

Summit/Caritas proposal
Marshall Apartments
1401-1423 East 12th Street
November 15, 2010

Swede Hill NA Requests

- Please take any/all action to prohibit PSH and all its implied uses on East 12th Street.
- Please deny any requests for changes to land use controls to accommodate any project on East 12th Street that includes PSH.
- Please urge Council/AHFC and NHCD to deny requests for RHDA funding (\$2.5M forgivable loan) and issuance of private activity bonds (\$5M) for acquisition. \$1.8M in tax credit equity is a virtual certainty once bonds are issued by AHFC.

Project summary

Summit Housing Partners and Caritas of Austin propose to acquire, rehab and reserve 20% of units for Permanent Supportive Housing (PSH)

40 apartments on 12th Street; 60 apartments at 1157 Salina

1.4 acres on 12th Street; 2.86 acres on Salina

Project-based Section 8—subsidy is committed by HUD to particular mortgaged property.

HAP contract expires next year; current owner will likely renew it.

Total estimated cost: ~ \$9.72M

Cost of Acquisition: \$5.315M

Assessed value of property: ~ \$1.203M (1401 East 12th Street); \$2.261M (1157 Salina); \$3.46M (total)

Cost of actual rehab: \$2.29M (\$22,900/unit); only 23.6% of total cost

Fees, reserves & soft costs: ~1.817M ; ~18.5% of total cost

Major concerns

Currently 98% occupied with a two-year waiting list. Limited partnership with Caritas of Austin; Caritas will own units (or interest in units) set aside for permanent supportive housing. **PSH clients will jump ahead of many potential Marshall tenants already on the waiting list.**

Application erroneously claims that the requirement to demonstrate Project's compatibility with current Neighborhood Plan is "Not Applicable." **Both properties are within Central East Austin planning area; the Salina property is covered by Central East Austin Neighborhood Plan; 12th Street property covered by Urban Renewal Plan for East 11th & 12th Streets. Current zoning on properties does not allow for proposed use; amendments to both plans would be required to accommodate use.** See PP2-3 for discussion.

12th Street complex is two blocks from the open air drug and flesh market at 12th & Chicon and next door to a convenience store that sells single containers of alcohol. What is the rationale for moving people with substance abuse issues closer to temptation? PSH residents are not required to use

supportive services offered as a condition of lease. A Denver PSH study reported that only 15% of participants reduced substance abuse.

Big-picture on Permanent Supportive Housing: What is the city thinking?

In February 2010 Summit purchased Elm Ridge Apartments at 1161 Harvey Street—a mere 1.2 miles from Marshall—with similar public subsidies. Elm Ridge is also Section 8 and may eventually include PSH. **The city's PSH Strategy calls for geographic dispersal of PSH, but funding guidelines favor Section 8 rehabs that include permanent supportive housing and 100% of units at 30%MFI. Opportunity Map # 9 at this link demonstrates that most Section 8 housing is east of I-35** <http://4909e99d35cada63e7f757471b7243be73e53e14.gripelements.com/pdfs/AustinOpportunityMappingMarch2007.pdf>. By 2014, the city intends to place by 350 chronically homeless with severe and persistent mental health issues, a history of substance abuse and/or recidivist criminality in PSH. When west Austin declines to accept PSH, east Austin will be forced to absorb additional clients. {Watch Items 38 & 39 to see west Austin stakeholders threaten each other with a 31-bed homeless shelter: <http://austintx.swagit.com/player.php?refid=11042010-1>.}

Incompatibility with current development controls

Proposed use of property

- Section 8 multi-family residence
- 20% of units reserved for Permanent Supportive Housing (PSH)
- On-site services for PSH clients to potentially include: case management; medical and mental health treatment; substance abuse treatment

Permanent Supportive Housing (PSH) is not a use defined by Austin City Code.

PSH is a cloud of uses housing for the chronically homeless with on-site supportive services such as case management and medical, mental health and substance abuse treatment for PSH clients.

PSH is a new iteration of transitional housing—only with leases that potentially give residents, as Caritas put it, “longer than 24 months to get their acts together.”

Permanent Supportive Housing is transitional housing, guidance counseling, drug treatment, medical and mental health evaluation, medication management and anything else that providers decide to offer on-site.

Current development controls

Zoning: MF-3 (Multi-Family Residence-Medium Density)

Uses not permitted by MF-3: Transitional Housing; Residential Treatment; Guidance Counseling

Staff may claim/decide that proposed uses associated with PSH are accessory to primary uses as multi-family residential.

- The uses described above (associated with PSH) are neither incidental nor customarily associated with multi-family

- Uses are linchpin of financing; if they're not, then why not simply finance the acquisition and rehab with a restrictive covenant stipulating no PSH, to run with the land?
 - Uses have potential to adversely impact residents in 4-6 adjacent neighborhoods
 - Uses have potential to adversely impact development trajectory of long-neglected, designated commercial corridor
- Board of Adjustment opined that housing for ex-cons, meeting space for recovering addicts and office space for their case worker were not accessory uses/not allowed in a garage behind an East 14th Street duplex: Item B1, <http://austintx.swagit.com/player.php?refid=11082010-130>.

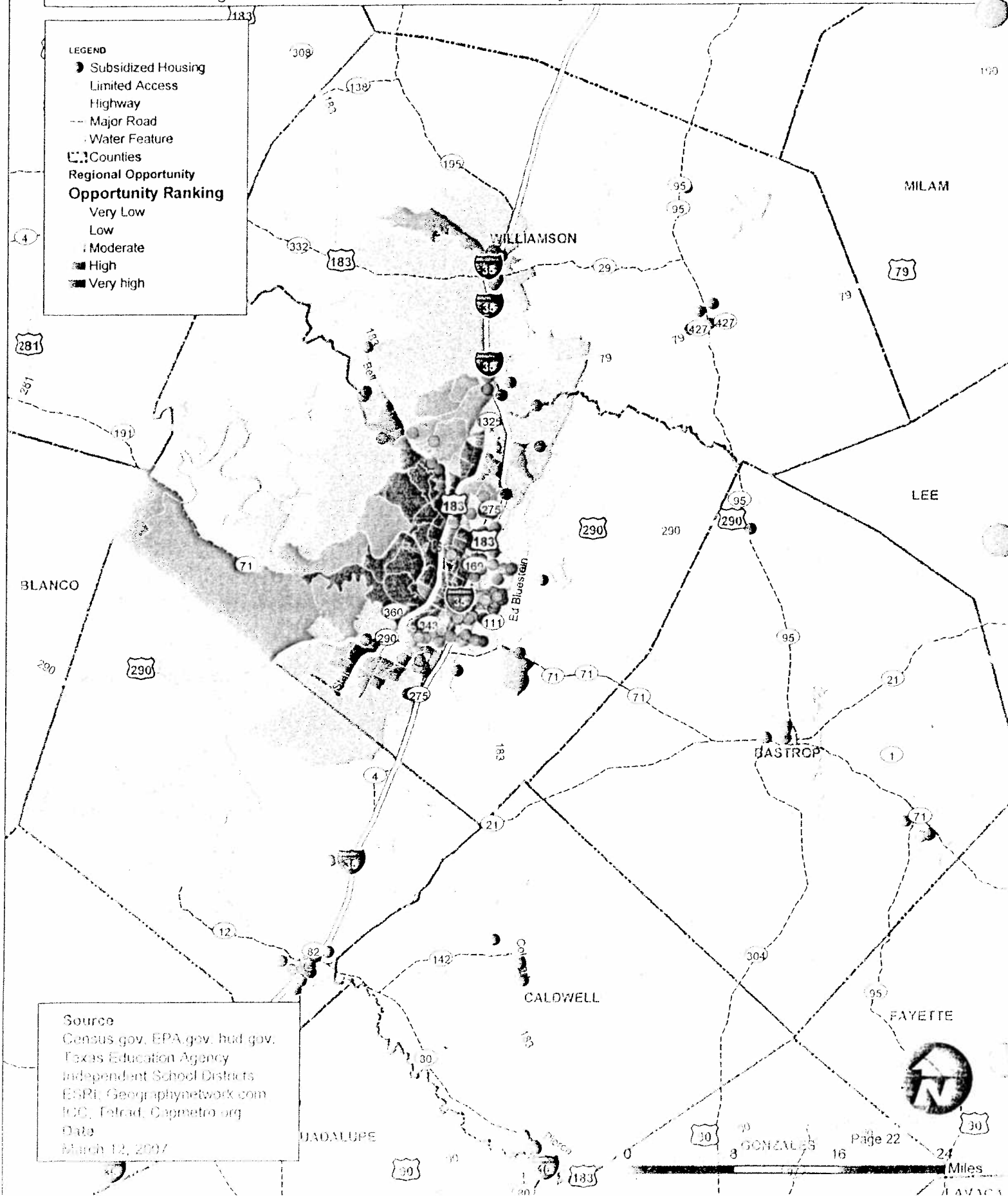
Urban Renewal Plan project controls for Block 12-7

Project Control	Dec. 1999	Aug. 2001	May 2005
Reuse Objective	←Provide new housing opportunities→		
Permitted Use	Garden apts.	Garden apts., condos, townhomes	No change
Existing Housing To Be Preserved	35 rental flats	35 units	Delete provision

There is currently no urban renewal mandate to preserve the affordable housing on that block or to prescribe that the new housing opportunities be rental; the door is open for owner-occupied.

There is currently no control that limits units to 35.

The Urban Renewal Plan calls for entertainment, retail, office buildings and owner-occupied residential with an overarching mandate to create neighborhood-serving mixed-use development along the East 11th & 12th Street corridors. There is nothing in the URP, as originally written or amended, that envisions or plans for transitional housing, social services, drug or mental health treatment on East 12th Street. These uses are the antithesis of what is needed and what was agreed to. The community never, ever came to you and said, Please spend millions of dollars to bring drug treatment and transitional housing to our corridor. We said please bring a grocery store, places to eat and shop and neighbors living in owner-occupied residential.



Census.gov, EPA.gov, hud.gov,
Texas Education Agency
Independent School Districts
ENRI, Geographynetwork.com
HDC, Toland, Capmetro.org
Data
March 12, 2007

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