



Recommendation for Action

File #: 22-1067, Agenda Item #: 7.

1/27/2022

Posting Language

Approve a resolution authorizing the formation of AHFC Bungalows Non-Profit Corporation, a Texas nonprofit corporation and instrumentality of the Austin Housing Finance Corporation to develop low-income housing; approving the forms of its certificate of formation and by-laws; appointing its Board of Directors and President; and authorizing AHFC Bungalows Non-Profit Corporation to acquire the former hotel previously known as the Texas Bungalows Hotel & Suites, located at 13311 Burnet Road, Austin, Texas, from the City of Austin, to contract with Integral Care to rehabilitate, develop, manage, and operate the facility as a residential rental development, and to lease its units to qualified tenants who have experienced permanent, chronic homelessness.

Lead Department

Housing and Planning Department.

Fiscal Note

This item has no fiscal impact.

For More Information:

Rosie Truelove, Treasurer, Austin Housing Finance Corporation, 512-974-3064; Mandy DeMayo, Interim Deputy Director, Housing and Planning Department, 512-974-1091.

Additional Backup Information:

This item requests the Austin Housing Finance Corporation (AHFC) Board of Directors to adopt a resolution approving the formation of the AHFC Bungalows Non-Profit Corporation (Non-Profit Corporation) which will develop low-income housing. The resolution also requests the Board of Directors to approve the form of the Non-Profit Corporation's Certificate of Formation and By-Laws; appoint the Board of Directors and President of the Non-Profit Corporation; and authorize the Non-Profit Corporation (1) to acquire the hotel formerly known as the Texas Bungalows Hotel & Suites, located at 13311 Burnet Road, Austin, Texas, (Development) from the City of Austin to convert the hotel to a rental development with 60 fully-furnished, efficiency apartments; (2) to contract with Integral Care to rehabilitate and operate the Development and provide onsite support services; and (3) to lease the Development as permanent supportive housing to individuals experiencing permanent, chronic homelessness.

The proposed form of the Certificate of Formation and the By-Laws for the Non-Profit Corporation are attached as Exhibits A and B to the resolution. The Board of Directors of the Non-Profit Corporation will serve for terms stated in the By-Laws. The requested Director appointments are:

Director: J. Rodney Gonzales
Director: Rosie Truelove
Director: Mandy DeMayo

The requested appointment for President of the Corporation is J. Rodney Gonzales. The President serves for the term stated in the By-laws.

The remaining officers of the Non-Profit Corporation will be appointed by the Non-Profit Corporation's Board of Directors at its first organizational meeting or by unanimous consent.

Proposal, Ownership and Financing Structures

In collaboration with the City of Austin and AHFC, the Non-Profit Corporation will contract with Integral Care to rehabilitate and operate the facility, a hotel conversion project, to create new, permanent supportive housing in the City of Austin. This Development will include 60, fully furnished, efficiency apartments. Each apartment will contain one bed. Potential residents will be referred through our 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, Integral Care 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, peer support specialists, and a registered nurse. Services provided by the team will include case management, service coordination, living skills training, housing stability support, psychiatric support and medication management, assistance accessing basic needs, and community building activities.