



City of Austin

Recommendation for Action

File #: 26-2709, **Agenda Item #:** 7.

10/22/2026

Posting Language

Authorize negotiation and execution of a Place-Based Enhancement Affordable Space economic development agreement with Waverly North, LLC, to provide and maintain no-cost nonprofit office space for housing stability services, for a total amount not to exceed \$864,210 over a 10-year term. Funding: \$864,210 is contingent upon future appropriations to the Economic Incentive Reserve Fund.

Lead Department

Austin Economic Development

Fiscal Note

Maximum economic development agreement payments to Waverly North are estimated at \$864,210 over the course of a ten-year term, if all performance and compliance criteria are met. Funding for incentive payments is contingent upon the annual appropriation of funds to the Economic Incentive Reserve Fund. Eligible sources of funding for the Economic Incentive Reserve Fund may include, but are not limited to, sales taxes, property taxes, mixed beverage taxes, and grants and private donations.

Prior Council Action:

- **Resolution No. 20250213-022** - City Council adopted a resolution supporting Waverly North, LLC's application to Texas Department of Housing and Community Affairs for competitive 9% Low-Income Housing Tax Credits.
- **Ordinance No. 20250605-098** - City Council amended the Central Austin Combined Neighborhood Plan, changing the property's future land-use designation from Civic to Multifamily Residential.
- **Ordinance No. 20250605-099** - City Council rezoned 3710 Cedar Street from SF-3-based zoning to MF-4-based zoning, while retaining the applicable historic-landmark and neighborhood-conservation overlays.

For More Information:

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Additional Backup Information:

Waverly North is a historic adaptive-reuse development by O-SDA Industries that will provide 76 income-restricted affordable apartments at 3710 Cedar Street in Austin's North University neighborhood, a high-opportunity area in Central Austin. The project received a 9% Low-Income Housing Tax Credit allocation in 2025 and is working with the Texas Historical Commission and National Park Service to secure state and federal historic tax credits.

O-SDA Industries partners with Housing Support Services Alliance (HSSA), a 501(c)(3) nonprofit organization that provides eviction-prevention services and person-centered, trauma-informed resources to help Austinites maintain stable housing and well-being. HSSA staff provide case management, resident programming, and direct support to residents in their homes and throughout the properties they serve.

Waverly North will provide HSSA with dedicated office space at no cost, as well as access to shared amenity

areas for resident programming and service delivery. The office will serve as HSSA's operational base for providing tenant-support services at Waverly North and multiple other properties in the surrounding area. By eliminating HSSA's lease expense and providing space suited to its daily operations, the project will expand the organization's capacity to deliver housing-stability services directly within the communities it serves.

The proposed Place-Based Enhancement Program award will offset a portion of the development's costs and foregone rental revenue associated with providing and maintaining the nonprofit space at no cost. This support will help sustain the space as a functional, long-term base for HSSA's staff, programming, case management, and resident services. The incentive is specifically intended to support the operation and continued availability of the nonprofit space; the project's affordable housing component is supported separately through housing-specific financing sources.

Fiscal Impact Analysis

Using the Impact Dashboard fiscal impact model, the City is projected to receive \$224,016 in total net benefit from the project over the 10-year agreement term. This does not include the additional value of affordable housing and tenant support services for the local economy, whose incremental value is substantial but harder to quantify. The total net benefit amount is calculated after the total Place-Based Enhancement Program award not to exceed \$864,210.

The project is eligible for consideration under the Place-Based Enhancement Program Affordable Space guidelines and received the necessary score for an award equal to 100% of property taxes paid to the City allowed under the Place-Based Enhancement Program guidelines, limited by the funding gap created by provision of below market space to the designated nonprofit.

Contract compliance and award payment eligibility will be determined annually by the City and an independent third party to verify that Waverly North has performed in accordance with the terms of the contract. Upon confirmation of compliance, the City will provide a Place-Based Enhancement Program award equal to a partial amount of actual property taxes paid to the City for the award, based on estimated value of affordable space provided to the nonprofit tenant, up to the maximum award amount of \$864,210.

The first payment for this agreement will not occur until Fiscal Year 2027-28. Funding for that payment and subsequent payments will be contingent on future appropriations.