



Recommendation for Action

File #: 22-3603, **Agenda Item #:** 9.

12/8/2022

Posting Language:

Authorize negotiation and execution of a Housing Assistance Payment Contract and related documents with Integral Care for 60 Local Housing Vouchers that will pay fair market rent for a permanent supportive housing project known as Seabrook Square II, located at 3515 Manor Road, Austin, Texas 78723.

Lead Department:

Austin Housing Finance Corporation.

Fiscal Note:

This item has no fiscal impact.

Prior Council Action:

September 1, 2022 -- The Austin City Council (Council) authorized negotiation and execution of an agreement with Austin Travis County Mental Health & Mental Retardation Center d/b/a Integral Care to provide permanent supportive housing services to individuals experiencing chronic homelessness at 3515 Manor Road, Austin, Texas 78723, in an amount not to exceed \$2,000,000.

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.

Council Committee, Boards and Commission Action:

July 28, 2022 - The Board of the Austin Housing Finance Corporation (AHFC Board) authorized negotiation and execution of all necessary agreements and instruments with the NHP Foundation and Capital A Housing, or other qualified respondent, to develop affordable housing on approximately three acres located at or near 3515 Manor Road, Austin, Texas 78723.

December 2, 2021 - The AHFC Board approved Resolution No. 20211202-AHFC002 related to an application for private activity bond financing that authorizes an allocation of up to \$50,000,000 in private activity volume cap multifamily non-recourse bonds for a proposed affordable multifamily development located at or near 3515 Manor Road, Austin, TX 78723.

November 18, 2021 - The AHFC Board approved Resolution No. 20211118-AHFC001 authorizing the formation of AHFC Manor Non-Profit Corporation, an instrumentality of AHFC, to act as general partner of the limited partnership that will own and operate the to-be-constructed low-income multifamily development located at or near 3515 Manor Road, Austin, TX 78723.

August 26, 2021 - The AHFC Board authorized negotiation and execution of all documents and instruments necessary or desirable to acquire approximately 2.594 acres for affordable housing purposes, located at or near 3511 Manor Road, in an amount not to exceed \$800,000, including closing costs.

April 22, 2021 - The AHFC Board authorized negotiation and execution of all documents and instruments necessary or desirable to acquire approximately 0.4495 acres for affordable housing purposes, located at or

near 3515 Manor Road, in an amount not to exceed \$1,100,000, including closing costs.

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 Integral Care to provide a project-based rental subsidy to Continuum of Care (CoC) and permanent supportive housing (PSH) 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 to the City's Housing Trust Fund (HTF). Seabrook Square II is located at 3515 Manor Road, Austin, Texas 78723.

This Contract and the 60 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 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 60 units supported by the LHVP, the development will add 60 new PSH units to the community. Seabrook Square II will be two separate developments, one of which will be a 60-unit, PSH, CoC development, through a partnership between Capital A Housing and Integral Care. The other development is slated to be an approximately 200-unit development co-developed by AHFC, NHP Foundation, and Capital A Housing.

Proposal, Ownership and Financing Structures :

In collaboration with the City and AHFC, AHFC will contract with Capital A Housing and Integral Care to build the development. This development will include 60 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, 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, 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.