

RESOLUTION NO. 20230720-132

WHEREAS, the City Council is committed to maximizing community benefits on City-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. 12th 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

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

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

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

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

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

BE IT FURTHER RESOLVED:

To assist City Council in crafting priorities for the site, the City Manager is directed to provide at least the following scenarios regarding the creation of housing affordable to 60 percent MFI or below based on market feasibility:

- onsite and
- within the Palm District Planning boundary.

BE IT FURTHER RESOLVED:

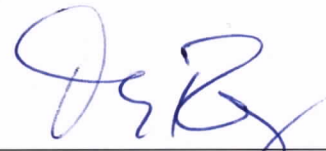
The City Manager is directed to explore the merits of Austin Economic Development Corporation and Austin Housing Finance Corporation as lead negotiators for the HealthSouth redevelopment.

BE IT FURTHER RESOLVED:

The City Manager is directed to return to City Council with a comprehensive report on the site development feasibility based on prior work with the prior negotiations, the findings and recommendations on market feasibility to guide a discussion of City Council's goals for this site, and recommendations on next steps for the redevelopment process for future discussion and possible action at the September 2023 Housing and Planning Committee meeting.

ADOPTED: July 20, 2023

ATTEST: _____



Myrna Ries
City Clerk