2023, AHFC executed a \$6 million contract with the Housing Authority with the City to administer the LHVP. To date, the LHVP has been implemented at Espero at Rutland, a supportive housing project of Caritas of Austin, Vecino Group, and AHFC, with 51 LHVP units.

With 78 units supported by the LHVP, the project is dedicated to serving individuals from the local Continuum of Care and will add 78 new units of permanent supportive housing to the community. Pecan Gardens, a hotel conversion project, will be operated by Family Eldercare, a reputable, local, mission-driven nonprofit, that best understands how to address homelessness.

Proposal, Ownership and Financing Structures:

In collaboration with AHFC, the City has contracted with Family Eldercare to rehabilitate and operate the facility, a hotel conversion project, to create new, permanent supportive housing in the City. This development will include 78, fully furnished, efficiency apartments. Each apartment will contain one bed. Potential residents will be referred through the community's Coordinated Entry System. Eligible individuals will be single adults with a documented chronic homelessness history and a disabling condition. This is a permanent resident site where individuals will receive a yearly lease to live in the development. To ensure that individuals have access to the right level of care to support their recovery and maintain housing, Family Eldercare will provide onsite support services. Experience indicates that most people moving into housing from homelessness have a co-morbid healthcare need such as mental illness, substance use disorder, chronic medical conditions, or a combination of all of them. Onsite clinical and program staff will include: a licensed professional of the healing arts who will serve as a program manager, various case management staff, and peer support specialists. Services provided by the team will include case management, service coordination, living skills training, housing stability support, assistance accessing basic needs, and community building activities.