

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

## RESOLUTION NO.

**WHEREAS**, the City Council is committed to maximizing community benefits on Ceity-owned property; and

**WHEREAS**, the Strategic Housing Blueprint recommends utilizing publicly owned land for the creation of affordable housing for those who need it the most, emphasizing multi-bedroom housing or dwellings for multigenerational households; and

**WHEREAS**, the City Council has provided extensive direction to the City Manager regarding the development of 1215 Red River and 606 E. 12<sup>th</sup> Street, herein referred to as “HealthSouth;” and

**WHEREAS**, the City Council approved Resolution No. 20181004-042 that directed the City Manager to initiate a solicitation for a mixed income development with affordable housing under 60 percent% Median Family Income (MFI) onsite or within one mile of the property; and

**WHEREAS**, the City executed an exclusive negotiating agreement (ENA) with Aspen Heights as the preferred developer in May of 2021 to begin negotiation of terms of a Master Development Agreement (MDA); and

**WHEREAS**, City Council directed the City Manager to continue to negotiate with Aspen Heights with a revised term sheet in September of 2022; and

**WHEREAS**, City Council directed the City Manager in September 2022 to “update the City Council on a monthly basis until the City Council has approved the Master Development Agreement,” as well as to return to City Council for final approval prior to executing the MDA; and

25           **WHEREAS**, the ENA with Aspen Heights expired on June 29, 2023; and

26           **WHEREAS**, the ongoing Palm District Plan, whose study area includes  
27 HealthSouth, calls for a variety of strategies to grow inclusively in this vibrant,  
28 transit-oriented district, including leveraging redevelopment to increase housing  
29 density for all socioeconomic groups; and

30           **WHEREAS**, HealthSouth remains a critical priority Ceity-owned property  
31 for City Council; **NOW THEREFORE**,

32           **BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF**  
33 **AUSTIN:**

34           The City Council reaffirms its commitment to retaining City ownership of  
35 1215 Red River and 606 E. 12<sup>th</sup> Street HealthSouth and redeveloping the properties  
36 as a mixed use, mixed income development with housing affordable to 60  
37 percent% MFI or below and other priorities that align with the Palm District Plan  
38 and other planning initiatives.

39           **BE IT FURTHER RESOLVED:**

40           To assist City Council in crafting priorities for the site, the City Manager is  
41 directed to provide at least the following scenarios regarding the creation of  
42 housing affordable to 60 percent% MFI or below ~~to be a top priority onsite and~~  
43 ~~within a mile of the site.~~ based on market feasibility:

- 44           • onsite and
- 45           • within the Palm District Planning boundary.

46           **BE IT FURTHER RESOLVED:**

47 The City Manager is directed to explore the merits of Austin Economic  
48 Development Corporation and Austin Housing Finance Corporation as lead  
49 negotiators for the HealthSouth redevelopment.

50 **BE IT FURTHER RESOLVED:**

51 The City Manager is directed to return to City Council with a comprehensive  
52 report on the site development feasibility based on prior work with the prior  
53 negotiations, the findings and recommendations on market feasibility to guide a  
54 discussion of City Council's goals for this site, and recommendations on next steps  
55 for development including the lead negotiator for future discussion and possible  
56 action at the September 2023 Housing and Planning Committee meeting.14, 2023  
57 Council meeting.

58  
59  
60 **ADOPTED:** \_\_\_\_\_, 2023 **ATTEST:** \_\_\_\_\_  
61 Myrna Rios  
62 City Clerk  
63