

# **THE HOUSING AUTHORITY OF THE CITY OF AUSTIN**



## **BOARD OF COMMISSIONERS**

**Chairperson - Carl S. Richie, Jr.**

**Vice-Chairperson - Charles Bailey**

**2nd Vice-Chairperson - Mary Apostolou**

**Commissioner - Dr. Tyra Duncan-Hall**

**Commissioner - Edwina Carrington**

**Michael G. Gerber, President & CEO**

## **BOARD OF COMMISSIONERS**

### **Regular Meeting**

**Thursday, April 15, 2021**

**12:00 PM**

### **Via Video Conference Call**

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/752783205> You can also dial in using your  
phone. United States: +1 (872) 240-3212 Access Code: 752-783-205  
Austin, TX

**PUBLIC NOTICE OF A MEETING  
TAKE NOTICE OF A BOARD OF COMMISSIONERS  
REGULAR BOARD MEETING  
OF THE HOUSING AUTHORITY OF THE CITY OF AUSTIN**

**TO BE HELD AT  
Via Video Conference Call**

**Please join my meeting from your computer, tablet or smartphone.  
<https://global.gotomeeting.com/join/752783205> You can also dial in using your phone.  
United States: +1 (872) 240-3212 Access Code: 752-783-205  
Austin, TX  
(512.477.4488)**

**Thursday, April 15, 2021  
12:00 PM**

**CALL TO ORDER, ROLL CALL**

**CERTIFICATION OF QUORUM**

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**Citizens Communication (Note: There will be a three-minute time limitation)**

**CONSENT ITEMS**

1. Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on March 25, 2021

**ACTION ITEMS**

2. Update on HACA's actions related to the Coronavirus (COVID-19) and update on HACA's Resident and Client Support Center
3. Presentation, Discussion and Possible Action Regarding Resolution No. 02703: Approval of the adoption of the revised Housing Choice Voucher Program's Payment Standards
4. Presentation, Discussion and Possible Action regarding Resolution No. 02704: Approving the submittal of the Section 8 Management Assessment Program (SEMAP) Certification to the Department of Housing and Urban Development (HUD)
5. Update on AAHC's acquisition and development programs
6. Presentation, discussion, and possible action on Resolution No. 02705: Approval by the Board of Commissioners of the Housing Authority of the City of Austin (the "Authority") authorizing the Authority to take the following actions with regard to the IMT Southpark (the "Development") in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution

**EXECUTIVE SESSION**

The Board may go into Executive Session (close its meeting to the public) Pursuant to:

- a. 551.071, Texas Gov't Code, consultations with Attorney regarding legal advice, pending or

- contemplated litigation; or a settlement offer;
- b. 551.072, Texas Gov't Code, discussion about the purchase, exchange, lease or value of real property;
  - c. 551.074, Texas Gov't Code, discuss the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or to hear a complaint or charge against an officer or employee.
  - d. 551.087, Texas Gov't Code, discuss certain economic development negotiations.

## **OPEN SESSION**

If there is an Executive Session, the Board will return to Open Session for discussion, consideration and possible action of matters discussed in Executive Session.

## **REPORTS**

The Board accepts the following reports:

## **ADJOURNMENT**

"Pursuant to 30.06, Penal Code, (trespass by holder of license with a concealed handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a concealed handgun."

"Pursuant to 30.07, Penal Code (trespass by holder of license with an openly carried handgun), a person licensed under Subchapter H, Chapter 411, Government Code (handgun licensing law), may not attend this meeting with a handgun that is carried openly."

"En virtud del 30.06, Código Penal, (traspaso titular de licencia con una pistola), una persona bajo el subcapítulo H, capítulo 411, código de gobierno (Ley de licencia de arma o pistola), no se permiten en esta reunión con una arma o pistola.

"En virtud de 30.07, Código Penal (prevaricación por titular de la licencia con un arma o pistola abiertamente llevado), una persona bajo el subcapítulo H, capítulo 411, código de gobierno (Ley de licencia de arma o pistola), no se permiten en esta reunión con un arma o pistola que lleva abiertamente.

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\*The Housing Authority of the City of Austin (HACA) Board of Commissioners reserves the right to discuss and consider items out of order on the agenda on an as needed basis.

The Housing Authority of the City of Austin is committed to compliance with the Americans with Disability Act. Reasonable modifications and equal access to the communications will be provided upon request. Meeting locations are planned with wheelchair access. If requiring Sign Language Interpreters or alternative formats, please give notice at least 2 days (48 hours) before the meeting date. Please call Nidia Hiroms at HACA at 512.477.4488, for additional information; TTY users route through Relay Texas at 711. For more information on HACA, please contact Nidia Hiroms at 512.477.4488 x 2104.

# HOUSING AUTHORITY OF THE CITY OF AUSTIN

## BOARD ACTION REQUEST

### EXECUTIVE ITEM NO. 1.

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**MEETING DATE:** April 15, 2021

**STAFF CONTACT:** Michael Gerber, President & CEO

**ITEM TITLE:** Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on March 25, 2021

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

### ACTION

The Board is being asked to review and approve the Board Minutes Summary for the Board Meeting held on March 25, 2021.

### ATTACHMENTS:

- ▣ **20210325 HACA Minutes Summary**

**THE HOUSING AUTHORITY OF THE CITY OF AUSTIN  
BOARD OF COMMISSIONERS  
ANNUAL BOARD MEETING**

**March 25, 2021**

**SUMMARY OF MINUTES**

**THE HOUSING AUTHORITY OF THE CITY OF AUSTIN (HACA) BOARD OF COMMISSIONERS ANNUAL BOARD MEETING NOTICE WAS POSTED FOR 12:00 P.M. ON THURSDAY, MARCH 25, 2021, AND WAS HELD VIA CONFERENCE CALL FROM THE HACA CENTRAL OFFICE, 1124 S. IH 35, AUSTIN, TX**

**CALL TO ORDER, ROLL CALL, CERTIFICATION OF QUORUM**

Edwina Carrington, HACA Commissioner called the Board of Commissioners Annual Board Meeting of the Housing Authority of the City of Austin, of March 25, 2021, to order, at 12:11 p.m. The meeting was held via Conference Call from the HACA Central Office, 1124 S. IH 35, Austin, TX

Roll call certified a quorum was present on the call.

**MEMBERS PRESENT:**

Edwina Carrington, Commissioner  
Mary Apostolou, 2<sup>nd</sup> Vice-Chairperson  
Dr. Tyra Duncan-Hall, Commissioner

**MEMBER(S) ABSENT:**

Carl S. Richie, Jr., Chairperson  
Charles Bailey, Vice-Chairperson

**ALSO ON THE CALL:**

Wilson Stoker, Cokinos/Young  
Bill Walter, Coats Rose

**STAFF PRESENT ON THE CALL:**

Andrea Galloway, Ann Gass, Barbara Chen, Barbara Jackson, Catherine Crago, Gloria Morgan, Jimi Teasdale, Kelly Crawford, Leilani Lim-Villegas, Lisa Garcia, Michael Gerber, Michael Roth, Nidia Hiroms, Ron Kowal, Suzanne Schwertner, and Sylvia Blanco

**CITIZENS COMMUNICATION** – Citizen communication was opened up during each item on the agenda.

**CONSENT ITEMS**

**ITEM 1: Presentation, Discussion, and Possible Action regarding the Approval of the Board Minutes Summary for the Board Meeting held on February 18, 2021**

2<sup>nd</sup> Vice-Chairperson Apostolou moved the Approval of the Board Minutes Summary for the Board Meeting held on February 18, 2021. Commissioner Duncan-Hall seconded the motion. The motion Passed (3-Ayes and 0-Nays).

**ITEM 2: Presentation, Discussion, and Possible Action regarding Resolution No. 02695: Approval to ratify all actions taken by the Board of Commissioners during FYE 2021, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Commissioners as reflected within the approved minutes and resolution**

Upon past advisement of legal counsel, Resolution No. 02695 was drafted to ensure all actions taken by the Board during FYE 2021 be ratified, thus ensuring resolution of any irregularities during the voting process taken by the Commissioners. This is an action that will be presented for board action on an annual basis. This Resolution resolves any irregularities in the voting process found in the Board meeting minutes and/or resolutions, and all actions taken during the 2020-2021 Fiscal Year by the Board of Commissioners are fully enforceable.

2<sup>nd</sup> Vice-Chairperson Apostolou moved the Approval of Resolution No. 02695: Approval to ratify all actions taken by the Board of Commissioners during FYE 2021, in order to resolve any irregularities which may have occurred regarding a quorum or vote by the Commissioners as reflected within the approved minutes and resolution. Commissioner Duncan-Hall seconded the motion. The motion Passed (3-Ayes and 0-Nays).

**ACTION ITEMS**

**APPROVAL OF THE FOLLOWING ITEMS PRESENTED IN THE BOARD MATERIALS**

**ITEM 3: Update on HACA's actions related to the Coronavirus (COVID-19) and update on HACA's Resident and Client Support Center**

Pilar Sanchez, HACA Vice President of Austin Pathways reported that Austin Pathways received a \$20,000 grant from Anderson Foundation which will fund a Family Eldercare Service Coordinator who will support elderly and disabled residents

residing on HACA's family designated properties.

Other grant opportunities are being pursued.

**At-Home Learning** - Nine new resident parents were engaged in the Paraeducation certification with ACC for the HACA Home Learning program. Ten residents who previously earned certification completed 3 additional online training courses and developed outreach tools to be used to engage families in the HACA At-Home Learning Program.

**Leilani Lim-Villegas, HACA Senior Director of Community Development** reported that the Winter Storm crisis caused some residents to lose power and water for several days. Austin Pathways and HACA helped ensure that residents at 17 properties received clean drinking water and food, including:

Emergency self-serve water  
17,000+ hot meals  
150 dry food boxes

Staff secured over \$122,000 in in-kind supplies and services from local organizations.

**Catherine Crago, HACA Head of Strategic Initiatives**, reported that inbound calls for the HACA Resident & Client Support Center increased in February after the snowstorms. Calls were taken from residents with property concerns related to the storm and directed to the HACA response teams. Other residents called with needs for food and water. The HRCSC staff were able to keep residents informed of food and water deliveries in real time.

Inbound calls were also received in response to the ATATX grant for direct financial assistance to HACA residents impacted financially by COVID-19. HACA property managers continued to refer residents to the call center to get more information on how to receive financial assistance.

**ITEM 4: Update on impacts to the Housing Authority of the City of Austin properties resulting from the February 2021 Winter Storm**

**Michael Roth**, HACA Director of Housing Operations and Policy; **Jimi Teasdale**, HACA Director of Planning & Development; and **Catherine Crago**, provided additional updates on the February 2021 Winter Storm which caused damage at several HACA properties. Staff provided an overview of these damages, recovery efforts which are currently underway, as well as, a report on the actions staff have taken to address food and other supply shortages faced by some residents.

**ITEM 5: Presentation, Discussion and Possible Action regarding Resolution No. 02696: Operating Budgets for the Fiscal Year April 1, 2021 to March 31, 2022**

The regulations of the U.S. Department of Housing and Urban Development require the Commissioners of the Housing Authority of the City of Austin to approve the agency's Operating Budget.

Staff evaluated the consolidated Housing Authority of the City of Austin budget for the twelve month operating cycle ending March 31, 2022, and concluded the following revenue and expenses are necessary:

This consolidated Housing Authority of the City of Austin (HACA) budget, with tax credit properties has Provision for Reserve (excess revenue) for the twelve month operating cycle ending March 31, 2022 of \$5.9M.

The proposed FY22 remaining reserve balance is a \$3.3M or 43 percent decrease from last year's Budget Revision. The decrease is due to the additional funding of \$2.4M for COVID-19 activities, and our practices of only including nine months of revenue and twelve months of expenses for SHCC (same as prior years). After projected debt service and additions to reserves for replacement for FY22, the remaining balance is \$4.3M. On the Balance Sheet, HACA carries an average of \$22M in unrestricted cash for ongoing operations, future needs and reserves. HACA's financial position is strong, and the Agency's budget is balanced to cover various strategic and operational goals, and agreements with HUD and our partners. This proposed budget is prepared assuming that the COVID-19 pandemic will transition toward normalcy in the third and fourth quarters. We will monitor the situation closely and keep the Board updated.

**Revenues**

Total Revenues are comprised of both subsidized and un-subsidized affordable housing as owner and / or property manager, a project based contract administration entity, commercial leases, and a non-profit focused on tenant services and a consulting service for affordable housing. Approximately \$542M, or 89% of our revenues are passed through in expenses as Housing Assistance Payments (HAP), which net to zero on our bottom line. The majority of HAP is earned and passed through our project based contract administration entity (SHCC), followed by our Housing Choice Voucher program with private landlords, then our multi-family properties that were formerly in low income public housing.

Total Revenues increased \$34.7M, or six percent, compared to the prior year's budget revision. Although the contract is budgeted at nine months in FY22, versus twelve months in FY21, the revenue increase is primarily due to higher HAP payments

offset by administrative fees from COVID-19 Relief funding in FY21.

Revenues from the Housing Choice Voucher program are budgeted at a nine percent increase compared to last year, from higher HAP and grant amounts. Other income includes developer and other fees earned from Austin Affordable Housing Corporation (AAHC), budgeted the same as last year at \$9.0M.

### **Expenses**

**Total Administrative** expenses are \$1M, or four percent lower, compared to the FY21 Budget primarily due to lower management fees and donations, and lower Sundry expenses almost offsetting higher salary and legal expenses. Higher salaries is due to annual performance based merit increases across the organization.

**Total Maintenance** is \$40K or 1% percent lower than prior year budget, the decrease is primarily due to newer renovated properties requiring less maintenance in FY22.

**Total General Expenses** are expected to decrease \$.1M or one percent, primarily due to lower benefits and interest expenses offset by higher insurance expenses.

**Total Other Routine Expenses** are budgeted at \$.1M or two percent higher than the prior year, primarily due to higher tenant service expenses to provide additional services to eligible families.

**Other Expenses / Donations** are \$43.6M or eight percent higher than last year's budget, primarily due to higher pass-through HAP expenses, referenced in the Total Revenue section above. Donations reflect intercompany transfers from SHCC and AAHC to support various programs.

**2<sup>nd</sup> Vice-Chairperson Apostolou** moved the Approval of Resolution No. 02696: Operating Budgets for the Fiscal Year April 1, 2021 to March 31, 2022. **Commissioner Duncan-Hall** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

### **ITEM 6: Presentation, Discussion and Possible Action regarding Resolution No: 02702: Approval of revision to HACA's retirement plan to add an Employee Loan provision**

As part of its comprehensive benefits package, the Housing Authority of the City of Austin currently provides employees a retirement plan, through the Housing Agency Retirement Trust (HART). Under HACA's current joinder agreement of our retirement plan, employees are not provided the opportunity to borrow or use any of the funds in the plan while they are currently employed with HACA. In order for an employee to access the funds from their account, they must resign or be terminated from the agency. Unfortunately, in the past, there have been several employees who have opted to resign in order to access their funds.

During a recent HACA Executive Team meeting, there was discussion of whether or not employees should be allowed to borrow money from their retirement account to meet personal or emergency needs and expenses. In previous years, HACA's joinder agreement did not allow employees this opportunity. On February 12, 2021, the HR Director contacted our retirement Administrator at HART and inquired about revising HACA's joinder agreement in order to make this a viable option for employees.

- If approved employees would be required to complete a financial counseling session with the HART retirement plan.
- Employees will only be allowed to borrow up to fifty percent (50%) of their vested account balance with a minimum loan amount of \$1,000.00 and maximum amount of \$50,000.00.
- The total amounts of all loans cannot exceed \$50,000 in one year and only one loan is permitted at a time.
- The interest rate on the loan is calculated at New York prime, plus 1%(the employee would be paying the interest back to their own account). Loan repayments will be made via payroll deductions.
- There are no penalties for early payoff, however, it must be a lump sum payment.
- Failure to make payments on the loan will result in default. In an effort to prevent default, if an employee is laid off or on an unpaid leave of absence, the employee may make arrangements with HACA to continue to make loan payments.
- If employment is terminated and there is an outstanding balance, the balance of the loan becomes immediately due and payable. Unless the loan is repaid in full prior to termination, the remaining loan amount is treated as a distribution from the Plan and is subject to taxation. This will occur whether or not an employee request a distribution of their vested retirement account. The Form 1099R will be forwarded to the employee and the taxable information will be report to the Internal Revenue Service.
- You must be an active employee to request a loan.

In an effort to assist employees with personal and emergency needs, and to help alleviate employees from leaving the agency, in the future, in order to access funds from their retirement account, HACA is proposing an amendment be made to our joinder agreement with HART. This agreement would allow employees the opportunity to access funds from their vested retirement account with a loan provision. This option would also be considered an additional benefit to HACA, assisting with recruiting and retaining employees.

Additionally, HACA believes during this recent economic environment, this option may also be very beneficial for our

employees.

**2<sup>nd</sup> Vice-Chairperson Apostolou** moved the Approval of Resolution No. 02702: Approval of revision to HACA's retirement plan to add an Employee Loan provision. **Commissioner Duncan-Hall** seconded the motion. The motion Passed (5-Ayes and 0-Nays).

**ITEM 7: Presentation, Discussion, and Possible Action regarding Resolution No. 02697: Authorizing HACA to Project-base 100 (one-hundred) Housing Choice Vouchers in response to a Request for Proposal issued on December 23, 2020**

Resolution No. 02697 authorizing HACA to enter into an agreement to enter into a Housing Assistance Payments (HAP) Contract with four properties which best fulfilled the requirements of a Request for Proposals issued on December 23, 2020 to provide permanent supportive housing to homeless persons in the City of Austin. The four projects authorized to receive project-based vouchers are:

- 1) Espero Austin at Rutland, LP - 25 Housing Choice Vouchers
- 2) Texas Bungalows Permanent Supportive Housing Conversion, Austin Housing Finance Corporation, in collaboration with Integral Care - 50 Housing Choice Vouchers;
- 3) Waterloo Terrace, Waters Park Housing, LP, Foundation Communities - 15 Housing Choice Vouchers; and
- 4) Capital Studios, Capital Studios Housing, L.P., Foundation Communities - 10 Housing Choice Vouchers

The allocation of 100 project-based Housing Choice Vouchers reflects HACA's dedication to expand supportive housing and services to vulnerable homeless individuals and those experiencing chronic homelessness. HUD regulations allow communities that are participating in the Housing Choice Voucher Program to project-base up to 20 percent of its allocated vouchers. HACA's Housing Choice Voucher Programs Administrative plan authorizes HACA to project-base up to 20 percent of tenant-based vouchers.

On December 23, 2020, the Housing Authority of the City of Austin (HACA) issued a Request for Proposal soliciting proposals from developers/owners to provide rental units under the project-base voucher program to serve vulnerable homeless individuals with a "housing first" approach. The "housing first" approach removes unnecessary barriers, provides immediate access to housing and then offers supportive services to foster long-term stability to prevent a return to homelessness.

Eight proposals were received. A review committee evaluated all proposals and assigned points based upon the Respondent's demonstrated competence, experience, capacity to provide supportive services, financial feasibility, project design, commitment to serve the homeless or those experiencing chronic homelessness, location in or near a high opportunity area, and project readiness.

Staff recommended allocating project-based Housing Choice Vouchers to the four respondents that scored the highest by the RFP review committee.

**Commissioner Duncan-Hall** moved to approve Resolution No. 02697: Authorizing HACA to Project-base 100 (one-hundred) Housing Choice Vouchers in response to a Request for Proposal issued on December 23, 2020 to Espero Austin at Rutland, LP - 25 Housing Choice Vouchers; Texas Bungalows Permanent Supportive Housing Conversion, Austin Housing Finance Corporation, in collaboration with Integral Care - 50 Housing Choice Vouchers; Waterloo Terrace, Waters Park Housing, LP, Foundation Communities - 15 Housing Choice Vouchers; and Capital Studios, Capital Studios Housing, L.P., Foundation Communities - 10 Housing Choice Vouchers. **2<sup>nd</sup> Vice-Chairperson Apostolou** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

**ITEM 8: Presentation, Discussion, and Possible Action regarding Resolution No. 02698: Authorizing HACA to Project-base 25 (twenty-five) Veteran Affairs Supportive Housing (VASH) Housing Choice Vouchers in response to a Request for Proposal issued on January 14, 2021**

HUD regulations allow communities that are participating in the Housing Choice Voucher Program to project base up to 20 percent of its allocated vouchers. HACA's Housing Choice Voucher Programs Administrative plan authorizes HACA to project-base up to 20 percent of tenant-based vouchers. On January 14, 2021, the Housing Authority of the City of Austin (HACA) issued a Request for Proposal soliciting proposals from developers/owners to provide rental units under the project-base voucher program to serve homeless veterans participating in the Veteran Affairs Supportive Housing (VASH) program. The VASH program combines rental assistance from HUD with case management and clinical services provided by the Veterans Administration (VA).

The RFP solicited proposals from developers/owners interested in providing project-based units to homeless veterans with a "housing first" approach. The "housing first" approach removes unnecessary barriers, provides immediate access to housing and then offers supportive services to foster long-term stability to prevent a return to homelessness.

Four proposals were received and reviewed by a committee. Each proposal was rated on their supportive services plan and capacity, financial feasibility, previous experience, project design, commitment to serve the homeless and chronic homeless, the location of the property in a high opportunity area, project readiness, and percentage of efficiency or 1 bedroom units. The RFP

March 25, 2021

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review committee assigned points based on the Respondent's demonstrated competence and experience, and evaluated each proposal based on a scoring criteria.

Staff recommended allocating 25 project-base VASH vouchers to Espero Austin at Rutland, LP. which was the highest scored proposal.

**Commissioner Duncan-Hall** moved to approve Resolution No. 02698: Authorizing HACA to Project-base 25 (twenty-five) Veteran Affairs Supportive Housing (VASH) Housing Choice Vouchers in response to a Request for Proposal issued on January 14, 2021 to Espero Austin at Rutland, LP. **2<sup>nd</sup> Vice-Chairperson Apostolou** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

The Board recessed for a break at 1:53 pm

The Board reconvened at 2:00 pm.

**ITEM 9: Update on AAHC's acquisition and development programs**

Ron Kowal, AAHC Vice President provided an update on acquisitions and development programs.

**ITEM 10: Presentation, Discussion, and Possible Action regarding Resolution No. 02699: Resolution authorizing the Housing Authority of the City of Austin to take such actions necessary or convenient to amend the Bylaws of Austin Affordable PFC, Inc.**

The Board of Commissioners approved Resolution No. 2292 on October 24, 2012 authorizing the creation of Austin Affordable PFC, Inc. AAPFC was created pursuant to the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code (the "Act"), to assist in the development of multifamily housing.

By amending the AAPFC bylaws, it will clarify that staff members that have been serving as officers are authorized to serve in such capacities. There will also be a ratification of officers by separate resolution that updates the officer roster to provide consistency between AAPFC and SCPFC officers and board members.

Because HACA formed AAPFC, it must also approve of the bylaws amendment by resolution.

Board approval will allow Housing Authority of the City of Austin to take such actions necessary or convenient to amend the Bylaws of Austin Affordable PFC, Inc.

**Commissioner Duncan-Hall** moved to approve Resolution No. 02699: Resolution authorizing the Housing Authority of the City of Austin to take such actions necessary or convenient to amend the Bylaws of Austin Affordable PFC, Inc.. **2<sup>nd</sup> Vice-Chairperson Apostolou** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

**ITEM 11: Presentation, Discussion, and Possible Action regarding Resolution No. 02700: Resolution authorizing the Housing Authority of the City of Austin to take such actions necessary or convenient to amend the Bylaws of South Congress Public Facility Corporation**

The HACA Board of Commissioners approved Resolution No. 2568 on September 20, 2018 authorizing the creation of South Congress Public Facility Corporation (SCPFC). SCPFC was created pursuant to the provisions of the Public Facility Corporation Act, Chapter 303, Texas Local Government Code (the "Act"), to assist in the development of multifamily housing.

The current officers of SCPFC include HACA's Board of Commissioners and HACA CEO/President. By amending the bylaws, it will clarify that staff members are authorized to serve as officers and an additional officer or officers can be added at the staff level. This would allow an additional officer at staff level along with the HACA CEO/President to carry out day-to-day operations. There will also be an appointment and ratification of officers by separate resolution that adds Ron Kowal, in his capacity as Vice President of Asset Management, to serve as an officer and updates the listing of officers to be consistent with HACA's other corporations. Because HACA formed SCPFC, it must also approve of the bylaws amendment by resolution.

Board approval allows the Housing Authority of the City of Austin to take such actions necessary or convenient to amend the Bylaws of South Congress Public Facility Corporation.

This Resolution to appoint and ratify officers updates the officer roster to provide consistency between AAPFC and SCPFC officers and board members. The appointed officers are listed below.

President: Sylvia Blanco  
Vice-President: Ron Kowal  
Treasurer: Barbara Chen  
Secretary: Michael Gerber

Board approval appoints the officers, as listed, for the South Congress PFC.

**2<sup>nd</sup> Vice-Chairperson Apostolou** moved to approve Resolution No. 02700: Resolution authorizing the Housing Authority of the City of Austin to take such actions necessary or convenient to amend the Bylaws of South Congress Public Facility Corporation. **Commissioner Duncan-Hall** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

#### **REPORTS**

The Board accepts the following reports from the President:

1. Mr. Gerber encouraged residents and staff to get the COVID vaccine.
2. Sylvia Blanco, HACA Chief Operating Officer, provided an update on Rosewood Courts.
3. Commissioner Apostolou congratulated Adrian Todman, NAHRO CEO, for her appointment as Deputy Secretary for HUD.
4. Commissioner Apostolou congratulated Lupe Garcia, Santa Rita resident, as the new Citywide Advisory Board President.

#### **THE BOARD DID NOT RECESS INTO EXECUTIVE SESSION.**

**Commissioner Duncan-Hall** moved to adjourn the meeting. **2<sup>nd</sup> Vice-Chairperson Apostolou** seconded the motion. The motion Passed (3-Ayes and 0-Nays).

The meeting adjourned at 3:28 pm.

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**Michael G. Gerber, Secretary**

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**Edwina P. Carrington, for Chairperson Richie**

**HOUSING AUTHORITY OF THE CITY OF AUSTIN**  
**REPORT**  
**EXECUTIVE**  
**ITEM NO. 2.**

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**MEETING DATE:** April 15, 2021

**STAFF CONTACT:** Pilar Sanchez, Vice President of Housing and CD

**ITEM TITLE:** Update on HACA's actions related to the Coronavirus (COVID-19) and update on HACA's Resident and Client Support Center

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

**ATTACHMENTS:**

- ▣ **COVID-19 Division Reports**
- ▣ **At-Home Learning Program**
- ▣ **Resident Client Support Center**

## **MARCH 2021-APRIL 2021, COVID-19 DIVISION ACTIONS**

This report reflects HACA and its subsidiaries' actions taken to date in response to the Corona virus (COVID-19). Although all actions are not listed, below you will find the top five actions from each division.

### **ADMISSIONS-LAURA BODAI**

1. Paige Super, Admissions Manager will be assisting with RENT 3.0.
2. Developing the first Project Based Voucher process to remotely process applicants for Chalmers PBV units.
3. Continuing to process applicants remotely for the PBRA vacancies.
4. Continuing to manage a remote front desk call center while one staff member at a time mans the front desk lobby.

### **ASSISTED HOUSING-LISA GARCIA**

1. The Special Programs team has identified 100 eligible clients for the new Mainstream vouchers. Fifty-two vouchers issued to households so they can exit the ProLodges into stable permanent housing.
2. The inspections department has begun completing in person inspections with PPE for annual housing quality standards (HQS) inspections when the Remote Video inspection (RVI) protocol is not possible. All inspectors have received their first COVID-19 vaccine and the majority have received their second vaccine.
3. In March, there was over 165 interim adjustments completed because of reductions in income due to COVID-19 and the winter storm.
4. The FSS team ordered 120 laptops from PCs for People for FSS participants to attend school or work from home.
5. FSS team partnered with EdOpp Solutions to connect 80 FSS families to a free certification program through the Workforce Innovation and Opportunity Act (WIOA) that includes a weekly stipend, remote coursework, and laptops for participants.

### **AUSTIN AFFORDABLE HOUSING CORPORATION-RON KOWAL**

1. Construction sites continue to vigilantly monitor subcontractors by taking temperature, requiring masks, social distancing especially during breaks and lunch, and keeping each trade separated from other trades while working on the site.
2. Construction sites are slowly allowing us to hold owner's/draw meetings on site. Numbers of individuals allowed on site are limited and all meetings are held outside with masks while everyone is spread apart.
3. Our sites are working closely with AISD to allow their buses to park on sites to allow for internet hot spots to reach the students learning at home. We are also adding hot spots to some of our properties to allow more students to use our internet access to do school work.
4. Management offices are fully open to the public, but maintain strict controls over how many people are allowed in the office and masks are required. A thorough wipe down of desks, etc. is followed after each visit.
5. Our properties that are in lease up are adding a table and chairs outside the leasing trailer so that potential tenants can meet with staff outside, social distance and wear masks.

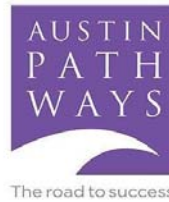
### **AUSTIN PATHWAYS/COMMUNITY DEVELOPMENT-PILAR SANCHEZ**

1. AP continues to work with community partners to address food insecurity. The Bringing Health Home Team is also working with Keep Austin Fed and Keep Austin Together.
2. Barbara Jackson and AP staff continue to operate the HACA Support Center Monday - Friday. Please see the one page report in your board book. ACC Interns continue to provide technical and Internet service support to residents via the support center. Mike Gerber and Leilani Lim-Villegas continue to hold bi-monthly meetings with Resident Council Officers on COVID and HACA updates.
3. The Boys&Girls Club is operating at Meadowbrook, Chalmers South, and we added a club at BTW in August due to CV-19. Resident Para Educators continue to train to be able to assist their students and parents with at home/digital learning.
4. Anthony Schmucker and the HACA's Bringing Health Home team was able to coordinate COVID-29 vaccinations with APH at our 4 elderly sites and Rosewood Courts for residents and staff. The BHH team has also continued COVID testing at several sites. The team is working with APH to bring vaccinations to our family sites.

5.	Austin Pathways has received the following grants related to COVID-19 since March: \$10K United Way Aging Populations Grant, \$10K Texas Capital Bank, \$6K St. David's Foundation, \$20K Austin Public Health RISE Grant, \$15K United Way Critical Needs grant; \$75K St. David's Foundation; \$11K from SAATVA Mattress; \$7,500 from Regions Bank, and \$20K from Saatva Mattress, another \$100K from United Way. \$100K from United Health Care and CLPHA. In February we received \$20,000 from the Anderson Foundation for a roving Service Coordinator.
<b>COMMUNICATIONS-KEN BODDEN</b>	
1.	Designed seven new signs for production and placement in HACA Central for use in the RENT 3.0 intake center.
2.	Created/designed 12 property-specific COVID-19 vaccination posters for HACA/APH's vaccination events.
3.	Wrote article and designed graphics for COVID-19 vaccine announcement articles in the OneVoice resident newsletter, with property-specific dates and sign-up information.
<b>FINANCE-ANN GASS</b>	
1.	No new updates.
<b>HUMAN RESOURCES-GLORIA MORGAN</b>	
1.	The Human Resources department continues to conduct New Employee Orientation virtually, via GoToMeeting. This month, New Hire orientation was conducted for one (3) new employees. With the conversion of the new hire packet into a digital format, using DocuSign, the process of obtaining forms that require the employee's signature continues to be seamless.
2.	The Human Resources department also continues to conduct virtual New Hire Benefits Enrollment via GoTo Meeting. The necessary forms required to conduct this process were previously converted into a digital format using DocuSign. The process of obtaining new employees information to properly enroll them into benefit has been successful.
3.	Twenty-three (23) HACA employees have tested positive for COVID-19 since March 2020. Thankfully, most have recovered and returned to work.
<b>LOW INCOME HOUSING - MICHAEL ROTH &amp; NANCY MCILHANEY</b>	
1.	Due to Austin-Travis County reducing the COVID-19 risk category to stage 3, property management offices have opened for limited, scheduled appointments with residents. Property management staff continue to operate remotely, communicating with residents by phone, email and text messages. Residents via documents placed in the property drop box which is checked on a daily basis. In addition, all outdoor amenities, including playgrounds, picnic tables, BBQs and benches are now open for residents to use and enjoy.
2.	As the number of active Covid-19 cases on properties have dropped, all properties are back to completing all work orders in resident units. During the month of March, 1028 work orders were called in by residents. To date, over 94% of those have already been completed. This work is being completed in addition to the work related to storm damage repair and recovery.
3.	Property management continues to complete socially distant move-ins to fill vacancies; for March 2021 we had 98.2% occupancy. Resident interim and annual recertifications for the PBRA program remain current and completed via a primarily virtual process. Interim Recertifications remain at 97% complete, and only five April ARs are outstanding (due to storm delays and tenant non-compliance). Socially-distant Annual Eligibility Certifications (AECs) for the LIHTC program continue and are current.
4.	Working together with HACA's Bringing Health Home team, Elite DNA Screening continued to provide Covid-19 testing to residents on property and Austin Public Health continue to offer Covid Vaccination clinics. In March, vaccination clinics were held at the 4 Senior properties. In April they plan to provide the 2nd dose clinics at those sites as well as offering the 1 dose Johnson and Johnson vaccine at Meadowbrook and Booker T. Washington.
5.	Moving forward, staff are making plans to return to regular operations activities. We are finalizing plans to conduct virtual and in-person unit inspections (when safe), and socially distant document signing. In March we completed socially distant training sessions at Central, and moved the next group of property staff to the "site-based" model of property operations effective March 29th.
<b>OPERATIONS &amp; PROCUREMENT-NORA MORALES</b>	

1.	Property bulk trash is completed three times a week-Monday/Wednesday/Friday. On Tuesday and Thursday, we perform preventative building maintenance, and recycling of items picked up during bulk trash pick-up. Made an offer to an internal applicant to fill vacated truck driver/fleet management position.
2.	Procurement staff continues to work from home, with one rotating Purchasing staff member manning all daily shipping, receiving, and working with contractors for HACA headquarters from 8-12 and 1-4 PM.
3.	Support the agency and departments with completion of all projects. Closing out the books and preparing for independent audit. Continuing to maintain fleet vehicles operation, and all other special projects that arise.
4.	We continue to work with P/D and other departments to create a "back to work" plan as directed.
5.	We continue to explore online or virtual training possibilities to all OPS staff to enhance skills and become cross-trained. Prepping and having weekly meetings for the transition to the new software, Yardi. Building partnerships with new vendors to provide PPE. Adjusting to the new normal of HACA Operations. We continue to operate peerlessly and electronically more now than ever before.
<b>PLANNING &amp; DEVELOPMENT-JIMI TEASDALE</b>	
1.	Working along side all Maintenance and Mgmt. staff to support all actions related to winter storm response and repair efforts, including Contractor selections, assignments, onsite inspections of ongoing work for repair quality, Site/Unit work scheduling, Staff and Resident support, and working side by side with HACA's insurance firm adjustors on site visits and walks of all damages, at all sites, for claim needs.
2.	COMPLETED the install of Ionization kits on all seven (7) HVAC Units serving the Neighborhood Network Bldg. at Booker T. Washington, for improved air quality and optimum worker health.
3.	COMPLETED the majority of all work required on elevator cars 1 & 2. Both cars and hoistways are online and in use now. Flooring repairs at all floor stations will be completed over the next 2 weeks to finalize the project. Contractor crew working in PPE and have isolated work space with barriers. * Due to winter storm related damages, Crews have had to work on HACA's other elevator needs at all elevator sites, to make repairs to elevator systems and associated equipment that sustained damage.
4.	COMPLETED the installation of the HACA HQ ERU/Fresh Air Unit Replacement equipment. Contractor, and receipt of the equipment, was delayed due to the days- long weather disaster. The new fresh air unit is now in place and operating well.
5.	Assisting staff and site teams with implementing all physical improvement work, either scheduled or from storm fallout, along with some selective work with crews using PPE, and distanced from residents and staff, and keeping the work moving that is possible to do, in safest ways we can.
<b>QUALITY CONTROL-KELLY CRAWFORD</b>	
1.	In addition to the standard ways the Compliance has adapted to working from home, QC/Compliance is working on program planning for the RENT 3.0 program.
<b>RAD-ANN GASS</b>	
1.	The first moves into Chalmers East will take place in early April. COVID protocols for moves have been established.
2.	Elevator work continues at Lakeside., with COVID protocols in place.
3.	All staff is working from home except for the Tenant Protection Project Manager, who holds office hours at Chalmers for relocation.
<b>SOUTHWEST HOUSING COMPLIANCE CORPORATION-MICHAEL CUMMINGS</b>	

1.	In March, 37 Management and Occupancy Reviews (MORs) were scheduled and 32 were performed. 1 was postponed due to COVID related reasons affecting property operations and/or residents and 4 were rescheduled to later dates due to staff turnover. MOR cancellations due to COVID continue to trend down for now. Staff continue to be equipped with masks, hand sanitizer, and disinfectant wipes for each MOR and were previously provided safety training specific to COVID-19 travel. Prior to the MOR, SHCC performs outreach to owner/agents each month to ensure the Owner/Agent can provide proper space for social distancing and will reciprocate in the use of PPE. Overall, the travel to, and performance of, MORs is going well with the safety precautions noted above and owner/agent cooperation. Staff also indicate that despite another surge in COVID infections nationally, they remain comfortable performing MORs with necessary precautions. We will continue to monitor state and local COVID-19 conditions to ensure a reasonably safe travel and performance environment.
2.	SHCC has continued to meet all HUD Annual Contributions Contract (ACC) requirements and earned 100% of eligible fees with minor adjustments to systems related to work from home and COVID protocol.
3.	SHCC continues to perform updates to its work in progress tracking systems (STARS) and overall policies and procedures to continue to prepare for the procurement of the SHCC contracts expected sometime in late 2021 or early 2022.
<b>TECHNOLOGY MANAGEMENT &amp; INNOVATION-ANDREA GALLOWAY</b>	
1.	Continued support of staff with their work from home needs – equipment and technical assistance.
2.	Started implementation on new staff VPN.
3.	Continued Cyber Security training and phishing tests



# Housing Authority of the City of Austin

Established in 1937

## AUSTIN PATHWAYS REPORT FOR MARCH 2021

### HACA AT-HOME LEARNING PROGRAM



Austin Pathways is committed to supporting resident children and parents to experience success in both “teacher-led” and “student-led” learning. This Fall, the AP team has been addressing three goals:

- **Support Youth After School & Prevent Academic Slide.**

(1) Communities in Schools (CIS) continues to meet with youth at HACA sites in March on a limited basis. They are also serving youth at school and with “porch visits onsite. (2) Boys and Girls Club is open at Meadowbrook with 25 youth participating; at Chalmers Courts with 20 youth, and at Booker T. Washington with 25 students. Priority is given to youth with working parents or with highest at-risk needs. The Clubs are open from 2:30pm - 7:00pm, Monday through Friday.

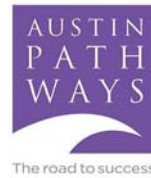
- **Ensure Family Homes and HACA Community Rooms can support remote learning.** (1) Staff investigated models and CDC safety requirements to use community rooms as remote classrooms. Necessary space and adult supervision are keys to an effective afterschool program model. (2) We have engaged 18 residents certified as Paraeducators to provide remote support to HACA families. In March, Paraeducators completed training on remote learning to better assist students and parents. Eight additional residents have now completed the Paraeducator certification with ACC.

- **Provide Parents with Tools & Resources to Provide 1:1 In-Home Classroom; Help Parents Continue to Work Remotely from Home.** (1) To secure affordable high-speed broadband access, we are developing a reimbursement program. Hotspot loans are delivered through a partnership with Austin Public Library; APL laptop/hotspot sets were provided to parents at Georgian Manor. We will continue to identify other residents at four properties who are in need of the loaned devices during the month of April, and have all or most of the 60 devices checked out. (2) A total of 86 devices were deployed to AISD parents and a new cohort of HACA Paraeducators; (3) 14 ACC IT interns and Ambassadors providing technical support and assistance. To ensure Paraeducators have a “living lab” reflecting the technology in HACA student homes, we completed a Chromebook loan agreement with KLRU. 4) The Digital Inclusion team is in Round 3 of K-12 Families HACA At-Home Learning surveys. As families adopt technology, their needs change. Family assessments help identify potential resident Paraeducator candidates and families who need Paraeducator support.



*Ben Kramer of KLRU delivers Chromebooks to HACA for use by residents participating in the HACA Home Learning para-educator program.*





# Housing Authority of the City of Austin

Established in 1937

## AUSTIN PATHWAYS REPORT FOR MARCH 2021

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### HACA RESIDENT AND CLIENT SUPPORT CENTER (HRCSC)

- We're seeing an overall shift in calls from post-COVID emergency needs to the largest number of requests for rent and utility assistance. Dozens of residents call several times each week, just to talk and check in about their property or life in general.
- When residents call this Spring, they can reach ACC IT interns to provide technical support and internet service assistance. The Digital Inclusion team is also in Round 3 of K-12 Families HACA At-Home Learning surveys. As families adopt technology, their needs change. Calls to complete family assessments help identify (1) potential resident paraeducator candidates, and (2) families who need paraeducator support.

The HRCSC is now a critical platform from which we can organize resident activities and gain insight and all important relationships and continue to build that TRUST we have with residents!

**March highlights:** Inbound calls for the HACA Resident & Client Support Center continue to come in for rent and utility assistance. Callers were referred to the ATATX grant for direct financial assistance for HACA residents impacted financially by COVID-19, and also to the new multi-million dollar RENT 3.0 Assistance program. HACA property managers continued to refer residents to the call center to get more information on how to receive financial assistance. Over 1,800 Outbound texts were made in March to remind residents of free COVID-19 testing being offered door-to-door at 15 properties in partnership with Elite DNA. An additional 650 texts were sent to notify residents that COVID-19 VACCINES were on their way to senior/disabled residents living at "senior" properties and Rosewood Courts.

### Positive Impact



As COVID-19 testing continued at HACA properties, we had a mix-up with our testing service, Elite DNA, causing them to reschedule at Santa Rita. We took a call in the HACA Resident & Client Support Center from a Santa Rita resident who had taken the day off from her job at University of Texas in order to get tested. This resident was particularly concerned about the UT students coming back from Spring Break and increasing her exposure to COVID-19. Through the HRCSC assistance, we were able to ensure that the testing service went to this resident's door within the hour. The resident called back promptly to thank us for the help in ensuring that she didn't miss the opportunity to have the test for free and also ensuring that she didn't have to take any more time off of work to be tested.

# HOUSING AUTHORITY OF THE CITY OF AUSTIN

## BOARD ACTION REQUEST

### RESOLUTION NO. 02703

#### ASSISTED HOUSING ITEM NO. 3.

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**MEETING DATE:** April 15, 2021

**STAFF CONTACT:** Lisa Garcia, Vice President of Assisted Housing

**ITEM TITLE:** Presentation, Discussion and Possible Action Regarding Resolution No. 02703:  
Approval of the adoption of the revised Housing Choice Voucher Program's  
Payment Standards

**BUDGETED ITEM:** No

**TOTAL COST:** N/A

#### **ACTION**

The Board is being asked to review and approve Resolution No.02703 which will update the Housing Choice Voucher Program's Payment Standards.

#### **SUMMARY**

##### ***Background:***

Housing Authorities are required to adopt Payment Standards for the Housing Choice Voucher Program between 90 and 110 percent of the currently published fair market rents (FMRs). In October 2020, the Board approved the payment standards at 100% of the published Fair Market Rents with a February 1, 2021 effective date.

##### ***Staff Recommendation:***

The rising Austin rental rates continue to make it difficult for housing choice voucher families to locate affordable homes in the Austin area. In analyzing the factors outlined below, staff's recommendation is to adjust the payment standards to 105% of the published fair market rents for all bedroom sizes. Staff will continue to exercise the flexibility to approve payment standards up to 120% of the published fair market rents as a reasonable accommodation for persons with disabilities.

The recommendation is proposed in consideration of the following information:

The 2021 Department of Housing and Urban Development (HUD) funding levels will allow HACA to issue approximately 100 new vouchers each month from May – December 2021. Increasing the payment standards to 105% of published FMRs will help families secure homes in Austin's competitive rental market throughout the Austin metropolitan area.

An analysis of the HUD payment standard tool indicates that increasing payment standards to 105% of published FMRs will reduce the percentage of housing choice voucher households with rent burdens greater than thirty-one (31) percent from 35.3% to 20.3% in calendar year 2021. In 2022, it will reduce it to 14.1 % of households with a rent burden greater than 31%.

The HUD payment standard tool indicates that an increase in the payment standards to 105% of the FMRS effective July 2021, will result in an average per unit cost increase of \$2.00. Overall, by the end of 2022, the per unit cost will increase by about 4.4% or \$40.29. This projected payment standard increase was included in the HUD two-year projection tool and at the end of December 2021, HACA would have a sufficient reserve balance to absorb the projected per unit cost increase.

The attached Austin Multi-Family Trend Report 4th quarter 2020 was reviewed. Please note that payment standards reflect a landlord pay all utility situation and rents in the trend report reflect rents with tenants paying utilities. The average tenant utility expense for a multi-family property based on the recently approved utility allowance schedules with all electric is \$183.00 efficiency, \$192.00 1br, \$226.00 2 br, \$265.00 3 br, \$300 4 br and \$341 5 br.

The New Payment Standards, if approved, will go into effect July 1, 2021.

## **ATTACHMENTS:**

- ▣ **Attachment 1 Austin Trend Report 4 QRT 2020**

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**RESOLUTION NO. 02703**

**APPROVAL OF THE ADOPTION OF THE REVISED HOUSING CHOICE VOUCHER  
PROGRAM'S PAYMENT STANDARDS**

**WHEREAS**, the Housing Authority of the City of Austin is responsible for adopting payment standards between 90 and 110 percent of the published fair market rents;

**WHEREAS**, the Housing Authority of the City of Austin strives to ensure that rental assistance provided is competitive with rents in the Austin metropolitan area and that families can locate affordable housing;

**WHEREAS**, based on analysis of the Austin rental market compared to fair market rents, the Housing Authority of the City of Austin requests approval to adopt payment standards at 105% of the currently published fair market rents for all bedroom unit sizes.

The proposed payment standards are as follows:

No. of bedrooms	Eff.	1 br	2 br	3br	4 br	5 br
Current FMRS	\$1,059	\$1,212	\$1,434	\$1,848	\$2,207	\$2,538
Payment Standards	<b>\$1,112</b>	<b>\$1,273</b>	<b>\$1,506</b>	<b>\$1,940</b>	<b>\$2,317</b>	<b>\$2,665</b>

**NOW, THEREFORE, BE IT RESOLVED**, that the Housing Authority of the City of Austin's Board of Commissioners adopts payment standards as outlined above to go into effect on July 1, 2021.

**PASSED, APPROVED and ADOPTED** this 15th day of April, 2021.

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**Carl S. Richie, Jr., Chairperson**

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**Michael G. Gerber, Secretar**

# Austin Multi-Family Trend Report

Fourth Quarter, 2020



## Inside This Report

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Occupancy and Rental Rate by Class	pg 4
Occupancy and Rental Rates	pg 5
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Overall Absorption	pg 8
Historical Sales Price/Unit	pg 9
Market Overall	pg 10
Job Growth	pg 11

Copyrighted Report: TC **324315**



## Austin Quarterly Snapshot

Average Occupancy:	91.47%
Average Rent:	\$1,267
Average Square Feet:	863
Average \$/SF:	\$1.47
New Units Added	2,315
Average Sales Price/Unit:	\$206,657



### Did You Know

The statistics in this report are based on conventional properties unless otherwise noted. For further information, all of our data can be searched on the website.

#### 4Q20 Affordable Housing Stats:

21,723 Units – 89.0% - \$1.15psf

#### 4Q20 Student Housing Stats:

14,958 Units – 85.69% - \$1.90psf

#### 4Q20 Senior Housing Stats:

5,779 Units – 84.60% - \$1.41psf

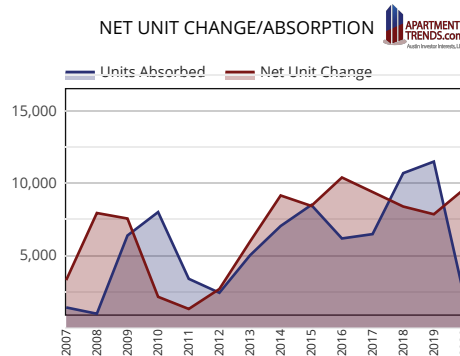
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## Market Overview

### Market Overview

On the heels of a robust 2019, the year started with so much promise but quickly devolved into the reactionary mess that was 2020. Faced with an unprecedented situation, the Austin apartment market was quick to adjust in an effort to keep the losses from piling up. Despite the best efforts of owners, managers and leasing personnel, the year concluded with annual declines of 3.3% in occupancy and 4.4% in rent.



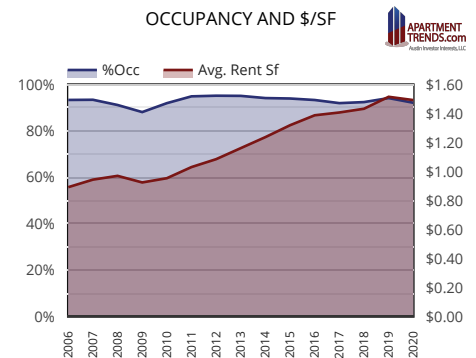
Entering uncharted territory, the multifamily industry as a whole faced a number of challenges in dealing with the pandemic, from the health of personnel, to the challenge of virtual/contactless leasing, to widespread rent collection issues and government mandates that disallowed evictions. In addition, the amenities that had been carefully cultivated to create social interaction were now verboten and seen as a liability for the near future. The adjustments were swift - an industry-wide shift to online/virtual leasing, payment plans to help mitigate losses and keep tenant goodwill, shutting down common amenities but finding other perks to offer residents such as bundled media, concierge deliveries, tech packages and touchless features. Some properties cranked up the creativity and catered to remote workers, offering a work/play solution that turned

a desk into a TV area at the touch of a button. Some areas were rewarded for their efforts, yet almost all reported an annual decline. And while nobody asked for it, an additional challenge came in the form of historically low interest rates that made homeownership a reality for many who were ready to explore that option. According to the Austin Board of Realtors, home sales were up over 9% during the year, reaching historically high levels.

### Construction Growth

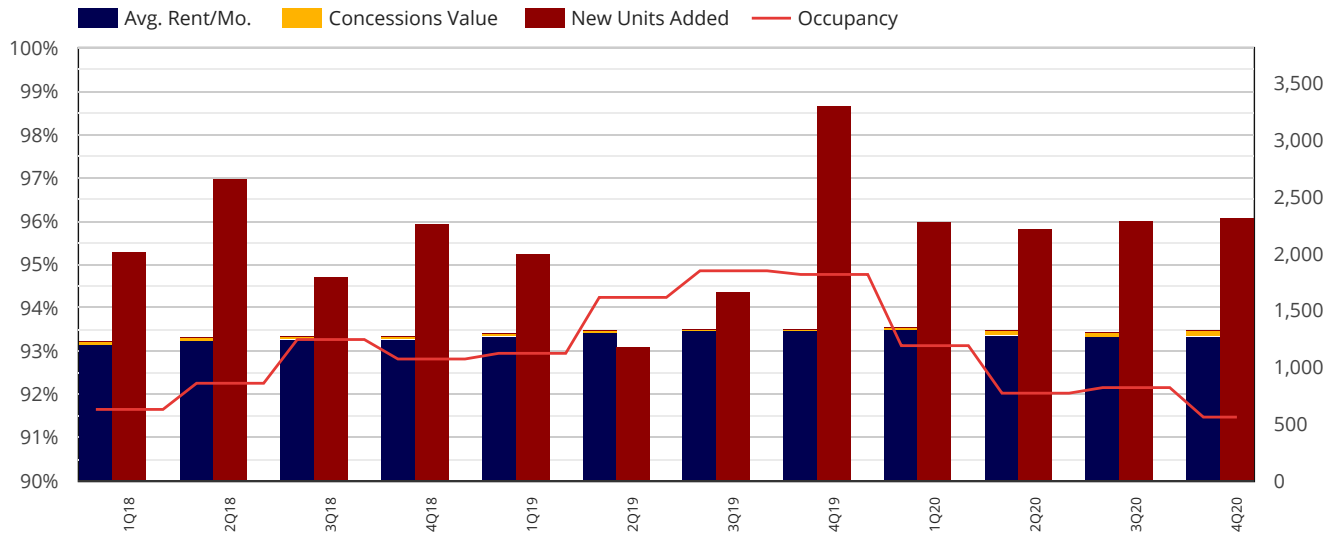
Construction continued despite the pandemic, adding 12,340 total units to the market - an increase of 13% over last year. The pace is expected to pick up during 2021, as over 17,000 units are slated to complete. Currently, there are 316 projects, totaling 70,673 units, under construction or active in the permitting process. With absorption down 82%, from 11,484 last year, to only 2,058 units in 2020, the coming year will be challenged by the heavy addition of new units.

Gratefully, there is encouraging news for job and population growth, both of which are expected to rise in the coming year



While most investors report delinquency rates of less than 3-5% from COVID issues/job losses, the eviction moratorium was extended to April 1, 2021. Though a safety net for residents who need it, the continuation is a juggernaut, especially to small investors and individual owners.

## Historical Rents and Occupancy



	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
Avg. Rent/Mo	\$1,203	\$1,235	\$1,249	\$1,248	\$1,269	\$1,308	\$1,323	\$1,323	\$1,335	\$1,285	\$1,266	\$1,267
Concessions	\$23	\$23	\$21	\$22	\$24	\$12	\$11	\$9	\$13	\$39	\$44	\$47
New Units	2,019	2,660	1,803	2,264	1,999	1,184	1,666	3,305	2,283	2,219	2,290	2,315
Occupancy	91.7%	92.3%	93.3%	92.8%	92.9%	94.2%	94.9%	94.8%	93.1%	92.0%	92.2%	91.5%
Avg. \$/SF	\$1.40	\$1.44	\$1.45	\$1.45	\$1.47	\$1.52	\$1.54	\$1.54	\$1.55	\$1.49	\$1.47	\$1.47

The historically slow fourth quarter was just that and more because of the pandemic. Any gains made during the short-lived rally of the third quarter, were lost during the final months of the year with occupancy falling .7%, to reach 91.5%, and rents remaining stable at \$1.47 psf, or \$1,267/mo. While the quarterly losses were minute, annual figures reflect the true struggles of 2020, with occupancy down 3.3% and effective rents declining 4.4%. Shutdowns and reopenings were common throughout the year, and rent optimizing programs, ill-suited for the situation, left managers trying to find the right balance between rent and occupancy with the slowest traffic seen in the area for many years. The efforts were not for naught - with over 2,300 new units added during the slowest quarter of the slowest year, the numbers could have been worse.

Minuscule, gains in both rent and occupancy were found in the BAS, CP/L, W and WMS sectors, while other submarkets traded rent for occupancy, or vice versa. The CBD, however, made a notable comeback, posting quarterly gains of 1.5% in occupancy and a whopping 11.5% in rents, while reducing the volume of upfront concessions. The remainder of the central areas remained quiet, with little traffic, few leases and tenants in the service industries ready to seek the next best special. This trend was reflected in the NWC, SC, SEC and N sectors, all of which posted negative absorption figures that were likely due to service industry job losses.

Concessions increased rapidly during the year, from barely there to a high of 3.59% off market rents. Averaging a loss of \$47/mo, these specials were most prominent in the EC, SEC, NC and SE submarkets.

### Need More Information?

The Trend Report is meant to be a derivative of all of the data we collect in-house on all properties. The following are a few suggested reports when you need more than a gauge on market conditions. Our data is comprehensive, transparent and available through our interactive search on our website to allow you to specify your own criteria to gauge your own market. The following reports will likely be of great benefit on your specific market:

- Market Comparison Report
- Development Pipeline
- Comprehensive Profiles
- Historical Absorption
- And many more...

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# Austin Region Multi-Family Trend Report / 4Q20

Continued from page 3

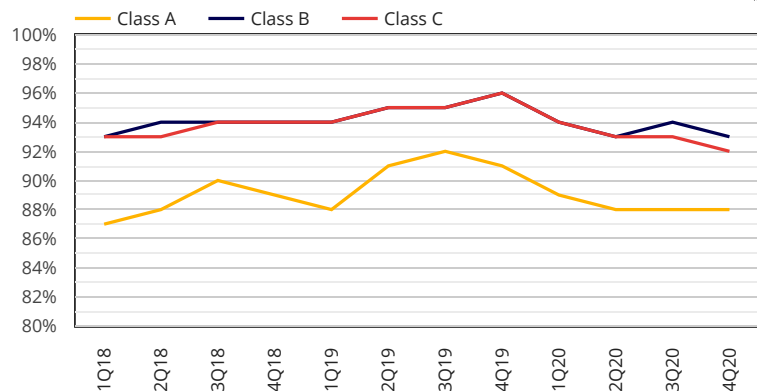
Despite an influx of new units during the slowest quarter of the year, Class A properties managed to eke out slight increases with both occupancy and rent growing .16% to reach 88.6% and \$1.61 psf. Annual figures were indicative of the many added units that came online during the pandemic, as occupancy was down 8% and rents fell 2.6%. The bulk of the decrease in effective rents was directly attributed to a 5% overall increase in concession costs for this class. The largest concessions were found in the EC, SE, SEC and NC areas, all which averaged 7-13% off market rates. Stabilized product (built prior to the last 12 months), reflected a more realistic picture of this class, with occupancy rates at 93.5% and effective rents \$1.60 psf.

Occupancy in Class B properties fell for both the quarter and the year, falling .6% and 2.7% respectively, to reach 93.7%. While rental rates remained stable during the quarter at \$1.39 psf, the rate was 2.7% lower than the same time last year. The units for this class within the CBD posted notable gains during the quarter, rising over 13% to reach \$2.45 psf.

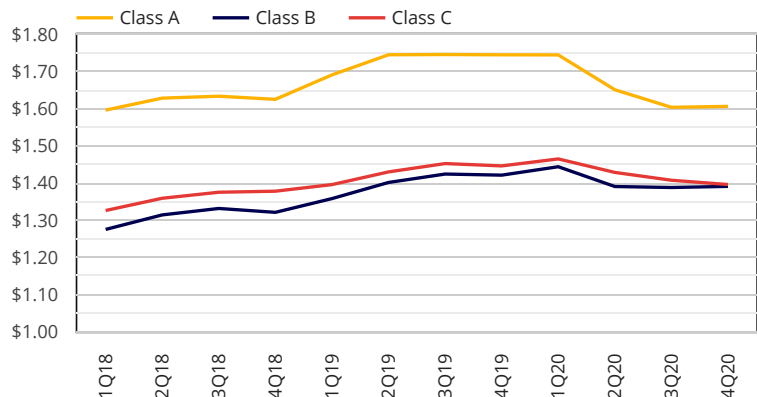
Class C properties did not fare well in 2020, with across-the-board declines. Occupancy fell 1.44% for the quarter, and 4.21% for the year, ending at 92.3%. Rents were down almost 1% during the quarter and 4% for the year, resting at \$1.40 psf and closing the rent disparity between the newer Class B units and desired Class C units that exist in the choicier, more expensive parts of town.

Continued on page 7

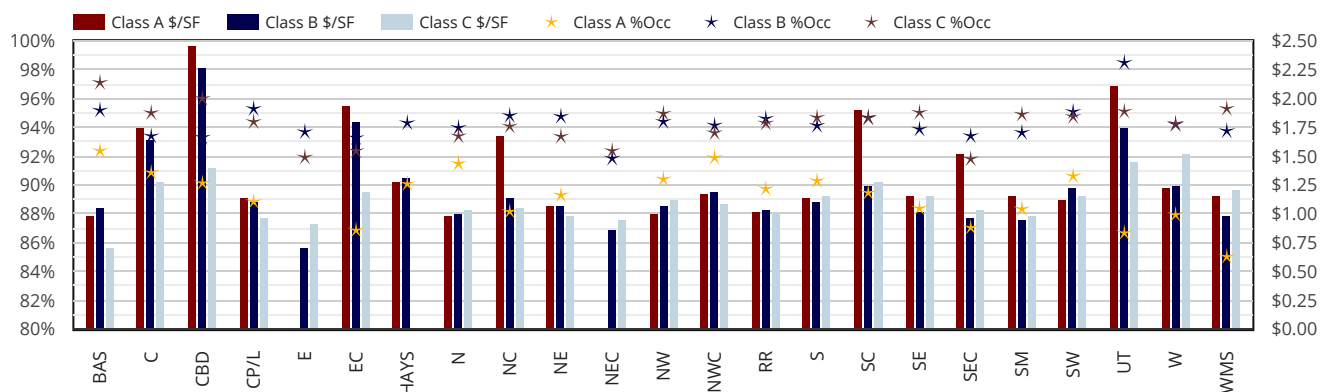
## Historical Occupancy by Class



## Historical Rental Rates by Class



## Submarket Average \$/SF & Occupancy by Class





## OCCUPANCY AND RENTAL RATES

4Q20	CLASS A		STAB CLASS A		CLASS B		CLASS C		TOTALS		QTR CHANGE		ANN CHANGE	
	OCC	RENT	OCC	RENT	OCC	RENT	OCC	RENT	OCC	RENT	OCC	RENT	OCC	RENT
BAS	96.0%	\$1.32	96.0%	\$1.32	97.6%	\$1.22	97.3%	\$1.01	97.0%	\$1.21	0.5%	1.56%	1.3%	1.31%
C	92.6%	\$1.94	93.9%	\$1.93	92.3%	\$1.74	90.6%	\$1.67	91.6%	\$1.77	0.3%	-3.03%	-4.9%	-10.92%
CBD	94.6%	\$2.78	94.4%	\$2.74	93.9%	\$2.45	69.0%	\$1.77	93.7%	\$2.60	1.5%	11.55%	-1.0%	-5.62%
CP/L	82.0%	\$1.42	95.1%	\$1.39	94.3%	\$1.31	96.2%	\$1.26	86.5%	\$1.38	-	0.62%	-6.6%	-0.52%
E	-	-	-	-	-	-	93.3%	\$1.22	93.3%	\$1.22	-2.6%	8.50%	-0.6%	2.62%
EC	87.6%	\$1.87	90.0%	\$1.83	91.0%	\$1.72	80.5%	\$1.70	87.3%	\$1.83	-0.8%	-2.76%	-7.8%	-16.46%
HAYS	91.6%	\$1.41	94.6%	\$1.39	89.4%	\$1.32	-	-	91.3%	\$1.40	1.1%	-2.46%	-1.6%	3.01%
N	91.2%	\$1.52	93.9%	\$1.49	94.2%	\$1.33	92.7%	\$1.38	93.0%	\$1.38	-0.8%	-1.32%	-3.6%	-1.25%
NC	88.1%	\$1.77	93.6%	\$1.76	93.5%	\$1.72	93.4%	\$1.36	90.2%	\$1.65	1.1%	-0.43%	-1.1%	-9.29%
NE	87.9%	\$1.39	93.8%	\$1.36	94.6%	\$1.30	93.9%	\$1.34	91.3%	\$1.35	-1.1%	-0.75%	-4.7%	-0.16%
NEC	-	-	-	-	94.9%	\$1.25	94.0%	\$1.32	94.1%	\$1.31	0.7%	-0.73%	-2.7%	-0.77%
NW	94.3%	\$1.47	94.7%	\$1.45	93.6%	\$1.31	93.5%	\$1.38	93.6%	\$1.36	-0.2%	-0.49%	-4.2%	-2.46%
NWC	-	-	-	-	92.0%	\$1.34	92.0%	\$1.36	92.0%	\$1.36	-2.8%	-2.00%	-4.3%	-7.82%
RR	89.0%	\$1.33	95.7%	\$1.33	94.2%	\$1.28	93.8%	\$1.40	92.9%	\$1.31	-1.1%	-0.18%	-4.3%	0.89%
S	85.9%	\$1.51	94.2%	\$1.48	92.8%	\$1.31	92.4%	\$1.41	90.1%	\$1.41	-2.7%	0.94%	-2.9%	-4.11%
SC	93.9%	\$2.10	93.9%	\$2.10	90.4%	\$1.81	90.7%	\$1.62	91.8%	\$1.82	-1.6%	2.14%	-4.5%	-8.17%
SE	84.6%	\$1.36	92.2%	\$1.31	96.1%	\$1.31	90.7%	\$1.29	89.1%	\$1.33	-3.2%	-1.42%	-6.8%	-7.94%
SEC	79.8%	\$1.76	84.7%	\$1.74	90.0%	\$1.38	91.0%	\$1.36	88.0%	\$1.48	-2.0%	-0.48%	-2.6%	-7.74%
SM	86.8%	\$1.38	95.2%	\$1.39	94.0%	\$1.33	93.8%	\$1.23	92.0%	\$1.29	-0.8%	1.18%	2.2%	1.03%
SW	93.2%	\$1.58	93.8%	\$1.58	93.5%	\$1.39	92.4%	\$1.26	93.2%	\$1.44	-0.4%	-2.56%	-0.8%	-5.52%
UT	93.2%	\$1.97	93.2%	\$1.97	-	-	84.6%	\$1.83	88.7%	\$1.91	-0.7%	0.16%	-4.8%	-8.28%
W	94.8%	\$1.54	94.8%	\$1.54	93.6%	\$1.40	90.9%	\$1.57	93.9%	\$1.47	0.2%	1.47%	1.0%	-3.42%
WMS	93.3%	\$1.42	95.3%	\$1.40	95.6%	\$1.32	95.1%	\$1.32	94.1%	\$1.38	4.6%	2.15%	6.6%	2.02%
TOTAL	88.6%	\$1.61	93.5%	\$1.60	93.7%	\$1.39	92.3%	\$1.40	91.5%	\$1.47	-0.7%	-0.01%	-3.3%	-4.42%
% OF TOTAL	CLASS A		STAB CLASS A		CLASS B		CLASS C		TOTALS					
	266 PROPERTIES (31%)		210 PROPERTIES		210 PROPERTIES (24%)		385 PROPERTIES (45%)		861 PROPERTIES					
	71,806 UNITS (34%)		59,469 UNITS		63,313 UNITS (30%)		74,996 UNITS (36%)		210,115 UNITS					

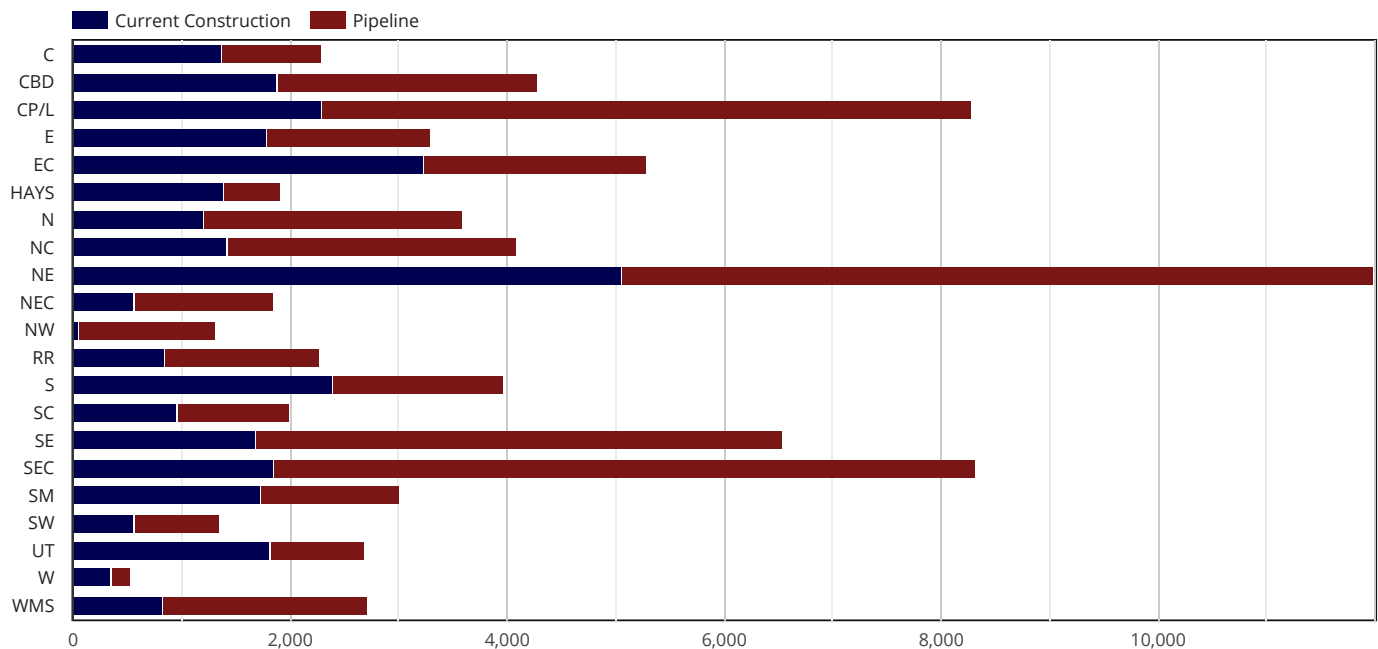
# Austin Region Multi-Family Trend Report / 4Q20

## UNIT MIX

4Q20	Efficiency		1 Bedroom		2 Bedrooms		3 Bedrooms		4+ Bedrooms		Overall		Concess	#
	SF	RENT	SF	RENT	SF	RENT	SF	RENT	SF	RENT	SF	RENT	Adjust	Props.
BAS	-	-	681	\$948	959	\$1,093	1,182	\$1,374	-	-	872	\$1,056	0.38%	8
C	504	\$1,135	696	\$1,286	1,047	\$1,700	1,329	\$2,221	-	-	805	\$1,420	3.12%	39
CBD	561	\$1,641	824	\$2,158	1,326	\$3,396	2,169	\$5,567	-	-	982	\$2,557	3.56%	19
CP/L	543	\$961	750	\$1,110	1,128	\$1,467	1,353	\$1,701	1,689	\$1,939	925	\$1,278	4.58%	46
E	500	\$840	725	\$922	1,037	\$1,177	-	-	-	-	854	\$1,040	3.15%	2
EC	433	\$1,012	731	\$1,385	1,124	\$1,854	1,543	\$2,661	-	-	804	\$1,472	11.21%	26
HAYS	562	\$1,102	705	\$1,050	1,040	\$1,362	1,280	\$1,743	-	-	868	\$1,213	2.91%	18
N	442	\$795	672	\$993	1,001	\$1,261	1,275	\$1,601	1,917	\$2,209	800	\$1,101	2.38%	82
NC	513	\$1,053	718	\$1,227	1,056	\$1,595	1,296	\$1,795	-	-	800	\$1,319	5.16%	37
NE	527	\$893	717	\$1,038	1,060	\$1,334	1,381	\$1,713	1,761	\$2,011	878	\$1,184	2.72%	62
NEC	407	\$852	657	\$908	938	\$1,161	1,186	\$1,409	1,500	\$1,650	779	\$1,024	1.93%	20
NW	483	\$879	730	\$1,066	1,067	\$1,361	1,392	\$1,686	1,786	\$1,944	892	\$1,210	1.98%	95
NWC	434	\$879	693	\$1,003	1,035	\$1,318	1,418	\$1,778	1,800	\$1,853	843	\$1,148	4.02%	24
RR	513	\$913	745	\$1,057	1,046	\$1,290	1,314	\$1,594	1,786	\$1,816	918	\$1,199	1.36%	47
S	476	\$933	708	\$1,087	1,039	\$1,342	1,360	\$1,684	1,687	\$2,093	857	\$1,207	4.10%	65
SC	481	\$1,117	711	\$1,371	1,016	\$1,660	1,467	\$2,782	1,201	\$1,993	807	\$1,470	3.75%	59
SE	465	\$860	696	\$1,006	1,041	\$1,287	1,267	\$1,531	1,193	\$1,497	861	\$1,144	4.87%	24
SEC	468	\$945	675	\$1,065	988	\$1,316	1,220	\$1,742	1,198	\$1,494	796	\$1,175	6.21%	61
SM	419	\$690	690	\$982	937	\$1,128	1,182	\$1,433	1,441	\$1,391	835	\$1,075	2.16%	34
SW	520	\$1,001	770	\$1,203	1,106	\$1,463	1,341	\$1,752	-	-	926	\$1,330	3.42%	36
UT	446	\$1,011	682	\$1,239	968	\$1,634	1,302	\$2,983	2,157	\$5,505	787	\$1,507	0.95%	12
W	423	\$990	797	\$1,275	1,205	\$1,703	1,590	\$2,087	2,179	\$2,470	1,038	\$1,521	3.40%	19
WMS	609	\$1,028	753	\$1,142	1,069	\$1,381	1,391	\$1,760	1,821	\$2,415	940	\$1,301	1.89%	26
TOTAL	486	\$1,005	718	\$1,135	1,052	\$1,422	1,355	\$1,769	1,753	\$2,220	863	\$1,267	3.59%	861
% OF TTL	7,327 Units 3.5%		116,775 Units 55.6%		75,508 Units 35.9%		9,631 Units 4.6%		849 Units 0.4%					



## DEVELOPMENT PIPELINE DISTRIBUTION



## Historical Construction Activity

### Quarter by Quarter Comparison

Activity	4Q17	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
Starts (TTL)	1,947	3,538	3,968	4,385	4,352	2,459	6,662	3,771	3,663	6,158	3,113	5,541	6,064
Submittals (TTL)	2,987	4,693	3,421	4,697	4,730	4,266	6,845	6,885	5,304	7,729	7,905	5,828	5,583
New Units Added (CNV)	2,320	2,019	2,660	1,803	2,264	1,999	1,184	1,666	3,305	2,283	2,219	2,290	2,315
New Units Added (Non-CNV)	696	418	693	842	585	523	524	1,021	720	302	1,219	693	1,027
Absorption (CNV)	-158	2,235	3,531	3,423	1,494	2,012	3,730	2,783	2,959	-1,430	168	2,291	1,029
Occupancy (CNV)	91.38%	91.65%	92.26%	93.27%	92.82%	92.95%	94.24%	94.86%	94.77%	93.13%	92.03%	92.16%	91.47%

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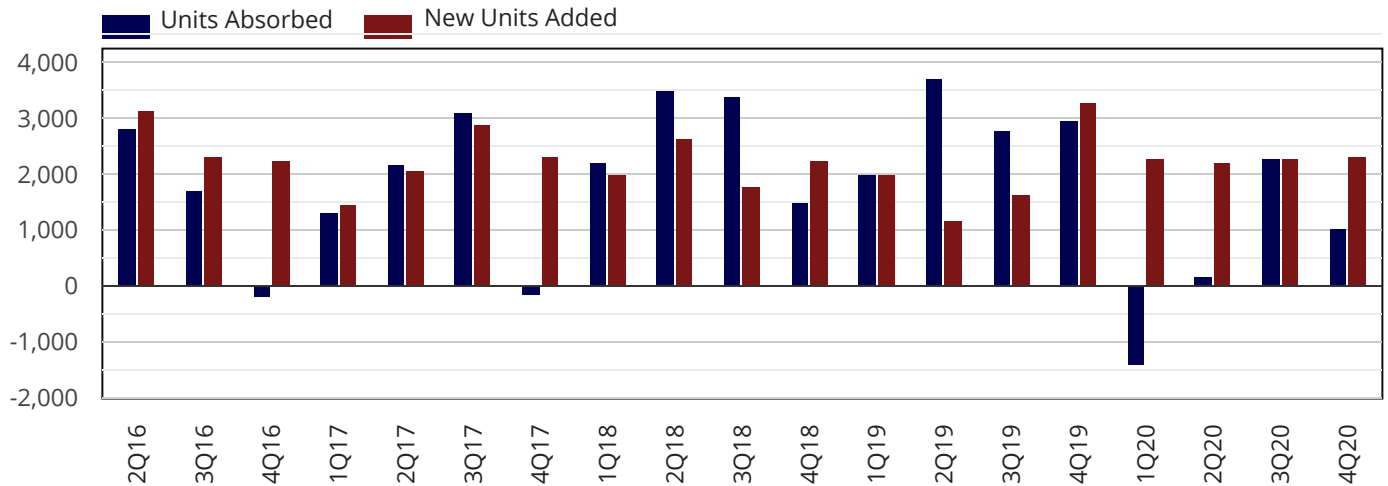
Despite continued construction delays attributed to a shortage of both building materials and interior finish out items, the apartment market continues to move forward. Undaunted by the global pandemic, a record number of actively proposed projects continued to enter the development pipeline. New submittals increased 16% over last year, with 104 properties, totaling 27,045 units, entering the permitting process. Of these, 76% are designated as conventional. Added to those already in the pipeline, there are now 137 projects, totaling 32,387 units awaiting a permit.

The number of units with permit in hand and approved for construction total 5,093. As seen in the chart above, all of these future units are distributed throughout the Austin area with emphasis in the NE, SEC, SE and CP/L sectors (excluding the majority of the proposed master planned developments with a longterm build-out).

New starts reached unprecedented highs during 2020, with over 20,000 units breaking ground. These units, coupled with those already underway, bring the current number of units under construction to 33,173 in 179 properties. Close to 80% of these are designated as conventional and much of it is

concentrated in the NE. Needless to say, the construction arena remains fully involved and includes all areas of the city. The numbers given reflect only active projects that are currently within the development process. While not all projects will come to fruition, there remains a minimum of 11,000 additional units proposed but not yet starting the permitting process. Funding for affordable housing has been readily available and construction of this product type has become more prevalent. Expect this trend to continue, with the latest projects targeting incomes in the 60-80% range, and mixed-income units becoming the affordable norm.

## OVERALL ABSORPTION/NEW UNITS ADDED

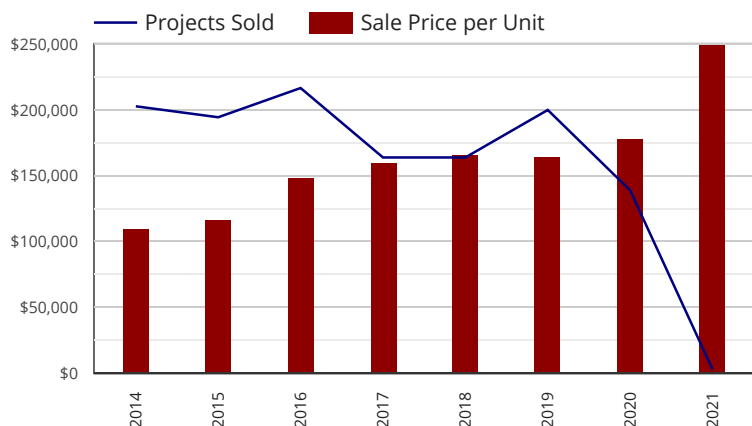


4Q20	4Q20				CNV: New Development Summary		
	CNV HSG Absorption & Units Added				Last 12 Months	Next 12 Months	
	Rentable Units	New Uts Added	Net Unit Change	Absrbd Units	New Units Added	Est Starts	Est Complete
BAS	1,001	-	-	5	-	-	-
C	5,773	13	40	54	13	261	995
CBD	4,458	-	-	67	94	952	593
CP/L	13,120	495	495	427	2,388	1,880	702
E	508	-	-	-13	-	473	97
EC	5,941	48	-19	-69	403	811	1,699
HAYS	4,199	42	42	84	308	342	939
N	21,029	-	6	-167	90	340	517
NC	10,544	56	56	165	848	1,755	354
NE	16,834	500	672	439	1,362	2,427	1,217
NEC	3,961	-	-	29	-	-	-
NW	28,125	-	-	-61	72	137	-
NWC	6,002	-	-	-169	-	-	-
RR	12,425	174	174	24	591	52	524
S	15,015	525	525	87	1,263	803	1,563
SC	12,414	-	-	-203	-	766	74
SE	6,621	212	212	-16	680	1,543	1,235
SEC	13,703	90	216	-91	362	644	1,217
SM	5,265	128	128	79	244	714	575
SW	10,556	32	32	-7	32	-	554
UT	1,351	-	-	-10	-	-	379
W	5,146	-	-	12	-	-	-
WMS	6,124	-	92	363	357	939	-
Total	210,115	2,315	2,671	1,029	9,107	14,839	13,234

Continued from page 7

Although the volume of new construction has remained high in the Austin area, completed units have trickled in, roughly adding +/- 2,000 units per quarter for the past three years. That is about to change. The next 12 months is expected to see 17,369 units finish construction, with approximately 8,000 expected during the first half of the year. Over 76% of these are conventional and will add an estimated 3,500-4,000 units per quarter during 2021. Projected new starts for the coming year total 16,711 units in 58 properties, with 89% designated as conventional. These new starts remain dominant in the NE, CP/L, NC, CBD, SE and the WMS sectors. At present, developers estimate over half of the total will start within the next 180 days. While the new units have yet to flood into the market, their entry has directly impacted occupancy rates and hampered absorption. Though positive for the quarter at 1,029 more occupied units, and despite a strong showing in the third quarter, absorption levels lagged well behind the number of unit additions. Annualized figures show only 2,507 units absorbed, while over 9,100 conventional units were added. If leasing efforts remain hampered, this could prove problematic with the influx of new units.

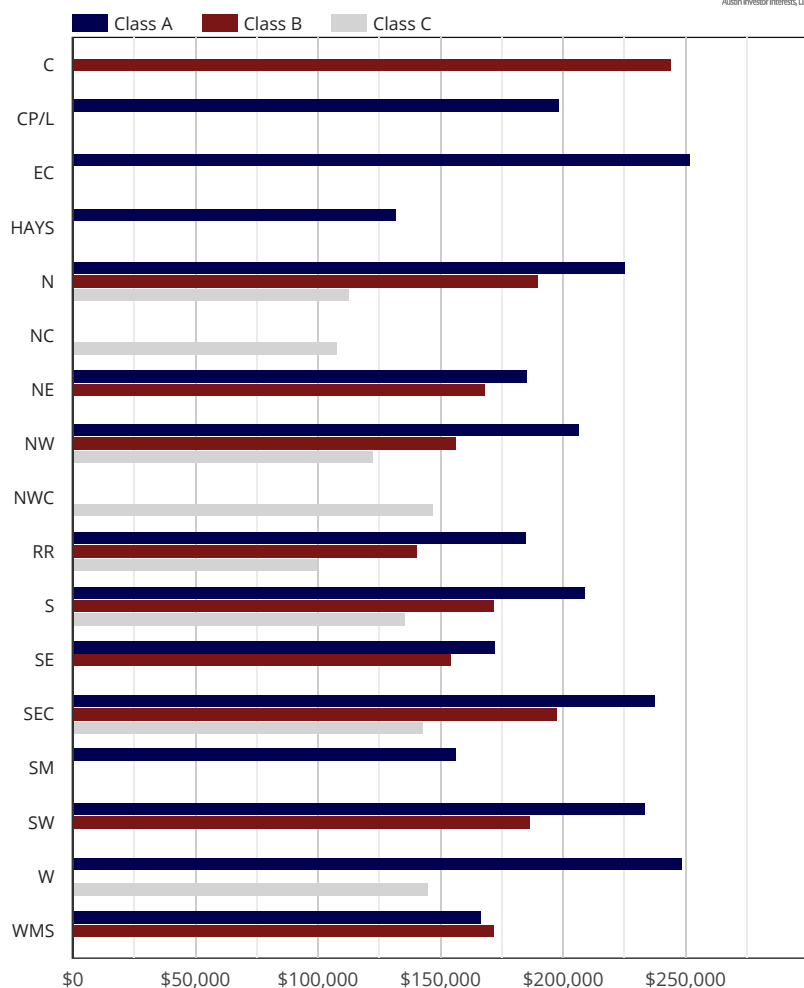
## HISTORICAL SALES PRICE/UNIT



## Fourth Quarter Sales

Project:*	Submarket	Units
1 - Arise Riverside (Broadstone Rivers	S	275
2 - Aspect, The	SEC	308
3 - Broadstone Crossing	N	225
4 - Callista Hill Country (Bell Hill C	SW	276
5 - Connection, The	SEC	192
6 - Eastside Station	EC	330
7 - Elan Apt. Homes	NW	270
8 - Fitzroy	SM	176
9 - Henley Riverside (Aura Riverside)	SEC	368
10 - Lincoln Oaks	N	296
11 - Lone Oak	RR	304
12 - Montecito	SEC	268
13 - Moontower (SH)	UT	166
14 - Palms on Lamar (AH)	N	476
15 - Park at Estancia, The	S	320
16 - Quest	CP/L	333
17 - Royce, The (Broadstone 8 One Hundr	NW	376
18 - Sur512	S	352
19 - Townhomes at Double Creek (AH)	RR	160
20 - Twelve100 (Griffis North Austin)	N	384
21 - Walden Square Homes	NE	82
22 - Windsor Ridge (Lenox Ridge)	N	350

## ANNUAL SALES PRICE PER UNIT BY SUBMARKET



While tensions were high heading into the unknown in the first half of the year, confidence in the market returned during final quarters. The initial uncertainty kept annual figures down, as the volume of sales decreased 38%, from 101 in 2019 to 65 during 2020.

During the fourth quarter, there were 22 properties totaling 6,827 units that traded hands. These units averaged a price per unit of \$206,657 or \$245 psf, with an average build date of 2007. Cap rates were reported between 3-4%. The N and SEC submarkets were popular for quarterly sales.

The number of properties offered for sale remained consistent over the quarter, with 22 properties on the market. The numbers are small at present, but the struggling hotel industry has created interest among investors to convert these units into rentable micro units. A possible trend, but one that would likely be short lived as conversion is pricey. Apartment to condo conversions have seen a slight uptick, as have properties entering into receivership - an unfortunate event the market hasn't seen in a very long time.

# Austin Region Multi-Family Trend Report / 4Q20

## MARKET OVERALL

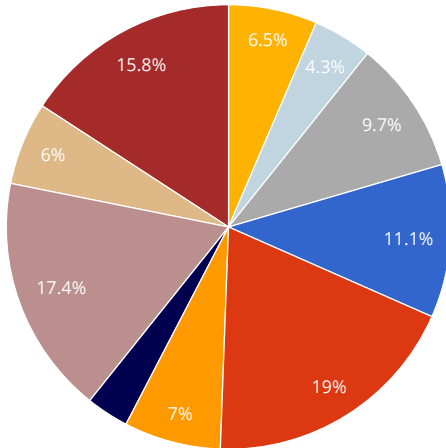
4Q20	CURRENT CONSTRUCTION		CNV COMPLETIONS		ABSORPTION		OCCUPANCY		RENTAL		ANNUAL SALES \$ Per Unit
	Rentable Units	CNV Const Remaining	12 MOS	24 MOS	12 MOS	24 MOS	4Q20	Annual Change	4Q20	Annual Change	
BAS	1,001	-	-	140	187	304	97.00%	1.28%	\$1.21	1.31%	-
C	5,773	1,223	13	424	-238	214	91.58%	-4.94%	\$1.77	-10.92%	\$243,856
CBD	4,458	1,873	94	217	44	129	93.72%	-1.01%	\$2.60	-5.62%	-
CP/L	13,120	2,215	2,388	2,715	1,359	1,796	86.46%	-6.57%	\$1.38	-0.52%	\$198,198
E	508	1,317	-	-	-3	1	93.31%	-0.59%	\$1.22	2.62%	-
EC	5,941	2,427	403	1,134	-21	820	87.29%	-7.76%	\$1.83	-16.46%	\$251,812
HAYS	4,199	939	308	430	219	672	91.33%	-1.60%	\$1.40	3.01%	\$132,215
N	21,029	857	90	412	-671	279	92.97%	-3.63%	\$1.38	-1.25%	\$142,704
NC	10,544	1,420	848	1,740	662	1,683	90.24%	-1.13%	\$1.65	-9.29%	\$107,813
NE	16,834	3,963	1,362	2,990	683	2,729	91.29%	-4.70%	\$1.35	-0.16%	\$177,490
NEC	3,961	565	-	-	-108	40	94.07%	-2.73%	\$1.31	-0.77%	-
NW	28,125	-	72	67	-899	138	93.65%	-4.18%	\$1.36	-2.46%	\$164,517
NWC	6,002	-	-	-	-245	-73	92.00%	-4.27%	\$1.36	-7.82%	\$146,898
RR	12,425	834	591	600	37	514	92.90%	-4.33%	\$1.31	0.89%	\$157,938
S	15,015	2,182	1,263	1,780	742	1,096	90.09%	-2.88%	\$1.41	-4.11%	\$189,969
SC	12,414	947	-	-3	-663	-384	91.80%	-4.51%	\$1.82	-8.17%	\$109,231
SE	6,621	971	680	711	194	438	89.05%	-6.77%	\$1.33	-7.94%	\$165,574
SEC	13,703	1,540	362	1,374	115	607	88.02%	-2.58%	\$1.48	-7.74%	\$177,663
SM	5,265	901	244	633	-75	21	92.02%	2.18%	\$1.29	1.03%	\$156,250
SW	10,556	554	32	552	-52	663	93.25%	-0.78%	\$1.44	-5.52%	\$203,925
UT	1,351	700	-	-	-65	-154	88.75%	-4.81%	\$1.91	-8.28%	\$692,771
W	5,146	349	-	208	50	310	93.90%	0.97%	\$1.47	-3.42%	\$227,539
WMS	6,124	635	357	1,137	806	1,699	94.14%	6.55%	\$1.38	2.02%	\$167,937
Total	210,115	26,412	9,107	17,261	2,058	13,542	91.47%	-3.30%	\$1.47	-4.42%	\$181,311

# Austin Region Multi-Family Trend Report / 4Q20

## Industry Composition



- Mining, Logging and Construction
- Other Services
- Leisure and Hospitality
- Education and Health Services
- Professional and Business Services
- Financial Activities
- Information
- Trade, Transportation, and Utilities
- Manufacturing
- Government



Industry Size Class			
Size Class	Employees per firm	Employment in size class	% Total Employment
9	1000 and over	297,863	30.5
8	500-999	91,114	9.3
7	250-499	94,330	9.7
6	100-249	135,271	13.9
5	50-99	94,277	9.7
4	20-49	104,224	10.7
3	10-19	64,380	6.6
2	5-9	45,731	4.7
1	1-4	46,789	4.8

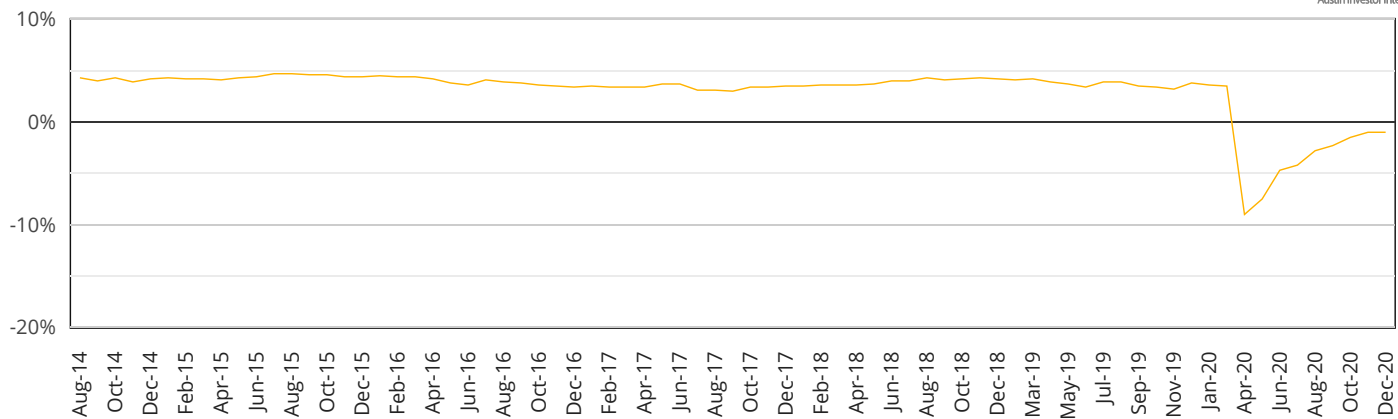
## Employment by Industry

	Dec-2020	Nov-2020	Dec-2019	Monthly Change		Annual Change	
				Actual	%	Actual	%
Mining, Logging and Construction	73,000	71,400	72,100	1,600	2.2	900	1.2
Manufacturing	68,200	66,600	63,000	1,600	2.4	5,200	8.3
Trade, Transportation, and Utilities	196,800	193,000	193,800	3,800	2.0	3,000	1.5
Information	35,100	34,800	39,300	300	0.9	-4,200	-10.7
Financial Activities	79,600	79,500	68,000	100	0.1	11,600	17.1
Professional and Business Services	214,600	211,600	204,000	3,000	1.4	10,600	5.2
Education and Health Services	125,900	124,800	131,300	1,100	0.9	-5,400	-4.1
Leisure and Hospitality	109,900	111,700	137,200	-1,800	-1.6	-27,300	-19.9
Other Services	48,500	47,600	48,600	900	1.9	-100	-0.2
Government	178,900	183,900	184,700	-5,000	-2.7	-5,800	-3.1
<b>Total Nonfarm</b>	<b>1,130,500</b>	<b>1,124,900</b>	<b>1,142,000</b>	<b>5,600</b>	<b>0.5</b>	<b>-11,500</b>	<b>-1.0</b>

Data provided by the Texas Workforce Commission

# Austin Region Multi-Family Trend Report / 4Q20

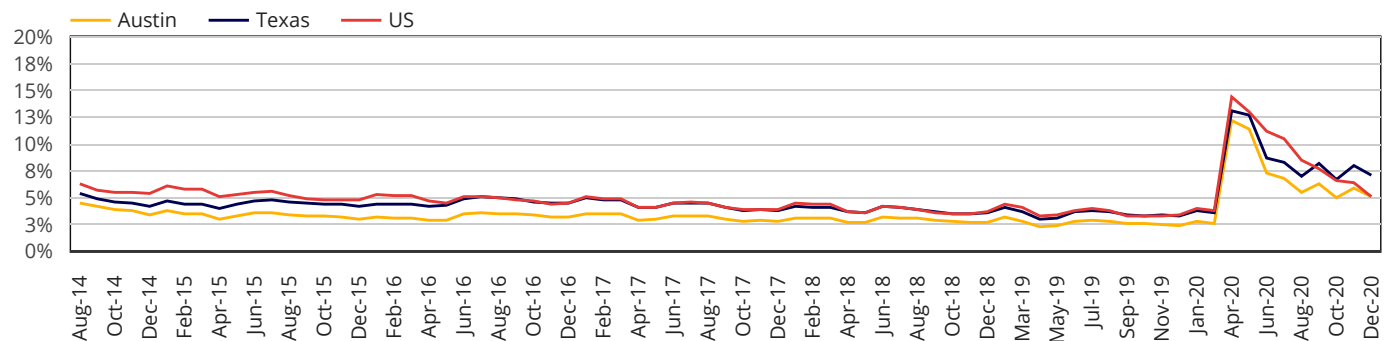
Annual Growth Rate for Total Nonagricultural Employment



Unemployment Information (all estimate in thousands)

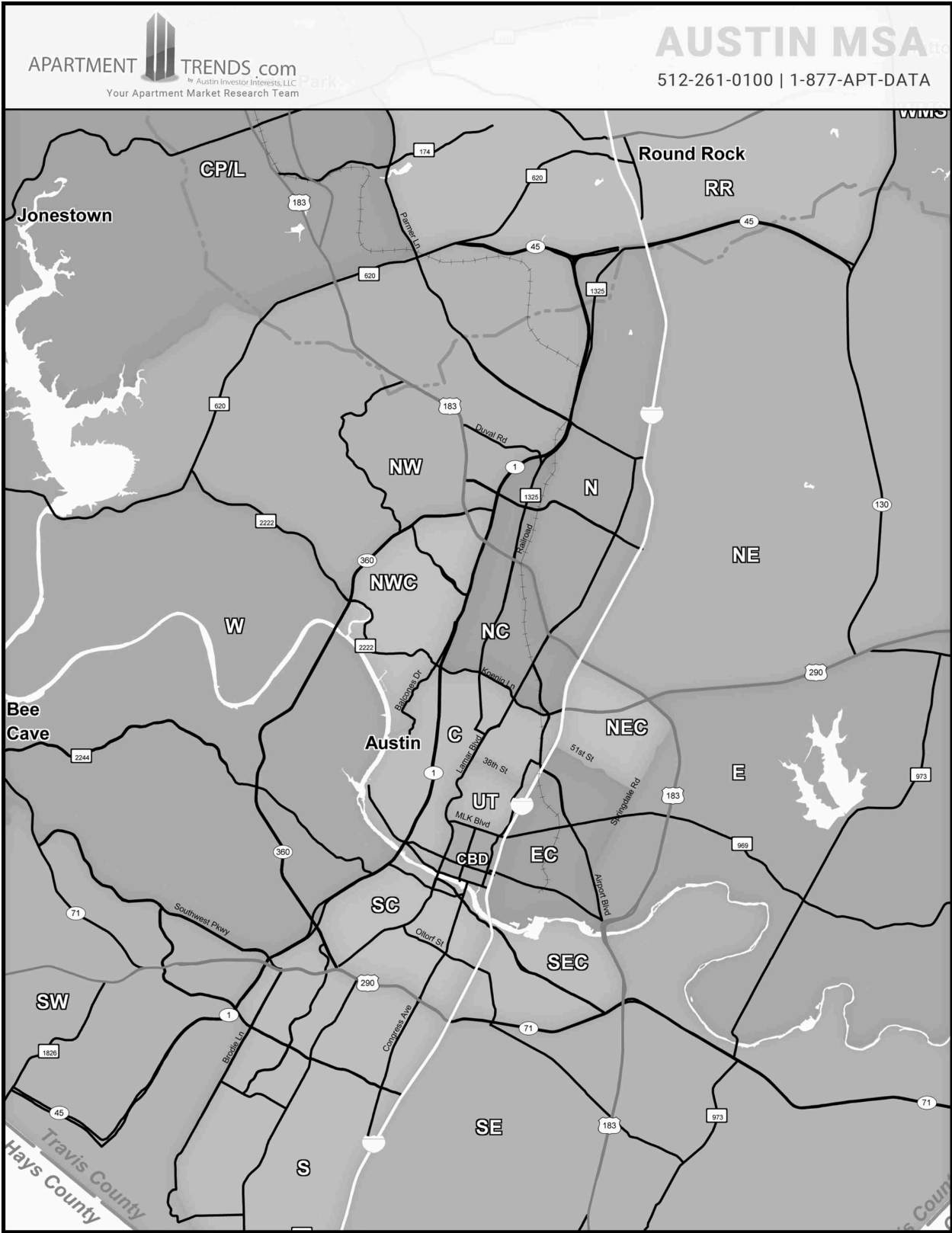
	Austin-Round Rock MSA				Texas (Actual)				United States (Actual)			
	C.L.F.	Emp.	Unemp.	Rate	C.L.F.	Emp.	Unemp.	Rate	C.L.F.	Emp.	Unemp.	Rate
Dec-2020	1,267,150	1,202,103	65,047	5.1	14,170,462	13,163,725	1,006,737	7.1	160,017,000	149,613,000	10,404,000	6.5
Nov-2020	1,268,520	1,193,947	74,573	5.9	14,200,317	13,070,145	1,130,172	8	160,468,000	150,203,000	10,264,000	6.4
Dec-2019	1,255,200	1,224,993	30,207	2.4	14,192,255	13,722,119	470,136	3.3	164,007,000	158,504,000	5,503,000	3.4

Historical Unemployment Rates



Data provided by the Texas Workforce Commission





# HOUSING AUTHORITY OF THE CITY OF AUSTIN

## BOARD ACTION REQUEST

### RESOLUTION NO. 02704

#### ASSISTED HOUSING ITEM NO. 4.

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**MEETING DATE:** April 15, 2021

**STAFF CONTACT:** Lisa Garcia, Vice President of Assisted Housing

**ITEM TITLE:** Presentation, Discussion and Possible Action regarding Resolution No. 02704: Approving the submittal of the Section 8 Management Assessment Program (SEMAP) Certification to the Department of Housing and Urban Development (HUD)

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

#### ACTION

The Board is being asked to approve the submission of the Section 8 Management Assessment Program (SEMAP) Certification to the Department of Housing and Urban Development (HUD) for the period from April 1, 2020 to March 31, 2021.

#### SUMMARY

##### ***Background:***

The Section 8 Management Assessment Program (SEMAP) became effective October 13, 1998 (24 CFR Part 985). This rule establishes SEMAP to objectively measure Public Housing Authorities' (PHAs') performance in the administration of the Housing Choice Voucher program in fourteen (14) key performance areas and a Deconcentration Bonus indicator. In order to receive a deconcentration bonus, worth up to 4 percentage points, the following rules apply.

- 1) 50% or more of HCV families with children would need to reside in low poverty census tracts in the PHA's principal operating area; or
- 2) For HCV families with children who moved, the percent that moved to low poverty census tracts would need to be two percentage points higher than the percent of all HCV families with children residing in low poverty census tracts at the end of the last completed PHA Fiscal year or 3) the percent of families with children who moved during the last two fiscal years is two percentage points higher than the percent of families with children in low poverty census tracts at the end of FY2020. Attachment 2 provides the data for the deconcentration bonus indicator for the 2020/2021 Fiscal Year.

The Board of Commissioners is required to approve the SEMAP certification, and PHAs are required to submit the certification electronically to HUD within 60 calendar days after each fiscal year end.

HUD will independently assess HACA's performance under SEMAP using annual audit reports for indicators 1-7 and the deconcentration bonus indicator and information maintained in HUD's Public and Indian Housing Information Center (PIC) for indicators 8-14. The Lease-up rate is obtained from HUD's Financial Management Center.

***Process:***

HACA's Quality Control Division completed quality control sample audits for indicators #1, #2, and #3. The Assistant Housing Director completed the quality control sample audit for indicator #6. There were two errors identified for indicator #3. There were zero errors identified under indicators #1, 2 and #6.

For this fiscal year's Deconcentration Bonus point analysis, HACA used data from the 2018 American Community Survey with a 12.2% poverty rate. Data analysis shows that the percentage of families with children that live in a low poverty census tracts the last day of the 2020-2021 fiscal year was 48.1%. HACA qualifies for the deconcentration bonus points under #3 of the deconcentration bonus indicator, which states if the percentage of families with children who moved to low poverty census tracts over the last two completed fiscal years is two percentage points higher than the percent of families with children residing in low poverty census tracts at the end of the second to last completed fiscal year, the PHA is eligible for the bonus points. The percent of families with children who moved during the last two fiscal years to a low poverty census tracts (40.5%) is 3.8% higher than the percent of families with children in low poverty census tracts at the end of the 2019-2020 fiscal year (36.7%).

The SEMAP Certification, Attachment 1, summarizes the results of this SEMAP assessment. Based on the review, HACA scored a 104%, which denotes a high performer designation.

***Staff Recommendation:***

Staff recommends that the Board approve the submittal of the SEMAP Certification to HUD for the 2020/2021 Fiscal Year with a score of 104%.

**ATTACHMENTS:**

- ▣ **Attachment 1 SEMAP Certification 2020-2021**
- ▣ **Attachment 2 Deconcentration map 2021**
- ▣ **Attachment 3 comparison of 2021 and 2020 deconcentration maps**

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**RESOLUTION NO. 02704**

**Approving the submittal of the Section 8 Management Assessment Program (SEMAP) Certification  
to  
The Department of Housing and Urban Development**

**WHEREAS**, the Section 8 Management Assessment Program (SEMAP) Certification is designed to allow the Department of Housing and Urban Development (HUD) to identify Public Housing Authorities' (PHAs') management capabilities and deficiencies and help lead to better overall management of the Section 8 program; and

**WHEREAS**, HUD has proposed fourteen (14) specific indicators for SEMAP and requires certification of the PHA; and

**WHEREAS**, the Housing Authority of the City of Austin has completed the SEMAP certification for each indicator listed on form HUD-52648 for the period from April 1, 2020 through March 31, 2021; and

**WHEREAS**, the results of the SEMAP Certification review indicates that the Housing Authority of the City of Austin has a 104% SEMAP assessment score for the 2020/2021 Fiscal Year.

**NOW, THEREFORE, BE IT RESOLVED**, that the Housing Authority of the City of Austin's Board of Commissioners approve the Housing Authority of the City of Austin's SEMAP (Section 8 Management Assessment Program) Certification for the Fiscal Year 2020/2021.

**PASSED, APPROVED, AND ADOPTED** this 15th day of April 2021.

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Michael G. Gerber, Secretary

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Carl S. Richie, Jr., Chairperson

# Section 8 Management Assessment Program (SEMAP) Certification

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0215  
(exp. 02/29/2020)

Public reporting burden for this collection of information is estimated to average 12 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and you are not required to respond to, a collection of information unless it displays a currently valid OMB control number.

This collection of information is required by 24 CFR sec 985.101 which requires a Public Housing Agency (PHA) administering a Section 8 tenant-based assistance program to submit an annual SEMAP Certification within 60 days after the end of its fiscal year. The information from the PHA concerns the performance of the PHA and provides assurance that there is no evidence of seriously deficient performance. HUD uses the information and other data to assess PHA management capabilities and deficiencies, and to assign an overall performance rating to the PHA. Responses are mandatory and the information collected does not lend itself to confidentiality.

**Instructions** Respond to this certification form using the PHA's actual data for the fiscal year just ended.

PHA Name	For PHA FY Ending (mm/dd/yyyy)	Submission Date (mm/dd/yyyy)
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**Check here if the PHA expends less than \$300,000 a year in Federal awards** ☐

Indicators 1 - 7 will not be rated if the PHA expends less than \$300,000 a year in Federal awards and its Section 8 programs are not audited for compliance with regulations by an independent auditor. A PHA that expends less than \$300,000 in Federal awards in a year must still complete the certification for these indicators.

## Performance Indicators

1. Selection from the Waiting List. (24 CFR 982.54(d)(1) and 982.204(a))

(a) The PHA has written policies in its administrative plan for selecting applicants from the waiting list.

**PHA Response** Yes ☐ No ☐

(b) The PHA's quality control samples of applicants reaching the top of the waiting list and of admissions show that at least 98% of the families in the samples were selected from the waiting list for admission in accordance with the PHA's policies and met the selection criteria that determined their places on the waiting list and their order of selection.

**PHA Response** Yes ☐ No ☐

2. Reasonable Rent. (24 CFR 982.4, 982.54(d)(15), 982.158(f)(7) and 982.507)

(a) The PHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units (i) at the time of initial leasing, (ii) before any increase in the rent to owner, and (iii) at the HAP contract anniversary if there is a 5 percent decrease in the published FMR in effect 60 days before the HAP contract anniversary. The PHA's method takes into consideration the location, size, type, quality, and age of the program unit and of similar unassisted units, and any amenities, housing services, maintenance or utilities provided by the owners.

**PHA Response** Yes ☐ No ☐

(b) The PHA's quality control sample of tenant files for which a determination of reasonable rent was required shows that the PHA followed its written method to determine reasonable rent and documented its determination that the rent to owner is reasonable as required for (check one):

**PHA Response** ☐ At least 98% of units sampled ☐ 80 to 97% of units sampled ☐ Less than 80% of units sampled

3. Determination of Adjusted Income. (24 CFR part 5, subpart F and 24 CFR 982.516)

The PHA's quality control sample of tenant files shows that at the time of admission and reexamination, the PHA properly obtained third party verification of adjusted income or documented why third party verification was not available; used the verified information in determining adjusted income; properly attributed allowances for expenses; and, where the family is responsible for utilities under the lease, the PHA used the appropriate utility allowances for the unit leased in determining the gross rent for (check one):

**PHA Response** ☐ At least 90% of files sampled ☐ 80 to 89% of files sampled ☐ Less than 80% of files sampled

4. Utility Allowance Schedule. (24 CFR 982.517)

The PHA maintains an up-to-date utility allowance schedule. The PHA reviewed utility rate data that it obtained within the last 12 months, and adjusted its utility allowance schedule if there has been a change of 10% or more in a utility rate since the last time the utility allowance schedule was revised.

**PHA Response** Yes ☐ No ☐

5. HQS Quality Control Inspections. (24 CFR 982.405(b))

A PHA supervisor (or other qualified person) reinspected a sample of units during the PHA fiscal year, which met the minimum sample size required by HUD (see 24 CFR 985.2), for quality control of HQS inspections. The PHA supervisor's reinspected sample was drawn from recently completed HQS inspections and represents a cross section of neighborhoods and the work of a cross section of inspectors.

**PHA Response** Yes ☐ No ☐

6. HQS Enforcement. (24 CFR 982.404)

The PHA's quality control sample of case files with failed HQS inspections shows that, for all cases sampled, any cited life-threatening HQS deficiencies were corrected within 24 hours from the inspection and, all other cited HQS deficiencies were corrected within no more than 30 calendar days from the inspection or any PHA-approved extension, or, if HQS deficiencies were not corrected within the required time frame, the PHA stopped housing assistance payments beginning no later than the first of the month following the correction period, or took prompt and vigorous action to enforce the family obligations for (check one):

**PHA Response** ☐ At least 98% of cases sampled ☐ Less than 98% of cases sampled

7. Expanding Housing Opportunities. (24 CFR 982.54(d)(5), 982.153(b)(3) and (b)(4), 982.301(a) and 983.301(b)(4) and (b)(12)).

**Applies only to PHAs with jurisdiction in metropolitan FMR areas.**

**Check here if not applicable** ☐

(a) The PHA has a written policy to encourage participation by owners of units outside areas of poverty or minority concentration which clearly delineates areas in its jurisdiction that the PHA considers areas of poverty or minority concentration, and which includes actions the PHA will take to encourage owner participation.

**PHA Response** Yes ☐ No ☐

(b) The PHA has documentation that shows that it took actions indicated in its written policy to encourage participation by owners outside areas of poverty and minority concentration.

**PHA Response** Yes ☐ No ☐

(c) The PHA has prepared maps that show various areas, both within and neighboring its jurisdiction, with housing opportunities outside areas of poverty and minority concentration; the PHA has assembled information about job opportunities, schools and services in these areas; and the PHA uses the maps and related information when briefing voucher holders.

**PHA Response** Yes ☐ No ☐

(d) The PHA's information packet for voucher holders contains either a list of owners who are willing to lease, or properties available for lease, under the voucher program, or a list of other organizations that will help families find units and the list includes properties or organizations that operate outside areas of poverty or minority concentration.

**PHA Response** Yes ☐ No ☐

(e) The PHA's information packet includes an explanation of how portability works and includes a list of neighboring PHAs with the name, address and telephone number of a portability contact person at each.

**PHA Response** Yes ☐ No ☐

(f) The PHA has analyzed whether voucher holders have experienced difficulties in finding housing outside areas of poverty or minority concentration and, where such difficulties were found, the PHA has considered whether it is appropriate to seek approval of exception payment standard amounts in any part of its jurisdiction and has sought HUD approval when necessary.

**PHA Response** Yes ☐ No ☐

8. Payment Standards. The PHA has adopted current payment standards for the voucher program by unit size for each FMR area in the PHA jurisdiction and, if applicable, for each PHA-designated part of an FMR area, which do not exceed 110 percent of the current applicable FMR and which are not less than 90 percent of the current FMR (unless a lower percent is approved by HUD). (24 CFR 982.503)

**PHA Response** Yes ☐ No ☐

Enter current FMRs and payment standards (PS)

0-BR FMR _____	1-BR FMR _____	2-BR FMR _____	3-BR FMR _____	4-BR FMR _____
PS _____	PS _____	PS _____	PS _____	PS _____

**If the PHA has jurisdiction in more than one FMR area, and/or if the PHA has established separate payment standards for a PHA-designated part of an FMR area, attach similar FMR and payment standard comparisons for each FMR area and designated area.**

9. Annual Reexaminations. The PHA completes a reexamination for each participating family at least every 12 months. (24 CFR 982.516)

**PHA Response** Yes ☐ No ☐

10. Correct Tenant Rent Calculations. The PHA correctly calculates tenant rent in the rental certificate program and the family rent to owner in the rental voucher program. (24 CFR 982, Subpart K)

**PHA Response** Yes ☐ No ☐

11. Precontract HQS Inspections. Each newly leased unit passed HQS inspection before the beginning date of the assisted lease and HAP contract. (24 CFR 982.305)

**PHA Response** Yes ☐ No ☐

12. Annual HQS Inspections. The PHA inspects each unit under contract at least annually. (24 CFR 982.405(a))

**PHA Response** Yes ☐ No ☐

13. Lease-Up. The PHA executes assistance contracts on behalf of eligible families for the number of units that has been under budget for at least one year.

**PHA Response** Yes ☐ No ☐

- 14a. Family Self-Sufficiency Enrollment. The PHA has enrolled families in FSS as required. (24 CFR 984.105)

**Applies only to PHAs required to administer an FSS program.**

**Check here if not applicable** ☐

**PHA Response**

a. Number of mandatory FSS slots (Count units funded under the FY 1992 FSS incentive awards and in FY 1993 and later through 10/20/1998. Exclude units funded in connection with Section 8 and Section 23 project-based contract terminations; public housing demolition, disposition and replacement; HUD multifamily property sales; prepaid or terminated mortgages under section 236 or section 221(d)(3); and Section 8 renewal funding. Subtract the number of families that successfully completed their contracts on or after 10/21/1998.)


or, Number of mandatory FSS slots under HUD-approved exception

b. Number of FSS families currently enrolled

c. Portability: If you are the **initial** PHA, enter the number of families currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

Percent of FSS slots filled (b + c divided by a)

14b. Percent of FSS Participants with Escrow Account Balances. The PHA has made progress in supporting family self-sufficiency as measured by the percent of currently enrolled FSS families with escrow account balances. (24 CFR 984.305)

**Applies only to PHAs required to administer an FSS program .**

**Check here if not applicable** ☐

**PHA Response**

**Yes** ☐

**No** ☐

Portability: If you are the **initial** PHA, enter the number of families with FSS escrow accounts currently enrolled in your FSS program, but who have moved under portability and whose Section 8 assistance is administered by another PHA

**Deconcentration Bonus Indicator** (Optional and only for PHAs with jurisdiction in metropolitan FMR areas).

The PHA is submitting with this certification data which show that:

- (1) Half or more of all Section 8 families with children assisted by the PHA in its principal operating area resided in low poverty census tracts at the end of the last PHA FY;
- (2) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area during the last PHA FY is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the last PHA FY;

**or**

- (3) The percent of Section 8 mover families with children who moved to low poverty census tracts in the PHA's principal operating area over the last two PHA FYs is at least two percentage points higher than the percent of all Section 8 families with children who resided in low poverty census tracts at the end of the second to last PHA FY.

**PHA Response**

**Yes** ☐

**No** ☐

**If yes, attach completed deconcentration bonus indicator addendum.**

I hereby certify that, to the best of my knowledge, the above responses under the Section 8 Management Assessment Program (SEMAP) are true and accurate for the PHA fiscal year indicated above. I also certify that, to my present knowledge, there is not evidence to indicate seriously deficient performance that casts doubt on the PHA's capacity to administer Section 8 rental assistance in accordance with Federal law and regulations.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Executive Director, signature

Chairperson, Board of Commissioners, signature

Date (mm/dd/yyyy) \_\_\_\_\_

Date (mm/dd/yyyy) \_\_\_\_\_

The PHA may include with its SEMAP certification any information bearing on the accuracy or completeness of the information used by the PHA in providing its certification.

# SEMAP Certification - Addendum for Reporting Data for Deconcentration Bonus Indicator

Date (mm/dd/yyyy) \_\_\_\_\_

PHA Name \_\_\_\_\_

Principal Operating Area of PHA \_\_\_\_\_  
(The geographic entity for which the Census tabulates data)

**Special Instructions for State or regional PHAs** Complete a copy of this addendum for each metropolitan area or portion of a metropolitan area (i.e., principal operating areas) where the PHA has assisted 20 or more Section 8 families with children in the last completed PHA FY. HUD will rate the areas separately and the separate ratings will then be weighted by the number of assisted families with children in each area and averaged to determine bonus points.

1990 Census Poverty Rate of Principal Operating Area \_\_\_\_\_

## Criteria to Obtain Deconcentration Indicator Bonus Points

To qualify for bonus points, a PHA must complete the requested information and answer yes for only one of the 3 criteria below. However, State and regional PHAs must always complete line 1) b for each metropolitan principal operating area.

- 1) \_\_\_\_\_ a. Number of Section 8 families with children assisted by the PHA in its principal operating area at the end of the last PHA FY who live in low poverty census tracts. A low poverty census tract is a tract with a poverty rate at or below the overall poverty rate for the principal operating area of the PHA, or at or below 10% whichever is greater.
- \_\_\_\_\_ b. Total Section 8 families with children assisted by the PHA in its principal operating area at the end of the last PHA FY.
- \_\_\_\_\_ c. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the last PHA FY (line a divided by line b).

Is line c 50% or more? Yes ☐ No ☐

- 2) \_\_\_\_\_ a. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the last completed PHA FY.
- \_\_\_\_\_ b. Number of Section 8 families with children who moved to low poverty census tracts during the last completed PHA FY.
- \_\_\_\_\_ c. Number of Section 8 families with children who moved during the last completed PHA FY.
- \_\_\_\_\_ d. Percent of all Section 8 mover families with children who moved to low poverty census tracts during the last PHA fiscal year (line b divided by line c).

Is line d at least two percentage points higher than line a? Yes ☐ No ☐

- 3) \_\_\_\_\_ a. Percent of all Section 8 families with children residing in low poverty census tracts in the PHA's principal operating area at the end of the second to last completed PHA FY.
- \_\_\_\_\_ b. Number of Section 8 families with children who moved to low poverty census tracts during the last two completed PHA FYs.
- \_\_\_\_\_ c. Number of Section 8 families with children who moved during the last two completed PHA FYs.
- \_\_\_\_\_ d. Percent of all Section 8 mover families with children who moved to low poverty census tracts over the last two completed PHA FYs (line b divided by line c).

Is line d at least two percentage points higher than line a? Yes ☐ No ☐

**If one of the 3 criteria above is met, the PHA may be eligible for 5 bonus points.**

**See instructions above concerning bonus points for State and regional PHAs.**

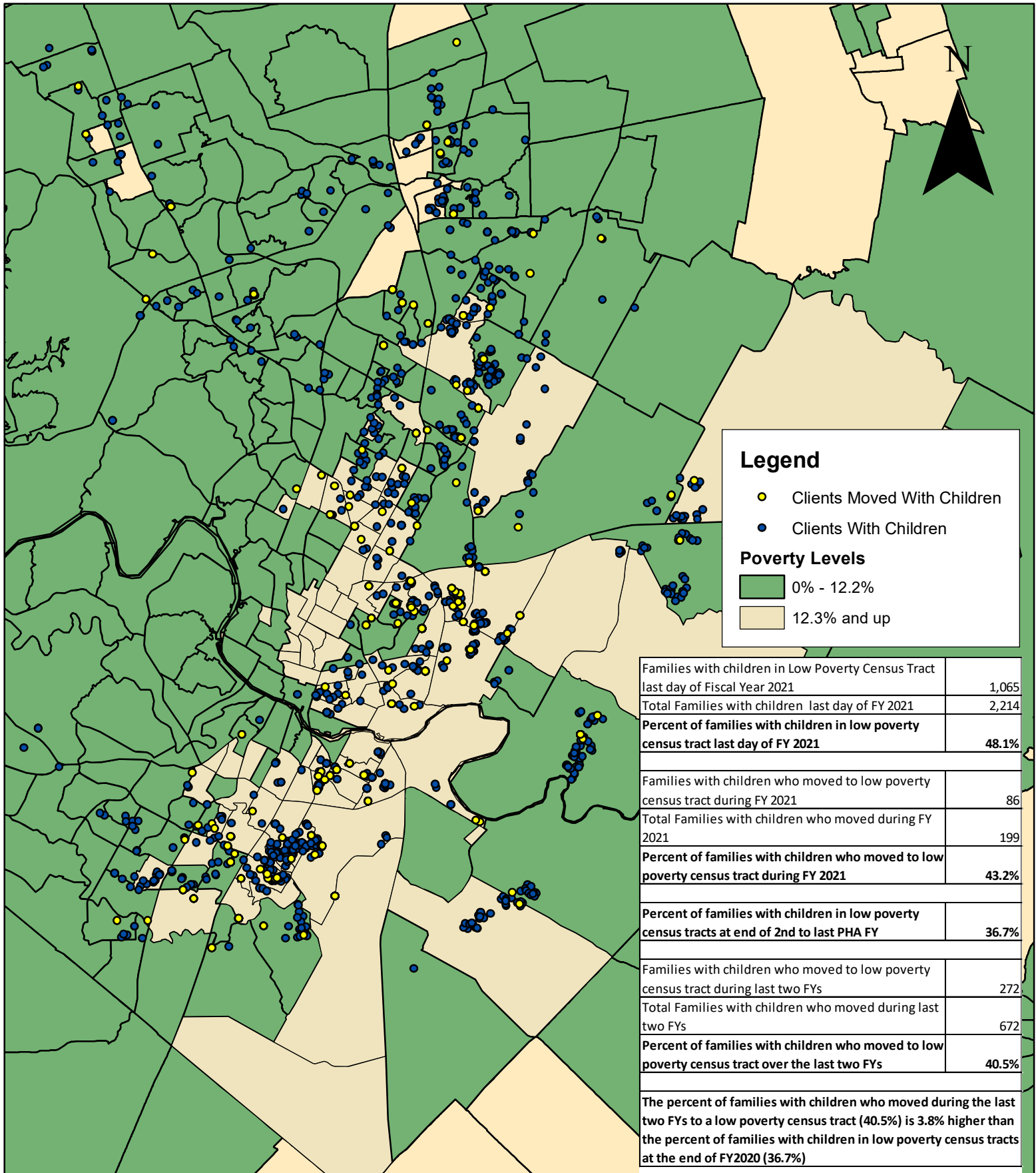




# Housing Authority of the City of Austin

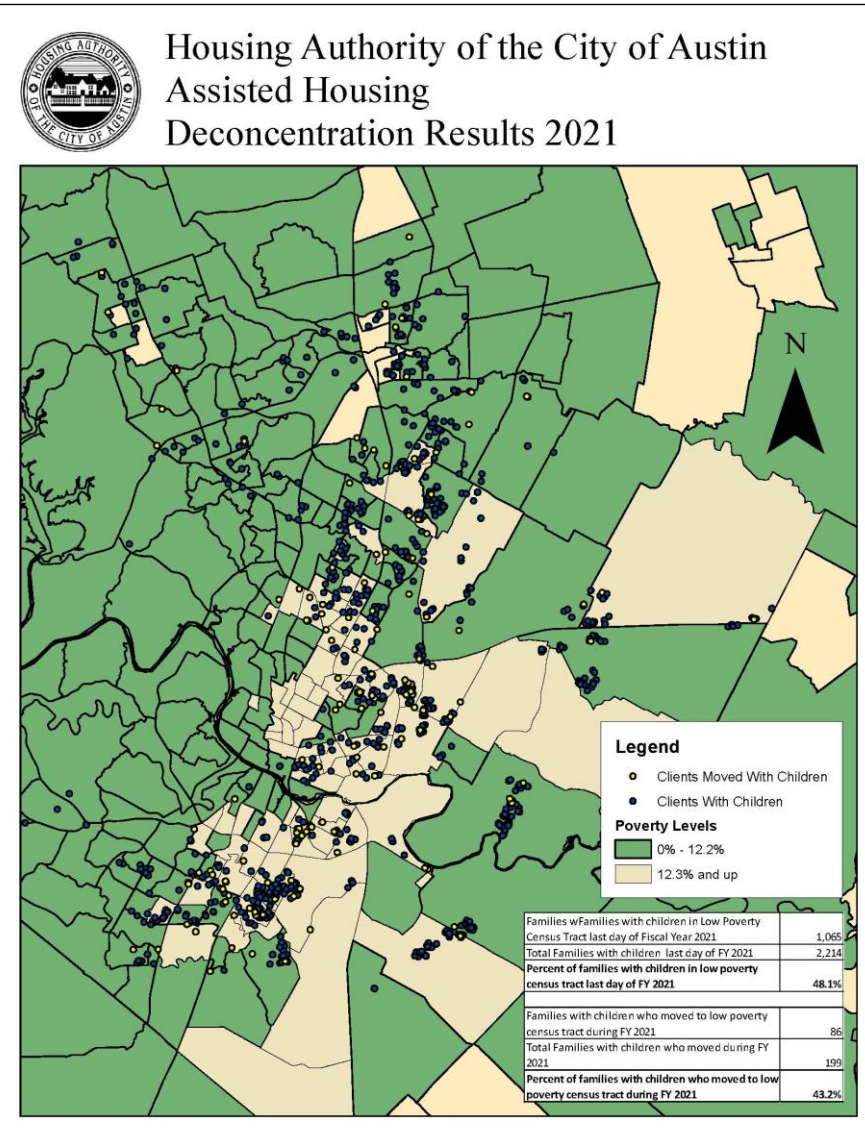
## Assisted Housing

### Deconcentration Results 2021

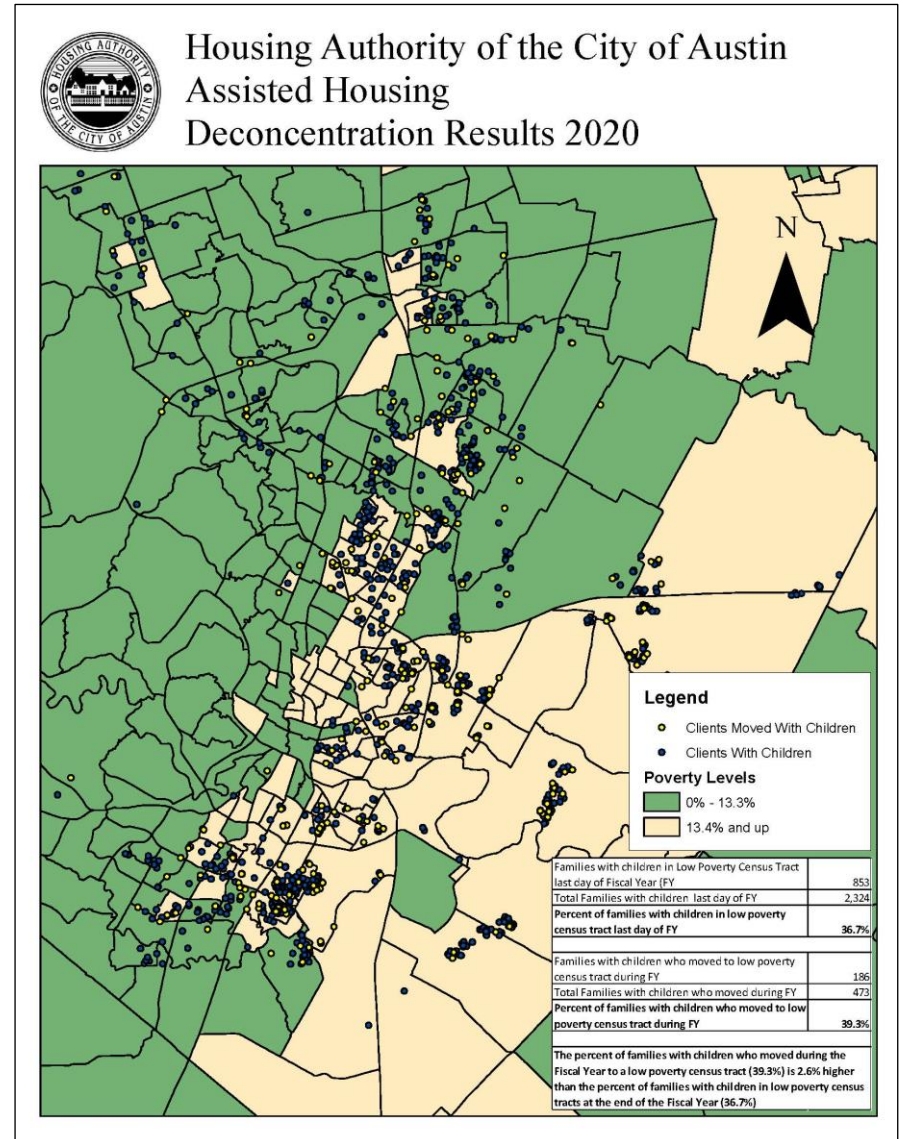


## Visual representation of the changes to the low poverty areas in Austin between 2016 and 2018.

The poverty rate of 12.2% used for the 2021 deconcentration map is from the ACS 2019 data set. The map files used to visually represent Austin's low poverty tracts is from the ACS 2018 map files. Both data sets are the most recent available.



The poverty rate of 13.3% used for the 2020 deconcentration map is from the ACS 2018 data set. The map files used to visually represent Austin's low poverty tracts is from the ACS 2016 map files. Both data sets were the most recent available when the map was created.



**HOUSING AUTHORITY OF THE CITY OF AUSTIN**  
**REPORT**  
**AUSTIN AFFORDABLE HOUSING CORPORATION**  
**ITEM NO. 5.**

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**MEETING DATE:** April 15, 2021

**STAFF CONTACT:** Ron Kowal, Vice President of Housing Development/Asset Mgmt

**ITEM TITLE:** Update on AAHC's acquisition and development programs

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

# HOUSING AUTHORITY OF THE CITY OF AUSTIN

## BOARD ACTION REQUEST

### RESOLUTION NO. 02705

#### AUSTIN AFFORDABLE HOUSING CORPORATION

#### ITEM NO. 6.

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**MEETING DATE:** April 15, 2021

**STAFF CONTACT:** Ron Kowal, Vice President of Housing Development/Asset Mgmt

**ITEM TITLE:** Presentation, discussion, and possible action on Resolution No. 02705: Approval by the Board of Commissioners of the Housing Authority of the City of Austin (the “Authority”) authorizing the Authority to take the following actions with regard to the IMT Southpark (the “Development”) in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution

**BUDGETED ITEM:** N/A

**TOTAL COST:** N/A

### ACTION

The Board is being asked to approve Resolution No. 02705 authorizing the Authority to take the following actions with regard to the IMT Southpark (the “Development”) in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution.

### SUMMARY

#### ***Background:***

Austin Affordable Housing Corporation (AAHC) has been presented an opportunity to partner with Belveron Corporation, to purchase a 570 unit apartment complex called the IMT Southpark North. The complex is located at 715 W. Slaughter Lane, Austin, Texas 78748, just south of Slaughter Lane.

AAHC’s proposed partner, Belveron Corporation, prides itself on long term preservation of workforce housing. Located out of San Francisco, Belveron, is a privately held investment firm with a current portfolio of more than 25,000 units across the United States. Founded in 2006, Belveron have invested in more than 200 properties in 32 states. AAHC is working with Managing partner, Paul Odland, and Senior Portfolio Manager, Josh Plattner. This would be AAHC’s fifth acquisition with the Belveron team.

The IMT Southpark was built in 2014 and sits on 16.25 acres. Some of the property amenities include a sparkling swimming pool with lounge seating and a poolside cabana, outdoor kitchen with 2 gas grills, 24-hour athletic center, an elegant clubhouse with entertainment spaces and a big screen TV and a large dog park with

agility equipment, package lockers and a spacious private business center. All units come with full size washer and dryers. Other amenities include a large game room and private pet yards. The property feeds into Casey Elementary School, Bedichek Middle School and Akins High School. The property’s location provides fantastic access to many employers, retail shops, grocery stores and medical providers. Below is a breakdown of the many variations of unit sizes. The property is currently 97% occupied and rents currently range from \$1,046 for a 1 bedroom to \$1,934 for a 3 bedroom.

360 1-bedroom/1-bath	582 square feet to 921 square feet
184 2-bedroom/2-bath	963 square feet to 1202 square feet
26 3-bedroom/2 bath	1,321 square feet to 1388 square feet.

***Process:***

The purchase price for the IMT Southpark \$116,500,000. Belveron will be investing approximately \$27MM as a down payment. In addition, Belveron will place an additional \$1,200,000.00 for future capital needs. Fannie Mae will carry the debt of approximately \$94 MM at a rate of 3.35%. Belveron has also committed to place in escrow an additional reserve amount equal to 1 full year of mortgage payments to ease any future rental issues due to the Covid-19 virus. AAHC will not have any liability and will not be responsible for any guarantees required by the lender. 86% of the property's current residents earn below 80% AMI and AAHC and Belveron have committed to not raising rents for the next 12 months and are committed to leasing to HCV voucher holders. The property will be managed by Apartment Management Professionals.

***Staff Recommendation:***

Board approval will authorize the Authority to take the following actions with regard to the IMT Southpark (the “Development”) in Austin, Texas: (i) acquire the site of the Development; (ii) lease the Development site to the owner of the Development; and (iii) such other actions necessary or convenient to carry out this Resolution.

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**RESOLUTION NO. 02705**

**Resolution authorizing the Housing Authority Of The City Of Austin to take the following actions with regard to the IMT Southpark Apartments (the “Development”) in Austin, Texas: (A) acquire the site of the Development; (B) lease the Development site to the owner of the Development; and (C) such other actions necessary or convenient to carry out this Resolution.**

**WHEREAS**, Austin Affordable Housing Corporation (“AAHC”) has agreed to participate in the acquisition and rehabilitation of the Development;

**WHEREAS**, in connection therewith, the Housing Authority of the City of Austin (“HACA”) has agreed to acquire certain real property in Austin, Texas (the “Land”), which constitutes the site for the Development, and to simultaneously lease the Land to Southpark Apartments LLC, a Delaware limited liability company the managing member of which is an affiliate of AAHC (the “Owner”), under a long-term ground lease (the “Ground Lease”);

**NOW, THEREFORE**, the Board of Commissioners of HACA hereby approves and adopts the following resolutions, and hereby authorizes its Chief Executive Officer (or the Chief Executive Officer’s designee) to do the following:

1. Acquire the Land and enter into the Ground Lease with the Owner.
2. Review, execute and approve the Ground Lease and all such other documents necessary to effectuate the acquisition of the Land, execution of the Ground Lease and Owner’s acquisition of the Development, including but not limited to such security instruments and estoppel certificates as any lender involved with the Development may require, all on such terms and containing such provisions as the Chief Executive Officer (or his designee) shall deem appropriate, and the approval of the terms of each such instrument shall be conclusively evidenced by his execution and delivery thereof.

This resolution shall be in full force and effect from and upon its adoption.

*[End of Resolution]*

**PASSED, APPROVED and ADOPTED** this 15th day of April, 2021.

\_\_\_\_\_  
Chairman

**ATTEST:**

\_\_\_\_\_  
Secretary