



Recommendation for Action

File #: 22-3601, **Agenda Item #:** 7.

12/8/2022

Posting Language

Authorize 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.

Lead Department:

Austin Housing Finance Corporation.

Fiscal Note:

This item has no fiscal impact.

Prior Council Action:

June 16, 2022 - Council authorized execution of a contract with Family Eldercare to fund renovations at Pecan Gardens, a hotel conversion project to create new, permanent supportive housing in the City, for a one-year term for a total contract amount not to exceed \$3,903,216.13.

May 19, 2022 - Council authorized negotiation of a one-year contract with Family Eldercare to fund renovations at Pecan Gardens, a hotel conversion project to create new, permanent supportive housing in the City, for a total contract amount not to exceed \$3,903,216.13.

For More Information:

Rosie Truelove, Treasurer, Austin Housing Finance Corporation, 512-974-3064; James May, Community Development Administrator, Housing and Planning Department, 512-974-3192.

Additional Backup Information:

If approved, the Austin Housing Finance Corporation (AHFC) will be authorized to negotiate and execute a Housing Assistance Payment Contract (the Contract) and related documents with Family Eldercare to provide a project-based rental subsidy to Continuum of Care and permanent supportive housing units. The Contract term is for one year with 14 one-year renewal options. The one-year renewal options are subject to the availability of sufficient appropriations from the City of Austin (the City) to the City's Housing Trust Fund (HTF). Pecan Gardens is located at 10811 Pecan Park Boulevard, Austin, Texas 78750.

This Contract and the 28 vouchers are funded under the contract between AHFC and the Housing Authority of the City of Austin (HACA) for HACA to administer AHFC's Local Housing Voucher Program (LHVP).

Council made its first appropriations to the LHVP in Fiscal Years 2020-2021 and 2021-2022. While one award was made during that time, no funds have been allocated to individual developments because AHFC is waiting on their construction. With the Fiscal Year 2022-2023 appropriation, \$9,150,000 is now available in the LHVP. Housing and Planning Department staff estimates 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 to 425 PSH units are estimated to be spread across eight developments. In effect, the LHVP will have helped to

finance the construction of eight developments with a total unit count of approximately 850 PSH units. The ongoing, annual commitment to those 375 to 425 PSH units is dependent on ongoing funding to support the LHVP.

With 28 units supported by the LHVP, in addition to 50 units supported by HACA's Project Based Vouchers Program (awarded in 2022), the project is dedicated to serving individuals from the local Continuum of Care and will add 78 new PSH units 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 the City and AHFC, AHFC will contract with Family Eldercare to rehabilitate and operate the facility 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 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.

Source of Funding

Fiscal Year 2022-2023 Housing Trust Fund.