



Recommendation for Action

File #: 24-3801, **Agenda Item #:** 32.

1/18/2024

Posting Language

Authorize negotiation and execution of an agreement and related documents with Family Eldercare, Inc. for management services for Pecan Gardens, located at 10811 Pecan Park Boulevard, Austin, Texas 78750, for a term of 10 years and a contract amount not to exceed \$900,716.54, and authorize the establishment of an operating reserve account in the amount of \$443,468.

Lead Department

Housing Department.

Fiscal Note

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

Prior Council Action:

Nov 30, 2023 - Council ratified 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.

May 19, 2022 - Council authorized negotiation and execution of a one-year contract with Family Eldercare to fund renovations at the Candlewood Suites located at 10811 Pecan Park Blvd, 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.

June 16, 2022 - Council authorized execution of a contract with Family Eldercare to fund renovations at the Candlewood Suites located at 10811 Pecan Park Blvd, 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.

For More Information:

Mandy De Mayo, Interim Director, Housing Department, 512-974-1091; Angela Means, Interim Deputy Director, Housing Department, 512-974-1534.

Additional Backup Information:

This item will allow the City to authorize the execution and negotiation of an agreement for management services and related documents with Family Eldercare, Inc for Pecan Gardens located at 10811 Pecan Park Blvd, Austin, TX 78750, for a term of 10 years and a contract amount not to exceed \$900,716.54 and the establishment of an operating reserve account in the amount of \$443,468.

This agreement will be for the management and operation of the Pecan Garden facility. The revenue generated from the facility will pay for the management services.

As the facility has not opened and has not collected revenue from the vouchers dedicated to this property, an operating reserve account must be established to pay expenses. The \$443,468 represents approximately 6 months of operating expenses. After the facility opens and begins collecting revenue, the facility will be self-sustaining. As the revenue surpasses the minimum operating reserve amount, this initial outlay by the City will be repaid.