



## Recommendation for Action

**File #:** 23-3377, **Agenda Item #:** 54.

11/30/2023

### **Posting Language**

Ratify the first amendment to an agreement with Family Eldercare, Inc. for renovating the Pecan Gardens (formerly known as Candlewood Suites) located at 10811 Pecan Park Boulevard, Austin, Texas 78750, which extended the term of the agreement to March 31, 2024, and provided for an additional extension of the term if needed, and authorized negotiation and execution of a second amendment to add an additional \$2,695,112 for a total contract amount not to exceed \$6,598,328.13.

### **Lead Department**

Housing Department.

### **Fiscal Note**

Funding is available in the Capital Budget of the Housing Department.

### **Prior Council Action:**

June 16, 2022 - Council authorized negotiation and execution of a contract with Family Eldercare, Inc. to fund renovations at the Candlewood Suites located at 10811 Pecan Park Boulevard, Austin, Texas 78750, known as the 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.

August 11, 2021 - Council approved Resolution No. 20210811-013 amending Council's previous authorization to negotiate and execute all documents and instruments necessary or desirable to purchase in fee simple approximately two acres of land and a building containing approximately 47,355 square feet located at 10811 Pecan Park Boulevard, Building 2, Austin, Texas 78750, from Apple Pie Hotels, LLC, a Texas limited liability company, for a total amount not to exceed \$9,550,000, including closing costs.

February 4, 2021 - Council authorized negotiation and execution of all documents and instruments necessary or desirable to purchase in fee simple approximately two acres of land and a building containing approximately 47,355 square feet out of Lot 1-A, Block B, including a non-exclusive joint use access easement over and across 0.081 of an acre of land, more or less, being a portion of Lot 10-A, Block B, both of the Amended Plat of Lot 1 and a Portion of Lot 2, Resubdivision of Lots 7, 8 & 9, Block B, Pecan Park, according to the map or plat thereof recorded in Cabinet Y, Slides 205-207, Plat Records, Williamson County, Texas; known locally as 10811 Pecan Park Boulevard, Building 2, Austin, Texas 78750 from Apple Pie Hotels, LLC, a Texas limited liability company, for a total amount not to exceed \$9,500,000, including closing costs.

January 27, 2021 - Council authorized ratification of an Emergency Temporary Occupancy Agreement with Apple Pie Hotels, LLC to allow the City the ongoing option to occupy the real property located at 10811 Pecan Park Boulevard, Building 2, Austin, Texas, 78750 for emergency housing, isolation, and support services related to COVID-19 for a 30-day term, with an option to extend for three additional 30-day terms, for an amount not to exceed \$699,200.

### **For More Information:**

Rosie Truelove, Director, Housing Department, 512-974-3064; Mandy DeMayo, Deputy Director, Housing Department, 512-974-1091.

**Council Committee, Boards and Commission Action:**

May 19, 2022 - The Austin Housing Finance Corporation (AHFC) Board authorized negotiation and execution of a one-year contract with Family Eldercare, Inc. to fund renovations at the Candlewood Suites located at 10811 Pecan Park Boulevard, Austin, Texas 78750, known as the 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.

**Additional Backup Information:**

If approved, the first amendment to the agreement with Family Eldercare, Inc. for renovating the Pecan Gardens, which extended the term of the agreement to March 31, 2024, and provided for an additional extension of the term if needed, will be ratified. Additionally, the Housing Department will be authorized to negotiate and execute a second amendment to increase the amount of the agreement in an amount not to exceed \$2,695,112.

Upon commencement of the renovations, Family Eldercare discovered significant issues with the structure of the building including mold, drainage, and fireproofing issues.

Family Eldercare is overseeing the renovation of Candlewood Suites to convert it into a 78-unit permanent supportive housing project. The site design and renovation will be grounded in active design strategies for aging in place and with a focus on amenities that are responsive to the needs of a chronically homeless resident population. The renovation budget includes items such as hotel rooms converted into office space for supportive services staff, lobby redesign to promote security and community gathering, and outdoor space revitalization and landscape architecture to encourage socialization and provide space for group activities or solitary enjoyment.

Following the renovation of the property, Family Eldercare will operate the facility, which will include 78 fully furnished efficiency apartments. Each apartment will contain one bed. Potential residents will be referred through the Ending Community Homelessness Coalition Coordinated Entry System. Eligible individuals will be single adults with a documented history of chronic homelessness and a disabling condition. This is a permanent resident site where individuals will receive a yearly lease to live in the facility. 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, including case management, service coordination, living skills training, housing stability support, assistance accessing basic needs, and community building activities.